Miami University
Board of Trustees Finance & Audit Committee Meeting
Marcum Conference Center
December 7, 2017
1 p.m. –5 p.m.

Executive Session, 1 p.m. to 1:30 p.m.

1. Consult with Counsel –Robin Parker
2. The Sale of Property –Robin Parker

Business Session, 1:30 p.m. to 5 p.m.

1. Approval of Minutes of September 14, 2017 Finance & Audit Committee Meeting –John Altman

2. FY 2017 Financial Statements and Audit Results –David Creamer, Sarah Persinger –RSM US: Matt Garvey, Dave Andrews
   a. Management's Report on Financial Statements
   b. Report from Independent Auditors
   c. Private Meeting with Independent Auditors (no enclosure)
   d. Miami University Foundation Financial Statements

3. FY 2019 Budget Planning Discussion –David Creamer, David Ellis, Cathy Bishop-Clark
   a. Regional Campus Tuition Guarantee
   b. Oxford Budget Scenarios
   c. Room and Board
   d. Resolution Authorizing the Establishment of a Strategic Initiatives Fund

4. Tuition and Career Fee Ordinance –David Creamer, David Ellis, Michael Kabbaz

5. Report on Facilities, Construction and Real Estate –David Creamer, Cody Powell,
   a. Status of Capital Projects
   b. Resolutions
      i. Capital Improvements
      ii. North Quad Renovation

6. Report on Year-to-Date Operating Results Compared to Budget –David Creamer, David Ellis

7. Efficiency Report –David Creamer, David Ellis
   a. Resolution
   b. Master Recommendation 2
   c. Report

8. Fall 2018 Professional MBA Ordinance –David Creamer

(over)

9. Sandra Jean Kelly Quasi-endowments	–David Creamer, Bruce Guiot
10. Retirement Plans Resolution	–David Creamer
11. Report on Investment Subcommittee	–John Altman, David Budig

a. Resolution to Amend the Non-endowment Funds Annual Expenditure Policy
b. Resolution to Amend the Non-endowment Funds Investment Policy
c. Resolution Authorizing the Miami University Foundation to Engage an Outside Chief Investment Officer to Manage the Pooled Investment Fund

12. Comprehensive Campaign Update (see University Advancement Reporting Update)	–Tom Herbert
13. Forward Agenda Priorities	–John Altman

Reporting Updates

1. University Advancement Update	–Committee Packet
2. Cash and Investments Report	–Committee Packet
3. Internal Audit Report	–Committee Packet
4. Enrollment Report	–Committee Packet
5. Lean Project Update	–Committee Packet

Future Meeting Dates

Thursday, February 15, 2018, 1:30 p.m.
Thursday, May 17, 2018, 1:30 p.m.
Thursday, June 21, 2018, 1:30 p.m.
Thursday, September 13, 2018, 1:30 p.m.
Thursday, December 13, 2018, 1:30 p.m.

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BOARD OF TRUSTEES
MIAMI UNIVERSITY
Minutes of the Finance and Audit Committee Meeting
September 14, 2017
Room 180-6, Marcum Conference Center

The Finance and Audit Committee of the Miami University Board of Trustees met on June 22, 2017 in Marcum conference Center, on the Oxford campus. The meeting was called to order by Committee Chair John Altman at 12:30 p.m., roll was called with a majority of the members present, constituting a quorum. Attending with Chair Altman, were Committee members, Trustees Jagdish Bhati, David Budig, Sandra Collins, Mark Ridenour, and Rod Robinson, National Trustees Robert Coletti, and Michael Gooden, along with Trustees Tom Gunlock, John Pascoe and Robert Shroder, Student Trustee Hallie Jankura, and National Trustees Terry Hershey and Diane Perlmutter.

In addition to the Trustees, David Creamer, Senior Vice President for Finance and Business Services, and Treasurer; Phyllis Callahan, Provost and Executive Vice President; Tom Herbert, Senior Vice President for Advancement; Michael Kabbaz, Senior Vice President for Enrollment Management and Student Success; Jayne Brownell, Vice President for Student Affairs; and Pete Natale, Vice President for Information Technology, were present. Also present were; Robin Parker, General Counsel; David Ellis, Associate Vice President for Budgeting and Analysis; Cody Powell, Associate Vice President for Facilities Planning and Operations; Bruce Guiot, Chief Investment Officer; Sarah Persinger, Controller; Lori Cramer, interim Associate Vice President for Auxiliaries; Mark Taylor, Chief Procurement Officer; Joe Bazeley, Assistant Vice President for Security Compliance and Risk Management; Lindsay Carpenter, Assistant Provost, Budget and Analytics; Susan Schaurer, Assistant Vice President and Director of Admission; Brent Shock, Assistant Vice President for Enrollment Management and Director of Student Financial Services; Troy Travis, Assistant Vice President for IT, Enterprise Operations; Dr. Amit Shukla, Chair, Fiscal Priorities and Budget Planning Committee; Barb Jena, Director of Internal Audit and Consulting; Jen Morrison, Associate Controller; John Seibert, Director, Planning, Architecture and Engineering; Gary Steelman, Regional Senior Budget Director; Claire Wagner, Director of University News and Communication; and Ted Pickerill, Secretary to the Board of Trustees.

<u>Public Business Session</u>

Approval of the Minutes

Chair Altman welcomed all to the meeting, National Trustee Gooden then moved, Trustee Robinson seconded and by voice vote the minutes from the prior meeting of the Finance and Audit Committee were unanimously approved.

Report on Facilities, Construction and Real Estate

Capital Projects

Associate Vice President Cody Powell updated the Committee on major construction and renovation projects. He stated seven major projected were completed, all on time with approximately 8% of the project budgets returned. The Central Campus Quad, parking, and infrastructure, are due for completion by November, 2017. He reported that because there had been some scope shift, the contingency funds for these projects will likely be consumed. The Campus Avenue Building, Minnich and Scott Hall projects are being worked simultaneously, with the contingency currently at 100%

The new residence halls at Withrow and the former tennis courts are on schedule and due for completion by August, 2018. After completion, there should be over 8,100 beds on campus, able to meet demand, and actually able to provide some accommodation for upper class. The future plan includes taking some older buildings off-line, such as Swing Hall.

Pearson Hall renovation has begun. It is a phased occupied renovation, funded through a combination of State and local support. Shriver Hall's phased renovations should conclude late next spring.

Duke Energy is installing new transmission lines, to be completed by 2020, with steel poles planned to line Spring Street. Miami is working with them for a possible reroute around the outskirts of campus, on a cost-sharing basis. This is likely a $4M project, with the Committee's consensus being to continue the dialogue.

Six Year Capital Plan

This topic is normally presented every other September, in conjunction with the State's biennial allocation. The State has indicated that the appropriation will likely occur during the spring of 2018. The Committee will be updated on this topic in December.

Associated materials are included as Attachment A.

Fall Enrollment and Net Tuition Revenue

The second cohort of the Miami Promise tuition plan are now enrolled. Vice President Creamer reviewed with the committee the recent trend in net tuition revenue and the problem that is developing from the absence of growth in net tuition for recent cohorts. The possibility of increased transfer students was discussed, but will require enhancing Miami's relationship with Community Colleges, particularly by Miami's Academic Departments. The pathway for relocating students was also discussed, as were the opportunities for new enrollments from degrees on the Regional Campuses, such as the new Commence degree.

Associated materials are included as Attachment B.

Preliminary Year End Operating Results.

Senior Vice President Creamer reviewed the unaudited (the audited statements will be provided in December) results, which show a positive variance for the year. There was discussion of the carryover funds held by academic divisions, retirement fund liabilities, and increases in Quasi Endowments, which totaled $27M year over year.

The long-term debt accumulated for residence and dining halls was also discussed, with the annual debt service requirement being $35M in 2017 but will grow to $42 million in 2018.

A Bond reissue was proposed, to retire higher interest, for existing debt. The purpose of the resolution being to provide the authorization for refunding bonds should interest rates support the calling of a portion of the 2012 bonds. National Trustee Gooden then moved, Trustee Robinson seconded and by voice vote the Committee unanimously recommended approval of the bond reissue resolution by the full Board.

Associated materials are included as Attachment C.

Regional Campus Tuition Guarantee

The possibility of implementing the tuition guarantee for the Regional Campuses was discussed. The guarantee would provide certainty in the cost of tuition; however, implementation is more challenging than on the Oxford Campus, due to the Regional's two-tier tuition pricing.

Associated materials are included as Attachment D.

Annual Efficiency Report

Senior Vice President Creamer reported that Miami will be submitting the required update to the Chancellor. Dave Ellis reviewed the Task Force on Affordability and Efficiency's areas of focus. The Committee was informed that Miami had received permission from the State to submit the reports now, with the Board's resolution to follow from the December meeting.

Associated materials are included as Attachment E.

Internal Audit

Director of Internal Audit and Consulting, Barbara Jena, presented the internal audit report. She reviewed the annual audit plan, and asked the Committee for comments, and received no objections to implementing the plan.

Ms. Jena highlighted some audit projects, including IT's project prioritization process, and Enterprise Risk and Compliance Assessment. The consensus of the Risk Assessment process is that it is working well, and the one-on-one discussions with Trustees which contribute to it should be continued.

She stated that Human Resources was included in the plan due to significant, recent turnover, with duties and assignments being reviewed. Also included were Quasi Endowments to review compliance with restrictions.

On the subject of endowments, Board Chair Ridenour added that Senior Vice President for Advancement Herbert plans to speak with each Trustee about how they can help with the next campaign.

Ms. Jena informed them of the upcoming Quality Assurance Review, an every five-year review of the University's Internal Audit process. During the last review, Miami received the highest category. The Institute of Internal Auditors, an independent organization, will conducts the audit.

The Committee directed her to proceed with the audit plan. All observers then departed, and the Committee held a private meeting with Ms. Jena.

Associated materials are included as Attachment F.

Investment Subcommittee

Trustee Budig reported on behalf of the Investment Subcommittee. The Subcommittee considered no resolutions, but did examine the policy for investment of long term, non-endowed funds. Current policy is not congruent with the goal to allow investment for a higher possible return on a portion of the non-endowed funds while maintaining the low volatility required by policy. The current policy is restrictive in the down side exposure, which essentially would exclude equity investments in the current low interest rate environment. Trustee Budig reported that the policy would be reviewed and a resolution brought to the Board in December to modify the investment requirements. He further stated that in discussing potential investments, that it was the consensus of the Subcommittee that private equity investments would not be appropriate.

Trustee Budig also updated the Committee on the most recent Foundation meeting, stating that the Foundation expects to issue an RFP for an outside Chief Investment Officer.

He also stated that it was the consensus of the Subcommittee that its membership should include investment expertise, and that this is a quality which might be best brought to the Subcommittee through National Trustees.

Minutes from the subcommittee meeting are included as Attachment G.

Forward Agenda

Dr. Creamer discussed current reserves, and it was asked what is the best way to leverage those dollars for the long term, perhaps through a Strategic Future Fund. Chair Altman directed that this be included as an agenda item for future meetings

Associated materials are included as Attachment H.

Additional Reports

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

Advancement Update, Attachment I
Enrollment Report, Attachment J
Cash and Investments, Attachment K
Lean Project Update, Attachment L

Adjournment

With no more business to come before the Committee, Trustee Bhati then moved, Trustee Budig seconded, and by unanimous voice vote, the Committee adjourned at 4:00 p.m.

Theodore O. Pickerill II
Secretary to the Board of Trustees

Business Session
Item 2a

Miami University

Report to the Finance and Audit Committee
October 13, 2017

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October 13, 2017

Finance and Audit Committee
Miami University
Oxford, OH

We are pleased to present this report related to our audit of the financial statements of Miami University (the University) as of and for the year ended June 30, 2017. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for Miami University's financial reporting process.

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

RSM US LLP

Contents

Required Communications

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

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States, have been described to you in our arrangement letter dated April 20, 2017. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of, and planned audit response to significant risks of material misstatement during our meeting on April 20, 2017.
Accounting Policies and Practices	**Adoption of, or Change in, Accounting Policies** Management has the ultimate responsibility for the appropriateness of the accounting policies used by the University. The University adopted a number of Government Accounting Standards Board (GASB) pronouncements in the current year as illustrated in Note 1 of the financial report, however, these did not have a material impact on the financial statements for the year ending June 30, 2017. **Upcoming Pronouncements** Reference "Basis of Presentation" footnote for a listing of upcoming GASB pronouncements with discussion of potential impact on the University. **Management's Judgments and Accounting Estimates** Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.
Audit Adjustments	There were no audit adjustments proposed by our Firm. University management made closing entries in the normal course of business to the original trial balance presented to us to begin our audit.
Uncorrected Misstatements	Uncorrected misstatements are summarized in the attached Summary of Uncorrected Misstatements.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing

Area	Comments
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	We have separately issued a report on internal control over financial reporting and on compliance and other matters based on our audit of the financial statements, as required by *Government Auditing Standards* and the Uniform Guidance. This communication is included within the compliance report for the University for the year ended June 30, 2017.
Significant Written Communications Between Management and Our Firm	Copies of significant written communications between our firm and the management of the University, including the representation letter provided to us by management, are attached as Exhibit A.

Summary of Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the University's June 30, 2017 financial statements.

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

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Compensated Absences	Vacation and sick time is accrued for employees based upon the term of their employment contract or years of service.	Unused vacation and sick time are determined by current rates, terms of employment and subject to maximum accruals.	We tested the detail listing of accrued vacation and sick time at June 30, 2017 and noted the amounts accrued are reasonable based on the policy.
Net Pension Asset/Liability	The University has two retirement plans administered by the State Teachers Retirement System of Ohio (STRS) and the Ohio Public Employees Retirement System (OPERS). The University relies on STRS and OPERS plan actuaries to determine the University's proportionate share of the net pension asset (liability) and its components, based on the percentage of contributions to the retirement plans compared to other participating employers in the respective retirement plans.	Management relies on STRS and OPERS actuaries to determine the University's net pension asset (liability) and pension expense. Management records the University's proportionate share in the financial statements.	We tested the payroll information submitted to STRS and OPERS, obtained the actuarial reports, and audited pension allocation schedules. We also utilized an RSM actuarial specialist to review the significant assumptions and conclusions used by the plans' actuaries. We concluded the process used by management and the estimates recorded are reasonable.

Summary of Uncorrected Misstatements

During the course of our audit, we accumulated uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, to the statement of net position, statement of revenues, expenses, and changes in net position, cash flows and related financial statement disclosures. Following is a summary of those differences.

	Effect - Increase (Decrease)				
Description	Assets	Liabilities	Net Positions	Revenue	Expense
To record prior year impact of pledge adjustment	$ -	$ -	$ -	$ 3,618,776	$ -
Total Statement of Revenue, Expenses, and Changes in Net Position effect				$ 3,618,776	$ -
Statement of Net Position effect	$ -	$ -	$ -		

Exhibit A—Significant Written Communications Between Management and Our Firm

MIAMI UNIVERSITY

Senior Vice President for Finance and Business Services

ROUDEBUSH HALL ROOM 218
OXFORD, OH 45056-3653
(513) 529-4226

October 13, 2017

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

This representation letter is provided in connection with your audits of the basic financial statements of Miami University (the University), a component unit of the State of Ohio, as of and for the years ended June 30, 2017 and 2016 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated April 20, 2017, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.

2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. Related-party transactions, including those with the State of Ohio the primary government having accountability for Miami University, and component units for which Miami University is accountable, other organizations for which the nature and significance of their relationship with Miami University are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, joint ventures in which Miami University has an interest, and as defined in Section 2100 of the Government Accounting Standards Board's *"Codification of Governmental Accounting and Financial Reporting Standards"* jointly governed organizations in which Miami University participates, and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

8. We are not aware of any material pending or threatened litigation, claims, or assessments that are required to be accrued or disclosed in the financial statements in accordance with the Contingencies Topic of the Accounting Standards Codification (ASC) 450 and/or GASB Statement No. 10.

9. The University is a defendant in various lawsuits arising in the ordinary course of business. Although the outcome of the lawsuits cannot be determined with certainty, management believes the ultimate disposition of such maters will not have a material effect on the University's financial statements.

10. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.

11. We have informed you of all uncorrected misstatements.

    As of and for the year ended June 30, 2017, we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission 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.

	Effect - Increase (Decrease)				
Description	Assets	Liabilities	Net Position	Revenue	Expense
To record prior year impact of contract adjustment	$ -	$ -	$ -	$ 3,618,776	$ -
Total Statement of Revenues, Expenses, and Changes in Net Position effect				$ 3,618,776	$ -
Statement of Net Position effect	$ -	$ -	$ -		

Information Provided

12. We have provided you with:

    a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;

    b. Additional information that you have requested from us for the purpose of the audits;

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

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

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

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

15. We have no knowledge of allegations of fraud or suspected fraud affecting the University's financial statements involving:

    a. Management.

    b. Employees who have significant roles in internal control.

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

16. We have no knowledge of any allegations of fraud or suspected fraud affecting the University's financial statements received in communications from employees, former employees, regulators or others.

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

18. We have disclosed to you the identity of the University's related parties and all the related-party relationships and transactions of which we are aware.

19. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the University's ability to record, process, summarize and report financial data.

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

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

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

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

24. We have reviewed the user control consideration of the compliance Attestation Examination of the Title IV Student Financial Assistance Programs of Education Computer Systems, Inc. as of June 30, 2017 and we believe all applicable controls are in place as of June 30, 2017.

25. The University has outstanding commitments for future contractual obligations for capital expenditures of approximately $141.9 million at June 30, 2017.

26. The University has no intention of withdrawing from OPERS, STRS, and ARP or taking any other actions that could result in an effective termination or reportable event for any our plans. The University is not aware of any occurrences that could result in the termination of any of the plans to which it contributes.

Compliance Considerations

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

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

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

29. We have identified and disclosed to you:

    a. All laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determinations of financial statement amounts or other financial data significant to audit objectives.

    b. There are no violations (or possible violations) of laws, regulations, and provisions of contracts and grant agreements whose effects should be considered for disclosure in the auditor's report on noncompliance.

30. We have no knowledge of fraud, illegal acts, and violations of provisions of contracts or grant agreements, or abuse that has been reported

31. We are responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

32. We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.

33. The University has complied, in all material respects with the 2017 Ohio Compliance Supplement.

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

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

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

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

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

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

39. Management has prepared the schedule of expenditures of federal awards in accordance with the Uniform Guidance and has included expenditures made during the period being audited for all awards provided by federal agencies in the form of grants, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations and other assistance.

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

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

42. Management has made available all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.

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

44. Management believes that the University has complied with the direct and material compliance requirements (except for noncompliance it has disclosed to the auditor).

45. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

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

47. Management has disclosed to the auditor any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

48. There are no findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

49. There are no corrective actions on audit findings of any compliance audits.

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

51. There are no subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

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

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

54. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.

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

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

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

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

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

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

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

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

63. We did participate in CFDA 45.025 – Promotion of the Arts Partnership Agreements and CFDA 19.009 – Academic Exchange Programs – Undergraduate Programs which were not previously listed in the preliminary schedule of expenditures of federal awards.

Supplementary Information

64. With respect the schedule of expenditures of federal awards as required by Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 (Uniform Guidance):

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

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

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

65. With respect to the management discussion and analysis and pension plan information presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:

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

    b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America.

    c. The methods of measurement or presentation have not changed from those used in the prior period.

66. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Miami University

Gregory P. Crawford

Dr. Gregory P. Crawford
President

David K. Creamer

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

Sarah C. Persinger

Ms. Sarah C. Persinger
Controller

2017

Financial Report

MIAMI UNIVERSITY

OXFORD, OH • EST. 1809

Senior Vice President for Finance and Business Services

MIAMI UNIVERSITY

ROUDEBUSH HALL ROOM 218
OXFORD, OH 45056-3653
(513) 529-4226

Treasurer's Report

Financial Highlights

For the eighth consecutive year, the University reported positive financial results. For fiscal year 2016-17, the improved financial position is reflected in total assets, which rose 10.3 percent to a total of $2.24 billion. Net position increased by $83.7 million.

Operating revenues improved once again increasing by $22.3 million or 4.27 percent largely due to the enrollment growth and resulting increases in tuition and room and board revenues. Investment portfolios posted a positive return of 4.5 percent resulting in net investment income of $ 43.6 million for the year. Total revenues from all sources increased from the prior year by 9.9 percent or $64.0 million. The overall increase in operating expenses of $42.0 million or 7.54 percent resulted from an increase of 3.61 percent in Miami-funded scholarships and fellowships and a 3.0 percent salary increase for faculty and staff and offset by decreases in other operational expenditures as a result of cost saving initiatives.

Future Outlook and Challenges

The higher education landscape continues to be influenced by disruptive forces resulting from technological change, the national conversation regarding affordability and efficiency, and regional economic and demographic issues. In Ohio, the issues mirror those of much of the nation. The focus of the Ohio General Assembly continues to be on improving affordability and graduation rates at Ohio's public colleges and universities. Ohio's demographic trends further complicate these discussions as the number of high school graduates in Ohio continues to decline. Similar declines in high school graduation numbers in the surrounding Great Lakes states and the northeastern United States also negatively impact Miami's Oxford Campus as these regions have historically contributed students to Miami's incoming freshmen classes.

For fiscal year 2018 and 2019, state funding for Ohio's public colleges and universities will remain unchanged and tuition for all but those public colleges and universities with a tuition guarantee will remain frozen for undergraduate Ohio residents for both years. Miami's state funding in nominal dollars remains below what it received in 2001. Little or no improvement in state funding is expected for the foreseeable future. Miami's Oxford campus is permitted to increase tuition for incoming Ohio residents under its tuition guarantee by the average amount of inflation over the previous 60 months. There is no limitation on tuition for nonresident students. As a result of the greater tuition flexibility for college and university campuses offering a tuition guarantee, a guarantee is under consideration for Miami's regional campuses in Hamilton and Middletown, Ohio.

Ohio's Task Force on Affordability and Efficiency is in the second year of its implementation and continues to encourage Ohio's public colleges and universities to find additional ways to improve affordability and student retention and graduation. The progress report issued on February 7, 2017 indicated that Miami University was one of only three institutions in the state to receive a Strong Progress grade for its five -year plan for improving efficiency and new resource generation.

Higher education across the nation continues to experience rapid change in contrast to much slower change throughout much of its history. Technological change is leading to new educational models and delivery systems adding competition to an already highly competitive industry. Public accountability for the high cost of tuition and rising student debt continue to shape the national conversation and state legislative policies resulting in slower tuition growth. But Miami's strong commitment to undergraduate teaching, the demand for its programs not only in Ohio but around the nation and the world, its improved operating efficiencies, and the dedicated and committed faculty and staff, position it well to respond to these challenges and to maintain its financial performance in the face of continued transformational change.

Respectfully submitted,

David K. Creamer

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

Investment report

Miami University and Miami University Foundation
June 30, 2017

Investment Pools

Endowment pool assets finished the fiscal year above $500 million for the first time, while total investments held by Miami University and the Miami University Foundation finished above $1 billion for the third consecutive year. Endowment assets increased to $512.4 million from $445.8 million, while total investments increased to $1.1 billion from $1.03 billion. This increase in assets is attributable to significantly improved investment earnings and generous giving levels.

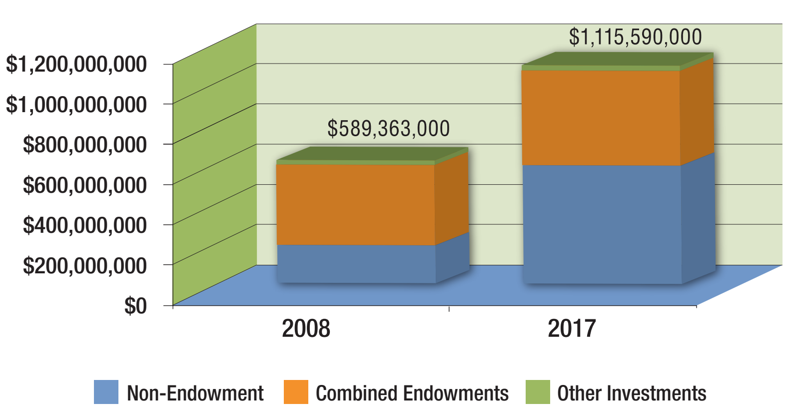
The Miami University Foundation's investment committee provides governance oversight to one unified endowment investment pool for the University and the Foundation, while the University Board of Trustees maintains oversight of the non-endowment pool. The fiscal year-end asset values among the pools are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

Pool	Type of Funds	Invested as of June 30, 2017
University Non-Endowment	Working capital and cash reserves to support operating activities	$575,978,000
University & Foundation Endowments	Funds donated to the University and the Foundation to establish endowments in perpetuity	$512,400,000
Trusts, Annuities, and Separately Invested Assets	Gifts managed independently of the pooled funds	$ 27,212,000
Total Investments		**$1,115,590,000**

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

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

Growth in Total Investment Assets
June 30, 2017

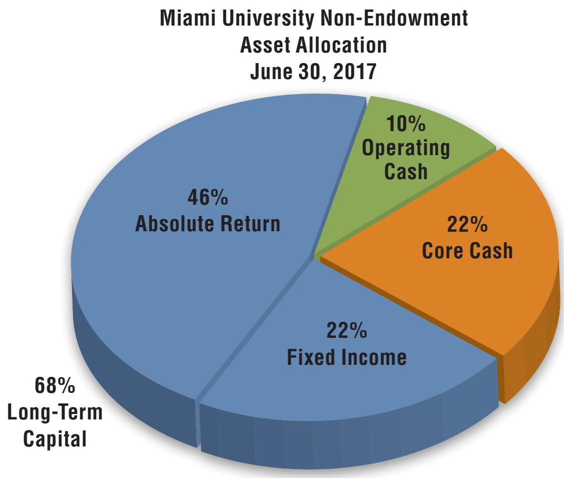


The University and Foundation also hold assets given by donors in the form of trusts, annuities, insurance policies, real estate, and other assets. These funds are managed separately from the endowment pool.

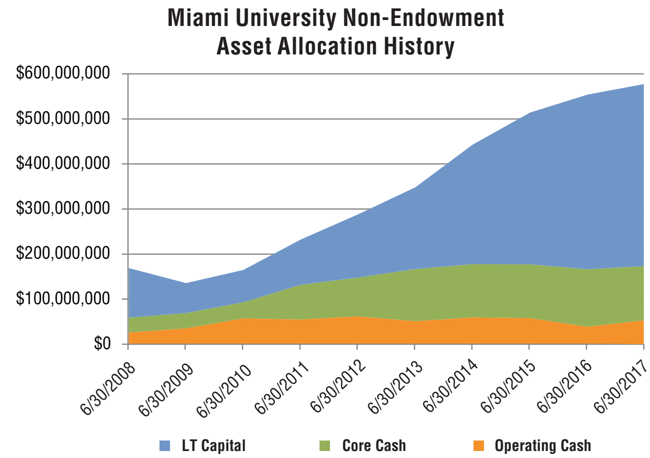
Over the last decade, total investment assets have increased by 89 percent. The non-endowment pool has more than tripled, while the endowment has grown in size by 28 percent. Prudent fiscal discipline, wise leadership of our trustees and directors, and the enthusiastic support of our alumni and friends have helped to improve reserves during this period of unprecedented transformation in both higher education and the global capital markets.

Asset Allocation

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



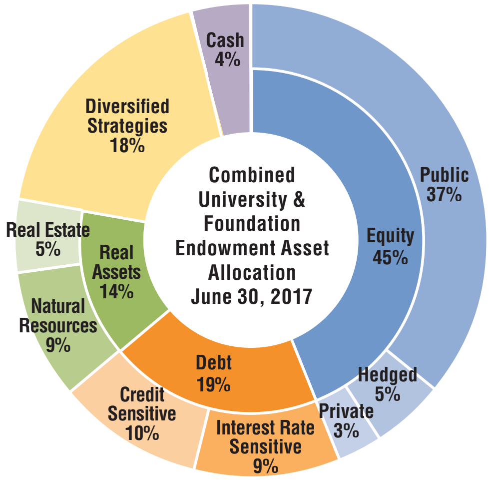
During the year, cash flow generation was strong due to the large incoming first year class of students. While additional overnight interest rate increases by the U.S. Federal Reserve marginally assisted yields on cash after eight years of near zero earnings, higher short term rates produced negative returns for intermediate term bond investments. Stronger global equity markets and tighter credit spreads helped the absolute return strategies post solid positive results for the year. No rebalancing actions were taken during the year and no managers were liquidated. However, $21.3 million in new quasi-endowments were created. The allocation to operating cash increased from seven to ten percent. The uncertainty around the expected beginning of balance sheet reduction by the Federal Reserve reinforces a continued bias toward absolute return strategies and short duration bonds.



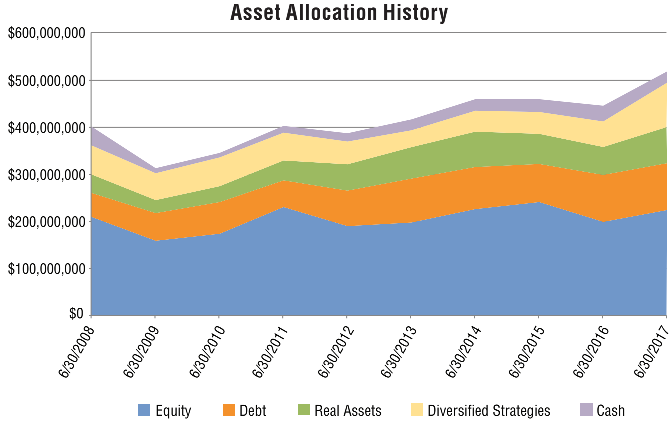
The endowment's strategic allocation policy considers not just asset exposure, but also the sources of risk and the interaction among the various assets and strategies. The endowment pool's primary strategic allocation categories are global equity, global debt, global real assets, diversifying strategies, and cash, with sub-categories that establish the manner in which that exposure is derived. Managers employed tend to have broad, unconstrained mandates, allowing them great flexibility to pursue opportunities, and most have a global mandate. Over time, the endowment allocation has evolved such that the sources of risk are further diversified away from global equity.

At fiscal year-end, equity related strategies remained the largest exposure at about forty five percent of the combined portfolio, remaining flat with last year's level. Debt exposure declined as some credit sensitive strategies were reduced and some were reclassified into diversifying strategies. Real asset exposure experienced a modest increase. Over the last ten years, the primary allocation shift has been away from equity and toward broader diversification in the other categories. This shift has occurred not just in asset exposure, but is risk exposure as well.

Strategic Categories	Role	Risk	Absolute	Relative
Global Equity *(stocks, private equity, long/short hedge fund)*	Total Return	Stock Market Declines	5% - 7% Real Return	Return > MSCI ACWI (with comparable volatility)
Global Fixed Income and Credit *(bonds, bank loans, credit hedge funds)*	Deflation Protection and Total Return	Rising Rates and/or Credit Downgrades	2% - 3% Real Return	Return > Barclays U.S. Agg Correlation < 0.4 to ACWI ACWI Beta < 0.3
Real Assets *(real estate, natural resources, commodities)*	Inflation Protection and Total Return	Deflation	4% - 6% Real Return	Correlation to Inflation > 0.3 Std Dev < S&P 500 Yield 2% - 4%
Diversifying Strategies *(absolute return hedge funds, trading strategies)*	Diversification and Total Return	Active Management	3% - 4% Real Return	Correlation to ACWI < 0.6 ACWI Beta < 0.3 Std Dev 4% - 8%
Total Portfolio	Total Return and Volatility Management	Underperform Primary Objective	5.5% Real Return	Volatility of 12% - 16% Max Drawdown of 25%

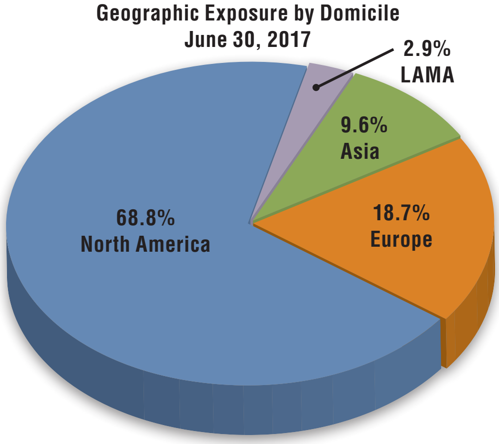


Combined University & Foundation Endowment Asset Allocation History



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

Combined University & Foundation Endowment Geographic Exposure by Domicile June 30, 2017



The third measure of the endowment's allocation is liquidity, or how quickly the exposure to a particular manager can be redeemed and turned into cash. Over half of the portfolio could be converted to cash within a quarter. At the other end of the spectrum, actions have been taken to increase the illiquid portion, with seven new commitments (two in equity, two in debt, one in real estate, and two in natural resources) to private partnerships made during the fiscal year. These commitments reflect an expectation of more attractive risk adjusted returns from private versus public investments in the coming years. Private capital does not trade on market exchanges. Instead, these funds invest gradually over a period of years, and then return that capital over several years as the underlying investments mature.

Combined University & Foundation Endowment Liquidity as of June 30, 2017

	Global Equity	Global Debt	Real Assets	Div Strat	Cash	Total by Liquidity
Liquid *(< quarter)*	36%	10%	1%	2%	4%	**54%**
Semi Liquid *(> quarter)*	4%	8%	3%	11%		**25%**
Illiquid *(> 2 years)*	5%	2%	10%	4%		**22%**
Total by Category	**45%**	**19%**	**14%**	**18%**	**4%**	**100%**

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

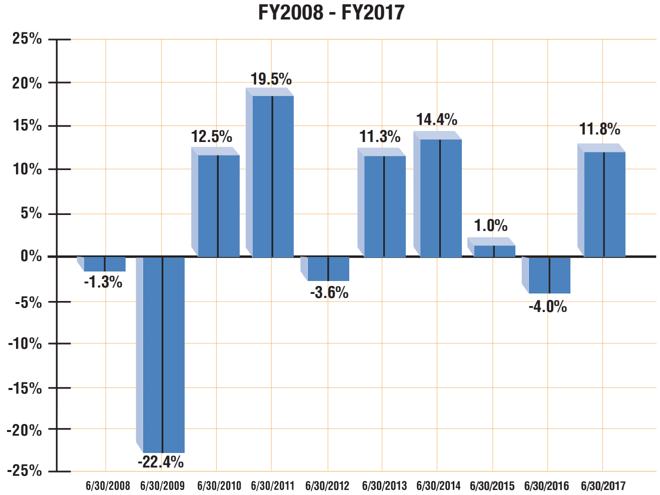
In total, the endowment employs 36 external managers, some with multiple mandates. Manager turnover was significant during the year as the new strategic allocation was implemented. In addition to the new private capital commitments listed above, new relationships were established with two public equity managers and two public interest rate sensitive debt managers. Funding for these new engagements came from the liquidation of two public equity managers, two public debt managers, and the partial redemption from two hedged credit managers, one public equity manager, and substantial distributions from the mature private capital programs.

Investment Returns

The University's non-endowment pool posted a gain of 4.5 percent for the fiscal year ended June 30, 2017, up from a loss of 0.9 percent earned in the previous year. Annualized performance for the trailing five years was 2.8 percent, providing annualized added return over the 90-day Treasury bill during that period of 2.6 percentage points. Rising short term interest rates helped operating cash returns slightly, but hampered the short term bond investments in core cash. Absolute return strategies generated returns of 8.1 percent.

The endowment pool earned an estimated 11.8 percent for the fiscal year, a rebound from the loss posted for the previous year. This figure excludes the private capital portion of the portfolio that reports on a significant delay. Estimated annualized performance for the trailing seven years was 6.7 percent, in line with the portfolio target return of inflation plus five percent (CPI +5). All strategic allocation categories contributed positive returns for the fiscal year. Global public equity, up 19.9 percent, was the most significant contributor to results due to both its large weighting and the managers exceeding the global equity benchmark. Public real assets, up 3.3 percent, had the least impact.

Combined Rates of Return
FY2008 - FY2017

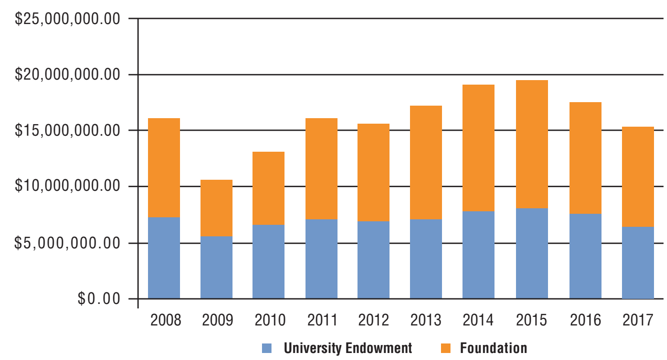


Program Support

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

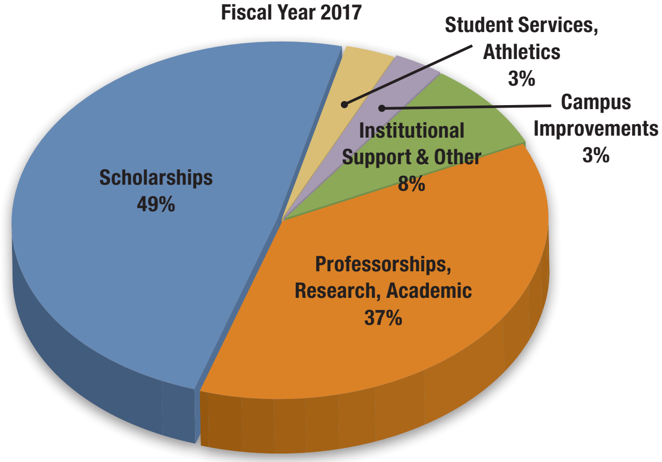
During the 2017 fiscal year, both the Foundation Board of Directors and the University Board of Trustees revised their endowment spending distribution policies. Beginning with the FY2017 distribution, the new policies distribute four percent of the average of the previous twelve quarterly market values as of March 31st of each fiscal year. The change is intended to enhance the consistency, predictability, and sustainability of the annual distributions, while maintaining intergenerational equity and preserving the purchasing power of the endowed principal.

Annual University & Foundation Endowment
Actual Earnings Distributions



Although returns rebounded, the endowment spending policy change resulted in a drop in the amount distributed. The combined endowment distribution for fiscal year 2017 was about $15.5 million, $1.9 million less than the previous year. Over the last ten years, the cumulative distributions have totaled over $163 million and have provided an important source of funding to help offset reductions in state support. The following chart shows the proportion of programs supported by the 2017 distributions.

Miami University and Foundation Endowment
Programs Supported by Endowments
Fiscal Year 2017



The faithful generosity of our supporters propelled Miami to a new annual fundraising record. This momentum was realized in our three current primary campaign initiatives: scholarships, intercollegiate athletics, and Farmer School of Business. As Miami assesses its future fundraising priorities, it has embarked on a review program to ensure its governance practices, infrastructure, and staffing resources are appropriate to accommodate its growth. Thank you for helping Miami reach these new heights.

Independent Auditor's Report

President and Board of Trustees of Miami University
Oxford, Ohio

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Miami University (the University), a component unit of the State of Ohio, as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, based on our audits, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Miami University as of June 30, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 9-15 as well as required supplementary data for certain retirement plan data on pages 51-53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

RSM US LLP

Cleveland, Ohio
October 13, 2017

Introduction

The following discussion and analysis provides an overview of the financial position and activities of Miami University for the year ended June 30, 2017. This discussion should be read in conjunction with the accompanying financial statements and footnotes.

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

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

Financial Highlights

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

Overall the University's financial position improved at June 30, 2017. Total assets rose 10.3 percent from $2.03 to $2.24 billion. Liabilities increased $184.6 million and totaled $1.24 billion. Significant financial events during fiscal year 2017 were:

- The University's fall 2016 cohort, at a confirmed size of 3,799 first-year resident undergraduate students, was the first enrolled cohort under the Miami Tuition Promise program. Each year of their enrollment, the incoming cohort of first-year first-time undergraduate resident students at the Oxford campus will have a guaranteed tuition amount due each year of their full-time enrollment for the four years of the guarantee. For returning resident and non-resident students, undergraduate and graduate at all campuses, the tuition rate increased by 0.0 percent and 2.0 percent respectively. Total undergraduate enrollment rose 2.1 percent to 21,664 students for fall 2016 compared to 21,210 total undergraduate students in the fall 2015 class. Graduate enrollment for fall 2016 also increased, rising 3.5 percent to a total of 2,658 compared to 2,567 graduate students in the fall 2015 class.

- The University's commitment to increase selectivity, diversity, and maintain quality with strong academic credentials in enrollment goals was evidenced by a confirmed ACT average in excess of 28.0 and a confirmed GPA average in excess of 3.75 for the fall 2016 class. The profile of the incoming class for fall 2016 consisted of 44.3 percent non-resident, and 15.5 percent students of color. The fall 2016 categories of transfer students and relocation students increased by 32 students or 10.1 percent and 29 students or 10.7 percent, respectively. The Hamilton campus incoming class size decreased by 52 students from fall 2015 to fall 2016, and the Middletown campus incoming class size followed suit, decreasing as well, from 381 students to 324 first time incoming students for the fall 2016 class.

Financial Highlights (Continued)

- The investment portfolios experienced robust results during the fiscal year. Operational investments posted a positive return of 4.5 percent, an improvement from the previous year's loss of 0.9 percent. Despite higher short term interest rates, solid performance from long-term strategies propelled the overall results. The combined University and Foundation endowment pools experienced an estimated gain of 11.8 percent (excluding private capital which reports on a significant lag), a significant increase from the negative 4.1 percent return in the previous year. Global capital markets surged, especially during the last eight months of the fiscal year, as corporate profits improved and most economic data remained healthy. The current economic cycle continued to support growth, despite its longevity and against a backdrop of continued interest rate increases by the US Federal Reserve. While plenty of threats persist, markets exhibited extremely low levels of volatility.
- For fiscal year 2017, the University increased salaries by 3.0 percent. General fund salary and benefit expense on all three campuses increased by $16.3 million to $264.2 million, which was $14.2 million below the adopted budget. Although a hiring freeze is not in affect, requests to add new positions or fill previously vacant positions are carefully scrutinized.
- As noted above, the liabilities increased $184.6 million. In February 2017, an additional $154.6 million in general receipts revenue bonds were issued to fund planned capital projects and to retire existing debt (see the Capital Assets and Debt Administration section for more information). This increase also consisted of an increase of $86.0 million in the Net Pension Liability (NPL) recorded on the University Statements of Financial Position. This increase in the NPL stemmed from a reduction in the discount rate utilized by the Ohio Public Employees Retirement System (OPERS) to measure NPL and reduced investment performance of the State pension plans from projected to actual investment earnings.

Statements of Net Position

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

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

Statements of Net Position (Continued)

	2017	2016	2015
Assets:			
Current assets	$ 756,058,224	$ 677,619,333	$ 740,459,775
Capital assets, net	1,266,306,267	1,166,751,574	1,048,208,385
Long-term investments	211,095,462	176,132,561	174,444,558
Other assets	6,876,688	10,650,920	11,635,530
Total assets	2,240,336,641	2,031,154,388	1,974,748,248
Deferred outflows of resources	102,572,087	61,893,477	19,803,662
Total assets and deferred outflows of resources	$ 2,342,908,728	$ 2,093,047,865	$ 1,994,551,910
Liabilities:			
Current liabilities	$ 116,595,416	$ 111,389,039	$ 91,934,189
Noncurrent liabilities	1,122,705,306	943,322,756	909,140,240
Total liabilities	1,239,300,722	1,054,711,795	1,001,074,429
Deferred inflows of resources	3,414,274	21,870,234	42,116,636
Net Position:			
Net investment in capital assets	682,581,465	626,844,780	564,091,473
Restricted – nonexpendable	91,155,928	86,289,761	94,117,310
Restricted – expendable	41,965,845	51,099,005	82,437,918
Unrestricted – allocated	264,321,811	235,874,803	196,344,051
Unrestricted – unallocated	20,168,683	16,357,487	14,370,093
Total net position	1,100,193,732	1,016,465,836	951,360,845
Total liabilities, deferred inflows of resources and net position	$ 2,342,908,728	$ 2,093,047,865	$ 1,994,551,910

Total assets of the institution increased 10.3 percent or $209.2 million in fiscal year 2017. This increase was the result of an increase in capital assets and long-term investments combined with a decrease in cash and cash equivalents in the amount of $14.6 million, or 15.9 percent. Details of the $99.6 million or 8.5 percent increase in capital assets are provided in the Capital Assets and Debt Administration section of this report.

Total liabilities of the institution increased $184.6 million, or 17.5 percent, and consisted primarily of an additional $154.6 million in general receipts revenue bonds that were issued to fund planned capital projects and retire existing debt and an increase of $86.0 million in the NPL recorded on the University Statements of Financial Position. This increase in the NPL stemmed from a reduction in the discount rate utilized by the OPERS and reduced investment performance of the State pension plans from projected to actual investment earnings. Other current and noncurrent liabilities remained relatively unchanged. Overall, net position increased by $83.7 million.

Statements of Revenues, Expenses and Changes in Net Position

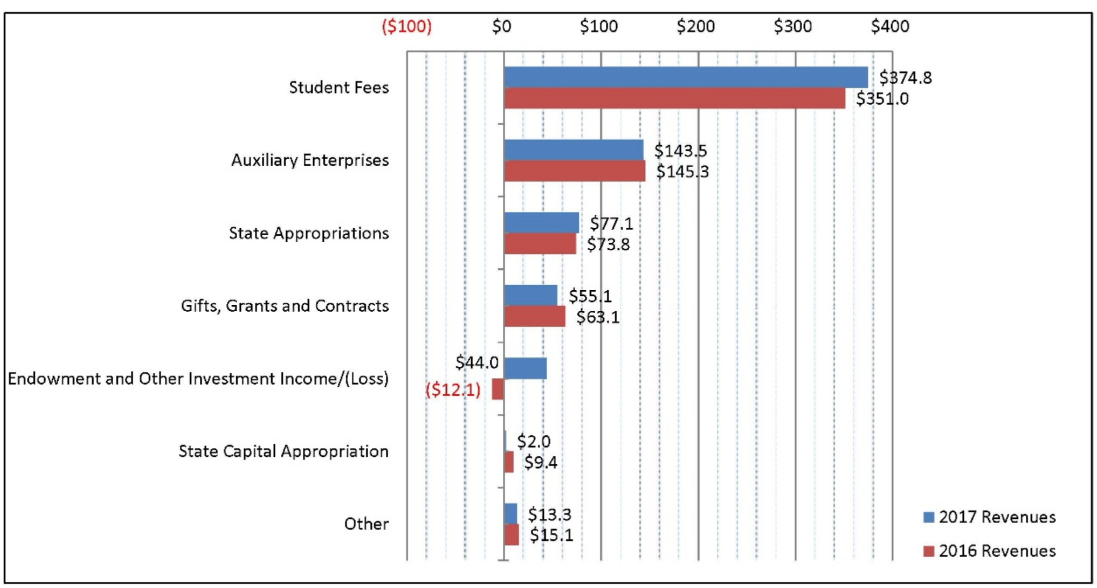
The Statements of Revenues, Expenses, and Changes in Net Position presents the University's results of operations for the fiscal year. The revenues and expenses are generally reported as either operating or non-operating. Operating revenues are generated by providing goods and services to customers and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

In fiscal year 2017, total revenues of the institution from all sources were approximately $709.7 million, which represents a $64.0 million or 9.9 percent increase from the prior year. Approximately 76.7 percent of revenues were classified as operating, and 22.3 percent were classified as non-operating revenues.

	2017	2016	2015
Operating revenues	$ 544,553,161	$ 522,244,113	$ 504,453,710
Non-operating revenues	158,058,600	106,824,826	133,306,086
Other revenues	7,086,880	16,589,856	27,505,429
Total revenues	709,698,641	645,658,795	665,265,225
Operating expenses	(599,516,136)	(557,504,622)	(524,868,419)
Non-operating expenses	(26,454,609)	(23,049,182)	(28,324,275)
Total expenses	(625,970,745)	(580,553,804)	(553,192,694)
Change in net position	$ 83,727,896	$ 65,104,991	$ 112,072,531

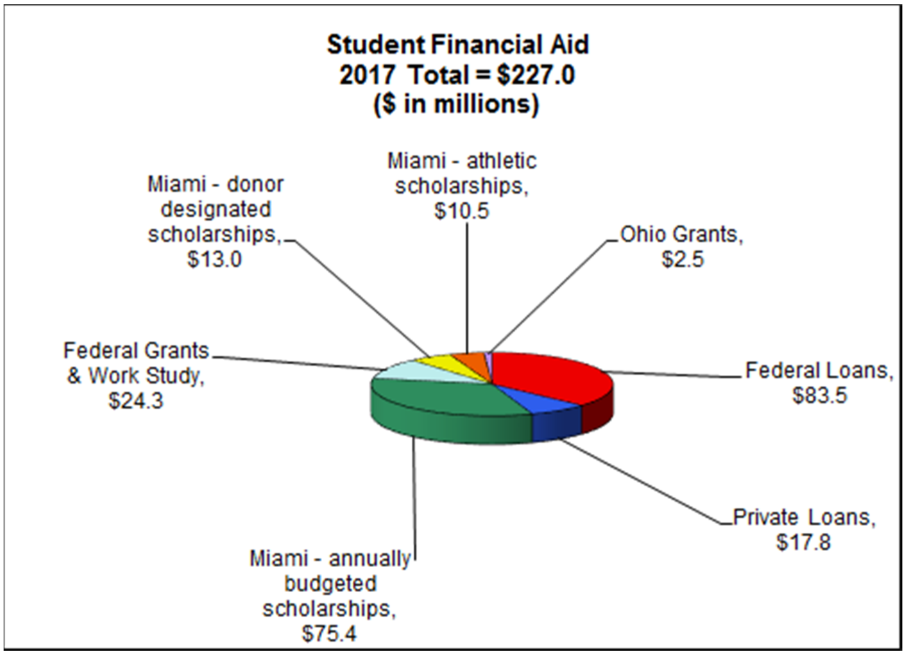
The University revenue base is shown in the accompanying chart. Student tuition and fees make up the largest percentage of revenues at slightly more than 52.8 percent, while auxiliary enterprises such as residence and dining halls, several student recreational facilities, and the bookstore account for the second highest amount at 20.2 percent. Gifts, grants, and contracts represent 7.8 percent, and net endowment and investment income contributed to a 6.2 percent increase in the total. State appropriations are 10.9 percent of the total and state capital appropriations are .3 percent.

Total Revenues ($ in Millions)



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

The University continues to expand the merit scholarship packages for in-state and out-of-state students in order to recognize student achievement and to continue making a high-quality education more affordable for parents and students. In fiscal year 2017, Miami-funded financial aid increased by $7.9 million or 3.61 percent. In total, financial aid awards were $227.0 million.



Statements of Cash Flows

The Statements of Cash Flows present 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.

	2017	2016	2015
Net cash provided by operating activities	$ 31,732,369	$ 17,875,128	$ 15,399,378
Net cash provided by noncapital financing activities	114,420,438	121,669,722	122,426,491
Net cash used in capital and related financing activities	(75,353,775)	(186,753,980)	(172,198,658)
Net cash (used in) provided by investing activities	(85,357,917)	38,825,177	(87,579,064)
Net decrease in cash and cash equivalents	(14,558,885)	(8,383,953)	(121,951,853)
Cash and cash equivalents:			
Beginning of year	91,881,987	100,265,940	222,217,793
End of year	$ 77,323,102	$ 91,881,987	$ 100,265,940

Statements of Cash Flows (Continued)

The net $14.6 million decrease in the fiscal year 2017 cash and cash equivalents balance primarily relates to the utilization of bond proceeds for the construction and renovation of capital assets.

Throughout the year, cash was used for capital acquisitions, payment of debt, investment 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 2017, 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 2012 and 2014 Series General Receipts Revenue Bonds totaling $143.7 million combined. Major projects capitalized in 2017 include renovation projects to Armstrong Center Phase II, Athletic Performance Center, Farmer School of Business, Goggin Ice Center, Peabody Hall, Richard Hall, North Quad Residence Halls (which include Brandon, Flower, Hahne, and Hepburn), and the Middletown Campus Gardner-Harvey Library. Other infrastructure improvements included Varsity Tennis Courts. See Note 4 for additional information concerning capital assets and accumulated depreciation.

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

On February 14, 2017, the University issued $154.6 million of Series 2017 General Revenue and Refunding Bonds. The 2017 Series refunded a portion of the 2007 Series and will continue to provide funding for the multi-phase effort to renovate all campus student housing and dining facilities.

Economic Factors That Will Affect the Future

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

The focus of the Ohio General Assembly continues to be on improving affordability and graduation rates at Ohio’s public colleges and universities. Ohio’s demographic trends further complicate these discussions as the number of high school graduates in Ohio continues to decline. Similar declines in high school graduation numbers in the surrounding Great Lakes states and the northeastern United States also negatively impact Miami’s Oxford Campus as these regions have historically contributed students to Miami’s incoming freshmen classes.

For fiscal year 2018 and 2019, state funding for Ohio’s public colleges and universities will remain unchanged and tuition for all but those public colleges and universities with a tuition guarantee will remain frozen for undergraduate Ohio residents for both years. Miami’s state funding in nominal dollars remains below what it received in 2001. Little or no improvement in state funding is expected for the foreseeable future. Miami’s Oxford campus is permitted to increase tuition for incoming Ohio residents under its tuition guarantee by the average amount of inflation over the previous 60 months. There is no limitation on tuition for nonresident students. As a result of the greater tuition flexibility for college and university campuses offering a tuition guarantee, a guarantee is under consideration for Miami’s regional campuses in Hamilton and Middletown, Ohio.

Financial Highlights (Continued)

Economic Factors That Will Affect the Future (Continued)

The Oxford Campus' fall 2017 class continues the recent pattern of modestly larger classes, more academically prepared students being enrolled and an increased proportion of nonresident international students. The class of 3,828 new freshmen has a strong average ACT score of 28.3 and a large proportion of nonresident enrollment at 1,657 students as of August 22, 2017. One potential risk with the larger and academically stronger classes is the decline in international enrollments across the nation. While the early numbers for fall 2017 indicate no drop in fully admitted international students, the number of conditionally admitted 'English as a second language' students declined by 48 students or 17.6 percent. Future international enrollment trends remain difficult to predict given the uncertainty that continues for the national conversation. Additional investments in Admission staff and other recruiting initiatives have been authorized for fiscal year 2018.

Enrollment at Miami's regional campuses for fall 2017 declined by 1.5 percent to 4,620 but the early fall 2018 enrollment activity to support the fall 2018 goals suggests that the enrollment on these campuses has stabilized. Lackluster enrollment results over the last four years for these campuses reflects the national enrollment trend for open enrollment campuses as employment has improved. New academic program offerings and enrollment strategies are continuing to be implemented for these campuses in response to the enrollment trend.

Ohio's Task Force on Affordability and Efficiency is in the second year of its implementation and continues to encourage Ohio's public colleges and universities to find additional ways to improve affordability and student retention and graduation. The progress report issued on February 7, 2017 indicated that Miami University was one of only three institutions in the state to receive a Strong Progress grade for its five -year plan for improving efficiency and new resource generation

Higher education across the nation continues to experience rapid change in contrast to much slower change throughout much of its history. Technological change is leading to new educational models and delivery systems adding competition to an already highly competitive industry. Public accountability for the high cost of tuition and rising student debt continue to shape the national conversation and state legislative policies resulting in slower revenue growth. But Miami's strong commitment to undergraduate teaching, the demand for its programs not only in Ohio but around the nation and the world, its improved operating efficiencies, and its dedicated and committed faculty and staff, position it well to respond to these challenges and to maintain its financial performance in the face of transformational change.

Miami University

Statements of Net Position
June 30, 2017 and 2016

	Miami University		University Foundation	
	2017	2016	2017	2016
Assets				
Current assets:				
Cash and cash equivalents (includes bond proceeds of $25.2 million for FY17 and $19.3 million for FY16)	$ 77,323,102	$ 91,881,987	$ 30,557,457	$ 36,404,332
Investments	632,801,558	538,834,187	-	-
Accounts, pledges and notes receivable, net	38,335,028	37,130,808	9,306,250	10,730,145
Inventories	1,871,537	2,301,891	-	-
Prepaid expenses and deferred charges	5,726,999	7,470,460	-	-
Total current assets	756,058,224	677,619,333	39,863,707	47,134,477
Noncurrent assets:				
Restricted cash and cash equivalents	-	-	13,282,627	932,267
Investments	211,095,462	176,132,561	480,046,355	425,154,248
Pledges and notes receivable, net	6,506,325	10,327,681	40,352,919	26,861,706
Net pension asset	370,363	323,239	-	-
Nondepreciable capital assets	146,821,609	154,359,937	-	-
Depreciable capital assets, net	1,119,484,658	1,012,391,637	-	-
Total noncurrent assets	1,484,278,417	1,353,535,055	533,681,901	452,948,221
Total assets	2,240,336,641	2,031,154,388	573,545,608	500,082,698
Deferred outflows of resources:				
Pensions (Note 7)	102,572,087	61,893,477	-	-
Total deferred outflows of resources	102,572,087	61,893,477	-	-
Total assets and deferred outflows of resources	$ 2,342,908,728	$ 2,093,047,865	$ 573,545,608	$ 500,082,698
Liabilities				
Current liabilities:				
Accounts payable	$ 41,225,270	$ 42,158,627	$ 13,549,898	$ 12,193,002
Accrued salaries and wages	16,351,605	16,637,036	-	-
Accrued compensated absences	1,248,469	1,340,193	-	-
Unearned revenue	13,287,075	11,352,668	-	-
Deposits	12,164,446	11,223,779	-	-
Current portion of long-term debt	32,318,551	28,676,736	-	-
Other current liabilities	-	-	584,052	613,976
Total current liabilities	116,595,416	111,389,039	14,133,950	12,806,978
Noncurrent liabilities:				
Accrued compensated absences	17,624,637	17,024,927	-	-
Bonds payable	691,021,275	598,194,697	-	-
Capital leases payable	2,157,300	2,281,500	-	-
Federal Perkins loan program	5,557,400	5,506,867	-	-
Net pension liability	406,344,694	320,314,765	-	-
Other noncurrent liabilities	-	-	220,028,510	185,034,105
Total noncurrent liabilities	1,122,705,306	943,322,756	220,028,510	185,034,105
Total liabilities	1,239,300,722	1,054,711,795	234,162,460	197,841,083
Deferred inflows of resources:				
Deferred gains on refunding	1,275,801	773,880	-	-
Pensions (Note 7)	2,138,473	21,096,354	-	-
Total deferred inflows of resources	3,414,274	21,870,234	-	-
Net position:				
Net investment in capital assets	682,581,465	626,844,780	-	-
Restricted:				
Nonexpendable	91,155,928	86,289,761	209,719,391	197,035,479
Expendable	41,965,845	51,099,005	128,706,074	105,835,972
Unrestricted	284,490,494	252,232,290	957,683	(629,836)
Total net position	1,100,193,732	1,016,465,836	339,383,148	302,241,615
Total liabilities, deferred inflows and net position	$ 2,342,908,728	$ 2,093,047,865	$ 573,545,608	$ 500,082,698

See notes to financial statements.

Miami University

Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2017 and 2016

	Miami University		University Foundation	
	2017	2016	2017	2016
Operating revenues:				
Tuition, fees, and other student charges	$ 470,070,339	$ 438,316,841	$ -	$ -
Less allowance for student scholarships	(95,316,485)	(87,294,745)	-	-
Net tuition, fees, and other student charges	374,753,854	351,022,096	-	-
Sales and services of auxiliary enterprises	149,775,021	151,035,908	-	-
Less allowance for student scholarships	(6,322,854)	(5,780,919)	-	-
Net sales and services of auxiliary enterprises	143,452,167	145,254,989	-	-
Federal contracts	10,473,139	11,622,757		
Gifts	-	-	13,787,860	3,170,787
Sales and services of educational activities	1,972,108	1,979,041	-	-
Private contracts	2,901,764	2,621,210	-	-
State contracts	1,019,344	424,711	-	-
Local contracts	153,669	84,382	-	-
Other	9,827,116	9,234,927	-	-
Total operating revenues	544,553,161	522,244,113	13,787,860	3,170,787
Operating expenses:				
Education and general:				
Instruction and departmental research	202,295,750	186,604,585	-	-
Separately budgeted research	13,229,929	12,642,090	-	-
Public service	3,395,945	4,073,913	-	-
Academic support	60,593,163	58,944,042	-	-
Student services	31,974,331	27,516,100	-	-
Institutional support	55,746,107	48,904,284	-	-
Operation and maintenance of plant	33,343,870	32,386,028	-	-
Scholarships and fellowships	21,639,250	18,725,192	-	-
Auxiliary enterprises	113,920,563	112,528,856	-	-
Depreciation	54,026,623	47,929,913	-	-
Other	9,350,605	7,249,619	-	-
Total operating expenses	599,516,136	557,504,622	-	-
Net operating (loss) income	(54,962,975)	(35,260,509)	13,787,860	3,170,787
Non-operating revenues (expenses):				
State appropriations	77,063,043	73,842,253	-	-
Gifts, including those from the University Foundation	16,578,473	21,620,802	-	-
Federal grants	17,769,498	18,566,523	-	-
Net investment income (loss), net of investment expense of				
$2,361,481 for the University and $2,833,769 for the Foundation in FY17	43,579,226	(12,632,015)	26,322,984	(12,856,468)
$2,192,703 for the University and $2,343,108 for the Foundation in FY16				
State grants	1,581,191	1,533,607	-	-
Interest on debt	(26,454,609)	(23,049,182)	-	-
Payments to Miami University	-	-	(15,347,172)	(18,401,214)
Other non-operating revenues (expenses)	1,487,169	3,893,656	668,641	(657,417)
Net non-operating revenues (expenses)	131,603,991	83,775,644	11,644,453	(31,915,099)
Income (loss) before other revenues, expenses, and gains or losses	76,641,016	48,515,135	25,432,313	(28,744,312)
Other revenues, expenses, gains or losses:				
State capital appropriation	2,003,734	9,432,366	-	-
Capital grants and gifts	4,627,105	6,648,609	-	-
Additions to permanent endowments	456,041	508,881	11,709,220	8,839,100
Total other revenues, expenses, gains, or losses	7,086,880	16,589,856	11,709,220	8,839,100
Change in net position	83,727,896	65,104,991	37,141,533	(19,905,212)
Total net position at beginning of year	1,016,465,836	951,360,845	302,241,615	322,146,827
Total net position at end of year	$ 1,100,193,732	$ 1,016,465,836	$ 339,383,148	$ 302,241,615

See notes to financial statements.

Miami University

Statements of Cash Flows
Years Ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Tuition, fees, and other student charges	$ 469,636,375	$ 439,432,340
Sales and services of auxiliary enterprises	151,806,289	151,546,143
Contracts	19,990,687	15,194,498
Other operating receipts	11,985,445	11,266,920
Payments for employee compensation and benefits	(352,936,575)	(334,838,648)
Payments to vendors for services and materials	(145,942,023)	(150,831,197)
Student scholarships	(123,278,589)	(111,800,856)
Loans issued to students and employees	(1,243,246)	(3,910,558)
Collection of loans from students and employees	1,714,006	1,816,486
Net cash flows provided by operating activities	31,732,369	17,875,128
Cash flows from noncapital financing activities:		
State share of instruction funds	79,269,392	75,625,767
Grants for noncapital purposes	19,370,889	19,899,930
Gifts	15,780,157	26,144,025
Net cash flows provided by noncapital financing activities	114,420,438	121,669,722
Cash flows from capital and related financing activities:		
State capital appropriation	2,003,734	18,835,170
Grants for capital purposes	4,239,982	6,810,092
Other capital and related receipts	1,066,529	990,154
Proceeds from debt obligations	177,771,442	52,335,000
Payments to construct, renovate, or purchase capital assets	(153,136,536)	(158,803,727)
Principal paid on outstanding debt	(77,806,500)	(77,533,800)
Interest paid on outstanding debt	(29,492,426)	(29,386,869)
Net cash flows used in capital and related financing activities	(75,353,775)	(186,753,980)
Cash flows from investing activities:		
Proceeds from sale of investments	138,672,503	153,346,920
Purchases of investments	(232,472,722)	(123,393,209)
Endowment income	20,249,388	(10,080,779)
Other investment income	(11,807,086)	18,952,245
Net cash flows (used in) provided by investing activities	(85,357,917)	38,825,177
Net decrease in cash and cash equivalents	(14,558,885)	(8,383,953)
Cash and cash equivalents:		
Beginning	91,881,987	100,265,940
Ending	$ 77,323,102	$ 91,881,987

(Continued)

Miami University

Statements of Cash Flows (Continued)
Years Ended June 30, 2017 and 2016

	2017	2016
Reconciliation of operating loss to net cash flows provided by operating activities:		
Operating loss	$ (54,962,975)	$ (35,260,509)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Depreciation expense	54,026,623	47,929,913
Net loss on disposal of capital assets	56,834	211,443
Accounts receivable bad debt adjustments	26,273	110,300
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Accounts receivable	4,025,105	479,435
Inventories	430,354	998,388
Prepaid expenses and deferred charges	556,407	(1,774,337)
Notes receivable	572,719	186,428
Net pension asset	(47,124)	(72,720)
Deferred outflows of pension resources	(40,678,610)	(42,304,390)
Accounts payable	(2,493,447)	1,111,261
Accrued salaries and wages	(285,431)	1,135,569
Accrued compensated absences	507,986	(189,054)
Unearned revenue and deposits	2,875,074	942,963
Federal Perkins loans	50,533	(1,046,125)
Net pension liability	86,029,929	65,566,231
Deferred inflows of pension resources	(18,957,881)	(20,149,668)
Net cash flows provided by operating activities	$ 31,732,369	$ 17,875,128
Supplemental disclosure of noncash information:		
Capital assets included in accounts payable	$ 23,742,968	$ 23,862,425
Capital assets acquired by gifts in kind	$ 336,924	$ 38,718

See notes to financial statements.

Note 1. Summary of Significant Accounting Policies

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

The Governmental Accounting Standards Boards (GASB) Statement No. 39 sets forth criteria to determine whether certain organizations for which the University is not financially accountable should be reported as component units based on the nature and significance of their relationship with the University. The Miami University Foundation (the Foundation), which is a separate not-for-profit foundation, meets this criteria due to the significance of their operational or financial relationships with the University. Note 10 provides additional information on the Foundation. Certain disclosures concerning the Foundation are not included because it has been audited separately for the year ended June 30, 2017 and reports have been issued under separate cover.

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

Basis for presentation: The financial statements of the University have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when the related liability has been incurred. For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities as defined by GASB Statement Nos. 34 and 35.

