Miami University
Board of Trustees Finance & Audit Committee Meeting
Marcum Conference Center
December 14, 2023
1:00 p.m. – 4:00 p.m.

Business Session, 1:00 p.m. to 3:30 p.m.

1. Approval of Minutes of June 22, 2023 Finance & Audit Committee Meeting –Mark Sullivan

2. FY 2023 Financial Statements and Audit Results –David Creamer, Jennifer Morrison; Forvis: Jim Creeden, Mike Behme, Jacki Napp
   a. Independent Auditor Report
   b. Management's Report
   c. Miami University Financial Statements
   d. Miami University Foundation Financial Statements
   e. Private Meeting with Independent Auditors (no enclosure)
   f. Review of Fiscal Year 2023 Financial Results

3. Report on Year-to-Date Operating Results Compared to Budget –David Creamer, David Ellis
   a. FY2024 Forecasted Operating Results
   b. Revised Appropriation Ordinance for FY2024

4. Workday ERP Update –David Seidl

5. Report on Facilities, Construction and Real Estate –David Creamer, Cody Powell
   a. Status of Capital Projects
   b. Capital Plan Resolution
   c. BCRTA Lease Resolution
   d. Residence Hall Master Plan Update (no enclosure)

6. State of Ohio Efficiency Report –David Creamer, David Ellis
   a. Resolution to Adopt Report
   b. Report

7. IACS FY24 Internal Audit Plan –Terry Moore

8. Investment Sub-Committee Report –Biff Bowman, Bruce Guiot
   a. Agenda
   b. Resolution to Amend the Non-Endowment Investment Policy

9. Forward Agenda Priorities –Mark Sullivan

Executive Session, 3:00 p.m. to 4:00 p.m.

1. Purchase or Sale of Property
   Consult with Counsel

(over)

Reporting Updates

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

Future Meeting Dates

Thursday, February 22, 2024
Thursday, May 16, 2024
Thursday, June 27, 2024
Thursday, September 19, 2024
Thursday, December 12, 2024

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BOARD OF TRUSTEES
ROUDEBUSH HALL ROOM 212
OXFORD, OHIO 45056
(513) 529-6225 MAIN
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BOARD OF TRUSTEES
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Minutes of the Finance and Audit Committee Meeting
Marcum Conference Center, Oxford, Ohio
Thursday, June 22, 2023

Committee Chair, National Trustee Mark Sullivan, called the meeting to order at 1:00 p.m., with sufficient members present to constitute a quorum. The meeting was held in the Marcum Conference Center on the Oxford campus. Roll was called; attending with Trustee Sullivan were Committee members; Trustee Steve Anderson, and National Trustee Biff Bowman. Committee members, Trustee Mary Schell, Rod Robinson, and Sandra Collins; and National Trustee Dinesh Paliwal were absent. Also attending were Trustees Debbie Feldman, Beth McNellie, and John Pascoe; and Student Trustee Jack Fazio.

In addition to the Trustees, attending for all or part of the meeting were President Crawford, Senior Vice President David Creamer, and Provost Liz Mullenix; Vice Presidents Cristina Alcalde, Jayne Brownell, Brad Bundy, Sue McDowell, Jessica Rivinius, David Seidl, Amy Shoemaker, Brent Shock and Randi Thomas; along with Associate Vice President Dawn Fahner, Director of Executive Communications Ashlea Jones, and Ted Pickerill, Chief of Staff and Secretary to the Board of Trustees. Also present to address or assist the Committee were; Associate Vice President for Budgeting and Analysis, David Ellis; Associate Treasurer and CFO of the Foundation Board Bruce Guiot; Chief Audit Officer Terry Moore; and Associate Vice President for Facilities Planning and Operations, Cody Powell; along with many others in attendance to assist or observe.

Public Business Session

Approval of the Minutes

Following a motion by Trustee Bowman and a second by Trustee Anderson, the minutes from the prior meeting were unanimously approved by voice vote, with all voting in favor and none opposed.

Tuition, Fee and Room and Board Ordinances

Sr. Vice President Creamer explained the flexibility built into the tuition, fee, and room and board ordinances. The flexibility allows an adjustment in the rate of increase should the Ohio General Assembly reduce the fee cap in the pending budget.

He then explained the new, proposed overload fee. The fee is an extra charge for every credit hour a student takes in excess of 18 credit hours (the fee applies for 19 or more credit hours). He stated that Miami is the only public university in Ohio which does not already have such a fee. He further informed the Committee that the fee, if approved by the Board, would need final approval by the Chancellor.

Next, he provided an overview of the proposed tuition rate increases for the incoming cohorts, and reminded the Committee that the Miami Promise holds tuition and fees unchanged for currently enrolled students. Oxford undergraduates would see a 2% increase for Ohio residents, and Regional students (resident and non-resident) would receive a 4% increase. The Oxford increase was held to 2% after benchmarking against tuition levels at other Ohio public universities, which showed Miami, Oxford, to have the highest undergraduate tuition. Non-resident Oxford undergraduates would see a 4% increase, as would graduate students.

The proposed increase in room rates was 3%, and for board 4.5%. Also proposed was a $15 per credit hour increase to the Farmer School fee, the increase had been approved before, in a prior year, but was not authorized by the State.

Also presented was a tuition waiver ordinance, to provide a 10% tuition discount for local government employees; Hamilton, Middletown, and Butler County.

Hearing no objections, Chair Sullivan presented all seven ordinances to the Committee for consideration in a single vote.

- Overload Fees Ordinance
- Oxford Undergraduate Tuition Ordinance
- Regional Campus Undergraduate Tuition Ordinance
- All Campuses Graduate Tuition Ordinance
- Regional Campus Tuition Waiver Authorization
- Miscellaneous Fee Ordinance
- Room and Board Ordinance

Trustee Bowman then moved, Trustee Anderson seconded, and by unanimous voice vote, with all voting in favor and none opposed, the Committee recommended approval of the seven ordinances by the full Board of Trustees.

FY2024 Budget Appropriation Ordinance

Sr. Vice President Creamer provided a FY2024 budget ordinance overview. He again stated that there is flexibility built in to adjust should the upcoming State budget require changes. He provided a listing of the budget assumptions, such as; 3,922 new first-time students in Oxford, with 37.9% being from out of state (a full listing of assumptions is attached).

He then presented the FY2024 Revenue and transfer budget. The budget totals $711,068,051 for Oxford, and $61,546,929 for the Regional Campuses. The FY2024 budget has an $11,268,853 use of reserves in Oxford, and a $5,663,215 use of reserves for the Regional Campuses.

Sr. Vice President Creamer next presented the year-to-year changes in Miami's' HLC financial ratios, and the FY2022 composite scores for Ohio's public universities. The maximum score is a 5. Previously Miami typically led the state, but declines in tuition revenue have impacted the score; Miami now scores 3.7, nearer the group's median, With the auxiliary budget, he highlighted the cost of debt service, interest and principal, which totals over $46 million annually. For Oxford he discussed the public's expectation of discounting, and the challenges of generating net tuition revenue for the incoming class which is down over $10 million from its peak in FY2018. For the Regional Campuses, he discussed the steady decline in enrollment, from 5,177 in fall 2010 to a forecast of 2,771 for fall 2023, with Middletown seeing the greater rate of decrease of almost 50% over that period, and fewer than 1,000 students expected for fall 2023.

Trustee Anderson moved, Trustee Bowman seconded and by unanimous voice vote, with all voting in favor and none opposed, the Committee recommended approval by the full Board of Trustees.

Annual Internal Audit Report

Chief Audit Officer Terry Moore presented the annual internal audit report. He reviewed the status of the FY2023 Audit Plan. He stated that one item has not been not performed, football attendance, because the NCAA continues to suspend this requirement.

Four major audits, TCP Time & Attendance Tracking Application, DSE Recreation Management Application, Endowed Scholarship Awards, and Post-Award Administration of Sponsored Programs are either complete, in-progress, or planned for completion. There were 14 follow-up audits, 20 closed audit recommendations, and several unplanned projects, which include; Workday ERP implementation, information security, and guest speakers.

Additional activities by Internal Audit include:

- Closure of a P-card fraud investigation with a $91,000 restitution
- Coordination with the Ohio Auditor of State on the selection of Miami's new external auditor - FORVIS
- Facilitated a peer review of enterprise risk management and the annual update of the risk register
- Performed ad-hoc, informal advisory services

He also provided an update on office staffing and the office's budget. He stated operations for the year are running within budget.

Status of Capital Projects

Associate Vice President Cody Powell updated the Committee on the status of capital projects. He reported that no major projects were completed since the last meeting. The Clinical Health Sciences and Wellness building was completed on time and under budget, and is now operational, with faculty and staff and the first cohort of Physicians Associates having moved into the building already.

The central campus hot water conversion project is in the second phase, and is proceeding on time. The Ogden Hall renovation is going well, and is on track for the revised completion date. Bell Tower Dining, although some supply chain issues were experienced, a Fall 2023 completion is still anticipated. Bell Tower will be a “ghost kitchen” with order ahead service and a pickup facility to meet the needs of today’s students. The McVey Data Science Building is also proceeding well, with no supply chain issues, and is on time for a January 2024 opening.

He also explained the North Chiller Conversion project and its role in enhancing sustainability on the Oxford Campus. The project is a conversation to geothermal heating and cooling with wells to be placed under the Millett Hall parking lot. He also explained the roll of more efficient, sustainable utilities in reducing the cost of operations for the Oxford campus. While the gross square footage of the Oxford campus has grown from approximately 6.5 million sq. ft. in FY2000 to approximately 8.4 million today, the annual consumption of coal, natural gas, and electricity has decreased by nearly 75%, generating a savings of approximately $10 million in annual utilities costs, and an accumulated savings of over $100 million.

The Bachelor Hall renovation resolution was also considered and the Committee was informed that there is expected to be a second award of funds from the State in the next biennial appoint cycle.

The Committee then considered the Bachelor Hall and the North Chiller Conversion resolutions in a single vote. Trustee Anderson moved, Trustee Bowman seconded, and by unanimous voice vote, with all voting in favor and none opposed, the Committee recommended approval by the full Board of Trustees.

Investment Subcommittee

Investment Subcommittee Chair, Trustee Biff Bowman, reported to the Committee the following update regarding the Subcommittee’s June 21 meeting:

The Subcommittee reviewed the capital stack comprised of the endowment pool, the University’s non-endowment investments, and its operating cash.

- Operating cash flow so far for FY2023 is tracking to forecast.
- The majority of the University’s operating cash is in either bank accounts collateralized with US Treasuries or is backed by the FDIC.
- The endowment/PIF was valued at $708 million as of April 30th.

The Subcommittee reviewed investment performance for FY2023 through April 30th for both the non-endowment and endowment.

- Returns are positive for the fiscal year to date and have outperformed our benchmarks.
- Public equity markets have risen by double digits as the recent increase in interest rates have started to moderate inflation.
- Non-endowment was up about 4.9% for the FYTD.
- Endowment/PIF was up about 5.3% FYTD (although some private capital figures are still being collected).

- Results for May were negative, but have been positive so far in June.

The Subcommittee also discussed the feasibility of increasing the investment earnings budget for the non-endowment, which is a necessary component of the FY2024 budget we discussed earlier. While cautious, it was noted that it is still below the expected return from the investment model.

Next, the Subcommittee reviewed three policies. First, the Subcommittee endorsed recommended adjustments the University's debt policy, which has not been updated since 2011. The changes are intended to reflect changes in both the debt markets and the University's financial condition over the last decade. There is a Debt Policy Resolution for this committee to send to the full board for approval tomorrow. The Subcommittee also reviewed the endowment spending policy and administrative fee policy and affirmed both with no recommended changes.

Finally, staff provided some updates on their monitoring of our third-party financial services providers, including the OCIO, Strategic Investment Group. Miami is completing its fifth anniversary with SIG and the Subcommittee is satisfied with their work.

The Finance and Audit Committee then considered the Debt Policy Resolution. Trustee Sullivan moved, Trustee Anderson seconded, and by unanimous voice vote, with all voting in favor and none opposed, the Committee recommended approval by the full Board of Trustees.

New Enterprise Resource Planning (ERP) System Status Update

Vice President for Information Technology Services David Seidl explained that the ERP update is still in its early stages, and configuration is beginning. Small areas are being moved to Workday, and then being evaluated.

He also informed the Committee of recent cyber-attack activity. Miami received a claim of ransomware and responded, but when the provided sample of collected data was examined, it was not from Miami University. While there was no true cyber threat, the experience provided an excellent real-word training opportunity.

Executive Session

Trustee Anderson moved, Trustee Bowman seconded, and by unanimous roll call vote, with three voting in favor and none opposed, the Committee convened to Executive Session to consult with counsel, and for matters required to be kept confidential - trade secrets; as provided by the Open Meetings Act, Ohio Revised Code Section 121.22.

Adjournment

With no more business to come before the Committee, Trustee Bowman moved, Trustee Anderson seconded and by unanimous voice vote, with all voting in favor and none opposed, the meeting was adjourned.

Written Reports

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

- University Advancement Report
- Enrollment Report
- Report on Cash and Investments
- Lean Project Update
- Health Benefit Indicators
- Financial Dashboards

Theodore O. Pickerill II
Secretary to the Board of Trustees

FORV/S

312 Walnut Street, Suite 3000 / Cincinnati, OH 45201
P 513.621.8300 / **F** 513.621.8345
forvis.com

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*

Independent Auditor's Report

Board of Trustees
Miami University
Oxford, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the business-type activities and discretely presented component unit of Miami University (University), collectively a component unit of the State of Ohio, as of and for the year ended June 30, 2023, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 13, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS, LLP

Cincinnati, Ohio
October 13, 2023

FORVIS®

Report to the Board of Trustees, Finance & Audit Committee, and Management

Miami University

Results of the 2023 Financial Statement Audit, Including Required Communications

June 30, 2023

Contents

Audit Summary

Timing of Our Engagement

Our audit procedures occurred primarily between May 2023 and October 2023.

Our Financial Statement Opinion

We have issued an unmodified opinion as to whether the financial statements of Miami University as of and for the year ended June 30, 2023 are fairly presented, in all material respects.

Government Auditing Standards

We have also issued our report on internal control over financial reporting and on our tests of compliance in accordance with *Government Auditing Standards* (GAGAS).

Our Uniform Guidance Compliance Opinion

We have also issued an unmodified opinion, as to whether Miami University complied with the requirements of the U.S. Office of Management and Budget (OMB) Uniform Guidance for each major federal award program, and our report on internal control over compliance.

Areas of Audit Emphasis

Where We Focused Our Efforts

Elements of the Audit	Description of the Audit Area
Planning	We worked closely with management and the Finance and Audit Committee early during the audit, as required by auditing standards, giving the group an overview of the scope and timing.
Materiality	FORVIS has a materiality methodology that does not simply consider change in net assets but focuses on other metrics, such as total net assets, assets, or revenue or other meaningful metrics, to scope our audit approach, to evaluate actual or potential errors, and to develop audit samples.
Risk Assessment	FORVIS followed standards established by the AICPA that affected the amount and type of information we gathered to perform our audit, including: • Obtaining an understanding of your business and business environment, significant risks, and how you mitigate those risks, including examining how you measure and manage financial performance, as well as your internal control over financial reporting • Evaluating where your financial statements might be susceptible to material misstatement due to error or fraud

Elements of the Audit	Description of the Audit Area
Risk Assessment (continued)	• Considering if internal controls have been implemented and assessed the general controls around your information technology systems • Assessing risks of material misstatement for the most significant financial statement amounts and disclosures We considered your internal controls documentation, interviewed personnel and reviewed prior governance meeting minutes as part of our information-gathering process.
Fieldwork, Testing, & Further Audit Procedures	We performed substantive procedures, such as: • **Key Item Testing** – Some items within an account may be large enough by themselves to involve significant risk of material misstatement. These key items were audited individually • **Sampling** – A detailed audit of representative individual items (a sample) selected from a population • **Analytical Procedures** – Taking a closer look at a grouping of information by examining it as it relates to other accounts, historical trends, or other measures

Elements of the Audit	Description of the Audit Area
Areas of Particular Attention	Based on the nature of your activities and the operations during the period, we noted the following areas of special attention: • **Management Override of Controls** is an inherent risk, even in well-designed systems of controls. We evaluate journal entries and financial statement drafting processes among areas where override can often occur. • **Revenue Recognition** including proper recording of significant contributions and pledges. • **Existence and Valuation of Investments** can be complex given assumptions and methods used by management particularly for difficult to value investments, such as alternatives. • **Net Asset Classifications and Releases of Restrictions** can be difficult to classify and track, particularly in periods of high activity. • **Related Party Transactions** between the University and Foundation and/or other affiliated entities to ensure proper disclosure. • **Implementation of GASB 96, *Subscription-Based IT Arrangements***

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

The following matters are required communications we must make to you, including these responsibilities:

Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	This report covers audit results related to your financial statements and supplementary information: • As of and for the year ended June 30, 2023 • Conducted in accordance with our contract dated May 22, 2023
Our Responsibilities	FORVIS is responsible for forming and expressing opinions about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).
Audit Scope & Inherent Limitations to *Reasonable Assurance*	An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards* issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.

Matter	Discussion
Extent of Our Communication	In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.
Independence	The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.
Your Responsibilities	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.
Distribution Restriction	This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties: • Board of Trustees, Finance & Audit Committee, and Management • Others within the University

Government Auditing Standards

Matter	Discussion
Additional GAGAS Reporting	We also provided reports as of June 30, 2023, on the following as required by GAGAS. • Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

Uniform Guidance Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	We also provided reports as of June 30, 2023, on the following as required by U.S. Office of Management and Budget (OMB) Uniform Guidance: • Opinion on compliance for each major federal award program • Report on internal control over compliance • Schedule of Expenditures of Federal Awards
Audit Scope & Inherent Limitations to *Reasonable Assurance*	A compliance audit performed in accordance with OMB Uniform Guidance is designed to obtain reasonable, rather than absolute, assurance about whether noncompliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on a major federal award program occurred.

Qualitative Aspects of Significant Accounting Policies & Practices

The following matters are detailed in the following pages and included in our assessment:

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- GASB 96, Subscription-Based Information Technology Arrangements

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Allowance for uncollectible receivables
- Valuation of investments
- Pension and OPEB asset/liability
- Accrued sick and vacation liabilities
- Lease and subscription liability assumptions and discount rates

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Fair value of financial instruments
- Subscription assets and liabilities
- Pension and OPEB plans
- Contingencies

Our Judgment About the Quality of the University's Accounting Principles

During the course of the audit, we made the following observations regarding the University's application of accounting principles:

- No matters are reportable

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- No matters are reportable

Uncorrected Misstatements

- No matters are reportable

FORVIS
Miami University

Business Session
Item 2c

2023

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

Overall, the University's financial position improved at June 30, 2023. Total assets increased 1.3 percent in fiscal year 2023 to $2.67 billion compared to $2.63 billion in fiscal year 2022. Liabilities increased 17.5 percent and totaled $1.065 million.

The investment portfolios rebounded from losses experienced in the previous fiscal year. For the fiscal year ended June 30, 2023, operational investments (excluding operating cash) earned 6.3 percent, reversing the previous year's 6.3 percent loss. The pooled investment fund, which includes the University and Foundation endowments, posted an estimated gain of 8.1 percent (pending receipt of most of the private capital valuations for the last quarter), more than recouping the 5.9 percent loss in the previous year.

Effective July 1, 2022, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). As a result of the adoption of Statement No. 96, the University recognized a net subscription asset and a corresponding liability of $7,363 on July 1, 2022.

For decades Miami and other public colleges and universities could rely on tuition increases and/or increasing demand to provide the financial resources needed to replace the loss of state support, offset rising costs, and provide for growth and expansion of their universities. That economic model is less effective today as major shifts in the underlying elements of supply and demand for higher education are creating a very different set of economic factors. Miami University recognizes the significance of these changes and is developing new strategies in response to these trends, but it must be able to execute these new initiatives timely and effectively to continue to keep pace with the new and rapidly changing higher education landscape.

Respectfully submitted,

David K Creamer

David K. Creamer

Senior Vice President for Finance and Business Services and Treasurer

Investment Report

Miami University and Miami University Foundation

JUNE 30, 2023

MIAMI UNIVERSITY

INVESTMENT POOLS

Total investment assets for Miami University and Miami University Foundation at fiscal year-end reached an all-time high, up $77 million to exceed $1.6 billion. This growth, which set new records in both primary investment pools, is largely attributed to solid investment returns and momentum in the capital campaign. The University's non-endowment pool, its working capital and reserves, rose slightly to $874 million from $850 million. The Pooled Investment Fund (PIF), the combined University and Foundation endowment, rose to $739 million from $686 million. The fiscal year-end asset values among the pools are as follows:

Pool	Type of Funds	Invested as of June 30, 2023
University Non-Endowment	Working capital and cash reserves to support operating activities	$874,530,000
Pooled Investment Fund (University & Foundation Endowments)	Funds donated to the University and the Foundation to establish endowments in perpetuity	$739,390,000
Trusts, Annuities, and Separately Invested Assets	Gifts managed independently of the pooled funds	$20,980,000
Total Investments		**$1,634,900,000**

The Investment Committee of the Miami University Foundation's Board of Directors provides governance oversight to the PIF, while the Miami University Board of Trustees maintains oversight of the non-endowment pool. In 2018, the Boards outsourced investment management discretion of both the PIF and non-endowment to an external firm, Strategic Investment Group (SIG).

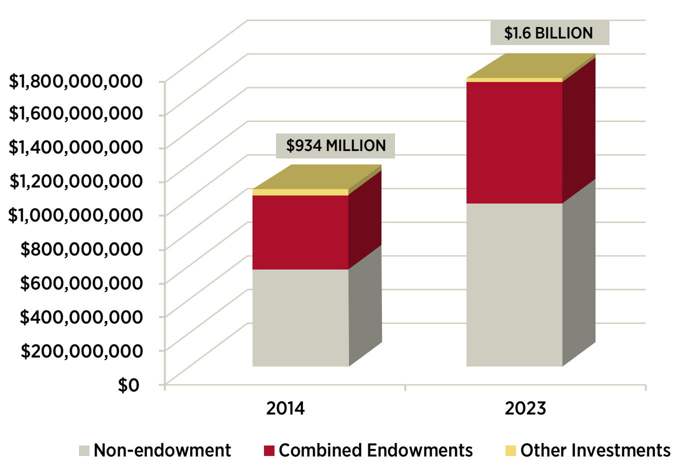
The University's non-endowment pool holds the working capital and cash reserves that fund the University's operating activities. Its balance fluctuates significantly during the course of a year based on the University's cash flow cycle of receipts and expenditures. June 30 typically marks the low point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

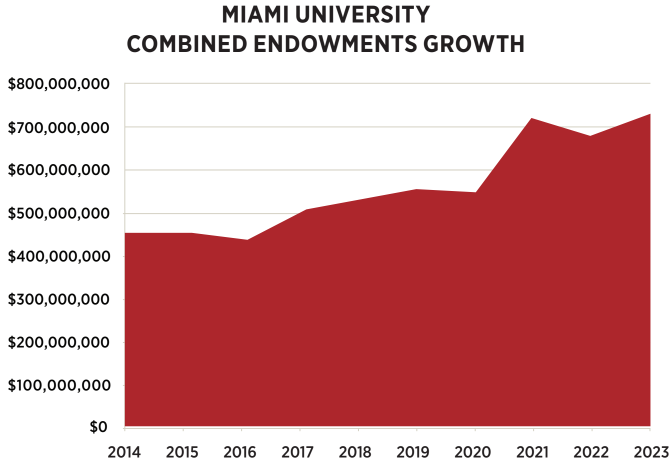
The PIF invests endowed gifts from donors and quasi-endowments established by the Boards. This pool operates under the philosophy that the funds are invested in perpetuity to provide benefits to today's students as well as to the many generations of Miami students yet to come. Miami invests these funds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

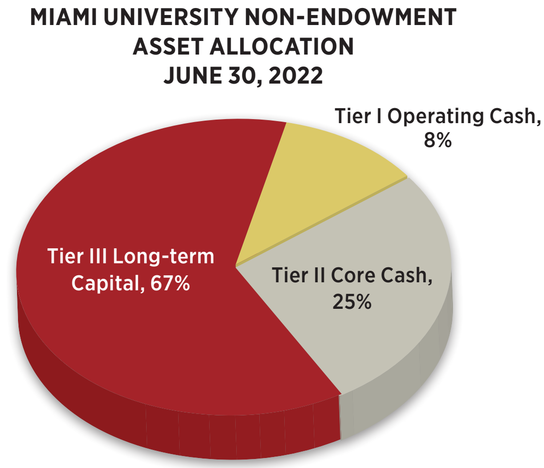
The University and Foundation also hold assets given by donors in the form of trusts, annuities, insurance policies, real estate, and other assets. These funds are, by necessity, managed separately from the PIF.

Over the last ten years, Miami's total investment assets have expanded by 75 percent, driven by generous donor support, prudent financial discipline, and healthy investment earnings. a

GROWTH IN TOTAL INVESTMENT ASSETS AS OF JUNE 30, 2023





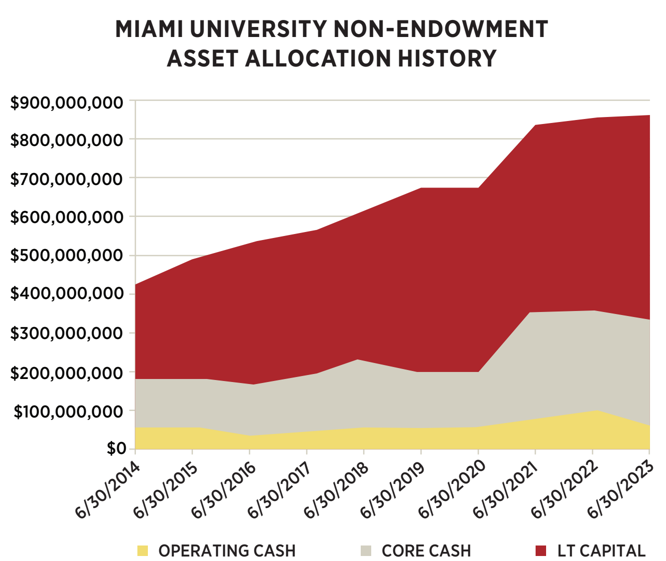


ASSET ALLOCATION

The non-endowment pool has three components. Tier I operating cash represents the University's working capital and is invested in short-term cash equivalents, with a target balance of two to six months of average cash needs. Tier II core cash represents short-term reserves along with funds set aside by the Board of Trustees for special initiatives. Tier II is invested in U.S. Treasury securities with maturities generally under two years. Tier III long-term capital consists of longer-term reserves. As the size of this pool has grown, this portion of the pool has adopted an investment profile similar to the PIF endowment, but excludes less liquid asset classes. At fiscal year-end, it was invested primarily in a mix of global public equity, various types of fixed income securities, assorted real asset exposures, and low correlation absolute return hedged strategies.

Cash flow generation from campus operations was negative for the year, as expected, due to capital project outlays and higher inflation related expenses. Tier I operating cash ended the year with $65.6 million, within our target range. Higher short term interest rates on cash provided additional interest earnings, which aided against market volatility. Tier II consisted of $190.7 million in the baseline allocation and $30.5 million in the special initiatives fund being used as seed capital for new academic programs. Tier III finished the year at $586.4 million. Rebalancing actions taken during the year included $15 million transferred from operating cash to long-term capital and $9.8 million drawn from Tier II special initiatives to operating cash.

The Foundation Investment Committee reviews the PIF investment policy regularly, and the Board of Directors adopted an updated PIF investment policy in May 2023. The change reduced the target in emerging markets equities and increased U.S. equities. This adjustment aligns the public equity targets mix more closely to the global public equity index and will be implemented over the next year. The PIF's strategic allocation considers not just asset exposure, but also the sources of risk and the interaction among the various assets and strategies. This pool's primary strategic allocation categories are public equity, consisting of exposures to U.S., non-U.S., and global equity strategies; alternatives, consisting of private equity and absolute return hedged strategies; real assets, comprised of timber, commodities, and real estate; fixed income, consisting of U.S. Treasury securities and public active credit strategies; and opportunistic, currently consisting primarily of private credit strategies. Each category has a long-term strategic target weight and SIG has discretion to make tactical shifts within approved ranges. While SIG manages a portion of the fixed income allocation in-house, it also deploys capital with approximately 100 sub-managers.



**POOLED INVESTMENT FUND
CHANGE IN ASSET ALLOCATION**

	2022	2023
Public Equity	51.5%	50.6%
Alternatives	28.4%	29.3%
Real Assets	7.8%	8.0%
Fixed Income	4.8%	5.5%
Opportunistic	4.8%	4.8%
Cash, Accruals, & Pending Trades	2.7%	1.8%
Total	100%	100%

This investment report is not audited. Due to timing, values in this report may not tie exactly to values in the audited financial statements.

POOLED INVESTMENT FUND
INVESTMENT POLICY TARGET ALLOCATION, RANGES, & BENCHMARKS

Asset Category	Long-Term Policy Allocation	Long-Term Policy Ranges -	Long-Term Policy Ranges +	Benchmark Indicies
Public Equities	**43%**	**-10%**	**+10%**	
U.S. Equities	26%	-10%	+10%	Russell 3000 Index
Developed Non-U.S. Equities	12.5%	-10%	+10%	MSCI World ex-U.S. Investible Market Index
Emerging Markets Equities	4.5%	-4.5%	+10%	MSCI Emerging Markets Index
Alternatives (Net)	**37%**	**-12%**	**+10%**	
Private Equities	25%	-10%	+5%	Custom Private Equity Index
Hedge Funds (Net)	12%	-12%	+10%	HFRX Equal Weighted Strategies Index
Hedge Funds (Gross)	*19%*	*-19%*	*+5%*	
Portable Alpha Overlay	*-7%*	*-7%*	*+10%*	
Real Assets	**8%**	**-8%**	**+10%**	
Real Estate	3%	-3%	+5%	NCREIF Fund Index Open End Diversified Core Equity Index
Timber	0%	-0%	+6%	Thomson Reuters Cambridge Timber Index
Commodities	2%	-2%	+6%	S&P GSCI Total Return Index
TIPS	3%	-3%	+6%	Bloomberg Barclays I-10 Year U.S. TIPS Index
Fixed Income	**12%**	**-10%**	**+10%**	
U.S. Investment Grade Bonds	12%	-10%	+10%	Bloomberg Barclays U.S. Aggregate Index
U.S. High Yield Bonds	0%	-0%	+10%	BofA Merrill Lynch High Yield Cash Pay Index
Non-U.S. Fixed Income	0%	-0%	+10%	
Opportunistic	**0%**	**-0%**	**+10%**	
Cash	**0%**	**-0%**	**+20%**	
TOTAL	**100%**			

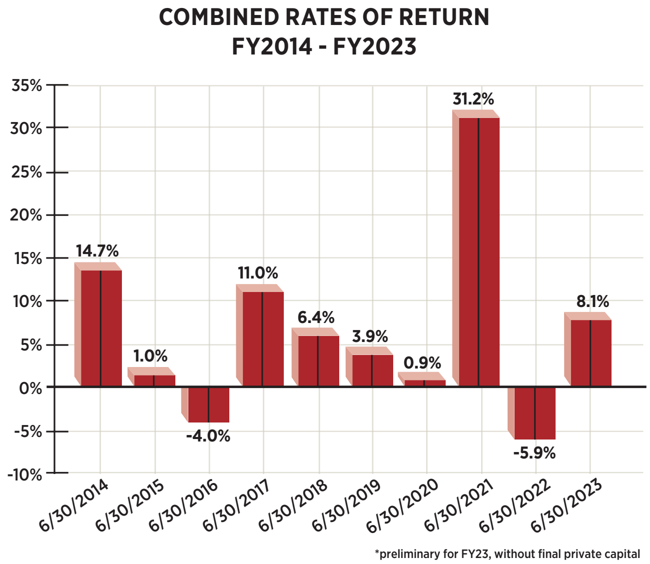
Exposures within the PIF asset allocation year over year were steady. The largest change reflects the continued building of the private equity portfolio, which is funded from public equity over a multiple year period. Fixed income exposure increased as rising interest rates stabilized.