Recent and pending accounting pronouncements: Effective July 1, 2015, the University adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria. This Statement is effective for periods beginning with the University's year ending June 30, 2016, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for the University beginning with its year ended June 30, 2017. There was no impact on the University's financial statements due to the provisions of Statement No. 73 that were required to be adopted during the year ending June 30, 2016.

Effective July 1, 2016, the University adopted GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployments benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. There was no impact on the University's financial statements due to the adoption of Statement No. 74.

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

Note 1. Summary of Significant Accounting Policies (Continued)

Effective July 1, 2016, the University adopted GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) the reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. For financial reporting purposes, tax abatement is defined as resulting from an agreement between a government and an individual or entity in which the government promised to forgo tax revenues and the individual or entity subsequently take specific action to contribute to the economic development or other benefits of the government. There was no impact on the University's financial statements due to the adoption of Statement No. 77.

Effective July 1, 2016, the University adopted GASB Statement No. 78, *Pensions Provided through Certain Multi-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address practice issues regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions.* The Statement amends the Scope of Statement No. 68 to exclude pensions provided to employees of state of local government employers through a cost-sharing multi-employer defined benefit plan that (1) is not a statement of local government pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer. There was no impact on the University's financial statements due to the adoption of Statement No. 78.

Effective July 1, 2016, the University adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The objective of this Statement is to establish criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in the Statement. There was no impact on the University's financial statements due to the adoption of Statement No. 79.

Effective July 1, 2016, the University adopted GASB Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units.* There was no impact on the University's financial statements due to the adoption of Statement No. 80.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting by establishing recognition and measurement requirements for irrevocable split-interest agreements as well as enhance the transparency and decision-usefulness of general purpose external financial reports by more clearly identifying resources that are available to a government. This Statement amends Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* paragraph 13; Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions,* paragraph 5; Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* paragraphs 16, 18, 22, 92, and 107; and Statement No. 67, *Financial Reporting for Pension Plans,* paragraph 24. The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. The University has not yet determined the impact adoption of this Statement will have on the financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

Effective July 1, 2016, the University adopted GASB issued Statement No. 82, *Pension Issues – an Amendment of GASB Statements No. 67, No. 68, and No. 73.* The objective of this Statement is to improve consistency in application of pension accounting and financial reporting requirements due to issues raised with respect to the Statements amended by this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016 except for the requirements of paragraph 7. In the circumstances in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end, the requirements of paragraph 7 are effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. There was no impact on the University's financial statements due to the provisions of Statement No. 82 that were required to be adopted during the year ending June 30, 2017.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to address accounting and financial reporting for certain asset retirement obligations. An asset retirement obligation is defined as a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The University has not yet determined the impact this statement will have on the financial statements.

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

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and postemployment benefits (OPEB) amongst other things. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The University has not yet determined the impact this statement will have on the financial statements.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The University has not yet determined the impact this statement will have on the financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Investments: Investments that are market traded, such as equity and debt securities, mutual funds, and cash equivalents, are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The value of holdings of commingled funds investing in publicly traded stocks and bonds and not having a readily determined market value for fund units is based on the funds' net asset value as supplied by the investment manager. Investments in real estate are recorded at fair value at the date of donation.

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

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

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

Capital assets: Land, buildings, and equipment are recorded at cost at date of acquisition. In the case of gifts or other donated capital assets, they are recorded at acquisition value. Acquisition value is the price that would be paid to acquire an asset in an orderly market transaction at the acquisition date. Acquisition value is a market-based entry price. Intangible assets include patents, trademarks, land rights and computer software. Land, collections of works of art and historical treasures are capitalized but not depreciated. Any collection that is not capitalized is charged to operations at the time of purchase. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives are 50 years for buildings; 25 years for infrastructure, library books and publications; and land improvements; 20 years for improvements to buildings; and 5 to 7 years for equipment, vehicles, and furniture. Intangible assets are depreciated based on the estimated life of each asset. The University's capitalization threshold is the lower of 5 percent of the original building cost or $100,000 for building renovations and $5,000 for other capitalized items. The capitalization threshold for intangible assets is $100,000 except for internally generated computer software which has a threshold of $500,000. Interest on construction projects is capitalized until substantial completion of the project.

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Deferred outflows/inflows of resources: Deferred outflows of resources are a consumption of net positions by the University that is applicable to a future reporting period. Deferred outflows of resources of the University consist of certain changes in the net pension liability not included in pension expense and employer pension contributions subsequent to the measurement date of the net pension liability. Deferred inflows of resources are an acquisition of net positions by the University that is applicable to a future reporting period. Deferred inflows of resources consist of deferred gains on debt refundings and certain changes in net pension liability not included in pension expense.

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

Net positions: Net positions are divided into three major categories. The first category, net investment in capital assets, which does not include unspent bond proceeds, reports the institution's net equity in property, plant, and equipment. The second major category is restricted net position. This category contains assets that are owned by the institution, but the use or purpose of the funds is restricted by an external source or entity. The corpus of the nonexpendable restricted assets is available for investment purposes only. The expendable restricted assets may be expended by the institution, but must be spent only for the purpose as determined by a donor or external entity. The income generated from the nonexpendable restricted investments and the expendable restricted funds may be used for student loans, scholarships and fellowships, instruction, research, and other needs to support the operation of the University. The third category is unrestricted net position and is separated into two types: allocated and unallocated. Allocated unrestricted assets are available to the institution, but are allocated for a specific purpose within the institution by University policy, management, or the governing board. The allocated unrestricted net positions were $264,321,811 as of June 30, 2017 and $235,874,803 as of June 30, 2016 and are to be used for loans, scholarships, investments and capital projects. Unallocated unrestricted net positions are available to be used for any lawful purpose of the institution.

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

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

Reclassifications: Certain amounts included in the 2016 financial statements have been reclassified to conform to the 2017 presentation. These reclassifications had no impact on total net position or changes in net position.

Subsequent events: The University has evaluated subsequent events occurring between the end of our most recent fiscal year and October 13, 2017, the date the financial statements were available to be issued.

Note 2. Cash and Investments

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

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

Note 2. Cash and Investments (Continued)

Cash and cash equivalents: At year-end, the carrying amount of the University's cash and cash equivalents was approximately $77.3 million in 2017 and $91.9 million in 2016. Cash and cash equivalents consists primarily of cash in banks, money market accounts and the State Treasury Asset Reserve of Ohio (STAR Ohio) that include short-term, highly liquid investments readily convertible to cash, with an original maturity of three months or less. STAR Ohio is a statewide fund managed by the State Treasurer of Ohio with the carrying amount of the assets reported at amortized cost.

Approximately $25.8 million in 2017 and $15.9 million in 2016 of cash and cash equivalents was covered by federal depository insurance; $46.1 million in 2017 and $44.3 million in 2016 was covered by collateral held by third-party trustees pursuant to paragraph 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions; and the remainder was not collateralized or insured, leaving it exposed to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the University may not be able to recover its deposits or collateral securities. The University maintains active relationships with multiple cash equivalent accounts to reduce its exposure to custodial credit risk at any single institution.

Investments: Investments held by the University at June 30, 2017 and 2016 are presented below, categorized by investment type and credit quality rating. Credit quality ratings provide information about the investments' credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University's investment management procedures establish guidelines for average credit quality ratings in the portfolios. Moody's Investors Services and Fitch Ratings have assigned AAA credit ratings to U.S. Treasury obligations. On August 6, 2011, Standard & Poor's lowered its credit rating on long-term U.S. Treasury related debt obligations from AAA to AA+. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The University had no exposure to custodial credit risk for the years ended June 30, 2017 and 2016.

The investments as of June 30 are summarized as follows:

	2017				
Investment Type	Fair Value	Not Rated	AAA	AA, A, and BBB	Below BBB
U.S. Treasury bonds	$ 70,989,343	$ -	$ 70,989,343	$ -	$ -
U.S. Agency bonds	94,076,802	-	94,076,802	-	-
Strips	2,201,761	-	2,201,761	-	-
Government-backed bonds	72,643,708	-	72,643,708	-	-
Corporate bonds	25,956,884	-	504,125	25,452,759	-
Municipal bonds	2,030,656	-	-	2,030,656	-
Common and preferred stocks	632,760	632,760	-	-	-
Commingled funds	575,034,326	504,983,689	22,568,101	31,354,317	16,128,219
Real estate and other	330,780	330,780	-	-	-
Total investments	$ 843,897,020	$ 505,947,229	$ 262,983,840	$ 58,837,732	$ 16,128,219

Note 2. Cash and Investments (Continued)

Investment Type	2016 Fair Value	Not Rated	AAA	AA, A, and BBB	Below BBB
U.S. Treasury bonds	$ 47,755,790	$ -	$ 47,755,790	$ -	$ -
U.S. Agency bonds	63,983,749	-	63,983,749	-	-
U.S. Treasury strips	2,237,750	-	2,237,750	-	-
Government-backed bonds	57,555,473	-	57,555,473	-	-
Corporate bonds	24,527,271	-	-	24,527,271	-
Municipal bonds	2,791,596	-	-	2,791,596	-
International bonds	380,127	-	-	380,127	-
Common and preferred stocks	616,888	616,888	-	-	-
Commingled funds	514,794,972	448,692,790	20,233,224	32,772,717	13,096,241
Real estate and other	323,132	323,132	-	-	-
Total investments	$ 714,966,748	$ 449,632,810	$ 191,765,986	$ 60,471,711	$ 13,096,241

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 are summarized as follows:

Investment Type	2017 Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years
U.S. Treasury bonds	$ 70,989,343	$ 35,161,163	$ 26,138,599	$ 7,884,861	$ 1,804,720
U.S. Agency bonds	94,076,802	23,926,421	46,593,389	10,260,598	13,296,394
U.S. Treasury strips	2,201,761	-	-	1,483,641	718,120
Government-backed bonds	72,643,708	209,816	43,135,501	18,820,444	10,477,947
Corporate bonds	25,956,884	2,103,407	18,914,049	4,006,151	933,277
Municipal bonds	2,030,656	-	1,278,304	324,996	427,356
Commingled bond funds	70,050,638	7,237,722	28,195,130	26,032,269	8,585,517
Total bonds	$ 337,949,792	$ 68,638,529	$ 164,254,972	$ 68,812,960	$ 36,243,331

Investment Type	2016 Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years
U.S. Treasury bonds	$ 47,755,790	$ 251,559	$ 36,498,316	$ 10,261,913	$ 744,002
U.S. Agency bonds	63,983,749	14,882,546	47,986,771	1,114,432	-
U.S. Treasury strips	2,237,750	-	990,240	1,247,510	-
Government-backed bonds	57,555,473	964,300	55,474,546	1,048,983	67,644
Corporate bonds	24,527,271	2,127,966	14,736,893	7,651,690	10,722
Municipal bonds	2,791,596	522,126	926,006	348,775	994,689
International bonds	380,127	-	-	-	380,127
Commingled bond funds	66,102,182	2,367,547	32,625,934	20,429,884	10,678,817
Total bonds	$ 265,333,938	$ 21,116,044	$ 189,238,706	$ 42,103,187	$ 12,876,001

Note 2. Cash and Investments (Continued)

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

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

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

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

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

	2017			
	Level 1	Level 2	Level 3	Total
Investment assets:				
U.S. Treasury bonds	$ 70,989,343	$ -	$ -	$ 70,989,343
U.S. Agency bonds	94,076,802	-	-	94,076,802
U.S. Treasury strips	2,201,761	-	-	2,201,761
Government-back bonds	-	72,643,708	-	72,643,708
Corporate bonds	-	25,956,884	-	25,956,884
Municipal bonds	-	2,030,656	-	2,030,656
Global public debt	34,872,927	-	-	34,872,927
Domestic public equity	557,760	-	-	557,760
Non-public equity	-	24,121,584	75,000	24,196,584
Real estate and other	-	-	330,780	330,780
	$ 202,698,593	$ 124,752,832	$ 405,780	$ 327,857,205
Funds reported at fair value based on net asset value:				
Non-publicly traded funds [(a)]				$ 274,898,329
Hedged equity funds [(b)]				215,558,620
Hedged debt funds [(c)]				25,582,866
Total investment assets				$ 843,897,020

The redemption frequency, if eligible, ranged from daily to quarterly for the various funds reported at fair value based on net asset value at June 30, 2017, with a redemption notice period, if applicable, ranging from 1 day to 90 days. There were no unfunded commitments for the various funds reported at fair value based on net asset value at June 30, 2017.

Note 2. Cash and Investments (Continued)

	2016			
	Level 1	Level 2	Level 3	Total
Investment assets:				
U.S. Treasury bonds	$ 47,755,790	$ -	$ -	$ 47,755,790
U.S. Agency bonds	63,983,749	-	-	63,983,749
U.S. Treasury strips	2,237,750	-	-	2,237,750
Government-back bonds	-	57,555,473	-	57,555,473
Corporate bonds	-	24,527,271	-	24,527,271
Municipal bonds	-	2,791,596	-	2,791,596
International bonds	-	380,127	-	380,127
Global public debt	31,190,396	-	-	31,190,396
Domestic public equity	541,888	-	-	541,888
Non-public equity	-	22,916,106	75,000	22,991,106
Real estate and other	-	-	323,132	323,132
	$ 145,709,573	$ 108,170,573	$ 398,132	$ 254,278,278
Funds reported at fair value based on net asset value:				
Non-publicly traded funds [(a)]				$ 238,579,382
Hedged equity funds [(b)]				198,825,458
Hedged debt funds [(c)]				23,283,630
Total investment assets				$ 714,966,748

[(a)] This class includes investments in funds where the underlying holdings are primarily long-only investments in publicly traded bonds and other debt securities on a global basis as well as the fair value of the University endowment investment in the Miami University Foundation investment pool (Pooled Fund). The fair value of the investments in this class have been estimated using the net asset value per share of the investments.

[(b)] This class includes primarily investments in hedge funds that invest in both long and short positions in publicly traded equity securities on a global basis. The fair value of the investments in this class have been estimated using the net asset value per share of the investments.

[(c)] This class includes primarily investments in hedge funds that invest in both long and short positions in both publicly traded and private debt securities on a global basis. The fund may also hold long and short positions in equity securities. Most debt securities are sub-investment grade and may be hard to price due to thin trading volumes. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

The following table is a reconciliation of all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2017:

	Non-Public Equities and Other
Balances as of July 1, 2015	$ 385,879
Net realized and unrealized gains	12,253
Balances as of June 30, 2016	398,132
Purchase of investments	1,227
Net realized and unrealized gains	6,421
Balances as of June 30, 2017	$ 405,780

Note 2. Cash and Investments (Continued)

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 $136.7 million as of June 30, 2017 and $143.6 million as of June 30, 2016, managed by global managers, and such international investments are exposed to foreign currency risk. The University's investments that are exposed to concentration risk consist of securities issued by the U.S. Treasury and other agencies or instrumentalities of the U.S. government which represent 28.4 percent and 19.5 percent of investments at June 30, 2017 and 2016, respectively. No other single issuer represents more than 5 percent of investments. Commingled bond funds held by the University include a wide range of investments, including hedge funds. The University's objective for investing in these hedge funds is to provide stable, absolute returns that are uncorrelated to fluctuations in the stock and bond markets.

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

Endowment funds: The Miami University Foundation (Foundation) manages the Foundation and University endowment and quasi-endowment funds in a single investment pool (Pooled Fund). The University investment is maintained as a separate fund on the financial system of the Foundation and receives a proportionate share of the Pooled Fund's activity. The Foundation owns the assets of the Pooled Fund; the University has an interest in the Pooled Fund. The Foundation's Pooled Fund is not registered with the Securities and Exchange Commission as an investment company. The Foundation's Board of Directors appoints an Investment Committee, which is responsible for oversight of the Pooled Fund in accordance with Foundation policies. University investments include $210.2 million and $175.3 million managed by the Foundation as of June 30, 2017 and 2016, respectively. The fair value of the University's position in the Pooled Fund is based on the University's proportional share of the Pooled Fund, which is marked-to-market annually. Note 10 provides additional information on the Foundation and the Pooled Fund.

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

The University employs a total return policy which defines the total amount of dividends, interest and realized gains to be distributed from the endowment assets to other funds. During 2017, the University Board revised the endowment spending distribution policy. Beginning with the 2017 distribution, the new policy distributes four percent of the average of the previous twelve quarterly market values as of March 31st of each fiscal year. The authorized spending amount was $7,203,497 in 2017 and $8,969,653 in 2016. In accordance with donors' stipulations, a portion of the earnings was returned to endowment principal and the balance of $6,447,285 and $8,074,744 was distributed for expenditure for 2017 and 2016, respectively. Donor restricted endowments with insufficient accumulated earnings did not make a current year distribution.

Note 3. Accounts, Pledges and Notes Receivable

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

	2017	2016
Accounts receivable:		
Student receivables	$ 11,119,950	$ 10,427,654
University Foundation	13,410,298	12,018,232
Grants and contracts	3,348,861	3,631,253
Other receivables	3,991,778	3,005,011
Total accounts receivable	31,870,887	29,082,150
Less allowances for doubtful accounts	(1,285,000)	(1,285,000)
Net accounts receivable	$ 30,585,887	$ 27,797,150
Pledges receivable:		
Pledges receivable	$ 5,863,912	$ 10,841,276
Less allowance for doubtful pledges	(446,759)	(584,350)
Net pledges receivable	$ 5,417,153	$ 10,256,926
Notes receivable:		
Federal loan programs	$ 6,340,201	$ 6,809,383
University loan programs	4,471,812	4,561,030
Total notes receivable	10,812,013	11,370,413
Less allowance for doubtful notes	(1,973,700)	(1,966,000)
Net notes receivable	8,838,313	9,404,413
Total	$ 44,841,353	$ 47,458,489

Note 4. Capital Assets

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

	2017			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets:				
Land	$ 5,792,226	$ -	$ -	$ 5,792,226
Collections of works of art and historical treasures	8,988,727	349,424	-	9,338,151
Construction in progress	139,578,984	135,845,619	143,733,371	131,691,232
Total nondepreciable capital assets	154,359,937	136,195,043	143,733,371	146,821,609
Land improvements	47,429,582	6,764,983	-	54,194,565
Buildings	1,264,605,851	144,072,954	2,585,841	1,406,092,964
Infrastructure	153,177,588	2,700,318	-	155,877,906
Machinery and equipment	86,005,562	6,344,754	5,562,952	86,787,364
Library books and publications	70,103,039	946,810	-	71,049,849
Vehicles	7,623,940	346,657	664,113	7,306,484
Intangible assets	16,946,161	-	-	16,946,161
Total depreciable capital assets	1,645,891,723	161,176,476	8,812,906	1,798,255,293
Total capital assets	1,800,251,660	297,371,519	152,546,277	1,945,076,902
Less accumulated depreciation:				
Buildings	444,037,612	40,633,272	2,529,009	482,141,875
Infrastructure	70,066,073	5,637,652	-	75,703,725
Land improvements	16,954,794	1,790,477	-	18,745,271
Machinery and equipment	30,855,852	3,634,419	5,562,952	28,927,319
Library books and publications	48,652,144	2,056,984	-	50,709,128
Vehicles	5,987,450	273,819	664,113	5,597,156
Intangible assets	16,946,161	-	-	16,946,161
Total accumulated depreciation	633,500,086	54,026,623	8,756,074	678,770,635
Total capital assets, net	$ 1,166,751,574	$ 243,344,896	$ 143,790,203	$ 1,266,306,267

Note 4. Capital Assets (Continued)

	2016			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets:				
Land	$ 5,792,226	$ -	$ -	$ 5,792,226
Collections of works of art and historical treasures	8,930,209	58,518	-	8,988,727
Construction in progress	117,391,531	151,053,258	128,865,805	139,578,984
Total nondepreciable capital assets	132,113,966	151,111,776	128,865,805	154,359,937
Land improvements	42,899,756	4,529,826	-	47,429,582
Buildings	1,135,721,891	129,251,543	367,583	1,264,605,851
Infrastructure	148,595,712	4,581,876	-	153,177,588
Machinery and equipment	96,652,671	4,913,066	15,560,175	86,005,562
Library books and publications	68,955,770	1,147,269	-	70,103,039
Vehicles	8,374,482	14,994	765,536	7,623,940
Intangible assets	16,946,161	-	-	16,946,161
Total depreciable capital assets	1,518,146,443	144,438,574	16,693,294	1,645,891,723
Total capital assets	1,650,260,409	295,550,350	145,559,099	1,800,251,660
Less accumulated depreciation:				
Buildings	409,990,185	34,203,564	156,137	444,037,612
Infrastructure	64,556,393	5,509,680	-	70,066,073
Land improvements	15,384,769	1,570,025	-	16,954,794
Machinery and equipment	42,349,839	4,066,191	15,560,178	30,855,852
Library books and publications	46,540,719	2,111,425	-	48,652,144
Vehicles	6,549,882	203,104	765,536	5,987,450
Intangible assets	16,680,237	265,924	-	16,946,161
Total accumulated depreciation	602,052,024	47,929,913	16,481,851	633,500,086
Total capital assets, net	$ 1,048,208,385	$ 247,620,437	$ 129,077,248	$ 1,166,751,574

Note 5. Long-Term Liabilities

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

	2017				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and leases payable:					
Bonds payable	$ 594,705,000	$ 154,635,000	$ 77,685,000	$ 671,655,000	$ 29,840,000
Capital leases payable	2,403,000	-	121,500	2,281,500	124,200
Premiums	32,044,933	23,136,442	3,620,749	51,560,626	2,354,351
Total bonds and leases payable	629,152,933	177,771,442	81,427,249	725,497,126	32,318,551
Other liabilities:					
Compensated absences	18,365,120	8,369,156	7,861,170	18,873,106	1,248,469
Federal Perkins loans	5,506,867	294,964	244,431	5,557,400	-
Total other liabilities	23,871,987	8,664,120	8,105,601	24,430,506	1,248,469
Total	$ 653,024,920	$ 186,435,562	$ 89,532,850	$ 749,927,632	$ 33,567,020

Note 5. Long-Term Liabilities (Continued)

	2016									
		Beginning Balance		Additions		Reductions		Ending Balance		Current Portion
Bonds and leases payable:										
Bonds payable	$	619,785,000	$	52,335,000	$	77,415,000	$	594,705,000	$	26,860,000
Capital leases payable		2,521,800		-		118,800		2,403,000		121,500
Premiums		35,828,190		-		3,783,257		32,044,933		1,695,236
Total bonds and leases payable		658,134,990		52,335,000		81,317,057		629,152,933		28,676,736
Other liabilities:										
Compensated absences		18,554,174		7,377,341		7,566,395		18,365,120		1,340,193
Federal Perkins loans		6,552,992		296,806		1,342,931		5,506,867		-
Total other liabilities		25,107,166		7,674,147		8,909,326		23,871,987		1,340,193
Total	$	683,242,156	$	60,009,147	$	90,226,383	$	653,024,920	$	30,016,929

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

Note 6. Indebtedness

During the year ended June 30, 2017, the University issued $154,635,000 in General Receipts Revenue Bonds with interest rates ranging from 2.00 percent to 5.00 percent and maturities from 2017 to 2042. A part of the proceeds were used to refund a portion of the remaining Miami University General Receipts Bonds, Series 2007. The net change in cash flows related to the refunding was approximately $5.8 million and the net present value savings was approximately $5 million. In 2017, the University defeased a portion of the Series 2007 bonds by placing some of the proceeds from the Series 2017 bonds into an escrow account to provide for future debt service. The outstanding balance of the defeased bonds was $50,825,000 as of June 30, 2017.

The February 14, 2017 bond refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of $598,656. The unamortized difference of $598,656 at June 30, 2017 is reported in the accompanying financial statements as a deferred inflow of resources and is being amortized through the year 2028.

During the year ended June 30, 2016, the University issued $52,335,000 in General Receipts Revenue Bonds with a 1.88 percent coupon and maturities from 2016 to 2025. The proceeds were used to retire existing debt obligations.

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

During the year ended June 30, 2014, the University issued $135,035,000 in General Receipts Revenue Bonds with interest rates ranging from 3.50 percent to 5.00 percent and maturities from 2015 to 2040.

During the year ended June 30, 2013, the University issued $116,065,000 in General Receipts Revenue Bonds with interest rates ranging from 3.00 percent to 5.00 percent and maturities from 2014 to 2038.

Note 6. Indebtedness (Continued)

During the year ended June 30, 2012, the University issued $148,775,000 in General Receipts Revenue Bonds with interest rates ranging from 4.00 percent to 5.00 percent and maturities from 2012 to 2037. A part of the proceeds were used to refund a portion of the remaining Miami University General Receipts Bonds, Series 2003. The net change in cash flows related to the refunding was approximately $2.1 million and the net present value savings was approximately $1.6 million. In fiscal year 2012, the University defeased a portion of the Series 2003 bonds by placing some of the proceeds from the Series 2011 bonds into an escrow account to provide for all future debt service. The outstanding balance of defeased bonds were $23,450,000 and $26,175,000 as of June 30, 2017 and 2016 respectively.

The proceeds from the 2017, 2014, 2013, and 2012 issuances have been and will continue to be used to fund the multi-phase effort to renovate all campus student housing and dining facilities as well as to retire outstanding indebtedness of the University for more favorable borrowing terms as described in the proceeding paragraphs.

The December 21, 2011 bond refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of $1,209,192. The unamortized difference of $677,145 and $773,880 at June 30, 2017 and 2016, respectively, is reported in the accompanying financial statements as a deferred inflow of resources and is being amortized through the year 2024.

During the year ended June 30, 2011, the University issued $125,000,000 in General Receipts Revenue Bonds consisting of $105,445,000 Series 2010A (Federally Taxable Build America Bonds – Direct Payment) and $19,555,000 Series 2010B (Tax-Exempt Bonds). Interest rates range from 4.81 percent to 6.77 percent for the Series 2010A bonds and 5.00 percent for the Series 2010B bonds. Maturities range from 2017 to 2036 for the Series 2010A bonds with a final payment in 2017 for the Series 2010B bonds. The Series 2010 bond proceeds were used to provide funding for the first phase of planned improvements to student housing and dining facilities and the first phase of construction of the Armstrong Student Center.

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 2009 to 2027. The proceeds were used to fund capital asset additions. As noted previously, a significant portion of these bonds were refunded during 2017 with the issue of the Series 2017 General Receipt Revenue Bonds. The balance owed at the time of the refund was $55,230,000.

The University incurred total interest costs of $26,708,754 and $24,428,799 as of June 30, 2017 and 2016, respectively. The interest costs that were capitalized were $842,402 and $1,379,617 as of June 30, 2017 and 2016, respectively.

Note 6. Indebtedness (Continued)

The maturity dates, interest rates, and outstanding principal balances as of June 30, 2017 are as follows:

	Maturity Dates	Interest Rates	Outstanding Debt
Bonds payable:			
Series 2017 general receipts	2018 - 2042	2.00% - 5.00%	$ 154,635,000
Series 2015 general receipts	2018 - 2024	1.88%	45,730,000
Series 2014 general receipts	2018 - 2040	3.50% - 5.00%	128,795,000
Series 2012 general receipts	2018 - 2038	3.00% - 5.00%	106,020,000
Series 2011 general receipts	2018 - 2037	4.00% - 5.00%	126,625,000
Series 2010A general receipts	2018 - 2036	4.81% - 6.77%	105,445,000
Series 2007 general receipts	2018	3.25% - 5.25%	4,405,000
Total bonds payable			671,655,000
Bond premiums			51,560,626
Total bonds payable, net			$ 723,215,626

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

	Principal	Interest	Total
2018	$ 29,840,000	$ 30,977,991	$ 60,817,991
2019	31,450,000	29,611,344	61,061,344
2020	31,845,000	28,233,036	60,078,036
2021	33,205,000	26,731,652	59,936,652
2022	34,690,000	25,142,725	59,832,725
2023 - 2027	165,970,000	101,660,215	267,630,215
2028 - 2032	128,660,000	66,693,127	195,353,127
2033 - 2037	153,025,000	38,866,858	191,891,858
2038 - 2042	62,970,000	4,913,521	67,883,521
Total	$ 671,655,000	$ 352,830,469	$ 1,024,485,469

The University has $2,281,500 in capitalized lease obligations that have varying maturity dates through 2032 and carry implicit interest rates ranging from 2.65 percent to 6.38 percent. The scheduled maturities of these leases as of June 30, 2017, are:

2018	$ 194,768
2019	194,583
2020	194,091
2021	193,351
2022	194,790
2023 - 2027	967,119
2028 - 2032	961,492
Total minimum lease payments	2,900,194
Less amount representing interest	(618,694)
Net minimum lease payments	$ 2,281,500

Buildings are financed with capital leases. The carrying amount of the buildings related to these capital leases as of June 30, 2017 and 2016 are $2,499,120 and $2,555,280, respectively.

Note 7. Net Pension Liability / Asset

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

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.

Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. Through June 30, 2016, the employer rate was 14 percent and the member 13 percent of covered payroll. The statutory employer rate for fiscal year 2017 and subsequent years is 14 percent. The statutory member contribution rate increased to 14 percent on July 1, 2016.

During calendar years 2016 and 2015, 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 for these same years. Law enforcement employees who are a part of the OPERS law enforcement division contribute 13.0 percent of their salary to the plan for the calendar years 2016 and 2015. For these employees, the University was required to contribute 18.1 percent of covered payroll for these same years. The member contribution rate for all other employees and the University's contribution rate remained unchanged. The portion of employer contributions to OPERS allocated to health care for members in the Traditional Plan was 2.0 percent from January 1, 2015 through December 31, 2016 (Note 9). Effective January 1, 2017, the portion of employer contributions allocated to health care decreased to 1.0 percent.

The payroll for employees covered by STRS Ohio for the years ended June 30, 2017 and 2016 was approximately $71,889,000 and $67,969,000, respectively. The payroll for employees covered by OPERS for the years ended June 30, 2017 and 2016 was approximately $93,543,000 and $90,034,000, respectively.

Pension liabilities and assets, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2017, the University reported a liability of $406,344,694 for its proportionate share of the net pension liability for the OPERS Traditional plan and the STRS Ohio plan, in the amounts of $150,996,560 and 255,348,134, respectively. The net pension liability was measured as of December 31, 2016 for the OPERS traditional plan and June 30, 2016 for the STRS Ohio plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date for each plan. The amount used to allocate the net pension liability, deferred inflows/outflows and pension expense was based on the contributions during the measurement period which was determined by the OPERS Traditional plan and STRS Ohio plan to be a reliable approximation of long term contribution effort to the two plans. At the measurement date, the University's proportion was .664940 percent for OPERS Traditional and .762848 percent for STRS Ohio.

Note 7. Net Pension Liability / Asset (Continued)

At June 30, 2016, the University reported a liability of $320,314,765 for its proportionate share of the net pension liability for the OPERS Traditional plan and the STRS Ohio plan, in the amounts of $112,795,663 and $207,519,102, respectively. The net pension liability was measured as of December 31, 2015 for the OPERS traditional plan and June 30, 2015 for the STRS Ohio plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date for each plan. The amount used to allocate the net pension liability, deferred inflows/outflows and pension expense was based on the contributions during the measurement period which was determined by the OPERS Traditional plan and STRS Ohio plan to be a reliable approximation of long term contribution effort to the two plans. At the measurement date, the University's proportion was .651198 percent for OPERS Traditional and .750872 percent for STRS Ohio.

At June 30, 2017, the University reported an asset of $370,363 for its proportionate share of the net pension asset for the OPERS Combined plan. The net pension asset was measured as of December 31, 2016. The method used to calculate the net pension asset was determined by an actuarial valuation as of that date. The amount used to allocate the net pension asset, deferred inflows/outflows and pension expense was based on the contributions during the measurement period which was determined by the OPERS Combined plan and to be a reliable approximation of long term contribution effort to the plan. At the measurement date, the University's proportion was .665441 percent for OPERS Combined plan.

At June 30, 2016, the University reported an asset of $323,239 for its proportionate share of the net pension asset for the OPERS Combined plan. The net pension asset was measured as of December 31, 2015. The method used to calculate the net pension asset was determined by an actuarial valuation as of that date. The amount used to allocate the net pension asset, deferred inflows/outflows and pension expense was based on the contributions during the measurement period which was determined by the OPERS Combined plan and to be a reliable approximation of long term contribution effort to the plan. At the measurement date, the University's proportion was .664254 percent for OPERS Combined plan.

For the year ended June 30, 2017, the University recognized pension expense of approximately $48,907,000 consisting of pension expenses of approximately $29,464,000 for the OPERS Traditional plan, approximately $19,139,000 for the STRS Ohio plan and an expense of $304,000 for the OPERS Combined plan, respectively.

For the year ended June 30, 2016, the University recognized pension expense of approximately $24,596,000 consisting of pension expenses of approximately $13,753,000 for the OPERS Traditional plan, approximately $10,627,000 for the STRS Ohio plan and an expense of $216,000 for the OPERS Combined plan, respectively.

Note 7. Net Pension Liability / Asset (Continued)

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

	2017		
	STRS-Ohio	OPERS	Total
Deferred outflows of resources:			
Differences between expected and actual actuarial experience	$ 10,168,497	$ 204,664	$ 10,373,161
Net difference between projected and actual earnings on pension plan investments	22,064,053	22,093,301	44,157,354
Changes in assumptions	-	24,040,142	24,040,142
Changes in proportion and differences between University contributions and proportionate share of contributions	6,763,723	2,083,897	8,847,620
University contributions subsequent to the measurement date	9,344,307	5,809,503	15,153,810
Total	$ 48,340,580	$ 54,231,507	$ 102,572,087
Deferred inflows of resources:			
Differences between expected and actual actuarial experience	$ -	$ 1,069,858	$ 1,069,858
Changes in proportion and differences between University contributions and proportionate share of contributions	-	1,068,615	1,068,615
Total	$ -	$ 2,138,473	$ 2,138,473

	2016		
	STRS-Ohio	OPERS	Total
Deferred outflows of resources:			
Differences between expected and actual actuarial experience	$ 9,404,171	$ -	$ 9,404,171
Net difference between projected and actual earnings on pension plan investments	-	33,347,651	33,347,651
Changes in proportion and differences between University contributions and proportionate share of contributions	5,191,936	-	5,191,936
University contributions subsequent to the measurement date	8,836,248	5,113,471	13,949,719
Total	$ 23,432,355	$ 38,461,122	$ 61,893,477
Deferred inflows of resources:			
Differences between expected and actual actuarial experience	$ -	$ 2,338,157	$ 2,338,157
Net difference between projected and actual earnings on pension plan investments	13,846,864	-	13,846,864
Changes in proportion and differences between University contributions and proportionate share of contributions	-	4,911,333	4,911,333
Total	$ 13,846,864	$ 7,249,490	$ 21,096,354

Note 7. Net Pension Liability / Asset (Continued)

Deferred inflows and outflows of resources related to the net difference between projected and actual earnings on pension plan investments is amortized over five years. The remaining deferred inflows and outflows of resources are amortized over the average remaining service lives of the active and inactive participants in the plan. Deferred outflows of resources includes $15,153,810 of University contributions subsequent to the measurement dates of the Plans and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

	STRS-Ohio	OPERS	Total
Year ended June 30:			
2018	$ 7,399,934	$ 18,734,441	$ 26,134,375
2019	7,399,934	20,318,086	27,718,020
2020	15,067,012	7,926,330	22,993,342
2021	9,129,393	(685,501)	8,443,892
2022	-	(7,891)	(7,891)
Thereafter	-	(1,934)	(1,934)
	$ 38,996,273	$ 46,283,531	$ 85,279,804

Actuarial assumptions used for the year-ended June 30, 2017

For STRS Ohio the total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

For OPERS the total pension liability/asset in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

OPERS	Traditional Pension Plan	Combined Plan
Inflation	3.25 percent	3.25 percent
Projected salary increases	3.25 percent to 10.75 percent (includes wage inflation)	3.25 percent to 8.25 percent (includes wage inflation)
Investment rate of return	7.50 percent	7.50 percent
Cost-of-living adjustments (COLA)	Pre January 1, 2013 retirees: 3.00 percent simple Post January 1, 2013 retirees: 3.00 percent simple through 2018, then 2.15 percent simple	Pre January 1, 2013 retirees: 3.00 percent simple Post January 1, 2013 retirees: 3.00 percent simple through 2018, then 2.15 percent simple

Note 7. Net Pension Liability / Asset (Continued)

Mortality rates: STRS Ohio rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above. OPERS rates are based on RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

	STRS Ohio		OPERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	31.00 %	8.00 %	20.70 %	6.34 %
International equity	26.00	7.85	18.30	7.95
Alternative investments	14.00	8.00	10.00	8.97
Fixed income	18.00	3.75	23.00	2.75
Real estate	10.00	6.75	10.00	4.75
Other	1.00	3.00	18.00	4.92
Total	100.00 %		100.00 %	

Discount rate: The discount rate used to measure the total pension liability (asset) was 7.75 percent for STRS Ohio and 7.50 percent for OPERS. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at statutorily required rates. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In March 2017, the STRS Ohio Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Ohio Board voted to suspend the cost of living adjustments granted on or after July 1, 2017. Although the exact amount of the changes is not known, the overall decrease to the University's NPL is expected to be material.

Note 7. Net Pension Liability / Asset (Continued)

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
STRS Ohio	$ 339,336,921	$ 255,348,134	$ 184,498,641

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
OPERS	$ 230,707,594	$ 150,626,197	$ 83,914,914

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

Actuarial assumptions used for the year-ended June 30, 2016

For STRS Ohio the total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

For OPERS the total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

OPERS	Traditional Pension Plan	Combined Plan
Inflation	3.75 percent	3.75 percent
Projected salary increases	4.25 percent to 10.05 percent (includes wage inflation)	4.25 percent to 8.05 percent (includes wage inflation)
Investment rate of return	8.00 percent	8.00 percent
Cost-of-living adjustments (COLA)	2 percent simple applied as follows: for members retiring before Pre January 1, 2013 retirees: 3.00 percent Post January 7, 2013 retirees: 3.00 percent through 2018, then 2.80 percent	2 percent simple applied as follows: for members retiring before Pre January 1, 2013 retirees: 3.00 percent Post January 7, 2013 retirees: 3.00 percent through 2018, then 2.80 percent

Note 7. Net Pension Liability / Asset (Continued)

Mortality rates: STRS rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above. OPERS rates are the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used, set forward two years. For females, 100% of the disabled female mortality rates were used.

Investment return assumptions: STRS Ohio utilizes investment consultants to determine the long-term expected rate of return by developing best estimates of expected future real rates for each major asset class. The long-term expected rate of return on OPERS defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return were developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage, adjusted for inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	STRS Ohio		OPERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	31.00 %	8.00 %	20.70 %	5.84 %
International equity	26.00	7.85	18.30	7.40
Alternative investments	14.00	8.00	10.00	9.25
Fixed income	18.00	3.75	23.00	2.31
Real estate	10.00	6.75	10.00	4.25
Other	1.00	3.00	18.00	4.59
Total	100.00 %		100.00 %	

Discount rate: The discount rate used to measure the total pension liability (asset) was 7.75 percent for STRS Ohio and 8.0 percent for OPERS. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at statutorily required rates. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 7. Net Pension Liability / Asset (Continued)

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
STRS Ohio	$ 288,259,657	$ 207,519,102	$ 139,240,885

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
OPERS	$ 179,704,406	$ 112,472,424	$ 55,776,754

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

Note 8. Retirement Plans

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

The payroll for employees electing the alternative retirement program for the year ended June 30, 2017 and 2016 was approximately $72,399,000 and $69,053,000, respectively.

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

OPERS also offers a combined plan. This is a cost-sharing, multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit. OPERS also provides retirement, disability, survivor, and postretirement health care benefits to qualified members**.** The portion of employer contributions to OPERS allocated to health care for members in the Combined Plan was 2.0 percent from January 1, 2015 through December 31, 2016 and decreased to 1.0 percent effective January 1, 2017 (Note 9).

Note 8. Retirement Plans (Continued)

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
2017	$ 10,064,422	$ 13,180,916	$ 7,743,023
2016	9,515,667	12,677,637	7,386,820
2015	9,388,961	12,227,238	6,861,634

Note 9. Other Postemployment Benefits

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

OPERS health care benefits are advance-funded on an actuarially determined basis. The amount of employer contributions made to fund post-employment benefits for the year ended June 30, 2017 and 2016 were approximately $1.9 million and $1.8 million, respectively.

Note 10. Related Organization

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

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

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

Note 10. Related Organization (Continued)

Summary financial information for the Foundation as of June 30, 2017, the date of its most recent audited financial report, is as follows:

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at end of year	$ 957,683	$ 128,706,074	$ 209,719,391	$ 339,383,148
Change in net assets for the year	1,587,519	22,870,102	12,683,912	37,141,533
Distributions to Miami University	15,347,172	-	-	15,347,172

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at end of year	$ (629,836)	$ 105,835,972	$ 197,035,479	$ 302,241,615
Change in net assets for the year	(1,346,143)	(27,993,559)	9,434,490	(19,905,212)
Distributions to Miami University	18,401,214	-	-	18,401,214

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

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

Market prices are not available for certain investments. These investments are carried at estimated fair value provided by the funds' management. Some valuations are determined as of June 30, while the remaining valuations are determined based on March 31 information when June 30 information is not yet available, and adjusted by cash receipts, cash disbursements, and securities distributions through June 30. The Foundation believes that the carrying amounts are reasonable estimates of fair value as of year-end. Because these investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed. Such differences could be material. The amount of gain or loss associated with these investments is reflected in the accompanying financial statements using the equity method of accounting.

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

Note 10. Related Organization (Continued)

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

Long-term investments: Investments held by the Foundation as of June 30 were:

	Fair Value	
	2017	2016
Investment description:		
Domestic public equities	$ 14,054,544	$ 32,018,120
Global public equities	165,071,575	124,759,055
International public equities	26,507,511	14,814,906
Domestic public fixed income	36,345,761	2,549,299
Global public fixed income	11,628,213	30,302,732
Hedge funds	132,338,568	139,358,683
Limited partnerships and non-public equities	78,527,885	65,777,732
Other	2,277,171	2,253,432
Split-Interest funds:		
Charitable remainder trusts	10,185,743	9,848,772
Charitable gift annuities	2,536,096	2,925,190
Pooled income funds	573,288	546,327
Total	$ 480,046,355	$ 425,154,248

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, 2017 and 2016, the Foundation has made commitments to limited partnerships of approximately $74.8 million and $35.9 million, respectively, that have not yet been funded, some of which management expects may not be called by the partnerships due to the life-cycle of the respective partnerships.

The 2017 and 2016 dividend and interest income of $2,568,598 and $1,765,687, respectively, is net of fees from external investment managers totaling $205,027 and $254,945 for June 30, 2017 and 2016, respectively.

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

Pledges receivable: As of June 30, 2017, contributors to the Foundation have made unconditional pledges totaling $39,771,743 with one pledge accounting for over 45 percent of that total. Net pledges receivable have been discounted using rates commensurate with the risks involved to a net present value of $37,982,918 at June 30, 2017. Discount rates ranged from 1.20 percent to 6.00 percent. Management has set up an allowance for uncollectible pledges of $1,763,161 and $1,250,249 at June 30, 2017 and 2016, respectively. All pledges have been classified as temporarily restricted net assets since they will either expire or be fulfilled within a specified time or donor imposed stipulations.

Note 10. Related Organization (Continued)

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

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

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

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

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

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported as unrestricted net assets until such time as the fair value equals or exceeds historical value; such deficiencies were $39,298 as of June 30, 2017 and $1,299,024 as of June 30, 2016. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of permanently restricted contributions.

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

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

Note 11. Commitments

At June 30, 2017, the University is committed to future contractual obligations for capital expenditures of approximately $141.9 million. These commitments are being funded from the following sources:

Contractual obligations:	
Approved state appropriations not expended	$ 23,791,557
University funds and bond proceeds	118,066,746
Total	$ 141,858,303

Note 12. Risk Management

The University's employee health insurance program is a self-insured plan. Administration of the plan is provided by United Medical Resources, a United Healthcare company. Employees are offered two plan options, a Traditional PPO Plan or a High Deductible Health Plan with a Health Savings Account.

Health insurance claims are accrued based upon estimates of the claims liabilities. These estimates are based on past experience, current claims outstanding, and medical inflation trends. As a result, the actual claims experience may differ from the estimate. An estimate of claims incurred but not reported in the amount of $1,999,300 and $2,506,700 is included in the accrued salaries and wages as of June 30, 2017 and 2016, respectively. The change in the total liability for actual and estimated claims is summarized below:

	2017	2016	2015
Liability at beginning of year	$ 2,887,540	$ 2,662,634	$ 2,440,852
Claims incurred	33,175,312	33,819,421	27,109,201
Claims paid	(33,186,366)	(34,044,615)	(26,834,919)
Change in estimated claims incurred but not reported	(507,401)	450,100	(52,500)
Liability at end of year	$ 2,369,085	$ 2,887,540	$ 2,662,634

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

The University participates in a consortium with all other Ohio state-assisted universities (excluding The Ohio State University) for the acquisition of commercial property and liability insurance. The name of the consortium is the IUC-Insurance Consortium. The commercial property program's loss limit is $1.75 billion and the general/auto liability loss limit is $50 million. The property insurance program has been in place for 22 years during which time Miami University has had two material losses above the insurance policy deductible of $350,000. The property pool deductible for individual universities is $100,000. The liability program has been in place for 17 years during which time Miami University has had three losses above the pool deductible. The current self-insured retention for the liability program is $1 million. The educator's legal liability loss limit is $50 million. The University also participates with the other consortium universities for the purchase of commercial insurance for other risks.

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

Note 13. Contingencies

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

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

Supplementary Information

Miami University

Retirement Plan Data
Years Ended June 30, 2017, 2016 and 2015

For the year ended June 30, 2017	STRS Ohio	OPERS Traditional	OPERS Combined
University's proportion of the net pension liability (asset)	0.762848%	0.664940%	0.665441%
University's proportionate share of the net pension liability (asset)	$ 255,348,134	$ 150,996,560	$ (370,363)
University's covered-employee payroll	71,888,725	86,003,859	2,678,733
University's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	355.20%	175.57%	-13.83%
Plan fiduciary net position as a percentage of the total pension liability	66.80%	77.25%	116.55%
For the year ended June 30, 2016			
University's proportion of the net pension liability (asset)	0.750872%	0.651198%	0.664254%
University's proportionate share of the net pension liability (asset)	$ 207,519,102	$ 112,795,663	$ (323,239)
University's covered-employee payroll	67,969,048	83,037,217	2,475,130
University's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	305.31%	135.84%	(13.06)%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	81.08%	116.90%
For the year ended June 30, 2015			
University's proportion of the net pension liability (asset)	0.718940%	0.662272%	0.650661%
University's proportionate share of the net pension liability (asset)	$ 174,871,152	$ 79,877,382	$ (250,519)
University's covered-employee payroll	67,064,006	80,131,382	2,327,431
University's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	260.76%	99.68%	10.76%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	86.45%	114.83%

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

(Continued)

Miami University

Retirement Plan Data (Continued)
Year Ended June 30, 2017
(In Thousands)

	STRS Ohio				
	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2008	$ 9,478	$ 9,478	$ -	$ 67,702	14.0%
2009	9,587	9,587	-	68,482	14.0%
2010	9,271	9,271	-	66,222	14.0%
2011	9,062	9,062	-	64,727	14.0%
2012	8,825	8,825	-	63,038	14.0%
2013	8,718	8,718	-	62,272	14.0%
2014	8,850	8,850	-	63,215	14.0%
2015	9,389	9,389	-	67,064	14.0%
2016	9,516	9,516	-	67,969	14.0%
2017	10,064	10,064	-	71,889	14.0%

	OPERS Traditional, Combined and Member-Directed				
	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2008	$ 13,004	$ 13,004	$ -	$ 93,251	13.9%
2009	13,480	13,480	-	95,880	14.1%
2010	12,304	12,304	-	87,443	14.1%
2011	11,842	11,842	-	84,585	14.0%
2012	11,863	11,863	-	84,266	14.1%
2013	11,982	11,982	-	85,101	14.1%
2014	12,334	12,334	-	87,598	14.1%
2015	12,227	12,227	-	86,845	14.1%
2016	12,678	12,678	-	90,034	14.1%
2017	13,181	13,181	-	93,543	14.1%

Changes to benefit terms: There no significant changes in benefit terms affecting the STRS Ohio and OPERS plans for the plan years ending June 30, 2016 and December 31, 2016, respectively.

Changes of assumptions: There were no significant changes in assumptions or plan amendments affecting the STRS Ohio and OPERS plans for the plan years ending June 30, 2016 and December 31, 2016, respectively, with the exception of a reduction in the discount rate for the OPERS plans from 8.00 percent to 7.50 percent.

Trustees and Officers as of JUNE 30, 2017

Financial Services Staff

The 2017 financial report and investments report were prepared by the Miami University Controller's Office and the Treasury Services Office.

Sarah C. Persinger
Controller

Jennifer B. Morrison
Associate Controller

Bruce A. Guiot
Chief Investment Officer and Associate Treasurer

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

Statement of Nondiscrimination

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

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

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

EthicsPoint

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

MIAMI UNIVERSITY

Produced by University Communications and Marketing 2017

Miami University Foundation

Financial Report
June 30, 2017

Investment report

Miami University and Miami University Foundation
June 30, 2017

Investment Pools

Endowment pool assets finished the fiscal year above $500 million for the first time, while total investments held by Miami University and the Miami University Foundation finished above $1 billion for the third consecutive year. Endowment assets increased to $512.4 million from $445.8 million, while total investments increased to $1.1 billion from $1.03 billion. This increase in assets is attributable to significantly improved investment earnings and generous giving levels.

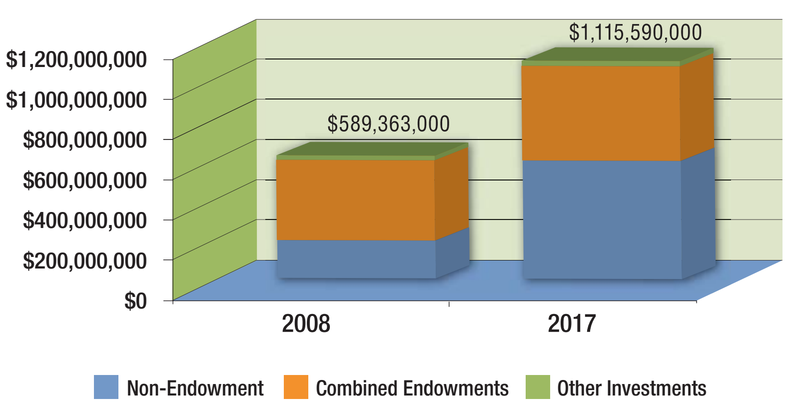
The Miami University Foundation's investment committee provides governance oversight to one unified endowment investment pool for the University and the Foundation, while the University Board of Trustees maintains oversight of the non-endowment pool. The fiscal year-end asset values among the pools are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

Pool	Type of Funds	Invested as of June 30, 2017
University Non-Endowment	Working capital and cash reserves to support operating activities	$575,978,000
University & Foundation Endowments	Funds donated to the University and the Foundation to establish endowments in perpetuity	$512,400,000
Trusts, Annuities, and Separately Invested Assets	Gifts managed independently of the pooled funds	$ 27,212,000
Total Investments		**$1,115,590,000**

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

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

Growth in Total Investment Assets
June 30, 2017

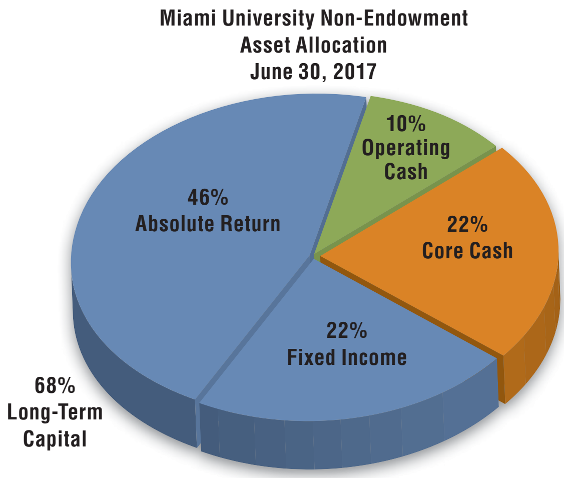


The University and Foundation also hold assets given by donors in the form of trusts, annuities, insurance policies, real estate, and other assets. These funds are managed separately from the endowment pool.

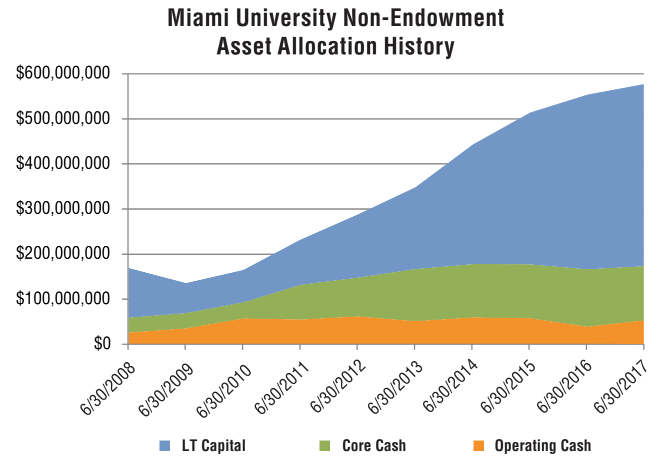
Over the last decade, total investment assets have increased by 89 percent. The non-endowment pool has more than tripled, while the endowment has grown in size by 28 percent. Prudent fiscal discipline, wise leadership of our trustees and directors, and the enthusiastic support of our alumni and friends have helped to improve reserves during this period of unprecedented transformation in both higher education and the global capital markets.

Asset Allocation

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



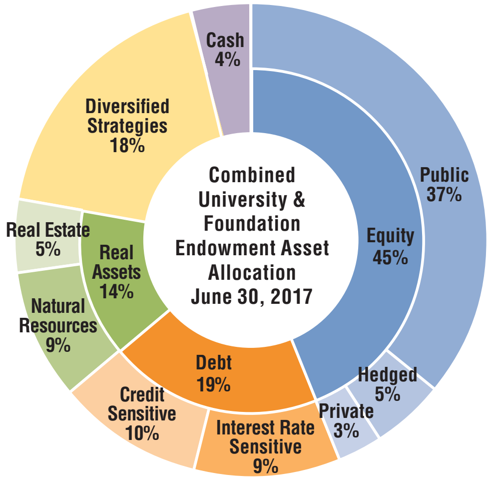
During the year, cash flow generation was strong due to the large incoming first year class of students. While additional overnight interest rate increases by the U.S. Federal Reserve marginally assisted yields on cash after eight years of near zero earnings, higher short term rates produced negative returns for intermediate term bond investments. Stronger global equity markets and tighter credit spreads helped the absolute return strategies post solid positive results for the year. No rebalancing actions were taken during the year and no managers were liquidated. However, $21.3 million in new quasi-endowments were created. The allocation to operating cash increased from seven to ten percent. The uncertainty around the expected beginning of balance sheet reduction by the Federal Reserve reinforces a continued bias toward absolute return strategies and short duration bonds.

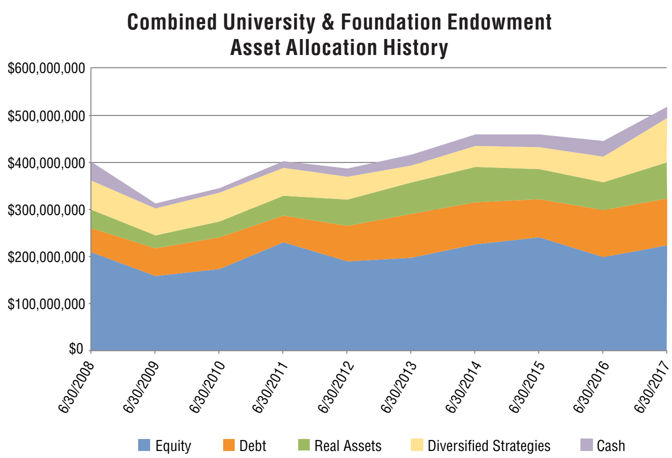


The endowment's strategic allocation policy considers not just asset exposure, but also the sources of risk and the interaction among the various assets and strategies. The endowment pool's primary strategic allocation categories are global equity, global debt, global real assets, diversifying strategies, and cash, with sub-categories that establish the manner in which that exposure is derived. Managers employed tend to have broad, unconstrained mandates, allowing them great flexibility to pursue opportunities, and most have a global mandate. Over time, the endowment allocation has evolved such that the sources of risk are further diversified away from global equity.

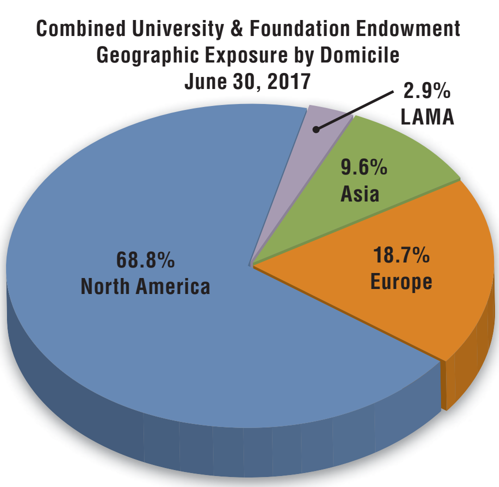
At fiscal year-end, equity related strategies remained the largest exposure at about forty five percent of the combined portfolio, remaining flat with last year's level. Debt exposure declined as some credit sensitive strategies were reduced and some were reclassified into diversifying strategies. Real asset exposure experienced a modest increase. Over the last ten years, the primary allocation shift has been away from equity and toward broader diversification in the other categories. This shift has occurred not just in asset exposure, but is risk exposure as well.

Strategic Categories	Role	Risk	Absolute	Relative
Global Equity *(stocks, private equity, long/short hedge fund)*	Total Return	Stock Market Declines	5% - 7% Real Return	Return > MSCI ACWI (with comparable volatility)
Global Fixed Income and Credit *(bonds, bank loans, credit hedge funds)*	Deflation Protection and Total Return	Rising Rates and/or Credit Downgrades	2% - 3% Real Return	Return > Barclays U.S. Agg Correlation < 0.4 to ACWI ACWI Beta < 0.3
Real Assets *(real estate, natural resources, commodities)*	Inflation Protection and Total Return	Deflation	4% - 6% Real Return	Correlation to Inflation > 0.3 Std Dev < S&P 500 Yield 2% - 4%
Diversifying Strategies *(absolute return hedge funds, trading strategies)*	Diversification and Total Return	Active Management	3% - 4% Real Return	Correlation to ACWI < 0.6 ACWI Beta < 0.3 Std Dev 4% - 8%
Total Portfolio	Total Return and Volatility Management	Underperform Primary Objective	5.5% Real Return	Volatility of 12% - 16% Max Drawdown of 25%





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



The third measure of the endowment's allocation is liquidity, or how quickly the exposure to a particular manager can be redeemed and turned into cash. Over half of the portfolio could be converted to cash within a quarter. At the other end of the spectrum, actions have been taken to increase the illiquid portion, with seven new commitments (two in equity, two in debt, one in real estate, and two in natural resources) to private partnerships made during the fiscal year. These commitments reflect an expectation of more attractive risk adjusted returns from private versus public investments in the coming years. Private capital does not trade on market exchanges. Instead, these funds invest gradually over a period of years, and then return that capital over several years as the underlying investments mature.

Combined University & Foundation Endowment Liquidity as of June 30, 2017

	Global Equity	Global Debt	Real Assets	Div Strat	Cash	Total by Liquidity
Liquid *(< quarter)*	36%	10%	1%	2%	4%	**54%**
Semi Liquid *(> quarter)*	4%	8%	3%	11%		**25%**
Illiquid *(> 2 years)*	5%	2%	10%	4%		**22%**
Total by Category	**45%**	**19%**	**14%**	**18%**	**4%**	**100%**

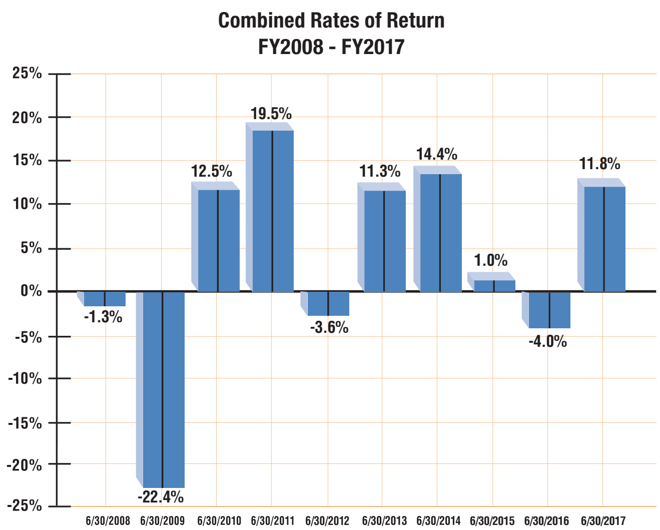
Miami treats each investment manager relationship like a partnership and, along with its external advisors, expends considerable effort on the due diligence process. The investment consultants focus on manager research, including back office due diligence, and conduct regular statistical reviews to confirm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

In total, the endowment employs 36 external managers, some with multiple mandates. Manager turnover was significant during the year as the new strategic allocation was implemented. In addition to the new private capital commitments listed above, new relationships were established with two public equity managers and two public interest rate sensitive debt managers. Funding for these new engagements came from the liquidation of two public equity managers, two public debt managers, and the partial redemption from two hedged credit managers, one public equity manager, and substantial distributions from the mature private capital programs.

Investment Returns

The University's non-endowment pool posted a gain of 4.5 percent for the fiscal year ended June 30, 2017, up from a loss of 0.9 percent earned in the previous year. Annualized performance for the trailing five years was 2.8 percent, providing annualized added return over the 90-day Treasury bill during that period of 2.6 percentage points. Rising short term interest rates helped operating cash returns slightly, but hampered the short term bond investments in core cash. Absolute return strategies generated returns of 8.1 percent.

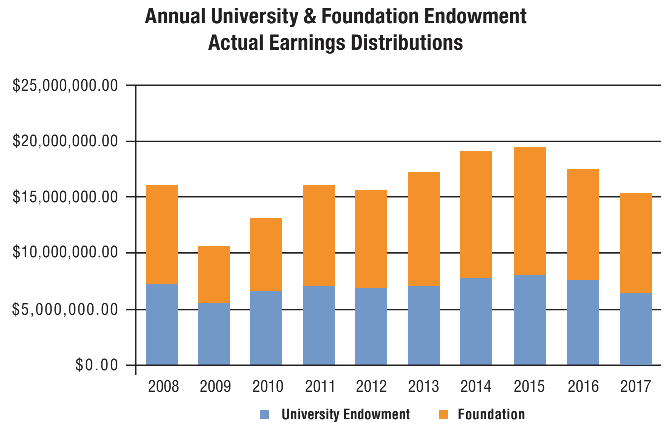
The endowment pool earned an estimated 11.8 percent for the fiscal year, a rebound from the loss posted for the previous year. This figure excludes the private capital portion of the portfolio that reports on a significant delay. Estimated annualized performance for the trailing seven years was 6.7 percent, in line with the portfolio target return of inflation plus five percent (CPI +5). All strategic allocation categories contributed positive returns for the fiscal year. Global public equity, up 19.9 percent, was the most significant contributor to results due to both its large weighting and the managers exceeding the global equity benchmark. Public real assets, up 3.3 percent, had the least impact.



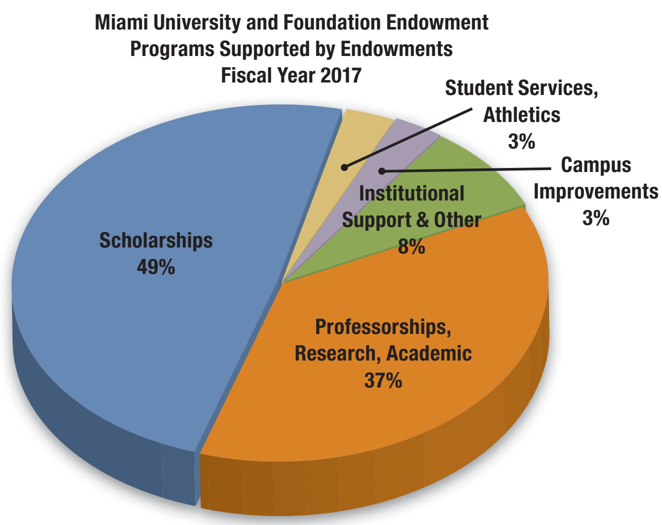
Program Support

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

During the 2017 fiscal year, both the Foundation Board of Directors and the University Board of Trustees revised their endowment spending distribution policies. Beginning with the FY2017 distribution, the new policies distribute four percent of the average of the previous twelve quarterly market values as of March 31st of each fiscal year. The change is intended to enhance the consistency, predictability, and sustainability of the annual distributions, while maintaining intergenerational equity and preserving the purchasing power of the endowed principal.



Although returns rebounded, the endowment spending policy change resulted in a drop in the amount distributed. The combined endowment distribution for fiscal year 2017 was about $15.5 million, $1.9 million less than the previous year. Over the last ten years, the cumulative distributions have totaled over $163 million and have provided an important source of funding to help offset reductions in state support. The following chart shows the proportion of programs supported by the 2017 distributions.



The faithful generosity of our supporters propelled Miami to a new annual fundraising record. This momentum was realized in our three current primary campaign initiatives: scholarships, intercollegiate athletics, and Farmer School of Business. As Miami assesses its future fundraising priorities, it has embarked on a review program to ensure its governance practices, infrastructure, and staffing resources are appropriate to accommodate its growth. Thank you for helping Miami reach these new heights.

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Contents

Independent Auditor's Report

Board of Directors
Miami University Foundation and
Mr. Dave Yost
Auditor of the State of Ohio

Report on the Financial Statements
We have audited the accompanying financial statements of Miami University Foundation, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miami University Foundation as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Miami University Foundation's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 6, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RSM US LLP

Cleveland, Ohio
October 9, 2017

Miami University Foundation

Statement of Financial Position
June 30, 2017
(With Comparative Totals for June 30, 2016)

	2017	2016
Assets		
Cash and cash equivalents	**$ 43,840,084**	$ 37,336,599
Pledges receivable, net	**36,219,757**	34,481,131
Other receivables, primarily investment related	**13,439,412**	3,110,720
Investments	**477,769,184**	422,900,816
Cash value of life insurance	**2,014,296**	1,990,557
Real estate investments	**262,875**	262,875
Total assets	**$ 573,545,608**	$ 500,082,698
Liabilities		
Accounts payable and other liabilities	**$ 13,932,276**	$ 12,752,222
Assets held for other entities	**213,843,604**	178,626,212
Deferred revenue	**1,749,089**	1,898,348
Obligations under split-interest agreements	**4,637,491**	4,564,301
Total liabilities	**234,162,460**	197,841,083
Net Assets		
Unrestricted	**957,683**	(629,836)
Temporarily restricted	**128,706,074**	105,835,972
Permanently restricted	**209,719,391**	197,035,479
Total net assets	**339,383,148**	302,241,615
Total liabilities and net assets	**$ 573,545,608**	$ 500,082,698

See notes to financial statements.