Liquidity measures how quickly the exposure to a particular asset manager can be redeemed and turned into cash at a relatively stable value. Approximately 55 percent of the portfolio could be converted to cash within a month, while about three quarters of the portfolio could be redeemed within a quarter.

INVESTMENT RETURNS

Central banks around the world have aggressively increased interest rates to their highest levels in decades. These actions have slowed the pace of inflation and given some optimism to capital markets. However, inflation remains above target levels and persistently tight labor markets remain a key inflationary threat. The ultimate response of global economies and capital markets is unclear. Global equity prices as measured by the MSCI All Country World Index (ACWI) rose 16.5 percent after declining 15.7 percent the previous year. U.S. stocks were strong, with the S&P 500 up almost 20 percent and the NASDAQ up 25 percent. Investment grade bonds provided no safe haven, as rising interest rates led to negative returns for many debt instruments, though high yield bonds were up 9 percent. Traditional inflation hedges such as commodities and real estate generally struggled during the year. The U.S. Treasury yield curve has been inverted for several months, with yields for maturities inside of one year significantly higher than longer maturities. This posture has historically been a strong predictor of a coming recession, and markets will be looking for evidence of equilibrium between inflation and economic growth.

The combined Tier II and Tier III portions of the University's non-endowment pool posted a gain of 6.3 percent for the fiscal year ended June 30, 2023, essentially reversing the loss of 6.3 percent experienced in the previous year. Tier II baseline had a modest return of 2.3 percent as the pace of rising interest rates subsided, while Tier III was up 8.3 percent. Within the long-term capital portion, the best and worst performers swapped places from the previous year. Public equities were up 15.9 percent, with U.S. equities posting a strong 19.2 percent rebound, while real assets (real estate, commodities, and Treasury Inflation Protection Securities) reversed their gains from the previous year and lost 5.9 percent. Tier III annualized performance for the trailing five years was 6.0 percent, providing annualized added return over Treasury bills during that period of about four and one-half percentage points.

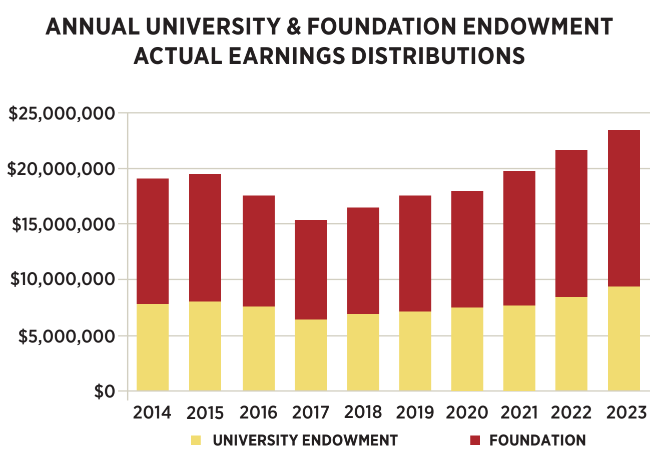


The PIF had an estimated gain of 8.1 percent (please note the FY2023 return is incomplete, since we do not yet have results for all private capital investments which have a significant reporting delay). This outcome more than recovered the 5.9 percent loss posted in the previous year. PIF outperformed its portfolio custom benchmark for the year by about 0.7 percentage points. PIF's estimated annualized performance for the trailing ten years was 6.3 percent.

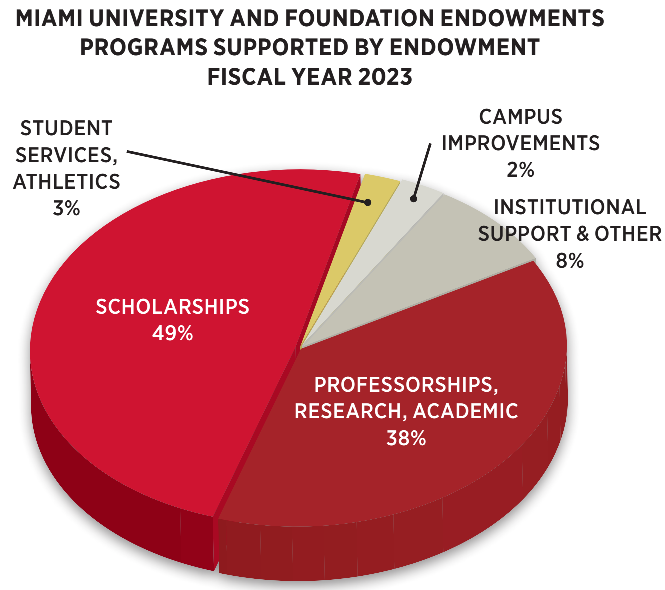
PROGRAM SUPPORT

Endowments provide a lasting legacy for Miami because their principal is invested in perpetuity and an annual distribution from earnings 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 support current obligations. Fulfilling these dual objectives is often referred to as achieving "intergenerational equity," in which no generation of students and faculty is advantaged in relation to other generations.

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



The combined endowment distribution for fiscal year 2023 was almost $24 million, the most ever distributed in one year and over $2 million more than the previous year. Over the last ten years, the cumulative distributions have totaled over $190 million and have provided an important source of funding to help make a Miami education more affordable for our students and to help offset changes in state support. The following chart shows the proportion of programs supported by the 2023 distributions.



The Miami University Foundation celebrates its 75th anniversary during 2023. From the first few hundred dollars of gifts in 1948 to now over $700 million in endowments, the Foundation has steadily fostered a culture of giving in support of the educational and research activities of Miami University. Higher education, like the country and the economy, has evolved considerably during that time. Nationwide, current enrollment in colleges is down well below pre-pandemic levels. At the same time, the number of students graduating from high school is declining and tuition price sensitivity by families has become acute. To help address these challenges, in the fall of 2022 Miami launched the public phase of its comprehensive capital campaign, *For love. For honor. For those who will.* With a goal of raising $1 billion, it is the largest campaign in Miami's history and seeks to ensure Miami, and Miamians, will continue to thrive for generations to come. We appreciate the unwavering and generous support from our alumni and friends and the visionary leadership of our boards and administration.

This investment report is not audited. Due to timing, values in this report may not tie exactly to values in the audited financial statements.

Miami University

A Component Unit of the State of Ohio

June 30, 2023

Contents

FORV/S

312 Walnut Street, Suite 3000 / Cincinnati, OH 45201
P 513.621.8300 / F 513.621.8345
forvis.com

Independent Auditor's Report

Board of Trustees
Miami University
Oxford, Ohio

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Miami University (University), collectively a component unit of the State of Ohio, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the University, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Other Information Included in the Treasurer's and Investment Reports

Management is responsible for the other information included in the treasurer's report as well as the investment report, which includes information from both Miami University and Miami University Foundation. The other information comprises the information included in these reports but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

Cincinnati, Ohio
October 13, 2023

Miami University
A Component Unit of the State of Ohio
Management's Discussion and Analysis
June 30, 2023

Introduction

The following discussion and analysis provides an overview of the financial position and activities of Miami University (the University or Miami) for the year ended June 30, 2023. This discussion should be read in conjunction with the accompanying financial statements and footnotes.

The University's annual report consists of this Management's Discussion and Analysis, the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows, and the Notes to the Financial Statements. The financial statements of the University have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when the related liability has been incurred. The financial activity of the Miami University Foundation, a component unit of the University, is included through a discrete presentation as part of the University's financial statements, but is not included in the following discussion.

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

Financial Highlights

Overall, the University's financial position improved at June 30, 2023. Total assets increased 1.3 percent in fiscal year 2023 to $2.67 billion compared to $2.63 billion in fiscal year 2022. Liabilities increased 17.5 percent and totaled $1.065 million. Significant financial events during fiscal year 2023 were:

- The University's fall 2022 cohort consisted of 4,028 first-year resident undergraduate students. Under the Miami Tuition Promise program, the incoming cohort of first-year, first-time undergraduate resident students at the Oxford campus has a guaranteed tuition amount due each year of their full-time enrollment for the four years of the guarantee. Total undergraduate enrollment decreased 1.9 percent to 20,384 students for fall 2022 compared to 20,784 total undergraduate students in the fall 2021 class. Graduate enrollment for fall 2022 remained flat with a total of 2,260 compared to 2,261 graduate students in the fall 2021 class.

- For the fall 2022 cohort, the University continued its shift from emphasizing test score measures such as an average ACT and using "test optional admissions" instead. The University's commitment to increase selectivity, diversity, and maintain quality with strong academic credentials in enrollment goals was evidenced by a GPA average of 3.89 for the fall 2022 class. The profile of the incoming class for fall 2022 consisted of 37.9 percent non-resident and 14.2 percent students of color. The fall 2022 categories of transfer students and relocation students decreased by 56 students. The Hamilton campus' incoming class size increased from 396 students from fall 2021 to 467 for fall 2022. The Middletown campus' first-time incoming students was flat changing from 166 students in fall 2021 to 164 students for the fall 2022 class.

- The investment portfolios rebounded from losses experienced in the previous fiscal year. For the fiscal year ended June 30, 2023, operational investments (excluding operating cash) earned 6.3 percent, reversing the previous year's 6.3 percent loss. The pooled investment fund, which includes the University and Foundation endowments, posted an estimated gain of 8.1 percent (pending receipt of most of the private capital valuations for the last quarter), more than recouping the 5.9 percent loss in the previous year. Central banks around the world have aggressively increased interest rates to their highest levels in decades. These actions have slowed the pace of inflation and given some optimism to capital markets. The ultimate response of global economies is unclear. Inflation remains well above target levels and persistently tight labor markets remain a key inflationary threat. While most global public equity markets posted positive double-digit returns for the past year, the U.S. Treasury yield curve has been inverted for several months, with yields for maturities inside of one year significantly higher than longer maturities. This posture has historically been a strong predictor of a coming recession, and markets will be looking for evidence of equilibrium between inflation and economic growth.

Adoption of Governmental Accounting Standards Board (GASB) Statement No. 96

Effective July 1, 2022, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). As a result of the adoption of Statement No. 96, the University recognized a net subscription asset and a corresponding liability of $7,363 on July 1, 2022. See Note 4 and Note 8 for further details regarding the implementation of this standard.

Statement of Net Position

The Statement of Net Position presents the assets, liabilities, deferred outflows/inflows of resources, and net position of the University as of the end of the fiscal year. The difference between total assets and deferred outflows and total liabilities and deferred inflows, 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.

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

	(Dollars in Thousands)		
	2023	2022	2021
Assets			
Current assets	$ 961,606	$ 977,011	$ 1,025,834
Capital assets, subscription assets, and lease assets	1,383,638	1,334,944	1,349,370
Long-term investments	278,379	261,704	282,732
Other assets	45,861	60,589	46,220
Total assets	2,669,484	2,634,248	2,704,156
Deferred Outflows of Resources	111,289	53,931	50,940
Total assets and deferred outflows of resources	$ 2,780,773	$ 2,688,179	$ 2,755,096
Liabilities:			
Current liabilities	$ 134,698	$ 122,250	$ 116,114
Noncurrent liabilities	929,856	784,030	972,164
Total liabilities	1,064,554	906,280	1,088,278
Deferred Inflows of Resources	66,797	223,116	121,250
Net Position:			
Net investment in capital assets	747,628	716,592	736,495
Restricted – nonexpendable	109,457	105,803	114,233
Restricted – expendable	136,332	118,344	104,299
Unrestricted – allocated	640,781	607,316	579,291
Unrestricted – unallocated	15,224	10,728	11,250
Total net position	1,649,422	1,558,783	1,545,568
Total liabilities, deferred inflows of resources and net position	$ 2,780,773	$ 2,688,179	$ 2,755,096

Total assets of the University increased 1.3 percent or $35.2 million in fiscal year 2023. This increase was primarily a result of an increase in net capital assets and investments. Detail of the increase in investments is provided in the Financial Highlights section of this report.

Total liabilities increased 17.5 percent or $158.3 million in fiscal year 2023. This increase was primarily the result of an increase in the net pension liability of $182.4 million. Details of the net pension liability are disclosed in Note 9.

Statement of Revenues, Expenses and Changes in Net Position

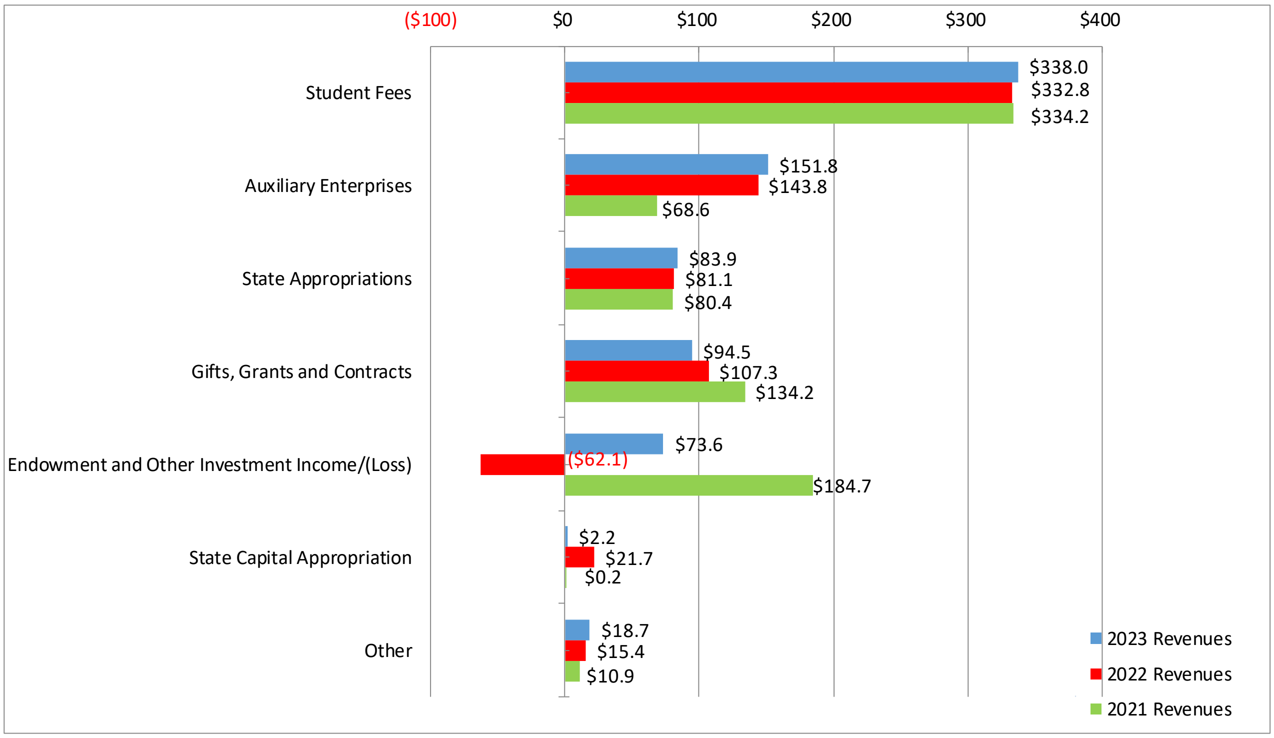
The Statement of Revenues, Expenses, and Changes in Net Position presents the University's results of activities for the fiscal year. The revenues and expenses are generally reported as either operating or non-operating. Operating revenues are generated by providing goods and services to customers and 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 2023, total revenues of the institution from all sources were approximately $762.7 million, which represents a $130.6 million or 20.7 percent increase from the prior year. Approximately 70.5 percent of revenues were classified as operating, and 29.5 percent were classified as non-operating or other revenues.

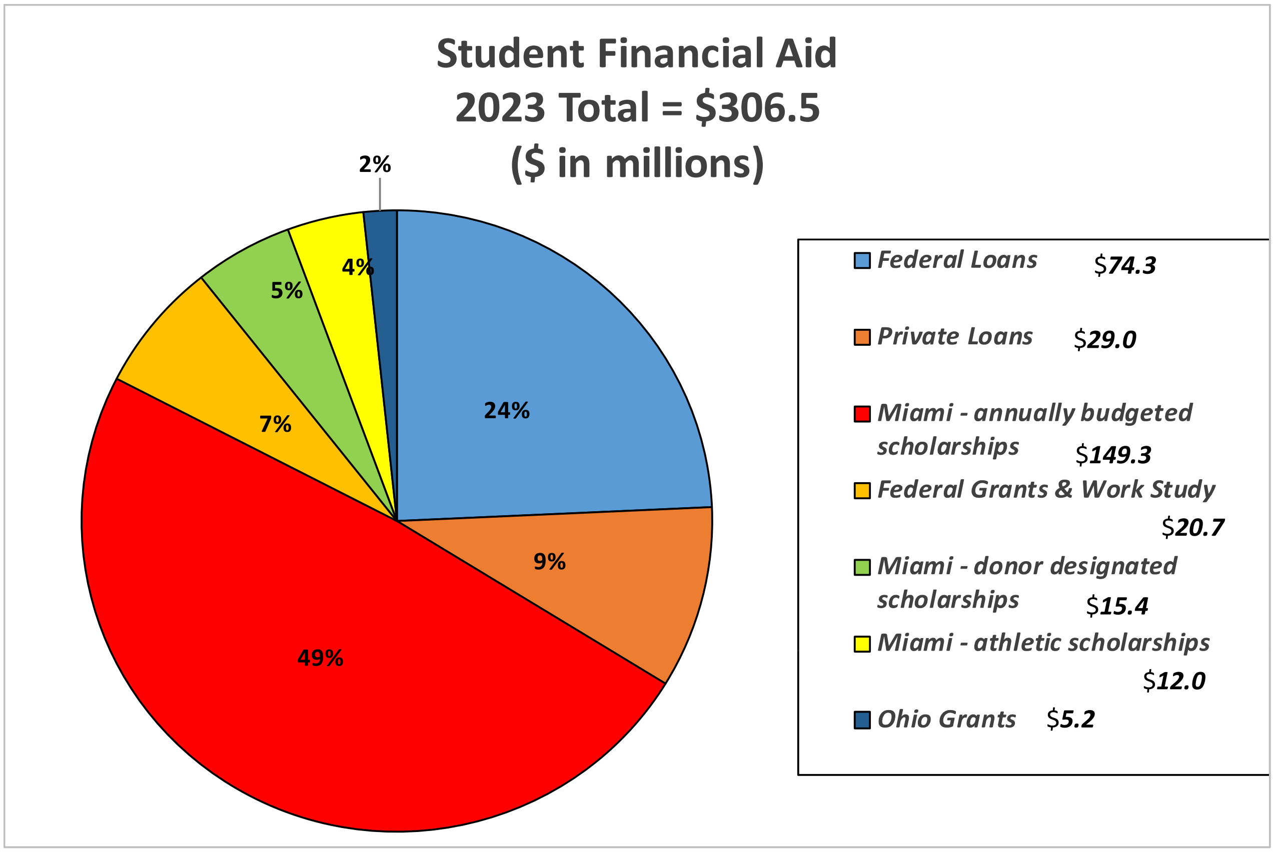
	(Dollars in Thousands)		
	2023	2022	2021
Operating revenues	$ 537,490	$ 515,830	$ 431,810
Non-operating revenues	220,914	90,947	378,973
Other revenues	4,249	25,258	2,515
Total revenues	762,653	632,035	813,298
Operating expenses	(650,100)	(593,635)	(503,125)
Non-operating expenses	(21,914)	(25,185)	(27,665)
Total expenses	(672,014)	(618,820)	(530,790)
Change in net position	$ 90,639	$ 13,215	$ 282,508

The University revenue base is shown in the accompanying chart. Student tuition and fees make up the largest percentage of revenues at 44.3 percent. Auxiliary enterprises such as residence and dining halls, several student recreational facilities, and the bookstore account for the second highest amount at 19.9 percent to the total. Gifts, grants, and contracts represent 12.4 percent. State appropriations are 11 percent and State capital appropriations are less than 1 percent of the total. Net endowment and investment income represented 9.8 percent of the total.

Total Revenues ($ in Millions)



The University continues to expand the 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 2023, Miami-funded financial aid increased by $12.8 million or 7.8 percent. In total, financial aid awards were $306.5 million.



Capital Assets and Debt Administration

During fiscal year 2023, the University completed and capitalized several projects. These projects were funded by a combination of bond proceeds, state capital appropriations, gifts and local funding. Major projects capitalized in 2023 include renovation projects to Dodds Hall, Morris Hall, Center of Performing Arts, Pearson Hall, College at Elm, and Hamilton Hall located on the Hamilton Campus. The new Health Sciences Facility, as well as the infrastructure improvements to include the second phase of South Quad Hot Water Conversion, were also completed and capitalized.

See Note 4 for additional information concerning capital assets and accumulated depreciation.

The University's bond rating remained the same in fiscal years 2023 and 2022 with a rating of Aa3 from Moody's Investors Services and a rating of AA from Fitch Ratings.

No new debt was issued in fiscal year 2023.

For more detailed information on current outstanding debt, see Notes 5 and 6.

Economic Factors That Will Affect the Future

Over the past seven decades, leading up to 2020, higher education only experienced growing demand for its services. Even during periods of declining high school graduation numbers, enrollments continued to be strong as participation rates continuously rose for both undergraduate and graduate programs. More importantly, while the cost of higher education since the late 1970s has risen much faster than inflation, it had almost no negative impact on demand for most colleges and universities. The strong return on investment from a degree during much of this period drove the rise in participation rates, especially for a selective university such as Miami.

The economic outlook for Miami and much of higher education today could not be more different. Brought on by the pandemic, rising inflation and concerns about the return on investment from a degree, prospective students and their families are far more price sensitive today. The divestment in public higher education by many states following the great recession, along with these recent trends, is leading institutions to grow enrollments in an effort to replace this lost revenue even as demand for higher education experiences declining participation rates today and shrinking high school graduation numbers in the future. For most universities, the increased competition for students is not leading to increased net tuition revenue. Instead, it is resulting in rising discount rates and falling net tuition per student even as the stated price of tuition continues to rise. As the number of high school graduates declines in the second half of this decade, there is the very real possibility that the increased competition for students will get worse and discount rates will continue to rise for many universities.

Shifting economic factors for higher education in the United States are not the only issues negatively impacting demand for higher education today. The lasting effects of the pandemic in many international countries, especially China, and the changing attitude in this country toward immigration are negatively affecting where international students choose to enroll today. American universities are now facing stiff competition for international students from other countries such as Australia, Canada, Great Britain and Western Europe. Prior to the pandemic, international enrollments at many American universities, even when the overall enrollment number was small, comprised a large percentage of their net tuition revenue. To replace the revenue lost from these students, often requires schools to enroll two or even three students, further exasperating the growing competition for students and again driving discount rates potentially even higher.

These negative economic factors are affecting Miami today and are expected to negatively impact it for the foreseeable future. However, the exact impact varies depending on the campus and where the campus derives its enrollment. For Miami's main campus in Oxford, Ohio, the rapid decline in enrollments from China and the price discount pressures on tuition have for the near-term stifled tuition revenue growth. Miami's access campuses at Hamilton and Middletown are also experiencing stagnant growth in tuition revenue but not for the same reasons as the Oxford Campus. Enrollments at these campuses have declined significantly, similar to community colleges in this country, as full employment is causing many students with financial need to bypass higher education and enter the workforce immediately following high school given the high demand and rising pay for many entry level jobs.

At the same time, all of Miami's Campuses are being negatively affected by reductions in state support, as Ohio continues to only modestly improve its appropriations to higher education after making large cuts in the prior decade. This continues to occur even as tax revenues from high employment levels have risen. The core state appropriation for higher education in Ohio will only rise by 1% in the new fiscal year and again in fiscal year 2025, both increases well below the recent increase in the consumer price index.

The most immediate economic factor that will impact Miami for the next four years is the trend in first time, undergraduate student enrollments in fall 2023. On the first day of classes for fall 2023, Miami University's main campus enrolled a first-time student cohort of 3,957 students down from 4,089 in the prior year. The tuition revenue from the new cohort, after discounts, is also estimated to be down 1.0% from the prior fall. Total enrollment on the first day of classes for the main campus fell from 19,291 to 18,796. Overall, first day enrollment at the University declined from 23,026 to 22,586.

In light of these fiscal and economic realities, Miami's Board of Trustees on June 28, 2019, adopted a new strategic plan for the University. The new strategic plan's primary emphasis is on how to overcome today's financial and demographic challenges while sustaining the University's long history of academic excellence and strong financial performance.

The need for greater agility in responding to market changes is stressed in the new strategic plan. In keeping with this emphasis, the University's Board of Trustees authorized a $50 million investment fund to help facilitate the development of new, in-demand programs that better align with today's student and employer interests. The Trustees also authorized $125 million in tax-exempt bonds to be issued for new facilities to house new or expanded programs in clinical health, data science, engineering, and technology. The new clinical health building opened in the summer of 2023 to receive the inaugural physician associate class and will also house the largest ever new nursing cohort in the fall of 2023. The McVey Data Science building will open in December of 2023 and will receive its first students during the spring 2024 semester, readying Miami to meet the rapidly growing demand for data scientists and graduates prepared for the forthcoming changes brought on by the rapid evolution of artificial intelligence in our economy and society. Additionally, 15 new or expanded academic programs aimed at today's student interests have been implemented in the last few years consistent with the new strategic plan.

At the same time that new academic programs are being developed, a review was completed of existing academic programs and majors with 25 programs to be sunset to allow for the reallocation of financial resources between academic programs. As these academic programs are scheduled to be eliminated, numerous other academic programs were placed on watch and will be reviewed again during the fall 2023 semester, potentially leading to further program eliminations due to insufficient demand.

To further assist in growing enrollments and tuition revenue, Miami's admissions and marketing teams began the execution of a new marketing plan in the fall of 2022 that will continue to be implemented in the 2023-24 academic year. Its initial impact on student applications was very positive as the number of applications for fall 2023 grew by over 4,600 or 14.7%.

While Miami has used its current strategic plan to set a new course for the University, there are many troubling economic and demographic realities as discussed above that will continue to reshape the demand for higher education in the coming years. In preparation for these potentially even more impactful changes, Miami's Board of Trustees in June 2023 decided to begin the preparation of an even bolder strategic plan for the remainder of this decade. To assist in the development of this plan, a request for proposals was issued in the summer of 2023 to select a leading consultant to assist with a thorough environmental scan of the outlook for higher education and to identify the types of changes that are likely to be necessary to remain a leading national university in the future. The work of the consultant is expected to be completed early in the new 2024 calendar year and inform the work on the new strategic plan.

For decades Miami and other public colleges and universities could rely on tuition increases and/or increasing demand to provide the financial resources needed to replace the loss of state support, offset rising costs, and provide for growth and expansion of their universities. That economic model is less effective today as major shifts in the underlying elements of supply and demand for higher education are creating a very different set of economic factors. Miami recognizes the significance of these changes and is developing new strategies in response to these trends, but it must be able to execute these new initiatives timely and effectively to continue to keep pace with the new and rapidly changing higher education landscape.

Miami University

A Component Unit of the State of Ohio
Statement of Net Position
June 30, 2023
(Dollars in Thousands)

	Miami University	University Foundation
Assets		
Current Assets		
Cash and cash equivalents	$ 141,467	$ 27,474
Investments	744,236	-
Accounts, pledges and notes receivable, net	63,175	7,770
Inventories	1,757	-
Prepaid expenses	10,971	-
Total current assets	961,606	35,244
Noncurrent Assets		
Restricted cash and cash equivalents	5,219	13,838
Investments	278,379	712,897
Pledges and notes receivable, net	21,684	19,664
Net pension asset	1,619	-
Net OPEB asset	17,339	-
Nondepreciable capital assets	111,873	-
Depreciable capital assets, net	1,262,098	-
Subscription assets, net	7,405	-
Lease assets, net	2,262	-
Total noncurrent assets	1,707,878	746,399
Total assets	2,669,484	781,643
Deferred Outflows of Resources		
Deferred loss on debt refunding	169	-
Pensions	98,726	-
OPEB	12,394	-
Total deferred outflows of resources	111,289	-
Total assets and deferred outflows of resources	$ 2,780,773	$ 781,643
Liabilities		
Current Liabilities		
Accounts payable	$ 49,638	$ 25,413
Accrued salaries and wages	16,505	-
Accrued compensated absences	1,830	-
Unearned revenue	13,997	-
Deposits	10,212	-
Current portion of long-term debt	39,761	-
Current portion of subscription liabilities	2,455	-
Other current liabilities	300	504
Total current liabilities	134,698	25,917
Noncurrent Liabilities		
Accrued compensated absences	16,619	-
Bonds payable, net	583,286	-
Subscription liabilities	4,350	-
Lease liability	1,795	-
Notes payable	760	-
Federal Perkins loan program	78	-
Net pension liability	319,246	-
Net OPEB liability	3,722	-
Other noncurrent liabilities	-	281,892
Total noncurrent liabilities	929,856	281,892
Total liabilities	1,064,554	307,809
Deferred Inflows of Resources		
Deferred gains on debt refunding	10,418	-
Beneficial interest in perpetual trust	2,260	-
Pensions	30,654	-
OPEB	16,760	-
Leases	6,705	-
Total deferred inflows of resources	66,797	-
Net Position		
Net investment in capital assets	747,628	-
Restricted:		
Nonexpendable	109,457	309,878
Expendable	136,332	159,498
Unrestricted	656,005	4,458
Total net position	1,649,422	473,834
Total liabilities, deferred inflows and net position	$ 2,780,773	$ 781,643

Miami University

A Component Unit of the State of Ohio
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2023
(Dollars in Thousands)

	Miami University	University Foundation
Operating Revenues		
Tuition, fees, and other student charges	$ 500,746	$ -
Less allowance for student scholarships	(162,790)	-
Net tuition, fees, and other student charges	337,956	-
Sales and services of auxiliary enterprises	157,655	-
Less allowance for student scholarships	(5,849)	-
Net sales and services of auxiliary enterprises	151,806	-
Federal grants	21,803	-
Gifts	-	4,208
Sales and services of educational activities	1,813	-
Private grants	4,234	-
State grants	6,279	-
Local grants	528	-
Other	13,071	-
Total operating revenues	537,490	4,208
Operating Expenses		
Education and general:		
Instruction and departmental research	192,822	-
Separately budgeted research	17,030	-
Public service	13,923	-
Academic support	57,638	-
Student services	33,761	-
Institutional support	76,633	-
Operation and maintenance of plant	31,983	-
Scholarships and fellowships	34,811	-
Auxiliary enterprises	114,724	-
Depreciation and amortization	76,909	-
Pension and other postemployment benefit	(8,490)	-
Other	8,356	4,591
Total operating expenses	650,100	4,591
Net operating (loss) income	(112,610)	(383)
Nonoperating Revenues (Expenses)		
State appropriations	83,932	-
Gifts, including those from the University Foundation	40,260	-
Federal grants	17,218	-
Net investment gain, net of investment expense of $4,341 for the University and $2,022 for the Foundation in FY 23	73,125	33,758
State grants	2,567	-
Interest on debt	(21,914)	-
Payments to Miami University	-	(20,635)
Other non-operating revenues	3,812	851
Net non-operating revenues (expenses)	199,000	13,974
Income Before Other Revenues, Expenses, Gains or Losses	86,390	13,591
Other Revenues, Expenses, Gains or Losses:		
State capital appropriation	2,155	-
Capital grants and gifts	1,607	-
Additions to permanent endowments	487	21,705
Total other revenues, expenses, gains or losses	4,249	21,705
Change in Net Position	90,639	35,296
Net Position at Beginning of Year	1,558,783	438,538
Net Position at End of Year	$ 1,649,422	$ 473,834

Miami University

A Component Unit of the State of Ohio
Statement of Cash Flows
Year Ended June 30, 2023
(Dollars in Thousands)

Cash Flows From Operating Activities	
Tuition, fees, and other student charges	$ 499,308
Sales and services of auxiliary enterprises	156,939
Contracts	33,976
Other operating receipts	13,321
Payments for employee compensation and benefits	(376,648)
Payments to vendors for services and materials	(161,264)
Student scholarships	(203,450)
Loans issued to students and employees	(1,009)
Collection of loans from students and employees	1,701
Net cash flows used in operating activities	(37,126)
Cash Flows From Noncapital Financing Activities	
State appropriations	83,932
Grants for noncapital purposes	20,118
Gifts	38,427
Net cash flows provided by noncapital financing activities	142,477
Cash Flows From Capital and Related Financing Activities	
State capital appropriation	1,938
Grants for capital purposes	(482)
Other capital and related receipts	1,829
Payments to construct, renovate, or purchase capital, subscription and lease assets	(116,261)
Principal paid on outstanding debt	(42,373)
Interest paid on outstanding debt	(27,323)
Net cash flows used in capital and related financing activities	(182,672)
Cash Flows From Investing Activities	
Proceeds from sale of investments	325,687
Purchases of investments	(261,573)
Endowment fees	(1,677)
Interest and dividends on investments	10,136
Net cash flows provided by investing activities	72,573
Net Change in Cash and Cash Equivalents	(4,748)
Cash and Cash Equivalents, Beginning of Year	151,434
Cash and Cash Equivalents, End of Year	$ 146,686

Miami University

A Component Unit of the State of Ohio
Statement of Cash Flows (Continued)
Year Ended June 30, 2023
(Dollars in Thousands)

Reconciliation of Operating Loss to Net Cash Flows Used in Operating Activities		
Operating loss	$	(112,610)
Adjustments to reconcile net operating loss to net cash flows used in operating activities:		
Depreciation and amortization expense		76,909
Net loss on retirements of capital assets		1,226
Accounts receivable bad debt adjustments		129
Adjustments to reconcile change in net position to net cash used in operating activities		
Accounts receivable		(1,664)
Inventories		907
Prepaid expenses		(3,463)
Notes receivable		479
Net pension asset		1,057
Net OPEB asset		15,569
Deferred outflows of pension resources		(46,383)
Deferred outflows of OPEB resources		(10,986)
Accounts payable		11,834
Accrued salaries and wages		126
Accrued compensated absences		19
Unearned revenue and deposits		(399)
Federal Perkins loans		(512)
Net pension liability		182,378
Net OPEB liability		3,722
Deferred inflows leases		(1,617)
Deferred inflows of pension resources		(132,527)
Deferred inflows of OPEB resources		(21,320)
Net cash flows used in operating activities	$	(37,126)
Supplemental Disclosures of Noncash Information		
Capital assets included in accounts payable	$	17,972
Capital assets acquired by gifts in kind		2,165
Unrealized gains/losses from investments		54,347

Miami University
A Component Unit of the State of Ohio
Notes to Financial Statements
June 30, 2023
(Dollars in Thousands)

Note 1: Summary of Significant Accounting Policies

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

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

Furthermore, in accordance with GASB Codification Section 2600: *Reporting Entity and Component Unit Presentation and Disclosure*, the Miami University Foundation (the Foundation) is included as a discretely presented component unit in a separate column in the University's financial statements to emphasize that it is legally separate from the University. The Foundation, which is a separate not-for-profit foundation, meets the criteria set forth in the Codification Section 2600 due to the significance of its operational and financial relationship with the University. Note 12 provides selected disclosures from the Foundation. Separate audit reports for the Foundation may be obtained from Treasury Services, 107 Roudebush Hall, Miami University, Oxford, Ohio, 45056.

Basis for Presentation

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

Recent and Pending Accounting Pronouncements

Effective July 1, 2022, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. There was no material impact on the University's financial statements due to the adoption of Statement No. 96. See Note 4 and Note 8 for further details regarding the implementation of this standard.

Effective July 1, 2022, the University adopted GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement were originally effective for reporting periods beginning after December 15, 2020. GASB Statement No. 95 postponed the effective date to reporting periods beginning after December 15, 2021. There was no impact on the University's financial statements due to the adoption of Statement No. 91.

Effective July 1, 2022, the University adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. There was no impact on the University's financial statements due to the adoption of Statement No. 94.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective at various dates as outlined in the Statement. The University does not anticipate the adoption of this standard will have a significant impact on the financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections-An Amendment of GASB No. 62*. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The University does not anticipate the adoption of this standard will have a significant impact on the financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. 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 are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The value of holdings of commingled or non-publicly traded funds is based on the funds' net asset value as supplied by the investment manager. Investments in real estate are recorded at estimated fair value.

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

The University's non-endowment pool components of Tier II & Tier III investment assets are reported as current investments. The University's investment assets held in the Miami University Endowment are reported as noncurrent due to the restrictions placed upon these assets.

Accounts, Pledges and Notes Receivable

Accounts receivable: Accounts receivable primarily include tuition and fee charges to students and charges for auxiliary enterprise services provided to students, faculty and staff. Accounts receivable are recorded net of an allowance for uncollectible accounts. 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, type of receivable, and other known facts and circumstances.

Pledged gifts: Pledged gifts for endowments from individuals, foundations, or corporations do not meet eligibility requirements as defined by GASB, to be recognized on the University's Statement of Net Position. The Foundation receives pledges and bequests for the benefit of the University and as a FASB entity, recognizes those gifts on its financial report. Once the gift is received by the Foundation and transferred to the University, the University recognizes the gift income.

Notes receivable: Notes receivable are composed of mainly loans made to students under various federal loan programs. Such loans are recorded net of estimated uncollectible amounts.

Inventories

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

Capital Assets

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

Capital, Lease, and Subscription Asset Impairment

The University evaluates capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital and lease asset has occurred. If a capital, lease, or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss. No asset impairment was recognized during the year ended June 30, 2023.

Leases

The University is a lessee for noncancellable leases of buildings, machinery and equipment and vehicles. The University recognizes a lease liability and an intangible right-to-use lease asset in the financial statements for leases. At the commencement of a lease, the University measures the lease liability at the interest rate charged on the lease, if available, or otherwise discounted using the University's incremental borrowing rate. The lease assets are amortized over the shorter of the lease term or the underlying asset useful life.

The University is a lessor for noncancellable leases of equipment and office space. The University recognizes a lease receivable and deferred inflow of resources in the financial statements. At the commencement of the lease, the University measures the lease receivable at the interest rate charged on the lease, if available, or otherwise discounted using the University's incremental borrowing rate.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Unearned Revenue

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to healthcare costs, and employer OPEB expense, information about the fiduciary net position of the OPERS OPEB Plan as well as the STRS Ohio OPEB Plan (collectively referred to as, the OPEB Plans) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plans. For this purpose, health care costs are recognized when due and payable in accordance with the health care terms. Investments are reported at fair value.

Operating and Non-Operating Revenue

The University defines operating activities, for purposes of reporting on the Statement of Revenues, Expenses, and Changes in Net Position, as those activities that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Substantially all of the University's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Codification 2200: *Annual Comprehensive Financial Report*, including state appropriations, certain federal grants, gifts, and investment income.

Allowance for Student Scholarships

Allowances for student tuition and fee revenues, and certain other revenues from students, are reported in the Statement 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 are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are recognized as an expense in the period incurred.

Deferred Outflows/Inflows Of Resources

Deferred outflows of resources are a consumption of net position by the University that is applicable to a future reporting period. Deferred outflows of resources of the University consist of deferred loss on debt refunding, net pension asset/liability and net OPEB asset/liability not included in pension expense and OPEB expense, respectively. Employer contributions to the pension plan and OPEB plan subsequent to the measurement date of the net pension liability and OPEB liability, respectively, are also required to be reported as a deferred outflow of resources of the University. Deferred inflows of resources are an acquisition of net position by the University that is applicable to a future reporting period. Deferred inflows of resources consist of deferred gains on debt refunding, the University's share of beneficial interests in perpetual trusts, certain changes in net pension asset/liability not included in pension expense, net OPEB asset/liability not included in OPEB expense, and the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods.

Compensated Absences

Full-time unclassified staff earn vacation at rates of 18 to 22 days per year, based on the terms 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 do not accrue vacation benefits.

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

Net Position

Net position is divided into three major categories. The first category, net investment in capital assets includes property, plant and equipment, lease assets and subscription assets, net of accumulated depreciation and amortization and net of lease liabilities, subscription liabilities, capital-related debt and capital-related deferred inflows of resources. Capital-related debt is offset by unspent bond proceeds, if any. The second major category is restricted net position. This category contains assets that are owned by the institution (offset by liabilities payable from those assets, if any), but the use or purpose of the funds is restricted by an external source or entity. The corpus of the nonexpendable restricted assets is available for investment purposes only. The expendable restricted assets may be expended by the institution, but must be spent only for the purpose as determined by a donor or external entity. The expendable restricted assets include $18,958 related to the net pension and OPEB assets. The income generated from the nonexpendable restricted investments and the expendable restricted funds may be used for student loans, scholarships and fellowships, instruction, research, and other needs to support the operation of the University. The third category is unrestricted net position and is separated into two types: allocated and unallocated. Allocated unrestricted assets are available to the institution, but are allocated for a specific purpose within the institution by University policy, management, or the governing board. The allocated unrestricted net position was $640,781 as of June 30, 2023, and is to be used for loans, scholarships, investments and capital projects. Unallocated unrestricted net positions are available to be used for any lawful purpose of the institution. Generally, it is the University's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted resources are available.

Tax Status

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

Estimates

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

Note 2: Cash, Cash Equivalents and Investments

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

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

Cash and Cash Equivalents

At year-end, the carrying amount of the University's cash and cash equivalents was $146,686. Cash and cash equivalents consist 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. There are no limitations or restrictions on any STAR Ohio participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given to STAR Ohio 24 hours in advance of all deposits and withdrawals exceeding $25,000.

At June 30, 2023, $12,248 of cash and cash equivalents was covered by federal depository insurance; $47,851 was covered by collateral held by third-party trustees pursuant to Paragraph 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions; and the remaining $87,103 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, 2023 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. Beginning in fiscal year 2019, management of the University's investments has been delegated by the Board to an external investment firm. The external investment firm has discretion to manage the University's investments within the framework of the investment policy statement. The University's formal investment policy does not specifically address interest rate risk, credit risk, custodial credit risk, or concentration risk, though these risks are monitored and managed by the external investment firm as part of their management and due diligence process. The external investment firm has implemented a combination of internally and externally managed investment vehicles, including separate accounts, limited partnerships, and commingled funds. The University's investment management policy establishes guidelines for average credit quality ratings in the portfolios. Investments in Tier II of the policy include U.S. Treasury and government agency securities generally with an average weighted maturity of between zero and two years for the baseline allocation. Investments in Tier III of the policy include diversified global equity and fixed income securities, along with absolute return strategies. Moody's Investors Services and Fitch Ratings have assigned AAA credit ratings to U.S. Treasury obligations. 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's investments are held in trust by a custodian in the University's name. The University has credit risk associated with counterparty nonperformance. However, credit risk associated with exchange-traded contracts are typically perceived to be less because exchanges typically provide clearinghouse arrangements in which the collective credit of the managers of the exchange is pledged to support the financial integrity of the exchange. Margins, which may be subject to loss in the event of a default, are generally required in exchange trading and further mitigate credit risk. All of the future contracts held by the University at June 30, 2023 were exchange traded contracts.

(Dollars in Thousands)

The credit ratings of investments in debt securities are based on Moody's investor services and are summarized as follows as of June 30, 2023:

Investment Type	Fair Value	Not Applicable	AAA	AA, A, and BBB	Below BBB
U.S. Treasury bonds	$ 68,867	$ -	$ 68,867	$ -	$ -
U.S. Treasury notes	183,466	-	183,466	-	-
U.S. Treasury strips	982	-	982	-	-
U.S. Treasury inflation protection securities	30,142	-	30,142	-	-
Total investments	$ 283,457	$ -	$ 283,457	$ -	$ -

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, 2023 are summarized as follows:

Investment Type	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years
U.S. Treasury bonds	$ 68,867	$ -	$ 13,186	$ 50,089	$ 5,592
U.S. Treasury notes	183,466	84,633	98,833	-	-
U.S. Treasury strips	982	982	-	-	-
U.S. Treasury inflation protection securities	30,142	17,934	12,208	-	-
Total bonds	$ 283,457	$ 103,549	$ 124,227	$ 50,089	$ 5,592

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 carried at fair value are required to be classified and disclosed in one of the following three categories:

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

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

Level 3: Inputs that are unobservable including the University's own assumptions in determining the fair value of investments.

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.

(Dollars in Thousands)

The following table presents the investments by fair value hierarchy as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Investment assets:				
U.S. Treasury bonds	$ -	$ 68,867	$ -	$ 68,867
U.S. Treasury notes	-	183,466	-	183,466
U.S. Treasury strips	-	982	-	982
U.S. Treasury inflation protection securities	-	30,142	-	30,142
Common and preferred stocks	971	-	115	1,086
Exchanged traded funds	18,571	-	-	18,571
Other	-	-	304	304
Miami University Foundation investment pool	-	-	277,104	277,104
	$ 19,542	$ 283,457	$ 277,523	$ 580,522
Funds reported at fair value based on net asset value per share:				
Non-publicly traded funds				
Cintrifuse Syndicate Fund II, LLC (a)				$ 1,103
Ellington Strategic Mortgage Fund, L.P. (b)				17,090
GoldenTree High Yield Value Fund Offshore (Strategic), Ltd. (c)				16,532
Harrison Street Core Property Fund, L.P. (d)				2,270
KKR Global Credit Opportunities Fund (Overseas) L.P. (e)				6,443
Morgan Stanley Prime Property Fund, LLC (f)				5,426
PRISA LP (d)				4,346
Strategic Developed Markets ex-U.S. Equity Trust (g)				90,810
Strategic Emerging Markets Equity Trust (h)				30,269
Strategic Global Equity Trust (i)				47,379
Strategic U.S. Equity Trust (j)				93,228
Hedge funds				
Strategic SPC Alpha Segregated Portfolio (k)				126,771
Waterfall Eden Fund, Ltd. (l)				426
Total investment assets				$ 1,022,615

The redemption frequency, if eligible, ranges from monthly to quarterly for the various funds reported at fair value based on net asset value per share at June 30, 2023, with a redemption notice period, if applicable, ranging from 15 days to 90 days. As of June 30, 2023, the University has commitments to limited partnerships of approximately $159 that have not yet been funded.

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

(a) This fund primarily includes investments in limited partnerships focused on venture capital. This fund is generally illiquid, and it does 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 contributed capital.

(b) The Fund primarily invests in mortgage related securities, including inverse floaters, pools of mortgage loans made by banks, savings and loan institutions and other lenders, collateralized mortgage obligations, real estate mortgage investment conduits, stripped mortgage-related securities and other mortgage-related securities.

(c) The Fund primarily invests in public and private high-yield non-investment grade and non-rated debt securities on a long-only basis to achieve superior return.

(d) This fund is an open-ended commingled fund that invests in commercial real estate.

(e) This fund primarily invests in debt securities such as bank loans and high yield bonds with below investment grade credit ratings.

(f) This fund is a real estate investment trust.

(g) This fund generally invests in long positions in publicly traded equity securities focusing in developed economies outside of the United States including Western Europe and Asia, as well as futures and options in such securities and certain stock indices.

(h) Securities focusing in markets outside of the United States and Western Europe, including Asia and Latin America as well as Eastern Europe, Africa and the less developed Mediterranean economies.

(i) This fund generally invests in long positions in global publicly traded equity securities as well as futures and options on such securities and certain stock indices.

(j) This fund generally invests in long positions in domestic publicly traded equity securities as well as futures and options in such securities and certain stock indices.

(k) This fund generally invests in hedge funds that invest in both long and short positions in publicly traded equity and debt securities on a global basis. Most debt securities are sub-investment grade and may be hard to price due to thin trading volumes. The various strategies collectively target a market neutral position.

(l) This fund primarily includes investments in hedge funds that invest in both long and short positions in publicly traded equity and debt securities on a global basis. This investment is being redeemed as underlying liquidity restrictions permit.

All of the University's investments in publicly traded securities are subject to market risk. As a result, a significant downturn in the securities markets could adversely affect the market value of University assets. Investments include globally oriented strategies that include exposure to non-U.S. equity and debt securities. While providing a potential diversification benefit, such international investments are exposed to foreign currency risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. At June 30, 2023, the University had no exposure to foreign currency risk. All direct investments and investment vehicles in the portfolios are denominated in U.S. dollars. The University's investments that are exposed to concentration risk consist of its holdings in Strategic Developed Markets ex-U.S. Equity Trust fund, Strategic SPC Alpha Segregated Portfolio fund and Strategic U.S. Equity Trust fund which represent 8.9 percent, 12.4 percent and 9.1 percent of the total investment assets at June 30, 2023, respectively. Exposure to individual diversified commingled funds does exceed five percent of investments. Commingled funds held by the University include a wide range of investments, including hedge funds. The University's objective for investing in these hedge funds is to provide stable, absolute returns that are uncorrelated to fluctuations in the stock and bond markets. Specific investments are also reviewed and aggregated, as available from each fund manager, on a regular basis to ensure that the portfolio does not maintain unwarranted concentration risks with respect to any single factor or security at the fund manager's level, asset class level and portfolio level.

Endowment Funds

The Foundation manages the Foundation and University endowment and quasi-endowment funds in a single investment pool (Pooled Fund). The University's investments are maintained as a separate fund in the financial system of the Foundation and receive 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 $277,104 managed by the Foundation as of June 30, 2023. The assets held on behalf of the University are included in other noncurrent liabilities on the Statement of Net Position of the Foundation. The fair value of the University's position in the Pooled Fund is based on the University's proportional share of the Pooled Fund, which is marked-to-market at year-end. Note 12 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.

(Dollars in Thousands)

The University employs a total return policy which defines the total amount of dividends, interest and realized gains to be distributed from the endowment assets. The policy distributes four percent of the average of the previous twelve quarterly market values as of March 31st of each fiscal year. The authorized spending amount was $8,922 in 2023. In accordance with donors' stipulations, a portion of the earnings was returned to endowment principal and the balance of $8,718 was distributed for expenditure for 2023. Donor restricted endowments with insufficient accumulated earnings made a partial distribution.

Note 3: Accounts, Pledges and Notes Receivable, Net

The accounts, pledges and notes receivable as of June 30, 2023 are summarized as follows:

Accounts receivable	
Student receivables	$ 9,852
University Foundation	22,245
Grants and contracts	8,430
Investment trade receivables	6,109
Lease receivable	6,866
Other receivables	8,643
Total accounts receivable	62,145
Less allowances for doubtful accounts	(1,250)
Net accounts receivable	60,895
Pledges receivable	
Pledges receivable	21,591
Less discount and allowance for doubtful pledges	(1,062)
Net pledges receivable	20,529
Notes receivable:	
Federal loan programs	1,139
University loan programs	3,319
Total notes receivable	4,458
Less allowance for doubtful notes	(1,023)
Net notes receivable	3,435
Total	$ 84,859

(Dollars in Thousands)

Note 4: Capital Assets and Subscription Assets

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets:					
Land	$ 6,025	$ -	$ -	$ -	$ 6,025
Collections of works of art and historical treasures	10,928	898	-	-	11,826
Construction in progress	115,497	104,365	-	(125,840)	94,022
Total nondepreciable capital assets	132,450	105,263	-	(125,840)	111,873
Land improvements	74,636	1,281	-	-	75,917
Buildings	1,762,366	586	-	122,830	1,885,782
Infrastructure	204,819	1,633	-	3,010	209,462
Machinery and equipment	81,727	6,739	(4,434)	-	84,032
Library books and publications	76,664	717	-	-	77,381
Vehicles	5,577	493	(284)	-	5,786
Intangible assets	12,158	-	-	-	12,158
Total depreciable capital assets	2,217,947	11,449	(4,718)	125,840	2,350,518
Total capital assets	2,350,397	116,712	(4,718)	-	2,462,391
Less accumulated depreciation:					
Buildings	732,073	57,714	-	-	789,787
Infrastructure	107,801	7,561	-	-	115,362
Land improvements	31,636	2,642	-	-	34,278
Machinery and equipment	69,182	4,080	(3,223)	-	70,039
Library books and publications	60,063	1,657	-	-	61,720
Vehicles	5,336	112	(284)	-	5,164
Intangible assets	12,018	52	-	-	12,070
Total accumulated depreciation	1,018,109	73,818	(3,507)	-	1,088,420
Total capital assets, net	$ 1,332,288	$ 42,894	$ (1,211)	$ -	$ 1,373,971

(Dollars in Thousands)

Subscription asset activity for the year ended June 30, 2023 was:

	Beginning Balance	Additions	Disposals	Ending Balance
Subscription IT asset	$ 7,363	$ 2,482	$ -	$ 9,845
Less accumulated amortization Subscription IT asset	-	2,440	-	2,440
	-	2,440	-	2,440
Subscription assets, net	$ 7,363	$ 42	$ -	$ 7,405

Note 5: Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Indebtedness and subscription liabilities					
Bonds payable	$ 579,380	$ -	$ 37,975	$ 541,405	$ 38,460
Lease liability	2,652	283	599	2,336	541
Notes payable	2,279	-	760	1,519	759
Subscription liabilities	7,363	2,482	3,040	6,805	2,455
Premiums	85,177	-	4,836	80,341	
Total indebtedness and subscription liabilities	676,851	2,765	47,210	632,406	42,215
Other liabilities:					
Compensated absences	18,430	7,939	(7,920)	18,449	1,830
Federal Perkins loans	890	186	(698)	378	300
Total other liabilities	19,320	8,125	(8,618)	18,827	2,130
Total	$ 696,171	$ 10,890	$ 38,592	$ 651,233	$ 44,345

Miami University's General Receipts Revenue Bonds (Series 2010A, 2014, 2017, 2020A, 2021A, and 2022A) relate to the multi-phase effort to renovate all campus student housing and dining facilities as well as general educational facilities, and contain subjective acceleration clauses. In the event of default, the Trustee, upon the written request of the bondholders of not less than 25 percent (in aggregate) principal amount of the obligations outstanding, shall declare the principal of all obligations with accrued interest thereon, to be immediately due and payable on the announced accelerated maturity date.

Note 6: Indebtedness

During the year ended June 30, 2022, the University issued $47,935 in General Receipts Revenue Bonds (2022A) with an interest rate of 5.00 percent and maturities from 2022 to 2035. The proceeds were used to refund a portion of the Miami University General Receipts Bonds, Series 2012, which were callable on September 1, 2022. The net change in cash flows related to the refunding was approximately $7,128 and the net present values savings was approximately $6,451. In 2022, the University defeased the Series 2012 bonds by placing the proceeds from Series 2022A bonds into an escrow to provide for future debt service. The outstanding balance of the defeased bonds was $47,545 as of June 30, 2023.

The June 7, 2022 bond refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of $6,182 as well as the reacquisition price of $263 from the bond refunding General Receipts Revenue Bonds Series 2020A. The unamortized difference of $5,446 at June 30, 2023 is reported in the accompanying financial statements as deferred inflow of resources and is being amortized through the year 2035.

During the year ended June 30, 2021, the University issued $75,930 in General Receipts Revenue Bonds (2021A) with an interest rate of 5.00 percent and maturities from 2022 to 2037. The proceeds were used to refund the Miami University General Receipts Bonds, Series 2011, which were callable on September 1, 2021. The net change in cash flows related to the refunding was approximately $26,169 and the net present value savings was approximately $23,205. In 2021, the University defeased the Series 2011 bonds by placing the proceeds from the Series 2021A bonds into an escrow to provide for future debt service. The outstanding balance of the defeased bonds was $69,230 as of June 30, 2023.

The June 9, 2021 bond refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of $5,430. The unamortized difference of $4,723 at June 30, 2023 is reported in the accompanying financial statements as a deferred inflow of resources and is being amortized through the year 2037.

During the year ended June 30, 2021, the University also issued $128,470 in General Receipts Revenue Bonds with interest rates ranging from 4.00 percent to 5.00 percent and maturities from 2021 to 2046. A part of the proceeds of the 2020A Series were used to refund the mandatory sinking fund redemption for years 2035 through 2037 for the Miami University General Receipts Bonds, Series 2012, and the mandatory sinking fund redemption for years 2035 and 2036 for the Miami University General Receipts Bonds, Series 2014. The balance of the proceeds are for all or a portion of the cost of the acquisition, construction, equipping and/or furnishing of certain facilities on the main campus of the University, including a new health sciences building and a new digital innovation multidisciplinary building.

The July 16, 2020 bond refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of $199. The unamortized difference of $169 at June 30, 2023 is reported in the accompanying financial statements as a deferred outflow of resources and is being amortized through the year 2041 for the refunding of Series 2014 Bonds.

During the year ended June 30, 2017, the University issued $154,635 in General Receipts Revenue Bonds with interest rates ranging from 4.00 percent to 5.00 percent and maturities from 2017 to 2042. A part of the proceeds was used to refund a portion of the remaining Miami University General Receipts Bonds, Series 2007. The net change in cash flows related to the refunding was approximately $5,800 and the net present value savings was approximately $5,000. In 2017, the University defeased a portion of the Series 2007 bonds by placing some of the proceeds from the Series 2017 bonds into an escrow account to provide for future debt service. The outstanding balance of defeased bonds was $22,535 as of June 30, 2023.

The February 14, 2017 bond refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of $599. The unamortized difference of $249 at June 30, 2023, is reported in the accompanying financial statements as a deferred inflow of resources and is being amortized through the year 2028.

During the year ended June 30, 2015, the University issued $52,335 in General Receipts Revenue Bonds with a 1.88 percent coupon and maturities from 2016 to 2025. The proceeds were used to retire the University's Series 2005 bonds.

During the year ended June 30, 2014, the University issued $135,035 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, 2011, the University issued $125,000 in General Receipts Revenue Bonds consisting of $105,445 Series 2010A (Federally Taxable Build America Bonds—Direct Payment) and $19,555 Series 2010B (Tax-Exempt Bonds). Interest rates range from 6.54 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.

(Dollars in Thousands)

The proceeds of the 2022A issuance was to refund the 2012 issuance and the proceeds of the 2021A issuance was to refund the 2011 issuance, which was primarily used to refund the 2003 issuance. The proceeds from the 2020A issuance refunded the mandatory sinking fund for both the 2012 and 2014 issuances, in addition to financing the cost of certain facilities on the main campus of the University, including a health sciences building and a digital innovation multidisciplinary building. The proceeds from the 2017, 2014 and 2012 issuances have been and will continue to be used to fund the multi-phase effort to renovate all campus student housing and dining facilities as well as to retire outstanding indebtedness of the University for more favorable borrowing terms as described in the proceeding paragraphs. The 2015 issuance was to refinance the 2005 issuance that was used to fund the campus student housing and dining facilities as well as the Farmer School of Business and infrastructure projects. The 2010A issuance was used to fund the Armstrong Student Center as well as campus student housing and dining facilities.

The indebtedness created through the issuance of General Receipts' bonds is collateralized by a pledge of all general receipts, excluding state appropriations and monies received for restricted purposes.

The University incurred total interest costs of $21,914 for the year ended June 30, 2023.

The maturity dates, interest rates, and outstanding principal balances as of June 30, 2023 are as follows:

	Maturity Dates	Interest Rates	Outstanding Debt
Bonds payable			
Series 2022A general receipts	2024 - 2035	5.00%	$ 47,545
Series 2021A general receipts	2024 - 2037	5.00%	69,230
Series 2020A general receipts	2024 - 2046	4.00% - 5.00%	123,970
Series 2017 general receipts	2024 - 2042	4.00% - 5.00%	116,725
Series 2015 general receipts	2024 - 2025	1.88%	11,115
Series 2014 general receipts	2024 - 2040	3.50% - 5.00%	92,235
Series 2010A general receipts	2024 - 2036	6.54% - 6.77%	80,585
Total bonds payable			541,405
Bond premiums			80,341
Total bonds payable, net			$ 621,746

(Dollars in Thousands)

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

	Principal	Interest	Total
2024	$ 38,460	$ 25,675	$ 64,135
2025	33,885	24,024	57,909
2026	29,680	22,457	52,137
2027	31,195	20,823	52,018
2028	26,360	19,373	45,733
2029-2033	146,145	74,216	220,361
2034-2038	146,900	33,061	179,961
2039-2043	69,690	9,053	78,743
2044-2046	19,090	911	20,001
Total	$ 541,405	$ 229,593	$ 770,998

The University has $1,519 in interest-free notes payable obligations that have varying maturity dates through 2025. The scheduled maturities of these obligations as of June 30, 2023 are:

2024	$ 759
2025	760
Total	$ 1,519

(Dollars in Thousands)

Note 7: Leases

Lessor

The University leases space on towers to cellular companies and office space to external parties. In accordance with GASB 87, the University records leases receivable and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The University recognized deferred inflows of resources of lease revenue of $1,403 and interest income of $115 for the year ended June 30, 2023. Below is a schedule of future payments that are included in the measurement of the lease receivable:

	Principal	Interest	Total
2024	$ 1,329	$ 98	$ 1,427
2025	1,173	79	1,252
2026	1,176	61	1,237
2027	1,180	44	1,224
2028	1,209	25	1,234
2029-2032	799	21	820
Total	$ 6,866	$ 328	$ 7,194

Lessee

The University leases facilities, equipment and vehicles from others. These leases have terms between 1 year and 10.5 years requiring monthly, quarterly or annual payments. The expected lease payments are discounted using the interest rate charged on the lease, if available, and are otherwise discounted using the University's incremental borrowing rate. The right to use assets are amortized over the shorter of the lease term or the underlying asset useful life.