Miami University Foundation

Statement of Activities
Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	Unrestricted	Temporarily Restricted	Permanently Restricted	**2017 Total**	2016 Total
Revenues and other additions:					
Contributions	$ 1,990	$ 13,785,870	$ 11,709,220	**$ 25,497,080**	$ 12,009,887
Investment income:					
Dividend and interest income, net	7,212	2,561,386	-	**2,568,598**	1,765,687
Net realized and unrealized gains (losses)	1,568,390	24,672,014	(999)	**26,239,405**	(12,712,532)
Net investment income	1,575,602	27,233,400	(999)	**28,808,003**	(10,946,845)
Change in value of split-interest agreements	-	1,050,289	-	**1,050,289**	(655,217)
Net assets released from restrictions due to satisfaction of donor restrictions	18,223,766	(19,199,457)	975,691	**-**	-
Total revenues and other additions	19,801,358	22,870,102	12,683,912	**55,355,372**	407,825
Expenses and other deductions:					
Distributions to Miami University (Note 6)	15,347,172	-	-	**15,347,172**	18,401,214
Other expenses	381,648	-	-	**381,648**	2,200
Administrative expenses (Note 6)	2,485,019	-	-	**2,485,019**	1,909,623
Total expenses and other deductions	18,213,839	-	-	**18,213,839**	20,313,037
Change in net assets	1,587,519	22,870,102	12,683,912	**37,141,533**	(19,905,212)
Net assets - beginning of year	(629,836)	105,835,972	197,035,479	**302,241,615**	322,146,827
Net assets - end of year	$ 957,683	$ 128,706,074	$ 209,719,391	**$ 339,383,148**	$ 302,241,615

See notes to financial statements.

Miami University Foundation

Statement of Cash Flows
Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	2017	2016
Cash flows from operating activities:		
Payments to Miami University, net	**$ (16,957,311)**	$ (23,721,909)
Cash flows from investing activities:		
Proceeds from sale of investments	**84,838,231**	41,362,161
Purchase of investments	**(104,054,003)**	(43,722,013)
Assets held for other entities	**17,140,393**	9,574,939
Net cash (used in) provided by investing activities	**(2,075,379)**	7,215,087
Cash flows from financing activities:		
Contributions restricted for long-term investment	**23,579,991**	16,877,432
Interest and dividends, restricted	**2,357,617**	1,720,337
Interest utilized for payment of split-interest obligations	**355,610**	486,780
Payments on split-interest obligations	**(757,043)**	(794,650)
Net cash provided by financing activities	**25,536,175**	18,289,899
Net increase in cash and cash equivalents	**6,503,485**	1,783,077
Cash and cash equivalents:		
Beginning	**37,336,599**	35,553,522
Ending	**$ 43,840,084**	$ 37,336,599
Reconciliation of change in net assets to net cash used in operating activities:		
Change in net assets	**$ 37,141,533**	$ (19,905,212)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Increase (decrease) in accounts payable and other liabilities	**1,256,528**	(3,408,872)
Contributions restricted for long-term investment	**(25,497,080)**	(12,009,887)
Net change in value of split-interest agreements	**(1,050,289)**	655,217
Interest and dividends	**(2,568,598)**	(1,765,687)
Net realized and unrealized (gains) losses on investments	**(26,239,405)**	12,712,532
Net cash used in operating activities	**$ (16,957,311)**	$ (23,721,909)

See notes to financial statements.

Note 1. Organization

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

The Foundation Board is comprised of at least fifteen directors that are elected by the Board and seven directors that are appointed by Miami University. At least two-thirds of the elected directors are required to be alumni or former students of Miami University.

Note 2. Summary of Significant Accounting Policies

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

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

Unrestricted net assets are those assets whose use has not been limited by donors for any period of time or specified purpose.

Temporarily restricted net assets include gifts and grants for which donor imposed restrictions have not been met (primarily future capital projects or gifts for educational purposes), earnings from long term investments which are donor restricted, and time restricted trust activity and pledges receivable for which the ultimate purpose of the proceeds is not permanently restricted.

Permanently restricted net assets include gifts which generally require, by donor restriction, that the corpus be invested in perpetuity. The donors generally permit the use of a portion of the income earned to be utilized for specific purposes based on their restrictions.

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

Cash and cash equivalents: Cash and cash equivalents consists primarily of cash in banks, money market accounts, and the State Treasury Asset Reserve of Ohio (STAR Ohio and STAR Plus) that include short-term, highly liquid investments readily convertible to cash, with an original maturity of three months or less. The carrying amounts of these items are a reasonable estimate of their fair value.

Approximately $5.7 million of cash and cash equivalents was covered by federal depository insurance; $16.7 million was covered by collateral held by third-party trustees pursuant to paragraph 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions; and the remainder was not collateralized or insured, leaving it exposed to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Foundation may not be able to recovery its deposits or collateral securities. The Foundation maintains active relationships with multiple cash equivalent accounts to reduce its exposure to custodial credit risk at any single institution.

Note 2. Summary of Significant Accounting Policies (Continued)

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

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

Market prices are not available for certain investments. These investments are carried at estimated fair value provided by the funds' management. Some valuations are determined as of June 30, while the remaining valuations are determined based on March 31 information when June 30 information is not yet available and adjusted by cash receipts, cash disbursements, and securities distributions through June 30. The Foundation believes that the carrying amounts are reasonable estimates of fair value as of year-end. Because these investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed. Such differences could be material. The amount of gain or loss associated with these investments is reflected in the accompanying financial statements using the equity method of accounting.

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

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

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

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

Note 2. Summary of Significant Accounting Policies (Continued)

Income taxes: The Foundation is a not-for-profit organization as defined under Section 501(c)(3) of the Internal Revenue Code (the Code) and, is generally exempt from federal income taxes pursuant to Section 501(a) of the Code, except on unrelated business income. The Foundation has evaluated its tax positions at June 30 with respect to accounting for uncertainties in income taxes and has determined that there was no material impact to the Foundation's financial statements. The ASC provides related guidance on measurement, classification, interest and penalties and disclosure as well as prescribing a threshold of more-likely-than-not for recognition of tax positions taken or expected to be taken in a tax return. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation believes it is no longer subject to income tax examinations for years prior to the fiscal year ended June 30, 2014. As of June 30, 2017, the Foundation has no uncertain tax positions.

Recent accounting pronouncements: In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities, (Topic 958) *Presentation of Financial Statements of Not-for-Profit Entities*. The objective of this statement is to improve the current net asset classification requirements and information presented in financial statements and notes about an entity's liquidity, financial performance and cash flows. The statement is effective for fiscal years beginning after December 15, 2017. Management has not yet determined the impact this statement will have on its financial statements.

Subsequent events: The Foundation has evaluated events occurring between the end of its most recent fiscal year and October 9, 2017, the date the financial statements were issued. No material subsequent events were identified for recognition or disclosure.

Note 3. Pledges Receivable

At June 30, 2017, contributors to the Foundation have made unconditional pledges totaling $39,771,743 with one pledge accounting for over 45% of that total. Net pledges receivable have been discounted using interest rates to a net present value of $37,982,918, at June 30, 2017. Discount rates ranged from 1.20% to 6.00%. The methodology for calculating an allowance for uncollectible pledges is based upon management's analysis of the aging of payment schedules for all outstanding pledges. Management has recorded an allowance for uncollectible pledges of $1,763,161 at June 30, 2017. At June 30, 2017, net pledges are due as follows:

Unconditional pledges expected to be collected:	
Within one year	$ 10,282,459
Between two and five years	22,688,817
In more than five years	6,800,467
Pledges receivable	39,771,743
Less discount on pledges	(1,788,825)
Less allowance for uncollectible pledges	(1,763,161)
Pledges receivable, net	$ 36,219,757

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

Note 4. Investments

Investments held by the Foundation as of June 30, 2017 were:

Investment Description	Fair Value
Domestic public equities	$ 14,054,544
Global public equities	165,071,575
International public equities	26,507,511
Domestic debt	36,345,761
Global debt	11,628,213
Hedge funds	132,338,568
Limited partnerships and non-public equities	78,527,885
Split-Interest Funds:	
Charitable remainder trusts	10,185,743
Charitable gift annuities	2,536,096
Pooled income funds	573,288
Total	$ 477,769,184

The Pooled Fund portfolio's fair value was $464,427,657 at June 30, 2017. 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, 2017, the Foundation has made commitments to limited partnerships of approximately $74.8 million that have not yet been funded, some of which management expects may not be called by the partnerships due to the life-cycle of the respective partnerships.

The 2017 dividend and interest income of $2,568,598, as reported in the Statement of Activities, is net of fees from external investment managers totaling $205,027.

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

Note 4. Investments (Continued)

Assets held for other entities as of June 30, 2017 were:

	Miami University Endowment	Miami University Paper Science & Engineering Foundation	Other	Total
Assets held for other entities at June 30, 2016	$ 175,267,542	$ 3,211,876	$ 146,794	$ 178,626,212
New investments	24,200,000	75,000	-	24,275,000
Earnings distribution	(7,094,586)	-	-	(7,094,586)
Dividend and interest income	1,735,184	31,690	1,442	1,768,316
Net unrealized and realized gains	16,098,782	292,120	13,224	16,404,126
Value as of June 30, 2017	210,206,922	3,610,686	161,460	213,979,068
Distribution payable (included in accounts payable and other liabilities)	-	(129,570)	(5,894)	(135,464)
Assets held for other entities at June 30, 2017	$ 210,206,922	$ 3,481,116	$ 155,566	$ 213,843,604

Note 5. Fair Value Measurements

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

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

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

Level 3 – Inputs that are unobservable including the Foundation's own assumptions in determining the fair value of investments or liabilities. If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Liabilities associated with the split-interest funds represent the present value of the expected payments to the beneficiaries over the terms of the agreements.

Note 5. Fair Value Measurements (Continued)

The following table presents the fair value hierarchy for the balances of the assets and liabilities of the Foundation measured at fair value on a recurring basis as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
Investment assets:				
Domestic public equities	$ -	$ 14,054,544	$ -	$ 14,054,544
Global public equities	103,217,322	-	-	103,217,322
International public equities	16,853,096	-	-	16,853,096
Domestic public debt	2,929,610	8,604,747	-	11,534,357
Limited partnerships and non-public equities	-	-	46,400	46,400
Split-interest funds:				
Charitable remainder trusts	10,185,743	-	-	10,185,743
Charitable gift annuities	2,536,096	-	-	2,536,096
Pooled income funds	573,288	-	-	573,288
	$ 136,295,155	$ 22,659,291	$ 46,400	$ 159,000,846
Funds reported at fair value based on net asset value: [a]				
Commingled funds reported at fair value:				
Non-publicly traded funds				$ 107,948,285
Hedge funds				132,338,568
Limited partnerships				78,481,485
Total commingled funds reported at fair value:				318,768,338
Total Investment assets				$ 477,769,184
Investment Liabilities:				
Split-interest funds:				
Charitable remainder trusts	$ -	$ -	$ 2,343,328	$ 2,343,328
Charitable gift annuities	-	-	2,292,336	2,292,336
Pooled income funds	-	-	1,827	1,827
Total Investment liabilities	$ -	$ -	$ 4,637,491	$ 4,637,491

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

The following table is a reconciliation of all assets and (liabilities) measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2017:

	Limted Partnerships and Non-Public Equities	Split-Interest Funds
Balances as of July 1, 2016	$ 42,399	$ (4,564,301)
Purchases of investments	5,000	-
Net realized and unrealized losses	(999)	(73,190)
Balances as of June 30, 2017	$ 46,400	$ (4,637,491)

The total Level 3 changes in net unrealized losses for the year relating to those investments and split-interest funds still held at June 30, 2017 was $(999), and is reflected as part of net realized and unrealized gains (losses) in the Statement of Activities.

Note 5. Fair Value Measurements (Continued)

The following table sets forth the significant terms of the agreements with commingled funds reported at fair value based on net asset value at June 30, 2017:

	Fair Value (in millions)	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Non-publicly traded equity funds [(a)]	$ 71,508,667	$ -	monthly	10 days
Non-publicly traded debt funds [(b)]	36,439,618	-	weekly, monthly	5 - 90 days
Hedged equity funds [(c)]	72,599,378	-	various	30 - 60 days
Hedged debt funds [(d)]	59,739,190	-	quarterly	45 - 95 days
Limited partnership [(e)]				
Private equity	15,953,552	15,949,954	illiquid	not applicable
Private debt	11,033,202	28,447,766	illiquid	not applicable
Private natural resources	25,516,135	15,146,260	illiquid	not applicable
Private real estate	25,978,596	15,260,000	illiquid	not applicable
Total	$ 318,768,338	$ 74,803,980		

[(a)] This class includes investment vehicles that are non-publicly traded mutual funds, however, invest primarily in long-only investments in publicly traded equity securities on a global basis. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

[(b)] This class includes investment vehicles that are non-publicly traded mutual funds, however, invest primarily in long-only investments in publicly traded bonds and other debt securities on a global basis. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

[(c)] This class includes primarily investments in hedge funds that invest in both long and short positions in publicly traded equity securities on a global basis. The redemption frequency for these funds range from monthly to up to 3 years. The fair values of the investments in this class have been estimated using the net asset value per share of the investments. One investment, valued at $10.7 million, has an initial 3-year lock on redemption imposed by the hedge fund manager and no redemptions are currently permitted. We are in the third year of this redemption restriction. One investment, valued at $8.7 million, has an ongoing 3-year lock on redemption imposed by the hedge fund manager and no redemptions are currently permitted. We are in the third year of this redemption restriction. One investment, valued at $10.0 million, has an ongoing 2-year lock on redemption imposed by the hedge fund manager and no redemptions are currently permitted. We are in the second year of this redemption restriction.

[(d)] This class includes primarily investments in hedge funds that invest in both long and short positions in both publicly traded and private debt securities on a global basis. The fund may also hold long and short positions in equity securities. Most debt securities are sub-investment grade and may be hard to price due to thin trading volumes. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

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

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

Note 6. Endowment

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

UPMIFA specifies that unless stated otherwise in the gift agreement, donor-restricted assets in an endowment fund are restricted assets until appropriated for expenditure by the institution. Barring the existence of specific donor instruction, the Foundation's policy is to 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.

The Foundation's endowment consists of approximately 1,740 separate accounts established since its inception. The following presents a summary of changes in endowment net assets for the year ended June 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, July 1, 2016	$ (629,940)	$ 54,457,192	$ 197,019,580	$ 250,846,832
Contributions	1,990	2,890,279	11,709,220	14,601,489
Dividend and interest income, net of investment expense	7,212	2,518,976	-	2,526,188
Realized and unrealized (losses) gains	1,568,390	24,646,250	-	26,214,640
Net assets released from restrictions and other changes	12,311,350	(12,288,424)	975,691	998,617
Distributions to Miami University	(9,689,971)	-	-	(9,689,971)
Other expenses	(126,329)	-	-	(126,329)
Administrative expenses	(2,485,019)	-	-	(2,485,019)
Endowment net assets, June 30, 2017	$ 957,683	$ 72,224,273	$ 209,704,491	$ 282,886,447

Endowment net asset composition by type of fund as of June 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Funds functioning as endowment	$ 996,981	$ -	$ -	$ 996,981
Donor restricted endowment	(39,298)	72,224,273	209,704,491	281,889,466
	$ 957,683	$ 72,224,273	$ 209,704,491	$ 282,886,447

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration; deficiencies of this nature are reported as unrestricted net assets until such time as the fair value equals or exceeds historical value. Deficiencies of this nature are $39,298 as of June 30, 2017. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of permanently restricted contributions.

Note 6. Endowment (Continued)

The Foundation employs a total return policy which defines the total amount of dividends, interest and realized gains to be distributed from the investment pools. During 2017, the Foundation Board of Directors revised the endowment spending distribution policy. Beginning with the 2017 distribution, the new policy distributes four percent of the average of the previous twelve quarterly market values as of March 31st of each fiscal year. The change is intended to enhance the consistency, predictability, and sustainability of the annual distributions, while maintaining intergenerational equity to preserve the purchasing power of the endowed principal.

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

The total calculated spending amount in 2017 was $17,555,513 which includes $7,230,050 of earnings distributions to assets held for other entities as described in Note 4. Permanently restricted accounts with insufficient accumulated earnings did not make a full current year distribution, distributing only the current year dividend and interest income on such accounts and some accounts are reinvesting all endowment earnings. As a result, $9,096,115 was distributed to Miami University from Foundation endowments. In addition to current year endowment distributions, $6,251,057 of non-endowed funds were distributed to Miami University in satisfaction of donor restrictions. The following summarizes the programs supported by the current year's distribution:

Miami University Program Supported	Spending Rate and Special Distribution	Donor Stipulated Distribution	Total Distributions to Miami University
Scholarships and fellowships	$ 4,423,046	$ 49,349	$ 4,472,395
Academic support	3,587,654	271,690	3,859,344
Student services/athletics	331,623	138,047	469,670
Campus improvements	93,977	4,145,885	4,239,862
Other institutional support	659,815	1,646,086	2,305,901
Total distributions to Miami University	$ 9,096,115	$ 6,251,057	$ 15,347,172

Miami University incurs certain expenses related to development and investment related expenses relative to endowment management as well as fundraising efforts for the benefit of the Foundation; consequently, the Foundation does not report fundraising expenses. Miami University is reimbursed for its expenses in the form of a maximum administrative fee of 1.0% calculated against the previous fiscal year's March 31st value of the Foundation investment pool. The administrative fee is funded from current and accumulated earnings from all funds holding shares in the Foundation investment pool, including the assets held for other entities; funds with insufficient accumulated earnings are not charged thereby reducing the maximum administrative fee payable. A total of $2,485,019 was reimbursed to Miami University in 2017 for the Foundation endowment's share of the calculated fee.

Note 7. Classification of Net Assets

Resources of the Foundation are classified for reporting purposes into net asset classes based on the existence or absence of donor-imposed restrictions and state law. The following summarizes the Miami University programs supported or to be supported by the net assets of the Foundation at June 30, 2017:

Miami University Program Supported	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Scholarships and fellowships	$ (27,326)	$ 24,429,982	$ 106,190,643	$ 130,593,299
Academic support	(8,409)	32,528,096	80,046,126	112,565,813
Student services/athletics	(3,617)	1,596,065	7,919,220	9,511,668
Campus improvements	-	10,036,192	1,157,665	11,193,857
Other and undesignated	997,035	60,115,739	14,405,737	75,518,511
Total net assets	$ 957,683	$ 128,706,074	$ 209,719,391	$ 339,383,148

Supplementary Information

Miami University Foundation

Schedule of Changes in Net Assets
Year Ended June 30, 2017

	Balance July 1, 2016	Contributions	Endowment Income	Market Adjustment, Net	Transfers To Miami	Intrafund Transfers	Other	**Balance June 30, 2017**
Pooled endowment funds	$ 250,568,395	$ 14,596,764	$ 2,522,582	$ 23,725,955	$ (9,688,007)	$ 998,618	$ (126,329)	**$ 282,597,978**
Non-pooled endowment funds	278,437	4,725	3,605	3,666	(1,964)	-	-	**288,469**
Total endowment funds	250,846,832	14,601,489	2,526,187	23,729,621	(9,689,971)	998,618	(126,329)	**282,886,447**
Expendable funds - donor restricted for capital projects	5,754,023	6,380,399	33,136	(11,044)	(4,132,135)	(438,071)	-	**7,586,308**
Expendable and board discretionary funds-non capital	1,637,173	2,403,920	9,275	101	(1,520,853)	164,930	(255,319)	**2,439,227**
Accumulated cash value insurance	1,990,557	783	-	36,707	-	(13,751)	-	**2,014,296**
Other investment funds	72,397	-	-	(999)	-	5,000	-	**76,398**
Net split-interest funds	7,248,536	371,863	-	-	(4,213)	(630,536)	1,002,173	**7,987,823**
Pledges receivable	34,481,131	1,738,626	-	-	-	-	-	**36,219,757**
Interest in trusts held by others	210,966	-	-	-	-	(86,190)	48,116	**172,892**
Total net assets	$ 302,241,615	$ 25,497,080	$ 2,568,598	$ 23,754,386	$ (15,347,172)	$ -	$ 668,641	**$ 339,383,148**

Miami University Foundation

Schedule of Investments
June 30, 2017
(With Comparative Totals for June 30, 2016)

Description	2017 Fair Value	2016 Fair Value
Pooled Funds		
Domestic Public Equities		
Eagle Global Advisors (a)	**$ 14,054,544**	$ 14,426,639
Lateef Investment Management (c)	**-**	17,491,607
Total domestic public equities	**14,054,544**	31,918,246
Global Public Equities		
Baring Asset Management (a)	**30,154,512**	25,187,552
Lone Pine Capital (a)	**-**	4,353,556
Northern Trust (a)	**31,699,740**	-
Oakmark Funds (b)	**21,801,360**	16,747,698
Pimco (b)	**29,839,045**	25,564,796
Victory RS Investments (b)	**4,922,480**	4,976,425
Virtus Investment Partners (b)	**22,297,069**	27,044,910
William Blair Global Leaders (b)	**24,357,369**	20,884,118
Total global public equities	**165,071,575**	124,759,055
International Public Equities		
Highclere International Investors (a)	**9,654,415**	-
Virtus Investment Partners (b)	**16,853,096**	14,814,906
Total international public equities	**26,507,511**	14,814,906
Domestic Public Debt		
Commonfund (a)	**-**	2,549,299
Johnson Institutional Management (c)	**11,534,357**	-
Northern Trust (a)	**24,811,404**	-
Total domestic public debt	**36,345,761**	2,549,299
Global Public Debt		
Beach Point Capital Management (a)	**11,628,213**	11,189,445
Franklin Templeton Investments (b)	**-**	19,113,287
Total global public debt	**11,628,213**	30,302,732
Hedge Funds (a)		
Beach Point Capital Management	**13,205,350**	12,019,187
Canyon Capital Advisors	**15,048,060**	21,381,566
Evanston Capital	**23,821,008**	22,439,021
Fir Tree Partners	**10,011,325**	9,526,715
GoldenTree Asset Management	**18,484,585**	24,727,284
JHL Capital Group	**8,694,950**	9,486,836
Marble Arch Investments	**10,690,838**	10,118,675
Sandler Capital	**11,915,091**	11,498,837
Starboard Value	**7,466,167**	7,053,362
Strategic Value Partners	**13,001,194**	11,107,200
Total hedge funds	**132,338,568**	139,358,683
Private Investments (a)		
Commonfund (12 funds) - Various	**13,012,620**	13,620,861
Falcon Investment Advisors - Debt	**3,335,625**	69,151
GEM Realty Securities - Real Estate	**5,316,385**	1,987,436
Goldman Sachs (4 funds) - Various	**10,988,337**	13,937,464
Hamilton Lane Advisors (2 funds) - Equities	**8,294,353**	9,541,363
Maranon Capital, LP - Debt	**2,335,083**	-
Metropolitan - Real Estate	**1,337,920**	2,070,541
Penn Square Capital Group (2 funds) - Real Estate	**4,208,754**	5,962,917
Pomona Capital - Equities	**1,181,539**	1,578,227
Rockland Capital LLC - Natural Resources	**1,270,042**	-
Summit Partners - Equities	**360,000**	-
Timbervest (2 funds) - Natural Resources	**10,113,385**	11,083,308
Venture Investment Associates - Natural Resources	**1,611,905**	-
Westport Capital Partners (2 funds) - Real Estate	**15,115,537**	5,884,065
Total private investments	**78,481,485**	65,735,333
Total pooled funds	**464,427,657**	409,438,254

(Continued)

Miami University Foundation

Schedule of Investments (Continued)
June 30, 2017
(With Comparative Totals for June 30, 2016)

Description	**2017 Fair Value**	2016 Fair Value
Separately Invested Funds		
Domestic Public Equities (c)		
Student managed investment portfolio	**$ -**	$ 99,874
Total domestic public equities	**-**	99,874
Limited Partnerships and Non-Public Equities (a)		
Longford Limited Partnership	**13,899**	13,899
Longview Energy Company	**1**	1,000
Student Venture Funds	**32,500**	27,500
Total limited partnerships and non-public equities	**46,400**	42,399
Total separately invested funds	**46,400**	142,273
Split-Interest Funds		
PNC Bank (b)		
Domestic public equities	**6,281,644**	6,443,665
International public equities	**1,599,526**	1,214,793
Domestic public debt	**4,824,548**	5,661,831
Global public debt	**589,409**	-
Total split-interest funds	**13,295,127**	13,320,289
Grand total	**$ 477,769,184**	$ 422,900,816

(a) Commingled and Non-publicly traded and funds
(b) Mutual funds
(c) Publicly traded securities managed in a separate account

A. Miami Regionals' Tuition Promise

1. The Miami University Regionals' Tuition Promise is a Regional campuses, cohort-based, guaranteed undergraduate tuition program adopted in accordance with Ohio Revised Code §3345.48. Miami University Regionals' Tuition Promise provides all First-Time Students and their families the certainty that Tuition, Special Purpose and Course Fees will not increase over the four academic years following their first enrollment as a degree seeking student. The Miami University Regionals' Tuition Promise will apply to all First-Time, degree-seeking undergraduate students enrolling on the Hamilton or Middletown campuses. Tuition and fees will be set annually for returning students on the Oxford campus, Miami's regional campuses, Luxembourg campus and for the Voice of America Center. Participation in the program is required for all First-Time, degree-seeking undergraduate students enrolling on the Hamilton or Middletown Miami University campuses for the first time in fall semester of 2018 or later.
2. The four academic years of the Miami University Regionals' Tuition Promise includes eight consecutive semesters, four (4) winter and four (4) summer terms. The four academic year term is guaranteed regardless of the student's enrollment status (full- or part-time or not enrolled) during that time.
3. Tuition is set by the Board of Trustees each academic year and guaranteed for eight consecutive semesters for each entering Cohort. Winter and summer terms are charged separately based on the guaranteed Cohort per-credit-hour rate.

B. Terms

1. First-Time Student

   A First-Time Student is any undergraduate, degree-seeking student enrolled on Miami University's Hamilton or Middletown campus for the first time on or after fall 2018. First-Time Students include students who enroll at Miami after graduating from high school, transfer students who enroll from another college or postsecondary institution, and non-traditional students who enroll on the Hamilton or Middletown campus for the first time. First-Time Students do not include non-degree-seeking students or conditionally admitted students such as students enrolled in the English Language Center (ELC) Program, College Credit Plus or Advanced High School; exchange students; and other students participating in other pre-enrollment or postsecondary option programs.

2. Returning Students

   Students enrolled at the Miami University regional campuses prior to summer term 2018 and who are enrolled in fall term 2018 or later are considered Returning Students for purposes of assessing tuition and other fees and are not covered by the Miami

University Regionals' Tuition Promise. Tuition and other fees are set annually by the Board of Trustees for these students.

3. Cohort

First-Time Students are assigned to a Cohort (group) based on the semester in which the student first enrolls as a degree-seeking student. Each academic year contains one fall semester Cohort and one spring semester Cohort.

a. Any regional campus degree-seeking, undergraduate student who is registered for classes for the first time as of the fifteenth day of the fall or spring term will be assigned to that Cohort year for purposes of determining Tuition, Special Purpose and Course Fees and Room and Board for the four academic years covered by the guaranteed Cohort price. Each Cohort commences with the first semester of enrollment and the pricing remains constant for four academic years ending with the term four years later (e.g., Fall 2018 through Summer 2022 or Spring 2019 through Winter 2023).
b. Students may complete as many undergraduate degrees, majors, minors, and/or certificates as they choose within their Cohort period.
c. Students may enroll in graduate-level coursework for designated programs offered on the regional campuses at their guaranteed tuition rate until their Cohort period expires.

4. Bachelor's Degree

An undergraduate degree requires the completion of a minimum of 124 semester credit hours. Bachelors degree programs do not normally require more than 146 semester credit hours to be awarded unless the additional coursework is required to meet professional accreditation or licensing requirements. Students completing degree programs requiring more than 124 hours can request one extension of the guaranteed Cohort period following the procedures outlined in L. below. A list of all bachelor degree programs can be viewed at http://miamioh.edu/academics/bulletin/ and a list of those degrees requiring more than 124 hours is provided in Exhibit A.

5. Tuition (Instructional and General Fee)

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

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

b. **General Fee:** These are campus fees charged to all students for non-instructional services and programs on campus, such as student organizations, lectures and artist series, recreation, athletics, transportation, access to technology, student center, other student-life facilities and student activities.

6. Additional Tuition Promise Guaranteed Fees

   a. **Special Purpose Fees:** Special Purpose Fees are additional per-semester charges that vary by college within the University and support specialized academic programs and instruction in that specific college. These fees are charged as applicable and are guaranteed for each Cohort.

   b. **Course Fees:** Course Fees are per-credit-hour charges for certain courses or course-related costs and vary based on the course (e.g., the per-credit-hour Nursing program, course supplies, laboratory fees). These fees are charged as applicable and are guaranteed for each Cohort.

7. Charges and Fines Not Included in the Miami University Regionals' Tuition Promise

   a. **Service Charges and Fines:** These are charges and fines incurred by students such as vehicle registration and library and parking fines. These charges and fines will vary from year to year and are NOT included in Miami's Regionals' Tuition Promise.

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

   c. Childcare fees are not included in the Tuition Promise.

C. Dissemination

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

D. Additional Provisions

1. Summer/Winter Term Start

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

2. Students Enrolled on Both Oxford and Regional Campuses

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

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

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

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

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

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

4. Non-Degree Students

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

5. Re-Enrolling Students

Re-enrolling students who were admitted in a degree-seeking program prior to Fall 2018 are not covered by the Tuition Promise and will pay tuition and fees associated with the traditional tuition model.

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

6. Reciprocity Students

1. Should the state discontinue the reciprocity agreement, any regional student in the program can continue at the regional campuses as a resident student for tuition purposes through the end of their tuition promise cohort.

E. Exceptions to Standard Length of Cohort

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

F. Academic Costs Included in the Miami University Regionals' Tuition Promise

1. Tuition (Instructional and General Fee) Fees

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

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

   b. **General Fee:** These are campus fees charged to all students for non-instructional services and programs on campus, such as recreation, athletics, transportation, technology, other student-life facilities and student activities.

   c. **Special Purpose Fees:** Special Purpose Fees are additional per-semester fees that vary by college within the University and support specialized academic programs and instruction in that specific college (i.e. Nursing). These fees are charged as applicable and are guaranteed for each Cohort.

   d. **Course Fees:** Course Fees are per-credit-hour fees for certain courses or course-related costs and vary based on the course (e.g., Art, Biology, Chemistry, Geology, Microbiology, Physics, Statistics). These fees are charged as applicable and are guaranteed for each Cohort.

G. Other Student Costs Not Included in the Miami University Regionals' Tuition Promise

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

I. Cohort Pricing Beyond the Initial Year

1. Once the initial Cohort Tuition is established, subsequent Cohort increases in Tuition may be made as permitted by law. The Board of Trustees in considering any increase, will identify the benchmarks used to determine the amount of the subsequent Cohort increase. Benchmarks that may be used include the following:
    a. The average rate of inflation, as measured by the consumer price and employment cost indexes prepared by the Bureau of Labor Statistics of the United States Department of Labor (all urban consumers, all items) and the Higher Education Price Index (HEPI)
    b. SHEEO: State Higher Education Finance Data Trends
    c. College Board: Trends in College Pricing
    d. National Center for Education Statistics: Tuition Costs of Colleges and Universities
    e. U.S. Department of Education: College Scorecard
    f. Fluctuations in state support of instruction
    g. Impact of the State of Ohio's biennial budget and federal regulatory requirements
    h. Changes in programmatic and services levels
    i. Miami's student financial assistance budget
    j. Data from U.S. News and World Report College Rankings

2. Other increases in Cohort pricing, including the Non-Resident Tuition Surcharge, Special Purpose Fees, Course Fees and Room and Board charges are not subject to the pricing formula set forth above and will be determined by the Miami University Board of Trustees.
3. When considering subsequent Cohort increases, the University will include in the Board of Trustees resolution, the benchmarks it considered in increasing the Cohort rate. The University will share this information and the amount of any subsequent Cohort increase on the University's Tuition Promise website (http://miamioh.edu/about-miami/tuition-promise/) and Consumer Information website (Tuition and Fees-https://miamioh.edu/onestop/yourmoney/tuition-fees/). The Board of Trustees will typically adopt any increase in the Cohort rate at its June meeting for the following academic year.

J. Students Who Stop Out/Withdraw and Return

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

K. Students Who Require Longer Than Their Cohort Period to Graduate

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

L. Exceptions for Students Who Require More Than Four (4) Years

There will be some students who will take more than four (4) academic years to graduate due to circumstances beyond their control. No later than one semester prior to the expiration of their guaranteed Cohort term, a student may request, an extension of their guaranteed Cohort price. Each case will be evaluated on its own merits to determine whether an extension should be granted and if so, the nature and duration of any extension.

1. A Tuition Promise Appeals Committee will evaluate requests for exceptions. The appeal must fall within extenuating circumstances established by the Appeals Committee as described below.
    a. If the Appeals Committee finds that the student cannot complete the degree program within the four (4) academic years of the student's cohort due solely to a lack of available classes or space in classes provided by the University, the University will provide the student with an opportunity to take the necessary course or courses without requiring the payment of tuition.
    b. Other circumstances will be considered for an extension of the guaranteed Cohort price beyond the four academic years depending on the validity and impact of the circumstances including:
        - Enrollment in a degree program requiring more than 124 hours to graduate
        - Illness or Injury
        - Disability that necessitates a reduced course load as a reasonable accommodation
        - Medical Leave of Absence
        - Victim of Interpersonal Violence or Crime while enrolled
    c. If the Appeals Committee determines that the student has provided sufficient documentation of extenuating circumstances that was outside the control of the student and prevented the student from completing the student's program of

study during the assigned Cohort period, the Committee will determine the appropriate period of time or number of courses to extend the guaranteed Cohort price.

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

M. Graduate Courses

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

Regional Campus Tuition Promise
Alternative Price Calculations for First Year Tuition Rates

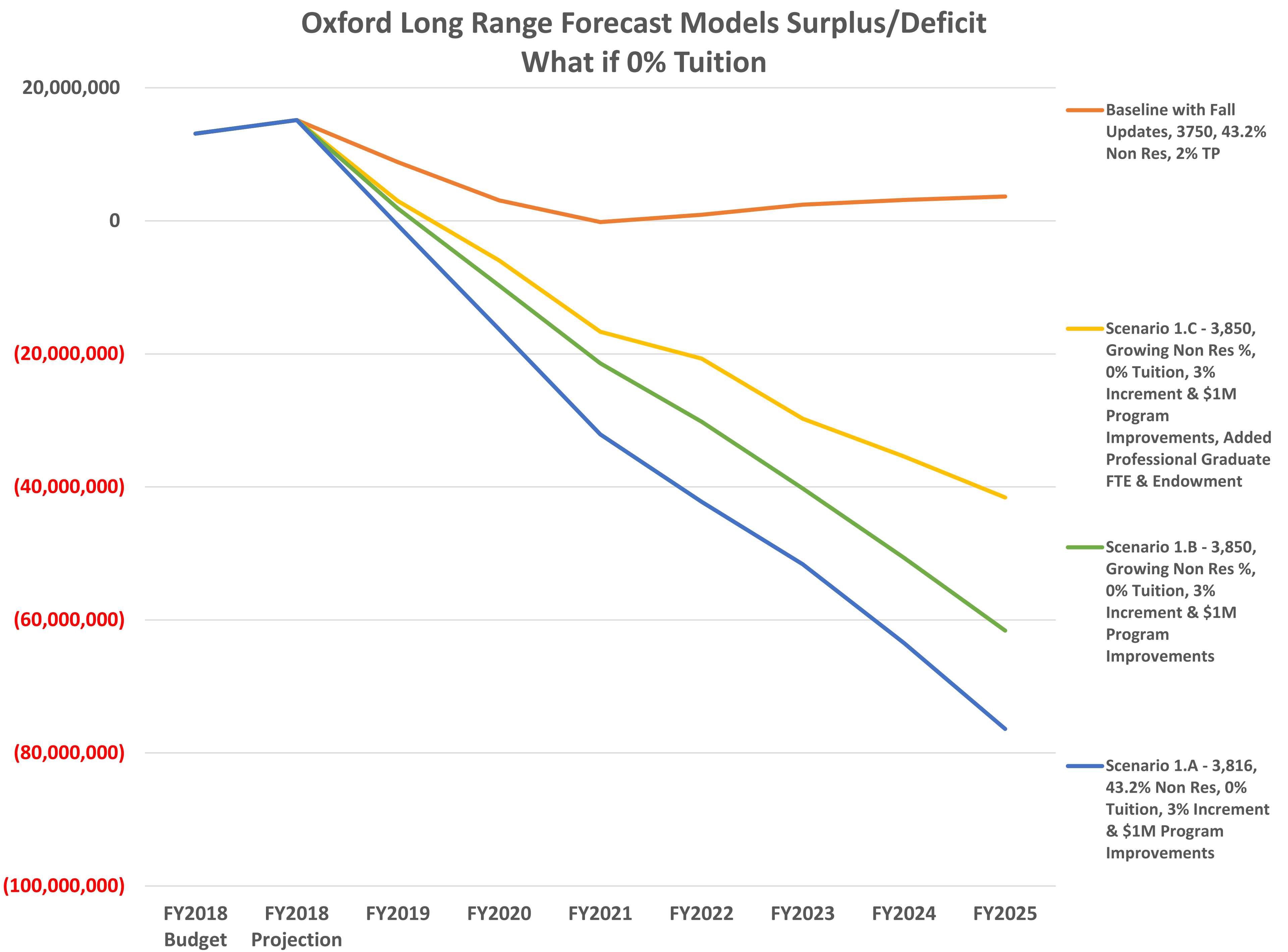
Alternative 1 - Regional Tuition Promise Based on Upper & Lower Division Rates						
	FY18 Rates Per Term		Tuition Promise Rates		Change	
	Lower	Upper	Lower	Upper	Lower	Upper
Instructional*	$2,385.00	$3,708.00	$2,504.25	$3,893.40	5.0%	5.0%
General	$183.60	$183.60	$192.78	$192.78	5.0%	5.0%
Technology	$18.00	$18.00	$18.90	$18.90	5.0%	5.0%
Total Resident*	$2,586.60	$3,909.60	$2,715.93	$4,105.08	5.0%	5.0%
OSS	$5,027.70	$5,063.08	$5,279.09	$5,316.23	5.0%	5.0%
Total Non Resident**	$7,614.30	$8,972.68	$7,995.02	$9,421.31	5.0%	5.0%

Notes:
*Students with tuition set through a reciprocity agreement would continue to pay the resident rate.
**Students in the English Language Center (ELC) program are considered non degree seeking students would pay the continuing student rate. Upon completing the program students may be admitted as a degree seeking student and assigned to a cohort.

Alternative 2 - Regional Tuition Promise Weighted for 68 Hours at Lower Division Rate										
Division	Resident Tuition	Credit Hours	% of Credit Hours	8 Terms @ Existing Rate	Weighted Amount	Non Resident Tuition	Credit Hours	% of Credit Hours	8 Terms @ Existing Rate	Weighted Amount
Lower	$2,586.60	68	54.8%	$20,692.80	$11,347.66	$7,614.30	68	54.8%	$60,914.40	$33,404.67
Upper	$3,909.60	56	45.2%	$31,276.80	$14,125.01	$8,972.68	56	45.2%	$71,781.44	$32,417.42
		124		Weighted Total	$25,472.67		124		Weighted Total	$65,822.10
				Weighted per Term	$ 3,184.08				Weighted per Term	$ 8,227.76
				New Rate w/ added 5%	$ 3,343.29				New Rate w/ added 5%	$ 8,639.15
				Change from Lower Division Rate	29.3%				Change from Lower Division Rate	13.5%
				Change from Upper Division Rate	-14.5%				Change from Upper Division Rate	-3.7%

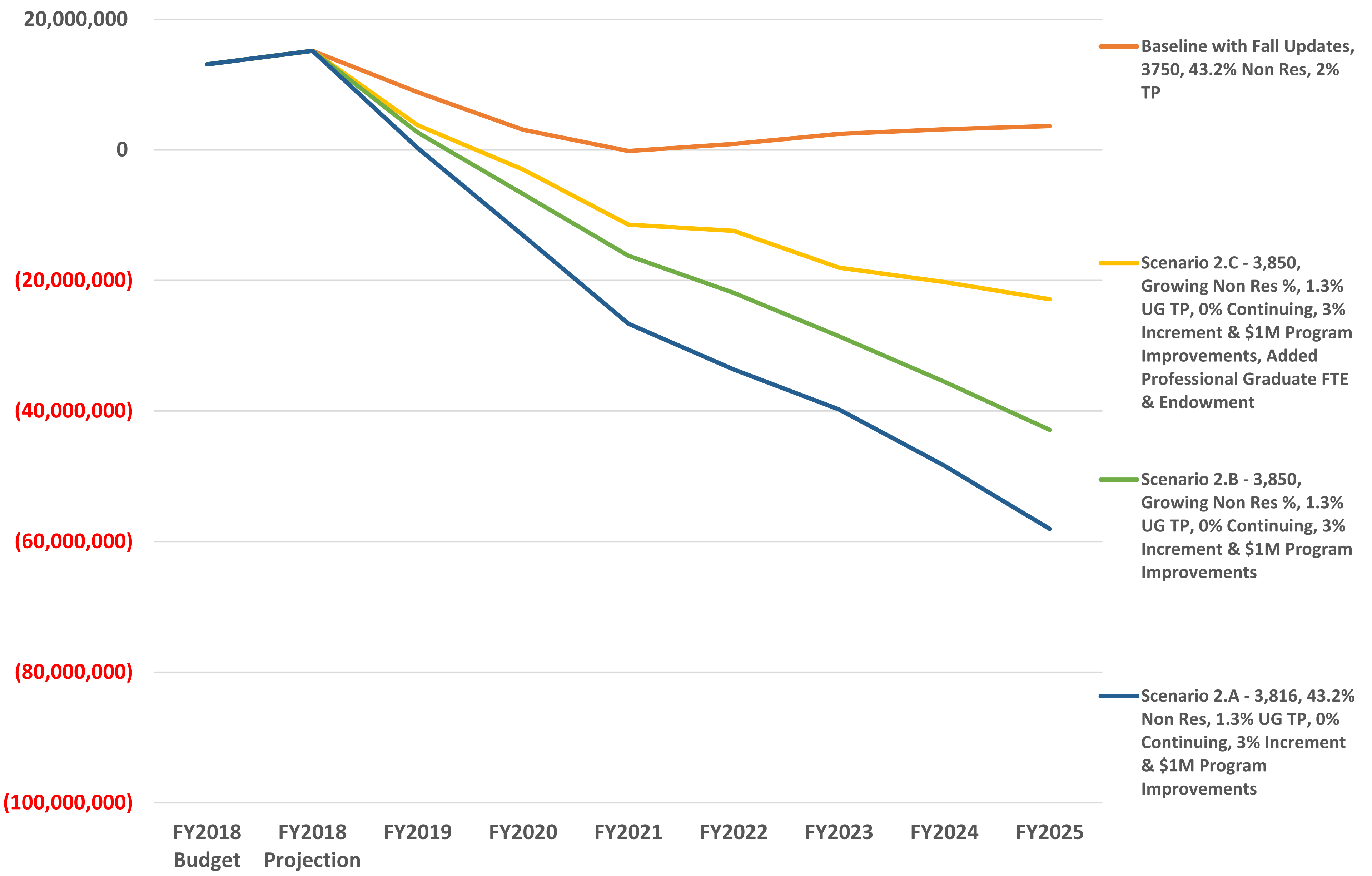
Alternative Model Assumptions

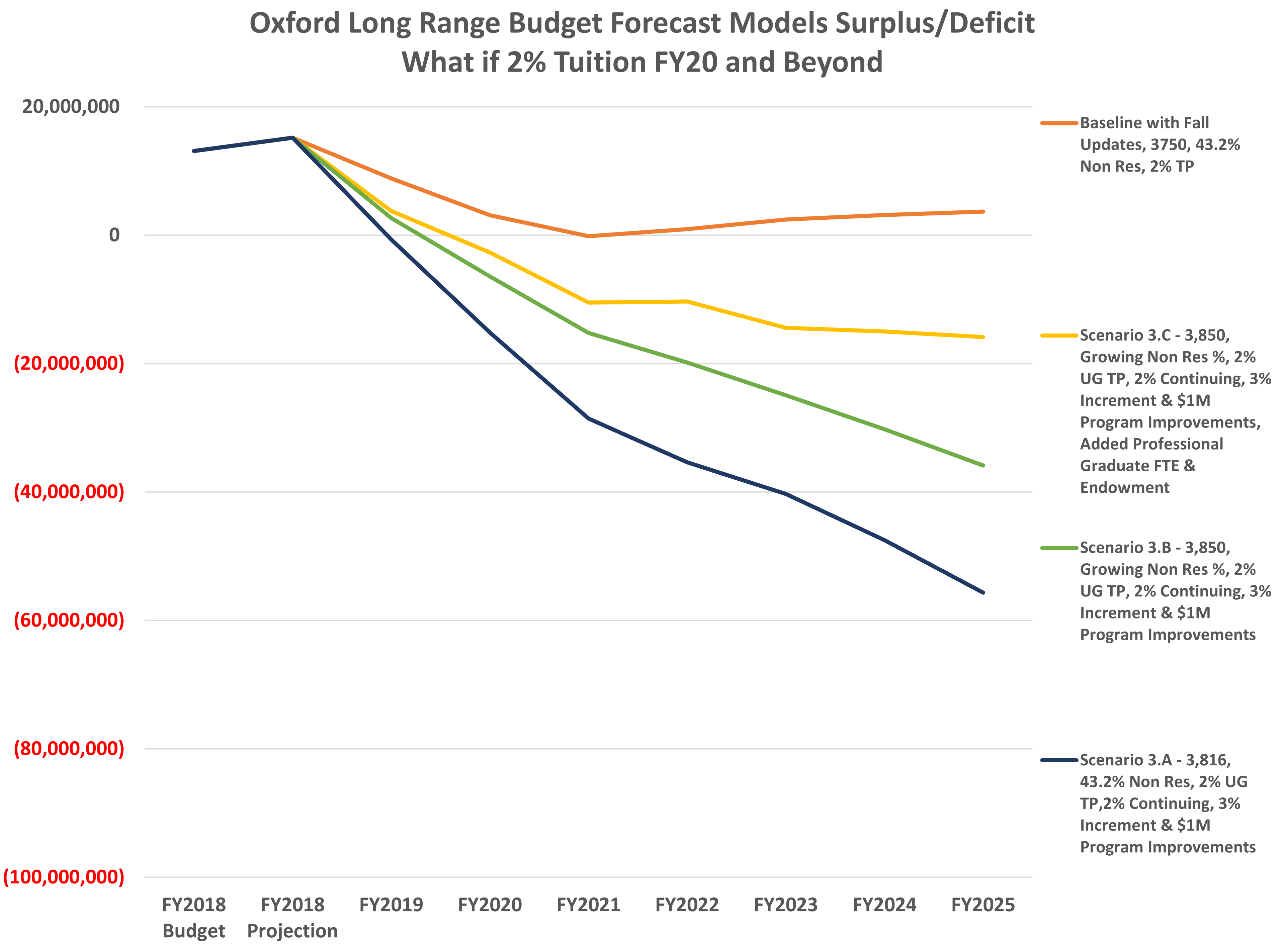
Model	Tuition	Incoming Class Size	Residency %	Graduates FTE Growth	Grow Endowment ($400M by 2017)	Salary Increment Pool	Program Improvements	Support Cost Inflation	Health Care Inflation	Utility Cost Inflation
Baseline	1.3% in FY19, 2% thereafter	3,750	43.2%	0.0%	-	$0	$0	2.0%	4.0%	3.0%
1.A	0% All Students	3,816	43.2%	-	-	3.0%	$1 million	2.0%	4.0%	3.0%
1.B	0% All Students	3,850	45% in FY19, increases 1% each year thereafter	-	-	3.0%	$1 million	2.0%	4.0%	3.0%
1.C	0% All Students	3,850	45% in FY19, increases 1% each year thereafter	1,000	Proceeds Grow to $5M	3.0%	$1 million	2.0%	4.0%	3.0%
2.A	1.3% Incoming Class, 0% for Continuing Students	3,816	43.2%	-	-	3.0%	$1 million	2.0%	4.0%	3.0%
2.B	1.3% Incoming Class, 0% for Continuing Students	3,850	45% in FY19,	-	-	3.0%	$1 million	2.0%	4.0%	3.0%
2.C	1.3% Incoming Class, 0% for Continuing Students	3,850	45% in FY19, increases 1% each year thereafter	1,000	Proceeds Grow to $5M	3.0%	$1 million	2.0%	4.0%	3.0%
3.A	1.3% in FY19, 2% thereafter	3,816	43.2%	-	-	3.0%	$1 million	2.0%	4.0%	3.0%
3.B	1.3% in FY19, 2% thereafter	3,850	45% in FY19, increases 1% each year thereafter	-	-	3.0%	$1 million	2.0%	4.0%	3.0%
3.C	1.3% in FY19, 2% thereafter	3,850	45% in FY19, increases 1% each year thereafter	1,000	Proceeds Grow to $5M	3.0%	$1 million	2.0%	4.0%	3.0%



Oxford Long Range Forecast Models Surplus/Deficit
What if 0% Tuition
20,000,000
0
(20,000,000)
(40,000,000)
(60,000,000)
(80,000,000)
(100,000,000)
FY2018 Budget
FY2018 Projection
FY2019
FY2020
FY2021
FY2022
FY2023
FY2024
FY2025
Baseline with Fall Updates, 3750, 43.2% Non Res, 2% TP
Scenario 1.C - 3,850, Growing Non Res %, 0% Tuition, 3% Increment & $1M Program Improvements, Added Professional Graduate FTE & Endowment
Scenario 1.B - 3,850, Growing Non Res %, 0% Tuition, 3% Increment & $1M Program Improvements
Scenario 1.A - 3,816, 43.2% Non Res, 0% Tuition, 3% Increment & $1M Program Improvements

Oxford Long Range Budget Forecast Models Surplus/Deficit
What if 1.3% Tuition on Tuition Promise, 0% on Continuing Students





Oxford Long Range Budget Forecast Models Surplus/Deficit
What if 2% Tuition FY20 and Beyond
20,000,000
0
(20,000,000)
(40,000,000)
(60,000,000)
(80,000,000)
(100,000,000)
FY2018 Budget
FY2018 Projection
FY2019
FY2020
FY2021
FY2022
FY2023
FY2024
FY2025
Baseline with Fall Updates, 3750, 43.2% Non Res, 2% TP
Scenario 3.C - 3,850, Growing Non Res %, 2% UG TP, 2% Continuing, 3% Increment & $1M Program Improvements, Added Professional Graduate FTE & Endowment
Scenario 3.B - 3,850, Growing Non Res %, 2% UG TP, 2% Continuing, 3% Increment & $1M Program Improvements
Scenario 3.A - 3,816, 43.2% Non Res, 2% UG TP,2% Continuing, 3% Increment & $1M Program Improvements

Preliminary Year-End Operating Results

Preliminary & Unaudited

Residence and Dining Halls
Net Increase for Fiscal Year
Fiscal Year 2017 - 2008

	FY18 Budget	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08
Revenues	$ 110,466,424	105,966,230	99,675,905	95,379,311	88,831,459	81,287,838	78,756,210	76,033,181	73,504,118	68,559,447	65,089,633
Expenses											
Salaries & Benefits	17,253,471	16,880,741	15,830,531	14,982,390	14,750,497	14,595,435	16,090,313	16,697,376	21,929,073	24,782,942	23,477,463
Operating Expenses and Food Purchases	40,491,420	37,687,997	39,268,207	36,999,622	34,710,306	31,658,227	32,706,919	31,560,459	26,099,260	27,572,641	28,442,863
Residence Life	5,833,638	5,336,089	5,215,872	5,059,978	4,786,056	4,802,246	4,685,576	4,641,010	4,461,567	4,648,912	4,073,947
Total Expenses	63,578,529	59,904,827	60,314,610	57,041,991	54,246,859	51,055,908	53,482,808	52,898,845	52,489,900	57,004,495	55,994,273
Net Income Before Debt Service and Transfers	46,887,895	46,061,402	39,361,294	38,337,320	34,584,600	30,231,930	25,273,402	23,134,336	21,014,218	11,554,952	9,095,360
Debt Service and Transfers											
Debt Service	(41,513,414)	(35,973,640)	(33,873,421)	(30,866,290)	(22,303,542)	(19,882,993)	(11,906,810)	(5,816,005)	(3,760,628)	(3,796,186)	(3,805,400)
Capital Projects	(5,374,481)	(10,087,720)	(5,487,287)	(7,463,613)	(11,845,020)	(10,305,050)	(13,339,934)	(17,216,813)	(17,089,500)	(7,708,962)	(5,289,746)
Total Facility Investment	(46,887,895)	(46,061,360)	(39,360,708)	(38,329,903)	(34,148,562)	(30,188,043)	(25,246,744)	(23,032,818)	(20,850,128)	(11,505,148)	(9,095,146)
Net Increase for fiscal Year	-	42	586	7,417	436,038	43,887	26,658	101,518	164,090	49,804	214
Total All Fund Balances and Reserves		80,112,906	71,931,648	66,164,901	60,014,075	51,780,699	44,436,411	36,052,128	23,696,971	12,419,095	7,861,246

Strategic Initiatives Fund
Resolution R201X-XX

WHEREAS, the environment surrounding higher education is changing faster than at almost any time in the history of higher education affecting what academic programs and student services are needed and how they can or should be delivered; and

WHEREAS, for Miami University to keep pace with the needs of its students and the citizens of Ohio, it must be able to undertake new programs that respond to these changes; and

WHEREAS, in the past the Ohio General Assembly and the Governor would have appropriated funding to assist with meeting these changing needs, but this is highly unlikely today; and

WHEREAS, these strategic initiatives will require start-up funding until they can become financially viable, and it is prudent that carry forward balances and university reserves be captured so these important initiatives can be advanced;

NOW, THEREFORE BE IT RESOLVED: The Board of Trustees direct the Senior Vice President for Finance and Business Services to establish a Strategic Initiatives Fund of at least $50 million from the carry forward and reserves of the University for the purpose of funding new academic program initiatives as determined by the President and Provost.

BE IT FURTHER ESOLVED: that the President, Provost and Senior Vice President for Finance and Business Services shall establish programmatic and financial goals for each new initiative and shall report at least twice a year to the Academic and Student Affairs Committee on the progress towards the programmatic goals and to the Finance and Audit Committee on the progress towards the financial objectives.

December 8, 2017

Strategic Intitiatives Fund
Proposed Funding

Source		Year 1	Year 2	Year 3	Total
Central Funds					
Unallocated Fund Balances		$8,016,000	$1,315,287	$1,315,287	$10,646,574
Carry Forward		1,546,542			$1,546,542
	Subtotal	9,562,542	1,315,287	1,315,287	$12,193,116
Administrative Units					
Provost		8,000,000			8,000,000
President		569,649			569,649
Finance and Business Services		1,316,291			1,316,291
Physical Facilities		569,934			569,934
Enrollment Management and Student Success		421,564			421,564
Information Technology		1,080,721			1,080,721
Student Affairs		304,898			304,898
University Advancement		543,827			543,827
	Subtotal	12,806,884			12,806,884
College and Schools					
Arts and Science		3,134,605	3,134,605	3,134,605	9,403,815
Education, Health & Society		1,437,395	1,437,395	1,437,395	4,312,185
Farmer School of Business		1,844,336	1,844,336	1,844,336	5,533,008
Engineering and Computing		631,136	631,136	631,136	1,893,408
Creative Arts		537,171	537,171	537,171	1,611,513
College of Liberal and Applied Sciences (Regional Campuses)		748,691	748,690	748,690	2,246,071
	Subtotal	8,333,334	8,333,333	8,333,333	25,000,000
	Total	30,702,760	9,648,620	9,648,620	50,000,000

Tuition and Career Fee Ordinance O2018-

WHEREAS, Miami University established the Miami University Tuition Promise program under Ohio Revised Code §3345.48; and

WHEREAS, the Ohio General Assembly through its legislation has limited the amount that tuition and fees may be increased for resident undergraduate students; and

WHEREAS, such legislation provides for tuition to rise for a tuition guarantee by the amount of change in the consumer price index for the past 60 months as of December 31, 2017; and

WHEREAS, most other fees are not permitted to rise but a public college or university may establish a career fee in order to expand the services that better ensure the employment of students following graduation; and

WHEREAS, a plan prepared by Enrollment Management and Student Success will greatly enhance the service offered to students but will require substantial new resources to make such services available to all students;

NOW, THEREFORE, BE IT ORDAINED: The Board of Trustees of Miami University authorizes an increase in the resident undergraduate tuition for the fall 2018 resident cohort in the amount of the increase in the consumer price index over the 60 months ending December 31, 2017 as shown below; and

BE IT FURTHER ORDAINED: The Board of Trustees of Miami University authorizes a 1.42% increase in tuition for the non-resident fall 2018 cohort as shown below; and

BE IT FURTHER ORDAINED: The Board of Trustees authorize a $100 per semester career fee in addition to the tuition increases authorized above for the fall 2018 cohort; and

BE IT FURTHER ORDAINED: The Senior Vice President for Finance and Business Services and Treasurer is hereby authorized to establish hourly rates consistent with this ordinance for part-time students and tuition rates for summer and winter terms; and

BE IT FURTHER ORDAINED: The Senior Vice President for Finance and Business Services and Treasurer is hereby authorized to allocate the distribution of tuition between instructional and general fees; and

BE IT FURTHER ORDAINED: The Board of Trustees authorizes the Senior Vice President for Finance and Business Services and Treasurer to determine the allocation of the general fee between the University Student Auxiliary Allocation and the Student Organization Allocation for the Oxford Campus.

BE IT FURTHER ORDAINED: that the Board of Trustees authorizes the Senior Vice President for Finance and Business Services and Treasurer to budget and expend, in accordance with general university procedures, the University Student Auxiliary Allocation for the Oxford Campus and authorizes the Vice President for Student Affairs to fund the Associated Student Government from the Student Organization Allocation.

December 8, 2017

Tuition Promise Per Term					
Resident Student	FY18 (Fall 2017 Cohort)	%Increase	$Increase	FY19 (Fall 2018 Cohort)	%Change
Tuition	$ 7,478.88	Inflation	Inflation	Plus Inflation	1.4% (Est.)
Career Services Fee				$ 100.00	
Non Resident Student	FY18 (Fall 2017 Cohort)	%Increase	$Increase	FY19 (Fall 2018 Cohort)	%Change
Tuition	$ 17,105.40	1.4%	$ 242.10	$ 17,347.50	1.4%
Career Services Fee				$ 100.00	

Continuing On Campus per Term					
	FY18	%Increase	$Increase	FY19	%Change
Resident Student	$ 7,131.50	0.0%	$ -	$ 7,131.50	0.0%
	FY18	%Increase	$Increase	FY19	%Change
Non Resident Student	$ 16,099.70	2.0%	$ 322.00	$ 16,421.70	2.0%

Continuing Off Campus per Term					
	FY18	%Increase	$Increase	FY19	%Change
Resident Student	$ 7,185.50	0.0%	$ -	$ 7,185.50	0.0%
	FY18	%Increase	$Increase	FY19	%Change
Non Resident Student	$ 16,153.70	2.0%	$ 323.05	$ 16,476.75	2.0%

MIAMI UNIVERSITY
Enrollment Management & Student Success

Career Fee Overview

Background:

In 2014, Miami University began embracing and implementing a university-wide strategy, the *Miami University Career Community*, as an outcome of an initial set of recommendations put forth by an official University committee of invested faculty, staff and administrators. The Committee recommended the full adoption of a career community paradigm wherein all stakeholders (e.g., students, faculty, staff, alumni, parents, and employers) understand their own vital role in supporting the career development of students and the expansion of the Career Center's role in supporting proactive career preparation across the entire lifecycle from recruitment through graduation and beyond. This strategic approach has yielded successful and structured networks and collaborations to support student career success however more resources are needed to enhance for all students.

Vision: Miami University will offer the best immersive and comprehensive career development experience in the nation for all undergraduate students. Building upon our unwavering commitment to liberal arts undergraduate education and personal attention, this vision reflects our core focus on fostering student success aligned with personal development to pursue successful post-graduate employment.

Request: Miami University seeks to assess Career Fee to all undergraduate students on all campuses beginning with the Fall 2018 cohort. The entirety of the fees generated will be additive to the existing career development infrastructure on all Miami campuses thereby providing the new resources to catalyze additional programs and services for all students as a result of expanded career center staffing, increased internships and experiential education opportunities, and proactive and enhanced collaborations with faculty, current and future employers, alumni, and parents.

Results and Impact of the Center Fee:
Due to the increased resources generated by the Career Fee, Miami University graduates of all disciplines will:

- recognize they received professional development throughout their entire student lifecycle from the point of enrollment through graduation due to customized career plan pathways across all majors,
- have access to enhanced and progressive experiential education opportunities including expanded internships and co-ops, and
- be immediately able to land in their chosen career or post-graduate pathway right after graduation and be highly successful in those endeavors.

The initiatives funded through the fee will amplify the success of our students and this will reflect positively on the quality of State of Ohio graduates and the appeal of Miami graduates to prospective and existing Ohio employers.

Key Initiatives:

- **Increase Career Center Staffing** – Enhancing our robust and industry-leading integrated career development strategy requires an increased infrastructure. Our plan includes heightened and personalized career support that will be provided to all incoming students at the point of enrollment beginning the summer of their first-year. Incoming students will be assigned a professional Career Coach who will collaborate and mentor their students through a four-year, personalized career curriculum customized to the student's post-graduation interest(s) that is tracked (similar to DAR for academic advising). For the Oxford campus, the career coach to student ratio will go from 1:2,400 to 1:1,400. The added staffing will enable us to begin work earlier in the lifecycle of the student experience including when they deposit and throughout the first year.

- **Increase Partnerships with Academic Departments** - Our re-envisioned four-year career development strategy must also include increasing our efforts to intentionally couple the Global Miami Plan Experiential Learning requirement into the student experience. This involves Career Center partnerships with Divisions, Deans, and faculty to ensure all students receive personalized attention. For the Oxford campus, we will launch the Institute for Experiential Education, staffed by faculty from all divisions, to serve as a student point-of-contact for experiential learning for designated career paths. These faculty will also help the Career Center promote the value of experiential learning and help Miami University expand employer relationships especially within the State of Ohio and for in-demand careers.
- **Address Barriers to Student Career Goals** – Helping students create a plan to achieve their first destination goals is not a "one size fits all" approach. The success plan for students pursuing additional education upon undergraduate graduation is different from a student pursuing a job. Moreover, the type of degree program or career also yields differing approaches. Students preparing for competitive occupations face more challenges than those pursuing in-demand careers. We also know that students with high financial need may not be able to participate in unpaid internships or attend a career fair because they cannot afford to work for free or purchase professional attire. Additionally, data shows that students graduating from majors with indirect career paths struggle with understanding how their academic preparation aligns with employer needs. Finally, students from underrepresented backgrounds (students of color, international, first-generation, students with disabilities, etc.) face unique barriers to their career paths.

  Fee funding will help Miami University address these challenges by offering the following.
    - Students may apply for individual career grants to help offset personal expenses (professional attire, fees for certifications/licensure, travel for job interviews, etc.).
    - Incentives for employers by offering them funds to offset student wages especially internships that would normally be unpaid. Similar to what Ohio Means Internships and Co-op grants provide, Miami University would offer these funds for internships that would be appealing to our students and/or would traditional not be able to pay the full cost. Special consideration would be available to minority-owned businesses and Ohio organizations.
    - Initiatives led by the Career Center that provide faculty with a contemporary understanding of the economic outlook, career development theory, universal qualities employers look for in new graduates, and connections to employers. These activities will be especially effective in growing Miami's Career Community because we will equip a student's first point-of-contact, professors, with relevant career information to share. This will be especially valuable for students in majors without a direct career path.
    - Funding made available to academic divisions, departments and to staff from student services departments for career-related programming. Other departments and offices find value in scheduling events that have a career component but covering affiliated costs can be a barrier. This will allow the entire campus to potentially engage in the professional development of students and maximizes the premier job search technique, networking, since many of these events involve external constituents such as alumni, employers and experts.
    - The implementation of a strategic plan designed to address students from underserved populations such as students of color, international, students with disabilities, first-generation, students with high financial need and more. With this, we will hire staff to work with students from underserved backgrounds who will also help build a community of support for these students.

Data to Support:

Our current post-graduate success rate for Miami University is 96.6% for the Oxford campus and 94.8% for the Regionals. While these figures are impressive, students of color, international students, student pursuing competitive careers, and students in degree programs with indirect career pathways fall short of the overall success rate averages. Miami strives to "level the playing field" by developing highly-personalized and proactive approaches not possible without additional funding offered through Career Fee.

Our plan also calls for growing experiential education because our data suggests it's effective. Specifically, over 30% of Miami University Oxford graduates report having worked for their post-graduate employer previously and over 54% of Regional graduates report this.

Implementation Plan:

Implementation of these projects would need to be launched in phases, but would begin with the incoming class of Fall 2018 followed by Fall 2019 and so on.

Summary Benefits to the State of Ohio:

Our goals for the career success of Miami University students are lofty, and will be unattainable apart from a significant boost in funding. Nationally, colleges and universities are only able to fund career centers to a fraction of the degree that it actually takes to remove barriers whereby all students believe that their college education adequately prepared and assisted them for their post-graduation endeavors.

The proposed student fee would provide that boost directly to the students and in areas as identified through institutional data that need additional support. It also provides newfound accountability for Miami University to diligently serve the career needs of EVERY student.

The State of Ohio's choice to permit state institutions to incorporate a career fee affords an opportunity for Ohio to serve as a leader in the advancement of professional development into higher education to a scale that finally enables us to better serve underserved populations unique to our respective institutions.

Miami University's plan for the fee affords additional benefits which include:

- Focused graduates who are better informed and prepared for their job search, leading to them securing career related jobs in a quicker time frame.
- Satisfied graduates who are contributing to the Ohio economy and communities in more significant ways.
- Deep college/university relationships with local and state organizations and businesses, including in-demand career sectors, as a result of additional staffing to perform employer development activities.
- Financial incentives to organizations/businesses which may not be able to afford wages for internships without help from colleges/universities.