(Dollars in Thousands)

As of June 30, 2023, the total amount of right-to-use lease assets by major class, and the related accumulated amortization, disclosed separately from other capital assets is as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Lease assets being amortized:				
Buildings	$ 1,708	$ -	$ -	$ 1,708
Machinery and equipment	1,116	65	-	1,181
Vehicles	394	208	(34)	568
Total leased assets being amortized	3,218	273	(34)	3,457
Less accumulated amortization:				
Buildings	200	254	-	454
Machinery and equipment	261	272	-	533
Vehicles	101	125	(18)	208
Total accumulated amortization	562	651	(18)	1,195
Total, net of accumulated amortization	$ 2,656	$ (378)	$ (16)	$ 2,262

Included in facilities is a building that the University subleases. The lease and sublease of the facility are accounted for as two separate transactions as both a lessee and a lessor. The right-to-use asset, net of amortization, and the lease liability as of June 30, 2023 were $1,215 and $1,277, respectively. At June 30, 2023, the University reported a lease receivable and deferred inflow of resources of $1,267 and $1,215, respectively.

As of June 30, 2023, the principal and interest requirements to maturity for the lease liability is as follows:

	Principal	Interest	Total
2024	$ 541	$ 37	$ 578
2025	313	30	343
2026	283	23	306
2027	241	18	259
2028	205	13	218
2029-2032	753	20	773
Total	$ 2,336	$ 141	$ 2,477

(Dollars in Thousands)

Note 8: Subscription Liabilities

The University has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2027. Variable payments of certain subscriptions are based upon the Consumer Price Index (Index). The subscriptions were measured based upon the Index at commencement of the SBITA term. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance.

During the year ended June 30, 2023, the University recognized $248 of subscription expense for variable payments not previously included in the measurement of the subscription liability.

The following is a schedule by year of payments under the SBITAs as of June 30, 2023:

	Principal	Interest	Total
2024	$ 2,455	$ 191	$ 2,646
2025	2,055	105	2,160
2026	1,302	46	1,348
2027	993	5	998
	$ 6,805	$ 347	$ 7,152

Note 9: Pension Plans

Substantially all non-student employees are covered by one of three retirement plans. The University faculty is covered by the State Teachers Retirement System of Ohio (STRS Ohio). Non-faculty employees are covered by the Ohio Public Employees Retirement System of Ohio (OPERS). Employees may opt out of STRS Ohio and OPERS and participate in the Alternative Retirement Plan (ARP). See Note 10 for additional information on the ARP.

OPERS and STRS Ohio are cost-sharing, multiple-employer statewide retirement systems each comprised of three separate plans: (1) a defined benefit plan, (2) a defined contribution plan, and (3) a combined defined benefit/defined contribution plan. Each of the three options is discussed in greater detail in the following sections. In addition to retirement benefits, the systems also provide disability, survivor and postretirement health benefits to qualifying members of the defined benefit plan, combined plan and beneficiaries. Benefits provided under the plans are established by state statute.

Defined Benefit Plans

Both STRS Ohio and OPERS (traditional and combined plans) are cost-sharing multiple-employer statewide retirement systems. Both plans provide retirement, disability, postretirement health care coverage, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute.

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

Benefits Provided

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

Any member in the STRS Ohio plan may retire who has (1) five years of service credit and attained age 60; (2) 28 years of service credit and attained age 55; or (3) 30 years of service credit regardless of age. Beginning August 1, 2015, eligibility requirements for an unreduced benefit changed. The maximum annual retirement allowance, payable for life, considers years of credited service, final average salary (3-5 years) and multiplying by a factor ranging from 2.2 percent to 2.6 percent with 0.1 percent incremental increases for years greater than 30-31, depending on retirement age. Additionally, there are no cost-of-living adjustments.

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

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

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

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

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

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

Contribution Requirements

The STRS Plan employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate and member contribution rate is 14.0 percent of covered payroll (for both pension and OPEB and the Plan determines how much to allocate to OPEB each year). For STRS Ohio, the University contributed $10,225 for the year ended June 30, 2023.

OPERS plan contributions are established under Chapter 145 of the Ohio Revised Code, as amended by Substitute Senate Bill 343 in 2012. During calendar years 2020 and 2019 and forward, 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, and the Plans determine how much to allocate to OPEB each year. Law enforcement employees who are a part of the OPERS law enforcement division contribute 13.0 percent of their salary to the plan for the calendar year. For these employees, the University was required to contribute 18.1 percent of covered payroll for the same years. The member contribution rate for all other employees and the University’s contribution rate remained unchanged. The University contributed $14,462 for the year ended June 30, 2023. For 2023, no portion of employer contributions to OPERS were allocated to health care (OPEB) for members in the Traditional Plan.

The payroll for employees covered by STRS Ohio for the year ended June 30, 2023 was approximately $73,036. The payroll for employees covered by OPERS for the year ended June 30, 2023 was approximately $102,408.

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

At June 30, 2023, the University reported a liability of $319,246 for its proportionate share of the net pension liability for the OPERS Traditional plan and the STRS Ohio plan, in the amounts of $170,385 and $148,861, respectively. The net pension liability was measured as of December 31, 2022 for the OPERS traditional plan and June 30, 2022 for the STRS Ohio plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the same date for each plan. The amount used to allocate the net pension liability, deferred inflows/outflows and pension expense was based on the contributions during the measurement period which was determined by the OPERS Traditional plan and STRS Ohio plan to be a reliable approximation of long-term contribution effort to the two plans. At the measurement date, the University's proportion was .576792 percent for OPERS Traditional, which was a decrease of .010120 from its proportion measured as of December 31, 2021 and .669637 percent for STRS Ohio, which was a decrease of .001449 from its proportion measured as of June 30, 2021.

At June 30, 2023, the University reported an asset of $1,619 for its proportionate share of the net pension asset for the OPERS Combined plan. The net pension asset was measured as of December 31, 2022. 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 .686863 percent for OPERS Combined plan, which was an increase of .007601 from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the University recognized pension expense of approximately $4,525 consisting of pension expense of approximately $4,898 for the OPERS Traditional plan, pension income of approximately $169 for the STRS Ohio plan and pension income of $204 for the OPERS Combined plan.

(Dollars in Thousands)

At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	STRS Ohio	OPERS	Total
Deferred outflows of resources			
Differences between expected and actual actuarial experience	$ 1,906	$ 5,759	$ 7,665
Changes in assumptions	17,814	1,907	19,721
Net difference between projected and actual earnings on pension plan investments	5,180	49,155	54,335
Changes in proportion and differences between University contributions and proportionate share of contributions	-	162	162
University contributions subsequent to the measurement date	10,225	6,618	16,843
Total	$ 35,125	$ 63,601	$ 98,726
Deferred inflows of resources			
Differences between expected and actual actuarial experience	$ 569	$ 232	$ 801
Changes in assumptions	13,409	-	13,409
Changes in proportion and differences between University contributions and proportionate share of contributions	12,935	3,509	16,444
Total	$ 26,913	$ 3,741	$ 30,654

Deferred inflows and outflows of resources related to the net difference between projected and actual earnings on pension plan investments are amortized over five years. The remaining deferred inflows and outflows of resources are amortized over the average remaining service lives of the active and inactive participants in the plan. Deferred outflows of resources includes $16,843 for the year ended June 30, 2023, for University contributions subsequent to the measurement dates of the Plans and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

	STRS Ohio	OPERS	Total
Year ended June 30:			
2024	$ (4,214)	$ 4,806	$ 592
2025	(4,877)	10,703	5,826
2026	(7,961)	13,838	5,877
2027	15,039	23,842	38,881
2028	-	9	9
Thereafter	-	44	44
	$ (2,013)	$ 53,242	$ 51,229

(Dollars in Thousands)

Actuarial Assumptions Used for the Year-Ended June 30, 2023

For STRS Ohio, the total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

STRS Ohio	
Projected salary increases	Varies by service from 2.5% to 8.5%
Wage Inflation	3.00 percent
Investment rate of return	7.00 percent, net of investment expenses, including inflation
Discount rate of return	7.00 percent

For OPERS, the total pension liability/asset in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

OPERS	Traditional Pension Plan	Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Projected salary increases	2.75 percent to 10.75 percent (includes wage inflation at 2.75 percent)	2.75 percent to 8.25 percent (includes wage inflation at 2.75 percent)
Investment rate of return and discount rate	6.90 percent	6.90 percent
Cost-of-living adjustments (COLA)	Pre January 7, 2013 retirees: 3.00 percent simple Post January 7, 2013 retirees: 3.00 percent simple through 2023, then 2.05 percent simple	Pre January 7, 2013 retirees: 3.00 percent simple Post January 7, 2013 retirees: 3.00 percent simple through 2023, then 2.05 percent simple

Mortality Rates: STRS Ohio post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

OPERS pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

(Dollars in Thousands)

Experience Studies: STRS actuarial assumption used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. OPERS actuarial assumptions used in the December 31, 2021 valuation are based on the results of an actual experience study for the period January 1, 2016 through December 31, 2020.

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

The long-term expected rate of return on OPERS defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return were developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage, adjusted for inflation.

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

	STRS Ohio		OPERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	26.00 %	6.60 %	22.00 %	4.60 %
International equities	22.00	6.80	21.00	5.51
Alternative investments/Private	19.00	7.38	15.00	7.53
Fixed income	22.00	1.75	22.00	2.62
Real estate	10.00	5.75	13.00	3.27
Risk parity	-	-	2.00	4.37
Other	1.00	1.00	5.00	3.27
Total	100.00 %		100.00 %	

Discount Rate: The discount rate used to measure the total pension liability was 7.00 percent for STRS as of the measurement date (June 30, 2022). The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability.

(Dollars in Thousands)

The discount rate used to measure the total pension liability (asset) was 6.90 percent for OPERS as of the measurement date (December 31, 2022). The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
STRS Ohio	$ 224,875	$ 148,861	$ 84,577

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
OPERS - Traditional Plan	$ 255,230	$ 170,385	$ 99,808
OPERS - Combined Plan	(845)	(1,619)	(2,232)

Note 10: Defined Contribution Retirement Plans

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

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in STRS Ohio or OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of seven private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. The required contribution was 2.91 percent for STRS Ohio and 2.24 percent for OPERS of covered payroll for the year ended June 30, 2023. The employer also contributes what would have been the employer's contribution under STRS Ohio or OPERS, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with vesting after one year. The pension expense for the ARP was $8,700 for the year ended June 30, 2023.

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

The payroll for employees electing the alternative retirement program for the year ended June 30, 2023 was approximately $79,295.

OPERS also offers a defined contribution plan, the Member-Directed Plan (MD). The MD plan does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options. Effective, January 1, 2022, members were no longer able to select this option.

STRS Ohio also offers a defined contribution plan in addition to its long established defined benefit plan. All employee contributions and employer contributions at a rate of 9.53% are placed in an investment account directed by the employee. Disability benefits are limited to the employee's account balance. Employees electing the defined contribution plan receive no postretirement health care benefits.

Note 11: Postemployment Benefits Other Than Pensions (OPEB) Plans

OPEB Plans

STRS Ohio is a cost-sharing multiple employer statewide retirement plan. STRS Ohio provides access to health care coverage for eligible retirees who participated in the Defined Benefit or Combined Plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and reimbursement of a portion of the monthly Medicare Part B premiums. Pursuant to the ORC, the State Teachers Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by the plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Benefit recipients contributed $224.5 million or 54% of the total health care costs in fiscal 2022 (excluding deductibles, coinsurance and copayments).

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage. For the year ended June 30, 2022, STRS Ohio received $97.7 million in Medicare Part D government reimbursements.

The ORC permits, but does not require, OPERS to offer post-employment health care coverage. Authority to establish and amend health care coverage is provided in Chapter 145 of the ORC. The ORC allows a portion of the employers' contributions to be used to fund health care coverage. The health care portion of the employer contribution rate for the Traditional Pension Plan and Combined Plan is comparable, as the same coverage options are provided to participants in both plans. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-eligible retirees could select supplemental coverage, and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees includes hospitalization, medical expenses and prescription drugs. The System determines the amount, if any, of the associated health care costs that will be absorbed by the System and attempts to control costs by using managed care, case management, and other programs. Additional details on health care coverage can be found in the Plan Statement in the OPERS 2022 Annual Comprehensive Financial Report.

The OPERS funding policy provides for periodic member and employer contributions at rates established by the Board, subject to limits set in statute. With assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. All contribution rates were within the limits authorized by the ORC. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was zero for 2022.

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

The payroll for employees covered by STRS Ohio for the year ended June 30, 2023 was approximately $73,036. The payroll for employees covered by OPERS for the year ended June 30, 2023 was approximately $102,408. There were no employer contributions made to fund post-employment benefits for the year ended June 30, 2023.

OPEB Liability and Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

At June 30, 2023, the University reported a liability of $3,722 for its proportionate share of the net OPEB liability for the OPERS plan. The net OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The amount used to allocate the net OPEB liability, deferred inflows/outflows and OPEB expense was based on the total employer (pension and OPEB) contributions during the measurement period which was determined by the OPERS plan to be a reliable approximation of long-term contribution effort to the plan. At the measurement date, the University's proportion was .590269 percent for OPERS, which was a decrease of .008633 from its proportion measured as of December 31, 2021.

At June 30, 2023, the University reported an asset of $17,339 for its proportionate share of the net OPEB asset for the STRS Ohio plan. The net OPEB asset was measured as of June 30, 2022 for the STRS Ohio plan. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date for the plan. The amount used to allocate the net OPEB asset, deferred inflows/outflows and OPEB expense was based on the total employer (pension and OPEB) contributions during the measurement period which was determined by the STRS Ohio plan to be a reliable approximation of long-term contribution effort to the plan. At the measurement date, the University's proportion was .669637 percent for STRS Ohio, which was a decrease of .001449 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the University recognized OPEB income of approximately $13,015 consisting of OPEB income of approximately $9,774 for the OPERS plan and $3,241 for the STRS Ohio plan.

(Dollars in Thousands)

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

	STRS Ohio	OPERS	Total
Deferred outflows of resources:			
Differences between expected and actual actuarial experience	$ 251	$ -	$ 251
Net difference between projected and actual earnings on OPEB plan investments	302	7,392	7,694
Changes in assumptions	739	3,635	4,374
Changes in proportion and differences between University contributions and proportionate share of contributions	1	74	75
Total	$ 1,293	$ 11,101	$ 12,394
Deferred inflows of resources:			
Differences between expected and actual actuarial experience	$ 2,604	$ 928	$ 3,532
Changes in assumptions	12,295	299	12,594
Changes in proportion and differences between University contributions and proportionate share of contributions	182	452	634
Total	$ 15,081	$ 1,679	$ 16,760

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

	STRS Ohio	OPERS	Total
Year ended June 30:			
2024	$ (4,094)	$ 1,025	$ (3,069)
2025	(3,962)	2,639	(1,323)
2026	(1,876)	2,213	337
2027	(784)	3,545	2,761
2028	(1,020)	-	(1,020)
Thereafter	(2,052)	-	(2,052)
	$ (13,788)	$ 9,422	$ (4,366)

(Dollars in Thousands)

For STRS Ohio, the total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

STRS Ohio	
Projected salary increases	Varies by service from 2.5% to 8.5%
Projected payroll increases	3.00 percent
Investment rate of return	7.00 percent, net of investment expenses, including inflation
Discount rate	7.00 percent
Health care cost trends	
Medical	
Pre-Medicare	7.50 percent initial, 3.94 percent ultimate
Medicare	(68.78) percent initial, 3.94 percent ultimate
Prescription Drug	
Pre-Medicare	9.0 percent initial, 9.94 percent ultimate
Medicare	(5.47) percent initial, 3.94 percent ultimate

For OPERS, the total OPEB liability at the December 31, 2022 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

OPERS	
Single discount rate	5.22 percent
Investment rate of return	6.00 percent
Municipal bond rate	4.05 percent
Wage inflation	2.75 percent
Projected salary increases	2.75 percent to 10.75 percent (includes wage inflation)
Health care cost trends	5.5 percent initial, 3.50 percent ultimate in 2036

Actuarial Assumptions Used For The Year-Ended June 30, 2023

Mortality Rates: For STRS Ohio healthy retirees, the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

OPERS pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

Experience Studies: STRS actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. OPERS actuarial assumptions used in the December 31, 2021 valuation are based on the results of an actuarial experience study for the period 2016 through 2020.

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.

(Dollars in Thousands)

The long-term expected rate of return on OPERS health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return were developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage, adjusted for inflation.

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

	STRS Ohio		OPERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	26.00 %	6.60 %	26.00 %	4.60 %
International equities	22.00	6.80	25.00	5.51
Alternative investments	19.00	7.38	2.00	4.37
Fixed income	22.00	1.75	34.00	2.56
Real estate	10.00	5.75	-	-
REITs	-	-	7.00	4.70
Other	1.00	1.00	6.00	1.84
Total	100.00 %		100.00 %	

Discount Rate: For STRS Ohio the discount rate used to measure the total OPEB asset at the measurement date was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB asset as of June 30, 2022.

(Dollars in Thousands)

For OPERS, a single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
STRS Ohio	$ (16,030)	$ (17,339)	$ (18,461)

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
OPERS	$ 12,667	$ 3,722	$ (3,660)

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

	1% Decrease	Current Health Care Cost Trend Rate	1% Increase
STRS Ohio	$ (17,985)	$ (17,339)	$ (16,524)
OPERS	3,488	3,722	3,984

OPEB Plan Fiduciary Net Position:

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

Note 12: Discretely Presented Component Unit

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

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

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

(Dollars in Thousands)

Summary financial information for the Foundation as of June 30, 2023, the date of its most recent audited financial report, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets at end of year	$ 4,458	$ 469,376	$ 473,834
Change in net assets for the year	153	35,143	35,296
Distributions to Miami University	20,635	-	20,635

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) that include short-term, highly liquid investments readily convertible to cash, with an original maturity of three months or less. The Foundation maintains active relationships with multiple cash equivalent accounts to reduce its exposure to custodial credit risk at any single institution. The carrying amounts of these items are a reasonable estimate of their fair value.

Investments

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

The value of holdings of non-publicly traded funds that do not have a readily determined market value is based on the funds' estimated net asset value as supplied by the investment manager. The values are reviewed and evaluated by Foundation management. Market prices are not available for certain investments. These investments are carried at estimated fair value provided by the funds' management. Some valuations are determined as of June 30, while the remaining valuations are determined based on March 31 or December 31 information when June 30 information is not yet available and adjusted by cash receipts, cash disbursements, and securities distributions and unrealized gains and losses 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 issuing insurance companies determine the cash surrender value of the life insurance policies annually.

(Dollars in Thousands)

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

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

Long-Term Investments

Investments held by the Foundation as of June 30, 2023 were:

	Fair Value
Investment description:	
Pooled Investment Fund (PIF):	
Strategic Investment Management, LLC funds	$ 329,446
Various private capital investments	168,625
Hedge funds	133,674
Government bonds	50,932
Global credit funds	15,216
Other	2,642
Public equities	5
Split-interest funds:	
Charitable remainder trusts	10,774
Charitable gift annuities	1,116
Pooled income funds	467
Total	$ 712,897

The Foundation maintains a diversified investment portfolio for the Pooled Investment Fund (PIF) intended to reduce market risk, credit risk, and interest rate risk with a strategy designed to take advantage of market inefficiencies. Beginning in fiscal year 2019, management of the PIF was delegated by the Board of the Foundation to an external investment firm, Strategic Investment Management, LLC. The external investment firm has discretion to manage the PIF within the framework of the investment policy statement. Additionally, the external investment firm has implemented a combination of internally and externally managed investment vehicles, including separate accounts, limited partnerships, and commingled funds. The Foundation's investment portfolio also includes publicly traded securities and the underlying holdings for certain non-publicly traded funds includes publicly traded securities. As a result, a significant downturn in the securities markets could adversely affect the market value of Foundation assets. As of June 30, 2023, the Foundation has made commitments to limited partnerships of approximately $144,148 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.

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. 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 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 Foundation's own assumptions in determining the fair value of investments or liabilities.

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

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

(Dollars in Thousands)

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, 2023:

	Level 1	Level 2	Level 3	Total
Investment assets:				
Public equities	$ 4,955	$ -	$ -	$ 4,955
Government bonds	-	50,932,371	-	50,932,371
Other	619,165	18,613	199,749	837,527
Split-interest funds:				
Charitable remainder trusts	10,774,015	-	-	10,774,015
Charitable gift annuities	1,116,372	-	-	1,116,372
Pooled income funds	466,633	-	-	466,633
	$ 12,981,140	$ 50,950,984	$ 199,749	64,131,873
Funds reported at fair value based on net asset value: [a]				
Non-publicly traded funds:				
Strategic Developed Markets ex-US Equity Trust				71,542,202
Strategic Emerging Markets Equity Trust				60,826,771
Strategic Global Equity Trust				56,441,635
Strategic U.S. Equity Trust				140,635,009
Strategic SPC Alpha Segregated Portfolio				133,674,584
Global credit funds				15,215,778
Various private capital investments				168,624,599
Total non-publicly traded funds reported at fair value based on net asset value				646,960,578
Total investment assets				$ 711,092,451
Investment liabilities:				
Split-interest funds:				
Charitable remainder trusts	$ -	$ -	$ 2,283,722	$ 2,283,722
Charitable gift annuities	-	-	1,017,121	1,017,121
Pooled income funds	-	-	8,277	8,277
Total investment liabilities	$ -	$ -	$ 3,309,120	$ 3,309,120

[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.

(Dollars in Thousands)

The following table sets forth the significant terms of the agreements with non-publicly traded funds reported at fair value based on net asset value at June 30, 2023:

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Strategic Investment Management, LLC funds				
Strategic Developed Markets ex-US Equity Trust [(a)]	$ 71,542,202	$ -	monthly	30 days
Strategic Emerging Markets Equity Trust [(b)]	60,826,771	-	monthly	30 days
Strategic Global Equity Trust [(c)]	56,441,635	-	monthly	30 days
Strategic U.S. Equity Trust [(d)]	140,635,009	-	monthly	30 days
Strategic SPC Alpha Segregated Portfolio [(e)]	133,674,584	-	quarterly	90 days
Global credit funds [(f)]	15,215,778	-	monthly/quarterly	15-365 days
Various private capital investments [(g)]				
Private equity	96,967,485	118,401,283	illiquid	not applicable
Private debt	24,551,047	8,289,002	illiquid	not applicable
Private natural resources	20,670,478	2,248,630	illiquid	not applicable
Private real estate	26,435,589	15,208,735	illiquid	not applicable
Total	$ 646,960,578	$ 144,147,650		

(a) This fund generally invests in long positions in publicly traded equity securities focusing in developed economies outside of the United States including Western Europe and Asia, as well as futures and options in such securities and certain stock indices.

(b) This fund generally invests in long positions in a diversified equity portfolio of publicly traded securities focusing in markets outside of the United States and Western Europe, including Asia and Latin America as well as Eastern Europe, Africa and the less developed Mediterranean economies.

(c) This fund generally invests in long positions in global publicly traded equity securities as well as futures and options on such securities and certain stock indices.

(d) This fund generally invests in long positions in domestic publicly traded equity securities as well as futures and options in such securities and certain stock indices.

(e) This fund generally invests in hedge funds that invest in both long and short positions in publicly traded equity and debt securities on a global basis. Most debt securities are sub-investment grade and may be hard to price due to thin trading volumes. The various strategies collectively target a market neutral position.

(f) This class includes primarily investments in public and private debt securities on a global basis with sub-investment grade credit ratings, such as bank loans and high yield bonds.

(g) 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.

Pledges Receivable

As of June 30, 2023, contributors to the Foundation have made unconditional pledges totaling $21,655, with one pledge accounting for over 28 percent of that total. Net pledges receivable have been discounted using rates commensurate with the risks involved to a net present value of $20,711 at June 30, 2023. Discount rates ranged from 0.6 percent to 3.60 percent. Management has set up an allowance for uncollectible pledges of $902 at June 30, 2023. All pledges have been classified as restricted expendable net positions since they will be fulfilled within a specified period of time or meet donor-imposed stipulations.

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

Split-Interest Agreements

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

Endowment

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

UPMIFA specifies that unless stated otherwise in the gift agreement, donor-restricted assets in an endowment fund are restricted assets until appropriated for expenditure by the institution. Barring the existence of specific donor instruction, the Foundation's policy is to classify as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) changes to the endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

(Dollars in Thousands)

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in restricted-expendable net positions. As of June 30, 2023, funds with original gifts values of $645, fair values of $616, and deficiencies of $28 were reported.

Note 13: Commitments

At June 30, 2023, the University is committed to future contractual obligations for capital expenditures of approximately $64,286. These commitments are being funded from the following sources:

		2023
Contractual obligations:		
Approved state appropriations not expended	$	122
University funds and bond proceeds		64,164
Total	$	64,286

Note 14: Risk Management

The University's employee health insurance program is a self-insured plan. Administration of the plan is provided by Community Insurance Company, doing business as Anthem Blue Cross and Blue Shield (Anthem). Employees are offered two plan options, a Traditional PPO Plan or a High Deductible Health Plan with a Health Savings Account.

(Dollars in Thousands)

Health insurance claims are accrued based upon estimates of the claims liabilities. These estimates are based on past experience, current claims outstanding, and medical inflation trends. As a result, the actual claims experience may differ from the estimate. An estimate of claims incurred but not reported in the amount of $2,397 is included in the accrued salaries and wages as of June 30, 2023. The change in the total liability for actual and estimated claims is summarized below:

		2023
Liability at beginning of year	$	2,629
Claims incurred		46,139
Claims paid		(46,037)
Change in estimated claims incurred but not reported		(334)
Liability at end of year	$	2,397

To reduce potential loss exposure, the University has established a reserve for health insurance stabilization of $20,000.

The University participates in a consortium with all other Ohio state-assisted universities (excluding The Ohio State University) for the acquisition of “All-Risk” Property and Casualty insurance. The name of the consortium is the IUC-Risk Management & Insurance Consortium (IUC-RMIC).

The “All-Risk” Property program, which has been in place for 30 years, has a loss limit of $1,000,000 shared between all IUC-RMIC members. The Casualty program, which has been in place for 25 years and includes general liability, automobile liability and educator’s legal liability, now has a dedicated loss limit of $50,000.

In both coverages, the University’s base deductible is $100 with a few other deductibles applying to catastrophic property losses (namely flood and earthquake). The first layer of coverage is the Consortium’s self-insurance pool whereby all members fund this layer per the agreed-to contribution and allocation methodology. For “All-Risk” Property, the next $400 of any covered claim is paid from the property self-insurance pool. For Casualty, the next $1,400 of a covered claim is paid from the casualty self-insurance pool. To date, the University has had three (3) property claims and four (4) casualty claims that have exceeded the base deductible and has either been paid by the self-insurance pool or a combination of the pool and insurance. Currently, there are a few claims reserved in excess of the University’s base deductible.

Further, the University identifies opportunities to transfer additional University risks through the participation in other group purchase insurance programs with its peers. Such programs include cyber liability, terrorism including limited coverage for active assailant, fine arts, foreign liability including access to security, medical and political evacuation services, special accident, medical malpractice, crime, excess social engineering, fiduciary liability and pollution liability.

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 15: Contingencies

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

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

Required Supplementary Information

Miami University
A Component Unit of the State of Ohio
Pension Plan Data
Years Ended June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015
(In Thousands)

	STRS Ohio	OPERS Traditional	OPERS Combined
For the Year Ended June 30, 2023			
University's proportion of the net pension liability (asset)	0.669637%	0.576792%	0.686863%
University's proportionate share of the net pension liability (asset)	$ 148,861	$ 170,385	$ (1,619)
University's covered payroll	72,120	89,401	2,947
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	206.41%	190.59%	-54.94%
Plan fiduciary net position as a percentage of the total pension liability	78.90%	75.74%	137.14%
For the Year Ended June 30, 2022			
University's proportion of the net pension liability (asset)	0.671086%	0.586913%	0.679262%
University's proportionate share of the net pension liability (asset)	$ 85,804	$ 51,064	$ (2,676)
University's covered payroll	68,234	85,678	2,794
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	125.75%	59.60%	-95.78%
Plan fiduciary net position as a percentage of the total pension liability	87.80%	92.62%	169.88%
For the Year Ended June 30, 2021			
University's proportion of the net pension liability (asset)	0.758928%	0.621864%	0.711364%
University's proportionate share of the net pension liability (asset)	$ 183,634	$ 92,084	$ (2,053)
University's covered payroll	76,683	87,736	2,861
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	239.47%	104.96%	-71.76%
Plan fiduciary net position as a percentage of the total pension liability	75.50%	86.88%	157.67%
For the Year Ended June 30, 2020			
University's proportion of the net pension liability (asset)	0.770956%	0.704723%	0.818105%
University's proportionate share of the net pension liability (asset)	$ 170,492	$ 139,294	$ (1,706)
University's covered payroll	76,102	92,433	3,014
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	224.03%	150.70%	-56.60%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	82.17%	145.28%
For the Year Ended June 30, 2019			
University's proportion of the net pension liability (asset)	0.776608%	0.611989%	0.674437%
University's proportionate share of the net pension liability (asset)	$ 170,759	$ 167,611	$ (755)
University's covered payroll	74,262	91,878	2,996
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	229.94%	182.43%	-25.20%
Plan fiduciary net position as a percentage of the total pension liability	77.30%	74.70%	126.64%

Miami University

A Component Unit of the State of Ohio

Pension Plan Data (Continued)

Years Ended June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015

(In Thousands)

	STRS Ohio	OPERS Traditional	OPERS Combined
For the Year Ended June 30, 2018			
University's proportion of the net pension liability (asset)	0.772173%	0.663383%	0.684872%
University's proportionate share of the net pension liability (asset)	$ 183,431	$ 104,072	$ (932)
University's covered payroll	71,889	87,917	2,867
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	255.16%	118.38%	-32.51%
Plan fiduciary net position as a percentage of the total pension liability	75.30%	84.66%	137.28%
For the Year Ended June 30, 2017			
University's proportion of the net pension liability (asset)	0.762848%	0.664940%	0.665441%
University's proportionate share of the net pension liability (asset)	$ 255,348	$ 150,997	$ (370)
University's covered payroll	67,967	84,296	2,749
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	375.69%	179.13%	-13.46%
Plan fiduciary net position as a percentage of the total pension liability	66.80%	77.25%	116.55%
For the Year Ended June 30, 2016			
University's proportion of the net pension liability (asset)	0.750872%	0.651198%	0.664254%
University's proportionate share of the net pension liability (asset)	$ 207,519	$ 112,796	$ (323)
University's covered payroll	67,064	80,840	2,636
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	309.43%	139.53%	-12.25%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	81.08%	116.90%
For the Year Ended June 30, 2015			
University's proportion of the net pension liability (asset)	0.718940%	0.662272%	0.650661%
University's proportionate share of the net pension liability (asset)	$ 174,871	$ 79,877	$ (251)
University's covered payroll	63,215	80,662	2,630
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	276.63%	99.03%	-9.54%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	86.45%	114.83%

Miami University
A Component Unit of the State of Ohio
Pension Plan Data (Continued)
Last Ten Fiscal Years Ended June 30, 2023
(In Thousands)

STRS Ohio

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013	$ 8,095	$ 8,095	$ -	$ 62,272	13.0%
2014	8,218	8,218	-	63,215	13.0%
2015	8,718	8,718	-	67,064	13.0%
2016	9,516	9,516	-	67,969	14.0%
2017	10,064	10,064	-	71,889	14.0%
2018	10,397	10,397	-	74,262	14.0%
2019	10,654	10,654	-	76,102	14.0%
2020	10,736	10,736	-	76,683	14.0%
2021	9,553	9,553	-	68,234	14.0%
2022	10,097	10,097	-	72,120	14.0%
2023	10,225	10,225	-	73,036	14.0%

OPERS Traditional, Combined and Member-Directed

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013	$ 9,853	$ 9,853	$ -	$ 85,101	11.6%
2014	11,458	11,458	-	87,598	13.1%
2015	10,925	10,925	-	86,845	12.6%
2016	10,877	10,877	-	90,034	12.1%
2017	11,778	11,778	-	93,543	12.6%
2018	13,180	13,180	-	96,874	13.6%
2019	14,046	14,046	-	99,651	14.1%
2020	14,261	14,261	-	101,097	14.1%
2021	13,032	13,032	-	92,496	14.1%
2022	13,316	13,316	-	94,477	14.1%
2023	14,462	14,462	-	102,408	14.1%

Miami University
A Component Unit of the State of Ohio
OPEB Plan Data
Years Ended June 30, 2023, 2022, 2021, 2020, 2019 and 2018
(In Thousands)

	STRS Ohio	OPERS
For the Year Ended June 30, 2023		
University's proportion of the net OPEB (asset) liability	0.669637%	0.590269%
University's proportionate share of the net OPEB (asset) liability	$ (17,339)	$ 3,722
University's covered payroll	73,036	102,408
University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	-23.74%	3.63%
Plan fiduciary net position as a percentage of the total OPEB (assets) liability	230.70%	94.80%
For the Year Ended June 30, 2022		
University's proportion of the net OPEB (asset) liability	0.671086%	0.598901%
University's proportionate share of the net OPEB (asset) liability	$ (14,149)	$ (18,759)
University's covered payroll	72,120	94,477
University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	-19.62%	-19.86%
Plan fiduciary net position as a percentage of the total OPEB (assets) liability	174.73%	128.23%
For the Year Ended June 30, 2021		
University's proportion of the net OPEB (asset) liability	0.758928%	0.633933%
University's proportionate share of the net OPEB (asset) liability	$ (13,338)	$ (11,294)
University's covered payroll	68,234	92,496
University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	-19.55%	-12.21%
Plan fiduciary net position as a percentage of the total OPEB (assets) liability	182.13%	115.57%
For the Year Ended June 30, 2020		
University's proportion of the net OPEB (asset) liability	0.770956%	0.719379%
University's proportionate share of the net OPEB (asset) liability	$ (12,762)	$ 99,365
University's covered payroll	76,683	101,097
University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	-16.64%	98.29%
Plan fiduciary net position as a percentage of the total OPEB (assets) liability	174.74%	47.80%
For the Year Ended June 30, 2019		
University's proportion of the net OPEB (asset) liability	0.776608%	0.622400%
University's proportionate share of the net OPEB (asset) liability	$ (12,479)	$ 81,146
University's covered payroll	76,102	99,651
University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	-16.40%	81.43%
Plan fiduciary net position as a percentage of the total OPEB (assets) liability	176.00%	46.33%
For the Year Ended June 30, 2018		
University's proportion of the net OPEB liability	0.772173%	0.672220%
University's proportionate share of the net OPEB liability	$ 30,127	$ 72,999
University's covered payroll	74,262	96,874
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	40.57%	75.35%
Plan fiduciary net position as a percentage of the total OPEB liability	47.10%	54.14%

Miami University
A Component Unit of the State of Ohio
OPEB Plan Data (Continued)
Last Ten Fiscal Years Ended Jun 30, 2023
(In Thousands)

	STRS Ohio				
	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013	$ 623	$ 623	$ -	$ 62,272	1.0%
2014	632	632	-	63,215	1.0%
2015	671	671	-	67,064	1.0%
2016	-	-	-	67,969	0.0%
2017	-	-	-	71,889	0.0%
2018	-	-	-	74,262	0.0%
2019	-	-	-	76,102	0.0%
2020	-	-	-	76,683	0.0%
2021	-	-	-	68,234	0.0%
2022	-	-	-	72,120	0.0%
2023	-	-	-	73,036	0.0%

	OPERS Traditional, Combined and Member-Directed				
	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013	$ 2,129	$ 2,129	$ -	$ 85,101	2.5%
2014	876	876	-	87,598	1.0%
2015	1,302	1,302	-	86,845	1.5%
2016	1,801	1,801	-	90,034	2.0%
2017	1,403	1,403	-	93,543	1.5%
2018	474	474	-	96,874	0.5%
2019	-	-	-	99,651	0.0%
2020	-	-	-	99,365	0.0%
2021	-	-	-	92,496	0.0%
2022	-	-	-	94,477	0.0%
2023	-	-	-	102,408	0.0%

Changes in assumptions (Pension): The Retirement Boards of OPERS and STRS made no changes to the actuarial assumptions in 2022. The discount rate and investment rate of return for OPERS and STRS remained the same at 6.90 percent and 7.00 percent, respectively. The wage inflation rate remained the same at 2.75 percent and 3.00 percent, respectively, for OPERS and STRS.

Changes in assumptions (OPEB): The Retirement Board of OPERS approved two changes to the actuarial assumptions in 2022: The discount rate was decreased from 6.00 percent to 5.22 percent and the municipal bond rate was increased from 1.84 percent to 4.05 percent. The Retirement Board of STRS approved two changes to the actuarial assumptions in 2022 regarding the health care cost trends: The medical pre-Medicare rate was increased from 5.00 percent to 7.50 percent and the prescription drug pre-Medicare rate for was increased from 6.50 percent to 9.00 percent.

Changes to benefit terms (Pension): The Retirement Board of OPERS and the Retirement Board of STRS Ohio made no changes to retirement benefits compared to the prior year.

Changes to benefit terms (OPEB): For STRS Ohio, salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

Financial Services Staff

The 2023 financial report and investments report were prepared by Miami University.

Jennifer B. Morrison
Chief Accounting Officer

Bruce A. Guiot
Associate Treasurer

Statement of Nondiscrimination

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

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

Students and employees should bring questions or concerns to the attention of the Office of Equity and Equal Opportunity, Hanna House, 529-7157 (V/TTY) and 529-7158 (fax). Students and employees with disabilities may contact the Office of Disability Resources, 19 Nellie Craig Walker Hall, 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: Equal opportunity in education and employment.
Produced by University Communications and Marketing 10/2023

75 Years of Love and Honor

Miami University Foundation

June 30, 2023

Investment Report

Miami University and Miami University Foundation

JUNE 30, 2023

MIAMI UNIVERSITY

INVESTMENT POOLS

Total investment assets for Miami University and Miami University Foundation at fiscal year-end reached an all-time high, up $77 million to exceed $1.6 billion. This growth, which set new records in both primary investment pools, is largely attributed to solid investment returns and momentum in the capital campaign. The University's non-endowment pool, its working capital and reserves, rose slightly to $874 million from $850 million. The Pooled Investment Fund (PIF), the combined University and Foundation endowment, rose to $739 million from $686 million. The fiscal year-end asset values among the pools are as follows:

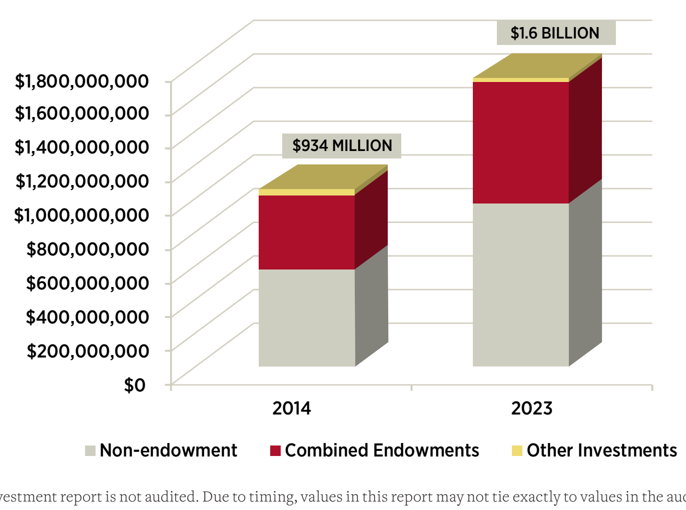
Pool	Type of Funds	Invested as of June 30, 2023
University Non-Endowment	Working capital and cash reserves to support operating activities	$874,530,000
Pooled Investment Fund (University & Foundation Endowments)	Funds donated to the University and the Foundation to establish endowments in perpetuity	$739,390,000
Trusts, Annuities, and Separately Invested Assets	Gifts managed independently of the pooled funds	$20,980,000
Total Investments		**$1,634,900,000**

The Investment Committee of the Miami University Foundation's Board of Directors provides governance oversight to the PIF, while the Miami University Board of Trustees maintains oversight of the non-endowment pool. In 2018, the Boards outsourced investment management discretion of both the PIF and non-endowment to an external firm, Strategic Investment Group (SIG).

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 PIF invests endowed gifts from donors and quasi-endowments established by the Boards. This 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 these funds with the understanding that economic cycles will rise and fall, but that a well-diversified portfolio will provide the long-term growth necessary to fund current distributions and preserve the purchasing power of the endowment across generations. The investment policy governing the endowment pool recognizes that the portfolio can tolerate year-to-year fluctuations in returns because of its infinite time horizon, and looks beyond short-term fluctuations toward an investment process that provides the best risk-adjusted total return over very long time periods.

GROWTH IN TOTAL INVESTMENT ASSETS AS OF JUNE 30, 2023

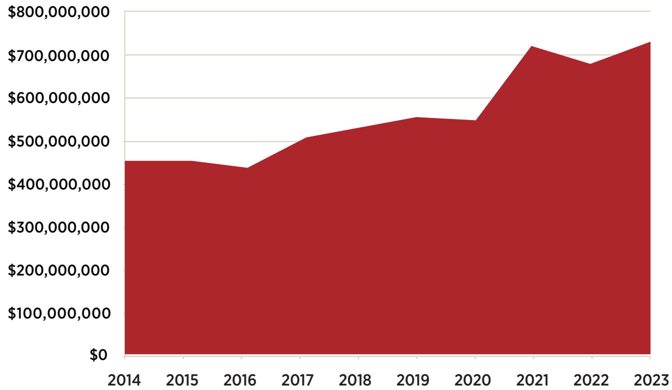


The University and Foundation also hold assets given by donors in the form of trusts, annuities, insurance policies, real estate, and other assets. These funds are, by necessity, managed separately from the PIF.

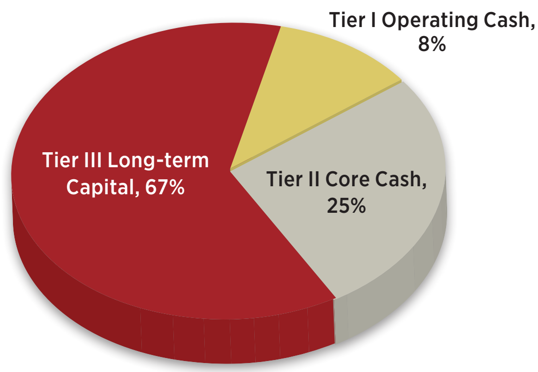
Over the last ten years, Miami's total investment assets have expanded by 75 percent, driven by generous donor support, prudent financial discipline, and healthy investment earnings. a

This investment report is not audited. Due to timing, values in this report may not tie exactly to values in the audited financial statements.

MIAMI UNIVERSITY
COMBINED ENDOWMENTS GROWTH



MIAMI UNIVERSITY NON-ENDOWMENT
ASSET ALLOCATION
JUNE 30, 2022



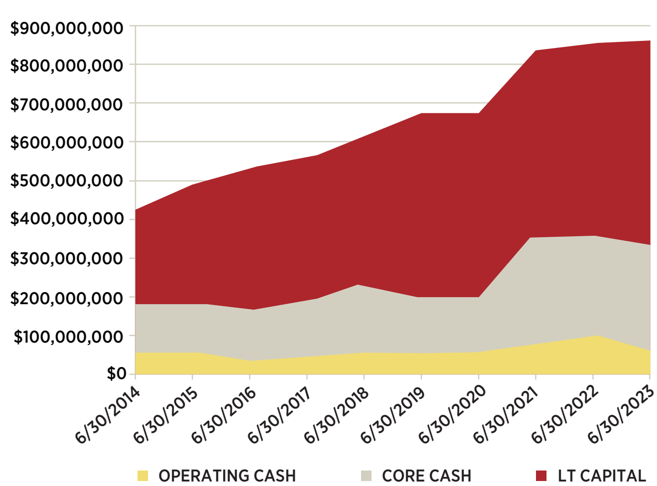
ASSET ALLOCATION

The non-endowment pool has three components. Tier I operating cash represents the University's working capital and is invested in short-term cash equivalents, with a target balance of two to six months of average cash needs. Tier II core cash represents short-term reserves along with funds set aside by the Board of Trustees for special initiatives. Tier II is invested in U.S. Treasury securities with maturities generally under two years. Tier III long-term capital consists of longer-term reserves. As the size of this pool has grown, this portion of the pool has adopted an investment profile similar to the PIF endowment, but excludes less liquid asset classes. At fiscal year-end, it was invested primarily in a mix of global public equity, various types of fixed income securities, assorted real asset exposures, and low correlation absolute return hedged strategies.

Cash flow generation from campus operations was negative for the year, as expected, due to capital project outlays and higher inflation related expenses. Tier I operating cash ended the year with $65.6 million, within our target range. Higher short term interest rates on cash provided additional interest earnings, which aided against market volatility. Tier II consisted of $190.7 million in the baseline allocation and $30.5 million in the special initiatives fund being used as seed capital for new academic programs. Tier III finished the year at $586.4 million. Rebalancing actions taken during the year included $15 million transferred from operating cash to long-term capital and $9.8 million drawn from Tier II special initiatives to operating cash.

The Foundation Investment Committee reviews the PIF investment policy regularly, and the Board of Directors adopted an updated PIF investment policy in May 2023. The change reduced the target in emerging markets equities and increased U.S. equities. This adjustment aligns the public equity targets mix more closely to the global public equity index and will be implemented over the next year. The PIF's strategic allocation considers not just asset exposure, but also the sources of risk and the interaction among the various assets and strategies. This pool's primary strategic allocation categories are public equity, consisting of exposures to U.S., non-U.S., and global equity strategies; alternatives, consisting of private equity and absolute return hedged strategies; real assets, comprised of timber, commodities, and real estate; fixed income, consisting of U.S. Treasury securities and public active credit strategies; and opportunistic, currently consisting primarily of private credit strategies. Each category has a long-term strategic target weight and SIG has discretion to make tactical shifts within approved ranges. While SIG manages a portion of the fixed income allocation in-house, it also deploys capital with approximately 100 sub-managers.

MIAMI UNIVERSITY NON-ENDOWMENT
ASSET ALLOCATION HISTORY



POOLED INVESTMENT FUND
CHANGE IN ASSET ALLOCATION

	2022	2023
Public Equity	51.5%	50.6%
Alternatives	28.4%	29.3%
Real Assets	7.8%	8.0%
Fixed Income	4.8%	5.5%
Opportunistic	4.8%	4.8%
Cash, Accruals, & Pending Trades	2.7%	1.8%
Total	100%	100%

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POOLED INVESTMENT FUND
INVESTMENT POLICY TARGET ALLOCATION, RANGES, & BENCHMARKS

Asset Category	Long-Term Policy Allocation	Long-Term Policy Ranges -	Long-Term Policy Ranges +	Benchmark Indicies
Public Equities	**43%**	**-10%**	**+10%**	
U.S. Equities	26%	-10%	+10%	Russell 3000 Index
Developed Non-U.S. Equities	12.5%	-10%	+10%	MSCI World ex-U.S. Investible Market Index
Emerging Markets Equities	4.5%	-4.5%	+10%	MSCI Emerging Markets Index
Alternatives (Net)	**37%**	**-12%**	**+10%**	
Private Equities	25%	-10%	+5%	Custom Private Equity Index
Hedge Funds (Net)	12%	-12%	+10%	HFRX Equal Weighted Strategies Index
Hedge Funds (Gross)	*19%*	*-19%*	*+5%*	
Portable Alpha Overlay	*-7%*	*-7%*	*+10%*	
Real Assets	**8%**	**-8%**	**+10%**	
Real Estate	3%	-3%	+5%	NCREIF Fund Index Open End Diversified Core Equity Index
Timber	0%	-0%	+6%	Thomson Reuters Cambridge Timber Index
Commodities	2%	-2%	+6%	S&P GSCI Total Return Index
TIPS	3%	-3%	+6%	Bloomberg Barclays l-10 Year U.S. TIPS Index
Fixed Income	**12%**	**-10%**	**+10%**	
U.S. Investment Grade Bonds	12%	-10%	+10%	Bloomberg Barclays U.S. Aggregate Index
U.S. High Yield Bonds	0%	-0%	+10%	BofA Merrill Lynch High Yield Cash Pay Index
Non-U.S. Fixed Income	0%	-0%	+10%	
Opportunistic	**0%**	**-0%**	**+10%**	
Cash	**0%**	**-0%**	**+20%**	
TOTAL	**100%**			

Exposures within the PIF asset allocation year over year were steady. The largest change reflects the continued building of the private equity portfolio, which is funded from public equity over a multiple year period. Fixed income exposure increased as rising interest rates stabilized.

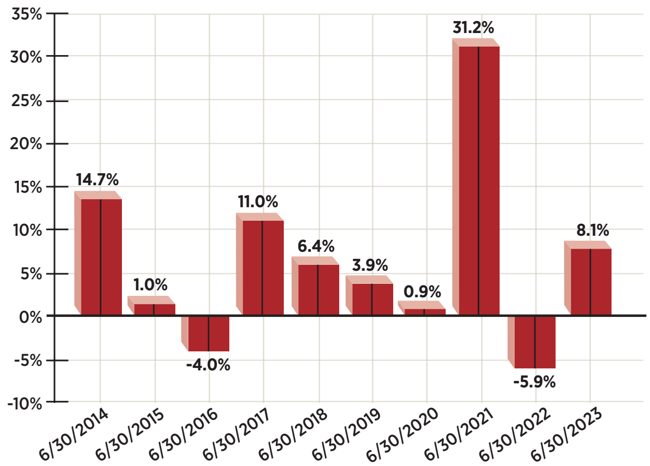
Liquidity measures how quickly the exposure to a particular asset manager can be redeemed and turned into cash at a relatively stable value. Approximately 55 percent of the portfolio could be converted to cash within a month, while about three quarters of the portfolio could be redeemed within a quarter.

INVESTMENT RETURNS

Central banks around the world have aggressively increased interest rates to their highest levels in decades. These actions have slowed the pace of inflation and given some optimism to capital markets. However, inflation remains above target levels and persistently tight labor markets remain a key inflationary threat. The ultimate response of global economies and capital markets is unclear. Global equity prices as measured by the MSCI All Country World Index (ACWI) rose 16.5 percent after declining 15.7 percent the previous year. U.S. stocks were strong, with the S&P 500 up almost 20 percent and the NASDAQ up 25 percent. Investment grade bonds provided no safe haven, as rising interest rates led to negative returns for many debt instruments, though high yield bonds were up 9 percent. Traditional inflation hedges such as commodities and real estate generally struggled during the year. The U.S. Treasury yield curve has been inverted for several months, with yields for maturities inside of one year significantly higher than longer maturities. This posture has historically been a strong predictor of a coming recession, and markets will be looking for evidence of equilibrium between inflation and economic growth.

The combined Tier II and Tier III portions of the University's non-endowment pool posted a gain of 6.3 percent for the fiscal year ended June 30, 2023, essentially reversing the loss of 6.3 percent experienced in the previous year. Tier II baseline had a modest return of 2.3 percent as the pace of rising interest rates subsided, while Tier III was up 8.3 percent. Within the long-term capital portion, the best and worst performers swapped places from the previous year. Public equities were up 15.9 percent, with U.S. equities posting a strong 19.2 percent rebound, while real assets (real estate, commodities, and Treasury Inflation Protection Securities) reversed their gains from the previous year and lost 5.9 percent. Tier III annualized performance for the trailing five years was 6.0 percent, providing annualized added return over Treasury bills during that period of about four and one-half percentage points.

COMBINED RATES OF RETURN
FY2014 - FY2023



*preliminary for FY23, without final private capital

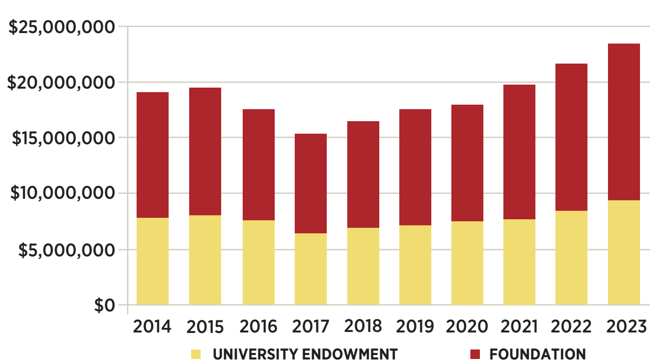
The PIF had an estimated gain of 8.1 percent (please note the FY2023 return is incomplete, since we do not yet have results for all private capital investments which have a significant reporting delay). This outcome more than recovered the 5.9 percent loss posted in the previous year. PIF outperformed its portfolio custom benchmark for the year by about 0.7 percentage points. PIF's estimated annualized performance for the trailing ten years was 6.3 percent.

PROGRAM SUPPORT

Endowments provide a lasting legacy for Miami because their principal is invested in perpetuity and an annual distribution from earnings 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 support current obligations. Fulfilling these dual objectives is often referred to as achieving "intergenerational equity," in which no generation of students and faculty is advantaged in relation to other generations.

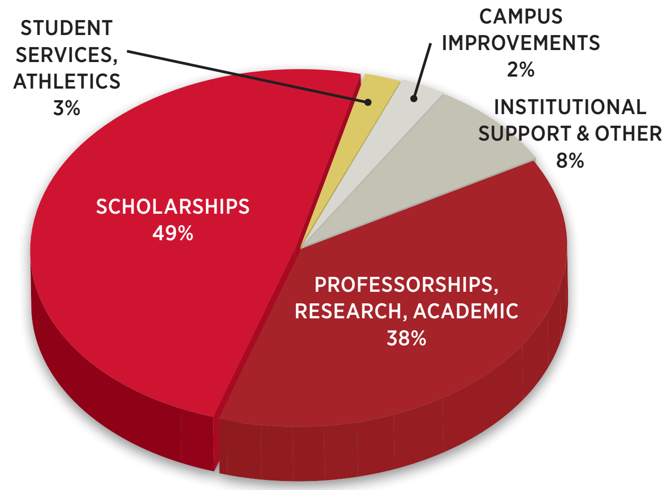
The endowment spending policies for both the University and Foundation, adopted by the Boards in fiscal year 2017, distribute four percent of the average of the previous twelve quarterly market values as of March 31st of each fiscal year. The policies are intended to provide consistent, predictable,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

ANNUAL UNIVERSITY & FOUNDATION ENDOWMENT ACTUAL EARNINGS DISTRIBUTIONS



The combined endowment distribution for fiscal year 2023 was almost $24 million, the most ever distributed in one year and over $2 million more than the previous year. Over the last ten years, the cumulative distributions have totaled over $190 million and have provided an important source of funding to help make a Miami education more affordable for our students and to help offset changes in state support. The following chart shows the proportion of programs supported by the 2023 distributions.

MIAMI UNIVERSITY AND FOUNDATION ENDOWMENTS PROGRAMS SUPPORTED BY ENDOWMENT FISCAL YEAR 2023



The Miami University Foundation celebrates its 75th anniversary during 2023. From the first few hundred dollars of gifts in 1948 to now over $700 million in endowments, the Foundation has steadily fostered a culture of giving in support of the educational and research activities of Miami University. Higher education, like the country and the economy, has evolved considerably during that time. Nationwide, current enrollment in colleges is down well below pre-pandemic levels. At the same time, the number of students graduating from high school is declining and tuition price sensitivity by families has become acute. To help address these challenges, in the fall of 2022 Miami launched the public phase of its comprehensive capital campaign, *For love. For honor. For those who will.* With a goal of raising $1 billion, it is the largest campaign in Miami's history and seeks to ensure Miami, and Miamians, will continue to thrive for generations to come. We appreciate the unwavering and generous support from our alumni and friends and the visionary leadership of our boards and administration.

This investment report is not audited. Due to timing, values in this report may not tie exactly to values in the audited financial statements.

Miami University Foundation

June 30, 2023

Contents

FORV/S

312 Walnut Street, Suite 3000 / Cincinnati, OH 45201
P 513.621.8300 / **F** 513.621.8345
forvis.com

Independent Auditor's Report

Board of Directors
Miami University Foundation
Oxford, Ohio

Opinion

We have audited the financial statements of Miami University Foundation, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Miami University Foundation as of June 30, 2023 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Miami University Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Miami University Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Miami University Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Miami University Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

The summarized comparative information presented herein as of and for the year ended June 30, 2022 was audited by other auditors, and their report thereon, dated October 5, 2022, expressed an unmodified opinion.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of changes in net assets and investments are presented for purposes of additional analysis and are not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information Included in the Investment Report

Management is responsible for the other information included in the investment report, which includes information from both Miami University Foundation and Miami University. The other information comprises the information included in the investment report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

Cincinnati, Ohio
October 11, 2023

Miami University Foundation
Statement of Financial Position
June 30, 2023
(With Comparative Totals for June 30, 2022)

	2023	2022
Assets		
Cash and cash equivalents	$ 41,311,343	$ 32,067,510
Pledges receivable, net	19,808,822	18,475,171
Other receivables, primarily investment related	7,625,976	10,427,855
Investments	711,092,451	661,767,450
Cash value of life insurance	1,804,501	1,835,940
Total assets	$ 781,643,093	$ 724,573,926
Liabilities		
Accounts payable and other liabilities	$ 25,413,052	$ 19,999,547
Assets held for other entities	277,951,890	261,261,753
Deferred revenue	1,135,500	1,362,295
Obligations under split-interest agreements	3,309,120	3,412,767
Total liabilities	307,809,562	286,036,362
Net Assets		
Without donor restrictions	4,457,648	4,304,502
With donor restrictions	469,375,883	434,233,062
Total net assets	473,833,531	438,537,564
Total liabilities and net assets	$ 781,643,093	$ 724,573,926

Miami University Foundation

Statement of Activities
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Revenues, Gains and Other Additions				
Contributions	$ 26,777	$ 25,886,124	$ 25,912,901	$ 20,122,843
Investment income:				
Dividend and interest income, net	20,076	2,001,548	2,021,624	1,314,869
Net realized and unrealized gains (losses)	323,428	31,413,386	31,736,814	(21,193,286)
Net investment income (loss)	343,504	33,414,934	33,758,438	(19,878,417)
Change in value of split-interest agreements	-	851,353	851,353	(1,356,627)
Net assets released from restrictions due to satisfaction of donor restrictions	25,009,590	(25,009,590)	-	-
Total revenues, gains and other additions	25,379,871	35,142,821	60,522,692	(1,112,201)
Expenses and Other Deductions				
Distributions to Miami University	20,635,060	-	20,635,060	17,894,968
Other expenses	277,789	-	277,789	294,358
Administrative expenses	4,313,876	-	4,313,876	3,858,735
Total expenses and other deductions	25,226,725	-	25,226,725	22,048,061
Change in Net Assets	153,146	35,142,821	35,295,967	(23,160,262)
Net Assets, Beginning of Year	4,304,502	434,233,062	438,537,564	461,697,826
Net Assets, End of Year	$ 4,457,648	$ 469,375,883	$ 473,833,531	$ 438,537,564

Miami University Foundation

Statement of Cash Flows
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	2023	2022
Cash Flows From Operating Activity		
Payments to Miami University, net	$ (23,139,006)	$ (19,778,794)
Cash Flows From Investing Activities		
Proceeds from sale of investments	84,995,549	121,639,937
Purchase of investments	(75,604,516)	(139,724,683)
Distributions of assets held for other entities	(3,027,435)	(6,979,919)
Net cash provided by (used in) investing activities	6,363,598	(25,064,665)
Cash Flows From Financing Activities		
Contributions restricted for long-term investment	24,542,417	20,625,664
Dividend and interest income, restricted	1,804,569	1,175,210
Interest utilized for payment of split-interest obligations	362,777	607,318
Payments on split-interest obligations	(690,522)	(720,275)
Net cash provided by financing activities	26,019,241	21,687,917
Net Change in Cash and Cash Equivalents	9,243,833	(23,155,542)
Cash and Cash Equivalents, Beginning of Year	32,067,510	55,223,052
Cash and Cash Equivalents, End of Year	$ 41,311,343	$ 32,067,510
Reconciliation of Change in Net Assets to Net Cash Used in Operating Activities		
Change in net assets	$ 35,295,967	$ (23,160,262)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Increase in pledges receivable	(1,333,651)	-
Increase in accounts payable and other liabilities	2,087,719	2,269,267
Contributions restricted for long-term investment	(24,542,417)	(20,122,843)
Noncash contributions received	(36,833)	-
Net change in value of split-interest agreements	(851,353)	1,356,627
Dividends and interest income, net	(2,021,624)	(1,314,869)
Net realized and unrealized (gains) losses on investments	(31,736,814)	21,193,286
Net cash used in operating activities	$ (23,139,006)	$ (19,778,794)

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 and no more than thirty directors that are elected by the Board and up to nine 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 (U.S. GAAP) as more explicitly described in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

Net Asset Classification

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

Net assets without donor restrictions: Net assets whose use has not been limited by donors for any period of time or specified purpose.

Net assets with donor restrictions: Net assets with donor restrictions include gifts and grants for which donor-imposed restrictions have not been met (primarily future capital projects or gifts for educational purposes), earnings from long-term investments which are donor restricted, and time restricted trust activity. Net assets with donor restrictions also include gifts which generally require, by donor restriction, that the corpus be invested in perpetuity. The donors generally permit the use of a portion of the income earned to be utilized for specific purposes based on their restrictions.

Accounting Estimates

In preparing the financial statements in conformity with U.S. GAAP, 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) 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 $251,000 of cash and cash equivalents was covered by federal depository insurance; $26.6 million was covered by collateral held by third-party trustees pursuant to paragraph 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions; and the remainder was invested in money market funds that invest substantially all of its assets in U.S. Treasury securities and repurchase agreements. The Foundation maintains active relationships with multiple cash equivalent accounts to reduce its exposure to custodial credit risk at any single institution.

Investments and Investment Income

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

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

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

The issuing insurance companies determine the cash surrender value of the life insurance policies annually.