MIAMI UNIVERSITY
PHYSICAL FACILITIES DEPARTMENT

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Status of Capital Projects Executive Summary
December 7, 2017

1. Projects completed:

Three major projects were completed since the last report. The Central Campus Parking, Infrastructure and Site Improvements project transformed the Arts Quad and the outdoor experience around the new Admissions Welcome Center. Parking and pedestrian improvements have also enhanced this very busy area of the campus. The Central Campus High Voltage Conversion completed next steps in vacating our old electrical distribution system. Finally, Clawson Hall's renovation improved existing student housing on the Western Campus. The project also incorporated a regional fitness center and multi-use space for activities. All projects were completed on time. Additional funds were added to two of the projects as unforeseen circumstances were encountered. These adjustments are identified in the individual project descriptions. Regardless, the projects returned approximately 2% of the adjusted project revenues. Thirteen projects under $500,000 were completed since the last report.

2. Projects added:

Fifteen projects under $500,000 were added during this reporting period. Six new major projects were added during this reporting period. Reconfiguration and minor upgrades will occur at Glos Center to accommodate offices and support space for University Advancement. Several infrastructure projects have been added that address tunnel top replacement and converting from central steam heat to simultaneous heating and cooling. An interesting project has been added to create a new scale-up classroom/laboratory in Upham Hall. This pedagogy has been used with success in other areas of the campus and will be a welcome addition to this academic space. Finally, Stanton Hall has been selected as the next residence hall for renovation. While the work isn't expected to begin until the summer of 2019, the planning process will be initiated soon.

3. Projects in progress:

The Campus Avenue Building is nearing completion. Building occupants are moving into their permanent homes in coming weeks. The renovations of Minnich and Scott Hall are going quite well. Both buildings have new windows and fan coil units. Drywall is being installed throughout and tile work has begun in the restrooms. Both new residence halls being constructed in the northern area of our campus remain on schedule. Brick veneer and the tile roof installations continue to make good progress at both sites. The phased, occupied renovation of Pearson Hall is well underway. We will soon be seeing the steel structure installed in the courtyard area. It is nice to see this exciting element of the project taking shape. Work in Shriver Center continues with improvements occurring in the upper floor of the bookstore and the Dolibois rooms.

Respectfully submitted,

Cody J. Powell, PE
Associate Vice President –
Facilities Planning & Operations

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Miami University
Physical Facilities Department
Status of Capital Projects Report

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Summary of Active Projects

	Number of Projects	Value
Under Construction	10	$179,509,150
In Design	6	$101,290,000
In Planning	3	$896,820
Projects Under $500,000	68	$14,577,755
	Total	$296,273,725

New Projects Over $500,000

Glos Center Reconfiguration	Page 17, Item 1
South Chiller Plant Conversion	Page 18, Item 4
Swing Hall Deconstruction	Page 19, Item 5
Tunnel Top Replacement, Phase 3: Billings to High Street	Page 19, Item 6
Stanton Hall Renovation	Page 20, Item 2
Upham Hall Classroom Upgrades 2018	Page 20, Item 3

Projects Completed Since Last Report

Central Campus High Voltage Conversion, Phase 2	$1,087,782
Central Campus Parking, Infrastructure and Site Improvements	$6,461,501
Clawson Hall Renovation	$15,000,000
Total	$22,549,283

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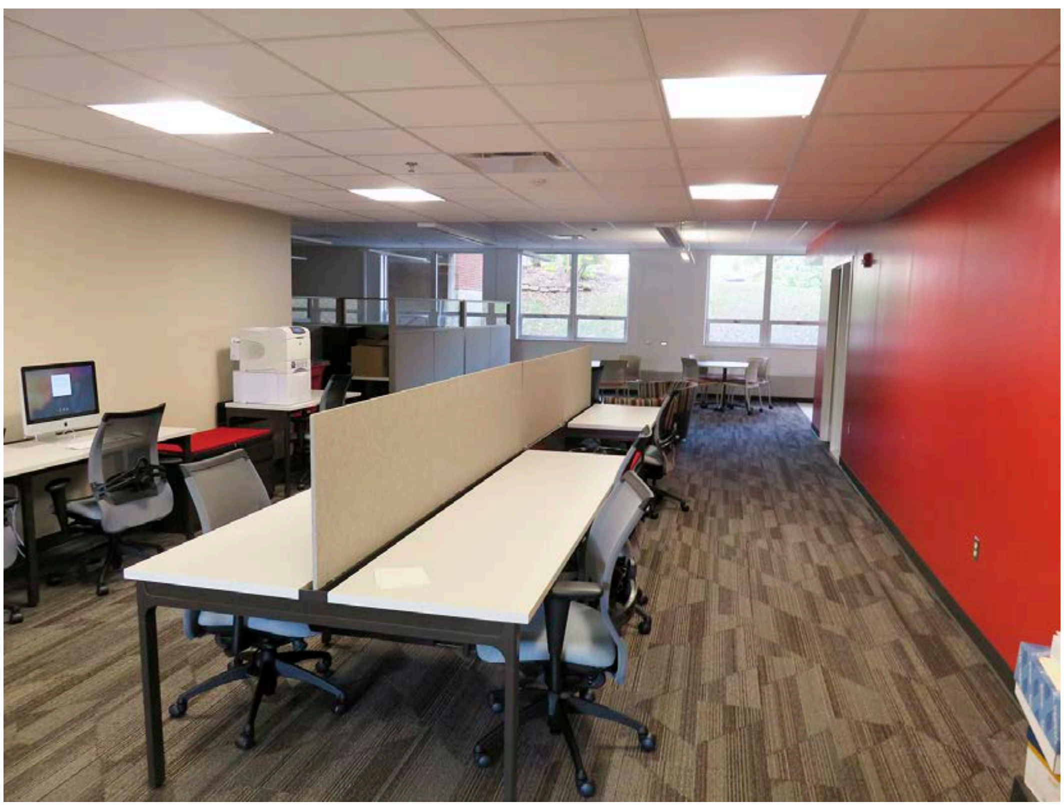
Miami University
Physical Facilities Department
Status of Capital Projects Report

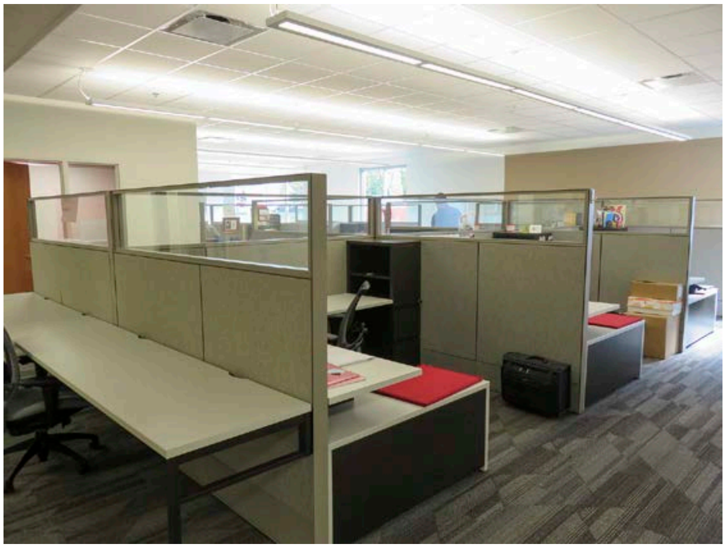
UNDER CONSTRUCTION
(Under Contract)
Projects Requiring Board of Trustees Approval

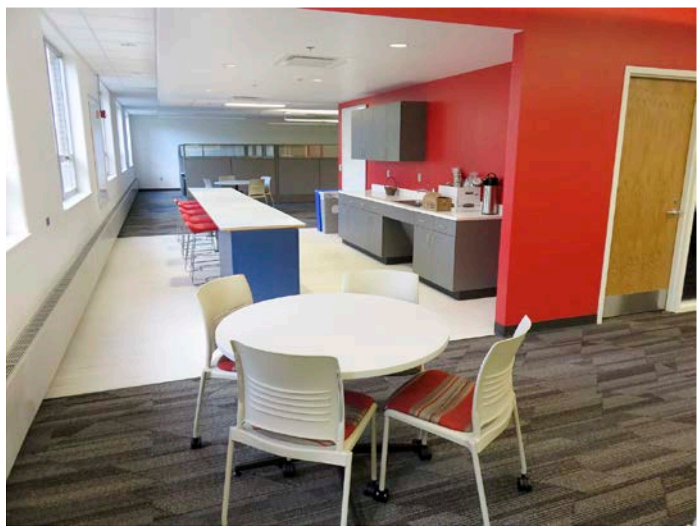
1. <u>Campus Avenue Building Lower Level Rehab:</u> (BOT Dec '16)
Dole
The CAB Lower Level Rehab project will allow the University to relocate and consolidate the offices of University Communications and Marketing into space vacated by Student Disability Services and Rinella Learning Center, which will relocate to the renovated Shriver Center. University Communications and Marketing is currently located in three separate buildings on campus: Glos Center, MacMillan Hall, and Williams Hall. The CAB project will also realign some of the remaining work groups with the Division of Enrollment Management and HOME, completing the University's goal of creating a one-stop service center for students.

The project remains on schedule and within budget. Renovations on the first floor, Admissions area are nearing completion. Furniture installation is underway. Admissions staff will be relocating back to their permanent home in early January, which allows University Communications and Marketing to occupy their new permanent space in the lower level. All moves are scheduled to be complete in January 2018. **This will be the last report.**



Campus Avenue Building Lower Level Rehab (continued):





Delivery Method: Single Prime Contracting

Project Cost	
Design and Administration	$300,500
Cost of Work	$2,280,020
Contingency	$270,600
Owner Costs	$648,880
Total	$3,500,000

Funding Source	
Local	$3,500,000
Total	$3,500,000

Contingency Balance: 65%
Construction Complete: 95%
Project Completion: January 2018

Under Construction

Miami University
Physical Facilities Department
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2. <u>Minnich and Scott Halls Renovation:</u> (BOT Feb ’17)
Heflin
This project will renovate two co-located residence halls in the Central Quad. Selection of these two residence halls aligns with progress on implementing the Utility Master Plan. The Minnich and Scott Hall programs will include new sorority suites, which creates swing space for sorority suites as the balance of the Central Quad residence halls are renovated.

Window and fan coil installation is complete. Mechanical, electrical and plumbing installation continues. Interior drywall finishing, plaster repairs, tile installation, and roof repairs are progressing. The project is on schedule and within budget.

Delivery Method: Design-Build

Project Cost	
Design and Administration	$3,927,000
Cost of Work	$40,345,000
Contingency	$3,636,000
Owner Costs	$2,092,000
Total	$50,000,000

Funding Source	
Bond Funds	$50,000,000
Total	$50,000,000

Contingency Balance: 98%
Construction Complete: 50%
Project Completion: August 2018

3. New Residence Hall – North Quad Tennis Court Site: (BOT Jun '16)

Christian

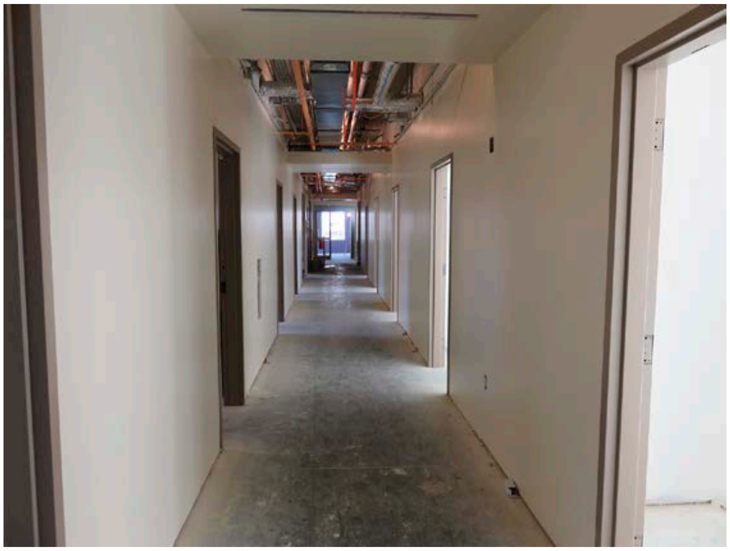
The increase in student population has created a demand for on-campus beds beyond the Long Range Housing Master Plan's original projection. The Master Plan called for 7,100 beds total on campus. Current projections call for a demand of 8,100 beds on campus.

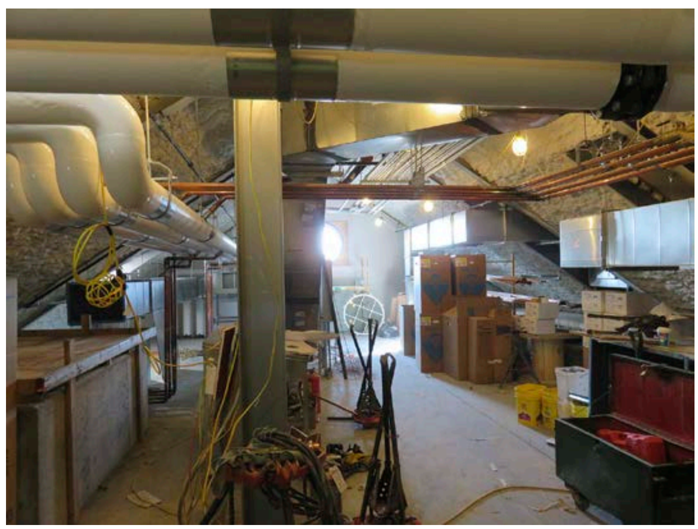
The site at the location of the varsity tennis courts was one of four sites originally identified in the Master Plan. This site can take advantage of utilities being upgraded in the current renovation of the North Quad. The program calls for approximately 350 beds. The new residence hall will be designed to the current design standards used on the other new residence halls built within the last three years. This residence hall will likely have a Neo-Georgian architectural style, utilizing materials seen on the other North Quad halls. The project will include hardscape/landscape design to integrate the new hall into the existing pedestrian and vehicular network in this area of campus.

Clay tile roofing is approximately 95% complete. Masonry is complete on the east wing, and is approximately 90% complete on the west wing. MEP rough-in is complete on all floors. Electrical switchgear has been energized, domestic water lines have been filled and flushed, and domestic water heaters have been activated. Floor tile has progressed to the second floor bathrooms. Gypsum wallboard finishing has progressed to the 3rd floor, and hanging has progressed to the 4th floor. The project remains on schedule.

Miami University
Physical Facilities Department
Status of Capital Projects Report

New Residence Hall – North Quad Tennis Court Site (continued):





Delivery Method: Construction Manager at Risk

Project Cost	
Design and Administration	$3,085,625
Cost of Work	$32,765,162
Contingency	$1,731,713
Owner Costs	$917,500
Total	$38,500,000

Funding Source	
Bond Funds	$38,500,000
Total	$38,500,000

Contingency Balance: 56%
Construction Complete: 70%
Project Completion: July 2018

Under Construction

4. **<u>New Residence Hall – North Quad Withrow Court Site:</u>** (BOT Jun '16)

Christian

The increase in student population has created a demand for on-campus beds beyond the Long Range Housing Master Plan's original projection. The Master Plan called for 7,100 beds total on campus. Current projections call for a demand of 8,100 beds on campus.

The site at the location of Withrow Court was one of four sites originally identified in the Master Plan. The program calls for approximately 270 beds. The new residence hall will be designed to the current design standards used on the other new residence halls built within the last three years. This residence hall will likely have a modified Neo-Georgian architectural style, utilizing materials seen on the other North Quad halls, and incorporating design elements from Withrow Court including replicating the cupola and salvaging selected stone elements for re-use on the main entrance. The project will include minimal hardscape and landscape to connect it to a larger district landscape plan being developed as a separate project. A 2,600 square foot retail space is included in the program in anticipation of a second Starbucks Coffee store.

Clay tile roofing is approximately 40% complete and has progressed to the east side of the center wing. Masonry is also approximately 40% complete, having progressed from the north wing to the west side of the center wing. The limestone at the main entry is 90% complete. MEP rough-in has progressed to the attic. Electrical switchgear has been energized and elevator installation is 90% complete. Floor tile has progressed to the 1st floor bathrooms. Gypsum wallboard finishing has progressed to the 3rd floor. The project remains on schedule.

Under Construction

Miami University
Physical Facilities Department
Status of Capital Projects Report

New Residence Hall – North Quad Withrow Court Site (continued):

Delivery Method: Construction Manager at Risk

Project Cost	
Design and Administration	$2,688,750
Cost of Work	$31,027,500
Contingency	$2,441,250
Owner Costs	$842,500
Total	$37,000,000

Funding Source	
Bond Funds	$37,000,000
Total	$37,000,000

Contingency Balance: 56%
Construction Complete: 70%
Project Completion: July 2018

Miami University
Physical Facilities Department
Status of Capital Projects Report

5. <u>North Campus District Landscape Improvements:</u> (Previous Report – In Design)

Christian

The North Campus Landscape Improvements project encompasses the hardscape and landscape between Benton Hall, the North Quad residence halls, and Withrow Lane from the North Campus Garage east to Patterson Avenue. This project will eliminate vehicular traffic from Withrow Lane north to Tallawanda Road in favor of a pedestrian-oriented landscape consistent with other quads on the Oxford campus. An early bid package was completed in the summer of 2017 will enlarge the surface lot at the North Campus Garage. This enlarged surface lot, in conjunction with previous area parking improvements, will compensate for the displaced parking behind Withrow Court.

Early work on selected sidewalks and the new bus stop began in October. The majority of the work will not begin until Spring.

Delivery Method: Construction Manager at Risk

Project Cost	
Design and Administration	$547,245
Cost of Work	$3,984,975
Contingency	$267,780
Owner Costs	$200,000
Total	$5,000,000

Funding Source	
Local	$5,000,000
Total	$5,000,000

Contingency Balance: 100%
Construction Complete: 5%
Project Completion: August 2018

6. <u>Pearson Hall Renovations, Phase 1:</u> (BOT Feb ’17)

Porchowsky

Pearson Hall, built in 1985, serves the biological sciences including the Departments of Biology and Microbiology. This phased, occupied rehabilitation will renovate teaching and research labs, offices, common areas, mechanical, electrical, plumbing and fire systems, and circulation spaces. Because the building is occupied, the work is expected to occur over approximately four years.

Phase 1 is expected to address at least 50% of the necessary heating, cooling, and lab exhaust systems; modernize the public areas, and approximately 50% of the teaching and research laboratories. The large lecture halls modernized in recent years will not be impacted by this project.

Work is progressing well as the contractor works down through the building. Finishes are being installed on the third floor and ceiling grid is being installed on the second level. Electrical and mechanical rough-in is underway on the first and lower levels. Structural steel for the atrium infill is being installed. The project remains on schedule.

Miami University
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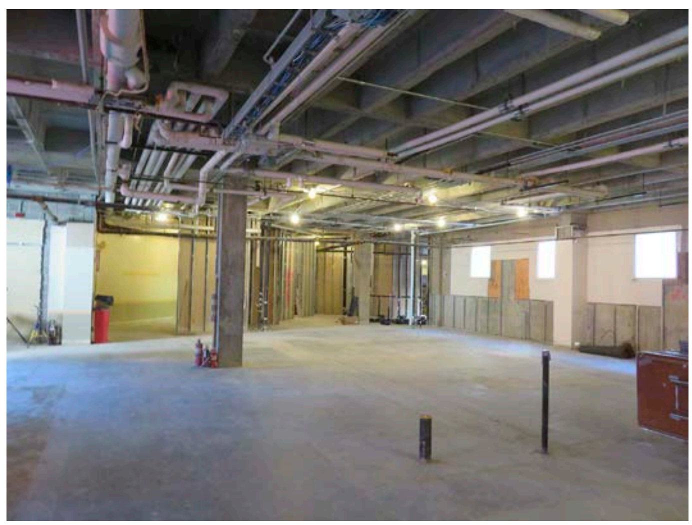
Pearson Hall Renovations, Phase 1 (continued):



Delivery Method: Design-Build

Project Cost	
Design and Administration	$3,434,253
Cost of Work	$26,877,140
Contingency	$1,583,407
Owner Costs	$735,200
Total	$32,630,000

Funding Source	
State	$23,900,000
Local	$8,730,000
Total	$32,630,000

Contingency Balance: 91%
Construction Complete: 22%
Project Completion: August 2019

Miami University
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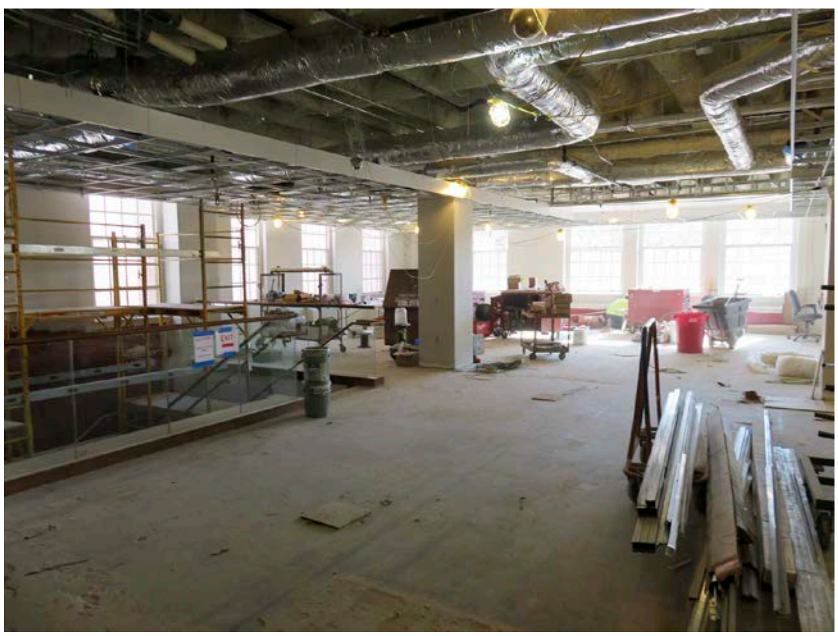
Status of Capital Projects Report

7. **Shriver Center Renovations – Phase 2:** (BOT Dec '16)
Christian
Phase 2 of the Shriver Center Renovations includes the following scopes and is broken down into three bid packages in order to prioritize revenue-producing and student service spaces required by August of 2017. *Bid Package 1:* Retail Space. This scope consists of the lower level expansion of bookstore retail space. Completion is scheduled for August 2017. *Bid Package 2:* Package Center and Dock Expansion, Access MU Center (an IT function), and Stairwell Renovations. Completion is scheduled for August 2017. *Bid Package 3:* Bookstore renovations, Main Entrance/Vestibule modifications, and Dolibois Rooms renovations. Completion is scheduled for May 2018.

Construction and occupancy of the new retail space is complete. Construction and occupancy of the Package Center, Dock, Access MU Center, and four of the five stairwells are complete. Stair C, the main stair between the center and west wings (Bookstore and Dolibois rooms), is approximately 90% complete. Interior work on the upper level bookstore is approximately 80% complete. Floor tile is underway. Fixtures are on track for delivery and installation in January. Opening of the upper level of the bookstore is expected to coincide with the start of Spring Semester 2018. Painting of the main entry is complete, and work on the doors and exterior patio continues. Demolition work in the Dolibois rooms began on November 19.



Delivery Method: Construction Manager at Risk

Project Cost	
Design and Administration	$917,000
Construction	$6,855,000
Contingency	$480,000
Owner Costs	$1,248,000
Total	$9,500,000

Funding Source	
Local	$9,500,000
Total	$9,500,000

Contingency Balance: 36%
Construction Complete: 63%
Project Completion: May 2018

Under Construction

Miami University
Physical Facilities Department
Status of Capital Projects Report

UNDER CONSTRUCTION
(Under Contract)
Projects Between $500,000 and $2,500,000

1. **Hamilton Campus – Mosler Hall Penthouse:** **(Previous Report - In Design)**
Moss
This project will include the abatement and replacement of the asbestos-containing fireproofing on the decking and beams located in the penthouse. The building's roof will then be removed and replaced with new EPDM roofing membrane in Spring/Summer 2018.

The first phase of the abatement work occurred in the Boiler Room. The existing fireproofing was abated and then replaced with new during the month of November. The second phase will be done during the Winter Term and is expected to be complete by late January. The roof work is weather dependent and expected to begin in the spring or summer of 2018.

Delivery Method: Single Prime

Project Cost	
Design and Administration	$55,000
Construction	$317,000
Contingency	$60,000
Owner Costs	$68,000
Total	$500,000

Funding Source	
Local	$500,000
Total	$500,000

Contingency Balance: 100%
Construction Complete: 35%
Project Completion: August 2018

2. **Harris Hall Renovation for University Advancement Temporary Offices:**
Morris
This project will renovate about 3200 square feet of space previously occupied by Panache in Harris Hall, for use as University Advancement Offices for approximately two years.

The project was substantially complete by the end of November and ready for move-in occupancy. **This will be the last report.**

Delivery Method: Design-Build

Project Cost	
Design and Administration	$25,050
Construction	$347,750
Contingency	$35,730
Owner Costs	$116,520
Total	$525,050

Funding Source	
Local	$525,050
Total	$525,050

Contingency Balance: 81%
Construction Complete: 98%
Project Completion: November 2017

Miami University
Physical Facilities Department
Status of Capital Projects Report

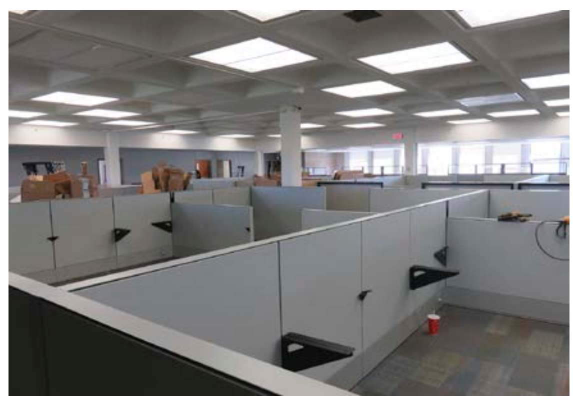
3. Hoyt Hall Renovation:

Russell

The Center for Career Exploration and Success vacated the second floor of Hoyt Hall in May. This floor will accommodate Information Technology Services staff that is being centralized here from at least four separate remote locations on campus; the goal being to increase personnel efficiency in the department. Along with the personnel reorganization, the physical infrastructure of the IT system at Hoyt is being upgraded to use the latest cabling and termination technology in order to increase the hardware efficiency of the department.

As a further step toward increased efficiency, the IT personnel, currently housed on the first and third floors at Hoyt Hall, has had their team interaction assessed. Their work areas will be reconfigured to enable and encourage more logical group interaction and provide a LEAN use of both existing and new personnel and physical resources. Due to the extent of the remodeling and the disruption to the function of the building, the IT department has elected to upgrade the quantity and quality of the data cabling while the facility is being renovated. This is an opportunity to upgrade the infrastructure to reflect current technological advances at the most cost effective time, with the least disruption to the services provided by the department. The Project Cost has been changed to reflect an increase in scope requested by the IT Services Department.

Renovations of the second floor and the third floor are complete and occupied by IT staff, some of whom are in their permanent location, and others in temporary work stations while the first floor is being remodeled. The first floor remodeling is the third and final phase of the project, scheduled for substantial completion by the end of 2017. **This will be the last report.**



Delivery Method: Single Prime Contracting

Project Cost	
Design and Administration	$151,990
Construction	$1,838,635
Contingency	$286,000
Owner Costs	**$77,475**
Total	$2,354,100*

Funding Source	
Local	$2,354,000
Total	$2,354,100*

*Increased by $104,100 to accommodate IT infrastructure improvements funded separately by IT Services

Contingency Balance: 20%
Construction Complete: 86%
Project Completion: December 2017

Under Construction

Miami University
Physical Facilities Department
Status of Capital Projects Report

IN DESIGN
(Pre-Contract)

1. **Glos Center Reconfiguration: (New Project This Report)**
Russell
This Project will renovate the Glos Center from administrative offices for University Communications and Marketing to offices and support spaces for University Advancement. The additional space accommodates the University Advancement's planned staff expansion. Restoration of the building envelope, energy efficiency improvements, life safety upgrades, ADA accessibility improvements and the office fixtures, furnishing and equipment updates will comprise the major portions of this interior reconfiguration project.

Delivery Method: Single Prime
Estimated Budget: $1,850,000
Estimated Start: Spring 2018
Estimated Completion: Winter 2018

Funding Source	
Local	$1,850,000
Total	$1,850,000

2. **MacCracken, Richard and Porter Halls Renovations with Central Quad Improvements:** (BOT Feb '17)
Morris
This project will fully renovate MacCracken and Richard Residence Halls – two co-located residence halls in the Central Quad. The project will also renovate Porter Hall at a level similar to what was recently completed in Clawson. In addition, the exterior quad will be enhanced with LED lighting, improved drainage and irrigation. MacCracken and Richard halls are the last of the Central Quad halls to be renovated. The MacCracken and Richard Hall programs include new sorority suites and an expanded MacCracken Market facility with limited food service. The renovation will include upgrades to systems, finishes and accessibility. Fire protection will be added to MacCracken and Richard and other safety elements will be enhanced and residence life spaces will be reconfigured.

Design Development has been completed and Construction Documents are in progress. Project is expected to be bid in January and February of 2018.

Delivery Method: Design-Build
Estimated Budget: $73,800,000
Estimated Start: June 2018
Estimated Completion: July 2019

Funding Source	
Bond Funds	tbd
Local	tbd
Total	$73,800,000

Miami University
Physical Facilities Department
Status of Capital Projects Report

3. <u>Roof Replacements/Repairs 2018:</u>

Moss

The Roof Replacements/Repairs 2018 project includes two major roof projects on campus for 2018. There will be improvements at Hall Auditorium and the Campus Avenue Building. At Hall Auditorium, the exiting gutters and valleys will be replaced with new copper box gutters and valleys. In addition, there will be an inspection and repair of any deteriorated wood soffit/dentil trim. At Campus Avenue Building (CAB), the built-up-roof (BUR) will be replaced with new EPDM on the entire building. There will be no work to the existing clay tile roof or gutters/downspouts.

The work is currently in schematic design/design development.

Delivery Method: Single Prime
Estimated Budget: $2,040,000
Estimated Start: May 2018
Estimated Completion: August 2018

Funding Source	
Local	$2,040,000
Total	$2,040,000

4. <u>South Chiller Plant Conversion:</u> (New Project This Report)

LaGrange

As part of the Campus Utility Master Plan, the South Chiller Plant Conversion Project will convert a large portion of the south half of campus from steam to simultaneous heating and cooling. This project includes conveyance of hot water piping in existing tunnel systems and direct buried piping to connect the South Chiller Plant to several buildings. Hot water connection to Scott, Minnich, Richard, MacCracken, and Porter are occurring as these buildings are being renovated. Hot water connection and conversion to Anderson, Hamilton, Harris, Heritage Commons, Rec Sports Center, Goggin Ice Center, Health Services, Philips Hall will occur over the next two years. Goggin Ice Arena will also undergo additional energy savings strategies to support the complex requirements of converting Goggin from steam to hot water.

The South Chiller Plant will become a 24/7/365 plant distributing both hot and chilled water to these campus buildings. In order to accomplish this goal, the South Chiller Plant will add (3) heat recovery chillers, (3) steam to hot water heat exchangers and multiple supporting pumps. A 1,600,000 gallon chilled water thermal energy storage tank will be added in the parking lot adjacent to the South Chiller Plant to reduce electric demand during peak consumption resulting in operational savings for the University. The Steam Plant will have (3) small 12.5 mmbtu boilers installed to accommodate low load periods over the summer as a result of decreased steam consumption associated with the University's ongoing reduction of steam usage. In 2026 these boilers will be relocated to the research district (Hughes, Pearson, Psychology, Engineering) of campus to serve specialty localized needs.

This project is a key step in the Utility Master Plan to meet strategic energy reduction and campus sustainability goals of decommissioning coal-fired steam systems by 2026.

The work is currently in design.

Delivery Method: Construction Manager at Risk
Estimated Budget: $21,250,000
Estimated Start: March 2018
Estimated Completion: December 2019

Funding Source	
Local	$21,250,000
Total	$21,250,000

Miami University
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5. <u>Swing Hall Deconstruction:</u> (BOT Feb ’17) **(New Project This Report)**
Christian
This project will deconstruct Swing Hall and restore lawn and landscape to the site pending future development.

Demolition documents are in progress. The project is expected to bid in February. De-construction will begin following graduation weekend in May.

Delivery Method: Construction Manager at Risk
Estimated Budget: $1,100,000
Estimated Start: May 2018
Estimated Completion: August 2018

Funding Source	
Local	$1,100,000
Total	$1,100,000

6. <u>Tunnel Top Replacement, Phase 3: Billings to High Street:</u> (BOT Feb ’17) **(New Project This Report)**
Christian
This project will replace the tunnel tops along Tallawanda Avenue from Billings Hall to High Street. This will complete the tunnel top replacement along Tallawanda that was begun in the spring of 2016 under the North Quad Residence Halls Renovations project.

Design Development is in progress. The project is expected to bid in February and construction to begin in April.

Delivery Method: Construction Manager at Risk
Estimated Budget: $2,800,000
Estimated Start: April 2018
Estimated Completion: August 2018

Funding Source	
Local	$2,800,000
Total	$2,800,000

Miami University
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Miami University
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Status of Capital Projects Report

IN PLANNING
(Pre-A&E)

1. Hamilton Campus – Knightsbridge Building Renovation:

This project will provide for the renovation of the recently acquired 23,500 square feet Richard Allen Academy building located on the Hamilton Campus at the intersection of Knightsbridge Drive and University Boulevard in Hamilton. A facility assessment to be used in developing program and renovation cost has been completed. The assessment has identified the need for mechanical/electrical upgrades as part of the renovation, reporting approximately $4,000,000 in probable cost. A recent professionally-prepared campus space plan is contributing to the programmed scope of this project.

Planning is underway to align the campus space requirements, academic priorities, and existing facilities condition/needs.

Proposed Budget: TBD
Desired Start: TBD
Desired Completion: TBD

Funding Source	
TBD	TBD
Total	TBD

2. Stanton Hall Renovation: (New Project This Report)

Heflin
This project will renovate Stanton Residence Hall as a continuation of the 2010 Housing and Dining Master Plan. Stanton Hall will receive an upgrade in the mechanical systems, fire suppression, energy efficiency, and minor interior renovations. The design includes improvements in the heating, cooling, electrical, life safety systems and building envelope, and is expected to extend the life of the facility.

Proposed Budget: $18,000,000
Desired Start: Design Spring 2018
Desired Completion: Fall 2020

Funding Source	
TBD	TBD
Total	TBD

3. Upham Hall Classroom Upgrades 2018: (New Project This Report)

Russell
This project is to create a large SCALE-UP (Student-Centered Active Learning Environment for Undergraduate Programs) computer classroom laboratory for updating pedagogy and expanding instructional space. Project will also update digital writing classroom for English and IMS (Interactive Media Studies). Existing office and service areas shall be replaced by these classrooms. Inefficient office areas nearby shall be renovated to provide new, efficient, office and service areas.

Proposed Budget: $896,816
Desired Start: May 2018
Desired Completion: July 2018

Funding Source	
Local	$896,820
Total	$896,820

Miami University
Physical Facilities Department
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COMPLETED PROJECTS

1. Central Campus High Voltage Conversion, Phase 2:

Fellman

The Central Campus High Voltage Phase 2 project continues to convert academic facilities in the core of campus from the historical 5kv electrical system to the new 12.5kv system. This project converted King Library, Hall Auditorium, Irvin Hall, Alumni Hall and Bishop Hall to the new 12.5kv distribution system. A small amount of additional funding was added to this project in November. During commissioning of the system, existing high voltage cables were tested to ensure integrity. One of the existing cables was operable, but significantly degraded. The decision was made to replace the cable to avoid an unexpected failure. The cost to do so exceeded the remaining contingency in the project's budget.

Delivery Method: Single Prime Contracting

Project Revenue	
Design and Administration	$68,650
Cost of Work	$868,000*
Contingency	$85,400
Owner Costs	$65,732
Total	$1,087,782

Project Expense	
Design and Administration	$68,650
Cost of Work	$868,000
Contingency	$85,400
Owner Costs	$65,732
Total	$1,087,782

*Reflects the addition of $15,000 to the Cost of Work to replace an existing high voltage cable.

Est. Contingency Balance Returned: $0
Est. Contingency Balance Returned Percent of Total: 0%
Est. Bid Savings / VE Returned: $0
Est. Final Total: $0

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2. Central Campus Parking, Infrastructure and Site Improvements: (BOT Apr '17)
Seibert

The project dramatically improved several exterior spaces outside of Shriver Center, the Art Quad, pedestrian safety, parking within the region, and many infrastructure upgrades. Improvements to the Art Quad enhanced the experience for those visiting the Admissions Welcome Center now located in Shriver Center. Infrastructure improvements include gutter, curb and tunnel top/integral structured sidewalk replacements on Maple Street. The project will be completed in phases to accommodate various activities impacting this area of campus.

Delivery Method: Construction Manager at Risk

Project Revenue	
Design and Administration	$461,000
Cost of Work	$5,145,000
Contingency	$741,501*
Owner Costs	$114,000
Total	$6,461,501*

Project Expense	
Design and Administration	$324,075
Cost of Work	$5,145,000
Contingency	$491,657
Owner Costs	$157,075
Total	$6,117,807

*Reflects the addition of $461,501. Prior to this change, the original total project budget was $6,000,000.

Est. Contingency Balance Returned: $249,844
Est. Contingency Balance Returned Percent of Total: 34%
Est. Bid Savings / VE Returned: $93,850
Est. Final Total: $343,694

3. Clawson Hall Renovation: (BOT Feb '16)
Heflin
This project renovated Clawson Residence Hall as a continuation of the 2010 Housing and Dining Master Plan. Clawson Hall received an upgrade to the mechanical systems, fire suppression, energy efficiency, and minor interior renovations. The design included improvements in the heating, cooling, electrical, life safety systems and building envelope, and is expected to extend the life of the facility.

Delivery Method: Design-Build

Project Revenue	
Design and Administration	$1,338,417
Cost of Work	$12,243,583
Contingency	$1,060,000
Owner Costs	$358,000
Total	$15,000,000

Project Expense	
Design and Administration	$1,338,417
Cost of Work	$12,243,583
Contingency	$1,050,000
Owner Costs	$358,000
Total	$14,990,000

Est. Contingency Balance Returned: $10,000
Est. Contingency Balance Returned Percent of Total: 1%
Est. Bid Savings / VE Returned: $0
Est. Final Total: $10,000

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Projects Between $50,000 and $500,000

Project	Budget
Airport Pavement Repair 2017	$230,000
Airport Ramp Safety Area Grading Project	$128,320
Anderson Hall – Room Ventilation Improvements	$491,500
Armstrong Student Center – Stair Tread Replacement	$112,390
Art Building – Classrooms 016, 020, 022 Renovations	$361,220
Art Building – Flat Roof Replacement	$192,000
Art Building – Gutters and Downspouts	$350,000
Art Building – Room 148 Refresh	$53,000
Art Museum – Wood Truss Repairs	$50,000
Boyd Hall – Fashion Design Studio	$105,375
Campus Avenue & North Campus Garage – Water Infiltration Repairs	$215,000
Campus Dead Tree Removal 2016	$350,000
Campus Deal Tree Removal 2018	$200,000
Campus Emergency Responder Radio Coverage System Upgrades	$470,000
Cole Service Building Reconfiguration	$187,310
E & G Buildings – Exterior Summer Painting 2017	$250,000
E & G Buildings – LED Retrofits 2017	$142,460
E & G Buildings – LED Retrofits 2018	$350,000
E & G Buildings – Relamping	$350,000
Emergency Phones Phase II	$465,000
Farmer School of Business – East Breezeway Roof Trim	$120,000
Farmer School of Business – Exterior Entrance Door Repairs	$500,000
Hall Auditorium – Stage Lighting LED Upgrade	$125,000
Harrison Hall – Classroom Upgrades	$459,000
Hiestand Hall - Room 200 - Lab Refresh and Update	$75,000
HDRBS – Building Exterior Summer Painting 2017	$150,200
HDRBS – Laundry Controllers Upgrades	$170,000
HDRBS – MEP Improvements 2017	$196,000
HUB Quad Engraved Brick Replacement	$145,500
Hughes Hall - Still Replacement	$160,000
Irvin Hall – Classrooms 50 & 60 Renovations	$225,000
MacCracken Hall – Fiber Hub Relocation	$100,000
Marcum Conference Center – Phase 2 Building Window Replacement	$140,000
Marcum Conference Center – Zone Heating/Cooling Pumps	$190,000
McGuffey Drive – Water Line Extension	$250,000
McGuffey Hall – Rooms 318/322F Renovation	$115,000
Middletown Campus – SWORD Fire Alarm Upgrades	$125,000
Millett Hall – Basketball Locker Room Upgrade	$200,000
Millett Hall – Electrical Modifications – 4kv to 12.5kv Conversion	$240,000
Phillips Hall – Room 103L Renovation	$107,190
Recreational Sports Center – Envelope Evaluation	$145,000
Recreational Sports Center – Exterior Repairs	$105,000
Recreational Sports Center – Exterior Sealant Replacement	$90,000
Recreational Sports Center – VFD and Damper Replacement	$197,050

Miami University
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Regional Campuses – Classroom AV Tech Upgrades	$250,000
South Refrigeration Plant - Air Conditioning Upgrades	$300,000
Steam Plant – Generator Controls Upgrade	$214,900
Steam Plant – Generator Hall Wartsila Redundant Power Upgrade	$90,000
Stillman-Kelley Studio Rehabilitation for The Haven	$364,215
Switch House 2 Decommissioning	$110,000
Upham Hall – Rooms 385/387 Renovation	$184,480
VOA – Exterior Repairs	$100,000
Western Campus – Alumnae Legacy Project	$350,000
Williams Hall – TV Studio Lighting & Controls Retrofit	$285,000
Yager West Stands Fire Alarm Upgrade	$100,000

Projects Closed Between $50,000 and $500,000

Project	Original Budget	Returned Funds
E & G Buildings – Fan Energy Upgrades	$136,000	$15,600
E & G Buildings – Heating Pumps Energy Upgrades	$125,000	$13,200
Equestrian Center – Turnout and Fence Replacement	$91,745	$13,875
Goggin Ice Center – Heat Recovery Loop and Damper Work	$107,100	$8,420
Hamilton Campus – Wilks & Schwarm LED Lighting Retrofit	$90,000	$26,500
Hughes Hall Domestic Hot Water System Improvements	$130,000	$2,230
King Library – Esporting	$52,220	$9,030
Middletown Campus – SWORD Office Renovation	$70,000	$9,955
Pearson Hall – Room 367J Lab Renovation	$200,000	$7,560
Recreational Sport Center – Gym Floor Refinishing	$66,100	$14,750
Recreational Sports Center – Lightning Protection	$50,000	$24,300
Recreational Sports Center – Lower Fitness Wainscot	$55,900	$18,240
Sawyer Gym Renovation	$400,000	$8,620

Miami University
Physical Facilities Department
Status of Capital Projects Report

Glossary of Terms

Construction Manager at Risk (CMR) – is a delivery method which entails a commitment by the construction manager to deliver the project within a Guaranteed Maximum Price (GMP). The owner contracts the architectural and engineering services to perform the design from concept through construction bid documents using the construction manager as a consultant. The construction manager acts as the equivalent of a general contractor during the construction phase. CMR arrangement eliminates a "Low Bid" construction project. This method will typically be used on projects with high complexity and demanding completion schedules.

Contingency – includes both owner contingency and the D/B or CMR contingency where applicable.

Cost of the Work – is the cost of construction. This includes general condition fees, contractor overhead and profit, D/B or CMR construction stage personnel.

Design & Administration – includes all professional services to support the work. This consists of base Architect/Engineer (A/E) fees, A/E additional services, A/E reimbursables, non-error/omission A/E contingency fees, geotechnical services, special inspection services partnering services, multi-vista photo documentation of projects, D/B or CMR pre-construction services, third party estimator, and local administration fees.

Design Build (D/B) – is a project delivery method in which the design and construction services are contracted by a single entity and delivered within a Guaranteed Maximum Price (GMP). Design Build relies on a single point of responsibility contract and is used to minimize risks for the project owner and to reduce the delivery schedule by overlapping the design phase and construction phase of a project. This method will typically be used on projects with less complexity and have demanding completion schedules.

Guaranteed Maximum Price (GMP) – is the negotiated contract for construction services when using D/B or CMR. The owner negotiates a reasonable maximum price for the project (or component of the project) to be delivered within the prescribed schedule. The D/B firm or CMR is responsible for delivering the project within the agreed upon GMP. This process eliminates bidding risks experienced by the owner, allows creative value engineering (VE) to manage the budget, and permits portions of the work to begin far earlier than traditional bidding of the entire project.

Multiple Prime Contracting – is a project delivery method historically allowed by the State of Ohio. The owner contracts the architectural and engineering services to perform the design from concept through construction bid documents. The construction services are divided into various trade specialties – each bid as a separate contract (general, plumbing, mechanical, electrical, sprinkler, etc.). The owner is responsible for managing the terms of each contract and coordinating the work between the multiple contractors.

Owner Costs – are costs directly borne by the owner to complete the project. This includes furniture, fixtures, and equipment (FF&E), audio/visual (A/V), IT networking, percent for art (applicable on State funded projects exceeding $4 million), printing and advertising expenses, and any special moving or start-up funds.

Preconstruction Services – are the development and design services provided by a D/B firm or CMR to the owner. These services are typically performed for an identified cost prior to the negotiation of a GMP. These services are included in “Design and Administration.”

Single Prime Contracting – is a project delivery method in which the owner contracts the architectural and engineering services to perform the design from concept through construction bid documents. The construction services are contracted separately, but through a single entity. Single Prime Contracting is beneficial on projects with specialized construction requiring more owner oversight or control. This method will typically be used on projects with high complexity and low schedule importance.

RESOLUTION R20xx-17

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

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

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees hereby authorizes the 2019-2024 Capital Improvements plan and 2019-2020 funding request.

BE IT FURTHER RESOLVED: that the Senior Vice President for Finance and Business Services and Treasurer is hereby authorized to amend the 2019-2024 Capital Improvements Plan and Funding Request as may be required to conform to the instructions when received from Ohio's Higher Education Capital Funding Commission and/or changes in the allocation distribution made by the Ohio Office of Budget and Management and the Ohio Department of Higher Education.

Six-Year Capital Program Request
FY 2019 - FY 2024

Oxford Campus	
	Project Amount
FY 2019 - FY 2020	
Pearson Hall Renovation Phase 2	$30,000,000
FY 2021 - FY 2022	
Bachelor Hall Renovation	$38,400,000
FY 2023 - FY 2024	
Hiestand Hall Renovation and Related Projects	$34,000,000

Hamilton Campus	
	Project Amount
FY 2019 - FY 2020	
Academic/Administrative Renovation Projects	$800,000
Roof Replacements, Wilks and Schwarm Halls	
FY 2021 - FY 2022	
Academic/Administrative Renovation Projects	$770,000
Electrical Systems Replacements, Mosler Hall	
FY 2023 - FY 2024	
Academic/Administrative Renovation Projects	$500,000
Electrical Systems Replacements, Phelps Hall	

Middletown Campus	
	Project Amount
FY 2019 - FY 2020	
Academic/Administrative Renovation Projects	$400,000
Fire Suppression System, Thesken Hall	
FY 2021 - FY 2022	
Academic/Administrative Renovation Projects	$450,000
Lighting Replacements/Improvements - Campus Wide	
FY 2023 - FY 2024	
Academic/Administrative Renovation Projects	$778,000
Roof Replacements, Levey and Thesken Halls	

RESOLUTION R2017-xx

WHEREAS, the North Quad Renovation, the construction of two new North Quad residence halls, and the North Campus District Landscape Improvement projects are all impacted by an aging and deteriorating tunnel traversing the North Quad; and

WHEREAS, a new more efficient design for the tunnel top has been developed and the deteriorated sections of the current system are being replaced in phases; and

WHEREAS, the Tunnel Top Replacement Phase 3 project completes the phased replacements for North Quad, and

WHEREAS, Miami University has determined that the cost of the project can be reduced through incorporating the work into the single Design-Build project identified as the New Residence Hall North Quad projects; and

WHEREAS, Miami University has identified local funds in the amount of $2,800,000 for the Tunnel Top Replacement Phase 3.

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees authorizes the Senior Vice President for Finance and Business Services and Treasurer, to proceed with the award of contracts to incorporate the Tunnel Top Replacement Phase 3 into the New Residence Hall - North Quad projects with a total project not to exceed $2,800,000.

Executive Summary
For the
Tunnel Top Replacement Phase 3
December 7, 2017

This project will replace the tunnel top along Tallawanda Street from Billings Hall to High Street. This will complete the tunnel top replacement that began in the spring of 2016 under the North Quad Residence Halls Renovations project. Deteriorating sections of the concrete tops will be replaced with structural tops and new non-integral sidewalks on top of the tunnel system. This work will occur over the summer 2018 as part of the site work and restoration package for the New Residence Hall -North Quad work at and around Withrow and Swing Halls.

The project will be combined with previously awarded tunnel work and delivered using Design-Build methodology to improve time taken from design through construction, reduce the cost of construction, and minimize the risk to the University.

Funding for this project will be local funds:

University Building CR&R: $2,800,000

Design and Administration	260,000.00
Cost of Work	2,200,000.00
Contingency	320,000.00
Owner Costs	20,000.00
Total	2,800,000.00

Miami University
Finance and Audit Committee
FY 2018 Forecasted Operating Results
Projections Based upon Activity through September 30, 2017

OXFORD

The projection for the Oxford General Fund based on performance prior to adjustments through September is a surplus of approximately $20.0 million. Details of the specific items are highlighted below.

Revenues

The Oxford campus student fee revenues (instructional, general out-of-state, and other) are forecast to be approximately $2.0 million over the $362.5 million budget. Gross instructional revenue (including the out of state surcharge) are forecast to be $1.7 million higher than budget and financial aid is forecast to be close to budget. The projections include billing from fall semester. The forecast may change as the fiscal year progresses based on winter, spring and summer term performance.

The forecast for the Oxford campus state appropriations is equal to budget. The Ohio Department of Higher Education is expected to update subsidy payment with final estimates for the fiscal year in December.

Investment income booked through September 30, 2017 was approximately $662,300. 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 30, an unrealized gain of $7.5 million would have been recorded. Given the volatility of the current market, this number could improve or decrease further as the year progresses. Therefore, we are forecasting investment income to be equal to budget.

Other revenue categories are projected as budgeted.

Expenditures and Transfers

Employee salaries and staff benefits are projected to be $4.8 million below budget. Through the first three months of the fiscal year health care claims were lower than budgeted. However, medical claims and prescription drug costs are trending above prior years' experience. Healthcare expense is difficult to estimate due to the volatility of high cost claims.

Departmental support costs are forecast on budget through the first quarter. However, academic divisions have transferred $4.5 million from carryforward to fund an array of capital projects and to provide funding for scholarships and other awards. Most of the transfer supports of improvements to Pearson and Hughes Halls, which are also supported by state appropriations.

Approximately half of the underspending in salaries and benefits noted above is carryforward eligible. The net effect this activity is recorded as a decrease in Division Budgetary Carryforward.

HAMILTON & MIDDLETOWN

The Hamilton campus student fee revenue (instructional, general and out-of-state) is estimated to be on budget. The instructional fee, out-of-state surcharge and general fee for the Middletown campus are forecast to be $0.6 million below budget. Enrollments in the English Language Center on the Middletown campus is below budget due to a smaller incoming cohort of new students and continuing students relocating to the Oxford campus. State subsidy and other revenues are forecast on budget based on the first quarter.

Expenditures on both campuses are either at or below budget. Notably, personnel and benefit costs are $1.0 million below budget on the Hamilton campus and $0.3 million below budget on the Middletown campus. The actual performance in these categories has exceeded the underspending in these categories assumed in the budget.

Overall, the General Fund for Hamilton is projected to end the fiscal year with a $31,449 surplus. The budget for the Hamilton campus assumed a transfer of $900,852 from their unobligated fund balance. The transfer may not be necessary based on the projected performance. The Middletown campus is projected to have an operating deficit of approximately $0.7 million. The Middletown budget assumed a transfer of $482,023 from the unobligated fund balance to achieve a balance budget for the fiscal year. After the budget transfer is included, the Middletown budget is still projected to have a deficit of $0.2 million.

VOICE OF AMERICA LEARNING CENTER

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

MIAMI UNIVERSITY
FY2017 Forecast
Oxford General Fund Only
As of September 30, 2017

	Original Budget	September End-of-Year Forecast	September Budget to Forecast
REVENUES:			
Instructional & OOS Surcharge	$ 386,632,557	$ 388,314,729	$ 1,682,172
Less Cohort Financial Aid Discount	75,857,168	75,841,097	(16,071)
Net Instructional Fee & Out-of-State Surcharge	310,775,389	312,473,632	1,698,243
General	49,044,182	49,389,113	344,931
Other Student Revenue	2,676,500	2,676,500	-
Tuition, Fees and Other Student Charges	*362,496,071*	*364,539,246*	*2,043,175*
State Appropriations	64,310,787	64,310,787	-
Investment Income	5,325,000	5,325,000	-
Other Revenue	1,370,000	1,370,000	-
Total Revenues	***$ 433,501,858***	***$ 435,545,033***	***$ 2,043,175***
EXPENDITURES:			
Salaries	186,212,173	182,310,262	(3,901,911)
Benefits	29,777,530	29,359,895	(417,635)
Healthcare Expense	37,440,370	36,915,264	(525,106)
Graduate Assistant, Fellowships & Fee Waivers	31,862,520	31,862,520	-
Undergraduate Scholarships & Student Waivers	13,945,519	13,945,519	-
Utilities	13,579,822	13,579,822	-
Departmental Support Expenditures	24,728,035	24,728,035	-
Multi-year Expenditures	5,578,792	5,578,792	-
Total Expenditures	***$ 343,124,761***	***$ 338,280,109***	***$ (4,844,652)***
DEBT SERVICE AND TRANSFERS:			
General Fee	(48,554,465)	(48,554,465)	-
Capital, Renewal & Replacement	(14,980,000)	(14,980,000)	-
Debt Service	(8,034,810)	(8,034,810)	-
Support for VOALC (50%)	(585,358)	(585,358)	-
Other Miscellaneous Operational Transfers	(5,848,686)	(5,848,686)	-
Other Transfers (net)	750,000	750,000	-
Total Debt Service and Transfers	***$ (77,253,319)***	***$ (77,253,319)***	***$ -***
Net Revenues/(Expenditures) Before Adjustments	$ 13,123,778	$ 20,011,605	$ 6,887,827
ADJUSTMENTS:			
Departmental Budgetary Carryforward	-	(2,060,195)	(2,060,195)
Divisional Budgetary Carryforward	-	-	-
Reserve for Encumbrances	-	-	-
Reserve for Investment Fluctuations	-	-	-
Reserve for Future Budgets	-	-	-
Net Increase/(Decrease) in Fund Balance	***$ -***	***$ 17,951,410***	***$ 4,827,632***

MIAMI UNIVERSITY
FY2017 Forecast
Hamilton General Fund Only
As of September 30, 2017

	Original Budget	September End-of-Year Forecast	September Budget to Forecast
REVENUES:			
Instructional & OOS Surcharge - Regional Students	$ 14,153,241	$ 14,113,912	$ (39,329)
Instructional & OOS Surcharge - Cross Campus	3,243,258	3,217,991	(25,267)
Less Continuing & New Scholarships	864,740	834,025	(30,715)
Net Instructional Fee & Out-of-State Surcharge	16,531,759	16,497,878	(33,881)
General	888,845	880,816	(8,029)
Other Student Revenue	193,500	193,500	-
Tuition, Fees and Other Student Charges	*17,614,104*	*17,572,194*	*(41,910)*
State Appropriations - SSI	6,148,412	6,148,412	-
State Appropriations - CCP	350,054	362,040	11,986
Investment Income	50,000	50,000	-
Other Revenue	79,500	79,500	-
Total Revenues	***$ 24,242,070***	***$ 24,212,146***	***$ (29,924)***
EXPENDITURES:			
Salaries	14,977,115	14,977,115	-
Allowance for Unspent Salaries	(804,938)	(1,525,798)	(720,860)
Benefits	3,198,038	3,198,038	-
Allowance for Unspent Benefits	(300,564)	(541,929)	(241,365)
Healthcare Expense	2,209,691	2,209,691	-
Anticipated Benefit Recovery	(290,404)	(290,404)	-
Graduate Assistant Fee Waivers	-	-	-
Utilities	619,000	619,000	-
Departmental Support Expenditures	4,984,561	4,984,561	-
Multi-year Expenditures	-	-	-
Total Expenditures	***$ 24,592,499***	***$ 23,630,274***	***$ (962,225)***
DEBT SERVICE AND TRANSFERS:			
General Fee	(257,744)	(257,744)	-
Capital, Renewal & Replacement	-	-	-
Debt Service	-	-	-
Support for VOALC (25%)	(292,679)	(292,679)	-
Other Miscellaneous Operational Transfers	-	-	-
Total Debt Service and Transfers	***$ (550,423)***	***$ (550,423)***	***$ -***
Net Revenues/(Expenditures) Before Adjustments	$ (900,852)	$ 31,449	$ 932,301
ADJUSTMENTS:			
Departmental Budgetary Carryforward	-	-	-
Divisional Budgetary Carryforward	-	-	-
Transfer from Fund Balance	900,852	900,852	
Reserve for Encumbrances	-	-	-
Reserve for Investment Fluctuations	-	-	-
Reserve for Future Budgets	-	-	-
Net Increase/(Decrease) in Fund Balance	***$ -***	***$ 932,301***	***$ 932,301***

MIAMI UNIVERSITY
FY2017 Forecast
Middletown General Fund Only
As of September 30, 2017

	Original Budget	September End-of-Year Forecast	September Budget to Forecast
REVENUES:			
Instructional & OOS Surcharge - Regional Students	$ 12,774,298	$ 12,017,889	$ (756,409)
Instructional & OOS Surcharge - Cross Campus	1,756,742	1,909,739	152,997
Less Continuing & New Scholarships	1,188,270	1,257,059	68,789
Net Instructional Fee & Out-of-State Surcharge	13,342,770	12,670,569	(672,201)
General	572,704	571,252	(1,452)
Other Student Revenue	80,700	80,700	-
Tuition, Fees and Other Student Charges	*13,996,174*	*13,322,521*	*(673,653)*
State Appropriations - SSI	4,154,309	4,154,309	-
State Appropriations - CCP	642,582	733,313	90,731
Investment Income	50,000	50,000	-
Other Revenue	10,402	10,402	-
Total Revenues	***$ 18,853,468***	***$ 18,270,546***	***$ (582,922)***
EXPENDITURES:			
Salaries	11,541,567	11,541,567	-
Allowance for Unspent Salaries	(1,044,942)	(1,402,457)	(357,515)
Benefits	2,466,718	2,466,718	-
Allowance for Unspent Benefits	(403,347)	(381,269)	22,078
Healthcare Expense	1,528,996	1,528,996	-
Anticipated Benefit Recovery	(209,596)	(209,596)	-
Graduate Assistant Fee Waivers	-	-	-
Utilities	477,500	477,500	-
Departmental Support Expenditures	4,231,658	4,231,658	-
Multi-year Expenditures	-	-	-
Total Expenditures	***$ 18,588,554***	***$ 18,253,117***	***$ (335,437)***
DEBT SERVICE AND TRANSFERS:			
General Fee	(182,039)	(182,039)	-
Capital, Renewal & Replacement	-	-	-
Debt Service	(272,219)	(272,219)	-
Support for VOALC (25%)	(292,679)	(292,679)	-
Other Miscellaneous Operational Transfers	-	-	-
Total Debt Service and Transfers	***$ (746,937)***	***$ (746,937)***	***$ -***
Net Revenues/(Expenditures) Before Adjustments	$ (482,023)	$ (729,508)	$ (247,485)
ADJUSTMENTS:			
Departmental Budgetary Carryforward	-	-	-
Divisional Budgetary Carryforward	-	-	-
Transfer from Fund Balance	482,023	482,023	-
Reserve for Encumbrances	-	-	-
Reserve for Investment Fluctuations	-	-	-
Reserve for Future Budgets	-	-	-
Net Increase/(Decrease) in Fund Balance	***$ -***	***$ (247,485)***	***$ (247,485)***

MIAMI UNIVERSITY
FY2017 Forecast
Voice of America Learning Center General Fund Only
As of September 30, 2017

	Original Budget	September End-of-Year Forecast	September Budget to Forecast
REVENUES:			
Instructional & OOS Surcharge	$ -	$ -	-
Less Continuing & New Scholarships	-	-	-
Net Instructional Fee & Out-of-State Surcharge	-	-	-
General	-	-	-
Other Student Revenue	-	-	-
Tuition, Fees and Other Student Charges	-	-	-
			-
State Appropriations	-	-	-
Investment Income	-	-	-
Other Revenue	35,000	35,000	-
Total Revenues	***$ 35,000***	***$ 35,000***	***$ -***
EXPENDITURES:			
Salaries	242,641	242,641	-
Benefits	49,572	49,572	-
Healthcare Expense	48,698	48,698	-
Graduate Assistant Fee Waivers	-	-	-
Utilities	59,900	59,900	-
Departmental Support Expenditures	271,558	271,558	-
Multi-year Expenditures	-	-	-
Total Expenditures	***$ 672,369***	***$ 672,369***	***$ -***
DEBT SERVICE AND TRANSFERS:			
General Fee	-	-	-
Capital, Renewal & Replacement	(35,300)	(35,300)	-
Debt Service	(498,047)	(498,047)	-
Support for VOALC Transfers	1,170,716	1,170,716	-
Other Miscellaneous Operational Transfers	-	-	-
Total Debt Service and Transfers	***$ 637,369***	***$ 637,369***	***$ -***
Net Revenues/(Expenditures) Before Adjustments	$ -	$ -	$ -
ADJUSTMENTS:			
Departmental Budgetary Carryforward	-	-	-
Divisional Budgetary Carryforward	-	-	-
Reserve for Encumbrances	-	-	-
Reserve for Investment Fluctuations	-	-	-
Reserve for Future Budgets	-	-	-
Net Increase/(Decrease) in Fund Balance	***$ -***	***$ -***	***$ -***

MIAMI UNIVERSITY

Financial Analysis - by Operational Unit (Oxford Campus)

FY2018 / FY2017 / FY2016

	FY2016	FY2017	FY2018	Thru September Year To Date				
	Year-end Actual	Year End Actual	Budget	FY2018	FY2017	FY2016	% of '18 Budget	% Change from '17 YTD
College of Arts & Sciences								
Salary	$ 50,511,533	$ 54,092,580	$ 58,627,640	$ 8,624,164	$ 8,503,529	$ 8,049,115	15%	1%
Benefits	14,885,426	15,164,671	19,984,907	2,881,768	2,846,688	2,690,917	14%	1%
Scholarships & Fellowships	8,598,542	9,387,494	11,106,110	1,975,330	1,835,857	1,647,200	18%	8%
Departmental Support Expenses	5,036,229	4,890,086	7,115,064	1,055,967	1,042,281	1,024,830	15%	1%
Total Expenses	79,031,730	83,534,831	96,833,721	14,537,229	13,928,355	13,412,062	15%	4%
College of Education, Health, and Society								
Salary	13,241,064	14,280,754	14,577,924	2,252,861	2,269,496	2,103,125	15%	-1%
Benefits	4,004,222	4,010,633	5,024,773	756,413	756,835	710,788	15%	0%
Scholarships & Fellowships	1,478,657	1,532,931	2,175,970	337,440	307,811	230,385	16%	10%
Departmental Support Expenses	1,464,698	1,593,055	2,396,290	204,308	322,321	315,014	9%	-37%
Total Expenses	20,188,641	21,417,373	24,174,957	3,551,022	3,576,463	3,359,312	15%	-1%
College of Engineering and Computing								
Salary	7,429,027	7,867,475	7,628,237	1,475,255	1,369,881	1,275,507	19%	8%
Benefits	2,354,964	2,340,509	2,880,777	499,551	482,789	462,855	17%	3%
Scholarships & Fellowships	545,205	567,513	621,706	65,765	61,017	38,093	11%	8%
Departmental Support Expenses	841,509	1,050,889	587,302	276,850	171,237	172,133	47%	62%
Total Expenses	11,170,705	11,826,386	11,718,022	2,317,421	2,060,924	1,948,588	20%	12%
Farmer School of Business								
Salary	20,226,232	22,537,231	20,764,626	4,269,755	3,908,612	3,936,878	21%	9%
Benefits	6,345,196	6,858,968	8,044,177	1,454,032	1,371,462	1,364,967	18%	6%
Scholarships & Fellowships	739,669	493,811	932,558	48,181	45,420	36,306	5%	6%
Departmental Support Expenses	1,977,983	2,612,230	3,301,666	655,000	665,483	471,929	20%	-2%
Total Expenses	29,289,080	32,502,240	33,043,027	6,426,968	5,980,977	5,810,080	19%	7%
College of Creative Arts								
Salary	9,366,603	10,149,777	10,664,522	1,592,432	1,573,602	1,506,962	15%	1%
Benefits	2,893,580	3,006,968	3,905,232	572,649	561,607	529,340	15%	2%
Scholarships & Fellowships	1,306,539	1,438,637	1,610,783	223,542	206,580	180,875	14%	8%
Departmental Support Expenses	970,307	978,987	1,301,067	254,144	175,796	235,651	20%	45%
Total Expenses	14,537,029	15,574,369	17,481,604	2,642,767	2,489,585	2,452,828	15%	6%
Dolibois European Center - Luxemburg								
Salary	805,509	894,756	1,239,938	129,813	105,608	121,682	10%	23%
Benefits	251,490	297,789	603,180	22,508	48,014	56,645	4%	-53%
Scholarships & Fellowships	-	-	-	-	-	-	0%	0%
Utilities	30,662	19,109	31,272	3,802	5,026	5,357	12%	-24%
Departmental Support Expenses	308,792	195,371	416,376	55,798	48,965	118,553	13%	14%
Total Expenses	1,396,453	1,407,025	2,290,766	211,921	207,613	302,237	9%	2%

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit (Oxford Campus)
FY2018 / FY2017 / FY2016