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

Investment income includes dividends, interest income and realized and unrealized gains and losses on investments carried at fair value. Investment income is recorded on the accrual basis and purchases and sales of investments are recorded on a trade-date basis. Investment transactions occurring on or before June 30, 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, with the discount for the estimated time period until culmination of the agreement recorded as deferred revenue. 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 using discount rates ranging from 0.40% to 5.80%.

Contributions

Contributions are provided to the Foundation either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on the Foundation overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.* the donor-imposed barrier is met
Unconditional gifts, with or without restriction	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as pledges receivable and the present-value discount is amortized using the level-yield method. Management has estimated an allowance for uncollectible pledges of approximately $902,000 as of June 30, 2023. This estimate is based on management's review of delinquent accounts and an assessment of the Foundation's historical evidence of collections.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Income Taxes

The Foundation is a not-for-profit organization as defined under Section 501(c)(3) of the Internal Revenue Code (the Code) and is generally exempt from federal income taxes pursuant to Section 501(a) of the Code, except on unrelated business income. The Foundation has evaluated its tax positions at June 30 with respect to accounting for uncertainties in income taxes and has determined that there was no material impact to the Foundation's financial statements. The ASC provides related guidance on measurement, classification, interest and penalties and disclosure as well as prescribing a threshold of more likely than not for recognition of tax positions taken or expected to be taken in a tax return. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. As of June 30, 2023, the Foundation has no uncertain tax positions.

Subsequent Events

The Foundation has evaluated subsequent events for potential recognition and/or disclosure through October 11, 2023, the date the financial statements were available to be issued.

Note 3: Pledges Receivable, Net

At June 30, 2023, contributors to the Foundation have made unconditional pledges totaling $21,654,682 with two pledges accounting for 39% of that total. Net pledges receivable have been discounted using interest rates to a net present value of $20,710,579 at June 30, 2023. Discount rates ranged from 0.6% to 3.6%. The methodology for calculating an allowance for uncollectible pledges is based upon management's analysis of the aging of payment schedules for all outstanding pledges. At June 30, 2023, net pledges are due as follows:

Unconditional pledges expected to be collected:	
Within one year	$ 7,753,843
Between two and five years	12,246,309
In more than five years	1,654,530
Pledges receivable	21,654,682
Less discount on pledges	(944,103)
Less allowance for uncollectible pledges	(901,757)
Pledges receivable, net	$ 19,808,822

The Foundation had also been notified of revocable pledges, bequests, and other indications of intentions to give. These conditional 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, 2023 were:

		Fair Value
Investment Description		
Pooled Investment Fund (PIF):		
Strategic Investment Management, LLC funds	$	329,445,617
Various private capital investments		168,624,599
Hedge funds		133,674,584
Government bonds		50,932,371
Global credit funds		15,215,778
Public equities		4,955
Other - separately managed		837,527
Split-interest funds:		
Charitable remainder trusts		10,774,015
Charitable gift annuities		1,116,372
Pooled income funds		466,633
Total	$	711,092,451

The PIF portfolio's fair value, excluding cash, was $697,897,904 at June 30, 2023. The Foundation maintains a diversified investment portfolio for the PIF intended to reduce market risk, credit risk, and interest rate risk with a strategy designed to take advantage of market inefficiencies. During fiscal year 2019, management of the PIF was delegated by the Board to an external investment firm, Strategic Investment Management, LLC. Fees for Strategic Investment Management, LLC are paid by Miami University and funded by the administrative fee that the Foundation pays the University. The external investment firm has discretion to manage the PIF within the framework of the investment policy statement. Additionally, the external investment firm has implemented a combination of internally and externally managed investment vehicles, including separate accounts, limited partnerships, and commingled funds. The Foundation's investment portfolio includes publicly traded securities and the underlying holdings for certain non-publicly traded funds also include publicly traded securities. As a result, a significant downturn in the securities markets could adversely affect the market value of Foundation assets. As of June 30, 2023, the Foundation has made commitments to limited partnerships of approximately $144 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.

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

Assets held for other entities as of June 30, 2023 were:

	Miami University Endowment	Miami University Paper Science & Engineering Foundation	Other	Total
Assets held for other entities at July 1, 2022	$ 260,461,907	$ 629,652	$ 170,194	$ 261,261,753
New investments	7,127,343	-	-	7,127,343
Earnings distribution	(8,718,480)	-	-	(8,718,480)
Dividend and interest income, net of administrative fees	(1,656,192)	(4,469)	(1,121)	(1,661,782)
Net unrealized and realized gains	19,889,090	47,885	12,731	19,949,706
Value as of June 30, 2023	277,103,668	673,068	181,804	277,958,540
Distribution payable (included in accounts payable and other liabilities)	-	-	(6,650)	(6,650)
Assets held for other entities at June 30, 2023	$ 277,103,668	$ 673,068	$ 175,154	$ 277,951,890

Note 5: Fair Value Measurements and Disclosures

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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

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 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 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. Due to the nature of the valuation inputs, these liabilities are classified within Level 3 of the hierarchy.

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.

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, 2023:

	Level 1	Level 2	Level 3	Total
Investment assets:				
Public equities	$ 4,955	$ -	$ -	$ 4,955
Government bonds	-	50,932,371	-	50,932,371
Other	619,165	18,613	199,749	837,527
Split-interest funds:				
Charitable remainder trusts	10,774,015	-	-	10,774,015
Charitable gift annuities	1,116,372	-	-	1,116,372
Pooled income funds	466,633	-	-	466,633
	$ 12,981,140	$ 50,950,984	$ 199,749	64,131,873
Funds reported at fair value based on net asset value: [(a)]				
Non-publicly traded funds:				
Strategic Developed Markets ex-US Equity Trust				71,542,202
Strategic Emerging Markets Equity Trust				60,826,771
Strategic Global Equity Trust				56,441,635
Strategic U.S. Equity Trust				140,635,009
Strategic SPC Alpha Segregated Portfolio				133,674,584
Global credit funds				15,215,778
Various private capital investments				168,624,599
Total non-publicly traded funds reported at fair value based on net asset value				646,960,578
Total investment assets				$ 711,092,451
Investment liabilities:				
Split-interest funds:				
Charitable remainder trusts	$ -	$ -	$ 2,283,722	$ 2,283,722
Charitable gift annuities	-	-	1,017,121	1,017,121
Pooled income funds	-	-	8,277	8,277
Total investment liabilities	$ -	$ -	$ 3,309,120	$ 3,309,120

(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 sets forth the significant terms of the agreements with non-publicy traded funds reported at fair value based on net asset value at June 30, 2023:

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Strategic Investment Management, LLC funds				
Strategic Developed Markets ex-US Equity Trust [(a)]	$ 71,542,202	$ -	monthly	30 days
Strategic Emerging Markets Equity Trust [(b)]	60,826,771	-	monthly	30 days
Strategic Global Equity Trust [(c)]	56,441,635	-	monthly	30 days
Strategic U.S. Equity Trust [(d)]	140,635,009	-	monthly	30 days
Strategic SPC Alpha Segregated Portfolio [(e)]	133,674,584	-	quarterly	90 days
Global credit funds [(f)]	15,215,778	-	monthly/quarterly	15-365 days
Various private capital investments [(g)]				
Private equity	96,967,485	118,401,283	illiquid	not applicable
Private debt	24,551,047	8,289,002	illiquid	not applicable
Private natural resources	20,670,478	2,248,630	illiquid	not applicable
Private real estate	26,435,589	15,208,735	illiquid	not applicable
Total	$ 646,960,578	$ 144,147,650		

(a) This fund generally invests in long positions in publicly traded equity securities focusing in developed economies outside of the United States including Western Europe and Asia, as well as futures and options in such securities and certain stock indices.

(b) This fund generally invests in long positions in a diversified equity portfolio of publicly traded securities focusing in markets outside of the United States and Western Europe, including Asia and Latin America as well as Eastern Europe, Africa and the less developed Mediterranean economies.

(c) This fund generally invests in long positions in global publicly traded equity securities as well as futures and options on such securities and certain stock indices.

(d) This fund generally invests in long positions in domestic publicly traded equity securities as well as futures and options in such securities and certain stock indices.

(e) This fund generally invests in hedge funds that invest in both long and short positions in publicly traded equity and debt securities on a global basis. Most debt securities are sub-investment grade and may be hard to price due to thin trading volumes. The various strategies collectively target a market neutral position.

(f) This class includes primarily investments in public and private debt securities on a global basis with sub-investment grade credit ratings, such as bank loans and high yield bonds.

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

Note 6: Endowment

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

UPMIFA specifies that unless stated otherwise in the gift agreement, donor-restricted assets in an endowment fund are restricted assets until appropriated for expenditure by the institution. Barring the existence of specific donor instruction, the Foundation's policy is to classify as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) changes to the endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

The Foundation's endowment consists of 2,164 separate accounts established since its inception. The following presents a summary of changes in endowment net assets for the year ended June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2022	$ 4,304,502	$ 401,543,247	$ 405,847,749
Contributions	26,777	21,705,267	21,732,044
Dividend and interest income, net of investment expense	20,076	1,937,091	1,957,167
Realized and unrealized gains	323,428	31,405,480	31,728,908
Net assets released from restrictions and other changes	21,306,070	(21,581,964)	(275,894)
Distributions to Miami University	(17,209,329)	-	(17,209,329)
Administrative expenses	(4,313,876)	-	(4,313,876)
Endowment net assets, June 30, 2023	$ 4,457,648	$ 435,009,121	$ 439,466,769

Endowment net asset composition by type of fund as of June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment:			
Historical gift value	$ -	$ 309,877,807	$ 309,877,807
Cumulative appreciation	-	125,131,314	125,131,314
Board-designated endowment	4,457,648	-	4,457,648
Total	$ 4,457,648	$ 435,009,121	$ 439,466,769

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration; deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2023, funds with original gifts values of $644,551, fair values of $616,427, and deficiencies of $28,124 are reported in net assets with donor restrictions.

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

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

The total calculated endowment spending amount in 2023 was $26,982,997, which includes $8,725,130 of earnings distributions to assets held for other entities as described in Note 4. Some individual endowments are reinvesting all endowment earnings. As a result, $14,860,424 was distributed to Miami University from Foundation endowments. In addition to current year endowment distributions, $3,425,731 of non-endowed funds and $2,348,905 of non-recurring donor stipulated funds, for a total of $5,774,636, were distributed to Miami University in satisfaction of donor restrictions. The following summarizes the programs supported by the current year's endowed and non-endowed distributions:

Miami University Program Supported	Annual Spending Rate and Special Distribution	Donor Stipulated Distribution	Total Distributions to Miami University
Scholarships and fellowships	$ 7,865,579	$ 19,086	$ 7,884,665
Academic support	5,336,863	2,070,470	7,407,333
Student services/athletics	583,620	-	583,620
Campus improvements	106,070	1,132,135	1,238,205
Other institutional support	968,292	2,552,945	3,521,237
Total distributions to Miami University	$ 14,860,424	$ 5,774,636	$ 20,635,060

Miami University incurs certain expenses related to development and investment related expenses relative to endowment management as well as fundraising efforts for the benefit of the Foundation. Miami University is reimbursed for its expenses in the form of a maximum administrative fee of 1.0% calculated against the previous fiscal year's March 31st value of the Foundation investment pool. The administrative fee is funded from current and accumulated earnings from all funds holding shares in the Foundation investment pool, including the assets held for other entities; funds with insufficient accumulated earnings are not charged thereby reducing the maximum administrative fee payable. A total of $4,313,876 was reimbursed to Miami University in 2023 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 to be supported by the net assets of the Foundation at June 30, 2023:

Miami University Program Supported	Without Donor Restrictions	With Donor Restrictions	Total
Scholarships and fellowships	$ 1,230,874	$ 217,317,582	$ 218,548,456
Academic support	-	163,371,312	163,371,312
Student services/athletics	-	17,167,916	17,167,916
Campus improvements	-	6,150,303	6,150,303
Institutional support and other	3,226,774	65,368,770	68,595,544
Total net assets	$ 4,457,648	$ 469,375,883	$ 473,833,531

Note 8: Functional Expenses

Expenses classified by natural and functional classification for the year ended June 30, 2023, are summarized as follows:

	Program Services	Management and General	Fundraising	Total Expenses
Distributions to Miami University	$ 20,635,060	$ -	$ -	$ 20,635,060
Other expenses	-	277,789	-	277,789
Administrative expenses	-	2,200,077	2,113,799	4,313,876
	$ 20,635,060	$ 2,477,866	$ 2,113,799	$ 25,226,725

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

Note 9: Availability and Liquidity

The calculation below represents financial assets available and without donor restrictions for general expenditures within one year of June 30, 2023:

Financial assets at year-end:		
Cash and cash equivalents	$	41,311,343
Pledges receivable, net		19,808,822
Other receivables, primarily investment related		7,625,976
Investments		711,092,451
Cash value of life insurance		1,804,501
Total financial assets		781,643,093
Less amounts not available to meet cash needs for general expenditures within one year:		
Contractual or donor restrictions:		
Donor restricted endowment		(435,009,121)
Donor restricted by time or purpose		(20,752,925)
Assets held for other entities		(277,951,890)
Board designated endowment		(4,457,648)
Total financial assets and available resources available within one year	$	43,471,509

The Foundation's investment portfolio seeks to maintain sufficient liquidity to meet the ongoing distribution requirements of the PIF, to meet capital calls, to rebalance the portfolio and capture tactical opportunities. The source of monies for such liquidity needs will be based on rebalancing and cost considerations. Donor restricted by time or purpose of $20,752,925 includes $13,837,804 of restricted cash that is pending being invested into endowment investments.

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

Note 10: Transactions with Miami University

As discussed in Note 6, the Foundation made grants to the University in furtherance of the Foundation's mission and in compliance with donor restrictions. Additionally, grants were made to the University from net assets without donor restriction at the direction of the Foundation's Board of Directors.

Additionally, the Foundation made a payment to the University in accordance with an agreement between the parties for agreed-upon services. The payment made under the agreement was $4,313,876 for the year ended June 30, 2023.

The amount payable to the University at June 30, 2023 was $22,244,648 and is recorded within accounts payable in the statement of Financial Position.

Supplementary Information

Miami University Foundation
Schedule of Changes in Net Assets
Year Ended June 30, 2023

	Balance July 1, 2022	Contributions	Dividend and Interest Income	Market Adjustment, Net	Transfers to Miami University	Intrafund Transfers	Other	Balance June 30, 2023
Pooled endowment funds	$ 405,077,653	$ 21,620,249	$ 1,938,011	$ 27,311,483	$ (17,184,598)	$ (294,443)	$ -	$ 438,468,355
Non-pooled endowment funds	770,096	111,750	19,156	103,549	(24,731)	18,551	-	998,371
Total endowment funds	405,847,749	21,731,999	1,957,167	27,415,032	(17,209,329)	(275,892)	-	439,466,726
Expendable funds – donor restricted for capital projects	2,862,796	583,052	46,119	(27)	(1,148,579)	(21,651)	-	2,321,710
Expendable and board discretionary funds – non capital	1,382,322	1,227,065	16,667	93	(1,277,073)	307,028	(277,744)	1,378,358
Accumulated cash value insurance	1,835,940	255	1,671	18,341	(79)	(26,627)	-	1,829,501
Other investment funds	175,247	1,000,004	-	(10,501)	(1,000,000)	10,500	-	175,250
Net split-interest funds	7,833,458	36,875	-	-	-	6,642	856,739	8,733,714
Pledges receivable	18,475,171	1,333,651	-	-	-	-	-	19,808,822
Interest in trusts held by others	124,881	-	-	-	-	-	(5,431)	119,450
Total net assets	$ 438,537,564	$ 25,912,901	$ 2,021,624	$ 27,422,938	$ (20,635,060)	$ -	$ 573,564	$ 473,833,531

Detail of Market Adjustment, Net

Net Unrealized and Realized Losses	Administrative Expenses	Market Adjustment, Net
$ 31,736,814	$ (4,313,876)	$ 27,422,938

Miami University Foundation
Schedule of Investments
June 30, 2023
(With Comparative Totals for June 30, 2022)

Description	Fair Value 2023	Fair Value 2022
Pooled Funds		
Strategic Investment Management, LLC Funds (a)		
Strategic Active Credit Trust	$ -	$ 4,795,107
Strategic Developed Markets ex-US Equity Trust	71,542,202	65,709,242
Strategic Emerging Market Equity Trust	60,826,771	59,072,948
Strategic Global Equity Trust	56,441,635	48,696,222
Strategic U.S. Equity Trust	140,635,009	118,605,366
Total Strategic Investment Management, LLC funds	329,445,617	296,878,885
Public Equities		
Johnson & Johnson (b)	4,955	-
Total public equities	4,955	-
Domestic Public Debt (b)		
Strategic Investment Group (U.S. Treasuries - Government Bonds)	50,932,371	43,978,796
Total domestic public debt	50,932,371	43,978,796
Global Credit Funds (a)		
Asia Research & Capital Management Limited (ARCM)	4,212,059	4,177,822
Ellington Capital Management	1,646,382	-
GoldenTree Asset Management	2,379,898	-
Hildene Capital Management	5,314,846	5,477,695
KKR Credit Advisors LLC	1,662,593	1,463,914
Total global public debt	15,215,778	11,119,431
Hedge Funds (a)		
Strategic SPC Alpha Segregated Portfolio	133,674,584	145,323,862
Total hedge funds	133,674,584	145,323,862
Various Private Capital Investments (a)		
Bayview Fund Management, LLC (2 Funds) - Debt	9,559,710	6,300,897
Commonfund (4 Funds) - Various	3,331,313	5,439,327
Domain Timber Advisers - Natural Resources	2,151,331	2,431,719
Falcon Investment Advisors - Debt	5,410,978	4,808,348
GEM Realty Securities - Real Estate	13,808,304	13,985,013
Goldman Sachs (3 funds) - Various	1,890,719	3,745,198
Hamilton Lane Advisors (2 funds) - Equities	1,494,668	1,891,986
Harrison Street - Real Estate	595,749	-
Huron Capital Partners - Equities	4,785,606	4,174,363
Maranon Capital, LP - Debt	4,332,916	5,159,963
Metropolitan - Real Estate	-	372,574
Penn Square Capital Group (2 funds) - Real Estate	302,083	748,902
Pomona Capital - Equities	109,896	152,452
PGIM - Real Estate	1,622,259	-
Rockland Capital LLC - Natural Resources	9,180,929	8,221,603
Strategic Investment Management, LLC (6 Funds) - Equities	78,953,985	61,082,339
Summit Partners - Equities	9,067,894	9,599,116
TCW Asset Management Company LLC - Debt	1,574,272	973,394
Venture Investment Associates - Natural Resources	6,013,351	6,398,672
Westport Capital Partners (2 funds) - Real Estate	11,428,139	12,370,384
Yukon Partners - Debt	3,010,497	3,722,230
Total private investments	168,624,599	151,578,480
Total pooled funds	697,897,904	648,879,454

Miami University Foundation

Schedule of Investments (Continued)
June 30, 2023
(With Comparative Totals for June 30, 2022)

Description	Fair Value 2023	2022
Separately Invested Funds		
Student Managed Investment Funds (b)	$ 619,165	$ 684,982
Student Venture Funds (a)	199,749	174,749
United States Treasury Inflation Protections Securities (b)	18,613	19,641
Total separately invested funds	837,527	879,372
Split-Interest Funds		
PNC Bank (c)		
Domestic public equities	6,058,989	5,456,156
International public equities	2,062,884	1,912,565
Domestic public debt	4,071,425	4,138,805
Global public debt	163,722	501,098
Total split-interest funds	12,357,020	12,008,624
Grand total	$ 711,092,451	$ 661,767,450

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

Business Session
Item 2f

Review of Fiscal Year 2023 Financial Results

Miami University
Financial Analysis- Selective Balance Sheet Items
(Thousands)
For Fiscal Years 2023, 2022, 2021 and 2020

	2023	2022	2021	2020
Major Assets:				
Cash and Investments	$885,703	$851,772	$861,154	$666,417
Bond Proceeds-Restricted Cash	5,219	60,086	80,754	0
Endowment (University and Foundation)	712,897	663,603	683,989	507,642
Major Liabilities:				
Bonds Payable	623,047	665,868	711,582	623,200
Pension Liability	259,262	248,793	311,765	380,631
Equity (Net Position):				
Investment in Plant	747,628	716,592	737,246	764,897
Restricted (University and Foundation)	715,165	658,380	675,305	521,916
Unrestricted (With Pension Liability)	656,005	618,044	590,541	328,707
Unrestricted (Without Pension Liability)	896,309	866,837	902,306	709,338

Miami University
Financial Analysis- Selective Revenue and Expense Items
(Thousands)
For Fiscal Years 2023, 2022, 2021 and 2020

	2023	2022	2021	2020
Revenue:				
Net Tuition and Fees	$337,956	$332,820	$334,197	$380,804
State Appropriation	83,932	81,097	80,405	75,959
Investment Income (Non Endowment)	51,925	(48,280)	120,014	8,760
Investment Income (University Endowment)	21,200	(15,660)	64,003	124
Investment Income (Foundation)	33,758	(23,737)	93,891	(366)
Expense:				
Salaries and Benefits	376,648	371,604	349,569	376,116
Interest Expense	21,914	25,185	27,665	25,343
Post Employment Expense (Pension)	(8,490)	(62,971)	(68,867)	32,156
Net Position (Excludes Foundation):				
Including State Pension	90,639	13,215	282,508	(5,332)
Excluding State Pension	82,149	(49,756)	213,641	26,824

Miami University
Distribution of Change in Net Position
For Fiscal Year 2023
(Thousands)

Total Change in Net Position	**$90,639**
Allocation of Net Position:	
Growth in Capital Assets (Investment in Plant)	31,036
Growth (decrease) in Pension Liability	(8,490)
Growth in Restricted Fund Balances	21,642
Growth (Decrease) in Unrestricted Fund Balances:	
General Operating (Includes Designated)	(10,300)
Auxiliary Budgets	8,322
Reserve for Investment Fluctuations	37,025
Quasi-Endowment Investments	11,404

Miami University
Unrestricted Net Position
at June 30, 2023 and 2022

Summary

	FY2023	FY2022	FY2021
Fund Balances & Reserves- Before Pension Liability	$ 223,805,931	$ 183,139,965	$ 246,374,418
Ohio Pension Liability	(259,261,550)	(248,793,381)	(311,764,830)
Fund Balances and Reserves - Net	(35,455,619)	(65,653,416)	(65,390,412)
Carry Forward and Designated - Academic Divisions	195,172,927	204,100,326	206,231,673
Carry Forward and Designated - Administrative Divisions	95,739,573	97,072,271	76,080,203
Facility Renewal & Replacement Funds	247,201,984	240,583,280	220,971,351
Quasi-Endowment	153,345,885	141,941,697	152,648,148
Total Unrestricted Net Position	$ 656,004,751	$ 618,044,158	$ 590,540,963

Miami University Unrestricted Net Position at June 30, 2023 and 2022			
Oxford General Central Fund Balances & Reserves			
	FY2023	**FY2022**	**FY2021**
Unallocated Fund Balance	$ 3,724,175	$ 528,018	$ 1,788,786
Reserve for Future Budgets	0	0	0
Reserve for Investment Fluctuations	169,597,847	132,572,984	195,752,650
Reserve for Health Care Stabilization	19,855,765	19,855,765	19,855,765
Reserve for Financial Aid	8,468,533	8,219,593	8,232,854
Reserve for Litigation	1,637,953	1,547,953	1,547,953
Total Oxford Central Fund Balances	$ 203,284,273	$ 162,724,313	$ 227,178,008
Regional Campus Central Fund Balances & Reserves			
Hamilton	$ 14,040,117	$ 13,411,842	$ 13,484,602
Middletown	542,156	325,284	345,933
Voice of America	88,760	43,269	40,433
Total Regional Campus Central Fund Balances	14,671,033	13,780,395	13,870,968
Auxiliary Enterprises	3,874,918	2,981,452	2,182,655
Encumbrances	1,975,707	3,653,805	3,142,787
Total All Fund Balances & Reserves	$ 223,805,931	$ 183,139,965	$ 246,374,418

Miami University			
Unrestricted Net Position			
at June 30, 2023 and 2022			
Academic Affairs			
Carryforward & Designated Funds			
	FY2023	**FY2022**	**FY2021**
Provost	$ 127,710,396	$ 133,961,619	$ 145,215,948
Arts & Science	23,367,831	21,950,293	19,090,509
Education, Health & Society	5,773,955	5,662,485	5,568,932
Farmer School of Business	14,861,054	13,908,327	12,802,683
Engineering & Computer Service	5,557,638	5,241,982	4,333,163
Creative Arts	1,760,877	1,781,130	1,190,778
Hamilton Campus	5,794,601	8,505,089	7,190,409
Middletown Campus	10,280,286	12,985,342	10,736,704
Voice of America	66,288	104,060	102,546
Total Academic Divisions	$ 195,172,927	$ 204,100,326	$ 206,231,673

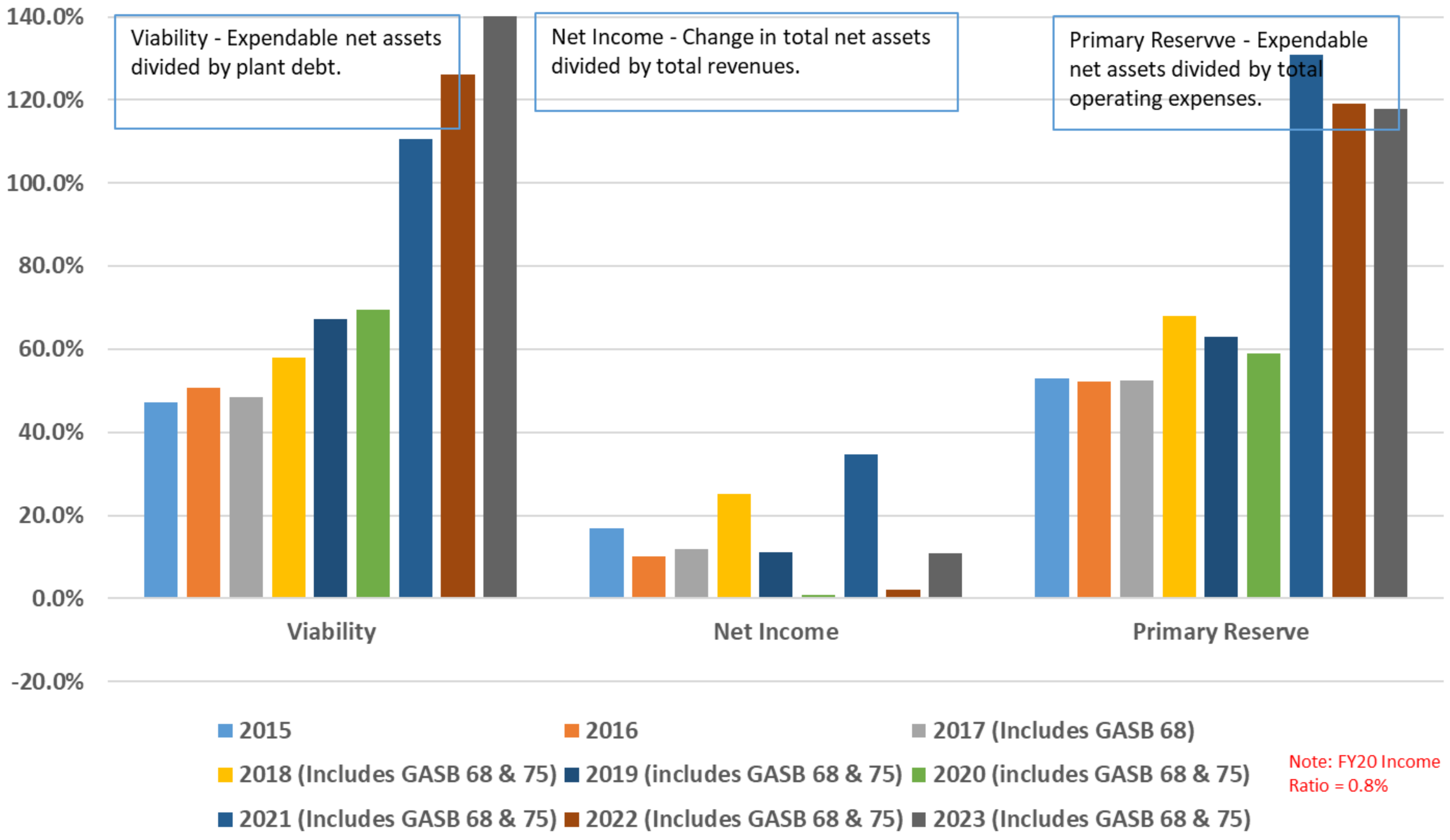
Miami University
Unrestricted Net Position
at June 30, 2023 and 2022

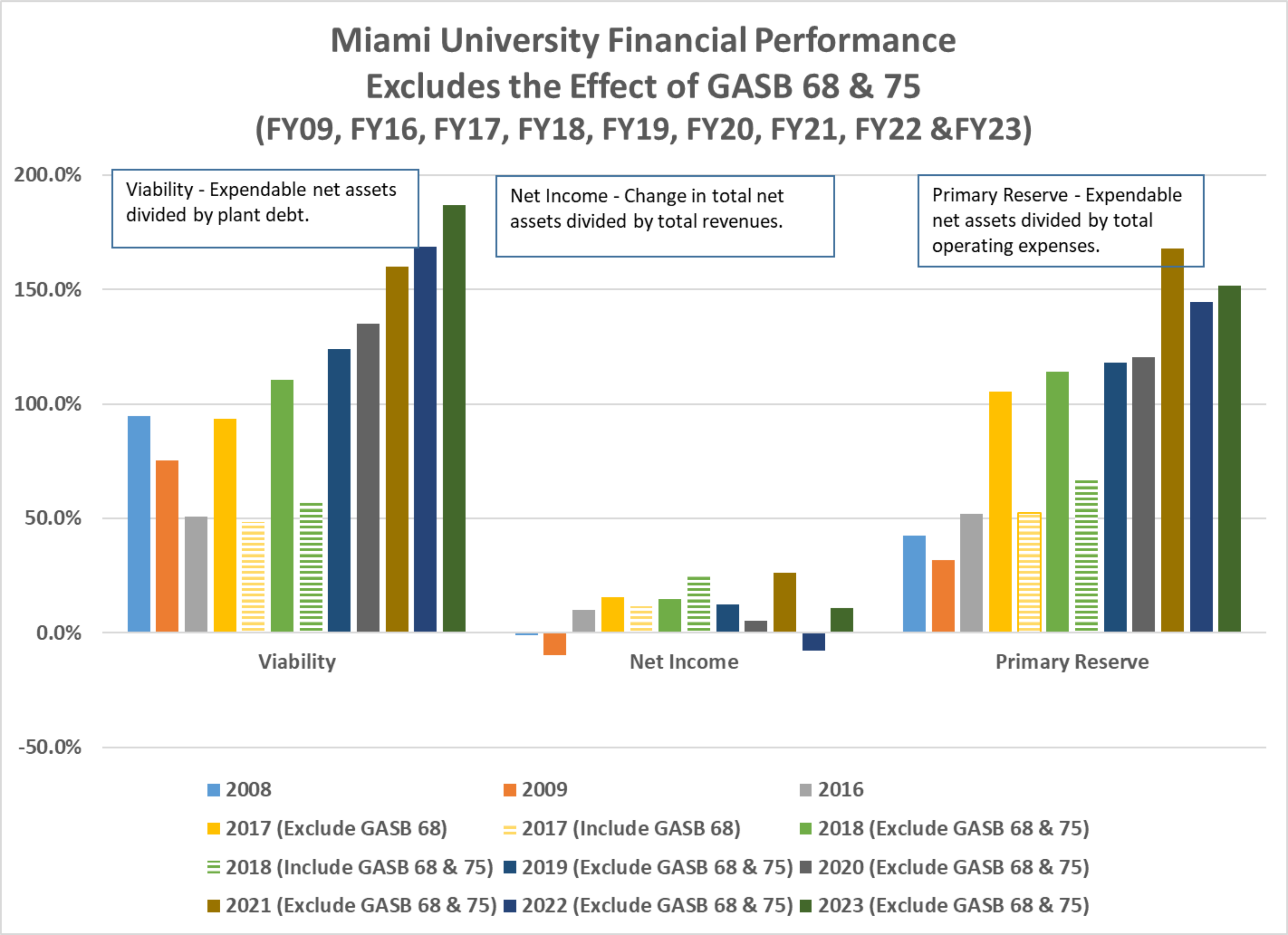
Administrative Divisions
Carryforward & Designated Funds

	FY2023	FY2022	FY2021
President	$ 11,195,029	$ 5,797,069	$ 6,031,873
Finance & Business Services	4,165,320	4,640,325	6,247,432
Physical Facilities	3,552,438	2,866,709	2,968,266
Enrollment Management & Student Success	7,228,826	6,644,314	4,330,255
Student Life	5,603,263	5,931,420	5,822,403
University Advancement	31,855,053	30,126,679	25,544,281
IT Services	15,023,159	15,393,614	14,225,724
Central Budget	17,116,487	25,672,141	10,909,967
Total Administrative Divisions	$ 95,739,573	$ 97,072,271	$ 76,080,203

Miami University			
Unrestricted Net Position			
at June 30, 2023 and 2022			
Facility & ERP Replacement Funds			
	FY2023	**FY2022**	**FY2021**
Oxford- General	$ 69,551,537	$ 60,098,909	$ 57,632,176
Hamilton Campus	9,658,490	8,649,630	9,372,274
Middletown Campus	704,622	2,342,312	2,488,318
Voice of America	645,956	545,250	444,129
Oxford Auxiliary	73,690,856	73,056,207	77,590,645
Projects Funded/Not Expended	92,950,523	95,890,972	73,443,809
Total Facility Renewal & Replacement	$ 247,201,984	$ 240,583,280	$ 220,971,351

Miami University Financial Performance
Includes the Effect of GASB 68 & 75
(FY16, FY17, FY18, FY19, FY20, FY21, FY22 &FY23)




Miami University Financial Performance
Excludes the Effect of GASB 68 & 75
(FY09, FY16, FY17, FY18, FY19, FY20, FY21, FY22 &FY23)
200.0%
150.0%
100.0%
50.0%
0.0%
-50.0%
Viability - Expendable net assets divided by plant debt.
Net Income - Change in total net assets divided by total revenues.
Primary Reserve - Expendable net assets divided by total operating expenses.
Viability
Net Income
Primary Reserve
2008
2009
2016
2017 (Exclude GASB 68)
2017 (Include GASB 68)
2018 (Exclude GASB 68 & 75)
2018 (Include GASB 68 & 75)
2019 (Exclude GASB 68 & 75)
2020 (Exclude GASB 68 & 75)
2021 (Exclude GASB 68 & 75)
2022 (Exclude GASB 68 & 75)
2023 (Exclude GASB 68 & 75)

Miami University FY23 SB 6 Ratios Compared to Other Insitutions (FY22)

	Includes GASB 68 & 75				Excludes GASB 68 & 75			
Institution	**Composit Score**	**Viability**	**Net Income**	**Primary Reserve**	**Composit Score**	**Viability**	**Net Income**	**Primary Reserve**
Bowling Green	2.4	26.5%	2.7%	17.9%	3.4	86.3%	-7.1%	53.1%
Cental State[1]	1.0	-126.8%	26.4%	-20.7%	3.7	116.4%	17.9%	17.0%
Cleveland State	2.8	23.8%	5.1%	16.5%	3.4	85.4%	-6.1%	53.0%
Kent State	2.8	23.2%	10.4%	15.1%	3.9	104.5%	-3.1%	59.1%
Ohio State	4.4	91.3%	9.2%	55.1%	4.4	91.3%	9.2%	55.1%
Ohio	3.6	46.0%	6.8%	47.1%	3.4	93.2%	-5.9%	83.9%
Shawnee State	1.0	-85.3%	13.6%	-24.4%	3.0	80.0%	2.8%	20.3%
Akron	1.8	0.7%	8.5%	0.8%	3.4	70.6%	-7.5%	69.3%
Cincinnati	3.6	39.4%	12.9%	35.6%	4.4	78.0%	5.5%	64.9%
Toledo	1.8	5.9%	8.0%	1.9%	3.4	126.6%	-2.7%	36.6%
Wright State	1.0	-58.0%	21.6%	-13.3%	4.0	225.9%	4.3%	42.6%
Youngstown State	1.0	-33.4%	7.2%	-10.4%	3.4	121.7%	-4.4%	33.8%
Average (excludes MU)	2.3	-3.9%	11.0%	10.1%	3.7	106.7%	0.2%	49.1%
Miami FY22	**4.3**	**126.0%**	**2.1%**	**119.0%**	**3.7**	**168.6%**	**-7.8%**	**144.5%**
Miami FY23	**4.7**	**143.5%**	**11.9%**	**117.9%**	**4.7**	**187.1%**	**10.8%**	**151.7%**

Miami University

Key Metrics and Statistics

November 9, 2023

BLUE ROSE
CAPITAL ADVISORS

Moody's Liquidity Statistics Comparison

	YoY Δ	Miami University (Aa3) FY 2023	Miami University (Aa3) FY 2022	Kent State Univ (Aa3)	Ohio University Bow (Aa3) Stat	ling Green e Univ (A1)	The Ohio State University (Aa1)
				FY 2022			
Total FTE Enrollment (#, May be Estimated)	-452	20,790	21,242	26,717	23,391	15,542	60,033
Total Adjusted Debt ($, in Millions)	($45)	$1,619	$1,664	$1,798	$1,955	$975	$17,566
Unrestricted Financial Resources ($, in Millions)	$38	$656	$618	$82	$265	$42	$2,361
Expendable Financial Resources ($, in Millions)	$73	$956	$883	$293	$651	$170	$3,922
Total Tuition Discount (%)	-1.7%	38.0%	39.7%	39.9%	29.5%	39.3%	31.9%
Total Cash & Investments ($, in Millions)	$28	$1,577	$1,549	$728	$1,283	$521	$10,373
Spendable Cash & Investments ($, in Millions)	$116	$1,267	$1,151	$647	$992	$392	$8,503
Operating Revenue ($, in Millions)	$23	$706	$683	$657	$720	$389	$8,727
Operating Expenses ($, in Millions)	($10)	$629	$639	$645	$684	$386	$8,135
Operating Cash Flow Margin (%)	3.2%	25.0%	21.8%	13.9%	17.3%	13.2%	14.6%
Annual Change in Operating Revenue (%)	-5.7%	3.4%	9.1%	7.8%	5.7%	2.8%	11.0%
Total Cash & Investments to Operating Expenses (x)	0.1	2.5	2.4	1.1	1.9	1.3	1.3
Total Debt ($, in Millions)	($39)	$545	$584	$406	$647	$270	$3,921
Spendable Cash & Investments to Total Debt (x)	0.3	2.3	2.0	1.6	1.5	1.5	2.2
Debt Service to Operating Expenses (%)	0.4%	10.2%	9.8%	7.5%	5.7%	3.5%	3.0%
Total Financial Resources per Student ($)	$17,247	$77,552	$60,305	$13,999	$40,272	$19,238	$96,480
Monthly Days Cash on Hand (x)	144.3	619.1	474.8	242.3	334.3	242.2	228.8
Annual Debt Service Coverage (x)	0.3	2.7	2.4	1.9	3.2	3.8	5.2

Note: Miami's FY2023 numbers are estimated. Moody's calculations may be different when final data is published.

Moody's Liquidity Statistics, Medians

	YoY Δ	Miami University (Aa3) FY 2023	Miami University (Aa3) FY 2022	Aa3 Medians	Aa2 Medians	Aa1 Medians	Aaa Medians
				FY 2022			
Total FTE Enrollment (#, May be Estimated)	-452	20,790	21,242	22,653	51,172	47,225	60,644
Total Adjusted Debt ($, in Millions)	($45)	$1,619	$1,664	$658	$3,158	$2,794	$5,507
Unrestricted Financial Resources ($, in Millions)	$38	$656	$618	($54)	($66)	$1,357	$2,500
Expendable Financial Resources ($, in Millions)	$73	$956	$883	$293	$495	$2,937	$7,027
Total Tuition Discount (%)	-1.7%	38.0%	39.7%	38.3%	38.6%	32.2%	34.4%
Total Cash & Investments ($, in Millions)	$28	$1,577	$1,549	$1,034	$3,007	$5,716	$11,626
Spendable Cash & Investments ($, in Millions)	$116	$1,267	$1,151	$693	$2,273	$4,228	$9,265
Operating Revenue ($, in Millions)	$23	$706	$683	$842	$3,022	$4,103	$6,050
Operating Expenses ($, in Millions)	($10)	$629	$639	$777	$2,825	$3,842	$5,619
Operating Cash Flow Margin (%)	3.2%	25.0%	21.8%	14.7%	15.0%	14.0%	14.2%
Annual Change in Operating Revenue (%)	-5.7%	3.4%	9.1%	7.7%	8.6%	9.6%	10.2%
Total Cash & Investments to Operating Expenses (x)	0.1	2.5	2.4	1.2	1.0	1.4	2.2
Total Debt ($, in Millions)	($39)	$545	$584	$420	$1,230	$1,617	$3,529
Spendable Cash & Investments to Total Debt (x)	0.3	2.3	2.0	1.5	1.6	2.6	3.2
Debt Service to Operating Expenses (%)	0.4%	10.2%	9.8%	4.1%	4.4%	2.8%	3.0%
Total Financial Resources per Student ($)	$17,247	$77,552	$60,305	$19,556	$27,886	$93,426	$157,634
Monthly Days Cash on Hand (x)	144.3	619.1	474.8	175.9	194.9	210.9	230.1
Annual Debt Service Coverage (x)	0.3	2.7	2.4	4.0	3.4	5.0	5.6

Note: Miami's FY2023 numbers are estimated. Moody's calculations may be different when final data is published.

Moody’s Scorecard Analysis

Miami University

Historical Moody's Scorecard Analysis - New Rating Methodology

	Factor Weight	Fiscal Year 2020		Fiscal Year 2021		Fiscal Year 2022		Fiscal Year 2023	
Factor 1: Scale (15%)		Factor	Score	Factor	Score	Factor	Score	Factor	Score
Operating Revenue ($, in Millions)	15%	663	4.3	626	4.3	683	4.2	706	4.2
Factor 2: Market Profile (20%)									
Brand and Strategic Positioning[1]	10%	Qualitative	3.0	Qualitative	3.0	Qualitative	3.0	Qualitative	3.0
Operating Environment[2]	10%	Qualitative	3.0	Qualitative	3.0	Qualitative	3.0	Qualitative	3.0
Factor 3: Operating Performance (10%)									
Operating Cash Flow Margin (%)	10%	23.0%	1.4	27.4%	0.8	21.8%	1.8	25.0%	1.2
Factor 4: Financial Resources and Liquidity (25%)									
Total Cash & Investments ($, in Millions)	10%	1,228	3.1	1,601	2.6	1,549	2.7	1,577	2.7
Total C&I to Operating Expenses (x)	15%	2.03x	0.9	2.88x	0.5	2.42x	0.6	2.51x	0.5
Factor 5: Leverage (20%)									
Total C&I to Total Adjusted Debt (x)	10%	0.77x	5.3	0.94x	4.7	0.93x	4.8	0.97x	4.6
Annual Debt Service Coverage (x)	10%	2.70x	3.5	2.80x	3.3	2.40x	3.9	2.74x	3.4
Factor 6: Financial Policy and Strategy (10%)									
Financial Policy and Strategy[3]	10%	Qualitative	3.0	Qualitative	3.0	Qualitative	3.0	Qualitative	3.0
Weighted Total Score:			**3.00**		**2.77**		**2.93**		**2.78**
Estimated Scorecard Rating Outcome:			**Aa** **2**		**Aa** **2**		**Aa** **2**		**Aa** **2**
Current Moody's Rating:			**Aa** **3**		**Aa** **3**		**Aa** **3**		**Aa** **3**

[1] The Brand and Strategic Positioning factor incorporates quali crit n's to support its operating stability and growth. In this analysis, the University is assigned a score of "Aa" corresponding to its current Aa3 rating.

[2] The Operating Environment factor incorporates qualitative evaluation of broad criteria related to the regulatory, policy, and support framework under which a college or university operates. In this analysis, the University is assigned a score of "Aa" corresponding to its current Aa3 rating.

[3] The Financial Policy and Strategy factor incorporates qualitative evaluation of broad criteria related to the quality of a college or university's financial management and strategy, wi th a focus on its track record of planning, investment, and risk management. In this analysis, the University is assigned a score of "Aa" corresponding to its current

Source: Moody's Investor Services MFRA Database as of September 2023. Miami University data from FY2023 AFS

Note: Miami's FY2023 numbers are estimated. Moody's calculations may be different when final data is published.

Moody's Multi-Year Trend Analysis

Miami University

Key Moody's Metrics - Multi-Year Trends

	Miami University (Aa3)			
	2020	2021	2022	2023
Total Debt ($, in Millions)	$580	$629	$584	$545
Total Adjusted Debt ($, in Millions)	$1,586	$1,701	$1,664	$1,619
Total Cash & Investments ($, in Millions)	$1,228	$1,601	$1,549	$1,577
Spendable Cash & Investments ($, in Millions)	$885	$1,211	$1,151	$1,267
Operating Revenue ($, in Millions)	$663	$626	$683	$706
Operating Expenses ($, in Millions)	$605	$556	$639	$629
Operating Margin (%)	8.7%	11.2%	6.4%	11.0%
Monthly Days Cash on Hand (x)	493x	685x	475x	619x
Total FTE Enrollment (#)	21,475	21,626	21,242	20,790
Net Tuition per Student ($)	$16,053	$14,414	$14,313	$15,179
Spendable Cash & Investments to Total Debt (x)	1.53x	1.93x	1.97x	2.32x
Spendable Cash & Investments to Total Adjusted Debt (x)	0.56x	0.71x	0.69x	0.78x
Total Cash & Investments to Total Debt (x)	2.12x	2.55x	2.65x	2.89x
Total Cash & Investments to Total Adjusted Debt (x)	0.77x	0.94x	0.93x	0.97x
Total Debt to Cash Flow (x)	3.80x	3.67x	3.92x	3.09x
Operating Cash Flow Margin (%)	23.0%	27.4%	21.8%	25.0%
Debt Service to Operating Expenses (%)	9.5%	10.9%	9.8%	10.2%
Spendable Cash & Investments to Operating Expenses (x)	1.46x	2.18x	1.80x	2.02x
Annual Debt Service Coverage (x)	2.7x	2.8x	2.4x	2.7x
Estimated Scorecard Rating Outcome	Aa2	Aa2	Aa2	Aa2

Source: Moody's Investor Services MFRA Database as of September 2023. Miami University data from FY2023 AFS

Note: Miami's FY2023 numbers are estimated. Moody's calculations may be different when final data is published.

Fitch: Key Leverage Statistics

	2020	2021	2022*	2023*
Total Cash & Investments	890,636	1,224,540	1,173,562	1,164,082
–Restricted Net Assets -Non-Expendable (Fitch-Adjusted)	95,382	114,233	105,803	109,457
Foundation Available Funds	84,500	180,663	142,209	159,498
Available Funds	879,754	1,290,970	1,209,968	1,214,123
Total Long Term Debt	624,838	714,691	669,488	625,602
Fitch Adjusted Net Pension Liability (NPL, UAAL) -5-yr Trailing Ave.	536,843	494,414	561,023	535,879
Adjusted Debt	1,161,681	1,209,105	1,230,511	1,161,481
Available Funds / Total Long Term Debt	**140.8**	**180.6**	**180.7**	**194.1**
Available Funds / Adjusted Debt	**75.7**	**106.8**	**98.3**	**104.5**

**FY22 and FY23 Adjusted Net Pension Liability estimated*
Uses 5-year average for Net Pension Liability for adjusted debt calculation.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

- AF to adjusted debt sustainably in excess of about 120% through plausible stress assumptions.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Deterioration of Miami's leverage position such that AF to adjusted debt falls consistently below about 55%, whether due to severe investment losses, operating stress or significant unexpected borrowing.

From Fitch's New Issue Summary for Miami University, January 5, 2022.

Miami University
Finance and Audit Committee
FY 2024 Forecasted Operating Results
Projections Based upon Activity through September 30, 2023

ALL FUNDS

The first schedule shows activity across all unrestricted and restricted funds of the University.

The unrestricted activity presented in the All Funds summary includes the performance of each subsidiary of the unrestricted activity and cumulative totals. The report does not include draws of reserves to provide a better approximation of the University's expected unrestricted net position at the conclusion of the fiscal year. The schedule also shows earnings for non-endowment and endowment income on budget for the fiscal year due to the earnings volatility.

Total forecast for the "Total Unrestricted Funds" is highly influenced by investment performance. Investment performance is much more volatile than other revenues meaning variations are expected each year and the outcome for fiscal year 2024 is impossible to forecast.

The other nuance to consider in this report is the effect of depreciation expense. Depreciation expense is not incorporated in any of the unrestricted budgets. It is offset over time through state capital appropriations, new debt and principal payments, and transfers to renewal and replacement funds that are used for capital projects. One of the consequences of the pandemic is that less funds are available to transfer to renewal and replacement and several capital projects have been delayed.

The second schedule presents the financial performance for all restricted funds. Investment income for the non-endowment and endowment are held on budget. Grants and contracts are forecast above budget primarily due a favorable performance in private and federal grants.

All Funds
Unrestricted
For July 1, 2023 to June 30, 2024
as of Sep 30, 2023

	Oxford E&G		Regional Campus E&G		Designated Funds All Campuses		Auxiliary Operations All Campuses		Unrestricted Quasi-Endowments	Investment Fluctuation	Total Unrestricted Funds		Net Invesment in Capital Assets	Total	
Description	**Budget**	**Forecast**	**Budget**	**Forecast**	**Budget**	**Forecast**	**Budget**	**Forecast**			**Budget**	**Forecast**	**Forecast**	**Budget**	**Forecast**
Revenue:															
State Appropriation	$71,709,935	$71,709,935	$12,511,060	$12,994,523	$0	$0	$0	$0	$0	$0	$84,220,994	$84,704,457	$0	$84,220,994	$84,704,457
Tuition (Net)	$297,415,805	$296,145,416	$30,033,388	$30,095,177	$0	$0	$0	$0	$0	$0	$327,449,193	$326,240,593	$0	$327,449,193	$326,240,593
Room, Board and Fees	$2,596,500	$1,535,086	$274,200	$274,200	$21,900,651	$22,557,050	$115,071,743	$108,804,224	$0	$0	$139,843,094	$133,170,561	$0	$139,843,094	$133,170,561
Sales	$0	$0	$0	$0	$1,216,319	$1,910,046	$25,213,601	$23,704,431	$0	$0	$26,429,920	$25,614,477	$0	$26,429,920	$25,614,477
Investment Income (Net)	$21,900,000	$21,900,000	$100,000	$100,000	$3,137,490	$3,137,490	$363,542	$2,095,741	$0	$0	$25,501,032	$27,233,231	$0	$25,501,032	$27,233,231
Other Revenue	$1,572,405	$2,809,305	$109,902	$114,212	$15,696,961	$15,775,812	$10,116,593	$17,106,752	$0	$0	$27,495,861	$35,806,081	$0	$27,495,861	$35,806,081
Total Revenue	$395,194,645	$394,099,743	$43,028,550	$43,578,111	$41,951,421	$43,380,399	$150,765,479	$151,711,148	$0	$0	$630,940,095	$632,769,401	$0	$630,940,095	$632,769,401
Expenses:															
Salaries and Wages	$201,596,890	$194,539,005	$24,782,093	$23,606,198	$17,604,879	$21,571,071	$27,928,120	$24,954,065	$0	$0	$271,911,982	$264,670,339	$0	$271,911,982	$264,670,339
Benefits	$73,481,988	$71,209,293	$8,904,857	$8,148,227	$6,953,927	$8,520,573	$10,204,884	$9,091,607	$0	$0	$99,545,656	$96,969,701	$0	$99,545,656	$96,969,701
Support Expenses	$80,756,959	$73,137,265	$7,089,966	$7,089,966	$22,046,416	$16,840,070	$81,518,052	$80,976,660	$0	$0	$191,411,393	$178,043,962	$0	$191,411,393	$178,043,962
Equipment	$1,988,752	$1,988,752	$0	$0	$0	$1,084,681	$491,215	$427,324	$0	$0	$2,479,967	$3,500,756	$0	$2,479,967	$3,500,756
Interest on Debt	$4,839,398	$4,839,398	$1,451,635	$1,451,635	$0	$0	$17,627,614	$17,627,614	$0	$0	$23,918,647	$23,918,647	$0	$23,918,647	$23,918,647
Depreciation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	($14,058,413)	($14,058,413)	$5,645,144	$5,645,144	$0	$0	$148,880	$42,425	$0	$0	($8,264,389)	($8,370,844)	$0	($8,264,389)	($8,370,844)
Total Expenses	$348,605,573	$331,655,299	$47,873,695	$45,941,170	$46,605,222	$48,016,396	$137,918,766	$133,119,695	$0	$0	$581,003,256	$558,732,560	$0	$581,003,256	$558,732,560
Net Before Transfers	$46,589,071	$62,444,444	($4,845,145)	($2,363,059)	($4,653,801)	($4,635,997)	$12,846,714	$18,591,453	$0	$0	$49,936,838	$74,036,841	$0	$49,936,838	$74,036,841
Transfers:															
Transfer for Principal on Debt	$7,853,749	$7,853,749	$945,278	$945,278	$0	$0	$29,312,118	$29,312,118	$0	$0	$38,111,145	$38,111,145	$0	$38,111,145	$38,111,145
General Fee	$49,583,970	$49,272,488	$241,716	$310,236	($9,326,950)	($9,326,950)	($36,735,901)	($36,735,901)	$0	$0	$3,762,835	$3,519,872	$0	$3,762,835	$3,519,872
Capital Projects & Other	$3,491,909	$3,491,909	($326,689)	($297,342)	$4,673,149	$4,673,149	$20,270,497	$20,270,497	$0	$0	$28,108,866	$28,138,213	$0	$28,108,866	$28,138,213
Total Transfers	$60,929,628	$60,618,146	$860,305	$958,171	($4,653,801)	($4,653,801)	$12,846,714	$12,846,714	$0	$0	$69,982,845	$69,769,230	$0	$69,982,845	$69,769,230
Net After Transfers	($14,340,557)	$1,826,298	($5,705,450)	($3,321,230)	$0	$17,804	($0)	$5,744,739	$0	$0	($20,046,007)	$4,267,611	$0	($20,046,007)	$4,267,611

All Funds
Restricted
For July 1, 2023 to June 30, 2024
as of Sep 30, 2023

Description	Restricted Gifts All Campuses		University Endowment	Grants & Contracts All Campuses		Total Restricted Funds	
	Budget	Forecast		Budget	Forecast	Budget	Forecast
Revenue:							
State Appropriation	$0	$0	$0	$736,000	$736,000	$736,000	$736,000
Tuition (Net)	$0	$0	$0	$0	$0	$0	$0
Room, Board and Fees	$0	$0	$0	$0	$0	$0	$0
Sales	$475,000	$117,397	$0	$0	$0	$475,000	$117,397
Investment Income (Net)	$4,574,787	$4,574,787	$0	$0	$0	$4,574,787	$4,574,787
Other Revenue	$29,890,527	$30,813,241	$0	$29,860,798	$41,931,420	$59,751,325	$72,744,661
Total Revenue	$34,940,314	$35,505,425	$0	$30,596,798	$42,667,420	$65,537,112	$78,172,845
Expenses:							
Salaries and Wages	$3,562,354	$5,728,677	$0	$4,000,000	$9,113,216	$7,562,354	$14,841,893
Benefits	$1,447,130	$2,262,827	$0	$1,540,000	$3,131,240	$2,987,130	$5,394,067
Support Expenses	$29,488,830	$21,908,725	$0	$25,056,798	$29,344,154	$54,545,628	$51,252,879
Equipment	$0	$166,943	$0	$0	$296,308	$0	$463,252
Interest on Debt	$0	$0	$0	$0	$0	$0	$0
Depreciation	$0	$0	$0	$0	$0	$0	$0
Other	$0	$0	$0	$0	$0	$0	$0
Total Expenses	$34,498,314	$30,067,173	$0	$30,596,798	$41,884,917	$65,095,112	$71,952,090
Net Before Transfers	$442,000	$5,438,252	$0	$0	$782,503	$442,000	$6,220,755
Transfers:							
Transfer for Principal on Debt	$0	$0	$0	$0	$0	$0	$0
General Fee	$0	$0	$0	$0	$0	$0	$0
Capital Projects & Other	$442,000	$4,760,421	$0	$0	$782,503	$442,000	$5,542,924
Total Transfers	$442,000	$4,760,421	$0	$0	$782,503	$442,000	$5,542,924
Net After Transfers	$0	$677,831	$0	$0	($0)	$0	$677,831

OXFORD

The projection for the Oxford General Fund through September is a surplus of approximately $1.8 million prior to adjustments. The budget in the report reflects the revised budget adopted by the Board of Trustees at the December meetings. Details of the specific items are highlighted below. The revision increased the appropriations for marketing and recruitment expenses due to highly competitive market conditions. The higher expenses are offset by a $3.0 million increase in draws from carryforward reserves by academic affairs.

Revenues

The Oxford campus student fee revenues (instructional, general out-of-state, and other) are forecast to be approximately 2.3 million below the $300.0 million budget. Gross instructional revenue and the out of state surcharge revenue are forecast to be under budget by $2.4 million and cohort financial aid being $1.5 million below the $153.2 million budget. As a result, net instructional revenue (including the out of state surcharge) is forecast to be $1.0 million under budget. The general fee is forecast to be $0.3 million below the $50.1 million budget. The forecast includes fall, and estimates of spring revenues. The winter and summer terms are held on budget. Other student revenue is forecast to be $1.0 below budget due to waiving of the application fee through November for the fall 2024 cohort applicants.

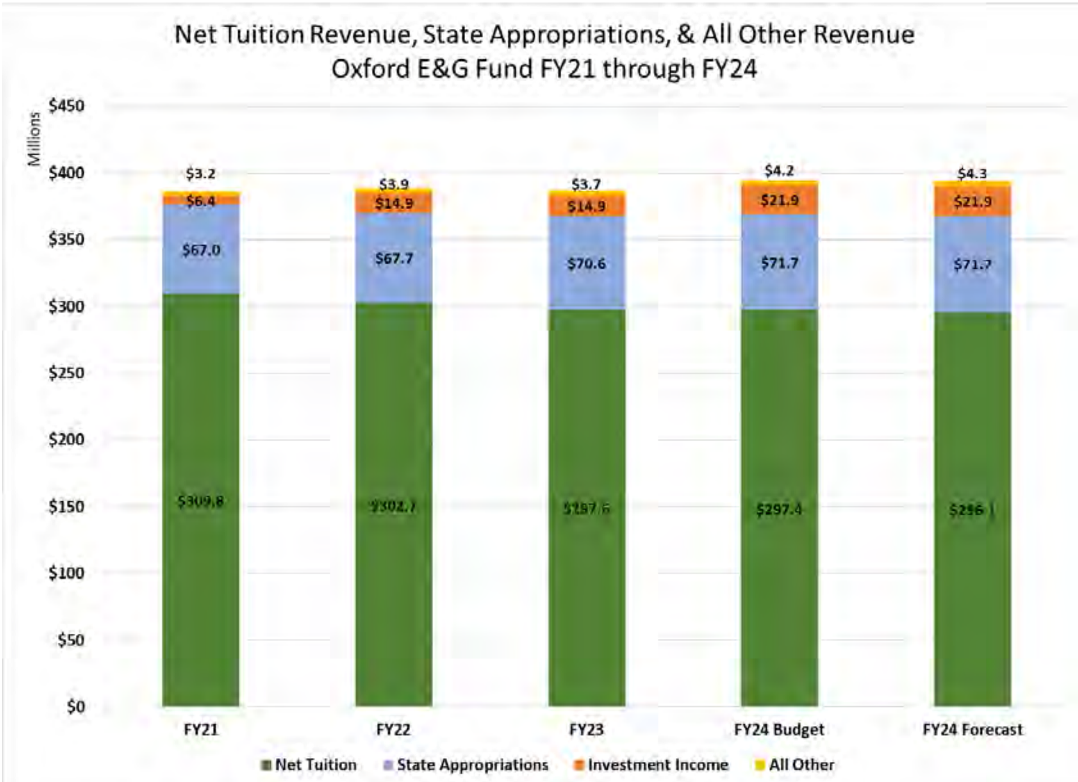
The state appropriation for the Oxford campus of $71.7 million is based on the Ohio Department of Higher Education subsidy payment schedule. The subsidy reflects the net impact of activity across all of the institutions in the University System of Ohio.