	FY2016	FY2017	FY2018	Thru September Year To Date				
	Year-end Actual	Year End Actual	Budget	FY2018	FY2017	FY2016	% of '18 Budget	% Change from '17 YTD
Graduate School								
Salary	2,327,333	2,690,926	2,736,181	759,240	699,493	586,626	28%	9%
Benefits	541,621	670,512	721,969	199,068	187,109	158,432	28%	6%
Scholarships & Fellowships	14,214,615	10,914,888	13,410,674	8,092,682	11,430,252	10,964,322	60%	-29%
Departmental Support Expenses	362,381	375,573	757,779	101,397	102,838	95,861	13%	-1%
Total Expenses	17,445,950	14,651,899	17,626,603	9,152,387	12,836,692	11,805,241	52%	-29%
Other Provost Departments								
Salary	8,207,028	7,818,797	10,619,541	1,959,492	1,877,325	2,109,773	18%	4%
Benefits	2,661,391	2,541,876	4,275,928	785,032	745,695	834,202	18%	5%
Scholarships & Fellowships	1,051,063	962,799	661,522	24,560	22,338	49,877	4%	10%
Utilities	349	462	-	-	-	-	0%	0%
Departmental Support Expenses	5,880,645	6,105,292	8,428,392	3,340,833	3,262,230	3,050,702	40%	2%
Total Expenses	17,800,476	17,429,226	23,985,383	6,109,917	5,932,588	6,044,554	25%	3%
Total Provost Office								
Salary	112,114,329	120,332,296	126,858,609	21,063,012	20,307,546	19,689,668	17%	4%
Benefits	33,937,890	34,891,926	45,440,943	7,171,021	7,000,199	6,808,146	16%	2%
Scholarships & Fellowships	27,934,290	25,298,073	30,519,323	10,767,500	13,909,275	13,147,058	35%	-23%
Utilities	31,011	19,571	31,272	3,802	5,026	5,357	12%	-24%
Departmental Support Expenses	16,842,544	17,801,483	24,303,936	5,944,297	5,791,151	5,484,673	24%	3%
Total Expenses	190,860,064	198,343,349	227,154,083	44,949,632	47,013,197	45,134,902	20%	-4%
Physical Facilities								
Salary	12,170,905	12,095,365	17,223,400	3,622,417	2,865,576	3,014,328	21%	26%
Benefits	4,183,538	4,017,821	6,913,799	1,457,123	1,153,717	1,208,534	21%	26%
Utilities	13,103,268	13,028,831	13,548,550	3,168,551	3,336,381	3,265,830	23%	-5%
Scholarships & Fellowships	-	-	-	-	-	-	0%	0%
Departmental Support Expenses	(124,222)	(85,999)	(3,763,146)	(1,027,602)	(92,303)	106,693	27%	1013%
Total Expenses	29,333,489	29,056,018	33,922,603	7,220,489	7,263,371	7,595,385	21%	-1%
Other Finance & Business Services Departments								
Salary	7,542,931	7,884,249	8,899,166	2,003,208	1,864,212	1,804,534	23%	7%
Benefits	2,601,860	2,676,452	3,592,519	808,219	752,609	726,218	22%	7%
Departmental Support Expenses	1,757,983	1,871,166	2,186,163	677,662	591,434	641,704	31%	15%
Total Expenses	11,902,774	12,431,867	14,677,848	3,489,089	3,208,255	3,172,456	24%	9%
Enrollment Management & Student Success								
Salary	6,633,030	6,979,677	7,639,986	1,737,184	1,704,520	1,581,090	23%	2%
Benefits	2,299,750	2,310,941	3,066,705	701,413	680,182	636,728	23%	3%
Scholarships & Fellowships	71,314,121	82,602,450	90,183,275	45,736,655	41,684,246	34,839,010	51%	10%
Departmental Support Expenses	3,563,021	4,471,431	4,602,171	1,493,321	1,348,699	1,205,310	32%	11%
Total Expenses	83,809,922	96,364,499	105,492,137	49,668,573	45,417,647	38,262,138	47%	9%

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit (Oxford Campus)
FY2018 / FY2017 / FY2016

	FY2016	FY2017	FY2018	Thru September Year To Date				
	Year-end Actual	Year End Actual	Budget	FY2018	FY2017	FY2016	% of '18 Budget	% Change from '17 YTD
President								
Salary	4,425,363	4,902,634	5,279,689	1,232,529	1,218,007	1,008,131	23%	1%
Benefits	1,455,222	1,586,930	2,133,887	497,607	492,357	405,128	23%	1%
Departmental Support Expenses	4,425,995	3,373,602	4,401,766	746,121	1,018,824	808,512	17%	-27%
Total Expenses	10,306,580	9,863,166	11,815,342	2,476,257	2,729,188	2,221,771	21%	-9%
Student Affairs								
Salary	5,474,271	5,707,052	6,349,491	1,420,563	1,337,414	1,275,689	22%	6%
Benefits	1,865,580	1,905,373	2,403,827	563,205	529,263	496,696	23%	6%
Scholarships & Fellowships	718,069	615,702	962,609	37,295	80,946	85,629	4%	-54%
Departmental Support Expenses	(1,469,010)	(862,491)	(2,074,035)	(634,353)	(424,695)	(416,386)	31%	49%
Total Expenses	6,588,910	7,365,636	7,641,892	1,386,710	1,522,928	1,441,628	18%	-9%
University Advancement								
Salary	4,210,985	4,470,791	5,018,415	1,171,429	1,067,201	1,068,914	23%	10%
Benefits	1,473,292	1,498,312	2,017,552	468,331	426,381	427,093	23%	10%
Departmental Support Expenses	279,421	411,731	378,434	69,076	122,954	79,920	18%	-44%
Total Expenses	5,963,698	6,380,834	7,414,401	1,708,836	1,616,536	1,575,927	23%	6%
Information Technology								
Salary	7,219,908	7,954,444	9,066,042	2,054,913	1,984,510	1,759,576	23%	4%
Benefits	2,500,693	2,600,968	3,671,746	831,135	803,081	711,711	23%	3%
Departmental Support Expenses	2,510,991	3,464,379	3,192,227	2,087,102	1,969,561	1,765,062	65%	6%
Total Expenses	12,231,592	14,019,791	15,930,015	4,973,150	4,757,152	4,236,349	31%	5%
Centrally Budgeted Funds								
Salary	4,803	-	(122,626)	-	-	3,690	0%	0%
Benefits	11,662	-	(2,023,078)	-	-	2,219	0%	0%
Departmental Support Expenses	774,838	1,038,153	5,866,848	1,301,801	741,475	688,441	22%	76%
Total Expenses	791,303	1,038,153	3,721,144	1,301,801	741,475	694,350	35%	76%
Grand Total								
Salary	159,796,525	170,326,508	186,212,172	34,305,255	32,348,986	31,205,620	18%	6%
Benefits	50,329,487	51,488,723	67,217,900	12,498,054	11,837,789	11,422,473	19%	6%
Scholarships & Fellowships	99,966,480	108,516,225	121,665,207	56,541,450	55,674,467	48,071,697	46%	2%
Utilities	13,134,279	13,048,402	13,579,822	3,172,353	3,341,407	3,271,187	23%	-5%
Departmental Support Expenses	28,561,561	27,792,841	33,715,572	9,795,762	10,380,748	9,382,335	29%	-6%
Admin Service Charge	(8,106,724)	(8,591,703)	(8,787,536)	(2,196,885)	(2,146,323)	(2,026,681)	25%	2%
Multi Year Accounts	5,450,650	3,690,614	5,378,792	861,663	686,352	981,594	16%	26%
Total Expenses	$ 349,132,258	$ 366,271,610	$ 418,981,929	$ 114,977,652	$ 112,123,426	$ 102,308,225	27%	3%

Note: Excludes Transfers

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2018 / FY2017 / FY2016

	FY2016 Year-end Actual	FY2017 Year-end Actual	FY2018 Budget	Through September YTD FY2018	FY 2017	FY2016	% of '18 Budget	% Change from '17 YTD
Armstrong - Student Affairs								
Revenue	3,859,489	213,723	154,000	28,482	22,358	1,803,238	18%	27%
General Fee Support	841,160	4,874,396	5,445,825	2,263,912	2,140,626	210,290	42%	6%
Total Sources	4,700,649	5,088,119	5,599,825	2,292,394	2,162,984	2,013,528	41%	6%
Salary	341,912	377,430	538,198	121,028	91,550	75,757	22%	32%
Benefits	70,818	73,146	111,612	27,439	22,086	17,177	25%	24%
Utilities	295,226	267,236	411,088	87,223	61,897	66,628	21%	41%
Charge Outs	-	-	-	-	-	-	0%	0%
Operating Expenses	598,892	590,725	1,031,843	78,459	84,451	431,533	8%	-7%
Inventory Purchases	-	-	-	-	-	-	0%	0%
Debt Service	2,454,491	2,450,000	2,450,000	612,500	612,500	613,623	25%	0%
Total Uses	3,761,338	3,758,537	4,542,741	926,649	872,484	1,204,717	20%	6%
Net Before Non-Mandatory Transfers	939,312	1,329,582	1,057,084	1,365,745	1,290,500	808,810	129%	6%
Net Transfers	(919,317)	(1,185,815)	(1,057,084)	(195,141)	(202,323)	(194,540)	18%	-4%
Net Total	19,995	143,767	-	1,170,604	1,088,177	614,270		8%
Goggin Ice Arena								
Revenue	3,546,023	2,017,332	1,797,800	663,276	779,323	1,571,209	37%	-15%
General Fee Support	2,201,527	4,286,039	4,322,497	1,597,580	1,574,085	550,383	37%	1%
Total Sources	5,747,550	6,303,371	6,120,297	2,260,856	2,353,408	2,121,592	37%	-4%
` Salary	1,191,765	1,238,114	1,363,939	310,726	272,155	264,538	23%	14%
Benefits	346,204	368,106	470,490	113,417	96,236	96,624	24%	18%
Utilities	1,057,027	1,069,012	1,069,600	299,524	295,604	298,811	28%	1%
Charge Outs	-	-	-	-	5,608	-	0%	-100%
Operating Expenses	491,666	617,248	597,949	177,878	108,943	78,612	30%	63%
Inventory Purchases	207,398	245,337	205,000	68,355	81,607	25,762	33%	-16%
Debt Service	1,755,722	1,827,949	1,826,892	461,067	460,820	558,692	25%	0%
Total Uses	5,049,782	5,365,766	5,533,870	1,430,967	1,320,974	1,323,040	26%	8%
Net Before Non-Mandatory Transfers	697,769	937,605	586,427	829,889	1,032,434	798,553	142%	-20%
Net Transfers	(263,883)	(937,163)	(586,427)	(157,207)	(136,754)	(66,528)	27%	15%
Net Total	433,885	442	-	672,682	895,680	732,025		-25%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2018 / FY2017 / FY2016

	FY2016 Year-end Actual	FY2017 Year-end Actual	FY2018 Budget	Through September YTD FY2018	Through September YTD FY 2017	Through September YTD FY2016	% of '18 Budget	% Change from '17 YTD
Intercollegiate Athletics								
Revenue	6,291,209	8,228,849	6,910,615	571,208	1,882,788	2,951,009	8%	-70%
General Fee Support	16,740,318	17,370,800	18,553,653	4,338,412	4,102,575	4,142,580	23%	6%
Designated Revenue	821,856	926,993	762,612	253,132	191,321	150,756	33%	32%
Restricted Revenue	1,640,967	2,477,396	2,028,812	386,554	636,316	402,043	19%	-39%
Total Sources	25,494,350	29,004,038	28,255,692	5,549,306	6,812,999	7,646,388	20%	-19%
Salary	7,678,815	8,317,925	8,359,409	2,157,380	1,964,465	1,833,742	26%	10%
Benefits	2,575,561	2,707,561	3,325,084	836,345	763,570	709,907	25%	10%
Utilities	10,623	-	2,500	(19)	810	560	-1%	-102%
Charge Outs	(112,697)	(126,253)	-	-	-	-	0%	0%
Operating Expenses	14,192,624	14,961,224	13,727,275	5,497,622	5,089,476	5,128,939	40%	8%
Inventory Purchases	-	-	-	-	-	-	0%	0%
Debt Service	-	-	-	-	-	-	0%	0%
Designated Expense	812,397	894,154	762,612	240,688	288,514	303,996	32%	-17%
Restricted Expense	1,689,041	1,943,519	2,028,812	310,717	491,189	307,555	15%	-37%
Total Uses	26,846,365	28,698,130	28,205,692	9,042,733	8,598,025	8,284,699	32%	5%
Net Before Non-Mandatory Transfers	(1,352,015)	305,908	50,000	(3,493,427)	(1,785,026)	(638,311)	-6987%	96%
Net Transfers	857,801	887,865	(50,000)	109,524	574,612	187,500	-219%	-81%
Net Total	(494,214)	1,193,773	-	(3,383,903)	(1,210,414)	(450,811)		180%
Marcum Conference Center								
Revenue	1,525,633	1,517,985	1,652,978	318,272	335,685	384,105	19%	-5%
General Fee Support	-	-	-	-	-	-	0%	0%
Total Sources	1,525,633	1,517,985	1,652,978	318,272	335,685	384,105	19%	-5%
Salary	486,118	483,368	483,737	109,438	127,368	114,569	23%	-14%
Benefits	145,333	128,664	155,741	36,297	43,415	39,286	23%	-16%
Utilities	174,657	163,725	176,082	40,944	44,029	43,189	23%	-7%
Charge Outs	46,856	46,856	46,131	-	13,746	-	0%	-100%
Operating Expenses	523,221	539,289	461,615	88,558	113,698	112,503	19%	-22%
Inventory Purchases	(387)	3,033	3,200	904	964	544	28%	-6%
Debt Service	-	-	-	-	-	-	0%	0%
Total Uses	1,375,798	1,364,935	1,326,506	276,141	343,220	310,090	21%	-20%
Net Before Non-Mandatory Transfers	149,835	153,050	326,472	42,131	(7,535)	74,015	13%	-659%
Net Transfers	(20,782)	(117,472)	(326,472)	(81,618)	(4,368)	(5,981)	25%	1769%
Net Total	129,053	35,578	-	(39,487)	(11,903)	68,034		232%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2018 / FY2017 / FY2016

	FY2016 Year-end Actual	FY2017 Year-end Actual	FY2018 Budget	Through September YTD FY2018	Through September YTD FY 2017	Through September YTD FY2016	% of '18 Budget	% Change from '17 YTD
Recreation Center								
Revenue	3,133,044	3,102,183	3,262,901	836,148	828,403	977,603	26%	1%
General Fee Support	3,754,534	3,890,157	3,848,807	962,202	972,539	938,633	25%	-1%
Total Sources	6,887,578	6,992,340	7,111,708	1,798,350	1,800,942	1,916,236	25%	0%
Salary	2,669,289	2,781,868	2,989,189	697,678	689,967	633,845	23%	1%
Benefits	623,838	651,634	817,617	194,263	184,979	178,965	24%	5%
Utilities	761,447	731,156	762,290	204,455	210,043	237,754	27%	-3%
Charge Outs	-	(1,234)	287,700	-	29,293	-	0%	-100%
Operating Expenses	1,490,471	1,528,337	1,251,522	303,155	290,249	248,349	24%	4%
Inventory Purchases	330,915	343,928	272,049	50,810	86,875	74,638	19%	-42%
Debt Service	-	-	-	-	-	-	0%	0%
Total Uses	5,875,960	6,035,689	6,380,367	1,450,361	1,491,406	1,373,550	23%	-3%
Net Before Non-Mandatory Transfers	1,011,618	956,651	731,341	347,989	309,536	542,685	48%	12%
Net Transfers	(854,128)	(870,328)	(731,341)	(223,855)	(181,379)	(212,407)	31%	23%
Net Total	157,490	86,323	-	124,134	128,157	330,278		-3%
Residence & Dining Halls								
Revenue	99,638,990	105,943,495	110,447,424	56,266,821	54,388,933	50,836,265	51%	3%
General Fee Support	-	-	-	-	-	-	0%	0%
Total Sources	99,638,990	105,943,495	110,447,424	56,266,821	54,388,933	50,836,265	51%	3%
Salary	15,804,557	16,838,578	14,550,904	3,240,550	3,799,883	3,523,569	22%	-15%
Benefits	4,652,453	4,791,283	4,910,517	1,167,564	1,334,762	1,228,822	24%	-13%
Utilites	5,944,432	6,274,049	6,515,326	1,481,998	1,479,174	1,356,666	23%	0%
Charge Outs	(2,643,816)	(2,932,594)	(3,196,180)	(495,053)	(472,547)	83,114	15%	5%
Operating Expenses	36,201,431	29,818,206	36,145,434	8,129,797	6,793,324	9,204,738	22%	20%
Inventory Purchases	110,809	4,829,612	4,652,528	727,162	977,169	654	16%	-26%
Debt Service	33,873,421	35,973,640	41,513,414	10,557,002	8,568,569	8,568,421	25%	23%
Total Uses	93,943,287	95,592,774	105,091,943	24,809,020	22,480,334	23,965,984	24%	10%
Net Before Non-Mandatory Transfers	5,695,703	10,350,721	5,355,481	31,457,801	31,908,600	26,870,281	587%	-1%
Net Transfers	(5,695,116)	(10,350,679)	(5,355,481)	(1,343,620)	(3,008,062)	(1,509,937)	25%	-55%
Net Total	586	42	-	30,114,181	28,900,538	25,360,344		4%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2018 / FY2017 / FY2016

	FY2016 Year-end Actual	FY2017 Year-end Actual	FY2018 Budget	Through September YTD FY2018	Through September YTD FY 2017	Through September YTD FY2016	% of '18 Budget	% Change from '17 YTD
Shriver Center								
Revenue	24,823,840	21,146,520	15,637,195	4,406,463	7,262,900	9,382,576	28%	-39%
General Fee Support	872,081	913,124	923,487	230,872	228,281	218,020	25%	1%
Total Sources	25,695,921	22,059,644	16,560,682	4,637,335	7,491,181	9,600,596	28%	-38%
Salary	3,935,687	3,431,352	3,399,136	795,835	881,837	969,213	23%	-10%
Benefits	1,011,391	891,145	1,047,946	256,773	278,656	322,517	25%	-8%
Utilities	357,640	320,957	341,018	122,644	70,892	126,249	36%	73%
Charge Outs	(568,324)	(650,218)	(415,148)	(70,435)	(227,125)	(203,980)	17%	-69%
Operating Expenses	4,742,294	3,173,526	2,923,729	478,853	557,364	872,548	16%	-14%
Inventory Purchases	14,311,319	12,506,258	7,708,992	2,797,226	5,694,257	5,313,098	36%	-51%
Debt Service	47,197	47,218	46,852	11,931	11,960	11,932	25%	0%
Total Uses	23,837,205	19,720,238	15,052,525	4,392,827	7,267,841	7,411,577	29%	-40%
Net Before Non-Mandatory Transfers	1,858,716	2,339,406	1,508,157	244,508	223,340	2,189,019	16%	9%
Net Transfers	(2,211,453)	(2,165,174)	(1,508,157)	(444,289)	(408,401)	(644,564)	29%	9%
Net Total	(352,737)	174,232	-	(199,781)	(185,061)	1,544,455		8%
Student Health Services								
Revenue	2,530,643	3,084,487	3,318,145	622,055	668,658	422,552	19%	-7%
General Fee Support	-	-	-	-	-	-	0%	0%
Total Sources	2,530,643	3,084,487	3,318,145	622,055	668,658	422,552	19%	-7%
Salary	717,171	701,832	535,524	150,549	165,277	167,956	28%	-9%
Benefits	251,677	219,799	216,887	60,972	66,937	68,022	28%	-9%
Utilities	-	-	8,663	2,786	-	-	32%	0%
Charge Outs	-	-	-	-	-	1,065	0%	0%
Operating Expenses	1,173,305	2,206,863	2,388,597	437,505	367,818	110,658	18%	19%
Inventory Purchases	110,130	(40,099)	2,000	-	-	19,008	0%	0%
Debt Service	-	-	-	-	-	-	0%	0%
Total Uses	2,252,283	3,088,395	3,151,671	651,812	600,032	366,710	21%	9%
Net Before Non-Mandatory Transfers	278,360	(3,908)	166,474	(29,757)	68,626	55,842	-18%	-143%
Net Transfers	(10,189)	(13,669)	(166,474)	(41,619)	(3,418)	(2,548)	25%	1118%
Net Total	268,171	(17,577)	-	(71,376)	65,208	53,294		-209%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2018 / FY2017 / FY2016

	FY2016 Year-end Actual	FY2017 Year-end Actual	FY2018 Budget	Through September YTD FY2018	FY 2017	FY2016	% of '18 Budget	% Change from '17 YTD
Transporation Services								
Revenue	4,457,992	2,682,122	2,420,000	870,175	908,457	1,842,975	36%	-4%
General Fee Support	199,000	2,500,954	2,567,668	1,232,105	1,200,264	49,750	48%	3%
Total Sources	4,656,992	5,183,076	4,987,668	2,102,280	2,108,721	1,892,725	42%	0%
Salary	313,145	217,616	257,105	49,129	46,311	94,632	19%	6%
Benefits	77,098	64,577	92,758	17,724	16,464	35,913	19%	8%
Utilities	-	-	-	-	-	-	0%	0%
Charge Outs	(81,152)	(70,832)	(20,000)	(51,802)	(51,531)	(44,654)	259%	1%
Operating Expenses	2,122,157	1,982,916	2,561,280	335,232	210,748	314,404	13%	59%
Inventory Purchases	-	-	-	-	-	-	0%	0%
Debt Service	1,532,933	1,629,886	1,661,267	422,263	398,970	460,676	25%	6%
Total Uses	3,964,181	3,824,163	4,552,410	772,546	620,962	860,971	17%	24%
Net Before Non-Mandatory Transfers	692,811	1,358,913	435,258	1,329,734	1,487,758	1,031,754	306%	-11%
Net Transfers	(360,511)	(1,190,101)	(435,258)	(108,815)	(260,026)	(90,343)	25%	-58%
Net Total	332,300	168,812	-	1,220,919	1,227,732	941,411		-1%
Utility Enterprise								
Revenue	-	-	-	-	-	-	0%	0%
General Fee Support	-	-	-	-	-	-	0%	0%
Total Sources	-	-	-	-	-			
Salary	1,317,931	1,446,240	1,668,240	353,707	344,200	320,500	21%	3%
Benefits	446,472	501,568	669,609	142,370	138,147	128,850	21%	3%
Utilities	9,677,943	9,618,862	11,821,317	1,617,048	2,081,562	2,050,493	14%	-22%
Charge Outs	(798)	(5,497)	(30,000)	(1,091)	1,540	-	4%	-171%
Expense Recovery	(23,156,304)	(23,538,042)	(24,583,166)	(6,005,275)	(6,193,220)	(5,965,676)	24%	-3%
Operating Expenses	1,560,709	1,363,207	1,743,217	629,725	296,963	319,978	36%	112%
Inventory Purchases	-	-	-	-	-	-	0%	0%
Debt Service	2,349,215	2,538,984	2,394,588	643,467	598,315	617,983	27%	8%
Total Uses	(7,804,832)	(8,074,678)	(6,316,195)	(2,620,049)	(2,732,493)	(2,527,871)	41%	-4%
Net Before Non-Mandatory Transfers	7,804,832	8,074,678	6,316,195	2,620,049	2,732,493	2,527,871	41%	-4%
Net Transfers	(5,616,865)	(7,922,754)	(6,316,195)	(1,560,299)	(1,430,690)	(1,374,217)	25%	9%
Net Total	2,187,967	151,924	-	1,059,750	1,301,803	1,153,654		-19%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2018 / FY2017 / FY2016

	FY2016 Year-end Actual	FY2017 Year-end Actual	FY2018 Budget	Through September YTD FY2018	Through September YTD FY 2017	Through September YTD FY2016	% of '18 Budget	% Change from '17 YTD
Other Auxiliary								
Revenue	184,898	411,713	178,662	52,382	17,725	39,221	29%	196%
General Fee Support	5,868,206	6,534,144	961,959	909,302	908,984	230,073	95%	0%
Total Sources	6,053,104	6,945,857	1,140,621	961,684	926,709	269,294	84%	4%
Salary	68,584	71,762	71,939	17,994	18,099	17,159	25%	-1%
Benefits	22,097	19,903	24,401	6,072	5,961	5,807	25%	2%
Utilities	-	-	-	-	-	-	0%	0%
Charge Outs	-	-	-	-	-	-	0%	0%
Operating Expenses	552,276	681,225	514,353	94,057	168,512	189,610	18%	-44%
Inventory Purchases	-	-	-	-	-	-	0%	0%
Debt Service	298,062	402,273	403,543	101,668	77,982	94,308	25%	30%
Total Uses	941,019	1,175,163	1,014,236	219,791	270,553	306,885	22%	-19%
Net Before Non-Mandatory Transfers	5,112,085	5,770,694	126,385	741,893	656,156	(37,590)	587%	13%
Net Transfers	(5,041,471)	(5,625,998)	(126,385)	(218,863)	-	47,311	173%	0%
Net Total	70,613	144,696	-	523,030	656,156	9,721		-20%
Total Auxiliary								
Revenue	149,991,760	148,348,409	145,779,720	64,635,282	67,095,230	70,210,754	44%	-4%
General Fee Support	30,476,826	40,369,614	36,623,896	11,534,385	11,127,354	6,339,729	31%	4%
Designated Revenue	821,856	926,993	762,612	253,132	191,321	150,756	33%	32%
Restricted Revenue	1,640,967	2,477,396	2,028,812	386,554	636,316	402,043	19%	-39%
Total Sources	182,931,409	192,122,412	185,195,040	76,809,353	79,050,220	77,103,282	41%	-3%
Salary	34,524,974	35,906,085	34,217,320	8,004,014	8,401,111	8,015,482	23%	-5%
Benefits	10,222,942	10,417,386	11,842,662	2,859,236	2,951,214	2,831,889	24%	-3%
Utilities	18,278,994	18,444,997	21,107,884	3,856,603	4,244,011	4,180,350	18%	-9%
Charge Outs	(3,359,930)	(23,538,042)	(3,327,497)	(618,381)	(701,016)	(164,455)	19%	-12%
Expense Recovery	(23,156,304)	(3,739,772)	(24,583,166)	(6,005,275)	(6,193,220)	(5,965,676)	24%	-3%
Operating Expenses	63,649,045	57,462,766	63,346,814	16,250,841	14,081,546	17,011,871	26%	15%
Inventory Purchases	15,070,184	17,888,069	12,843,769	3,644,457	6,840,872	5,433,705	28%	-47%
Debt Service	42,311,041	44,869,950	50,296,556	12,809,898	10,729,117	10,925,634	25%	19%
Designated Expense	812,397	894,154	762,612	240,688	288,514	303,996	32%	-17%
Restricted Expense	1,689,041	1,943,519	2,028,812	310,717	491,189	307,555	15%	-37%
Total Uses	160,042,385	160,549,112	168,535,766	41,352,798	41,133,338	42,880,352	25%	1%
Net Before Non-Mandatory Transfers	22,889,024	31,573,300	16,659,274	35,456,555	37,916,882	34,222,929	213%	-6%
Net Transfers	(20,135,915)	(29,491,288)	(16,659,274)	(4,265,802)	(5,060,809)	(3,866,255)	26%	-16%
Net Total	2,753,109	2,082,012	-	31,190,753	32,856,073	30,356,675		-5%

RESOLUTION R2018-xx

WHEREAS, Ohio Governor, John R. Kasich, on February 10, 2015, issued Executive Order 2015-01K establishing the Ohio Task Force on Affordability and Efficiency in Higher Education (Ohio Task Force) to review and recommend ways in which state-sponsored institutions can be more efficient, offering an education of equal or higher quality while decreasing their costs; and

WHEREAS, Am. Sub. HB 49 and Section 3333.95 of the Ohio Revised Code requires all boards of trustees of Ohio's state institutions of higher education to complete an efficiency review based on the report and recommendations of the Ohio Task Force and to make a report to the Chancellor of Higher Education the institution's progress toward the implementation of the recommendations and cost saving measures; and

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

WHEREAS, Miami University recognizes with the adoption of this resolution an increase in student scholarships of $10.7 million in FY17 towards its five year goal for increasing student scholarships $30 million by fiscal year 2021 and continues to progress with its efficiency actions consistent with objectives originally submitted to comply with the Ohio Task Force report; and

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

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

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees of Miami University accepts the FY 2017 efficiency report and update on progress towards the University's five year goal to increase student scholarships by at least $30 million.

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

MASTER RECOMMENDATION 2: FIVE-YEAR GOAL FOR INSTITUIONAL SAVINGS AND NEW RESOURCE GENERATION											
Category	Recommendation	Component	Description	Savings from FY12 - FY16	FY 2017 Goal	FY2017 Actual	FY 2018 Goal	FY 2019 Goal	FY 2020 Goal	FY 2021 Goal	Grand Total
Efficiency Savings	3A	Campus Contracts	Require employees to use existing contracts for purchasing goods and services.	$ 11,456,528	$ 588,000	$ 585,571	$ 538,000	$ 493,000	$ 473,000	$ 453,000	$ 2,545,000
	3B	Collaborative Contracts	Pursue new and/or strengthened purchasing agreements.	$ 1,800,000	$ 212,000	$ 694,818	$ 262,000	$ 307,000	$ 277,000	$ 297,000	$ 1,355,000
	4B	Operations Review	Conduct assessment of non-academic operations that might be run more efficiently by regional cooperative, private operator or other entity.	$ 8,200,000	$ 800,000	$ 2,070,000	$ 300,000	$ 470,000	$ 360,000	$ 320,000	$ 2,250,000
	5A	Cost Diagnostic[1]	Produce a diagnostic to identify its cost drivers, along with priority areas that offer the best opportunities for efficiencies.								$ -
	5B	Productivity Measure[1]	ODHE should develop a common measurement of administrative productivity that can be adopted across Ohio's public colleges and universities.	$ 11,300,910	$ 1,071,576	$ 3,845,348	$ 2,140,291	$ 3,206,164	$ 4,269,209	$ 5,329,438	$ 16,016,678
	5C	Organizational Structure[1]	Review organizational structure to identify opportunities to streamline and reduce costs.								$ -
	5D	Health Care Costs	Take advantage of economies of scale, a statewide working group should identify opportunities to collaborate on health-care costs.	$ 5,660,153							$ -
	5E	Data Centers	Develop a plan to move their primary or disaster recovery data centers to the State of Ohio Computer Center.	$ 1,633,114				$ 50,000	$ 50,000	$ 50,000	$ 150,000
	5F	Space Utilization	Study the utilization of its campus and employ a system that encourages optimization of physical spaces.		$ -		$ -	$ 250,000	$ 500,000	$ 750,000	$ 1,500,000
		Energy	Energy Efficiency	$ 2,212,986	$ 132,794	$ 498,176	$ 132,130	$ 131,470	$ 130,812	$ 130,158	$ 657,364
	6A	Negotiate Cost	Professional negotiators must be assigned to help faculty obtain the best deals for textbooks and instructional materials, starting with high-volume, high-cost courses.		$ -	$ 31,724	$ 1,819,270	$ 1,839,687	$ 1,839,775	$ 1,839,775	$ 7,338,506
	6B	Standardize Materials	Encourage departments to choose common materials, including digital elements, for gateway courses that serve large volumes of students.			$ -					$ -
	6C	Digital Capabilities	Participate in a consortium to develop digital tools and materials, including open educational resources, that provide students with high-quality, low-cost materials.		$ -	$ 65,847	$ 2,423,964	$ 2,451,166	$ 2,451,283	$ 2,451,283	$ 9,777,696
	7A	Educational Campaign	Develop a campaign to educate full-time undergraduates about the course loads needed to graduate on time.		$ -	$ 893,420	$ -	$ -	$ 947,826	$ 947,826	$ 1,895,652
	7B	Graduation Incentive	Consider establishing financial incentives that encourage full-time students to take at least 15 credit hours per semester.								$ -
	7C	Standardize Credits for Degree	Streamline graduation requirements so that most bachelor's degree programs can be completed within four years or less		$ -	$ -	$ -	$ -	$ 4,107,800	$ 4,189,956	$ 8,297,756
	7D	Data Driven Advising	Enhance academic advising services so that students benefit from both high-impact, personalized consultations and data systems that proactively identify risk factors that hinder student success.		$ 308,567	$ 986,319	$ 466,431	$ 183,861	$ 323,715	$ 535,878	$ 1,818,452
	7E	Summer Programs	Develop plans to evaluate utilization rates for summer session and consider opportunities to increase productive activity.		$ 887,552	$ 1,039,407	$ 905,303	$ 923,409	$ 941,877	$ 960,715	$ 4,618,856
	7F	Pathway Agreements	Develop agreements that create seamless pathways for students who begin their educations at community or technical colleges and complete them at universities.		NA	NA	NA	NA	NA	NA	NA
	7G	Competency Based Education	Consider developing or expanding programs that measure student success based on demonstrated competencies instead of through the amount of time students spend studying a subject.		$ -	$ -	$ -	$ -	$ -	$ -	$ -

	8	Program Review (duplicative programs)	Consider consolidating programs that are duplicated at other colleges and universities in their geographic area.		$ -	$ -	$ -	$ -	$ -	$ -	$ -
	10A	Financial Advising	Make financial literacy a standard part of students' education.			$ 1,200,000					$ -
			Subtotal Student Savings	$ -	$ 1,196,119	$ 4,216,717	$ 5,614,968	$ 5,398,123	$ 10,612,276	$ 10,925,433	$ 33,746,918
			Subtotal Institutional Efficiency Savings	$ 42,263,691	$ 2,804,370	$ 7,693,913	$ 3,372,421	$ 4,907,634	$ 6,060,021	$ 7,329,596	$ 24,474,042
			Subtotal All Savings	**$ 42,263,691**	**$ 4,000,489**	**$ 11,910,630**	**$ 8,987,389**	**$ 10,305,757**	**$ 16,672,297**	**$ 18,255,029**	$ 58,220,960
Category	Recommendation	Component	Description		FY 2017	FY2017 Actual	FY 2018	FY 2019	FY 2020	FY 2021	Grand Total
New Resource Generation	4A	Asset Review	Conduct an assessment of non-core assets to determine market value if sold,, leased or otherwise repurposed.		$ 664,471	$ 132,587	$ 714,471	$ 164,471	$ 164,471	$ 164,471	$ 1,872,355
	4C	Affinity Partnerships	Upon determining assets and operations that are to be retained, evaluate opportunities for affinity relationships and sponsorships.		$ 3,154,762	$ 3,180,333	$ 3,154,762	$ 3,154,762	$ 3,154,762	$ 3,154,762	$ 15,773,810
		Other Revenue	Other Resource Generation	$ 24,114,041	$ 6,348,726	$ 5,898,182	$ 10,672,523	$ 12,001,562	$ 17,001,562	$ 22,001,562	$ 68,025,935
			Subtotal New Resource Generation	**$ 24,114,041**	**$ 10,167,959**	**$ 9,211,102**	**$ 14,541,756**	**$ 15,320,795**	**$ 20,320,795**	**$ 25,320,795**	$ 85,672,100
			TOTAL OF COMBINED INSITUTIONAL OPPORTUNITIES FOR STUDENT AFFORDABILITY	**$ 66,377,732**	**$ 12,972,329**	**$ 16,905,015**	**$ 17,914,177**	**$ 20,228,429**	**$ 26,380,816**	**$ 32,650,391**	$ 110,146,142

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

		FY 2017	FY2017 Actual	FY 2018	FY 2019	FY 2020	FY 2021	Grand Total
Increase undergraduate student financial aid	$ 31,809,204	$ 8,000,000	$ 10,729,821	$ 14,000,000	$ 20,000,000	$ 25,000,000	$ 30,000,000	$ 97,000,000
Student Success Collaborative	$ 355,000	$ 161,000	$ 357,247	$ 161,000	$ 161,000	$ 161,000	$ 161,000	$ 805,000
Investments in STEM facilities	$ -	$ 4,000,000	$ 19,730,000	$ 3,000,000	$ -	$ -	$ -	$ 7,000,000
Investments in faculty for high demand programs	$ -	$ 727,549	$ 727,549	$ 1,451,480	$ 2,171,771	$ 3,088,460	$ 3,801,567	$ 11,240,827
Total	$ 32,164,204	$ 12,888,549	$ 31,544,617	$ 18,612,480	$ 22,332,771	$ 28,249,460	$ 33,962,567	$ 116,045,827

Notes:

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

SIGNIFICANT CHANGE(S) IN 5-YEAR GOALS FROM FY16 SUBMISSION TO FY17 SUBMISSION: Please use the area below to describe, in detail, significant deviation in your institution's 5-year goals from the FY16 submission to the FY17 submission, if applicable.

Ohio Department of Higher Education
John R. Kasich, Governor
John Carey, Chancellor

Affordability & Efficiency

FY2017 Efficiency Reporting Guidance

In the early part of 2015, Gov. John R. Kasich created the Ohio Task Force on Affordability and Efficiency in Higher Education to make recommendations to Ohio's colleges and universities based on three simultaneous principles 1) to be more efficient both in expense management and revenue generation 2) while offering an education of equal or higher quality and 3) decreasing costs to students and their families. The Task Force met several times during the course of 2015. In October, the Task Force issued a report with ten recommendations to advise colleges and universities on efficiency and academic practices to improve both the quality of education and lower costs for students. For additional information on each category and recommendation, please review the Action Steps to Reduce College Costs report, issued by the Ohio Task Force on Affordability and Efficiency.

Section 3333.95 of the Ohio Revised Code requires the Chancellor of Higher Education to maintain an Efficiency Advisory Committee, composed of members from each of Ohio's public colleges and universities. The purpose of this committee is to generate efficiency reports for campuses, identify shared services opportunities, streamline administrative operations, and share best practices in efficiencies among colleges and universities. The law additionally requires an annual report to be completed by the Department of Higher Education. The college and university data captured from this report for fiscal year 2017 will allow ODHE to produce the 2017 Efficiency Advisory Committee Report by December 31, 2017, as required by law.

The template is structured into four sections:

- **Section 1: Efficiencies –** The first section captures practices likely to yield significant savings that can then be passed on to students. This includes Procurement, Administrative/Operational, and Energy.
- **Section 2: Academic Practices –** This section covers areas such as textbooks, time to degree incentives, and academic course and program reviews. While improvements to academic processes and policies may not convey immediate cost savings, there will likely be tangible benefits that improve the quality of education for students.
- **Section 3: Policy Reforms** – This section captures additional policy reforms recommended by the Task Force.
- **Section 4: Cost Savings, Redeployment of Savings & Tangible Benefits to Students –** The last section asks colleges and universities to provide, if applicable, cost savings in actual dollars saved for each of the recommendations. Furthermore, colleges and universities must advise if the savings have been redeployed as a cost savings to students or if they offered a benefit to the quality of education for students.

For any questions, please contact Sara Molski at 614-728-8335. Please submit your survey by email to smolski@highered.ohio.gov by **October 13, 2017.**

Section I: Efficiency Practices

Procurement

Recommendation 3A | Campus contracts: Each college/university must require that its employees use existing contracts for purchasing goods and services, starting with the areas with the largest opportunities for savings**.** Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes. Miami University, as recommended in the Task Force report, has amended its procurement policy to require that all university departments prioritize goods and services available through contracts negotiated by the Inter-University Council - Procurement Group (IUC-PG).
If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.
If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

Recommendation 3B | Collaborative contracts: Ohio's colleges and universities must pursue new and/or strengthened joint purchasing agreements in the following categories:

- Copier/printer services
- Computer hardware
- Travel services
- Outbound shipping
- Scientific Supplies and Equipment
- Office Supplies and Equipment

Were there any updates/changes in FY17? If yes, please complete the below chart.

Contract Type	Is the college/university participating in joint contracts? [yes, no, plan to]	Include additional explanation here if needed. If the college/university chooses not to participate, please explain why.
Copier/printer services	Yes	The University began use of the contract on 7/1/16 with the replacement of student walk-up printing services netting $115,951 savings in FY17. On-going use of the contract includes replacement of departmental copy/print as needed, securing $40,988 reduction in maintenance charges.
Computer hardware	Yes	Miami updated our institution-wide technology procurement procedures to ensure that all technology purchases leverage the new electronic product catalogues. These catalogues have direct links between products and the existing state contract database, thereby ensuring that purchasers have access to the best in-state pricing available. Equipment within the scope of this new procedure includes computers and computer peripherals (e.g. keyboards, mice, docking stations, speakers, cables, etc.), printers, monitors, projection equipment, and accessories. 91% of Miami's spend was in compliance with the contract in FY17.
Travel services	Yes	The University has negotiated discounted air rates with Delta Airlines, saving 3% over standard rates, for total savings $1,672. Miami is reviewing hotel spend for chain discount opportunities.
Outbound shipping	Yes	No Change
Scientific supplies & equipment	Plan to	The consortium RFP was completed in FY17. Contract negotiations are underway.
Office supplies & equipment	Yes	Miami is participating with the IUC-PG to review a new master core list of standard products. In FY17, 89% of spend was compliant with the contract.
Other	Yes	In FY17, Miami, along with 4 other IUC schools (WSU, UT, KSU, YSU), established a Strategic IT Purchasing Consortium. The consortium's mission is to aggregate purchasing power for in-common vendors to improve pricing on products, services, maintenance, subscription fees, and other associated technology expenses. The initial target for the consortium was Ellucian, as all 5 schools are Banner ERP schools, but the group has since expanded its scope of engagement to include Oracle, AWS, and others. As of this update, negotiations with Ellucian and Oracle are actively underway

IUC Insurance Consortium	Yes	The IUC Insurance Consortium (IUC-IC) is a collaboration of 13 public universities in Ohio. The IUC-IC collectively pools a core group of casualty and property risks, retaining a portion of the risks in a formalized self-insurance pool and then purchasing insurance to cover large incidents. The IUC-IC was formed as a joint purchasing group for property coverages in 1994, and expanded to casualty coverages in 1998. The program eventually grew to provide the self-insurance layers described below, and matured into the current pooling arrangements and governance structure in 2006. Due to their collaboration, the IUC-IC has been able to reduce costs by purchasing group insurance and services, pooling losses, expanding coverage and sharing limits in the excess layers. Miami University realized savings of $530,906 from participation in the Consortium in FY17.

Assets and Operations

Recommendation 4 | Assets and Operations
4A Asset review: Each college/university must conduct an assessment of its noncore assets to determine their market value if sold, leased or otherwise repurposed. Where opportunities exist, colleges and universities must consider coordinating these efforts with other colleges and universities to reap larger benefits of scale. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used for the college/university's asset review and the key outcomes below or on additional pages:

Since 2009 Miami University has aggressively pursued assessments of its non-core assets to determine their market value if sold, leased or otherwise repurposed. The following is a summary of the transactions that have already been completed:
Public Radio Station - Leased the broadcast rights to Cincinnati Public Radio in 2010, saving $600,000 in annual operating costs.
Software Company redLantern - In 2010, redLantern was sold for a gross sales price of $3,000,000.
On-campus Banking - Total value of the 2012 contract to the University is $1.2 million over seven years. The new arrangement also made deposits of funds collected by university departments easier and faster with fewer administrative resources required to accomplish these deposits.
Beverage "Pouring Rights" - The 10-year contract negotiated in 2014 with an area Pepsi distributor has an estimated value of $8.5 million over the life of the agreement.
Health Services - The 2015 sponsorship agreement provides $10 million to the University over 12 years along with improved sports medicine services for Miami's intercollegiate athletes and students participating in intramural and club sports.
Sponsorship Agreements for Intercollegiate Athletics - Miami utilizes IMG to negotiate affinity partnerships for Intercollegiate Athletics which provides an annual value for the University's athletic programs of $700,000.

In addition to the assessment of non-core assets that was previously completed by the University, the University undertook an updated assessment of the remaining non-core assets as recommended in the Ohio Task Force report. The process identified those properties directly adjacent and contiguous with the Oxford Campus. Assets in this category are of strategic importance because of growth or new uses for the land. As an example, three residential homes situated on property contiguous with the main campus were removed in recent years to provide space for new residence halls. The following assets have been evaluated for the possibility of being sold, leased or otherwise repurposed:
Airport - The receipt of capital improvement grants from the FAA precludes any immediate sale of the airport site and limits lease opportunities as well, but future opportunities will continue to be evaluated. Miami is also evaluating how it can more efficiently provide air travel that currently occurs through a university-owned plane. Despite FAA limitations for development on the surrounding land, the University has leased the property for agricultural cash crops to generate some revenue and reduce on-going maintenance costs. Miami is in the early stages of evaluating the sale of its plane.
Elm Street Facility - This building is being vacated due to high maintenance and operating costs. The University is currently evaluating whether to pursue offers for sale or an exchange of the property.
Miscellaneous Residential Properties not Adjacent to the Oxford Campus - The University is currently evaluating whether to pursue a sale or exchange of $1 million of residential properties in Oxford not adjacent to the Oxford Campus.
Ox College - In 2001 the University entered into a long-term lease agreement for the former Ox College residence hall with a local community foundation. This agreement enabled Miami to avoid the cost of operating and maintaining the building. The site also includes vacant land that is near the Elm Street building that may increase the attractiveness of the Elm Street building to developers should the University choose to pursue such a transaction. Further analysis is needed to determine the feasibility of selling or exchanging some of this site.

Parking Facilities - The University engaged a consultant to evaluate the operation of its parking facilities and to determine the feasibility of leasing or selling the facilities to a private operator. The consultant's conclusion was that selling or leasing these parking facilities is not financially viable.
If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.
If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below. Miami University previously completed the assessment of non-core assets. The Miami University has commenced the process for liquidating certain real estate but these transactions are still in process. The sale of these properties is likely to take 1 to 2 years to finalize. In addition to the studies conducted in 2016, an RFP regarding the hotel on campus will likely be issued in early winter 2017-18

4B Operations review: Each college/university must conduct an assessment of non-academic operations that might be run more efficiently by a regional cooperative, private operator or other entity. These opportunities must then be evaluated to determine whether collaboration across colleges and universities would increase efficiencies, improve service or otherwise add value. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If so, please provide an overview of the process used for the college/university's operations review and the key outcomes below or on additional pages: The University completed an assessment of non-academic operations to determine if they can be operated more efficiently by a regional cooperative, private operator, or other entity. A summary of the results from these reviews follows: Dining - Improving the performance of the University's dining and residence hall operations was identified as a university priority in 2008. In an effort to achieve further improvement in the dining program, an RFP for management services was issued in late 2014 but the selected vendor was unsuccessful in assuming these responsibilities and is no longer under contract. An updated assessment of the dining operation was completed in 2014 and serves as the blueprint for making further and ongoing improvements in the dining. Housing - As noted above, the need for improvement in the residence hall facilities and operations was identified in 2008 as an institutional priority. In 2011, the University issued an RFP for a potential P3 housing partnership before undertaking the construction of new residential housing for freshman and sophomore students. The proposal-evaluation committee determined that a P3 partner would not offer a viable alternative to university- constructed housing for freshmen and sophomores. While Miami continues to own and operate housing for freshmen and sophomore students on the Oxford campus, it has generally relinquished upper class and graduate student housing to operators in the Oxford area and thereby avoided the need for a formal P3 agreement that would shift financial risk to the University. Student Health Center and Student Health Insurance - In 2013, Miami University contracted the management of its student health center with a local hospital provider, resulting in annual savings of about $450,000. The University also annually evaluates its student health insurance policy and continues to find that its hard waiver policy leads to annual savings for those students needing to purchase

health insurance. The annual evaluation also verified that more affordable student health insurance opportunities are not available through the Federal Exchange.
Child Care - Child care is already contracted with private operators.
IT Help Desk - IT Services has completed a review of its help desk and found that Miami's cost per contact is lower than industry providers. Miami is working with other public colleges and universities in Ohio to identify other collaborations and approaches that would further lower the cost of providing this service at Miami or improve the service available to students and employees. Such initiatives include expanding the knowledge base offered and to increase client self-service capabilities. The additional savings from these strategies are not able to be estimated at this time. In addition to possible help desk collaborations, Miami is working with Wright State University on a collaboration involving video-captioning services. Additional update is provided under FY 2017.
Janitorial Services, Landscaping and Facility Maintenance - An assessment of the facility operations was performed by an independent operator earlier this year. The independent operator reviewed staffing levels, operating costs, and level of services provided on Miami's campus compared to national averages and best-in-class. Specifically, the report compared data on full time equivalent per gross square foot (FTE/GSF), cost per square foot ($/GSF), and APPA standards for quality of service. Their report suggests that unless significant improvements and efficiencies can be achieved for the custodial operations within the next 12 months, such services should be contracted with a private operator. The annual savings opportunity is projected to be about $1.6 million. Similar opportunities were not found to exist for facilities maintenance or the grounds operations. Additional update is provided under FY 2017.
Real Estate Management - Because Miami's real estate holdings are largely rural, it is not financially practical to place them under the oversight of a real estate management company.
Print Center - The print center, due to a need to repurpose this space for expanded lab space in Hughes Hall, is being closed. Services will be provided through print shops in the Oxford or nearby communities. The annual operating savings is estimated to be $200,000.

2017 Update:
Miami University administrators, with guidance from the University Senate's Fiscal Priorities Committee, has developed an Administrative Program Review process to better enable an ongoing assessment of operations. Each administrative area will be reviewed on a rotating cycle every 5 years. The reviews will have performance metrics common across each administrative area as well as performance metrics unique the functional area under review. Review teams are to be comprised representatives from the division under review, external reviewer form peer institutions, and representatives from the President's Executive Council and Senate Executive Committee.

Additionally, Miami University has joined a consortium of universities from across the country in a project that will provide administrative bench marks across a variety of administrative functions. The information obtained from the consortium will be incorporated into the Administrative Program Review process.

The goal of the administrative review process is to create another mechanism of continuous improvement to ensure the efficient use or resources, and quality outcomes for constituencies serviced across the university in future years.

In addition to the Administrative Program Review, the initiatives described below were initiated or completed in FY 2017.

Help Desk – The work effort from last year focused on building Miami's self-service capabilities through the implementation of a knowledgebase. That work was successfully completed in December with the launch of the university's first Digital Knowledge Center (DKC). With DKC, instead of calling an IT Help Desk Analyst, students, faculty, and staff are able to seek answers to their questions in a self-service fashion by searching knowledge articles stored in highly searchable databases. By the conclusion of FY17, Miami had already experienced a 16% reduction in Help Desk cost-per-contact, driven by an 80% year-over-year increase in self-service usage.

Also over the last year, Cuyahoga Community College launched an RFP to rebid their outsourced Tier 1 Help Desk Services. As a part of that bid process, which was awarded to Blackboard Inc, Tri-C ensured that the negotiated agreement could be leveraged by other Ohio institutions. Kent State University successfully leveraged that agreement last spring; Miami University followed suit over the summer. As a result, Miami will be transitioning Tier 1 Help Desk Services to Blackboard in the Fall of 2017. When combined with the continued benefits generated by the DKC work effort (see above), Miami is anticipating this outsourcing step will result in an additional 32% drop in the cost of providing Tier 1 Help Desk Services.

Student Package Center – From FY10 to FY16, package volume at Miami has increased 114%, averaging 16% growth per year. The growth has been more exponential than linear. A 20% year over year package growth is anticipated in the forward fiscal years. To keep up with this growth, Miami was reaching capacity at its existing 5500 sq ft mail and package center and considering the need to increase staff. Rather than expand the existing facility and hire additional staff, Miami implemented smart locker technology. Coupled with improved processes, Miami will now be able to operate in 3300 sq ft of space for the next 5 years, even with 20% year over year package growth. At the same time, the full-time mail and package center manager position was eliminated through attrition due to increased automation. In total, nearly $400,000 was saved in forfeited space and reduced staff salary and benefits.

Janitorial Services, Landscaping and Facility Maintenance – Since the last report, an internal consolidation of custodial services has been implemented to achieve savings and consistency of service. Action is being taken to align our staffing (FTE/GSF) and operating expenses ($/GSF) with best in class. Miami is on-track to achieve a first-year goal of an 8% reduction in FTE while providing the same or higher level of service. This trend is expected to continue with an additional 3% reduction in FY19. Several actions have been taken to reduce operating expenses, but most notable is the outsourcing of our central storeroom operations. In 2017, after a competitive bidding process, Miami contracted with Wolseley/Ferguson to provide procurement and logistical services associated with janitorial, landscaping, and maintenance supplies. This contract includes a fixed fee as well as performance bonuses. Expected outcomes over the 5-year life of the contract: 21% reduction in price paid for goods at the start of year 1 versus end of year 5. More specifically, a 10% reduction in the cost of goods in year 1 versus year 0; an additional 5% in year 2; 3% year 3; 2% year 4; 1% year 5. The 5-year estimated savings for this contract exceeds $1.8M. In addition, employees designated as job planners spend an average of 25% of their time procuring parts and materials. With this agreement, Wolseley/Ferguson will provide a dedicated buyer onsite as well as leverage their supply chain. As a result, Miami expects to realize this 25% productivity gain. For FY 2017, the savings resulting from the reforms were $173,000. Also, the Wolseley/Ferguson fees are paid through vacant position elimination.

These operational improvements have facilitated several projects related to our vehicle fleet and fuel consumption. In the past three years 23 vehicles have been permanently removed from the fleet. As more employees move to second shift, vehicle demand is better managed through pooling. As a result, underutilized vehicles are eliminated from service. These moves have reduced our future replacement vehicle costs by over $450,000; reduced our parking, insurance and maintenance costs by over $44,000 annually. In addition, all such projects impacting our fleet have resulted in a 17% reduction in fuel consumption from FY16 to 17, translating to over 10,000 fewer gallons of fuel consumed. This trend is expected to continue with an additional 8 vehicle reduction in the next fiscal year.

Non-academic Greenhouse – Physical Facilities operational review identified an opportunity in our non-academic greenhouse Operations. Miami University traditionally operated two non-academic greenhouses to grow annual flowers for campus. These greenhouses had tens of thousands of dollars of deferred maintenance, with one greenhouse reaching end of life. In 2016, these greenhouses were permanently closed, with annuals grown and shipped to campus by a third party provider. Excluding greenhouse replacement and deferred maintenance as well as labor costs, Miami was able to procure annuals at 15% below previous cost of just utilities and supplies. 2/3 of an FTE was reallocated to other needed grounds tasks.

Restructuring of Meal Plans – Student meal plans were updated in FY17 to offer a combination of buffet meals plus declining balance dollars, which provides the best value for our students. Prior meal plans included an administrative fee, $1,625 per semester. This fee was restructured to a residential fee, $400 per semester for students in Miami housing, to help support the residential experience and programming.

Dining Operations – An Aramark assessment of Dining and CSC Operations resulted in implementation of single-source distribution through our Group Purchasing Organization (GPO). The University uses U.S, Foods, a broadline distributor as a primary vendor. US Foods provides the University a discount of 2.1% on approximately $1.1 million in purchases, which results in roughly $24,000 in annual discount. The recommendation was also made to reduce the amount of inventory stored at the CSC from an average of $1 million to $285,000. This resulted in reduced holding costs and freed up cash previously tied up in inventory. Furthermore, the suggestion was that if Miami increased spend through US Foods to $6M, we could potentially negotiate an increase in rebate up to 4% of spend, or $240,000.

Through our GPO, Vizient/National IPA, which USF is the distributor; our discount off each invoice has increased to 2.25%. In addition, we are now taking full advantage of the "Standardization" program, which for the period from 7/1/16- 5/31/17 returned a total of 2.11% of our spend.

Through review of the operations at the Demske Culinary Support Center, we were able to transfer 7 FTEs into the dining operations after the close of Vegetable Processing and consolidate the Bakery Operations into 1 shift, which eliminated the need for two additional managers, resulting in a savings of $95,000

To alleviate storage restraints in a number of locations, we now warehouse the top-10 frozen items. We have been able to eliminate the majority of additional vendors used in the past, and bring most food in through our Group Purchasing Organization. This process change has provided a reduction in inventory cost, as well as labor savings from reducing multiple touch points.

Print Services – Miami University reviewed the print services offered to students, faculty and retail to provide more efficient and cost effective solutions. Previously, the University provided custom-creation print on demand for students and faculty. The print jobs were classified as "big" or "small" print and depending on type were either printed in-house or outsourced using other print shops around the area. The distribution of transactions were mainly individual students/retail (68%), faculty and staff (28%) and student organizations (4%). The operating expenses for this operation were 1,028,000 (FY15), 952,000 (FY16) and zero (FY17). Revenue for this operation were 883,000 (FY15), 959,000 (FY16) and zero (FY17).

In FY17, the University decided to outsource this operation to the print consortium, using Xerox as the provider. The consortium consists of Miami University, Sinclair College, Clarke State, Wright State and Central State. The Xerox web portal was launched for fall of FY18 to provide greater ease for print ordering across campus. Additional cost savings to the University are expected with increased participation in the program. The cost savings for the average job to the students and faculty utilizing the Xerox consortium pricing ranges from 10-30%.

The University also offers print devices across campus for per sheet printing by students and faculty. This contract was awarded to ComDoc in FY17. For the next three fiscal years, Miami University will reduce the expense for operating this service on average by 40%. Additional savings from this contract are being captured in the multi-functional devices across campus.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

N/A

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

4C Affinity partnerships and sponsorships: Colleges and universities must, on determining assets and operations that are to be retained, evaluate opportunities for affinity relationships and sponsorships that can support students, faculty and staff. Colleges and universities can use these types of partnerships to generate new resources by identifying “win-win” opportunities with private entities that are interested in connecting with students, faculty, staff, alumni or other members of their communities. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes. Please identify partnerships/sponsorships within the below chart.

These opportunities were assessed as part of the review of non core assets and operations. Please see 4B. As these opportunities are constantly evolving, a new assessment of P3 opportunities is planned for FY 2018.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

Please identify partnerships and sponsorships in effect for FY2017:

Partnerships/Sponsorships	Description
Strategic IT Purchasing Consortium	Part of the Strategic IT Purchasing Consortium's value proposition, as described in Recommendation 3B, is the opportunity it provides Miami to cultivate deeper, more meaningful partnerships with key strategic technology suppliers. We have identified 5 vendors that we believe fall into this category – AWS, CBTS, Ellucian, IBM, and Oracle. In FY18, the consortium will actively pursue partnership opportunities with these vendors by identifying "win-win" opportunities through connections with Miami students, faculty, staff, alumni, and/or other members of the community.
Public Radio Station	Leased the broadcast rights to Cincinnati Public Radio in 2010, saving $600,000 in annual operating costs.
On-campus Banking	Total value of the 2012 contract to the University is $1.2 million over seven years. The new arrangement also made deposits of funds collected by university departments easier and faster with fewer administrative resources required to accomplish these deposits.
Health Services	The 2015 sponsorship agreement provides $10 million to the University over 12 years along with improved sports medicine services for Miami's intercollegiate athletes and students participating in intramural and club sports.
Sponsorship Agreements for Intercollegiate Athletics	Miami utilizes IMG to negotiate affinity partnerships for Intercollegiate Athletics which provides an annual value for the University's athletic programs of $700,000.
Student Health Center	Tri-Health was selected in 2015 to operate the student health center and to provide urgent care services to Miami employees and dependents. The savings at the Student Health Center total $450,000 per year and the health care savings.

Administrative Practices

Recommendation 5 | Administrative cost reforms

5A Cost diagnostic: Each college/university must produce a diagnostic to identify its cost drivers, along with priority areas that offer the best opportunities for efficiencies. This diagnostic must identify, over at least a 10-year period:

- Key drivers of costs and revenue by administrative function and academic program;
- Distribution of employee costs — both among types of compensation and among units;
- Revenue sources connected to cost increases — whether students are paying for these through tuition and fees, or whether they are externally funded;
- Span of control for managers across the college/university — how many employees managers typically oversee, by the manager's function; and
- Priority steps that would reduce overhead while maintaining quality — which recommendations would have the most benefit?

Please complete the section that aligns with the implementation status of your college/university.

Has the college/university produced a cost diagnostic? If yes, please provide an overview of the process used and the key outcomes.

A 10-year cost diagnostic was completed for Miami University as recommended in the Governor's Task Force report. This review included an analysis of spending by functional category and by object of expense. The diagnostic confirmed that the many efforts by Miami University over the past eight years have been effective in slowing the annual rate of growth in spending. Spending per student, net of student financial aid, actually declined from its peak in 2008, and the increase in actual spending over the entire ten-year period rose at a rate slower than the annual growth in the consumer price index.

While the cost trends observed over the last decade are generally quite favorable, this review did identify a small number of areas where costs have grown faster than the overall trend at Miami. Most of these areas align with the strategic priorities of the University during this period. It also is possible that opportunities for increased productivity or improved efficiency may exist in areas that grew slower than the average rate of growth. For all administrative functions and cost centers, a deeper analysis could potentially identify opportunities for improvement. For this reason, the University intends to implement a program review process for assessing nonacademic functions and programs on a regular cycle. Through these reviews, the effectiveness and sufficiency of these activities can be properly assessed and improved.

Please provide details on the result(s) of the assessment. What are the cost drivers, based on the categories above? Please discuss the college/university's priority areas that offer the best opportunities for recommendation.

Cost Diagnostic Spend Categories that are Outliers Oxford Educational and General Operations

<u>VP Enrollment and Student Success (8.2%)</u> - Increased spending on enrollment management has been a major factor in the growth in the number and quality of students enrolling at Miami.

Audit Fees (6.3%)- Audit contracts are awarded by the Auditor of State, but a cost reduction may be possible at the next contract renewal.
Marketing and Communications (5.9%) - Increased spending on marketing has contributed to the growth in number and quality of students enrolling at Miami.
Travel and Hosting (5.13%) - Increased spending on travel is consistent with university priorities such as increased international opportunities for students, national student recruitment, and fundraising growth.
Investment Fees (4.4%) - The growth is reasonable given the growth in the amount invested by the University and the Foundation.
Advancement (3.4%) - There also has been growth in donor contributions.
Debt (3.10%) - No new E&G debt has been issued since 2007. E&G debt will continue to be closely scrutinized going forward.
Student Employment (2.29%) - This is a strategic priority for the University as increased student employment opportunities assist students in meeting their financial obligations, aiding retention, and gaining professional experiences that benefit them in their preparation for future professional opportunities.
General Counsel (2.0%) - This is the result of increased regulation and litigation.
Human Resources (1.7%) - This is partially due to increased regulation and also to a greater emphasis on employee programs (such as wellness) that have helped to slow the growth in employee benefit costs. Accenture also identified HR as an operation where the current level of spending is below best practice.

Cost Diagnostic Spend Categories that are Outliers Oxford Auxiliary Operations

Aviation Services (11.7%) - Increase is due to rise in the cost of maintaining the university plane and the related services. Along with the airport, this cost center will continue to be evaluated.
Debt (11.21%) - This is the result of the residential and dining facility renewal program mentioned earlier.
Graduate Assistants (8.86%) - This is due to increased utilization of graduate students in Recreational Center operations and ICA. This cost aligns with the university's educational priorities.
Goggin Ice Center (7.3%) - This is a result of the increased cost of operating a new and much larger ice arena.
Financial Aid (1.94%) - This is due to growth in tuition which impacts scholarship costs for Intercollegiate Athletics.
Intercollegiate Athletics (2.3%) - Intercollegiate Athletics, especially when combined with the growth in related facility costs, continues to increase its cost at a faster rate than most university operations. This growth, even though consistent with other similar athletic programs, is disproportionately large when compared to the restrained growth in most academic programs and should be evaluated, definitely slowed, and possibly reduced.
Transportation Services (2.2%) - Growth is exclusively due to cost increases for bus transportation used by students and staff.

If the college/university has not produced a cost diagnostic, is there a plan to? If yes, what is the implementation plan? If the college/university has not completed a cost diagnostic and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

This process was completed in FY16 as described above.

5B Productivity measure: While the measure should be consistent, each college/university should have latitude to develop its own standards for the proper level of productivity in its units. This will allow, for instance, for appropriate differences between productivity in high-volume environments vs. high-touch ones.

What steps has the institution taken to improve the productivity measure score? Or, what are the institution's plans to improve your score? You may view your productivity measure score here. For more information on the Productivity Measure, please visit here.

The Ohio Department of Higher Education has provided its productivity measure for Miami University, and the University will use these ratios as part of its approach to monitoring its progress towards improved efficiency and affordability for its students. The measure included revenues from resident students, but total costs for all students regardless of residency.

Has the college/university implemented or considered utilizing Lean Six Sigma methodology as a tool to evaluate the college/university's processes?

Miami University began its Lean journey in 2009. Since 2009, Miami employees have completed 1188 projects valued at $54,228,979 in cost avoidance, cost reduction, and new revenue. In FY 2017 Miami completed 281 of those projects at a value of $9,995,620.

Over 2500 employees have been introduced to Lean and 158 are currently in the Lean Certification Program with 56 of them having completed the program to achieve Senior Lean Leader status, 11 of the 56 attained this certification in FY2017. The certification process takes 24-30 months and includes over 100 hours of specialized formal training, involvement in 5 Lean Projects and Lean leader of three, plus the presentation of a significant project to the Miami Lean Review Board. In FY2017, the University added a tiering system to the certification process to recognize milestones of certification completion.

In addition to the training provided to Miami University staff and students, the Lean program has extended Lean training to other universities in Ohio. In FY2017, Miami shared the Lean program with Kent State, Wright State, and Youngstown State. Miami also collaborated with The Ohio State and Bowling Green State University regarding Lean. In previous year's Miami had engaged with the University of Cincinnati and had become certified by LeanOhio to present LeanOhio Bootcamp programs to Ohio government agencies.

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

5C Organizational structure: Each college/university should, as part or because of its cost diagnostic, review its organizational structure in line with best practices to identify opportunities to streamline and reduce costs. The college/university reviews should consider shared business services — among units or between college/university, when appropriate — for fiscal services, human resources and information technology. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university reviewed its organizational structure? If yes, please provide an overview of the process used and the key outcomes.

In FY17, a review of the institution's IT Services Division was performed against industry Best Practice to identify opportunities to streamline operations and reduce costs. Out of this study came a series of recommendations, which included:

- Optimize the resource mix of solution delivery vs service delivery
- Increase high-value skills/roles (e.g. information security, architecture, integration, data management, change management)
- Decrease non-differentiating skills/roles (e.g. help desk analysts)
- Create synergy by combining/aggregating fragmented team structures (e.g. CP, Classroom Services, AV, Field Services)
- Increase automation in critical system administrative roles – increasing unit efficiency and throughput
- Increase/Optimize Manager Span-of-Control – target ratio of 6:1

With the completion of the assessment and subsequent management review, the recommended structural changes were implemented. The results of this effort included:

- Through headcount realignment, Solution Delivery staffing increased from 34 to 55 FTEs
- New high-skill positions were also created and filled in information security, architecture, and data management
- A new staff augmentation process was established, allowing IT leaders to hire high-skill temporary staff on an as-needed basis
- Miami's Tier 1 Help Desk structure, along with all HD analyst roles and related management positions, outsourced to Blackboard
- Four teams – Campus Partnerships, Classroom Services, AV, Field Services – consolidated into one (Technology Support Services)
- Completed multi-year effort to increase Manager Span-of-Control – increased from 4.91:1 to 6.14:1

As a result of these efforts, IT Services has experienced substantial increases in service levels and solution delivery throughput; the new high-skill positions have filled key organizational gaps and stabilized critical operations; the immediate value of staff augmentation has been leveraged by our institution-wide ERP implementation; and the technology capability now in the hands of students has increased satisfaction at lower cost. It is important to note that these changes did not increase the division's headcount. Financially, this initiative yielded a $481,200 reduction in annual operating expenses.

If the college/university has not reviewed the organizational structure, is there a plan to? If yes, what is the implementation plan? If the college/university has not completed a review and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

5D Health-care costs: A statewide working group should identify opportunities to collaborate on health-care costs.

(Optional) Has the college/university identified any healthcare reforms that the working group should consider? Please describe.

Joint Center of Excellence: Knee/Hip Replacement
Per a competitive bid process, Miami University sourced a hospital to provide a "center of excellence/bundled service" for knee/hip replacements effective January 1, 2017. The bundled service arrangement benefits both the University's healthcare plan and employees/dependents; the plan is guaranteed a fixed cost with warranty period for all knee/hip replacements performed by the facility via a specific panel of physicians and employees/dependents receive high value quality care with the added convenience of a single bill and explanation of benefits.

The fixed cost for the bundled service is both a cost avoidance strategy: mitigate revisions and/or revision costs are borne by the hospital during the warranty period and the negotiated fixed cost with the selected hospital is less than the per episode cost incurred by the plan historically at other hospitals.

On-campus Healthcare Services
Miami University health plan members (employees and dependents) may receive healthcare services on-campus for a limited set of acute, primary care/urgent care services. The university directly contracted with a hospital system to manage and provide staffing for the on-campus health services. Periodic analysis of the most commonly received services at the on-campus facility compared to the same services received through the health plan identifies that the University breaks even for the cost of the services and benefits from increased productivity and decreased absenteeism of the employees.

(Optional) Has the college/university achieved any expected annual cost savings through health-care efficiencies? Please explain how cost savings were estimated.

5E Data centers: The College/university must develop a plan to move their primary or disaster recovery data centers to the State of Ohio Computer Center (SOCC). Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.

Miami remains in line with its "cloud-first" strategy, as initially defined in FY14, with the majority of the institution's core application portfolio residing in the cloud. Miami is continuing to prioritize cloud-based application hosting and software-as-a-service as our top compute deployment model options.

In FY17, Miami's Backup & Disaster Recovery capability was migrated to the cloud, as was our new User Authentication application.

Looking ahead to FY18 – Phase 1 of Miami's ERP implementation involves upgrading our instance of Ellucian's Banner product to the most recent version (v9). While upgrading the software, the implementation team will also be eliminating all customizations made to the base code, which is a prerequisite to migrating Miami to a SaaS product. This first phase will be completed in July 2018. Looking ahead to FY19, Phase 2 of the project will evaluate all viable cloud ERP products in the marketplace, assessing the capabilities and the realistic cost savings that can be achieved by migrating Miami's ERP ecosystem to the cloud.
If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation, please provide the rationale.
If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

5F Space utilization: Each college/university must study the utilization of its campus and employ a system that encourages optimization of physical spaces. Please complete the section that aligns with the implementation status of your college/university. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.

Miami University has undertaken multiple initiatives to examine the utilization of its space this year. Most significantly, an outside consultant was contracted to conduct a survey of university space. The survey included all space types across the Oxford, Hamilton, Middletown, and Voice of America Campuses. This process reviewed existing space use, time utilizations & seat fill utilization for classrooms, standards for new creation of new space, classroom scheduling methods, and room assignment policies. The report from the survey highlighted areas of need and surplus as benchmarked against national standards. Key high-level points identified:

- Miami's overall space portfolio is within 10% of expected norms for overall quantity of square footage for an institution of similar student body size, academic quality, athletic division, and locale characteristics
- Weekly room hours align will with national standards (31 hours/week), but seat fill is low (64%)
- The seat fill is lower than target because many classes are being scheduled in rooms larger than necessary because of shortages in room sizes in the lower end of the inventory
- Lack of academic swing space is driving a need to increase space on campus as larger buildings are temporarily taken off-line for renovations

This has allowed a more detailed look at the existing classroom portfolio against current course offerings to identify both space, policy, and academic topics that could be challenged for greater efficiency and alignment with the academic mission. From this several next steps were identified:

• Improve flexibility of classrooms to address seat fill. Identify several classrooms that could be modified to become active classrooms offering more flexibility in teaching styles and thus be used by a wider set of courses • Use the class schedule as a tool to increase classroom utilization. The current block scheduling accomplished a significant amount of standardization across the academic calendar to increase utilization • Work toward a block schedule supporting 35 hours/week and a seat fill of 70%. Achieving this goal will significantly reduce the need for investing in swing space required to renew existing facilities • In collaboration with the Provost's Office, the University Registrar's Office mandated that all usage of state buildings (academic facilities) be scheduled in the CollegeNet 25Live software that allows optimization scenarios to be run based on fill ratios, course enrollment capacity, room size and location •Physical Facilities Department and Provost's office are continuing to review policies and procedures address the topics raised.
Please provide details on the results of the assessment below or on additional pages:
If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.
If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

Energy

Energy Efficiencies seek to refine sustainable methods utilized by college/university to procure and use energy (resulting in more efficient use of energy), including, but not limited to lighting systems, heating & cooling systems, electricity, natural gas, and utility monitoring.

Were there any updates/changes to college/university energy efficiency projects in FY17? If yes, please complete the below chart.

Miami University has engaged in a number of energy efficiency initiatives. Campus energy efficiency initiatives resulted in a 36.5% decrease in energy consumption per gross square foot and a decrease in total energy consumption by 24.3% from a baseline fiscal year of 2008 through fiscal year 2017. Without these energy efficiency strategies, Miami University's annual energy costs would have been $3.2 million higher in FY2017 compared to FY2008. For FY17, the saving resulting from our energy efficiency strategies were $498,176

Project	Collaborative Partnership(s)	Explanation
Western Geothermal Phase 2		This project expanded our existing geothermal plant and distribution system to connect 5 existing buildings (Hoyt , Presser, Clawson, Havighurst, and Child Development Center) to meet heating and cooling needs. An additional 375 wells were drilled for a total of 690 wells. A new 700 ton VFD Centrifugal Chiller and 2-350 ton/4mmbtu VFD HP chillers were installed as part of project. Hoyt Hall is the campus data center that has year-round cooling needs. This project captures the rejected heat and transfers this energy to heating the connected loads. This project provides for a 50% reduction in utility cost and carbon footprint. Free-cooling sequence was incorporated into the operation.
LED Lighting 2017 Project		This project replaced over 877 2'x2' fluorescent fixtures with LED retrofits in 7 academic buildings (Alumni, Health Service Center, CPA, Bachelor, Laws, Warfield and Williams).
VFD Fans & Pump Installation		This project converted constant volume fans and pumps into variable volume operation in (8) E&G buildings (Alumni, Boyd, Hall Auditorium, Health Service Center, Millett, Hiestand, Hughes, and Student Development Center). There were 19 fans totaling 74.5 HP and 12 pumps totaling 81 HP equipped with VFD's and control's to modulate the speed to satisfy the load.
Goggin Arena Heat Recovery & Damper Isolation		This project installed a run-around heat pump system to recover the exhaust from the lockers and transfer that energy into the supply air back into the spaces. It also installed occupancy sensors to shut the air flow back to a minimum setting when the locker rooms are "un-occupied" in 9 rooms.
Recreational Sports Center Energy Efficiency Improvements		This project Installed (14) variable frequency drives on (4) pumps and (10) fans totaling 70 HP and 124.5 HP respectively, along with associated controls to incorporate energy reduction sequences. Project also addressed wild flowing hot water coils by installing (5) 2-way control valves on the Preheat face and by-pass coils on 4 air handling units.
Hamilton/Clawson Residence Hall Renovations		Specific energy reduction strategies were intentionally integrated into these two residence halls. Prior to the renovations, these two residence halls had no central cooling. A goal was established to reduce energy costs by 20%, even with the addition of central cooling and increased electrical loads. Reduction of water consumption is also included in the expectation. The project was successfully completed and on track to exceed the 20%.

Regional Compacts

Ohio Revised Code Section 3345.59 requires regional compacts of Ohio's public colleges and universities, with an executed agreement in place by June 30, 2018 for colleges and universities to collaborate more fully on shared operations and programs. Per O.R.C. §3345.59 {E} colleges and universities shall report within their annual efficiency report the efficiencies gained as a result of the compact. This provision will be included in the *FY18* Efficiency Advisory Committee survey; therefore, institutions should prepare accordingly to meet this timeline.

Section II: Academic Practices

Recommendation 6 | Textbook Affordability

6A Negotiate cost: Professional negotiators must be assigned to help faculty obtain the best deals for students on textbooks and instructional materials, starting with high-volume, high-cost courses. Faculty must consider both cost and quality in the selection of course materials. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.

In 2017, Miami University selected a provider of online textbooks and course materials, e-Campus, which signaled a shift away from the traditional brick and mortar bookstore approach toward a virtual approach. The e-Campus bookstore not only lowers the overhead cost of running a physical bookstore, but it provides faculty, at a glance, multiple textbook options so that they can ensure that they are selecting high quality, affordable and accessible course materials for their students. Because the virtual bookstore is linked to the SIS system, students can easily purchase new, used, rental and digital textbooks instantly upon registering for particular courses. Miami faculty are provided training (via workshops and online videos) on how to use the software platform as well as how to select appropriate and cost-effective textbooks. This shift was implemented for summer 2017 and is being more fully implemented during the fall 2017 semester. Students estimated cost savings for textbooks is 15-20%. For the summer term of 2017 the savings for texts were on the higher end of our estimates (20.17%). Based on this performance expected savings for FY18 could be up to $1.8 million.

There is an additional buying option to reduce cost to students referred to as Marketplace. This is comparative to Amazon private sellers that resale their used textbooks on their own. ECampus has committed to bundling these books with their larger orders from eCampus to ease customer stress and staff completing duplicative work in the moment.
Course Adoptions by faculty were matched to previous years in the Bookstore. More efforts are proactively being taken by eCampus to ensure this number continues to rise.

Rates as of August 1:
All Campuses – 81% Adopted
Oxford – 80% Adopted
Middletown – 87% Adopted
Hamilton – 89% Adopted
Luxembourg – 69% Adopted
VOA/West Chester – 53% Adopted

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

6B Standardize materials: Colleges and universities must encourage departments to choose common materials, including digital elements, for courses that serve a large enrollment of students. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.
Appointed by the provost and co-chaired by an associate provost and librarian with faculty representation from all academic divisions, the Open Educational Resources/Affordability Committee has developed and is implementing a strategic plan to advance affordable and free educational resources among Miami's students. The committee has crafted a multi-level grant program and set of resources designed to target faculty teaching courses with the highest cost textbooks and largest enrollments. Successful applicants receive incentives for adopting and/or adapting OERs, creating their own online textbooks, and converting existing costly course packets to lower or no cost alternatives. Faculty in these programs receive the following forms of support: a robust site of resources and tips on Miami's Learning Management System (Canvas), consultation from the Scholarly Communications Coordinator and from specialist librarians, websites with guidance on selecting appropriate OERs, two-hour training orientation workshops, support of assessment of OER use, and professional development funding (with the amount varying by the faculty's level of engagement with the program). Although this effort has only been in existence for a year, over 75 faculty have participated in the program. Plans are underway to meet with each department to recruit additional faculty to adopt, adapt and/or create OERs and affordable course materials.

In addition, when faculty submit their textbook selections in compliance with the Higher Education Opportunity Act (HEOA), it allows our staff and e-Campus vendor to suggest standardized materials, more affordable editions, or alternative resources. Last year, faculty on all campuses increased their compliance by as much as 52%. For example, Middletown faculty went from 14% compliance in fall 2016 to 66% in fall 2017.
If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.
If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

6C Develop digital capabilities: Colleges and universities must be part of a consortium to develop digital tools and materials, including open educational resources, that provide students with high-quality, low-cost materials. Please complete the section that aligns with the implementation status of your college/university.

Please explain your efforts to develop digital tools and materials. OhioLINK joined the Open Textbook Network in 2017 and selected seven member librarians, faculty and staff to become the OhioLINK Open Textbook Network (OTN) System Leaders. A Miami librarian was chosen to serve on the team. As system leaders, they will coordinate OhioLINK OTN awareness and advocacy initiatives regarding open educational resources and open textbooks on their campuses and throughout the state. As part of the consortium-wide membership, OhioLINK will send these system leaders to OTN's Summer Institute (OTNSI) as the kickoff event. OTNSI is an intensive, five-day training program at the University of Minnesota in August 2017. The OhioLINK system leaders, in conjunction with OTN staff, will coordinate full-day "train the trainer" workshops to be offered on their campuses and throughout all Ohio public institutions next fall. These workshops will focus on developing campus leaders and aid in their efforts to reduce textbook costs for students. The Miami representative also attended the OhioLINK-sponsored OER summit on July 24, 2017. Members from around the state discussed their OER activities and initiatives and attendees participated in some hands on activities exploring OER implementation. Miami's Course Pack Consultation Service was selected to be featured on the Ohio Affordable Learning Website as a model initiative for other institutions to pursue.
If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.
If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

Ohio Revised Code Section 3333.951(C) requires Ohio's public colleges and universities to report their efforts towards reducing textbook costs for students. Please discuss all practices implemented that ensure students have access to textbooks at an affordable price. Also, please identify efficiencies captured from your practices.

Miami University's efforts towards reducing textbook costs are detailed above in 6A, 6B, and 6C.

Ohio Revised Code Section 3333.951(D) requires Ohio's public colleges and universities to conduct a study to determine the current cost of textbooks for students enrolled in the institution and submit the study to the Chancellor by a date prescribed by the Chancellor. Please note that the study will be due on the same submission timeline as the *FY18* Efficiency Advisory Committee survey; therefore, institutions should prepare accordingly to meet this timeline.

Recommendation 7 | Time to Degree

7A Education campaign: Each college/university must develop a coordinated campaign to educate its full-time undergraduates about the course loads needed to graduate on time (two years for most associate degrees and four years for most bachelor's degrees). Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.

Miami students not only can easily access degree path information, but they are also educated on how to make purposeful choices about their academic plans. Access to degree paths is made available through: (1) the student's Degree Audit Report which a student can run at any time for his or her chosen major as well as for any other major he or she may considering; (2) the General Bulletin, the Guidebook for New Students and advising guides for each major (the latter are available in divisional advising offices) which provide clear listings of degree program requirements and term-by-term suggested schedules; and (3) term-by-term academic plans which are created as part of the UNV 101 course in consultation with the student's academic advisor. Academic advisors also are trained in and have access to the EAB Student Success Collaborative which not only displays suggested term-by-term schedules for each student's degree program but also indicates when and how each student might have moved off track so that immediate advising interventions can be made. This fall, the University is also requiring departments to display transfer advising plans for all of Miami's academic partnership agreements, using a common template for ease of use.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

7B Graduation incentive: Colleges and universities should consider establishing financial incentives to encourage full-time students to take at least 15 credits per semester. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.
Miami University has implemented the Miami Tuition Promise. Under the Miami Tuition Promise undergraduate students' tuition and fees are fixed over four years. Additionally, Miami University does not charge additional tuition for enrollment in more than 12 credit hours per semester. Miami freshmen take an average of 15.7 credit hours per term already, negating the need for a financial incentive.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

7C Standardize credits for degree: Colleges and universities should streamline graduation requirements so that most bachelor's degree programs can be completed within 126 credit hours or less and associate degree programs can be completed within 65 credit hours or less. Exceptions are allowed for accreditation requirements. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.

Effective with the fall 2017 incoming class, Miami's graduation requirements for baccalaureate degrees has been reduced from 128 to 124 credits, and the requirements for associate degrees have been reduced from 64 to 62 credits. This reduction followed a major revision of Miami's general education program (Global Miami Plan) in 2015 which featured a four-credit reduction in its requirements. Additionally, Miami makes available a public website that demonstrates 3-year plans for almost 62% of its undergraduate degree programs. These steps, coupled with sound academic advising, enables Miami students to graduate on average in four years—a statistic which is among the best of any Ohio public university and significantly below the national average of 5.2 years for four-year public institutions. Additionally, in AY 2017 1.7% of the fall 2014 cohort of first time full time students on the Oxford campus graduated in 3 years or less.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

7D Data-driven advising: Colleges and universities should enhance academic advising services so that students benefit from both high-impact, personalized consultations and data systems that proactively identify risk factors that hinder student success. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.

Beginning in 2015, Miami shifted its academic advising model to focus on clear outcomes, a shared university-wide advising approach, required comprehensive training for all advisors, four levels of advisor recognition, and ongoing assessment of advising. In addition, the model features the use of the EAB Student Success Collaborative which provides advisors up-to-the-minute and predictive data about each advisee so that the advisor can provide customized intervention and communicate with advisees easily and regularly. Advisors are required to record summaries of each advising session in order to track each student's progress and build upon previous advice given. The academic advising effort is led by an associate provost with the guidance of a university wide committee. Each year, the committee produces an annual assessment report which summarizes findings from the multiple measures used to assess advising at Miami (e.g., national surveys, retention and graduation rates, advisor training completion rates, surveys and focus groups) and offers multiple recommendations for future improvement. These efforts, coupled with a strategic communication plan for students and advisors, has contributed to an improved first-to-second-year retention rate (91.8%) and higher levels of satisfaction among advisors and advisees.

Beginning in 2017, Miami is piloting, with a goal of implementing in Spring 2017 a centralized university-wide registration override system that allows students to add themselves to a "waitlist" for oversubscribed courses. The newly created system provides all pertinent student and curricular information to the advisor and faculty who is then able to assess the overall demand for the course. This will provide timely and actionable information during the registration process that will translate into students with the greatest need as it pertains to "on-time" graduation access to the seats in the class and assist with appropriate and efficient staffing models for high demand courses.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

7E Summer programs: Colleges and universities must develop plans to evaluate utilization rates for summer session and consider opportunities to increase productive activity. In particular, colleges and universities should consider adding summer-session options for high-demand classes and bottleneck courses that are required for degree completion. Please complete the section that aligns with the implementation status of your college/university.

Please provide details on the results of the assessment. In particular, please address whether the campus added summer session options for high-demand and bottleneck classes.

In 2017, Miami created guidelines for accelerated or compressed delivery of courses to ensure that summer and winter term course offerings are of high quality and follow federal and regional (Higher Learning Commission) academic and credit hour regulations. Additionally, each year, summer and winter term course evaluations and enrollments are analyzed by academic deans, and course schedules are adjusted accordingly. Low or no enrollment courses are discontinued, and sections of courses with smaller enrollments are combined. Under the leadership of its e-learning offices, Miami has also engaged in careful planning of online and hybrid course offerings in the summer and winter to aid students' progress toward degree, and in 2016, Miami instituted a 20% reduction in tuition for online courses taken during the summer and winter terms by resident undergraduate students.

In 2016, Miami began implementing a multi-term scheduling approach so that students and advisors could plan more purposefully for winter and summer terms as well as the fall and spring semesters.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

7F Pathway agreements: Colleges and universities should continue to develop agreements that create seamless pathways for students who begin their educations at community or technical colleges and complete them at universities. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.

Over 240 Miami courses are matched with Transfer Assurance Guides or Career-Technical Assurance Guides to ensure that transfer students within the state of Ohio are making timely degree progress, and in the past two years, Miami revised its CLEP, Advanced Placement and International Baccalaureate course alignments to increase opportunities for students to gain specific college course credit by 15%. In the past five years and in keeping with Miami's 2020 Strategic Plan which calls for increasing partnerships, Miami faculty and staff have also forged dozens of academic articulation agreements and MOUs. A list of domestic and international agreements is available via a public website. This fall, the University is also requiring departments to display transfer advising plans (which display term-by-term suggested pathways) for all of Miami's academic partnership agreements to promote greater transparency and accessibility. These efforts are supported by an Academic Partnerships Committee (which is chaired by an associate provost) as well as an online partnership agreement workflow platform (which enables easy storage and tracking of agreements). The Partnerships Committee also works with departments to encourage new and sustainable partnerships with two- and four-year institutions. As a result of these efforts, the number of academic partnerships has increased by 75% in the past year.

Please provide details. In particular, how many articulation agreements does the college/university have with other Ohio colleges and universities (either 2+2 or 3+1)? Please provide a list.

Miami University

Partnering institution, Academic degree or major, Miami University Academic division/department

1. Central Ohio Technical College, BS in Commerce, CLAAS/Regionals: Commerce
2. Cincinnati State Technical & Community College, General, EMSS; CLAAS/Regionals
3. Cincinnati State Technical & Community College, AAB in Business Management to BS in Commerce
4. Cincinnati State Technical & Community College, AAB in Supply Chain Management to BS in Commerce, CLAAS/Regionals: Commerce
5. Cincinnati State Technical & Community College, BS in Criminal Justice, CLAAS/Regionals: Justice & Community Studies
6. Cincinnati State Technical & Community College, Bachelor of Integrative Studies, CLAAS/Regionals: Interdisciplinary & Communication Studies
7. Cincinnati State Technical & Community College, Associate Degrees in Electrical/Electronic and Electrical/Computer and Engineering Technology to BS in Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
8. Cincinnati State Technical & Community College, Associate Degree Programs in Electrical, Mechanical, Electro-Mechanical Engineering Technology to BS in Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
9. Cincinnati State Technical & Community College, Associate Degree in Mechanical Engineering Technology to BS in Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
10. Columbus State Community College, General, EMSS
11. Columbus State Community College, Associate Degrees in Electrical/Electronic and Electrical/Computing Engineering Technology to BS Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
12. Columbus State Community College, Associate Degree Programs in Electrical, Mechanical, Electro-Mechanical Engineering Technology to BS in Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
13. Columbus State Community College, BS in Commerce, CLAAS/Regionals: Commerce
14. Columbus State Community College, BS in Social Work, EHS: Family Science & Social Work
15. Cuyahoga Community College, BS in Commerce, CLAAS/Regionals: Commerce
16. Eastern Gateway Community College, AAB in Business Management to BS in Commerce, CLAAS/Regionals: Commerce
17. Edison State Community College, Associate Degrees in Electrical/electronic and Electrical/Computing Engineering Technology to BS Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology

18. Edison State Community College, Associate Degree Programs in Electrical, Mechanical, Electro-Mechanical Engineering Technology to BS in Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
19. James A. Rhodes State College, Associate Degree Programs in Electrical, Mechanical, Electro-Mechanical Engineering Technology to BS in Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
20. North Central State Community College, Associate Degrees in Electrical/Electronic and Electrical/Computing Engineering Technology to BS Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
21. North Central State Community College, Associate Degree Programs in Electrical, Mechanical, Electro-Mechanical Engineering Technology to BS in Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
22. Northwest State Community College, Associate Degrees in Electrical/Electronic and Electrical/Computing Engineering Technology to BS Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
23. Northwest State Community College, Associate Degree Programs in Electrical, Mechanical, Electro-Mechanical Engineering Technology to BS in Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
24. Shawnee State University, Associate Degree Programs in Electrical, Mechanical, Electro-Mechanical Engineering Technology to BS in Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
25. Sinclair Community College, General, EMSS
26. Sinclair Community College, Associate Degree Programs in Electrical, Mechanical, Electro-Mechanical Engineering Technology to BS in Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
27. Sinclair Community College, Associate Degree in Mechanical Engineering Technology to BS in Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
28. Sinclair Community College, AAS in Accounting to BS in Commerce, CLAAS/Regionals: Commerce
29. Sinclair Community College, AAS in Business Administration to BS in Commerce, CLAAS/Regionals: Commerce
30. Sinclair Community College, AAS in Business Management to BS in Commerce, CLAAS/Regionals: Commerce
31. Sinclair Community College, AAS in Supply Chain Management to BS in Commerce, CLAAS/Regionals: Commerce
32. Sinclair Community College, Bachelor of Integrative Studies, CLAAS/Regionals: Interdisciplinary & Communication Studies
33. Sinclair Community College, BS in Criminal Justice, CLAAS/Regionals: Justice & Community Studies
34. Sinclair Community College, Associate Technical Study Program to BS in Health Information Technology, CLAAS/Regionals: Computer & Information Technology
35. Southern State Community College, Associate Degrees in Electrical/Electronic and Electrical/Computing Engineering Technology to BS Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology,
36. Southern State Community College, Associate Degree Programs in Electrical, Mechanical, Electro-Mechanical Engineering Technology to BS in Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
37. Southern State Community College, AAB in Accounting to BS in Commerce, CLAAS/Regionals: Commerce
38. Southern State Community College, AAB in Entrepreneurship to BS in Commerce, CLAAS/Regionals: Commerce
39. Southern State Community College, AAB in Real Estate to BS in Commerce, CLAAS/Regionals: Commerce
40. Terra Community College, Associate Degree Programs in Electrical, Mechanical, Electro-Mechanical Engineering Technology to BS in Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology

41. Terra Community College, AB in Business, CLAAS/Regionals: Commerce
42. Terra Community College, Management to BS in Commerce, CLAAS/Regionals: Commerce
43. Terra Community College, AB in Hospitality Business Management to BS in Commerce, CLAAS/Regionals: Commerce,
44. Terra Community College, AB in Business Management to BS in Commerce, CLAAS/Regionals: Commerce
45. Terra Community College, AAB in Industrial Supervision to BS in Commerce, CLAAS/Regionals: Commerce
46. Washington State Community College, Associate Degree Programs in Electrical, Mechanical, Electro-Mechanical Engineering Technology to BS in Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology
47. Zane State Community College, Associate Degree Programs in Electrical, Mechanical, Electro-Mechanical Engineering Technology to BS in Applied Science in Engineering Technology, CLAAS/Regionals: Engineering Technology

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

7G Competency-based education: Colleges and universities should consider developing or expanding programs that measure student success based on demonstrated competencies instead of through the amount of time students spend studying a subject. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.

This fall, Miami will begin its first competency-based program: the Math Emporium. The Math Emporium is a series of nine one-credit-hour courses, of which three can be taken online and completed in as little as one semester. The courses build foundational math skills and critical thinking skills that are needed in higher-level math courses (pre-calculus and above) and in courses that use mathematics (e.g., chemistry, physics). Topics range from basic arithmetic to quadratics and function introduction. Which courses a student takes are determined by placement tests that measure mastery of the content in each of the Math Emporium courses. Students only take the courses for which they have not shown mastery of the content. This CBE course-based program marks Miami's initial entry into competency-based education. Plans are underway to develop additional CBE programs, including a track for a degree completion program and a certificate program.

If applicable, please provide additional details. In particular, how many students does the college/university estimate the competency-based education programs will serve?

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

Recommendation 8 | Course and Program Evaluation

8 Duplicative Programs: Colleges and universities should review and address low-enrolled courses and programs and consolidate programs duplicated at other colleges and universities in your geographic area. Please indicate the section that aligns with the implementation status of your college/university. There is no need to provide your report.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.

In response to the 2017 request by the Ohio Department of Higher Education, Miami University conducted a review of potential duplicate associate and baccalaureate degree programs with University of Cincinnati. The review included nine associate degree programs and 55 baccalaureate degree programs. To conduct this review, Miami evaluated the programs in terms of the following indicators: (1) retention rates; (2) graduation rates; (3) enrollment pattern over past five years; (4) employment of its graduates; and (5) contributions to the core liberal education mission of the University. The Office of Institutional Research, in consultation with the Office of the Provost, compiled the program data and shared the information with the academic deans who offered feedback based on their contextual understanding of the program's mission, purpose and effectiveness. Each academic dean determined whether the programs within their division warranted no action or further evaluation. In their review, the deans noted six bachelor degree programs and three associate degree programs that may benefit from further evaluation, including possible program elimination, realignment of the program within the University to improve efficiencies, or collaboration with University of Cincinnati. Programs that have been eliminated or are being considered for elimination are either outdated, have declining enrollments or are not aligned with the University's mission. Possible forms of collaboration with University of Cincinnati include: co-registration for distance-learning classes, or creation of dual degree programs (such as the Master of Social Work that Miami currently has with Wright State University). The Miami University Associate Provost initiated conversations with the Vice Provost of Undergraduate Affairs at University of Cincinnati on possible collaborations.

If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.

If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below.

Course and Program Sharing: What courses/programs are currently being shared with other colleges and universities?

Course/Program	Partnering College/University	Explanation
Classics	Ohio University	Virtual Classroom

Master of Social Work	Wright State University	The MSW is a joint graduate degree program which enrolls both Miami and WSU students. The curriculum is delivered in partnership by Miami and WSU faculty.

Recommendation 9 | Co-located Campuses

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

Co-located Campus: **N/A**

Type of Shared Service or Best Practice (IE: Administrative, Academic, etc.)	Please explain in detail your findings related to this shared service or best practice.

Please explain your approach and process to sharing services with your co-located campus.
Please identify and discuss best practices that have been identified by the co-located campuses.
Please provide your estimated cost savings from shared services between the co-located campuses.

Section III: Policy Reforms

Recommendation 10 | Policy Reforms

10A Financial advising: Ohio's colleges and universities should make financial literacy a standard part of students' education. Please complete the section that aligns with the implementation status of your college/university.

Has the college/university implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.
If the college/university has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the college/university has not implemented this recommendation and does not plan to do so, please provide the rationale.
If this recommendation was fully implemented in FY16 and no substantial changes occurred in FY17, please indicate below. Miami University has implemented a financial advising program for students. Students can view information on their student loan debt via a personalized website (MiamiOH.edu/KnowBeforeYouOwe), to obtain information on expected monthly payments, total costs for the loans, repayment plans, and budgeting tools. In addition, the site allows students to research median earnings for their chosen profession in order to gauge loans costs to anticipated income. In addition, we implemented a series of intrusive counseling strategies for students that are borrowing higher amounts. These strategies include emails, calls, and one-on-one appointments to review loan debt, strategies for loan debt reduction, and creation of personal spending plans. These changes went into effect beginning with Fall 2016 and rolled out over the course of the school year. While it is too early to see the full impact of the effect on this advising, we do know that overall loan borrowing decreased by $1.2 million FY17, as compared to FY16, on a slightly larger enrollment. During the same period of time, average student loan debt for graduating students also dropped slightly.

10B Obstacles: The state Department of Higher Education and/or state legislature should seek to remove any obstacles in policy, rule or statute that inhibit the efficiencies envisioned in these recommendations.

What legislative obstacles or policy roadblocks, if any, inhibit efficiencies and affordability practices at the college/university?

Construction Reform

With the Construction Reform legislation in 2012, please describe the outcomes, efficiencies gained, and benefits to students from implementing this reform.

Construction reform has had a substantial benefit to outcomes of Miami University construction projects. Miami has been able to execute nearly $600,000,000 since 2013 with zero litigation claims, reduced contingency spends, increased quality (measurably fewer punch list and deficient work issues). The work has been performed with no increase in University staff to support increase in capital projects executed. These outcomes have allowed Miami University to purchase more work directly benefiting students. Select outcomes and efficiency gains:

- Average annual construction spending per capital project manager before construction reform was $6,075,625. Average annual construction spending per capital project manager after construction reform is $15,639,470. This represents a 2.5-time improvement in staff productivity. Also, construction reform has resulted in an estimated 80% reduction in monthly paperwork processing time.
- Reduction in contingency funds allocated for work performed after construction reform. The contingency allocation before construction reform for renovation work was 15%, and after construction reform for renovation work is 10%. The contingency allocation before construction reform for new work was 7%, and after construction reform for new work is 5%. Since construction reform, this equates to more than $42,000,000 in avoided contingency allocation that was either saved or applied to more productive increase in scope of work
- Overall reduction in number of change orders and value of change orders as a percentage of construction cost. Also, there have been no Architect or Engineer error and omission change orders on Design-Build projects.
- Article 8 Claims have been reduced to 0
- Projects consistently are hitting key interim milestone and completion dates, with many projects running ahead of schedule.
- Contracts for multiple building projects under one CM allows better buying power and lower first costs.
- Improved overall construction quality since construction reform. Quality outcomes due to best value procurement, with selections based on qualifications as well as price. Best Value Selection allows relationships with contractor to be built on past successes which leads to greater efficiency and eliminates learning curve with University standards, best practice, dealing with staff & faculty
- Shorter time to bring projects to market when the construction manager is hired early in design and bid packages can be sent out prior to full completion of drawings.
- Negotiating a guaranteed maximum price ahead of bidding allows owners to reduce risk and plan project budgets with a higher degree of accuracy
- Smaller, local subcontractors are encouraged to pre-qualify with the construction manager prior to bidding to promote diversity and inclusion. Owners can request that local contractors be included in the pre-qualification process.

Additional Practices

Are there additional efficiency practices your college/university implemented in FY17 to ensure students have access to an affordable and quality education? Please identify.

Section IV: Cost Savings, Redeployment of Savings & Tangible Benefits to Students

The following charts allow each college/university to report this information. For the first chart, please provide, if applicable, any actual cost savings to the college or university and/or students for fiscal year 2017 (or expected annual cost savings) for each of the recommendations from the Task Force. (Please note this does NOT include cost avoidance.)

For the second chart, please provide more detail as to how cost savings were deployed, specifically in the following categories: reductions in cost of attendance, student financial aid, student services, investment in efficiency and affordability tools, and student program improvements. Please use the explanation field to provide further detail.

Please use the chart below to capture, if applicable, FY17 cost savings, or expected annual savings, to the college/university in actual dollars:

Recommendation	**If applicable, provide the actual FY17 cost savings, or expected annual cost savings, to the institution and/or student. Please specify.** *Put NA if no savings
Efficiency Practices	
3A: Campus Contracts	$585,571
3B: Collaborative contracts	$694,818
4A: Asset Review	$132,587
4B: Operations Review	$2,070,000
4C: Affinity partnerships and sponsorships	$3,180,333
5A: Cost diagnostic[1]	$0
5B: Productivity measure[1]	$3,845,348
5C: Organizational Structure[1]	$0
5D: Health-care costs	$0
5E: Data Centers	$0
5F: Space utilization	$0
Energy projects	$498,176
Academic Practices and Policies	
6A – 6C and textbook efficiency practices	$97,571
7A: Education Campaign	$893,420
7B: Graduation Incentive	$0
7C: Standardize credits for degrees	$0
7D: Data-driven advising	$986,319
7E: Summer programs	$1,039,407
7F: Pathway agreements	$0
7G: Competency-based education	$0
8: Duplicative and low-enrollment courses and programs	$0
9: Shared services at co-located campuses	N/A
Construction Reform	$6,701,276
10A: Financial advising:	$1,200,000
Additional efficiency practices	
Total Expected Annual Cost Savings:	$21,924,826

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

Please utilize the chart below to show how the total actual cost savings listed above were redeployed to either (1) reduce the cost of college for students or (2) to provide tangible benefits for the quality of students' education:

Category	Amount Invested	Explanation
Reductions to the total cost of attendance (tuition, fees, room and board, books and materials, or related costs — such as technology)	$3,016,717	20% tuition discount for resident undergraduates taking online courses in summer and winter terms.
Student financial aid	$10,729,821	Increased investment in student financial aid to lower the cost of attendance.
Student success services, particularly with regard to completion and time to degree	$357,247	Student Success Collaborative
Investments in tools related to affordability and efficiency		
Improvements to high-demand/high-value student programs	$727,549	Increased investment in additional tenure track/tenure eligible faculty.
Improvement in financial advising	$1,200,000	Decrease in FY17 student borrowing compared to FY16.
Investment in STEM Facilities	$19,730,000	University resources invested in STEM facilities.

APPROPRIATION ORDINANCE O2018-
Appropriation Ordinance
for the Professional MBA Program

WHEREAS, the Board of Trustees of Miami University in December 2014 adopted a series of price increases for the Professional MBA (PMBA) offered by the Farmer School of Business; and

WHEREAS, the per credit hour price was increased from $825 to $950 effective for the fall 2015 and spring 2016 student cohorts and to $1,050 for the fall 2016 and spring 2017 cohorts; and

WHEREAS, the adopted ordinance authorized an additional increase from $1,050 to $1,150 effective for the fall 2017 cohort; and

WHEREAS, after evaluating the competitive position of the Miami PMBA program in the greater Cincinnati market, the Farmer School of Business recommended that the increase from $1,050 to $1,150 be delayed until the fall 2018 cohort; and

WHEREAS, despite the Farmer School of Business Top 25 ranking and stable prices, market conditions and declining MBA admission applications do not support another price increase.

NOW, THEREFORE, BE IT ORDAINED: that the Board of Trustees of Miami University approves a tuition rate of $1,050 per credit hour for the Miami PMBA for the fall 2018 cohort.

Quasi-endowment
Resolution R201X-XX

WHEREAS, from time to time, Miami University accumulates financial balances through the receipt of large, unrestricted gifts and the prudent management of resources; and

WHEREAS, the Provost, the Deans, the Senior Vice President for Finance and Business Services, and the Vice President for Advancement periodically identify a portion of these funds that can be utilized to create quasi-endowments to establish a source of long-term funding for strategic initiatives; and

WHEREAS, Resolution R2015-45 established the Miami University Quasi-Endowment Policy; and

WHEREAS, the Sandra Jean Kelly Trust terminated and distributed $129,686.87 in unrestricted proceeds to Miami University; and

WHEREAS. Sandra Jean Kelly's family has expressed her affection for the Miami University library; and

WHEREAS, the Senior Vice President for Advancement has recommended that the proceeds of the Sandra Jean Kelly unrestricted gift be used to create two quasi-endowments, $25,000 to establish the Sandra Jean Kelly Library Fund and the balance, $104,686.87, to establish the Sandra Jean Kelly Fund; and

WHEREAS, the annual distributions of the Sandra Jean Kelly Library Fund will be used for the general purposes of the Miami University libraries as determined annually by the Dean of the Libraries; and

WHEREAS, the annual distributions of the Sandra Jean Kelly Fund will be used for the general needs of Miami University as determined annually by Miami University's President; and

WHEREAS, the Senior Vice President for Finance and Business Services of the University, with the concurrence of the Finance and Audit Committee, has recommended approval of this plan;

NOW, THEREFORE BE IT RESOLVED that the Board of Trustees approves the creation of the Sandra Jean Kelly Library Fund quasi-endowment and the Sandra Jean Kelly Fund quasi-endowment.

BE IT FURTHER ESOLVED: that the annual distributions of the Sandra Jean Kelly Library Fund be used for the general purposes of the Miami University libraries as determined annually by the Dean of the Libraries and the annual distributions of the Sandra Jean Kelly Fund be used for the general needs of Miami University as determined annually by Miami University's President.

December 8, 2017

RESOLUTION R2018-xx

WHEREAS, Miami University ("University") sponsors and maintains the following retirement plans:

(i) Miami University Alternative Retirement Plan ("ARP"), a defined contribution plan under section 401(a) of the Internal Revenue Code ("Code");

(ii) Miami University Supplemental Qualified Retirement Plan ("SQRP"), a defined contribution plan under Code Section 401(a);

(iii) Miami University 403(b) Tax Sheltered Annuity Program Plan ("403(b) Plan"), a defined contribution plan under Code Section 403(b); and

(iv) Miami University Supplemental 415(m) Retirement Plan ("415(m) Plan"), a defined contribution plan under Code Section 415(m);

(collectively "Retirement Plans"). The University also offers the Ohio Public Employees Deferred Compensation Program, a defined contribution plan under Code Section 457(b) Plan, to its eligible employees, as required under R.C. 148.04, which is administered by a separate board or trustees.

WHEREAS, the University has certain administrative and investment oversight duties and authority as sponsor and administrator of the Retirement Plans, and in performing such duties, must act for the exclusive benefit of Retirement Plan participants and their beneficiaries;

WHEREAS, the Board of Trustees recognizes that the University acts as a fiduciary insofar as it exercises discretion in administering or carrying out its oversight of the Retirement Plans; and

WHEREAS, the Board of Trustees desires to delegate these administrative and plan oversight responsibilities to the Senior Vice President for Finance and Business Services and Treasurer ("Senior VP for Finance"), and to delegate fiduciary oversight and monitoring of the Senior VP for Finance to the Finance and Audit Committee of the Board of Trustees.

NOW THEREFORE BE IT RESOLVED: pursuant to Sections 1.1 and 3.4 of the ARP, the Board of Trustees designates the Senior VP for Finance to fulfill the duties and have the powers of the Employer under the ARP.

BE IT FURTHER RESOLVED: pursuant to Article XII of the SQRP, the Board of Trustees designates the Senior VP for Finance as the Plan Administrator under the SQRP.

BE IT FURTHER RESOLVED: pursuant to Adoption Agreement Section 2(c) and Basic Plan Document Section 1.3 of the 403(b) Plan, the Board of Trustees designates the Senior VP for Finance as the Administrator under the 403(b) Plan.

BE IT FURTHER RESOLVED: pursuant to Article IX of the 415(m) Plan, the Board of Trustees designates the Senior VP for Finance as the Plan Administrator under the 415(m) Plan.

BE IT FURTHER RESOLVED: the Board of Trustees designates fiduciary oversight and monitoring of the Senior VP for Finance to the Finance and Audit Committee of the Board of Trustees.

BE IT FURTHER RESOLVED: the Board of Trustees may revoke or change such delegation of authority and responsibilities under one or more of the Retirement Plans at any time.

BE IT FURTHER RESOLVED: the Senior VP for Finance is hereby authorized to take such actions that he or she deems necessary or advisable, to perform the administrative and investment duties and authority delegated to him or her pursuant to these resolutions.

BE IT FURTHER RESOLVED: the Senior VP for Finance is hereby authorized to establish a retirement plan committee, to delegate some or all of his or her administrative and oversight duties and authority to the retirement plan committee, and to engage an investment advisor to assist the retirement plan committee in carrying out the administrative responsibilities and evaluating the vendors and vendor products made available to employees for investing their retirement contributions.

BE IT FURTHER RESOLVED: the Senior VP for Finance shall report to the Finance and Audit Committee of the Board of Trustees regarding the Retirement Plan at least annually.

BE IT FURTHER RESOLVED: the Charter of the Finance and Audit Committee is hereby amended as shown on Attachment A and the Secretary of the Board of Trustees shall amend the Regulations of the Board of Trustees accordingly.

Miami University
Finance and Audit Committee Charter

Objectives

The Finance and Audit Committee (the "Committee") is appointed by the Chair of the Board of Trustees, with the primary function of assisting the Board of Trustees with its oversight responsibilities in the following areas:

- The University's long-term financial plans.
- The University's financial reporting, internal controls and the independent audit.
- The University's budget.
- The University's capital expenditures for facilities and property.
- The University's investments.
- The University' sponsored retirement plans.
- The University's internal audit activities.
- The University's processes for monitoring compliance with University policies, including ethical conduct requirements and applicable state and federal laws and regulations.
- The University's risk assessment process.

Committee Membership

The Committee shall be appointed by the Chair of the Board of Trustees and shall consist of no fewer than four members. The members of the Committee shall meet the independence requirements of the New York Stock Exchange rules and regulations. At least one member of the Committee shall be a "financial expert," as that term is defined by the Securities and Exchange Commission. One-third of the Committee, but not less than two members, shall constitute a quorum for the transaction of business.

Meetings

The Committee shall meet as often as it determines necessary, but no less than four times per year. The Committee shall meet from time to time with the University's senior administrators, the internal auditors, and the independent auditors. The Committee shall maintain written minutes of its meetings.

Oversight of the University's Strategic Financial Planning over a Multi-year Time Frame

The Committee shall review at least annually, the long-term financial plans of the University. These plans will include future projections of annual operating and capital requirements of the University and the related funding sources. As part of the review of the long-term financial plans, the Committee shall review the current and projected debt levels of the University, including consideration of impacts on debt ratings, annual cash flows and liquidity.

Oversight of Financial Reporting, Internal Controls and the Independent Audit

The Committee shall be responsible for recommending to the Auditor of the State of Ohio (the "Auditor") the selection and appointment of the independent auditor. The Committee, together with the Auditor, shall be responsible for the compensation and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee and to the Auditor as required. The Committee shall review all auditing services and pre-approve permitted non-audit services (including the fees and terms thereof) to be performed for the University by the independent auditor. Unless specifically directed to do so by the Auditor, the independent auditor is prohibited from performing any non-audit services that are specifically prohibited by independence rules set by the

Securities and Exchange Commission and by the General Accounting Office (GAO). The Committee may delegate pre-approval authority to the Chair subject to later review and approval by the Committee. The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent, legal, accounting or other advisors to the extent that such services are permissible under the laws and regulations governing the University. The University shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent advisors.
The Committee shall meet with representatives of the independent auditor to review the annual audit plan and results of the audit.

The Committee shall review and discuss reports from the independent auditor and University administrators on:

(a) All significant accounting principles and judgments used in the preparation of the audited financial statements.
(b) Any significant changes in the selection or application of accounting principles.
(c) All significant alternative treatments of financial information within generally accepted accounting principles that have been discussed with University administrators, the ramifications of the use of such alternative treatments, and the treatment preferred by the independent auditors.
(d) Significant issues relating to the adequacy of the University's internal controls.
(e) Other material written communications between the independent auditor and University administrators.

The Committee shall discuss with the independent auditor the matters required to be discussed by professional auditing standards relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with University administrators.

The Committee shall review and recommend the annual audited financial statements to the Board of Trustees.

Annually, the Committee shall obtain and review a report from the independent auditor regarding:

(a) The independence of the independent auditor, including compliance with GAO's independence standards,
(b) The independent auditor's internal quality-control procedures,
(c) Any material issues raised by the most recent internal quality-control review, or publicly disclosed findings resulting from reviews of public oversight and regulatory bodies or investigations by governmental and regulatory authorities within the preceding five years respecting one or more independent audits carried out by the firm,
(d) Any steps taken to deal with any such issues or findings, and
(e) All relationships between the independent auditor and the University.

The Committee shall evaluate the qualifications, performance and independence of the independent auditor, including the lead partner, and consider whether the accountants' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of University administrators and internal auditors on these matters. The Committee shall present its conclusions with respect to the recommendation of the appointment or retention of the independent auditor to the Board of Trustees annually.

The Committee shall use its best efforts to ensure the Auditor’s appointment of the independent auditor includes the rotation of the lead audit partner having primary responsibility for the audit consistent with rules and regulations of the Securities and Exchange Commission.

The Committee shall recommend to the Board policies for the University’s hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the University or affiliated entities.

Oversight of the University’s Budget

The Committee shall review and recommend the annual operating budget of the University, including the following matters:

- Annual operating budgets, including guidelines and salary pools for faculty and staff
- Changes in tuition and fees
- Room and board rates
- Ordinances, resolutions and other items related to the fiscal management of the University that are proposed by the University’s senior administrators.
- The Committee shall receive periodic reporting of actual results as compared with the budgets for operating activities throughout the year, as appropriate.

Oversight of the University’s Capital Expenditures

The Committee shall periodically review the University’s long-range facilities plan. The Committee shall review and recommend:

- The University’s biennial capital budget
- Proposed capital improvements in excess of specified dollar amounts
- Issuance of capital bonds to finance capital projects
- The annual report of gift-funded projects
- Capital improvement contracts, including design and construction
- Real property transactions, including purchase, sale, lease, and easements

The Committee shall receive periodic reporting of actual results as compared with the budget for capital appropriations throughout the year, as appropriate.

Oversight of the University’s Investment Policies and Results

The Committee has oversight responsibility for the University's Non-Endowment Investments. The Committee serves as the Investment Committee required by Ohio Revised Code 3345.05.
The responsibilities of the Committee in its role as Investment Committee are:

A. To review the University’s Non-Endowment Funds Investment Policy adopted pursuant to Ohio Revised Code 3345.05 and recommend any proposed changes to the Board of Trustees for approval.

B. To meet at least quarterly and review periodic investment reports and advise the Board on investments made in accordance with the University’s Non-Endowment Funds Investment Policy.

C. To review the University’s Non-Endowment Funds Annual Expenditure Policy and recommend any proposed changes to the Board of Trustees for approval.

D. To retain the services of an investment advisor who meets the qualifications of Ohio Revised Code 3345.05.

E. To report to the Board of Trustees at least semi-annually.

The Committee also reviews the University's Endowment. The Committee reviews and recommends any proposed changes to the Endowment Spending Policy and Endowment Administrative Fee to the Board of Trustees for approval. The Committee reviews periodic Endowment investment reports.

Oversight of the University's Retirement Plans

The Committee has oversight and monitoring responsibility for the University's sponsored retirement plans. The Board of Trustees has delegated primary fiduciary responsibility for the University's sponsored retirement plans to the Senior Vice President for Finance and Business Services and Treasurer. The Senior Vice President for Finance and Business Services and Treasurer shall meet with the Committee at least once annually to review with the Committee any significant changes in the material terms of the plans; the selection, evaluation or removal of approved retirement plan providers; the investment performance under the plans; any changes to the funding structure or investment options under the plans; and any other material information relating to the administration of the plans or their investments.

Oversight of Internal Audit Activities

The Committee shall review the appointment and replacement of the Director of Internal Audit and Consulting Services (IACS). The Director of IACS shall present to the Committee the annual plan and scope of internal audit activities, budget and staffing for the current year and shall review any significant changes during the year. The Director of IACS shall review all significant issues raised in reports to University administrators, including the administrators' responses to internal audit recommendations. The Committee shall approve the IACS Charter; meet separately on a periodic basis with the Director; ensure there are no restrictions or limitations on the scope of work of IACS; and review the Director's annual performance as part of approving the annual compensation of the Director.

Oversight of Compliance Processes

The Committee shall review annually reports from the General Counsel regarding compliance with University policies, including ethical conduct requirements and other applicable state and federal laws and regulations, including any material reports or inquiries from regulatory or governmental agencies. The General Counsel shall discuss with the Committee any legal, compliance or regulatory matters that may have a material impact on the University's financial statements.

The Committee shall review and approve procedures recommended by the General Counsel regarding the receipt, retention, and treatment of communications received by the University regarding compliance with the University's policies, including ethical conduct requirements and other applicable laws and regulations, accounting, internal controls or auditing matters. The General Counsel shall provide periodic reports to the Committee regarding any such communications received by the University and resolution thereof.

Risk Assessment

At least annually, the Committee shall review reports from the University administrators regarding risk assessment, which is the University's identification and analysis of relevant risks to the achievement of its objectives, including plans for managing the risk.

Other Matters

The Committee shall make regular reports to the Board of Trustees. The Committee shall review and assess the adequacy of this Charter annually and shall submit any proposed changes to the Board of

Trustees for approval. The Committee shall annually review its own performance.

Attachment A

Miami University
Finance and Audit Committee Charter

Objectives

The Finance and Audit Committee (the "Committee") is appointed by the Chair of the Board of Trustees, with the primary function of assisting the Board of Trustees with its oversight responsibilities in the following areas:

- The University's long-term financial plans.
- The University's financial reporting, internal controls and the independent audit.
- The University's budget.
- The University's capital expenditures for facilities and property.
- The University's investments.
- The University' sponsored retirement plans.
- The University's internal audit activities.
- The University's processes for monitoring compliance with University policies, including ethical conduct requirements and applicable state and federal laws and regulations.
- The University's risk assessment process.

Committee Membership

The Committee shall be appointed by the Chair of the Board of Trustees and shall consist of no fewer than four members. The members of the Committee shall meet the independence requirements of the New York Stock Exchange rules and regulations. At least one member of the Committee shall be a "financial expert," as that term is defined by the Securities and Exchange Commission. One-third of the Committee, but not less than two members, shall constitute a quorum for the transaction of business.

Meetings

The Committee shall meet as often as it determines necessary, but no less than four times per year. The Committee shall meet from time to time with the University's senior administrators, the internal auditors, and the independent auditors. The Committee shall maintain written minutes of its meetings.

Oversight of the University's Strategic Financial Planning over a Multi-year Time Frame

The Committee shall review at least annually, the long-term financial plans of the University. These plans will include future projections of annual operating and capital requirements of the University and the related funding sources. As part of the review of the long-term financial plans, the Committee shall review the current and projected debt levels of the University, including consideration of impacts on debt ratings, annual cash flows and liquidity.

Oversight of Financial Reporting, Internal Controls and the Independent Audit

The Committee shall be responsible for recommending to the Auditor of the State of Ohio (the "Auditor") the selection and appointment of the independent auditor. The Committee, together with the Auditor, shall be responsible for the compensation and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee and to the Auditor as required. The Committee shall review all auditing services and pre-approve permitted non-audit services (including the fees and terms thereof) to be performed for the University by the independent auditor. Unless specifically directed to do so by the Auditor, the independent auditor is prohibited from performing any non-audit services that are specifically prohibited by independence rules set by the

Securities and Exchange Commission and by the General Accounting Office (GAO). The Committee may delegate pre-approval authority to the Chair subject to later review and approval by the Committee.
The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent, legal, accounting or other advisors to the extent that such services are permissible under the laws and regulations governing the University. The University shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent advisors.
The Committee shall meet with representatives of the independent auditor to review the annual audit plan and results of the audit.

The Committee shall review and discuss reports from the independent auditor and University administrators on:

(a) All significant accounting principles and judgments used in the preparation of the audited financial statements.
(b) Any significant changes in the selection or application of accounting principles.
(c) All significant alternative treatments of financial information within generally accepted accounting principles that have been discussed with University administrators, the ramifications of the use of such alternative treatments, and the treatment preferred by the independent auditors.
(d) Significant issues relating to the adequacy of the University's internal controls.
(e) Other material written communications between the independent auditor and University administrators.

The Committee shall discuss with the independent auditor the matters required to be discussed by professional auditing standards relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with University administrators.

The Committee shall review and recommend the annual audited financial statements to the Board of Trustees.

Annually, the Committee shall obtain and review a report from the independent auditor regarding:

(a) The independence of the independent auditor, including compliance with GAO's independence standards,
(b) The independent auditor's internal quality-control procedures,
(c) Any material issues raised by the most recent internal quality-control review, or publicly disclosed findings resulting from reviews of public oversight and regulatory bodies or investigations by governmental and regulatory authorities within the preceding five years respecting one or more independent audits carried out by the firm,
(d) Any steps taken to deal with any such issues or findings, and
(e) All relationships between the independent auditor and the University.

The Committee shall evaluate the qualifications, performance and independence of the independent auditor, including the lead partner, and consider whether the accountants' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of University administrators and internal auditors on these matters. The Committee shall present its conclusions with respect to the recommendation of the appointment or retention of the independent auditor to the Board of Trustees annually.

The Committee shall use its best efforts to ensure the Auditor's appointment of the independent auditor includes the rotation of the lead audit partner having primary responsibility for the audit consistent with rules and regulations of the Securities and Exchange Commission.

The Committee shall recommend to the Board policies for the University's hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the University or affiliated entities.

Oversight of the University's Budget

The Committee shall review and recommend the annual operating budget of the University, including the following matters:

- Annual operating budgets, including guidelines and salary pools for faculty and staff
- Changes in tuition and fees
- Room and board rates
- Ordinances, resolutions and other items related to the fiscal management of the University that are proposed by the University's senior administrators.
- The Committee shall receive periodic reporting of actual results as compared with the budgets for operating activities throughout the year, as appropriate.

Oversight of the University's Capital Expenditures

The Committee shall periodically review the University's long-range facilities plan. The Committee shall review and recommend:

- The University's biennial capital budget
- Proposed capital improvements in excess of specified dollar amounts
- Issuance of capital bonds to finance capital projects
- The annual report of gift-funded projects
- Capital improvement contracts, including design and construction
- Real property transactions, including purchase, sale, lease, and easements

The Committee shall receive periodic reporting of actual results as compared with the budget for capital appropriations throughout the year, as appropriate.

Oversight of the University's Investment Policies and Results

The Committee has oversight responsibility for the University's Non-Endowment Investments. The Committee serves as the Investment Committee required by Ohio Revised Code 3345.05.
The responsibilities of the Committee in its role as Investment Committee are:

A. To review the University's Non-Endowment Funds Investment Policy adopted pursuant to Ohio Revised Code 3345.05 and recommend any proposed changes to the Board of Trustees for approval.

B. To meet at least quarterly and review periodic investment reports and advise the Board on investments made in accordance with the University's Non-Endowment Funds Investment Policy.

C. To review the University's Non-Endowment Funds Annual Expenditure Policy and recommend any proposed changes to the Board of Trustees for approval.

D. To retain the services of an investment advisor who meets the qualifications of Ohio Revised Code 3345.05.

E. To report to the Board of Trustees at least semi-annually.

The Committee also reviews the University's Endowment. The Committee reviews and recommends any proposed changes to the Endowment Spending Policy and Endowment Administrative Fee to the Board of Trustees for approval. The Committee reviews periodic Endowment investment reports.

Oversight of the University's Retirement Plans

The Committee has oversight and monitoring responsibility for the University's sponsored retirement plans. The Board of Trustees has delegated primary fiduciary responsibility for the University's sponsored retirement plans to the Senior Vice President for Finance and Business Services and Treasurer. The Senior Vice President for Finance and Business Services and Treasurer shall meet with the Committee at least once annually to review with the Committee any significant changes in the material terms of the plans; the selection, evaluation or removal of approved retirement plan providers; the investment performance under the plans; any changes to the funding structure or investment options under the plans; and any other material information relating to the administration of the plans or their investments.

Oversight of Internal Audit Activities

The Committee shall review the appointment and replacement of the Director of Internal Audit and Consulting Services (IACS). The Director of IACS shall present to the Committee the annual plan and scope of internal audit activities, budget and staffing for the current year and shall review any significant changes during the year. The Director of IACS shall review all significant issues raised in reports to University administrators, including the administrators' responses to internal audit recommendations. The Committee shall approve the IACS Charter; meet separately on a periodic basis with the Director; ensure there are no restrictions or limitations on the scope of work of IACS; and review the Director's annual performance as part of approving the annual compensation of the Director.

Oversight of Compliance Processes

The Committee shall review annually reports from the General Counsel regarding compliance with University policies, including ethical conduct requirements and other applicable state and federal laws and regulations, including any material reports or inquiries from regulatory or governmental agencies. The General Counsel shall discuss with the Committee any legal, compliance or regulatory matters that may have a material impact on the University's financial statements.

The Committee shall review and approve procedures recommended by the General Counsel regarding the receipt, retention, and treatment of communications received by the University regarding compliance with the University's policies, including ethical conduct requirements and other applicable laws and regulations, accounting, internal controls or auditing matters. The General Counsel shall provide periodic reports to the Committee regarding any such communications received by the University and resolution thereof.

Risk Assessment

At least annually, the Committee shall review reports from the University administrators regarding risk assessment, which is the University's identification and analysis of relevant risks to the achievement of its objectives, including plans for managing the risk.

Other Matters

The Committee shall make regular reports to the Board of Trustees. The Committee shall review and assess the adequacy of this Charter annually and shall submit any proposed changes to the Board of

Trustees for approval. The Committee shall annually review its own performance.

Resolution R2018-xx

WHEREAS, in April 2009 the Board of Trustees adopted a "non-endowment funds annual expenditure policy" to guide the spending of investment returns following the sharp stock market declines in 2008 and early 2009; and

WHEREAS, the intent at that time was to restore the recent losses and build a sufficient reserve to protect future spending from investment returns; and

WHEREAS, the investment fluctuation balance (reserve) has largely been restored allowing for greater flexibility in setting the annual budget spending plan.

NOW THEREFORE BE IT RESOLVED: that the Board of Trustees adopts the Non-Endowment Funds Annual Expenditure Policy as amended.

MIAMI UNIVERSITY
NON-ENDOWMENT FUNDS ANNUAL EXPENDITURES POLICY
December 2017

A. The annual investment earnings derived from the Miami University Non-Endowment Fund contribute to the university's non-operating revenues budget. The underlying investments are guided by the Non-Endowment Funds Investment Policy.

B. A reserve for investment fluctuations will be maintained in order to buffer the portfolio from short-term capital market fluctuations. The target balance of the reserve for future investment fluctuations is the amount of the statistical maximum drawdown[1] of the previous fiscal year-end Non-endowment pool, plus one year of budgeted Non-endowment fund investment earnings.

C. Each year, the University budget office shall budget investment earnings based upon a reasonable assessment of the interest rate and capital markets environment and any underfunding of the reserve for investment fluctuations.

D. Any earnings in excess of this budgeted level shall be allocated 100% to the reserve for investment fluctuations, unless otherwise determined by the Board of Trustees.

E. In the event the earnings are short of the budgeted amount, the difference shall be drawn from the reserve for investment fluctuations.

F. This policy shall be reviewed on an annual basis.

[1] Maximum drawdown is calculated by statistically modelling 2.326 standard deviations, providing a 99% confidence interval.

MIAMI UNIVERSITY
NON-ENDOWMENT FUNDS ANNUAL EXPENDITURES POLICY
~~APRIL 2009~~December 2017

A. The annual investment earnings derived from the Miami University Non-Endowment Fund contribute to the university's non-operating revenues budget. The underlying investments are guided by the Non-Endowment Funds Investment Policy.

~~A.~~

~~B. Since it is inherently difficult to accurately budget the annual level of dividends, interest, and realized and unrealized capital gains and losses, the University instead shall rely upon an annual spending policy.~~

~~C.~~B. A reserve for investment fluctuations will be maintained in order to buffer the portfolio from short-term capital market fluctuations. The target balance of the reserve for future investment fluctuations is the amount of the statistical maximum drawdown[1] of the previous fiscal year-end Non-endowment pool, plus one year~~three years~~ of budgeted Non-endowment fund investment earnings.

C. Each year, the University budget office shall budget investment earnings based upon a reasonable assessment of the interest rate and capital markets environment and any underfunding of the reserve for investment fluctuations.

~~D. as 3.50% of the average of the last 4-quarter balances of the total Non-Endowment Fund as of March 31. If the balance of the reserve investment fluctuations is less than the budgeted amount of investment earnings, then the investment earnings budget target rate of 3.50% shall be reduced by up to 1.25 percentage points.~~

D. Any earnings in excess of this budgeted level shall be allocated 100% to the reserve for investment fluctuations, unless otherwise determined by the Board of Trustees.

~~E. as follows:~~

~~a. If the reserve for future investment fluctuations is below its target balance (as described above), then 100% of the surplus earnings shall be used to replenish this reserve, until it reaches the target balance;~~

~~b. Once the reserve for future investment fluctuations target is attained,~~

~~i. 50% of the remaining surplus shall be allocated to the University Education & General fund (E&G) to be applied to projects as approved by the Finance & Audit Committee of the Board of Trustees~~

~~ii. 50% of the remaining surplus shall be retained in the Non-Endowment Fund with the intention of growing the total fund balance~~

~~F.~~E. In the event the earnings are short of the budgeted amount, the difference shall be drawn from the reserve for investment fluctuations.

F. This policy shall be reviewed on an annual basis.

~~G.~~ [1] Maximum drawdown is calculated by statistically modelling 2.326 standard deviations, providing a 99% confidence interval.

Miami University
Resolution R201-

WHEREAS, the Board of Trustees adopted Resolution R2015-45 on May 1, 2015 to update and amend the Non-Endowment Investment Policy; and

WHEREAS, the Senior Vice President for Finance and Business Services of the University, with the concurrence of the Investment Sub-committee and the Finance and Audit Committee, has concluded that the risk metrics described in Section C of the Non-endowment Funds Investment Policy are unsuitable in the current economic and capital market environment; and

WHEREAS, the Senior Vice President for Finance and Business Services of the University, with the concurrence of the Investment Sub-committee and the Finance and Audit Committee, recommends that Section C be suspended until the Investment Sub-committee develops an updated Non-endowment Funds Investment Policy; and

NOW, THEREFORE BE IT RESOLVED: The Board of Trustees approves the Suspension of Section C of the Non-Endowment Funds Investment Policy.

BE IT FURTHER RESOLVED: The suspension of Section C shall remain in effect until new investment objective and risk parameters can be adopted by the Investment Sub-Committee of the Finance and Audit Committee.

NON-ENDOWMENT FUNDS INVESTMENT POLICY
MIAMI UNIVERSITY
Updated May 2015

A. All university funds derived from the sources enumerated in Ohio Revised Code 3345.05 (A) (hereinafter referred to as Non-Endowment Funds) shall for investment purposes be designated into one of three pools: 1) University's Operating Cash pool; 2) University's Core Cash pool; and 3) University's Long-Term Capital pool. In addition, the Miami University Board of Trustees may designate some of these funds as quasi-endowments, which for investment purposes shall be invested in the University's endowment pool according to the endowment investment policy (Appendix A).

B. The investment of the remaining Non-Endowment Funds shall be made with an average of at least twenty-five percent of the average amount of the investment portfolio over the course of the previous fiscal year invested in securities of the United States government or of its agencies or instrumentalities, the treasurer of the state's pooled investment program, obligations of this state or any political subdivision of this state, certificates of deposit of any national bank located in this state, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system, as a reserve.

C. The investment of Non-Endowment Funds will be guided by the objective of earning market rates of return while accepting a low level of market risk. The portfolio's asset allocation will be statistically modeled using historical and projected risk and return characteristics of the portfolio's asset classes. The portfolio will be constructed so that the statistical models project a 15% or lower probability of loss in any one year, and a projected one-year worst-case loss of 5% or less.

D. The investment allocation objectives and instruments of each pool shall be:

- Operating Cash
  - Objective: To meet the day-to-day cash obligations of the University.
  - Investments: Short-term U.S. Treasury and government agency securities, commercial and bank paper, and AAA-rated corporate fixed income securities, with an average weighted maturity of less than one year.
- Core Cash
  - Objective: To provide a liquid source of funds in the event the Operating Cash pool is insufficient to meet the University's cash needs.
  - Investments: Intermediate-term fixed income investments in U.S. Treasury and government agency securities, corporate fixed income securities rated A or better, and commercial and bank paper, with an average weighted maturity of between one and five years.

- Long-Term Capital
    - Objective: To optimize earned income on long-term funds which would be expended by the University in the unlikely event of severe financial exigency.

    - Investments: The primary determinant of allocation will be the risk parameters established in paragraph C.

E. Asset allocation target ranges will be:

    Operating Cash: between two and six months of projected cash needs.
    Core Cash: between two and six months of projected cash needs.
    Long-Term Capital: funds in excess of the amounts needed for operating and core cash purposes.

F. Rebalancing may occur at the discretion of the Treasurer, as conditions dictate.

G. The Board of Trustees' Finance and Audit Committee shall serve as the Investment Committee required by Ohio Revised Code 3345.05. The Committee may retain the services of an investment advisor who satisfies the requirements of Ohio Revised Code Section 3345.05 (D) (1) and may delegate implementation of this policy to an investment subcommittee comprised of Board members and university employees. The Investment Committee shall report at least semi-annually to the Board.

H. All fiduciaries are required to discharge their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

APPENDIX A

MIAMI UNIVERSITY FOUNDATION
INVESTMENT POLICY
FEBRUARY 2014

The Directors of the Miami University Foundation recognize their responsibility to prudently manage the funds that have been and will be given to the Foundation. Spending from these funds is intended to benefit Miami University in perpetuity; therefore, the Foundation's investment policy, built upon the Foundation's Core Investment Philosophy, is intended to protect the principal of the funds and to produce maximum total return without assuming inappropriate risks.

GOALS

The Directors hereby affirm the following goals for the Foundation's investment portfolio:

1) To maintain a proper balance between the preservation of principal, the total return available for spending, and the enhancement of the value of the funds.

2) To maintain a spending rate that protects the real value of the principal, thereby preserving intergenerational equity.

3) To provide investment returns which are sufficient to meet the Endowment's spending requirements while remaining within an acceptable level of volatility, as determined by the Endowment's Asset Allocation Policy.

OBJECTIVES

The Directors' primary objective is to target a long-term risk adjusted return that exceeds the sum of the annual spending rate, the long-term inflation rate, and operating fees and expenses.

Due to the long-term investment horizon of the Foundation's funds, the Directors recognize that the portfolio can tolerate some year-to-year fluctuations in returns. The Directors also acknowledge that the values of the variables in the target rate of return, along with expectations for future rates of return, will vary over time. However, the portfolio is modeled such that it plans to achieve its objective over a complete business cycle, with excess returns providing real growth in the fund.

While recognizing that short term volatility accompanies the pursuit of long term returns, the Directors also acknowledge the importance of the annual Endowment distribution to Miami University, its students, and faculty. The Directors will endeavor to strike a prudent balance between these potentially conflicting short and long term objectives.

PORTFOLIO MANAGEMENT

Oversight and direction of the Foundation's investment portfolio shall be the responsibility of the Investment Committee of the Foundation Board of Directors. The Investment Committee will establish an asset allocation policy designed to achieve the Foundation's investment goals and objectives. The asset allocation policy may be updated from time to time, as circumstances and capital market expectations warrant.

The Investment Committee does not view its role as one of making individual investment decisions. Decisions on specific investments will be made by advisors and managers. The investment managers will be jointly recommended by the Foundation's Chief Investment Officer and external investment consultant, and approved by the Investment Committee. These managers will comprise a variety of investment strategies to implement the Asset Allocation Policy.

In managing and investing the Foundation's pooled fund, the following factors shall be considered:

1) General economic conditions;
2) The possible effect of inflation or deflation;
3) The role that each investment or course of action plays within the overall investment portfolio of the fund;
4) The expected total return from income and the appreciation of investments;
5) Other resources of the Miami University Foundation;
6) The need of the Miami University Foundation and of the fund to make distributions and preserve capital;
7) An asset's special relationship or special value, if any, to the purposes of Miami University Foundation.

Management and investment decisions shall be made not in isolation but rather in the context of the Miami University Foundation's portfolio of investments as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the fund and to the Foundation. In considering these factors, the investment committee may rely on the advice of external financial experts.

The Investment Committee will regularly review the strategy and performance of the Foundation investment managers. Any change in investment philosophy, style, or a significant departure from past procedure by an investment manager will be reviewed by the Committee.

The Investment Committee has the authority to invest new funds and to rebalance the investment portfolio among the managers, with the objective of maintaining the Foundation's adherence to its asset allocation target ranges.

OCIO Authorization R2018-xx

WHEREAS, The Miami University Board of Trustees (Board) is responsible for managing all of the University's investments and cash; and

WHEREAS, the Board is authorized under Ohio law to delegate trust duties with respect to its investments and cash; and

WHEREAS, the University and the Miami University Foundation (Foundation) are parties to a Pooled Investment Agreement dated July 1, 2011, as amended July 1, 2015 (Pooled Investment Agreement), under which the University, as Trustee, transferred title to the University's endowment funds (Endowed Funds) and quasi-endowment funds (Quasi-Endowed Funds), to the Foundation, in trust, for the Foundation to hold, manage and invest along with the Foundation's pooled investment funds (collectively, Pooled Investment Fund) in accordance with specified standards of care; and

WHEREAS, the University and the Foundation agree that the Foundation may more effectively discharge its obligations to the University (as well as its own investments and asset management) by engaging independent management with an expertise in institutional investment on behalf of university and foundation clients, also known as an "Outside Chief Investment Officer" (OCIO), to manage and invest the Pooled Investment Fund; and

WHEREAS, the University will participate, in the diligence and selection process of an OCIO and contract negotiations and agreement upon final terms with an OCIO (collectively, University Oversight Function); and

WHEREAS, the University wishes to delegate the University Oversight Function to the chair of the Board's Investment Subcommittee and the Senior Vice President for Finance and Business Services and Treasurer (the Delegates), to be discharged by the Delegates in their sole discretion and consistent with their prescribed duties and obligations; and

WHEREAS, in order to effectuate the foregoing, the Board wishes to permit the Foundation to assign the Pooled Investment Agreement, and its duties thereunder, in whole or in part, to an OCIO, together with such amendments or modifications thereof to the Pooled Investment Agreement as the Delegates believe necessary or appropriate to effectuate the OCIO Agreement (as defined below), if any, without the prior written consent of the University;

NOW THEREFORE BE IT RESOLVED: The Board authorizes and approves the University's continued participation in the Pooled Investment Agreement (to be assigned as authorized below) and the Foundation's intention to engage an OCIO to manage and invest the Pooled Investment Fund;

NOW THEREFORE BE IT FURTHER RESOLVED: The Board authorizes and approves the University's undertaking of the University Oversight Function, with the understanding that the Foundation will retain its duties and obligations for all matters relating to the solicitation and evaluation of an OCIO;

NOW THEREFORE BE IT FURTHER RESOLVED: The Board hereby authorizes and approves the Delegates, and each of them severally, on behalf of the University, to discharge the University Oversight Function, in their sole discretion and consistent with their prescribed duties and obligations;

NOW THEREFORE BE IT FURTHER RESOLVED: In the event that the Foundation determines to engage an OCIO, the University hereby authorizes and approves of:

(i) an assignment, in form and content as deemed acceptable by the Delegates and approved in writing by the University's General Counsel, of the Pooled Investment Agreement to permit the Foundation to assign the Pooled Investment Agreement, and its duties or other terms thereunder, in whole or in part, to an OCIO, along with other related agreements and undertakings, if any, (collectively, the OCIO Agreement);

(ii) the execution of the OCIO Agreement, in form and content acceptable to the Delegates and approved in writing by the University's General Counsel, together with such amendments or modifications of the Pooled Investment Agreement as the Delegates believe necessary or appropriate to effectuate the OCIO Agreement; and

(iii) such other actions, consents. agreements, instructions or undertakings or other matters of any kind, to be made in the name or on the University's behalf, as the Delegates, with the written approval of the University's General Counsel, believes to be necessary or appropriate;

in each case without the requirement of any further action, consent or approval thereof by the Board; and

NOW THEREFORE BE IT FURTHER RESOLVED: The Delegates, and each of them, is hereby authorized and directed to sign or certify any and all actions, consents. agreements, instructions or undertakings of any kind of any kind, and to take all such actions or furnish all such instructions as they determine to be necessary or appropriate in their sole discretion, in the name of and on behalf of the University and the Board, in connection with the foregoing resolutions.

DRAFT					
Forward Twelve Month Agenda					
Agenda Item	December Fall Meeting	February Winter Meeting	April Spring Meeting	June End of Year Meeting	September Beginning of Year Meeting
Committee Structure:					
• Committee Priority Agenda	x	x	x	x	x
• Committee Self-Assessment				x	
Strategic Matters and Significant Topics Affecting Miami:					
• Annual Campaign Update					
• Annual Report on the State of IT			x		
• Health Benefit Strategic Indicators			x		
• New Revenue Initiatives				x	
• Strategic Initiatives Fund	x				
Regular Agenda Items:					
• Enrollment Report	x	x	x	x	x
• Report on Year-to-Date Operating Results	x	x	x	x	
• Approval of Minutes of Previous Meeting	x	x	x	x	x
• Annual Report on Operating Results					x
Finance and Accounting Agenda Items:					
• Budget Planning for New Year		x	x		
• Long-term Budget Plan	x			x	
• Appropriation Ordinance (Budget)				x	
• Tuition and Fee Ordinance	x	x		x	
• Miscellaneous Fee Ordinance				x	
• Room and Board Ordinance		x			
• Review of Financial Statements	x				x
• Annual State of Ohio Fiscal Watch Report			x		
• PMBA Tuition Proposal	x				
• Regional Campuses Long-term Budget Plan				x	
• Regional Campuses Tuition Guarantee		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	
Investment Agenda:					
• Semi-Annual Review of Investment Performance		x			
Facilities Agenda:					
• Approval of Six-Year Capital Plan (every other year)	x				x
• Facilities Condition Report			x		
• Annual Report of Gift-Funded Projects		x			
• Status of Capital Projects	x	x	x	x	x
Routine Reports:					
• University Advancement Update	x	x	x	x	x
• Cash and Investments Report	x		x	x	x
• Lean Project Summary	x	x	x	x	x

Reporting Update
Item 1

Board of Trustees

December 8, 2017

MIAMI UNIVERSITY

University Advancement Report

Tom Herbert, J.D.

Senior Vice President, University Advancement

President, Miami University Foundation

MIAMI UNIVERSITY

Topics

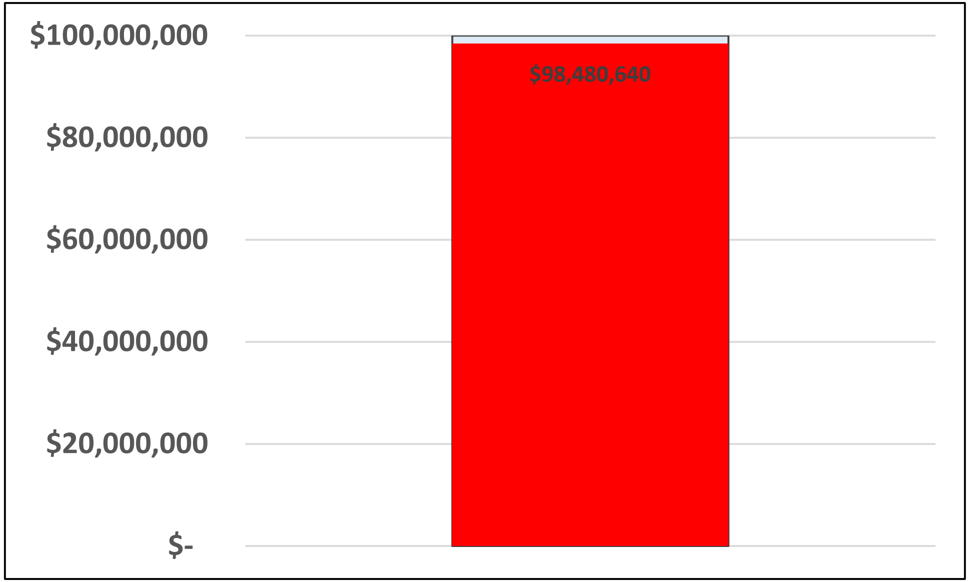
- FY’17 Final Results
- FY’18 Progress to date
- Campaign Progress Report

FY’17 Final Results

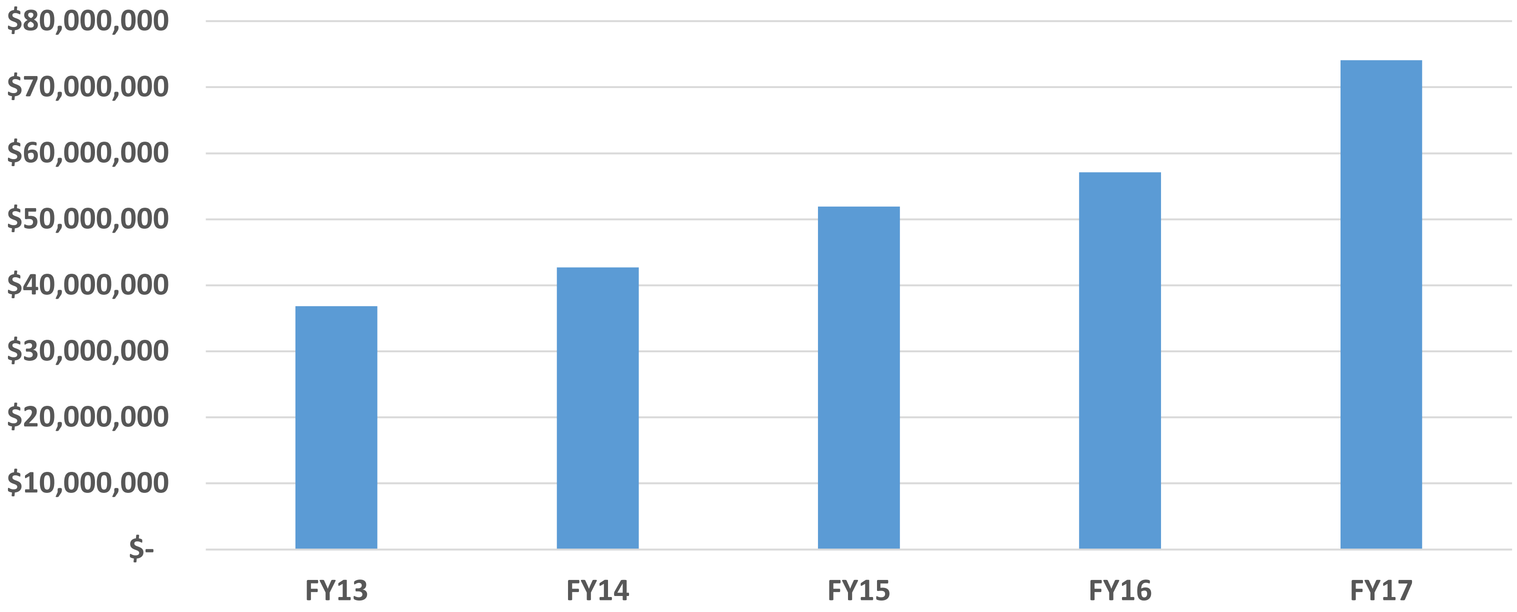
FY’17 Final Results

- FY’17:
  - Goal: $100,000,000
  - Raised: $98,480,640 (98.5% of goal)
- Three-year rolling averages:
  - FY’13: $36.8 million
  - FY’14: $42.7 million
  - FY’15: $51.9 million
  - FY’16: $57.1 million
  - FY’17: $74.3 million

FY'17 Final Results



Three-year rolling averages



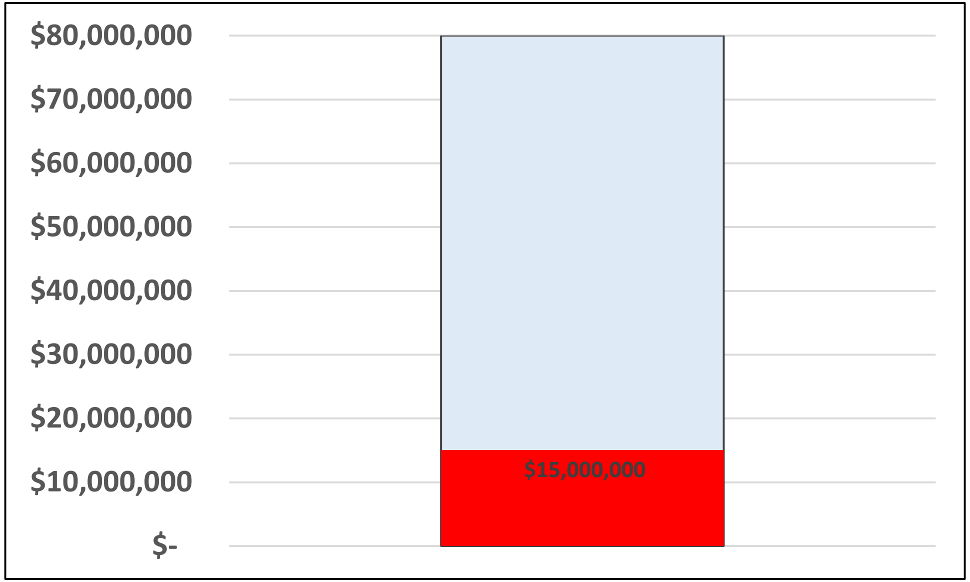
MIAMI UNIVERSITY

FY’18 Progress to date

FY’18 Progress to date

- FY’18 to date:
  - Goal: $80 million
  - Raised to date: $15,000,000 (19% of goal)

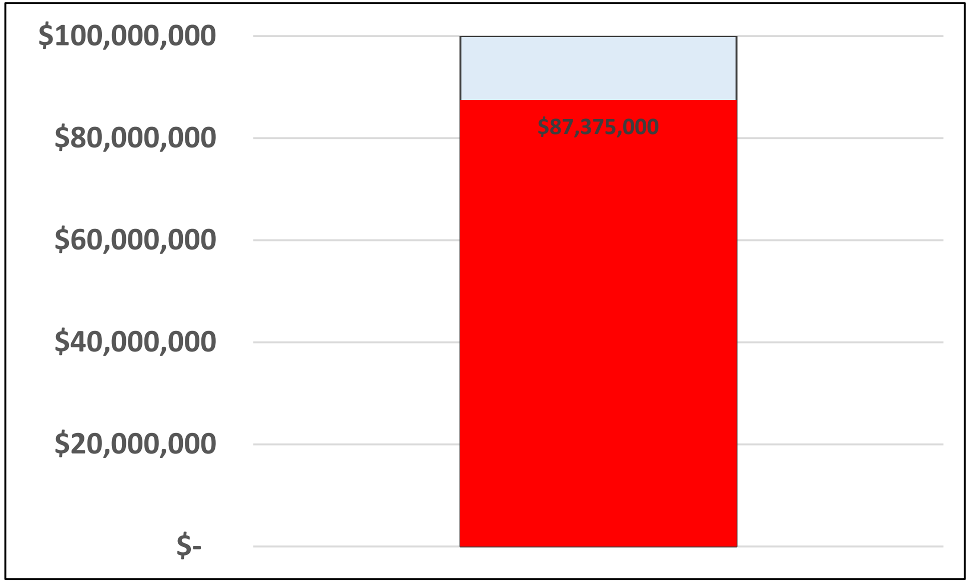
FY’18 Progress to date



Miami Promise Scholarship Campaign Goals

- FY’15: $18.0 million -- $19.8 million raised
- FY’16: $18.0 million -- $30.3 million raised
- FY’17: $18.7 million -- $29.4 million raised
- FY’18: $20.7 million -- $7.9 million raised to date
- FY’19: $24.6 million

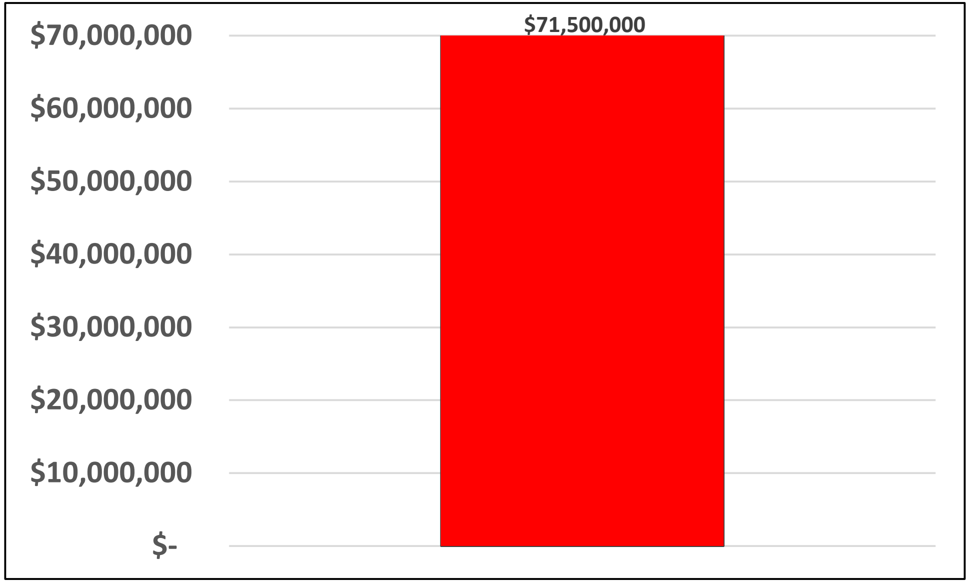
Miami Promise Scholarship Campaign



Graduating Champions Campaign

- Goal: $70 million
- Raised: $71.5 million to date

Graduating Champions Campaign

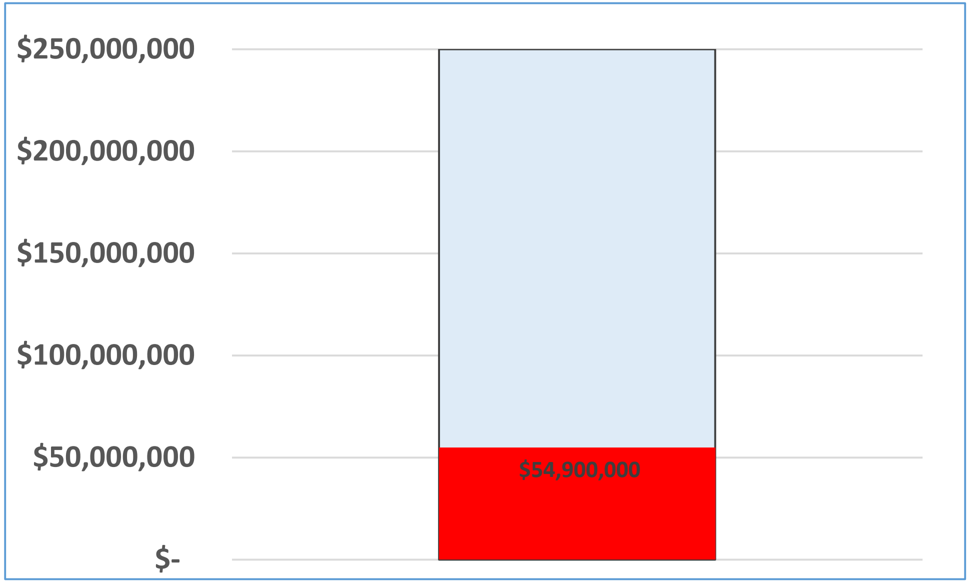


MIAMI UNIVERSITY

Farmer School of Business Campaign

- Five year campaign for $250 million
- Timeline: July 1, 2016 – June 30, 2021
- Silent phase
- $54.9 million raised to date

Farmer School of Business Campaign

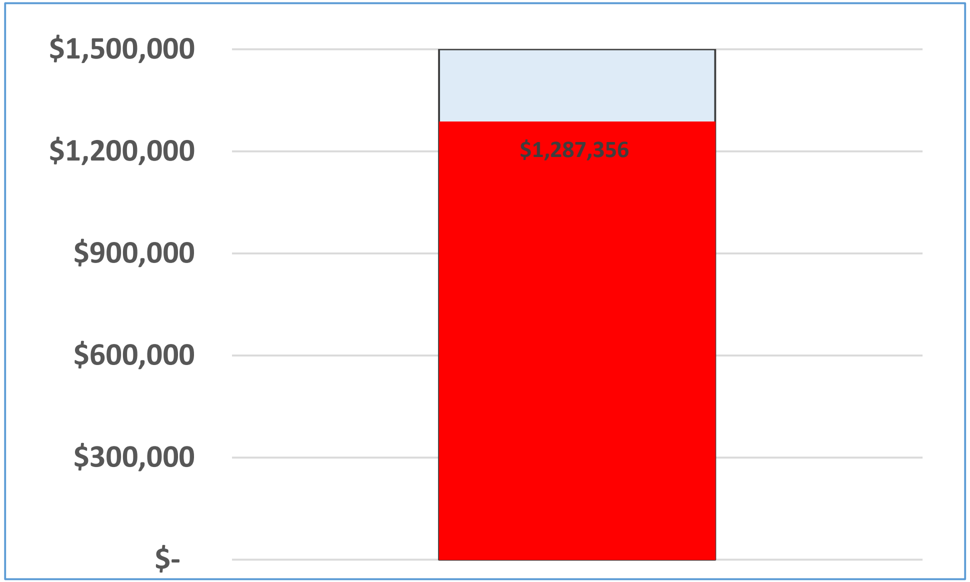


MIAMI UNIVERSITY

The Humanities Center

- Fundraising target: $1.5 million (NEH Challenge Grant, by July ’19)
- Met or surpassed all goals so far: FY’16, FY’17, FY’18
- To date, have raised $1,287,356
- $212,644 to raise (by July 2019) to complete the challenge

The Humanities Center



Campaign Progress Report

MIAMI UNIVERSITY

Campaign Progress Report

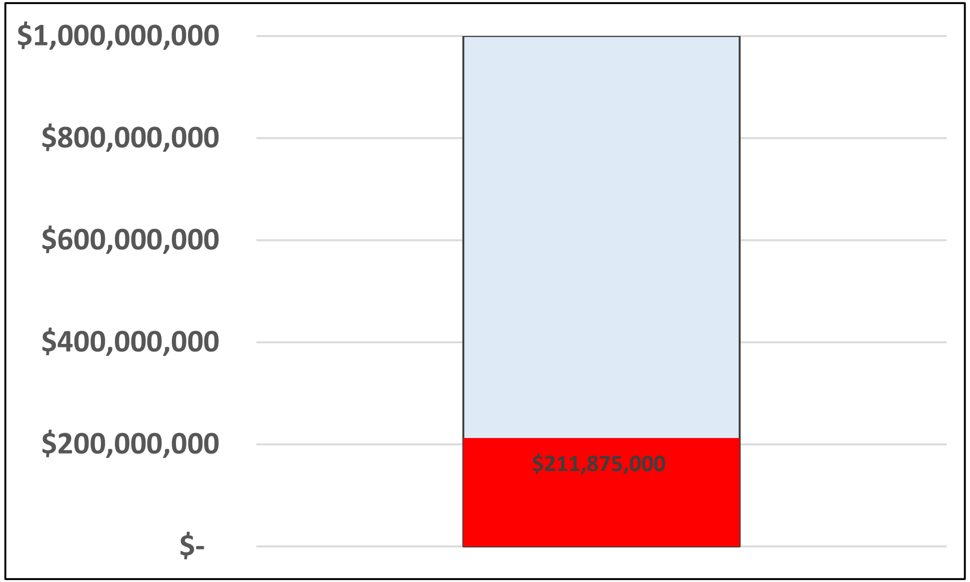
- Fundraising Progress
- Campaign Volunteer Structures
- Update on staffing plans
- IT
  - Banner 9 Implementation
  - Reeher expansion
  - Prospect Research Review
  - Campaign Dashboard
  - Data Governance

MIAMI UNIVERSITY

Campaign Progress Report

- Campaign to date:
  - Goal: $1 billion
  - Raised to date: $211,875,000 (21% of goal)

Campaign Progress Report



Campaign Volunteer Structures

National Campaign Working Committee: **Spring 2018**

- Early Stage/silent phase
- Prospect and Volunteer Identification and Cultivation
- 18 months - 2 years in duration
- Meet at least every 4-6 months

Campaign Volunteer Structures

National Campaign Steering Committee: **Spring 2020**

- Public Phase
- Highly visible endorsement of the campaign and its priorities
- Host/sponsor campaign events
- Ongoing assistance with identification, cultivation and possible solicitation

Campaign Volunteer Structures

National Campaign Steering Committee (con't)

» 3-4 years in duration

» Meet at least every 4-6 months

» Foundation Board representation

Campaign Volunteer Structures

Regional Campaign Committees: **Spring 2021**

- Public Phase
- Assist directly with their region
- Work with regional alumni chapters
- Meet every 4-6 months
- Foundation Board representation

Staffing – Senior Staff

Hire a new AVP for Communications, Marketing and Events

- Pool of candidates approved
- Interviews to be scheduled
- Have person in place after January 1st

Staffing – Communications, Marketing, Events

FY'17

» Application Developer III
» Administrative Assistant (classified)

FY'18

» Applications Team Leader
» Two Stats/Analyst
» Two Applications Developer I

Staffing – Communications, Marketing, Events

FY’18 (con’t)

» Data Integrity Specialist
» Technical Specialist (classified)
» Project Manager
» Creative Director

Staffing – Stewardship and Donor Relations

FY’18

- Director of Donor Relations
- Associate Director, Donor Communication
- Associate Director, Accounting
- Associate Director, Volunteer Boards

Staffing – Development

FY’18

» AVP Principal Gifts (Hired)
» AVP Corporate Foundation Relations (Hired)
» SDO Intercollegiate Athletics (Hired)
» Two FSB Associate Directors of Development (Hired)
» Prospect Research Associate (Hired)
» Two Regional Development Officers
» Three Corporate Foundation Relations Officers

Staffing – Alumni Relations

FY'17

- Assistant Director, Groups

FY'18

- Reevaluating future staffing through campus and staff conversations
- Roll out Alumni Mentoring Database

IT Progress

Completed Banner Upgrade to Version 9

» First university division to go-live on Banner 9

» Implementation complete – on time, on budget, full scope

» Dedicated staff effort, strong partnership with central IT

» First step in broader refresh of UA technology platform

IT Progress

Expanded our Reeher contract

» Already working with them for Annual Fund data

» Now also assists with major gift/prospect research

» Another productive collaboration with central IT

IT Progress

Prospect Research Review

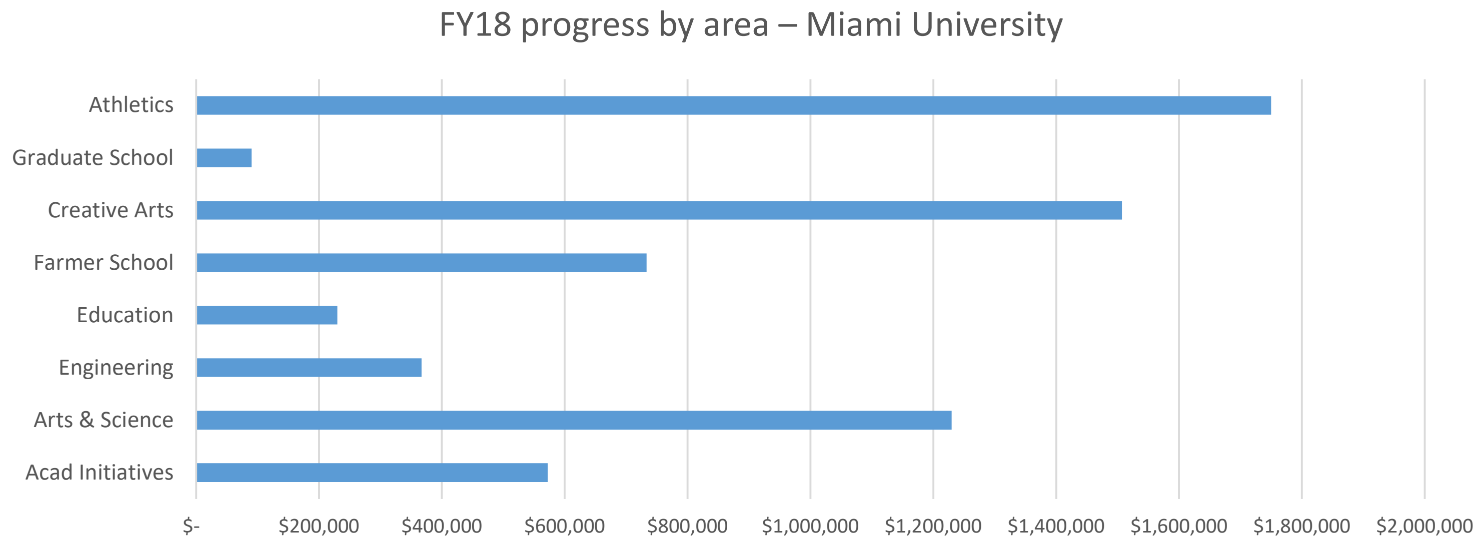
- Outside consultant BWF is hired and in process
  - Reviewing structure of department
  - Prospect identification practices
  - Prospect research practices
  - Baseline data acquisition/analytics

Campaign Dashboard

When finalized, dashboard will show real-time information:

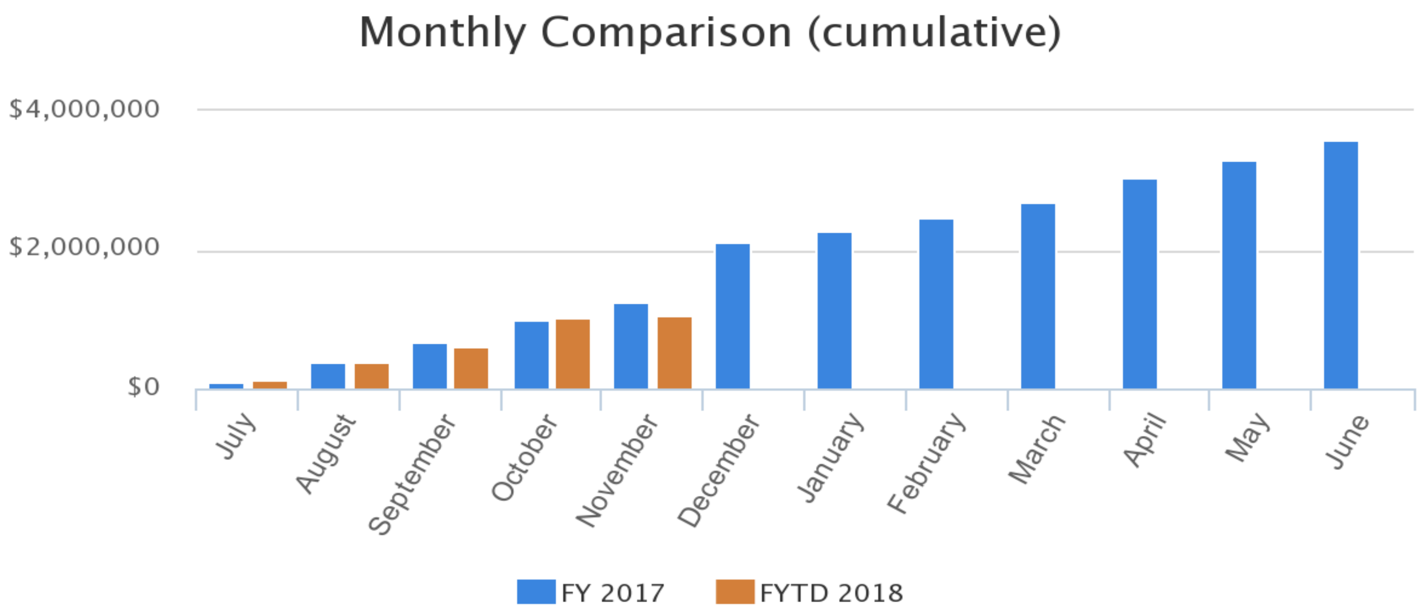
- Current fundraising progress – overall and by college/project
- Cash received – overall and by college/project
- Commitment details – donor, gift type, designation, etc.
- Development Officer activities – visits, proposals, gifts closed, etc.
- **Endowment progress**

Campaign Dashboard – sample report



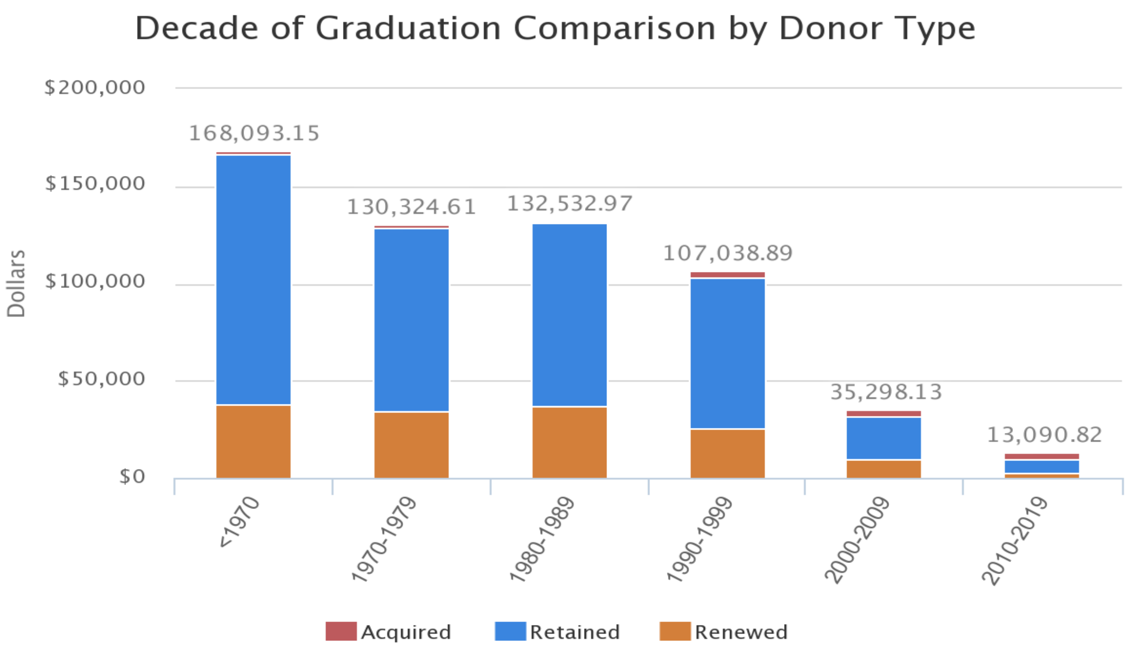
MIAMI UNIVERSITY

Campaign Dashboard – sample report

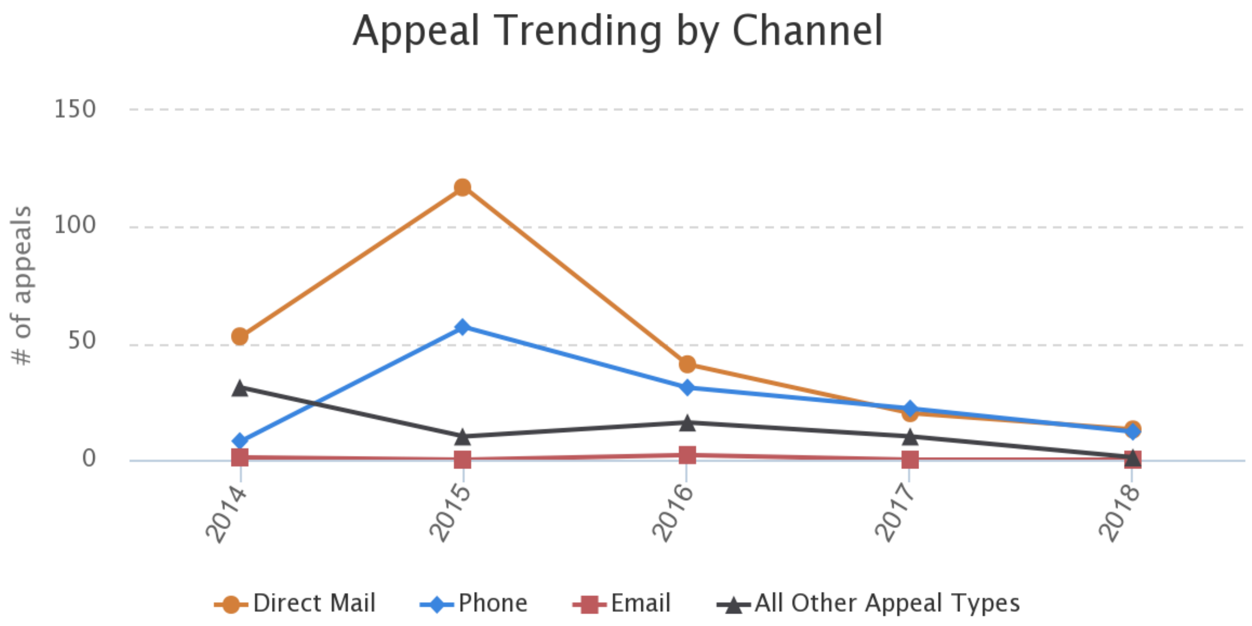


MIAMI UNIVERSITY

Campaign Dashboard – sample report



Campaign Dashboard – sample report



Data Governance

Data Governance answers important operational questions

- » How is Advancement data collected and maintained?
- » Who is responsible for keeping it up-to-date?
- » Are there “authoritative” systems of record?
- » Who needs access to the data – inside and outside of UA?
- » Other key topics – Data Security, Data Privacy, Ethical Use

Data Governance

University Advancement has solid governance foundation

- Well-established systems of record – Banner, Reeher
- Mature internal data management business processes
- Knowledgeable staff

Data Governance

Overcoming the challenge of Distributed Data

- Establish clear data accountability and ownership – implement RACI
- Implement real-time Data Views – eliminate shadow databases
- Improve data quality through automation – Workflow Automation
- Sensitivity and vigilance in addressing “Cultural Change”

All of the activities listed above are currently in flight

University Advancement Report

Questions?

Thank you!

REPORT ON CASH AND INVESTMENTS
Finance and Audit Committee
Miami University
December 7, 2017

Non-Endowment Fund

For the first fiscal quarter ending September 30, 2017, the non-endowment's return was +1.2%. Returns among the absolute return strategies contributed most to performance while public debt strategies in the long-term capital category held up despite a slight pick-up in rates during the quarter. Performance for the calendar year to date was +3.7%, with the absolute return strategies leading the way. A summary of performance is attached.

At September 30, the Operating Cash balance was over $129.7 million after an influx of cash as a result of tuition payments.

Current Funds	**Fair Value**	**% of Portfolio**
Operating Cash:		
Short-term Investments*	$129,742,669	19.8%
Core Cash:		
Intermediate-term Investments	$128,694,071	19.6%
Long-Term Capital:		
Debt Investments**	$128,270,626	19.5%
Absolute Return	$269,760,175	41.1%
Total Long-Term Capital	$398,030,801	60.6%
Total Current Fund Investments	**$656,467,541**	**100.0%**

*includes bank account balances not included on performance report
** includes internal loans

Endowment Fund

The endowment fund preliminary return was +3.2% for the first fiscal quarter ending September 30, 2017. This figure excludes the results for the private capital investments, which report on a significant time lag. Results during the recent quarter reflected solid returns again from global public equity strategies. Please see the attached performance report for additional endowment related details.

The Miami University Foundation Investment Committee next meets in Oxford, OH on November 9.

Bond Project Funds

Construction activity continued steadily through the late summer and early fall. Approximately $19.6 million in draws were made during the September quarter. As of September 30, 2017, the balances were as follows:

Plant Funds

Series 2014 Bond Project Fund	$ 12,063,253
Series 2017 Bond Project Fund	$120,768,852
Total Plant Funds	**$132,832,105**

Attachments

Non-endowment Performance Summary as of 9/30/2017

MUF Treasurer's Report as of 9/30/2017

Miami University Non-Endowment

Summary of Investment Performance

Report for Periods Ending September 30, 2017

				Annualized						
	Qtr	YTD	1Yr	3Yr	5Yr	7Yr	10Yr	Since Inception	Date	Market Value
Total Composite	1.2%	3.7%	4.2%	2.1%	2.6%	2.6%	1.3%	3.3%	*6/02*	*$590,470,506*
Operating Cash	**0.1**	**0.3**	**0.4**	**0.3**	**0.2**	**0.2**	**0.6**	**1.6**	*6/02*	*63,637,949*
U.S. 91-Day Treasury Bills	0.3	0.6	0.7	0.3	0.2	0.2	0.4	1.2		
BlackRock	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-**	**0.1**	*10/08*	*503,239*
U.S. 91-Day Treasury Bills	0.3	0.6	0.7	0.3	0.2	0.2	-	0.2		
Star Ohio	**0.2**	**0.7**	**0.9**	**0.5**	**0.3**	**0.3**	**0.6**	**1.7**	*6/02*	*3,331,945*
U.S. 91-Day Treasury Bills	0.3	0.6	0.7	0.3	0.2	0.2	0.4	1.2		
Chase Savings	**0.1**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**-**	**0.2**	*10/08*	*38,486,250*
U.S. 91-Day Treasury Bills	0.3	0.6	0.7	0.3	0.2	0.2	-	0.2		
STAROhio Plus	**0.1**	**0.3**	**0.4**	**0.3**	**0.2**	**-**	**-**	**0.2**	*7/12*	*1,167,391*
U.S. 91-Day Treasury Bills	0.3	0.6	0.7	0.3	0.2	-	-	0.2		
Huntington ICS	**0.1**	**0.5**	**0.7**	**-**	**-**	**-**	**-**	**0.7**	*9/16*	*20,149,124*
U.S. 91-Day Treasury Bills	0.3	0.6	0.7	-	-	-	-	0.7		
Core Cash	**0.4**	**1.4**	**0.1**	**1.3**	**1.1**	**1.7**	**2.5**	**2.9**	*6/02*	*128,694,071*
Bloomberg Barclays 1-3yr U.S. Govt Index	0.2	0.7	0.3	0.8	0.6	0.7	1.8	2.3		
Bartlett A	**0.2**	**0.7**	**0.1**	**0.7**	**0.5**	**0.7**	**1.7**	**2.2**	*6/02*	*23,351,613*
Bloomberg Barclays 1-3yr U.S. Govt Index	0.2	0.7	0.3	0.8	0.6	0.7	1.8	2.3		
Bartlett B	**0.5**	**1.9**	**-0.2**	**1.8**	**1.3**	**2.1**	**3.6**	**3.7**	*6/02*	*31,352,501*
Bloomberg Barclays 1-3yr U.S. Govt Index	0.2	0.7	0.3	0.8	0.6	0.7	1.8	2.3		
Commonfund Intermediate Bond Fund	**0.4**	**1.1**	**0.5**	**1.1**	**1.1**	**1.7**	**1.6**	**2.3**	*6/02*	*6,234,505*
Bloomberg Barclays 1-5 YR Treasury Index	0.3	1.1	-0.1	1.2	0.8	1.1	2.4	2.7		
M.D. Sass - 3 Year	**0.5**	**1.7**	**-0.1**	**1.6**	**1.4**	**-**	**-**	**2.3**	*1/11*	*31,005,667*
Bloomberg Barclays Interm Govt Bond Index	0.3	1.5	-0.7	1.6	1.0	-	-	1.9		
M.D. Sass - 2 Year	**0.4**	**1.3**	**0.6**	**1.1**	**1.1**	**-**	**-**	**1.1**	*9/12*	*36,749,785*
Bloomberg Barclays Interm Govt Bond Index	0.3	1.5	-0.7	1.6	1.0	-	-	1.0		
Long Term Capital	**1.5**	**5.1**	**6.3**	**2.8**	**4.2**	**4.2**	**1.0**	**4.5**	*6/02*	*398,138,486*
MSCI AC World Index	5.2	17.3	18.6	7.4	10.2	9.2	3.9	7.5		
Bloomberg Barclays US Aggregate Index	0.8	3.1	0.1	2.7	2.1	3.0	4.3	4.5		

Miami University Non-Endowment

Summary of Investment Performance

Report for Periods Ending September 30, 2017

				Annualized						
	Qtr	YTD	1Yr	3Yr	5Yr	7Yr	10Yr	Since Inception	Date	Market Value
Public Debt	**1.0%**	**3.4%**	**4.6%**	**2.8%**	**3.1%**	**3.8%**	**5.3%**	**5.1%**	*6/02*	*$128,270,627*
Bloomberg Barclays US Aggregate Index	0.8	3.1	0.1	2.7	2.1	3.0	4.3	4.5		
Bartlett C	**0.7**	**2.6**	**-0.5**	**2.4**	**1.7**	**2.6**	**4.5**	**4.4**	*6/02*	*23,279,569*
Bloomberg Barclays US Aggregate Index	0.8	3.1	0.1	2.7	2.1	3.0	4.3	4.5		
Beach Point Loan Fund	**0.7**	**1.8**	**2.6**	**3.5**	**-**	**-**	**-**	**3.8**	*1/13*	*29,709,130*
CS Leveraged Loan Index	1.1	3.0	5.4	4.0	-	-	-	4.1		
Commonfund High Quality Bond Fund	**1.0**	**4.0**	**1.2**	**3.3**	**2.9**	**3.9**	**5.3**	**5.3**	*6/02*	*29,217,967*
Bloomberg Barclays US Aggregate Index	0.8	3.1	0.1	2.7	2.1	3.0	4.3	4.5		
Templeton Global Total Return Fund	**1.3**	**4.9**	**13.6**	**2.3**	**3.5**	**-**	**-**	**3.8**	*5/11*	*35,381,067*
Bloomberg Barclays Multiverse TR	1.9	6.6	-0.6	1.6	0.8	-	-	1.6		
Internal Loans	**0.9**	**2.6**	**3.5**	**-**	**-**	**-**	**-**	**2.9**	*3/16*	*10,682,894*

Miami University Non-Endowment

Summary of Investment Performance

Report for Periods Ending September 30, 2017

	Qtr	YTD	1Yr	3Yr (Annualized)	5Yr (Annualized)	7Yr (Annualized)	10Yr (Annualized)	Since Inception (Annualized)	Date	Market Value
Absolute Return	**1.7%**	**6.0%**	**7.1%**	**2.8%**	**5.4%**	**4.7%**	**-0.9%**	**3.7%**	*6/02*	*$269,867,859*
MSCI AC World Index	5.2	17.3	18.6	7.4	10.2	9.2	3.9	7.5		
Bloomberg Barclays US Aggregate Index	0.8	3.1	0.1	2.7	2.1	3.0	4.3	4.5		
ABS Investment Management	**3.3**	**10.5**	**10.8**	**4.6**	**7.1**	**5.6**	**-**	**5.9**	*5/09*	*28,503,749*
MSCI AC World Index	5.2	17.3	18.6	7.4	10.2	9.2	-	10.8		
HFRI Fund of Funds Index	2.3	5.6	6.5	2.2	3.8	2.9	-	3.4		
Beach Point Total Return Fund	**1.6**	**4.3**	**7.0**	**3.6**	**-**	**-**	**-**	**4.9**	*3/13*	*26,003,272*
ICE BofAML High Yield Bond Index	2.0	7.0	9.1	5.9	-	-	-	5.7		
HFRI Event Driven Index	1.9	5.9	9.7	3.7	-	-	-	4.9		
Evanston Weatherlow Fund	**1.9**	**3.2**	**4.1**	**2.3**	**5.2**	**4.4**	**-**	**5.5**	*5/09*	*26,575,772*
HFRI Fund of Funds Index	2.3	5.6	6.5	2.2	3.8	2.9	-	3.4		
S&P 500 Index	4.5	14.2	18.6	10.8	14.2	14.4	-	15.3		
GEM Realty Securities LP	**0.7**	**5.8**	**4.0**	**-**	**-**	**-**	**-**	**-1.2**	*4/15*	*24,279,727*
MSCI U.S. REIT Index	0.6	2.7	-0.7	-	-	-	-	5.3		
HFRI Equity Hedge Index	3.5	9.6	11.0	-	-	-	-	4.1		
Lighthouse Diversified Fund	**1.2**	**3.5**	**4.6**	**3.1**	**5.6**	**5.1**	**-**	**5.1**	*5/10*	*27,766,190*
MSCI AC World Index	5.2	17.3	18.6	7.4	10.2	9.2	-	10.3		
HFRI Fund of Funds Index	2.3	5.6	6.5	2.2	3.8	2.9	-	3.1		
Rimrock High Income PLUS Fund	**0.8**	**4.4**	**8.0**	**1.8**	**-**	**-**	**-**	**1.8**	*9/14*	*26,347,053*
Bloomberg Barclays US Corporate HY Index	2.0	7.0	8.9	5.8	-	-	-	5.8		
Bloomberg Barclays US Aggregate Index	0.8	3.1	0.1	2.7	-	-	-	2.7		
Sandler Offshore	**2.4**	**6.2**	**5.7**	**5.4**	**-**	**-**	**-**	**3.7**	*3/13*	*27,996,604*
MSCI AC World Index	5.2	17.3	18.6	7.4	-	-	-	9.2		
HFRI Equity Hedge Index	3.5	9.6	11.0	4.6	-	-	-	5.4		
SCS Opportunities	**1.2**	**6.2**	**6.6**	**2.4**	**5.2**	**4.2**	**-**	**4.4**	*5/09*	*27,076,458*
MSCI AC World Index	5.2	17.3	18.6	7.4	10.2	9.2	-	10.8		
HFRI Fund of Funds Index	2.3	5.6	6.5	2.2	3.8	2.9	-	3.4		
SkyBridge Series G	**2.2**	**5.8**	**6.6**	**-0.4**	**4.3**	**-**	**-**	**5.4**	*4/12*	*25,319,846*
MSCI AC World Index	5.2	17.3	18.6	7.4	10.2	-	-	9.8		
HFRI Fund of Funds Index	2.3	5.6	6.5	2.2	3.8	-	-	3.6		
Waterfall Eden Master Fund, Ltd.	**1.8**	**9.6**	**13.4**	**-**	**-**	**-**	**-**	**11.4**	*1/16*	*29,999,188*
HFRI RV: Asset Backed Index	1.7	6.4	8.6	-	-	-	-	7.7		
Bloomberg Barclays Asset Backed Index	0.4	1.6	0.9	-	-	-	-	1.5		

Miami University Non-Endowment

Summary of Investment Performance

Report for Periods Ending September 30, 2017

Footnotes:

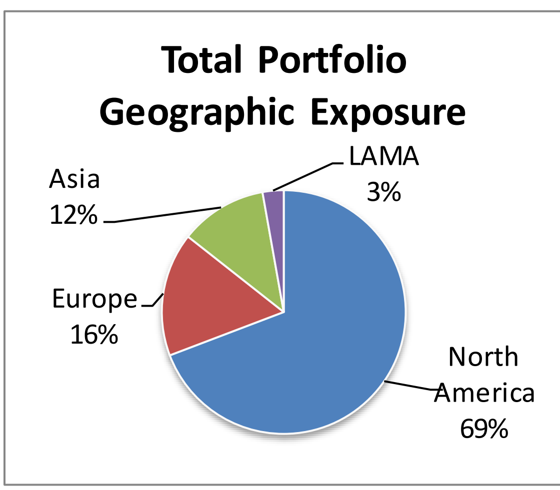
* Performance returns are net of investment management fees.
* Calculated returns may differ from the manager's due to differences in security pricing and/or cash flows.
* Manager and index data represent the most current available at the time of report publication.
* Hedge fund and private capital manager market values and rates of return may be based on estimates and may be revised until completion of an annual audit by the manager.
* For managers and indices that report returns on a lag, 0.0% is utilized for the most recent time period until the actual return data are reported.
* The fiscal year ends in June.

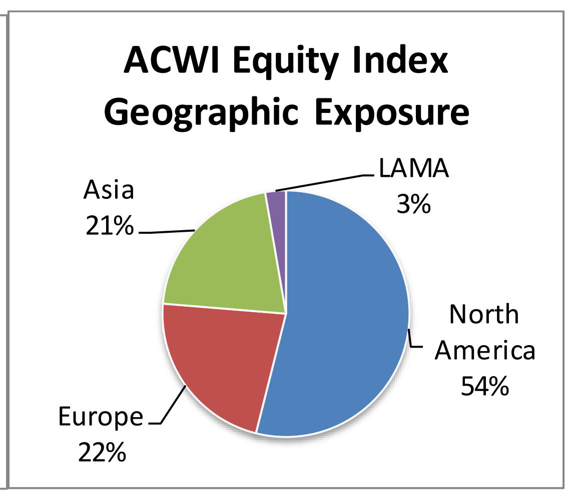
MIAMI UNIVERSITY FOUNDATION
TREASURER'S REPORT
September 30, 2017

The preliminary September 30, 2017 market value for the Miami University Foundation totaled $510,571,110. Most of the private programs have not yet reported September 30 values. The following table summarizes the Foundation's strategic allocation compared with the strategic ranges.

ASSET CATEGORY	MARKET VALUE	% OF TOTAL	STRATEGIC RANGE
Long-Only Global Equity	196,982,526	38.6%	20%-40%
Hedged Equity	26,964,906	5.3%	5%-10%
Private Equity	15,205,437	3.0%	5%-10%
Global Equity	**239,152,868**	**46.8%**	**35% - 55%**
Interest Rate Sensitive	49,043,680	9.6%	5%-20%
Credit Sensitive	43,972,558	8.6%	5%-20%
Global Debt	**93,016,237**	**18.2%**	**10% - 30%**
Natural Resources	44,676,380	8.8%	5%-20%
Real Estate	26,920,168	5.3%	5%-10%
Global Real Assets	**71,596,548**	**14.0%**	**10% - 30%**
Diversifying Strategies	**88,544,201**	**17.3%**	**5% - 25%**
Cash	**18,261,256**	**3.6%**	**0%-10%**
Total Portfolio	**510,571,110**	**100%**	

LIQUIDITY							
	Global Equity	Global Debt	Real Assets	Diversifying Strategies	Cash	**Total by Liquidity**	**Policy**
Liquid (< quarter)	38.6%	9.6%	1.1%	2.4%	3.6%	**55.2%**	**40% min**
Semi Liquid (> quarter)	3.6%	6.0%	2.6%	10.4%		**22.7%**	**40% max**
Illiquid (> 2 years)	4.6%	2.6%	10.3%	4.5%		**22.1%**	**35% max**
Total by Category	**46.8%**	**18.2%**	**14.0%**	**17.3%**	**3.6%**	**100.0%**	





During the first quarter of fiscal year 2017, the value of the combined endowment investment pool decreased from $512.4 million to $510.6 million due to annual distributions. The fiscal year 2017 endowment, under the new endowment spending policy, distributed about $15.5 million. The administrative fee was about $4.2 million. Preliminary investment returns were positive for the quarter. New cash gifts to the Miami University and the Miami University Foundation endowments totaled $1,777,173 for the quarter.

The Investment Committee met in September in New York, NY. The Committee endorsed plans to make an addition to its exiting Master Limited Partnerships investment, a rare investment area where valuations currently appear attractive. These companies primarily provide transportation and storage for domestic oil and gas production.

The committee will next meet in Oxford, OH on November 8, 2017.

Preliminary investment returns were 3.2% for the September quarter, excluding the private programs which report on a significant time lag. Investment performance for the recent quarter was driven largely by global public equity strategies.

The tables on the following pages report each underlying manager's returns for multiple time periods, including the preliminary first fiscal quarter.

Respectfully submitted,

Ellen Schubert
Treasurer

Miami University Foundation

Summary of Allocation and Performance

Report For Periods Ending September 30, 2017

Current Allocation	Market Value		Qtr.	Cal. YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Since Inception	Inception Date
					---- Annualized ----						
100%	**$ 510,168,639**	**Total Composite**	**2.7**	**9.0**	**10.1**	**3.7**	**6.2**	**6.1**	**3.1**	**8.8**	**4/93**
		MUF Custom Index [1]	*2.5*	*8.7*	*11.1*	*4.3*	*6.8*	*6.9*	*3.7*	-	
		Global 60/40	*3.4*	*11.4*	*10.9*	*5.7*	*7.0*	*6.8*	*4.4*	*6.2*	
		CPI + 5%	*2.2*	*5.2*	*7.3*	*6.3*	*6.3*	*6.8*	*6.7*	*7.2*	
84.2%	$ 429,416,447	**Total Composite ex. Private Capital**	**3.2**	**10.3**	**11.3**	**4.4**	**6.5**	**6.0**	**3.4**	**6.2**	**12/96**
		Global 60/40	*3.4*	*11.4*	*10.9*	*5.7*	*7.0*	*6.8*	*4.4*	*6.2*	
46.8%	$ 238,686,506	**Global Equity**	**4.6**	**17.2**	**16.9**	**7.4**	**9.1**	**8.3**	**4.3**	**9.5**	**4/93**
		Global Equity Benchmark [2]	*4.1*	*14.8*	*16.4*	*7.9*	*10.4*	*9.5*	*4.9*	*9.4*	
43.9%	$ 223,947,431	**Global Equity ex. Private Equity**	**5.0**	**18.2**	**17.5**	**7.5**	**8.7**	**7.6**	**3.7**	**6.2**	**12/96**
		MSCI AC World Index	*5.2*	*17.3*	*18.6*	*7.4*	*10.2*	*9.2*	*3.9*	*6.3*	
38.6%	$ 196,982,526	**Public Equity**	**5.6**	**21.0**	**20.3**	**8.6**	**9.4**	**8.3**	**3.9**	**6.4**	**12/96**
		MSCI AC World Index	*5.2*	*17.3*	*18.6*	*7.4*	*10.2*	*9.2*	*3.9*	*6.3*	
		S&P 500 Index	*4.5*	*14.2*	*18.6*	*10.8*	*14.2*	*14.4*	*7.4*	*8.1*	
6.2%	$ 31,616,357	Barings	5.0	22.6	19.7	9.5	-	-	-	10.6	**12/12**
		MSCI AC World Index	*5.2*	*17.3*	*18.6*	*7.4*	-	-	-	*10.1*	
4.7%	$ 23,764,450	Harris Oakmark Global Fund	9.0	22.5	31.8	8.1	-	-	-	7.2	**10/13**
		MSCI AC World Index	*5.2*	*17.3*	*18.6*	*7.4*	-	-	-	*7.5*	
2.0%	$ 10,117,482	Highclere International SMID Fund	4.8	-	-	-	-	-	-		**6/17**
		MSCI Small Cap EAFE Index	*7.5*	-	-	-	-	-	-	*7.5*	
6.5%	$ 33,282,139	Northern Trust ACWI IMI Fund	5.4	17.5	-	-	-	-	-	21.4	**10/16**
		MSCI AC World Index	*5.2*	*17.3*	-	-	-	-	-	*20.7*	
6.2%	$ 31,748,965	PIMCO RAE Fundamental Global Inst'l	6.4	16.1	20.9	-	-	-	-	8.3	**3/15**
		MSCI AC World Index	*5.2*	*17.3*	*18.6*	-	-	-	-	*7.8*	
3.4%	$ 17,476,721	Virtus Emerging Opportunities	3.7	27.4	13.1	4.7	4.0	-	-	4.6	**8/11**
		MSCI Emerging Markets Index	*7.9*	*27.8*	*22.5*	*4.9*	*4.0*	-	-	*3.2*	
4.5%	$ 22,947,459	Virtus Global Opportunities	2.9	22.3	20.2	11.2	11.3	-	-	12.2	**10/11**
		MSCI AC World Index	*5.2*	*17.3*	*18.6*	*7.4*	*10.2*	-	-	*10.2*	
5.1%	$ 26,028,953	William Blair Global Leaders Fund	6.9	21.9	18.2	9.3	-	-	-	8.6	**10/13**
		MSCI AC World Index	*5.2*	*17.3*	*18.6*	*7.4*	-	-	-	*7.5*	

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						--- Annualized ---						
5.3%	**$**	**26,964,905**	**Hedged Equity**	**0.4**	**1.1**	**0.7**	**1.0**	**4.3**	**3.5**	**1.5**	**2.7**	**12/01**
			MSCI AC World Index	*5.2*	*17.3*	*18.6*	*7.4*	*10.2*	*9.2*	*3.9*	*6.7*	
			HFRI Equity Hedge Index	*3.6*	*9.8*	*11.1*	*4.6*	*6.3*	*4.9*	*2.9*	*5.2*	
1.6%	$	8,413,727	JHL Capital	-3.2	-3.1	-6.6	-	-	-	-	-4.9	**11/14**
			HFRI Equity Hedge Index	*3.6*	*9.8*	*11.1*	-	-	-	-	*4.8*	
			MSCI AC World Index	*5.2*	*17.3*	*18.6*	-	-	-	-	*7.0*	
2.2%	$	10,978,786	Marble Arch Offshore Fund	2.7	2.5	5.3	-	-	-	-	4.8	**10/14**
			HFRI Equity Hedge Index	*3.6*	*9.8*	*11.1*	-	-	-	-	*4.8*	
			MSCI AC World Index	*5.2*	*17.3*	*18.6*	-	-	-	-	*7.4*	
1.5%	$	7,572,392	Starboard Value	1.4	4.3	3.3	5.8	8.0	-	-	7.4	**4/12**
			HFRI Equity Hedge Index	*3.6*	*9.8*	*11.1*	*4.6*	6.3	-	-	*5.7*	
			Russell 2000 Index	*5.7*	*10.9*	*20.7*	*12.2*	13.8	-	-	*13.3*	
2.9%	**$**	**14,739,075**	**Private Equity**	**0.0**	**6.7**	**9.7**	**5.6**	**10.1**	**11.4**	**7.5**	**13.3**	**4/93**
			Thomson One All Private Equity Index	*0.0*	*7.7*	*10.6*	*9.3*	*11.9*	*11.9*	*7.7*	*14.9*	
			MSCI AC World Index	*5.2*	*17.3*	*18.6*	*7.4*	*10.2*	*9.2*	*3.9*	*7.3*	
0.0%	$	57,111	Commonfund International Private Equity III	0.0	-2.5	-0.5	1.1	0.9	2.4	1.6	2.3	**6/00**
0.0%	$	87,582	Commonfund Private Equity IV	0.0	11.0	15.2	16.4	15.3	17.9	13.3	11.2	**6/00**
0.0%	$	244,924	Commonfund Private Equity V	0.0	6.7	14.3	13.7	12.4	12.9	9.9	-0.8	**3/02**
0.0%	$	136,022	Commonfund Venture Capital IV	0.0	3.9	-0.1	-2.2	-1.1	2.4	2.6	2.8	**3/99**
0.0%	$	180,624	Commonfund Venture Capital V	0.0	-6.0	-12.4	-7.7	-4.8	-2.0	-2.2	-6.4	**1/00**
0.1%	$	579,806	Goldman Sachs Private Equity Offshore 2004	0.0	3.9	5.7	1.6	7.4	8.1	5.7	-2.9	**11/05**
0.8%	$	4,089,352	Goldman Sachs Private Equity Partners IX	0.0	2.9	10.0	9.2	12.2	12.0	1.1	1.1	**8/07**
1.3%	$	6,509,543	Hamilton Lane Co-Investment Fund II	0.0	12.4	14.3	6.7	16.0	18.0	-	4.2	**2/08**
0.3%	$	1,336,476	Hamilton Lane Secondary Fund II	0.0	-4.5	-1.4	-6.4	1.0	5.4	-	4.4	**10/08**
0.0%	$	-	Huron Fund V	-	-	-	-	-	-	-	-	**-**
0.2%	$	944,634	Pomona Capital VI	0.0	7.3	3.4	3.4	3.2	5.7	3.9	-3.9	**9/05**
0.1%	$	573,001	Summit Partners GE IX-A	0.0	-	-	-	-	-	-		**3/17**

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						---- Annualized ----					
18.2%	**$ 93,065,637**	**Global Debt**	**1.0**	**3.9**	**7.0**	**3.0**	**5.6**	**6.0**	**5.1**	**6.8**	**12/96**
		Global Debt Benchmark [3]	*1.3*	*4.6*	*7.3*	*3.0*	*4.9*	*5.0*	*4.5*	*7.1*	
15.6%	**$ 79,686,621**	**Global Debt ex-Private Capital**	**1.1**	**4.0**	**7.2**	**3.5**	**5.3**	**5.9**	**5.8**	**6.1**	**12/96**
		Barclays U.S. Aggregate Bond Index	*0.8*	*3.1*	*0.1*	*2.7*	*2.1*	*3.0*	*4.3*	*5.2*	
9.6%	**$ 49,043,680**	**Interest Rate Sensitive**	0.8	3.1	6.8	0.8	1.9	3.2	4.8	5.7	**12/96**
		Barclays U.S. Aggregate Bond Index	*0.8*	*3.1*	*0.1*	*2.7*	*2.1*	*3.0*	*4.3*	*5.2*	
4.7%	$ 24,141,585	Johnson Investment Institutional Core Bond	0.7	-	-	-	-	-	-	0.6	**5/17**
		Barclays U.S. Aggregate Bond Index	*0.8*	-	-	-	-	-	-	*3.3*	
4.9%	$ 24,902,095	Northern Trust U.S. Aggregate Bond	0.8	3.1	-	-	-	-	-	4.3	**11/16**
		Barclays U.S. Aggregate Bond Index	*0.8*	*3.1*	-	-	-	-	-	*3.3*	
6.0%	**$ 30,642,941**	**Public & Hedged Credit**	2.4	7.2	11.2	6.0	9.5	8.8	8.2	8.7	**6/06**
		ML High Yield Bond	*2.0*	*7.0*	*9.1*	*5.9*	*6.4*	*7.3*	*7.7*	*7.9*	
2.3%	$ 11,705,213	Beach Point Loan Fund	0.7	1.8	2.6	3.5	-	-	-	3.8	**1/13**
		CS Leveraged Loan Index	*1.1*	*3.0*	*5.4*	*4.0*	-	-	-	*4.5*	
3.7%	$ 18,937,728	Golden Tree	2.4	7.2	11.2	6.0	9.5	8.8	8.2	8.7	**6/06**
		ML High Yield Bond Index	*2.0*	*7.0*	*9.1*	*5.9*	*6.4*	*7.3*	*7.7*	*7.9*	
		HFRI Event Driven Index	*2.1*	*6.2*	*10.0*	*3.7*	*5.9*	*5.2*	*4.0*	*4.8*	
2.6%	**$ 13,379,016**	**Private Credit**	**0.0**	**4.2**	**6.3**	**-0.1**	**6.4**	**6.6**	**2.7**	**13.8**	**2/01**
		Thomson One Distressed Index	*0.0*	*7.1*	*11.1*	*6.8*	*9.8*	*10.1*	*7.9*	*11.8*	
0.1%	$ 307,652	Commonfund Distressed Debt II	0.0	0.0	6.5	-8.6	-1.5	-0.5	-2.0	3.3	**6/03**
0.3%	$ 1,362,994	Commonfund Distressed Debt III	0.0	1.8	-0.5	-2.3	3.4	4.0	1.0	0.2	**5/06**
0.6%	$ 2,995,270	Falcon Strategic Partners V	0.0	10.2	15.9	-	-	-	-	6.6	**6/16**
0.7%	$ 3,463,055	Goldman Sachs Distressed Opportunities	0.0	3.0	4.8	1.3	8.3	8.6	-	4.5	**6/08**
0.7%	$ 3,633,235	Maranon Senior Credit Strategy V	0.0	-	-	-	-	-	-	-	**6/17**
0.3%	$ 1,616,810	Yukon Capital Partners III	-	-	-	-	-	-	-	-	**7/17**

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					---------------- Annualized					------------------	
14.0%	**$ 71,599,319**	**Global Real Assets**	**0.4**	**-1.6**	**0.7**	**-5.6**	**0.7**	**2.3**	**-1.3**	**5.0**	**9/95**
		Global Real Assets Benchmark [4]	*0.0*	*2.0*	*7.0*	*-2.3*	*2.6*	*5.1*	*3.5*	*-*	
3.7%	**$ 18,965,218**	**Public Real Assets**	**1.4**	**-6.9**	**-1.4**	**-12.6**	**0.2**	**-**	**-**	**3.6**	**10/11**
		Blended Index [5]	*1.8*	*-1.3*	*0.0*	*-2.9*	*3.3*	*-*	*-*	*5.6*	
		CPI + 5%	*2.2*	*5.2*	*7.3*	*6.3*	*6.3*	*-*	*-*	*6.5*	
2.6%	$ 13,402,142	Eagle Global MLP	-2.8	-10.2	-5.0	-13.8	1.5	-	-	4.8	**10/11**
		Alerian MLP Index	*-3.0*	*-5.6*	*-3.7*	*-12.9*	*-0.6*	*-*	*-*	*1.8*	
1.1%	$ 5,563,076	Victory Global Natural Resources	13.0	1.9	8.6	-8.4	-	-	-	-5.9	**6/13**
		S&P North America Nat'l Resources Index	*7.4*	*-4.4*	*0.4*	*-6.6*	*-*	*-*	*-*	*-0.5*	
10.3%	**$ 52,634,101**	**Private Real Assets**	**0.0**	**0.5**	**1.5**	**-2.5**	**1.3**	**2.4**	**-1.3**	**5.0**	**9/95**
		Thomson One Private Real Estate Index	*0.0*	*8.0*	*9.9*	*10.7*	*12.1*	*11.7*	*3.5*	*10.8*	
		S&P GSSI Natural Resources Index	*7.4*	*-4.4*	*0.4*	*-6.6*	*-0.7*	*1.9*	*-0.4*	*-*	
		NCREIF Timberland Index	*0.0*	*1.5*	*2.7*	*5.0*	*7.0*	*5.3*	*5.1*	*7.4*	
5.3%	**$ 26,922,940**	**Private Real Estate Composite**	**0.0**	**5.1**	**5.2**	**4.3**	**6.5**	**6.7**	**-5.3**	**-11.2**	**5/06**
1.0%	$ 5,265,003	GEM Realty Evergreen	0.0	7.9	10.0	-	-	-	-	5.8	**2/16**
0.3%	$ 1,475,415	Metropolitan Real Estate Partners IV	0.0	6.1	5.3	2.7	5.2	3.1	-4.8	-10.8	**5/06**
0.5%	$ 2,708,576	Penn Square Global Real Estate	0.0	5.3	0.2	-1.5	1.8	3.4	-	-4.1	**1/08**
0.3%	$ 1,364,610	Penn Square Global Real Estate II	0.0	3.0	2.4	8.5	11.3	-43.9	-	-62.7	**2/10**
1.4%	$ 7,363,236	WCP Real Estate IV	0.0	4.3	8.8	-	-	-	-	8.8	**3/15**
1.7%	$ 8,746,100	WCP NewCold	0.0	4.3	-	-	-	-	-	-	**11/16**
5.0%	**$ 25,711,161**	**Private Natural Resources**	**0.0**	**-3.5**	**-1.9**	**-6.1**	**-1.5**	**0.0**	**1.2**	**6.9**	**9/95**
0.0%	$ 40,313	Commonfund Energy III	0.0	-13.1	-10.4	-20.8	-8.6	-1.1	1.5	10.3	**9/95**
0.2%	$ 855,027	Commonfund Natural Resources V	0.0	-8.8	-1.4	-13.7	-3.0	1.1	2.2	-8.8	**9/03**
0.2%	$ 780,070	Commonfund Natural Resources VI	0.0	-12.9	-8.5	-7.1	2.4	4.6	3.4	4.9	**9/05**
0.4%	$ 1,916,384	Commonfund Natural Resources VII	0.0	-4.4	3.9	-9.0	5.5	3.9	2.7	2.6	**1/07**
1.3%	$ 6,459,650	Commonfund Natural Resources VIII	0.0	-5.4	-1.1	-3.1	0.9	0.4	-	0.4	**11/08**
0.4%	$ 1,954,824	Goldman Sachs Concentrated Energy	0.0	8.9	1.4	-19.3	-15.6	-9.0	-	-7.0	**4/08**
0.5%	$ 2,448,944	Rockland Power Partners III	0.0	-	-	-	-	-	-	-	**1/17**
1.2%	$ 6,347,788	Timbervest II	0.0	-3.5	-3.6	-2.0	0.6	-0.3	0.9	1.4	**5/07**
0.7%	$ 3,370,686	Timbervest III	0.0	-1.4	-0.6	0.5	3.9	-	-	3.3	**12/10**
0.3%	$ 1,537,475	VIA Energy Opportunity III-A	0.0	2.4	-	-	-	-	-		**12/16**

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							---------------- Annualized			------------------		
17.4%	**$**	**88,555,921**	**Diversifying Strategies**	**1.8**	**5.2**	**6.9**	**4.1**	**6.1**	**5.4**	**4.7**	**6.5**	**3/04**
			HFRI FOF: Conservative Index +1%	*1.4*	*3.6*	*5.5*	*2.8*	*4.5*	*3.7*	*2.0*	*3.4*	
			Barclays U.S. Aggregate Bond Index	*0.8*	*3.1*	*0.1*	*2.7*	*2.1*	*3.0*	*4.3*	*4.1*	
2.6%	$	13,422,355	Beach Point Total Return	1.6	4.3	7.0	3.6	5.8	-	-	6.0	**8/12**
			ML High Yield Bond Index	*2.0*	*7.0*	*9.1*	*5.9*	6.4	-	-	*6.6*	
			HFRI Event Driven Index	*2.1*	*6.2*	*10.0*	*3.7*	5.9	-	-	*6.1*	
3.0%	$	15,451,716	Canyon	2.7	10.2	12.0	5.5	7.8	7.4	7.3	7.8	**6/06**
			ML High Yield Bond Index	*2.0*	*7.0*	*9.1*	*5.9*	*6.4*	*7.3*	*7.7*	*7.9*	
			HFRI Event Driven Index	*2.1*	*6.2*	*10.0*	*3.7*	*5.9*	*5.2*	*4.0*	*4.8*	
4.8%	$	24,281,909	Evanston Weatherlow Fund	1.9	3.2	4.1	2.3	5.2	4.3	3.4	5.7	**3/04**
			S&P 500 Index	*4.5*	*14.2*	*18.6*	*10.8*	*14.2*	*14.4*	*7.4*	*8.4*	
			Barclays U.S. Aggregate Bond Index	*0.8*	*3.1*	*0.1*	*2.7*	*2.1*	*3.0*	*4.3*	*4.1*	
2.0%	$	10,054,447	Fir Tree International Value Fund	0.4	0.9	3.5	-	-	-	-	8.1	**4/16**
			HFRI Fund Weighted Composite Index	*2.3*	5.9	7.2	-	-	-	-	*7.8*	
			MSCI AC World Index	*5.2*	*17.3*	18.6	-	-	-	-	*16.6*	
2.4%	$	12,206,827	Sandler Capital	2.4	6.2	5.7	5.4	4.1	-	-	3.5	**4/12**
			MSCI AC World Index	*5.2*	*17.3*	*18.6*	*7.4*	10.2	-	-	*9.8*	
			HFRI Equity Hedge Index	*3.6*	*9.8*	*11.1*	*4.6*	6.3	-	-	*5.7*	
2.6%	$	13,138,667	Strategic Value Partners	1.1	5.1	8.7	5.2	-	-	-	7.3	**2/13**
			ML High Yield Bond Index	*2.0*	*7.0*	*9.1*	*5.9*	-	-	-	*5.8*	
			HFRI ED: Distressed Restructuring Index	*1.7*	*4.9*	*10.7*	*2.2*	-	-	-	*4.3*	

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						Annualized						
3.6%	**$**	**18,261,256**	**Cash**	**0.1**	**0.2**	**0.3**	**0.3**	**0.2**	**-**	**-**	**0.2**	**6/11**
			U.S. 91-Day Treasury Bills	*0.3*	*0.6*	*0.7*	*0.3*	*0.2*	*-*	*-*	*0.2*	
0.1%	$	496,083	Star Ohio MUF	0.1	0.4	0.5	0.4	0.3	-	-	0.2	**6/11**
			U.S. 91-Day Treasury Bills	*0.3*	*0.6*	*0.7*	*0.3*	*0.2*	*-*	*-*	*0.2*	
0.0%	$	116,682	Star Ohio University	0.1	0.4	0.5	0.4	0.3	-	-	0.2	**6/11**
			U.S. 91-Day Treasury Bills	*0.3*	*0.6*	*0.7*	*0.3*	*0.2*	*-*	*-*	*0.2*	
1.0%	$	5,284,145	Star Ohio Plus	0.1	0.3	0.4	-	-	-	-	0.4	**12/15**
			U.S. 91-Day Treasury Bills	*0.3*	*0.6*	*0.7*	*-*	*-*	*-*	*-*	*0.5*	
0.0%	$	35,226	Blackrock Cash	0.1	0.2	0.2	0.1	0.1	-	-	0.1	**6/11**
			U.S. 91-Day Treasury Bills	*0.3*	*0.6*	*0.7*	*0.3*	*0.2*	*-*	*-*	*0.2*	
1.8%	$	9,122,253	Chase University	0.1	0.2	0.3	0.2	0.2	-	-	0.2	**6/11**
			U.S. 91-Day Treasury Bills	*0.3*	*0.6*	*0.7*	*0.3*	*0.2*	*-*	*-*	*0.2*	
0.6%	$	3,206,867	Chase MUF	0.1	0.2	0.2	0.2	0.2	-	-	0.2	**6/11**
			U.S. 91-Day Treasury Bills	*0.3*	*0.6*	*0.7*	*0.3*	*0.2*	*-*	*-*	*0.2*	

Miami University Foundation

Summary of Investment Performance

Report for Periods Ending September 30, 2017

Footnotes:

* Performance returns are net of investment management fees.

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

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

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

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

* The fiscal year ends in June.

[1] MUF Custom Index is currently comprised of: 3.5% Thomson One All Private Equity Index, 5.0% Thomson One Mezzanine Index, 6.2% Thomson One Private Natural Resource Index, 5.8% Thomson One Private Real Estate Index, 25.5% MSCI AC World Index, 4.0% MSCI Emerging Markets Index, 10.0% Bloomberg Barclays US Aggregate Index, 8.0% HFRI Equity Hedge Index, 3.1% Alerian MLP Index, 3.1% Bloomberg Commodity Index, 5.0% CS Leveraged Loan Index, 15.0% HFRI FOF: Conservative Index, 4.0% MSCI All Country World Small Cap Index, and 1.8% MSCI U.S. REIT Index. Please see Appendix for benchmark history.

[2] Global 60/40 Index is comprised of: 60.0% MSCI AC World Index and 40.0% Bloomberg Barclays US Aggregate Index.

[3] Global Equity Benchmark is comprised of: 18.0% Thomson One All Private Equity Index, 70.0% MSCI AC World Index, and 12.0% HFRI Equity Hedge Index.

[4] Global Debt Benchmark is comprised of: 10.0% Thomson One Mezzanine Index, 27.0% Bloomberg Barclays US Aggregate Index, 57.0% HFRI ED: Distressed/Restructuring Index, and 6.0% CS Leveraged Loan Index.

[5] Global Real Assets Benchmark is comprised of: 50.0% Thomson One Private Natural Resource Index, 27.0% Thomson One Private Real Estate Index, 11.0% Alerian MLP Index, and 12.0% Bloomberg Commodity Index.

[6] Blended Index is comprised of: 33.3% Alerian MLP Index, 33.4% FTSE NAREIT All Equity Index, and 33.3% S&P North America Nat Resources Index.

Reporting Update
Item 3

To: Finance and Audit Committee

Barbara K. Jena

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

Subject: **Internal Audit & Consulting Services -** Internal Audit Issues

Date: November 10, 2017

This is IACS's semi-annual report of all open internal audit issues. As shown in the table below, since June 2017, twelve issues have been added and five closed. The new high risk issue pertains to strengthening internal control over hiring independent contractors (page 5, line 7). The closed high risk issue relates to detecting and correcting Personally Identifiable Information (page 15, line 1). In addition, the grade change issue (page 6, line 8) was changed from high to moderate risk as email confirmations are now being sent to the student and the instructor of record. Of the seven current high risk issues, three are overdue; management expects the projects related to these issues to be completed during this fiscal year as further discussed on pages 2 and 3.

Please see the attached for an updated status on all open and closed issues.

Audit Issue Status

Risk Level	Open audit issues 6/2/2017	Added	Closed	Open audit issues 11/10/2017
High	7	1	1	7
Moderate	7	8	3	12
Low	6	3	1	8
Total	20	12	5	27

Attachments

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
1	**117.1** - Securing Confidential Information-Procedure Review- 1/2015	1/16/2015	2/28/2018	High	IT Services	It is recommended that IT Services work with Human Resources and Academic Personnel management to: 1. require that all new employees (including students) receive appropriate training regarding Miami's information security practices; 2. require that all employees (including students) receive appropriate updates on information security annually; 3. provide appropriate employees with clear documentation detailing the approved mediums for communicating Personally Identifiable Information; and, 4. establish procedures to hold employees who have received training accountable by receiving appropriate disciplinary action for violating Miami's information security practices.	Joe Bazeley, Assistant VP for Security, Compliance & Risk Management	Management concurred and has purchased the information security awareness training (objectives one and two). In a 10/2017 update, the Assistant VP for Security, Compliance & Risk Management (ISO) stated, "Working with HR and AP on timing. They have recommended deploying in February (2018) to minimize contention with other university-wide initiatives (climate survey, etc). The ISO agrees with this approach. We are finalizing the data feeds that will be used to populate the security awareness tool." Objectives three and four were addressed in the MU Confidential Information Guidelines and Technical Standards document, posted on the ITS website. These two points are considered closed. 90%
2	**104.2** - Audit of Academic Record Updates - 7/2015	7/28/2015	1/31/2018	High	Enrollment Management & Student Success	IACS recommends that appropriate policies and procedures be established to document if a student began attendance in any class. In order to obtain and maintain such documentation consistently and timely, the Office of the University Registrar should work with the Office of Student Financial Assistance and the Office of the Provost in designing and enforcing the policies and procedures.	Joe Bazeley, Assistant VP for Security, Compliance & Risk Management	This issue is a compliance matter relating to a federal regulation that requires the University to document if a student began attendance in any class. The Registrar's Office stated that this issue was partially resolved 9/10/2015 with a procedure improvement for those withdrawals that occur as a result of a student's last class being dropped via the faculty Photo Roster. In addition, IACS verified that Student Financial Assistance has interim manual measures in place to determine if a student began attendance by contacting faculty in cases where students drop all courses via web or are cancelled by Bursar for non-payment. However, interim manual measures are not in place in cases of official and medical withdrawals and the University Registrar stated that the volume of these is too great to accommodate manual measures. In a 10/2017 update, the Registrar stated, "As of August 2017, the responsible employee for 104.2 and 104.3 has been changed from David Sauter, University Registrar, to Joe Bazeley, ISO, as Joe will coordinate with David and the outsourced resource. As of October 6, 2017, Mandy Euen, Senior Associate Registrar and Joe Bazeley have developed the project deliverables for 104.2 and Joe is securing an outside contractor to execute the project. At the conclusion of the project, all concerns articulated in finding 104.2 will be resolved." Based on the 10/27/2017 Miami IT Portfolio Plan, IT Services expects the project related to this issue 104.2 (Photo Roster) to begin 11/20/2017 and end 1/31/2018 using external contractors. 50%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
3	**104.3** - Audit of Academic Record Updates - 7/2015	7/28/2015	5/31/2018	High	Enrollment Management & Student Success	IACS recommends the Office of the University Registrar: a. Standardize and improve withdrawal policies and procedures as follows: i. Create a standardized withdrawal form for all campuses and withdrawal scenarios. The form should include information such as reason for withdrawal, last date of attendance or never attended information*, registrar's date of receipt, processor and date posted. This form should be completed by registrar staff if not provided otherwise and supporting documentation attached. ii. Retain all withdrawal documents in a central location either electronically or in paper form. iii. Process withdrawal requests in the timeframe required by departmental procedures. b. Define Withdrawal and Enrollment Status codes and their use to improve input accuracy and consistency. c. Retrain employees who process withdrawals, including the Office of Student Financial Assistance and Global Initiatives, to gain proficiency in the established policies and procedures, and to minimize inaccurate input, incomplete documentation and non-execution of required procedures. *Note: In a 9/18/2017 EMSS meeting, the University Registrar stated that his current plans are to base the student's withdrawal date on the date that "the student began the withdrawal process" rather than last date of attendance; as such, "last date of attendance or never attended information" is not required on the form. IACS concurred, stating that using the date that "the student began the withdrawal process" would comply with Title IV regulation section 668.22 for determining a student's withdrawal date.	Joe Bazeley, Assistant VP for Security, Compliance & Risk Management; David Sauter, University Registrar	The Registrar's Office stated that this issue was partially resolved in 2016 by the Student Success Center (SSC) creating an on-line withdrawal form for students to initiate their official withdrawal, which was put into use Spring 2016 for Oxford undergraduate official withdrawals. IT Service resources are needed to completely address it. In a 10/2017 update, the University Registrar stated regarding point a.i, "The following University units are charged with responding to student requests to withdraw from the University: - Student Success Center (SSC) will handle Oxford undergraduate student withdrawal - Graduate School will handle Oxford and regional graduate student withdrawal - One Stops at the regionals will handle regional undergraduate student withdrawal The SSC is spearheading development of a universal on-line withdrawal form (Formstack) to be completed by the student to notify the institution of intent to withdraw and to allow the SSC, Graduate School, and regional One Stops to make outreach efforts, when appropriate, which may preclude the student's need to withdraw. After the outreach effort, if it is determined that the student is withdrawing, the responsible unit (SSC, Graduate School, or regional One Stop) will enter the student's name, unique ID, and effective withdrawal date (as determined by the submission date/time stamp of form submission) onto a spreadsheet shared with the University Registrar's Office and the regional Records and Registration offices so that withdrawal processing in Banner may occur...(This issue) 104.3 will be complete when the Formstack withdrawal document is in production (which provides the appropriate info e.g., name/time and date stamp)." The University Registrar also stated regarding point: a.ii. "This item will be complete when the Formstack withdrawal document is in production." a.iii. "Item complete." IACS concurs and considers this point a.iii closed. b. "Withdrawal codes in Banner are used only internally. They are being reviewed and those deemed unnecessary will be retired. Enrollment status codes are undergoing similar review and retirement where deemed unnecessary." c. "Staff who process withdrawals receive training when assigned this duty and have full access to SOPs. Changes to SOPs are communicated as they occur to all withdrawal processors." "Upon review and discussion with the Office of Student Financial Assistance, we conclude that IT resources will not be required to comply with the applicable recommendations in 104.3. Joe Bazeley does not need to be the responsible party for that recommendation." Based on the 10/25/2017 Miami IT Portfolio Plan, IT Services expects the project related to this issue 104.3 (Standardized Withdrawal Form) to be scheduled March - May 2018. 50%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
4	**150.1** - Audit of Pledge Financial Accounting - 5/2017	5/26/2017	12/31/2017	High	Finance & Business Services	IACS recommends Treasury Services: a. Implement internal control oversight of University Advancement to distinguish exchange transactions from contributions in compliance with both GAAP and CASE standards. b. Work with University Advancement staff to reverse the pledges related to exchange transactions and properly account for revenues generated from these contracts. More specifically, IACS recommends: i. Reverse the pledges receivable associated with the IMG contract (pledge number 550054 and 559697) and the Mercy Health contract (pledge number 554657). ii. Recognize the Mercy Health $833K installment payments annually as earned by MU. Record as Intercollegiate Athletics operating revenue, rather than gift revenue.	Cyndi Ripberger, Associate Director of Investments and Treasury Services	Management concurred and provided the following status update 10/2017: "Regarding (a) Treasury, Advancement and the Controllers office have met 3 times with our LEAN team reviewing the control structure related to gift processing. We have another meeting scheduled in early November to review the changes we made in our ongoing meetings. Once our team is comfortable with our outlined process it still would need to be presented to and accepted by Advancement Senior Management; therefore, I would suggest that the "DueDate" would be more accurately reflected as 12/31/17. As for (b), IMG pledges as well as Mercy pledges were not included in FY17 pledges outstanding--attributes were added in the Advancement module that would serve to exclude those items from the pledge detail provided to finance for purposes of calculating the pledge receivable totals for both Miami University and Miami University Foundation at 6/30/17 ; the Mercy payments were/are recorded in finance as "ICA Other Revenue" and not as gift revenue. The financial impact from those two changes were provided to RSM. A "journal entry" was not entered into Banner for each of these recommendations as the change is reflected in the total change of pledges outstanding entries prepared for each entity. Therefore, I would consider 150.1 (b) completed." 85%
5	**150.2** - Audit of Pledge Financial Accounting - 5/2017	5/26/2017	12/31/2017	High	Finance & Business Services	IACS recommends that Treasury Services work with University Advancement and Office of the Controller to: a. Strengthen internal controls and verify information recorded by University Advancement for large gifts. Special attention should be given to: i.Entity - Miami University or Miami University Foundation, as specified by the donor ii.Conditional pledges - should be excluded from pledges receivable in published financial reports iii.Fund - Expendable versus endowment, as specified by the donor b. Record correcting entries for errors noted in this audit report related to entity, conditional pledges, and fund. Corrections should consider both gift fund balances and outstanding pledges receivable.	Cyndi Ripberger, Associate Director of Investments and Treasury Services	Management concurred and provided the following status update 10/2017: "Similar to 150.1, I would include 150.2 (a) in the current process review. Treasury, Advancement and the Controller's office did meet prior to the end of the fiscal year to discuss large, material gifts prior to year end with additional extensive review by Advancement to review the attributes associated with those pledges in order to gain comfort with the pledge detail provided to finance for inclusion in the FY17 pledge receivable calculations. The entire process of gift and pledge recording is included in the scope of the LEAN team project previously described. All recommendations included in the Internal Audit were considered when preparing the FY17 pledge receivables for both Miami University and Miami University Foundation in consulation with both RSM and Sr VP for Finance and Business Services; as such I would conclude that (b) has been completed.. All considered, as with 150.1 I would conclude that the status should reflect at least 85% completion with a Due Date of 12/31/17 with the same explanation as previously discussed." 85%
6	**150.3** - Audit of Pledge Financial Accounting - 5/2017	5/26/2017	12/31/2017	High	Finance & Business Services	To increase reporting transparency, IACS recommends that Treasury Services work with University Advancement to prepare annual reconciliations between published financial reports and fundraising totals reported by University Advancement. Reconciliations should be prepared for both MU and MUF and address the following components: a. Revenue - gift revenue in the published financial reports to University Advancement's fundraising attainment (i.e., new pledges plus new outright gifts) in the fiscal year. b. Pledges receivable - pledges receivable in the published financial reports to University Advancement's pledges outstanding balance at fiscal year-end.	Cyndi Ripberger, Associate Director of Investments and Treasury Services	Management concurred and provided the following status update 10/2017: "The finance work on gifts and pledges were reviewed as part of the finalized 6/30/17 RSM audit. Advancement is currently finalizing their detailed reports that support their fundraising totals; Treasury will provide the necessary support to compare the data presented in the 6/30/17 audited financials with the data included in the fundraising reporting. The work on this process is continuing. I believe we would still be on target for a 12/31/17 completion." 50%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
7	**145.1** - Audit of Marching Band Funds - 10/2017	10/18/2017	12/31/2017	High	Finance & Business Services	(This is a University-wide issue extending beyond the Marching Band.) IACS recommends Human Resources management strengthen internal control over hiring independent contractors: a. Enforce the policy whereas Human Resources (or Academic Personnel Services when applicable) must make the determination whether individuals intending to provide services to the University meet the guidelines of an independent contractor. b. Enforce the policy whereas an independent contractor may not begin rendering services until after Human Resources (or Academic Personnel Services when applicable) has provided written authorization to do so. c. Establish a reasonable basis for classifying an individual as an independent contractor by documenting evidence of the degree of control and independence information that was considered. IRS Form SS-8 <https://www.irs.gov/pub/irs-pdf/fss8.pdf> could be used as a guideline for reinstating a checklist for determining worker status.	Theresa Murphy, Director of Employment	Management concurred stating, "a. We agree with this recommendation. Academic Personnel and Human Resources are currently reviewing requests to determine that Personal Service Requests forms meet criteria as an independent contractor. Academic Personnel has been performing this review regularly however this has been an omitted step on Human Resources behalf. b. We agree to visit this recommendation. True business practices prove that on many occasions services are already performed by the time that the independent contractor actually completes the Personal Services Agreement form however it will be our recommendation to make sure the determination request be complete before the work can begin. In addition we will communicate the need for the forms before services rendered with the hopes that others will comply. We will also work with Accounts Payable to determine and identify the types of forms that are needed before a Personal Service Agreement will be paid. c. We agree with this recommendation. We will work to model our practices after the IRS form where appropriate and confirm our final recommendations with Miami General Counsel's office. When will the action be completed [for points a. thru c.] Several years ago a committee met for some time to look at the issue involving independent contractors. The outcome of that effort form was a form being implemented in Accounts Payable. All other processes remained unchanged. Human Resources and Academic Personnel will determine whether the work that was previously done on this project is usable and begin to draft processes and workflow that support the identification and necessary completion steps associated with an individual's eligibility to be an independent contractor. In addition, we will document and communicate Miami procedures once consultation occurs with Purchasing, Payroll and Accounts Payable ensure full cycle completion. Human Resources and Academic Personnel Services will implement training for business managers and other users. We anticipate completing the project and being prepared to schedule training within 60 days. Training will then occur over winter break. Websites will be amended in this time period as well. The process, forms and procedure will be reviewed on an ongoing basis to ensure compliance." 50%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
8	**104.4** - Audit of Academic Record Updates - 7/2015	7/28/2015	12/31/2017	Moderate	Enrollment Management & Student Success	IACS recommends the Office of the University Registrar continue working with IT Services to automate the grade change process. The automated process should be used by all campuses and include these features: a. email confirmations to the student and the instructor of record b. workflow approvals c. required fields such as the reason for the change d. capability to attach supporting documentation if applicable e. audit trail data such as registrar's date of receipt, processor and date posted f. trend analysis to detect possible fraud	David Sauter, University Registrar	In 10/2017 status updates, the Office of the Registrar (OUR) stated, "until the grade change application is implemented in production no emails are being automatically sent. The full application has to be implemented before there is any auto emailing. Once the application is in production, all emails will be auto generated. At this time all emails are being manually sent by staff." OUR further explained, "the on-line grade change application will launch from the photo roster. The initial step in the process is the same for both temporary to final grade changes not requiring approval and for grade to grade changes requiring approval. We cannot turn on the grade change application from the photo roster until both pieces are ready for production. " IACS performed a follow-up audit 10/2017 to verify that email confirmations are now being manually sent to the student and the instructor of record. Out of the 24 grade changes tested that were processed in 10/2017, no exceptions were noted. IACS concludes that email confirmations are now being sent as recommended in point "a" and that the risk level for this issue 104.4 can be reduced from high to moderate risk, pending completion of automation (points "b" and "c"). IACS has a question into EMSS as to the expected completion date for automating this grade change process. 80%
9	**96.1a** - Locally Administered Construction Audit - Kreger Hall 11/2015	11/30/2015	11/30/2017	Moderate	Finance & Business Services	IACS recommends that the University consistently comply with Ohio Revised Code sections 153.12(A), 153.13, and 153.63(A) by implementing procedures to: a. establish escrow accounts as required	Sarah Persinger, Controller	IACS completed a second follow-up audit 10/2017. A master escrow retainage agreement was secured with PNC Bank, and an accompanying agreement template was created to be used for each applicable construction project. However, this audit issue remains open as there is a breakdown in the process for securing escrow agreements with contractors which has not yet been resolved between the Senior Staff Accountant and the Strategic Procurement Officer. As a result, an escrow agreement has not yet been secured for the Pearson Hall project. IACS will perform another follow-up audit after the process is functioning as intended. In an 11/2017 update, the Controller stated that the escrow agreement has now been received for Pearson Hall. Also, a meeting was planned with PFD, project construction personnel, and General Accounting staff to determine a method of identifying at the outset of the Project initiation if a fund is to be governed by ORC 153 so that it can be set up accordingly and monitored systematically, rather than manually for compliance with the escrow retainage process. 80%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
10	**135.3** - Financial Audit of Miami Mock Trial - 2/2016	2/19/2016	12/31/2017	Moderate	Finance & Business Services	IACS recommends the Office of the Controller strengthen internal control over all student organization agency and designated funds. Improvements may include: a. requiring all reimbursements to University employees be approved by an authority to whom the requestor reports; b. pushing monthly financial reports to student organization advisors, rather than simply having them available for download; c. requiring action to resolve deficit balances; and d. disabling the ability to charge student organization agency and designated funds with deficit balances.	Sarah Persinger, Controller	Management concurs and has taken action to address points a and b of this issue. In a 5/2017 update, the Controller stated the following about the two remaining points: "c.) General Accounting and Student Affairs have cleared existing deficits in student organization funds, and currently that amount is ($209,049.23) as of 5/24/2017 for all student organizations except the Mock Trial deficit amount, which is ($279,049.23). The Mock Trial deficit is to be paid down by transfers from Farmer School of Business indexes, and we've been instructed by Rebekah Keasling that those transfers will not take place until June. The deficits that exist now are being actively worked by General Accounting and Student Affairs. d.) All policy items with regards to Student Organizations are being reworked so that by the time the August round of student organizations are being registered, they will have a clear understanding of all financial responsibilities for the group. The current amount of $2,500 is being reviewed for reduction to $500." The Controller stated in an 11/2017 update, "Please extend the due date for completion of this item to 12/31/2017. The training materials and meetings with student organizations held by the Student Activities team do include stronger language and cautions about the financial responsibilities but the policy is not yet completed." 80%
11	**143.1** - Financial Audit of Forensics Society - 5/2017	5/22/2017	12/31/2017	Moderate	Finance & Business Services	IACS recommends the Office of the Controller strengthen internal control over affiliated organization agency and designated funds by administering expenditures in accordance with University policy and procedures. Accounts Payable staff should verify that proper approvals for purchases and payments are obtained as outlined below: ▪ Cash advance requests should be approved by an authority to whom the person receiving the funds reports. ▪ Purchases made with cash advance funds should be approved by an authority to whom the purchaser reports. ▪ Approval for reimbursements should continue to be from an authority to whom the requestor reports.	Sarah Persinger, Controller	The Controller concurred stating, "I agree with the recommendations stated in the audit report. We have already changed our Accounts Payable practices and procedures to ensure that affiliated organization expenditures are in accordance with University policy and procedures regardless of the funding source, whether agency or designated. We've begun scheduling quarterly meetings with Student Activities and Leadership staff to discuss topics relevant to student organizations. A representative from the Controller's Office will attend the Treasurer training session in September and we have provided updates to Student Activities and Leadership staff with regards to changes that they need to incorporate into their training materials. We will also start scheduling meetings with the documented approval personnel for affiliated organizations (as noted in Recommendation #2 for Student Affairs). We've also begun internally planning for a redesign of the fund hierarchy in Miami's Banner Finance system to more clearly identify and separate affiliated student organization funds from other types of student organization funds. This will aid us in providing better grouping and reporting of the financial activities in these fund types. The fund structure redesign will be complete by the 2nd quarter of FY18." In an 11/2017 update, the Controller stated, "The Chart of Accounts redesign for the funds hierarchy is still on track to be completed by 12/31/2017. The meetings with approvers are starting in 3rd quarter FY18. " 75%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
12	**146.1** - CBTS Web Application Security Assessment - 8/2017	8/8/2017	12/31/2017	Moderate	IT Services	CBTS finalized a written report of their web application security assessment in June 2017. The report identified vulnerabilities in several web applications that could expose the University to risk of compromise. Vulnerabilities were categorized as high, medium, or low and specific recommendations made to address the identified risks. The high risks have been resolved. IACS recommends the ISO resolve the identified medium risk vulnerabilities by coordinating with staff responsible for the remaining work.	Joe Bazeley, Assistant VP for Security, Compliance & Risk Management	The ISO agreed and is in the process of resolving the identified medium risk vulnerabilities by coordinating with staff responsible for the remaining work. In an 11/2017 update, the ISO stated that the remaining issues link back to seven specific applications: For two of the applications (Titanium and MyMicros) we are waiting for the vendor to update the software, and cannot correct the issues until that happens. Another of the applications (Software Store) has been retired. Two (Kronos and BossCars) are being worked on. The ISO is checking with responsible staff for the remaining two applications (Facilities Request Tracking System and MyCard). 70%
13	**86.1** - Demske Culinary Support Center Physical Inventory - 8/2017	8/10/2017	3/31/2018	Moderate	Finance & Business Services	IACS recommends Housing, Dining, Recreation, and Business Services (HDRBS) management expand the scope of year-end physical inventories to include reporting cost valuations to General Accounting for all applicable HDRBS units that hold inventory for resale to external or internal customers. For the identified units, HDRBS management should work with Office of the Controller management to establish and execute policy and procedures to properly value raw materials, work in process, finished goods, and merchandise. In addition to performing year-end physical inventories, HDRBS should continue efforts to submit monthly inventory amounts to General Accounting for recording in Banner. This will facilitate operational and financial analysis.	Beth Adkins, Director of Auxiliary Finances	HDRBS management concurred and is in the process of implementing. 75%
14	**141.1** - Audit of Federal Student Aid Funds Management - 8/2017	8/24/2017	12/31/2017	Moderate	Finance & Business Services	IACS recommends Grants and Contracts staff work with Student Financial Assistance staff to obtain the information needed to prepare monthly reconciliations for the Federal Work-Study (FWS) Program. The monthly reconciliations must explain the differences between the amounts disbursed to the students or returned to the government, accounting entries in Banner, and G5 (the U.S. Department of Education's Grant Management System) records.	Linda Manley, Assistant Controller	a. Grants and Contracts (G&C) are in agreement with the recommendation of IACS in regards to monthly reconciliation. b. G&C will revise the drawdown report to pull appropriate data from Banner Finance posting tables and will use the revised report to compare to the SFA report. Any discrepancies will be identified and reconciled. c. The monthly reconciliation process is to be implemented immediately. Estimated completion of the revised drawdown report is October 31, 2017, as this may involve IT support to change the existing job. In an 11/2017 update, the Assistant Controller stated, "I have been working with SFA to determine what payroll tables they are pulling their data from. The tables are PHREARN and PHRELBD. Unfortunately, I have some access to payroll tables but not these two. Sarah has sent an email to Brad Grimm to find out who can grant me access to those tables in order for me to be able to compare them with the Banner Finance tables that I am seeing. I can tell at a summary level that we are off .39 cents for payrolls July-September, but not the detail to SFA's numbers. So at this point I would say we are at 25% completion since we've identified the tables. As soon as I am granted access I would hope to have this 100% completed within a few weeks (unless IT needs to be involved)." 25%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
15	**141.2** - Audit of Federal Student Aid Funds Management - 8/2017	8/24/2017	10/31/2017	Moderate	Finance & Business Services	To minimize the risk of error or inappropriate action, access control should be strengthened. IACS recommends SFA work with IT Services and related departments to improve separation of duties in Banner access by restricting access rights to Query-only or implement effective mitigating controls. Specific areas of concern noted include: a. Access rights for SFA staff should be restricted to Query-only for Banner forms where academic records can be entered or processed (e.g., SFAWDRL, SGASTDN, SFAREGS, SHARQTC, etc.). For example, while SFA is responsible for reviewing information included in aid calculations, SFA staff should not enter withdrawal records in Banner. The manual procedure of applying "original charges" (used in SFA's aid return calculations) should also be automated. Where SFA may have a need to update certain fields for its reporting or operational purposes (e.g., Learner Activities on SGASTDN), it is recommended that SFA provide the information to the registrar's office for entry rather than having Modify rights to the academic records forms. b. Modify rights to Banner forms that impact financial aid (such as RPAAWRD and RPRALGR) should be limited to SFA staff members. Otherwise, SFA should implement an effective mitigating control. For example, an exception report should be developed and reviewed regularly for any changes made by One Stop staff to fields they are not expected to modify.	Elizabeth Johnson, Director of Student Financial Assistance	Student Financial Assistance (SFA) is in agreement with IACS in regards to strengthening access control to meet the requirements for separation of duties. SFA has met with the Office of the Registrar. The security will be changed for SFA staff to query only on Banner forms where academic records can be entered by September 30, 2017. Banner forms that impact financial aid will be reviewed for the same purposes. SFA will work with our divisional data team to develop an exception report that will identify prohibited changes made to financial aid Banner forms by staff external to the Office of Student Financial Assistance that will retain modify access. We anticipate this report will be in place by October 31, 2017. 50%
16	**155.1** - ACH Fraud Investigation - 9/2017	9/13/2017	12/31/2017	Moderate	Finance & Business Services	IACS recommends the Controller implement internal controls as follows to help prevent vendor payment fraud: a. Establish policies and procedures to authenticate requests to change vendor information. Sufficient verification procedures should be performed, reviewed, and approved before changes are made. For each change, it is recommended that the following information be documented, preferably using a form to facilitate enforcement, training, and record retention: • The substance of the change (e.g., payment instructions, authorized contact person). • The required verification steps and their completion status. Examples of verification steps are calling the authorized phone number on file to verify the change, and requiring the requester to provide the details of the existing payment instructions. • The employee who performs the steps and the approver of the change. Signatures, printed names, titles, and dates should be included. b. To facilitate verification of change requests, regularly update vendor contact information. Complete vendor information should also be captured when a vendor is set up, including the authorized contact person, phone number, and email.	Sarah Persinger, Controller	Management agrees with the recommendation. Current practice was changed immediately so that the employee making vendor banking changes will affirmatively verify with alternate sourced information other than the unsolicited change request (that information which is already in the vendor master file record, online research, contact with known company representatives, etc.) that the requested change is legitimate. A form will be developed so that the consistent information described in this recommendation which is to be used in the verification process can be obtained and documented. Periodic reviews of vendor master file data will be performed and outreach actions to the vendors in the review cycle will ensure that correct, complete, and updated information is always in the vendor master file record. Office procedure guides will be updated by the end of the month to reflect these changes. In an 11/2017 update, the Controller stated, "The percentage completion is approximately 90%, with the last item being the development of the form for capturing the data related to the contact with the known company representatives, and independent website research. The information is noted on the request for banking changes, and is signed off by the Controller, but the form hasn't been finished. Please extend the due date to 12/31/2017." 90%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
17	**155.2** - ACH Fraud Investigation - 9/2017	9/13/2017	12/31/2017	Moderate	Finance & Business Services	IACS recommends the Controller strengthen segregation of duties by taking the following actions: a. Segregate staff duties between vendor setup and vendor payment. Employees who are assigned responsibilities in the vendor setup process should be limited to Query rights to any related system interfaces in the vendor payment process, and vice versa. b. Implement an effective mitigating control in the case of wire transfers, where vendor setup may not be segregated from vendor payment in the Western Union Global Pay system. To ensure the accuracy and legitimacy of wire payment orders, the approver should match the payment information in Global Pay with the corresponding approved Buyway invoice.	Sarah Persinger, Controller	Management agrees with the recommendation. Review of access for each member of the Accounts Payable staff will be undertaken and changes made so that the same staff member does not have access to both set up a vendor and pay a vendor. In the specific case of wire payments initiated in the external system, the payment information on the outbound wire confirmation will be matched to the corresponding payment request information by the approver of the payment request. In an 11/2017 update, the Controller stated, "a review of all Accounts Payable access is being scheduled with the new Director of Payroll and Payables in order to appropriately identify gaps in segregation of duties or overlaps in duties with no mitigating reports or audits. All revisions will be completed by 12/31/2017." 50%
18	**87.3** - Audit of MU Bookstore Physical Inventory - 9/2017	9/15/2017	12/31/2017	Moderate	Finance and Business Services	IACS recommends MU Bookstore management establish and execute policy and procedures for managing credit memos issued by vendors for returned merchandise. The policy and procedures should address the following: 1. Request cash refunds for returned merchandise when it is known that it is unlikely the credit memos will be used to offset any future invoices. 2. Work with Accounts Payable staff and vendor representatives to match outstanding credit memos to open invoices University-wide to reduce purchasing costs. 3. Work with Accounts Payable and General Accounting staff to develop a method to reasonably estimate unrealizable credit memos for write-off. 4. Work with General Accounting to record credit memos in a Banner account separate from the vouchers payables account to improve visibility into outstanding credit memo balances.	Beth Adkins, Director of Auxiliary Finances	In a 10/2017 update, the Director of Auxiliary Finances indicated that this issue had been addressed and stated, "AP (Accounts Payable), GA (General Accounting) and HDRBS are in agreement on all IA (Internal Audit) recommendations. In regards to the last recommendation, GA does have the option to report on credit memos separately from invoices and is currently working on creating a report that shows the amount of credit memos available by vendor by date. This report would then be used for tracking and writing off purposes. In addition, GA is engaging in the BI (Business Intelligence) project to bring G/L data into the BI system. One of the outputs from the project will be a standard report to answer the question about open credit memos and aging thereof." IACS is following-up on this issue in conjunction with an audit reviewing credit memos on a university-wide basis. 90%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
19	**145.2** - Audit of Marching Band Funds - 10/2017	10/18/2017	12/31/2017	Moderate	Finance & Business Services	(This is a University-wide issue extending beyond the Marching Band.) IACS recommends Human Resources management strengthen internal control over hiring independent contractors: d. Establish and execute procedures for ensuring the OPERS PEDACKN form* is completed by the independent contractor not later than 30 days after services begin, and retained centrally by the University (in original hard copy). Procedures on HR forwarding a copy of the PEDACKN to OPERS should also be included. *OPERS is the Ohio Public Employees Retirement System, and PEDACKN is the Independent Contractor/Worker Acknowledgment form OPERS requires be completed <https://www.opers.org/forms-archive/PEDACKN.pdf>. e. Review, and revise as necessary, procedures for hiring an independent contractor posted on the University's Human Resources, Academic Personnel Services, and Accounts Payable web pages to ensure consistency. This should include considering consolidation of the three Professional Services Agreement forms into one if the form will continue to be utilized. f. Provide the option for individuals to retrieve and submit independent contractor related forms electronically (where allowable) to expedite the hiring process. Ensure such methods meet the requirements of the Information Security Office for data privacy and security.	Theresa Murphy, Director of Employment	Management concurred stating, "d. We agree with this recommendation. We will work with the securing department to ensure completed OPERS forms are forwarded to Human Resources. We will also work with Miami Benefits regarding the proper handling of the OPERS forms so that their transmission mirrors our employee forms process where applicable. e. We agree with this recommendation. A thorough review of each the Human Resources, Academic Personnel Services and Accounts Payable websites will be conducted. Revision to these websites will occur to ensure consistency of information. Where at all possible, one website will be selected as the primary site and all other sites will "link" to the main one. f. We agree with this recommendation. Some prior committee work occurred to look at automating this process. Customer feedback and workflow complexities prevented automation at that time however we agree to revisit this as an option. When will the action be completed [for points d. thru f.] Several years ago a committee met for some time to look at the issue involving independent contractors. The outcome of that effort form was a form being implemented in Accounts Payable. All other processes remained unchanged. Human Resources and Academic Personnel will determine whether the work that was previously done on this project is usable and begin to draft processes and workflow that support the identification and necessary completion steps associated with an individual's eligibility to be an independent contractor. In addition, we will document and communicate Miami procedures once consultation occurs with Purchasing, Payroll and Accounts Payable ensure full cycle completion. Human Resources and Academic Personnel Services will implement training for business managers and other users. We anticipate completing the project and being prepared to schedule training within 60 days. Training will then occur over winter break. Websites will be amended in this time period as well. The process, forms and procedure will be reviewed on an ongoing basis to ensure compliance." 50%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
20	**132.1** - Audit of Confucius Institute - 8/2016	8/15/2016	10/15/2016	Low	Provost	To improve financial reporting, IACS recommends CIMU staff maintain accurate and complete documentation of all expenditures by doing the following: a. Label all P-card expenditures in the (JP Morgan PaymentNet) system with: who, what, when, where, and why, along with the name of the related project. b. Consistently use an activity code. c. Obtain itemized receipts for all expenditures. d. Use the appropriate expense account codes in accordance with General Accounting's Chart of Accounts - Account Code Definitions. e. Use the Accounts Payable P-Card Training and Resources website to obtain information on how to properly reconcile P-Card expenditures.	Cheryl Young, Assistant Provost	Management concurred and in a 10/2016 update stated, "GLI has increased the level of detail required for transactions for all units (including the MUCI). Operations Manager has implemented a requirement to use Banner activity codes for all transactions. The incoming new staff member and the transition staff member reconciling the MUCI p-card transactions and all expenses are using the Banner activity codes and have been trained on all processes and procedures. The Operations Manager is working with Accounts Payable for a refresher training session for all GLI staff, but that is not generally offered; however, all GLI staff have received a refresher e-mail about the importance of the procedures, using Banner activity codes, and detailing all transactions with the 5W's. All transactions are being checked before submitting." IACS has a follow-up audit in process to verify appropriate action has been taken to close these issues. 99%
21	**132.2** - Audit of Confucius Institute - 8/2016	8/15/2016	1/31/2017	Low	Provost	IACS recommends annual reporting to Hanban be improved: a. Based on details provided by CIMU, MU's Grants and Contracts Office should submit the annual report, reconciling the data input to Banner. b. Details of what comprises institution appropriations (cost sharing) should be documented, with supporting calculations.	Cheryl Young, Assistant Provost	Management concurred and in a 10/2016 updated stated, "This is ongoing, but a system is set up with Excel workbooks that should make the submission of the annual report seamless once a budget is approved and then the annual report submitted." IACS has a follow-up audit in process to verify appropriate action has been taken to close these issues. 99%
22	**87.1** - MU Bookstore Inventory Audit - 8/2016	8/19/2016	12/31/2017	Low	Finance & Business Services	To help the Bookstore successfully perform inventory related duties, IACS recommends Bookstore management establish, document and maintain written procedures for departmental tasks including but not limited to: a. taking physical inventory at year-end, along with the use and purpose of the various WinPRISM reports in the inventory process. For example, clarify the need to run a final report after all discrepancies are investigated and adjustments recorded. b. making required accounting adjustments depending on the timing of the year-end physical inventory and different circumstances. c. performing inventory analysis, such as turnover.	Jessica Young, Director of Retail & Marketing	At fiscal year end 2016, IACS recommended MU Bookstore management establish, document, and maintain departmental inventory procedures, as well as perform cycle counts of all inventory. IACS staff performed a second follow-up audit at fiscal year end 2017 and noted that while MU Bookstore management documented an outline of physical inventory requirements and instructions, the SOP document still did not adequately provide clear steps. IACS plans to perform another follow-up audit in fiscal year 2018. 50%
23	**87.2** - MU Bookstore Inventory Audit - 8/2016	8/19/2016	12/31/2017	Low	Finance & Business Services	In order to improve inventory accuracy on an ongoing basis and identify the root cause of errors timely, IACS recommends cycle counts be scheduled on all three campuses. It is recommended that: a. Cycle counts be scheduled and documented as frequently as possible, with each product counted at least once every quarter. b. Causes of errors be investigated before adjustments are recorded, and action taken to prevent those errors from occurring in the future. c. The cycle counting process be well-defined and documented.	Jessica Young, Director of Retail & Marketing	At fiscal year end 2016, IACS recommended MU Bookstore management establish, document, and maintain departmental inventory procedures, as well as perform cycle counts of all inventory. IACS staff performed a second follow-up audit at fiscal year end 2017 and noted that a cycle counting program was implemented in the Technology department in March 2017, which appears to be effective. However, management is still working to implement a complete cycle counting plan for the other departments and locations. As the audit issue remains open, IACS plans to perform another follow-up audit in fiscal year 2018. 50%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
24	**139.1** - Audit of Center for American & World Cultures - 10/2016	10/6/2016	10/6/2016	Low	Provost	IACS recommends CAWC staff improve documentation and management review of P-Card expenditures as follows: a. label all P-Card expenditures in the system (JP Morgan PaymentNet) with complete and accurate documentation including: who, what, when, where, and why. b. Use the Accounts Payable P-Card Training and Resources website to obtain information on how to properly reconcile P-Card expenditures. c. Approve only expenditures that appear reasonable based on the documentation and note any transactions requiring reimbursement to the University.	Cheryl Young, Assistant Provost	The Assistant Provost concurred stating, " I agree with the recommendations. What action is or will be taken: • The issues identified are all related to transactions made by a Visiting Artist, Srinivas Krishnan, who had an annual appointment at Miami University, and most recently, in the CAWC for many years. This appointment has ceased as of the current academic year and he will not be reappointed. There were significant and concerning issues at multiple levels with this appointment and with the visiting artist who consistently disregarded and resisted following operating policies and appropriate operating procedures. He was informed and notified multiple times, by multiple staff. In the future, all visiting and permanent appointees will be made aware in advance of the appointment regarding the expectations and policies for purchasing and payments. Immediate remediation will be sought if violations are noted, and will not go unheeded due to the real or perceived prominence of the faculty or staff member. • All GLI staff, including the CAWC staff, have been reminded of the imperative for complete and accurate documentation, including the 5 W's. A reminder will be issued annually to all P-card holders. • All CAWC P-card transactions will be reviewed in reconciliation at the GLI level, following the current standard operating procedures for the other units in GLI, to ensure complete and accurate documentation. • Only reasonable and allowable expenses will be approved, and if reimbursement is required, it will be noted on the reconciliation. When will the action be completed: All actions completed." IACS has a follow-up audit in process to verify appropriate action has been taken to close these issues. 99%
25	**144.1** - Audit of Miami University Dolibois European Center - 6/2017	6/12/2017	12/31/2017	Low	Academic Affairs	Inform the Office of Student Financial Assistance of all scholarship awards paid to MU studen. After the Dean selects recipients, IACS recommends that the MUDEC Assistant Dean contact SFA with a request to process the scholarship awards that are to be charged to the Faculty and Staff (EUR706) and Marie Bach Dunn International Exchange (EUR708) restricted funds. SFA can then record the award in the student's financial aid record and the funds will be applied to the student's Bursar account.	Thierry Leterre, Dean and Professor of Political Science	The Dean concurred stating, "1. I agree with recommendation, as there is no problem for students to receive their awards, even if they are transient students (moving on to another university) or Senior students (leaving Miami). These two populations were our concerns, but I have received the assurance that Miami had ways to proceed with payments in both cases. 2. the action has been implemented immediately (Spring '17) and 3. should be completed next semester, once we have made sure that everything went through properly." IACS has a follow-up audit scheduled during FY 2018. 80%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
26	**144.2** - Audit of Miami University Dolibois European Center - 6/2017	6/12/2017	12/31/2017	Low	Academic Affairs	Account for payroll salaries at gross (not net), consistent with Miami University's practice. IACS recommends that the Assistant Dean contact MUDEC's external accountant to suggest recording salaries at gross (not net), along with payroll liabilities for taxes and other amounts (social security/benefits) withheld. In addition, only the MUDEC employer benefits should be charged to the benefits account. Data for the monthly entry is available from SD Worx, the payroll processor. IACS also recommends that the liability balances be substantiated with supporting documentation from the tax and CCSS government authorities. This is particularly important each fiscal year-end at June 30.	Thierry Leterre, Dean and Professor of Political Science	The Dean concurred stating, "1. I agree with the recommendation. 2. Assistant-Dean will contact SD worx and GT to make sure that book entries are properly managed. 3. Action will be completed for the next exercise. 4. I do not know where the confusion lies, as it sounds reasonable. The confusion may be linked with the fact that "net" salaries in Luxembourg are compensation after withholdings and taxes." IACS has a follow-up audit scheduled during FY 2018. 10%
27	**144.3** - Audit of Miami University Dolibois European Center - 6/2017	6/12/2017	12/31/2017	Low	Academic Affairs	Continue to explore the establishment of a charitable foundation or trust in Luxembourg until a final decision is reached. To increase giving from European alumni, parents, and friends, IACS recommends that the Dean continue to explore the establishment of a charitable foundation or trust in Luxembourg by working with the Vice President for University Advancement or his delegate. Also, confer with Provost, other MU senior management, and the MU and Foundation Boards, as appropriate, and document reasons for or against establishing a Luxembourg charitable foundation or trust. Continue until a final decision is reached.	Thierry Leterre, Dean and Professor of Political Science	The Dean concurred stating, "1. I agree with the recommendation. 2. A Foundation statutes have been drafted, and been proposed to Vice-President in charge of development and the Provost has been apprised and included in discussion, as well as the General Counsel. The draft has been sponsored by Luxembourg Alumn Georges Lenz. The Alumni Board unanimously approves the idea and encourages us to proceed and is very aware, and at the same time concerned, that we miss important opportunities to develop in Europe. A foundation would be a powerful way to raise funds in Luxembourg, and beyond, in the European Union, since all foundations are eligible for tax deductions across Europe. 3. Following the advice of the Alumni Board, timeline for implementation should coincide with the planning of the 50th anniversary, and should allow to raise funds for the anniversary campaign." IACS has a follow-up audit scheduled during FY 2018. 50%

Closed Internal Audit Issues

Line	Audit Name And Date	Date Opened	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
1	**117.2** - Securing Confidential Information- Procedure Review- 1/2015	1/16/2015	High	IT Services	It is recommended that IT Services management continue to investigate and implement methods to detect and correct exposed Personally Identifiable Information (PII). IT Services should work with General Counsel to define PII.	Joe Bazeley, Assistant VP for Security, Compliance & Risk Management	Management concurred and purchased tools to scan for PII both in Miami's on-premise file shares (Identity Finder) and in Google Drive space (CloudLock). Management stated that both tools have been installed and are successful in discovering and addressing risk exposures. Notices are being sent to individuals who have files containing confidential information. IACS performed a follow-up audit 7/2017 and verified that procedures are in place and appropriate action was taken to delete PII identified by the tools. Comment closed 7/24/2017.
2	**135.2a** - Financial Audit of Miami Mock Trial Program - 2/2016	2/19/2016	Moderate	Student Affairs	IACS recommends the Division of Student Affairs: a. work with the Farmer School of Business to develop a sustainable budget funding model for MMT, assuming the MMT program is to be maintained	Tim Kresse, Director of Student Affairs Budget and Technology	In an 11/2017 update, the Director of Student Affairs Budget and Technology stated, "refers to a plan with FSB, but Miami Mock Trial is now overseen by CAS and we have a good understanding and relationship with CAS regarding the funding and expectations on MMT." IACS performed another follow-up review 11/2017 and concluded that appropriate action has been taken to develop a sustainable budget funding model for MMT, which is now sponsored by the College of Arts and Science. Comment closed 11/6/2017.
3	**135.2b** - Financial Audit of Miami Mock Trial Program - 2/2016	2/19/2016	Moderate	Student Affairs	IACS recommends the Division of Student Affairs: b. prepare quarterly Budget to Actual reports for all student organization agency and designated funds. Such reports should be reviewed with the University Budget Office to address current and emerging issues.	Tim Kresse, Director of Student Affairs Budget and Technology	In an 11/2017 update, the Director of Student Affairs Budget and Technology stated, "we have met/communicated with all responsible parties about their obligations in having a UD group, and will be setting up meetings to review spending in comparison to allocations. As time has progressed, I don't think that having budgets loaded in Banner is worth the administrative overhead for these funds. We can compare overall spending to plans and allocations on a regular basis with the responsible people." IACS followed up on this issue 11/2017 and concluded that this issue will be closed with the understanding that management will compare overall spending to plans and allocations for affiliated and student organizations on a regular basis with those financially responsible for the organization. Comment closed 11/6/17.
4	**143.2** - Financial Audit of Forensics Society - 5/2017	5/22/2017	Moderate	Student Affairs	Where proper documented approval for affiliated organizations cannot be located, IACS recommends Student Affairs obtain such authorization in accordance with established policy (i.e., a Dean if the affiliated organization is being sponsored by an academic unit, or a Vice President if sponsored by an administrative unit). The documentation should clearly acknowledge the division's responsibility, as stated in the policy for directing, managing and funding the affiliated organization, as well as responsibility to appoint an advisor to effectuate those obligations. Documented approval for affiliated organizations should be maintained by Student Affairs going forward.	Tim Kresse, Director of Student Affairs Budget and Technology	The Director of Student Affairs Budget and Technology concurred and in an 11/2017 update stated, "we have received from all divisions/colleges signed memos indicating their understanding and acceptance of the responsibilities for the UD groups. Additionally, we are finishing re-assigning the Responsible Party for each of the orgs from the Director of Student Affairs Budget and Technology to the appropriate person in the college/division. Will be setting up check-in with all groups in person or via email to review spending to plans." IACS performed a follow-up review 11/2017 and verified appropriate action has been taken. Comment closed 11/7/2017.
5	**112.3** - Central Stores Physical Inventory - 8/2016	8/10/2016	Low	Finance & Business Services	If the physical inventory will not be performed at year-end, IACS recommends PFD management consider expensing maintenance supplies, rather than recording them as inventory on the balance sheet. Expensing supplies is a common practice at several Ohio universities, and avoids costs associated with the year-end inventory. However, the budget impact to expense the inventory in the year of the accounting change should be considered. Regardless, internal controls should be maintained to detect and address potential shrinkage or other risks. Such current internal controls include: ID swipe for after-hours access, security cameras, regular cycle counts, routine spot checks by management, timely resolution of variances, and routine review of on-hand adjustments by management.	Cody Powell, Associate VP for Facility Planning and Operations	This audit issue has been closed, as management decided to continue recording supplies as inventory on the balance sheet, and a full physical inventory was performed at year-end 6/30/2017. In addition, an agreement has been reached with a third-party service provider to take over operations of the Central Stores storeroom in fiscal year 2018, including the supply and ownership of new inventory. Ownership of preexisting inventory, critical spares, and fuel remains with the University. Comment closed 7/24/2017.

Reporting Update
Item 4

ENROLLMENT UPDATE

Board of Trustees Meeting

Finance and Audit Committee
December 7, 2017

Enrollment Management & Student Success

MIAMI UNIVERSITY

Key Enrollment Goals

Fall 2017

First-Year Objectives

- Enroll a cohort of 3,700 first-year students
- Meet Net Tuition Revenue targets
- Increase non-resident enrollment
    - Increase domestic non-resident enrollment
    - Maintain international non-resident enrollment of 275
- Increase diversity
    - Racial/ethnic
    - Socioeconomic
    - College-going status
- Maintain quality
- Manage divisional enrollment targets

Other Enrollment Objectives

- Maintain ACE Program enrollment of 275
- Maintain transfer enrollment

Fall 2017 Confirmations

Key Metrics

	Confirmations	ACT Best	GPA	Curriculum Strength	Non-Resident	Students of Color
2013	3,648	27.5	3.72	13.4	39.2%	13.2%
2014	3,641	27.6	3.70	13.2	43.3%	13.0%
2015	3,806	28.0	3.75	13.7	44.1%	13.6%
2016	3,798	28.5	3.77	13.9	44.0%	15.6%
2017	3,817	28.3	3.76	13.8	42.5%	16.8%

Data as of 11.05.2017

Fall 2017 Confirmations

by Division

	2015	2016	2017	∆ 2015 to 2017	∆ 2016 to 2017
CAS	1,855	1,883	1,819	-1.9%	-3.4%
FSB	924	900	956	3.5%	6.2%
CEC	469	450	461	-1.7%	2.4%
EHS	374	402	376	0.5%	-6.5%
CCA	184	163	205	11.4%	25.8%
Grand Total	3,806	3,798	3,817	0.3%	0.5%

Data as of 11.05.2017

Other Enrollment Goals

Fall 2016

American Culture and English (ACE) Program

- Fall 2017 enrollment goal was 275 students
- 227 confirmed students or a 17.2% YTD decrease versus Fall 2016

Transfers

- Fall 2017 enrollment goal was 225 students
- 203 confirmed students or a 15.1% YTD decrease versus Fall 2016

Data as of 11.05.2017

Key Enrollment Goals

Fall 2018

First-Year Objectives

- Increase applications for admission to exceed 31,000
- Enroll a cohort of 3,750 first-year students
- Meet net tuition revenue targets
- Increase non-resident enrollment
  - Increase domestic non-resident enrollment
  - Maintain international enrollment of 300
- Increase diversity
  - Racial/ethnic
  - Socioeconomic
  - College-going status
- Maintain quality
- Manage divisional enrollment targets, including an enrolling cohort of 40 CLAAS students

Other Enrollment Objectives

- Enroll a cohort of 200 ACE students
- Enroll a cohort of 200 transfer students

Fall 2018 Applications

by Residency

	2016	2017	2018	∆ 2016 to 2018	∆ 2017 to 2018
Non-Resident	8,532	8,871	9,005	5.5%	1.5%
Domestic Non-Resident	8,101	8,406	8,492	4.8%	1.0%
International	431	465	513	19.0%	10.3%
Ohio Resident	5,875	6,489	6,807	15.9%	4.9%
Grand Total	14,407	15,360	15,812	9.8%	2.9%

Data as of 11.13.2017

Lean Project Update
as of 11/3/2017

MU-Lean Project Status Totals					Completed Projects			
Division	Active	Completed	Future	Total	**Cost Avoidance**	**Cost Reduction**	**Revenue Generated**	**Total**
Finance and Business Services	122	1128	13	1263	$18,039,051	$9,433,077	$5,379,497	$32,851,625
Procurement Realized*					$13,227,485	$4,430,050	$1,382,010	$19,039,545
President+Intercollegiate Athletics	1	4	0	5	$2,540	$233,500	$1,015	$237,055
Advancement	2	20	0	22	$147,452	$213,790	$223,000	$584,242
Enrollment	5	36	0	41	$500,733	$33,841	$37,705	$572,279
Student Affairs	4	2	0	6	$53,017	$0	$0	$53,017
Information Technology Services	1	17	0	18	$433,113	$0	$4,180	$437,293
Provost (including regionals)	10	24	1	35	$2,514,464	$0	$106,000	$2,620,464
Lean Project Total - MU	145	1231	14	1390	$34,917,855	$14,344,258	$7,133,407	$56,395,520

*Procurement Realized through September 2017. Procurement increment reported quarterly- July-September 2017.

MU-Lean Project Changes since 8-1-17 report					Newly Completed Projects since 8-1-17 report			
Division	Newly Active	Newly Completed	Newly Future	New Total	**New Cost Avoidance**	**New Cost Reduction**	**New Revenue Generated**	**New Total**
Finance and Business Services*	-22	51	-8	22	$542,509	$1,039,325	$14,669	$1,596,503
Procurement Realized*					$200,972	$212,544	$64,189	$477,705
President+Intercollegiate Athletics	0	1	0	1	$0	$83,500	$0	$83,500
Advancement	-5	6	0	1	$52,352	$0	$65,000	$117,352
Enrollment	-1	1	-1	-1	$0	$0	$0	$0
Student Affairs	2	0	0	2	$0	$0	$0	$0
Information Technology Services	1	0	0	1	$0	$0	$0	$0
Provost (including regionals)	0	0	1	1	$0	$0	$0	$0
Lean Project Total - MU	-25	59	-8	27	$795,833	$1,335,369	$143,858	$2,275,060