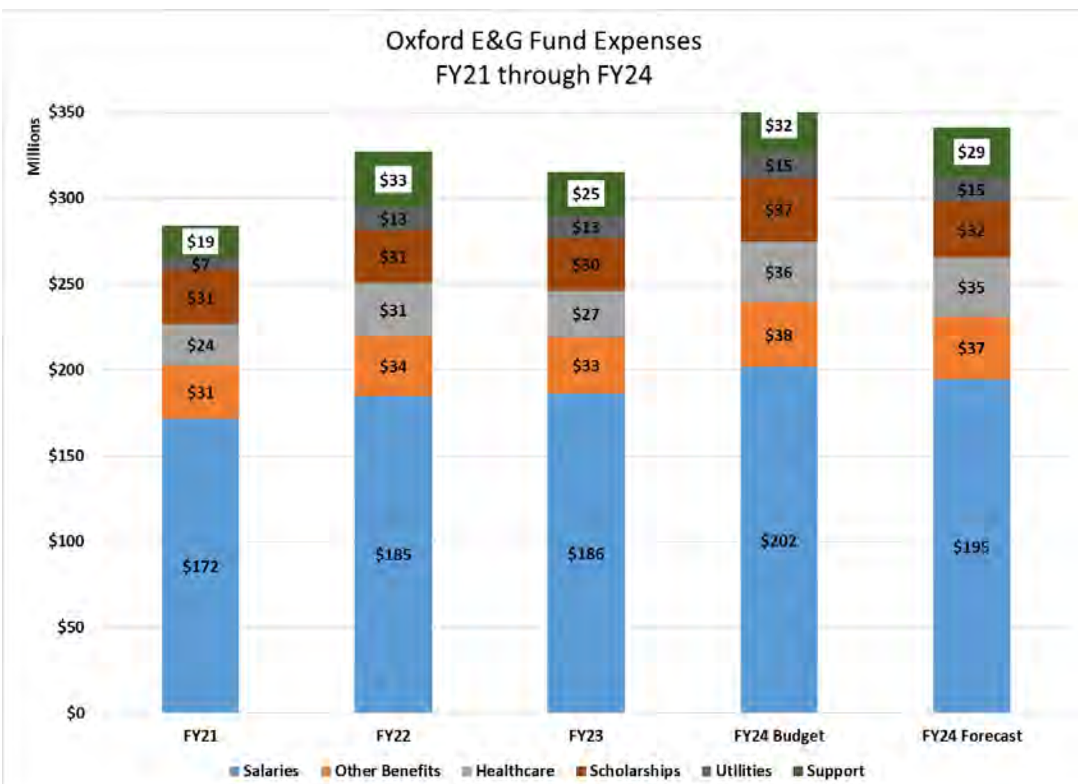
Investment income is shown at the amount budgeted and does not include a forecast for June 30, 2024. To date, net interest and dividends were $3.0 million for the year, realized losses were $1.6 million and unrealized losses were $16.6 million. Overall investments incurred a net loss of $15.1 million. At September 30 investment income and returns were $37.1 million below budget total for the year. As a reminder, any investment income amount above or below the amount budgeted will be allocated to the investment fluctuation reserve. While the investment performance as of September was well below the budget for the year, the November performance has recovered much of early underperformance.

Other revenue categories are also projected to be $1.2 million due to higher facilities and administrative recoveries from grants and contracts.

Expenditures and Transfers

Employee salaries and staff benefits are projected to be $9.3 million below the revised budget. The underspending is attributable to more vacant positions than budgeted. Through the first four months of the fiscal year, health care claims were lower than budgeted due to position vacancy and lower utilization. Healthcare expense for the rest of the year is difficult to estimate due to the volatility of high cost claims. Graduate fee waiver expenses are below budget by $3.4 million. The schedules showing general fund operating activity have been changed compared to prior presentations. The net activity in carry forward reserves is now presented as one of the adjustments to the fund balance in “Net Carry Forward Usage” for each of the campuses. Also, the forecasted Department Budgetary Carry Forward generated in the current year is anticipated to decrease the Draw on Provost Reserves by $7.3 million.


Net Tuition Revenue, State Appropriations, & All Other Revenue
Oxford E&G Fund FY21 through FY24
Millions
$450
$400
$350
$300
$250
$200
$150
$100
$50
$0
$3.2
$6.4
$67.0
$309.8
$3.9
$14.9
$67.7
$302.7
$3.7
$14.9
$70.6
$297.6
$4.2
$21.9
$71.7
$297.4
$4.3
$21.9
$71.7
FY21
FY22
FY23
FY24 Budget
FY24 Forecast
Net Tuition
State Appropriations
Investment Income
All Other


Oxford E&G Fund Expenses
FY21 through FY24
Millions
$350
$300
$250
$200
$150
$100
$50
$0
$19
$7
$31
$24
$31
$172
$33
$13
$31
$31
$34
$185
$25
$13
$30
$27
$33
$186
$32
$15
$37
$36
$38
$202
$29
$15
$32
$35
$37
$195
FY21
FY22
FY23
FY24 Budget
FY24 Forecast
Salaries
Other Benefits
Healthcare
Scholarships
Utilities
Support

HAMILTON & MIDDLETOWN

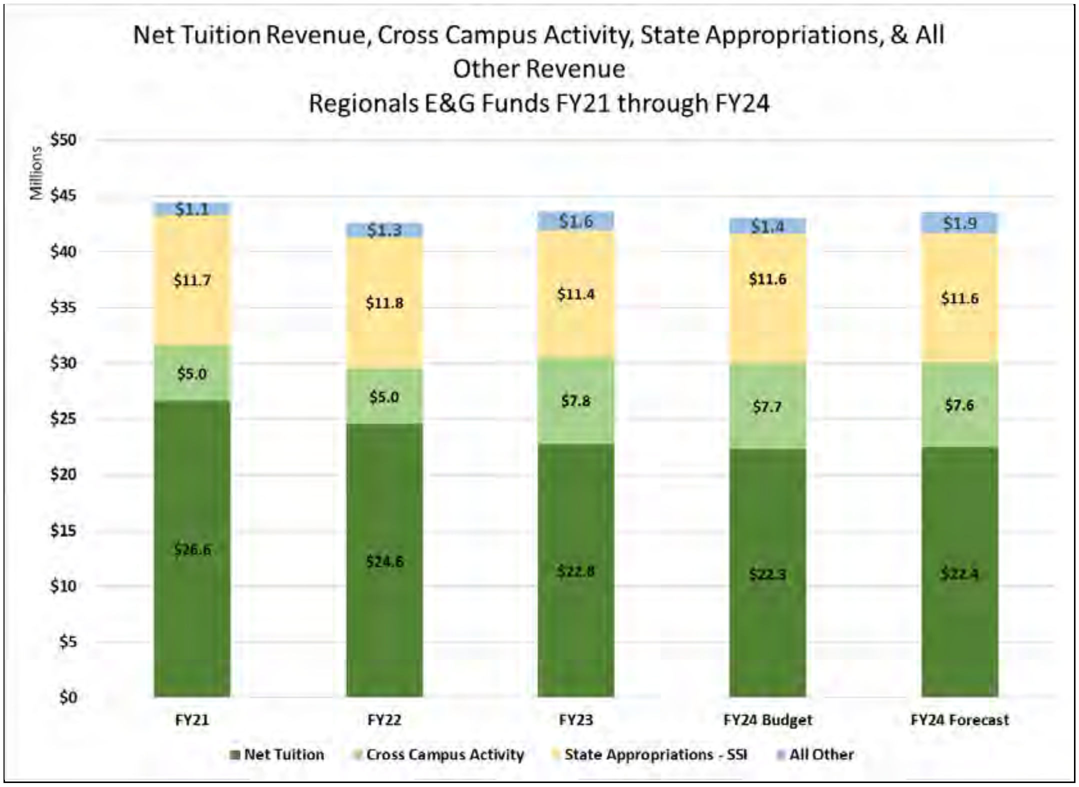
The Hamilton and Middletown campus student fee revenue (instructional, general and out-of-state) is estimated to be on budget with negative performance $0.3 million on the Middletown being offset by Hamilton revenues in this category coming in above budget $0.3 million. State subsidy (SSI) reflects course and degree completions made available by the Ohio Department of Higher Education. The College Credit Plus program is performing $0.5 million above budget for Middletown and Hamilton. Other revenues are on budget.

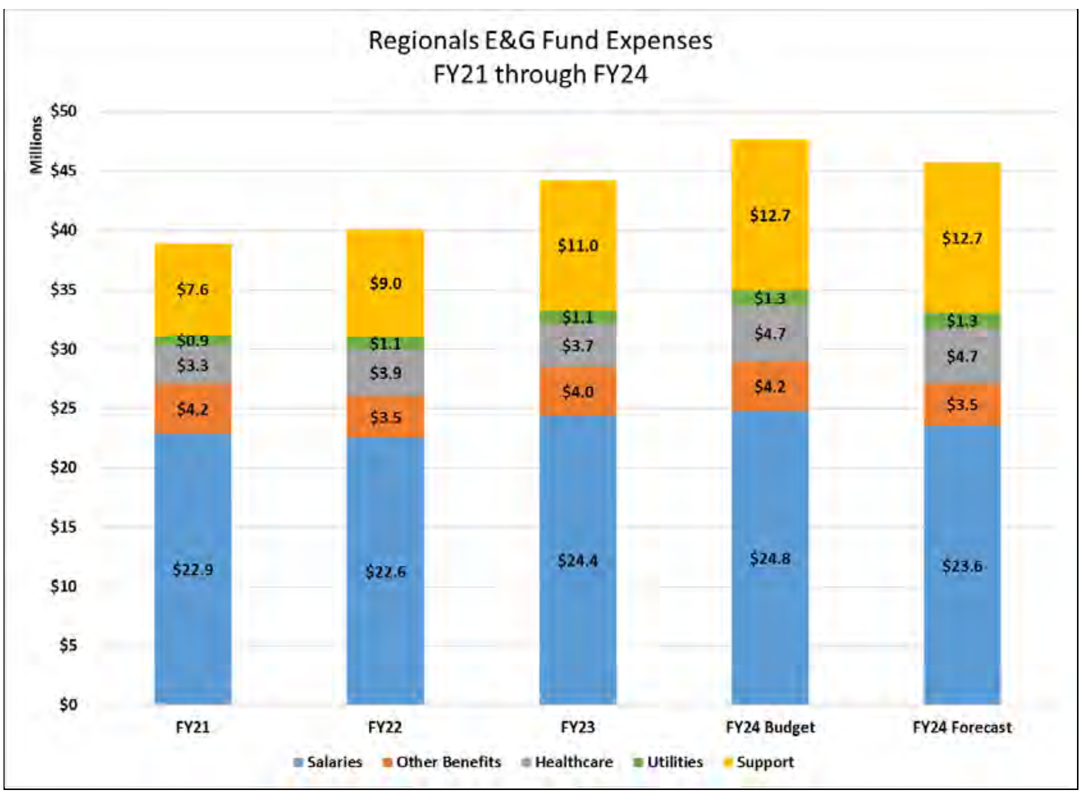
Expenditures on personnel and benefit costs are $1.9 million below budget on the Hamilton and Middletown campuses.

Overall, the General Fund for Hamilton is projected to end the fiscal year with a $0.3 million surplus prior to adjustments. The Middletown campus General Fund is projected to have an operating deficit of $3.6 million prior to adjustments.

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.


Net Tuition Revenue, Cross Campus Activity, State Appropriations, & All Other Revenue
Regionals E&G Funds FY21 through FY24
Millions
$50
$45
$40
$35
$30
$25
$20
$15
$10
$5
$0
$1.1
$11.7
$5.0
$26.6
$1.3
$11.8
$5.0
$24.6
$1.6
$11.4
$7.8
$22.8
$1.4
$11.6
$7.7
$22.3
$1.9
$11.6
$7.6
$22.4
FY21
FY22
FY23
FY24 Budget
FY24 Forecast
Net Tuition
Cross Campus Activity
State Appropriations - SSI
All Other


Regionals E&G Fund Expenses
FY21 through FY24
Millions
$50
$45
$40
$35
$30
$25
$20
$15
$10
$5
$0
$7.6
$0.9
$3.3
$4.2
$22.9
$9.0
$1.1
$3.9
$3.5
$22.6
$11.0
$1.1
$3.7
$4.0
$24.4
$12.7
$1.3
$4.7
$4.2
$24.8
$12.7
$1.3
$4.7
$3.5
$23.6
FY21
FY22
FY23
FY24 Budget
FY24 Forecast
Salaries
Other Benefits
Healthcare
Utilities
Support

MIAMI UNIVERSITY

FY2024 Forecast

Oxford General Fund Only

As of September 30, 2023

	Revised Budget	September End-of-Year Forecast	Budget to Projection
REVENUES:			
Instructional & OOS Surcharge	$ 400,556,830	$ 398,116,817	$ (2,440,013)
Less Cohort Financial Aid Discount	153,214,862	151,733,755	(1,481,107)
Net Instructional Fee & Out-of-State Surcharge	247,341,968	246,383,062	(958,906)
General	50,073,837	49,762,355	$ (311,482)
Other Student Revenue	2,596,500	1,535,086	(1,061,414)
Tuition, Fees and Other Student Charges	*300,012,305*	*297,680,503*	*(2,331,802)*
State Appropriations	71,709,935	71,709,935	$ -
Investment Income	21,900,000	21,900,000	$ -
Other Revenue	1,572,405	2,809,305	$ 1,236,900
Total Revenues	***$ 395,194,645***	***$ 394,099,743***	***$ (1,094,902)***
EXPENDITURES:			
Salaries	201,596,890	194,539,005	(7,057,885)
Benefits	37,853,253	36,682,506	(1,170,748)
Healthcare Expense	35,628,735	34,526,788	(1,101,947)
Graduate Assistant, Fellowships & Fee Waivers	22,740,835	19,353,875	(3,386,961)
Undergraduate Scholarships & Student Waivers	14,023,897	12,739,615	(1,284,282)
Utilities	15,143,122	14,746,120	(397,002)
Departmental Support Expenditures	13,227,057	10,675,607	(2,551,450)
Multi-year Expenditures	3,552,386	3,552,386	-
Total Expenditures	***$ 343,766,175***	***$ 326,815,901***	***$ (16,950,275)***
DEBT SERVICE AND TRANSFERS:			
General Fee	(49,583,970)	(49,272,488)	311,482
Capital, Renewal & Replacement	(6,476,400)	(6,476,400)	-
Debt Service	(12,693,147)	(12,693,147)	-
Support for VOALC (50%)	(427,396)	(427,396)	-
Other Miscellaneous Operational Transfers	(1,692,478)	(1,692,478)	-
Other Transfers (net)	5,104,365	5,104,365	-
Total Debt Service and Transfers	***$ (65,769,026)***	***$ (65,457,544)***	***$ 311,482***
Net Revenues/(Expenditures) Before Adjustments	$ (14,340,557)	$ 1,826,298	$ 16,166,855
ADJUSTMENTS to Fund Balances:			
Draw on Provost Reserves	(14,340,557)	(7,025,181)	7,315,376
Net Carry Forward Usage	-	(3,511,145)	(3,511,145)
Departmental Budgetary Carry Forward	-	8,851,479	8,851,479
Reserve for Investment Fluctuations	-	-	-
Reserve for Encumbrances	-	-	-
Plant Fund Projects	-	-	-
Other Miscellaneous	-	-	-
Net Increase/(Decrease) in Unrestricted General Fund Balance	***$ (14,340,557)***	***$ (1,684,846)***	***$ 12,655,711***

MIAMI UNIVERSITY

FY2024 Forecast

Hamilton General Fund Only

As of September 30, 2023

	Budget	June End-of-Year Forecast	Budget to Projection
REVENUES:			
Instructional & OOS Surcharge - Regional Students	$ 14,611,139	$ 15,201,161	$ 590,022
Instructional & OOS Surcharge - Cross Campus	6,708,767	6,669,191	(39,576)
Less Continuing & New Scholarships	853,969	1,129,100	275,131
Net Instructional Fee & Out-of-State Surcharge	20,465,937	20,741,252	275,315
General	888,417	928,183	39,766
Other Student Revenue	193,500	193,500	-
Tuition, Fees and Other Student Charges	*21,547,854*	*21,862,935*	*315,081*
State Appropriations - SSI	8,121,259	8,121,259	-
State Appropriations - CCP	446,580	738,555	291,975
Investment Income	50,000	50,000	-
Other Revenue	79,500	79,500	-
Total Revenues	***$ 30,245,193***	***$ 30,852,250***	***$ 607,056***
EXPENDITURES:			
Salaries	16,843,664	16,843,664	-
Allowance for Unspent Salaries	(1,222,061)	(1,608,502)	(386,441)
Benefits	3,438,721	3,438,721	-
Allowance for Unspent Benefits	(334,220)	(778,997)	(444,778)
Healthcare Expense	2,632,984	2,632,984	-
Anticipated Benefit Recovery	(51,686)	(51,686)	-
Graduate Assistant Fee Waivers	-	-	-
Utilities	693,253	693,253	-
Departmental Support Expenditures	6,999,732	6,999,732	-
Multi-year Expenditures	-	-	-
Total Expenditures	***$ 29,000,387***	***$ 28,169,169***	***$ (831,219)***
DEBT SERVICE AND TRANSFERS:			
General Fee	(174,392)	$ (214,158)	(39,766)
Capital, Renewal & Replacement	-	$ -	-
Debt Service	(1,906,572)	$ (1,906,572)	-
Support for VOALC (25%)	(213,698)	$ (213,698)	-
Other Transfers Out		(33,286)	(33,286)
Other Transfers In		3,940	3,940
Total Debt Service and Transfers	***$ (2,294,662)***	***$ (2,363,774)***	***$ (69,113)***
Net Revenues/(Expenditures) Before Adjustments	$ (1,049,856)	$ 319,306	$ 1,369,162
ADJUSTMENTS:			
Draw on Reserves	1,049,855	1,049,855	-
Net Carry Forward Usage		(170,397)	(170,397)
Departmental Budgetary Carry Forward		(831,217)	(831,217)
RCM Revenue Surplus		-	-
Reserve for Investment Fluctuations			-
Reserve for Encumbrances			-
Plant Fund Projects			-
Other Miscellaneous			-
Net Increase/(Decrease) in Fund Balance	***$ (1)***	***$ 367,548***	***$ 367,549***

MIAMI UNIVERSITY

FY2024 Forecast

Middletown General Fund Only

As of September 30, 2023

	Budget	June End-of-Year Forecast	Budget to Projection
REVENUES:			
Instructional & OOS Surcharge - Regional Students	$ 8,173,539	$ 8,187,572	$ 14,032
Instructional & OOS Surcharge - Cross Campus	1,015,711	977,944	(37,767)
Less Continuing & New Scholarships	980,180	1,243,134	262,954
Net Instructional Fee & Out-of-State Surcharge	8,209,070	7,922,381	(286,689)
General	469,964	503,360	33,396
Other Student Revenue	80,700	80,700	-
Tuition, Fees and Other Student Charges	*8,759,734*	*8,506,441*	*(253,293)*
State Appropriations - SSI	3,435,386	3,435,386	-
State Appropriations - CCP	507,835	699,323	191,488
Investment Income	50,000	50,000	-
Other Revenue	30,402	30,402	-
Total Revenues	***$ 12,783,357***	***$ 12,721,552***	***$ (61,805)***
EXPENDITURES:			
Salaries	11,477,525	11,477,525	-
Allowance for Unspent Salaries	(2,317,035)	(3,106,489)	(789,454)
Benefits	1,890,693	1,890,693	-
Allowance for Unspent Benefits	(773,045)	(1,084,897)	(311,852)
Healthcare Expense	2,138,713	2,138,713	-
Anticipated Benefit Recovery	(37,304)	(37,304)	-
Graduate Assistant Fee Waivers	-	-	-
Utilities	522,400	522,400	-
Departmental Support Expenditures	4,194,688	4,194,688	-
Multi-year Expenditures	-	-	-
Total Expenditures	***$ 17,096,635***	***$ 15,995,329***	***$ (1,101,306)***
DEBT SERVICE AND TRANSFERS:			
General Fee	(67,324)	(100,720)	(33,396)
Capital, Renewal & Replacement	-	-	-
Debt Service	(61,293)	(61,293)	-
Support for VOALC (25%)	(213,698)	(213,698)	-
Other Transfers Out			-
Other Transfers In			-
Total Debt Service and Transfers	***$ (342,315)***	***$ (375,711)***	***$ (33,396)***
Net Revenues/(Expenditures) Before Adjustments	$ (4,655,594)	$ (3,649,489)	$ 1,006,105
ADJUSTMENTS:			
Draw on Reserves	4,655,594	4,655,594	-
Net Carry Forward Usage		$ (60,454)	(60,454)
Departmental Budgetary Carry Forward		(1,101,306)	(1,101,306)
RCM Revenue Surplus			-
Reserve for Investment Fluctuations			-
Reserve for Encumbrances			-
Plant Fund Projects			-
Other Miscellaneous			-
Net Increase/(Decrease) in Fund Balance	***$ (0)***	***$ (155,655)***	***$ (155,655)***

MIAMI UNIVERSITY
FY2024 Forecast
Voice of America Learning Center General Fund Only
As of September 30, 2023

	Budget	June End-of-Year Forecast	Budget to Projection
REVENUES:			
Instructional & OOS Surcharge - Regional Students			$ -
Instructional & OOS Surcharge - Cross Campus			-
Less Continuing & New Scholarships			-
Net Instructional Fee & Out-of-State Surcharge	-	-	-
General			-
Other Student Revenue			-
Tuition, Fees and Other Student Charges	-	-	-
State Appropriations - SSI			-
State Appropriations - CCP			-
Investment Income			-
Other Revenue	-	4,310	4,310
Total Revenues	***$ -***	***$ 4,310***	***$ 4,310***
EXPENDITURES:			
Salaries	-	-	-
Allowance for Unspent Salaries	-	-	-
Benefits	-	-	-
Allowance for Unspent Benefits	-	-	-
Healthcare Expense	-	-	-
Anticipated Benefit Recovery	-	-	-
Graduate Assistant Fee Waivers	-	-	-
Utilities	50,319	50,319	-
Departmental Support Expenditures	274,718	274,718	-
Multi-year Expenditures			-
Total Expenditures	***$ 325,037***	***$ 325,037***	***$ -***
DEBT SERVICE AND TRANSFERS:			
General Fee			-
Capital, Renewal & Replacement	(100,706)	(100,706)	-
Debt Service	(429,048)	(429,048)	-
Support for VOALC	854,791	854,791	-
Other Miscellaneous Operational Transfers			-
Total Debt Service and Transfers	***$ 325,037***	***$ 325,037***	***$ -***
Net Revenues/(Expenditures) Before Adjustments	$ -	$ 4,310	$ 4,310
ADJUSTMENTS:			
Draw on Reserves	-	-	-
Net Carry Forward Usage	-	-	-
Departmental Budgetary Carry Forward	-	-	-
RCM Revenue Surplus	-	-	-
Reserve for Investment Fluctuations	-	-	-
Reserve for Encumbrances	-	-	-
Plant Fund Projects	-	-	-
Other Miscellaneous	-	-	-
Net Increase/(Decrease) in Fund Balance	***$ -***	***$ 4,310***	***$ 4,310***

MIAMI UNIVERSITY
Financial Analysis by Operational Unit (Oxford Campus)

	Year End Actual		Budget	Through Sep 30			% of 24	% Change
	FY2022	FY2023	FY2024	FY2024	FY2023	FY2022	Budget	from 24 YTD
College of Arts & Sciences								
Salaries	$51,403,259	$50,932,520	$50,308,708	$7,945,999	$8,034,938	$8,103,457	16%	-1%
Benefits	$13,987,309	$15,685,575	$17,007,659	$2,596,800	$2,567,535	$2,597,797	15%	1%
Scholarships & Fellowships	$8,064,824	$8,033,533	$10,276,237	$3,812,917	$4,451,825	$4,549,733	37%	-14%
Departmental Support Expenses	$2,311,591	$3,129,480	$3,539,360	$566,153	$622,887	$625,805	16%	-9%
College of Arts & Sciences Total	**$75,766,982**	**$77,781,108**	**$81,131,963**	**$14,921,869**	**$15,677,185**	**$15,876,792**	**18%**	**-5%**
College of Education, Health, and Society								
Salaries	$14,454,698	$14,804,039	$12,561,165	$2,422,908	$2,498,861	$2,373,069	19%	-3%
Benefits	$4,038,592	$4,545,710	$4,455,173	$808,542	$801,282	$761,110	18%	1%
Scholarships & Fellowships	$1,731,687	$1,463,382	$2,133,249	$719,542	$857,038	$1,033,586	34%	-16%
Departmental Support Expenses	$701,547	$811,011	$991,683	$98,111	$122,900	$115,097	10%	-20%
College of Education, Health, and Society Total	**$20,926,524**	**$21,624,141**	**$20,141,271**	**$4,049,103**	**$4,280,081**	**$4,282,863**	**20%**	**-5%**
College of Engineering and Computing								
Salaries	$10,366,286	$10,741,074	$10,290,855	$1,804,196	$1,913,366	$1,721,251	18%	-6%
Benefits	$3,151,523	$3,387,438	$3,797,330	$621,592	$627,050	$584,698	16%	-1%
Scholarships & Fellowships	$777,871	$863,209	$1,064,024	$340,014	$423,998	$387,959	32%	-20%
Departmental Support Expenses	$569,188	$841,128	$1,220,026	$292,741	$152,327	$95,655	24%	92%
College of Engineering and Computing Total	**$14,864,868**	**$15,832,849**	**$16,372,234**	**$3,058,542**	**$3,116,742**	**$2,789,563**	**19%**	**-2%**
Farmer School of Business								
Salaries	$21,172,449	$21,494,130	$18,734,236	$3,488,947	$3,674,655	$3,651,424	19%	-5%
Benefits	$6,968,776	$7,182,160	$7,348,996	$1,199,477	$1,259,367	$1,273,064	16%	-5%
Scholarships & Fellowships	$250,067	$260,059	$644,015	$115,856	$129,788	$124,775	18%	-11%
Departmental Support Expenses	$196,711	$202,919	$6,000	$20,928	$33,109	$29,988	349%	-37%
Farmer School of Business Total	**$28,588,003**	**$29,139,269**	**$26,733,247**	**$4,825,208**	**$5,096,919**	**$5,079,251**	**18%**	**-5%**
College of Creative Arts								
Salaries	$10,945,582	$11,098,820	$9,754,610	$1,728,761	$1,734,087	$1,740,742	18%	0%
Benefits	$2,939,169	$3,546,783	$3,649,935	$611,472	$595,068	$614,614	17%	3%
Scholarships & Fellowships	$863,012	$1,011,814	$1,428,032	$434,278	$523,276	$427,809	30%	-17%
Departmental Support Expenses	$654,256	$816,444	$669,853	$126,709	$188,490	$258,316	19%	-33%
College of Creative Arts Total	**$15,402,019**	**$16,473,861**	**$15,502,431**	**$2,901,220**	**$3,040,921**	**$3,041,480**	**19%**	**-5%**
Dolibois European Center - Luxemburg								
Salaries	$1,113,772	$1,051,555	$1,210,728	$204,859	$181,139	$210,402	17%	13%
Benefits	$177,262	$182,105	$419,385	$27,158	$30,228	$28,872	6%	-10%
Scholarships & Fellowships	$0	$0	$0	$0	$0	$0	0%	0%
Departmental Support Expenses	$218,984	$212,231	$286,120	$70,966	$32,422	$54,487	25%	119%
Dolibois European Center - Luxemburg Total	**$1,510,017**	**$1,445,891**	**$1,916,233**	**$302,984**	**$243,789**	**$293,761**	**16%**	**24%**

MIAMI UNIVERSITY
Financial Analysis by Operational Unit (Oxford Campus)

	Year End Actual FY2022	Year End Actual FY2023	Budget FY2024	Through Sep 30 FY2024	Through Sep 30 FY2023	Through Sep 30 FY2022	% of 24 Budget	% Change from 24 YTD
Graduate School								
Salaries	$2,694,706	$2,744,495	$3,244,076	$575,311	$571,059	$615,361	18%	1%
Benefits	$552,799	$687,150	$776,710	$187,317	$197,216	$177,841	24%	-5%
Scholarships & Fellowships	$3,815,616	$3,733,723	$4,387,510	$1,310,652	$1,219,254	$1,420,074	30%	7%
Departmental Support Expenses	$83,575	$229,908	$627,755	$120,459	$26,852	$19,803	19%	349%
Graduate School Total	**$7,146,696**	**$7,395,276**	**$9,036,051**	**$2,193,740**	**$2,014,381**	**$2,233,080**	**24%**	**9%**
Other Provost Departments								
Salaries	$11,561,289	$13,209,366	$27,850,067	$3,168,172	$3,262,077	$2,635,227	11%	-3%
Benefits	$3,838,073	$4,698,934	$9,501,805	$1,241,805	$1,255,937	$1,006,581	13%	-1%
Scholarships & Fellowships	$1,488,123	$1,108,383	$265,200	$1,844	$6,101	$346,609	1%	-70%
Departmental Support Expenses	$6,411,409	$6,426,568	$2,855,272	$3,679,090	$4,443,089	$3,892,045	129%	-17%
Other Provost Departments Total	**$23,298,893**	**$25,443,251**	**$40,472,344**	**$8,090,911**	**$8,967,204**	**$7,880,463**	**20%**	**-10%**
Academic Affairs								
Salaries	$123,712,040	$126,076,000	$133,954,445	$21,339,153	$21,870,183	$21,050,933	16%	-2%
Benefits	$35,653,503	$39,915,854	$46,956,992	$7,294,163	$7,333,683	$7,044,578	16%	-1%
Scholarships & Fellowships	$16,991,199	$16,474,104	$20,198,268	$6,735,102	$7,611,279	$8,290,546	33%	-12%
Departmental Support Expenses	$11,147,259	$12,669,688	$10,196,069	$4,975,158	$5,622,077	$5,091,194	49%	-12%
Academic Affairs Total	**$187,504,001**	**$195,135,646**	**$211,305,774**	**$40,343,576**	**$42,437,222**	**$41,477,251**	**19%**	**-5%**
Physical Facilities								
Salaries	$13,513,539	$14,348,267	$17,532,488	$3,581,053	$3,455,443	$3,091,875	20%	4%
Benefits	$4,549,772	$5,098,813	$6,894,151	$1,405,722	$1,323,968	$1,185,490	20%	6%
Scholarships & Fellowships	$0	$0	$0	$0	$0	$0	0%	0%
Departmental Support Expenses	($4,065,596)	($3,263,930)	($4,762,124)	($1,074,259)	($1,236,576)	($1,394,626)	23%	-13%
Physical Facilities Total	**$13,997,715**	**$16,183,149**	**$19,664,515**	**$3,912,517**	**$3,542,835**	**$2,882,739**	**20%**	**10%**
Other Finance & Business Services Departments								
Salaries	$8,865,468	$8,997,221	$10,293,537	$2,196,754	$2,252,113	$2,146,652	21%	-2%
Benefits	$3,044,056	$2,984,163	$4,050,815	$866,019	$859,367	$814,623	21%	1%
Scholarships & Fellowships	$0	$0	$0	$0	$0	$0	0%	0%
Departmental Support Expenses	$990,899	$1,011,493	$1,446,483	$740,612	$684,293	$760,638	51%	8%
Other Finance & Business Services Departments Total	**$12,900,423**	**$12,992,877**	**$15,790,835**	**$3,803,385**	**$3,795,773**	**$3,721,913**	**24%**	**0%**
Enrollment Management & Student Success								
Salaries	$6,894,441	$7,254,592	$8,404,332	$1,879,671	$1,749,368	$1,674,678	22%	7%
Benefits	$2,350,021	$2,419,392	$3,297,627	$738,522	$672,540	$642,488	22%	10%
Scholarships & Fellowships	$150,675,643	$160,988,708	$169,371,081	$83,580,787	$82,795,159	$76,776,757	49%	1%
Departmental Support Expenses	$4,404,283	$4,787,239	$5,442,721	$1,613,065	$1,425,166	$1,796,456	30%	13%
Enrollment Management & Student Success Total	**$164,324,389**	**$175,449,931**	**$186,515,761**	**$87,812,045**	**$86,642,234**	**$80,890,378**	**47%**	**1%**

MIAMI UNIVERSITY
Financial Analysis by Operational Unit (Oxford Campus)

	Year End Actual		Budget	Through Sep 30			% of 24	% Change
	FY2022	FY2023	FY2024	FY2024	FY2023	FY2022	Budget	from 24 YTD
President								
Salaries	$5,654,026	$7,187,243	$7,864,483	$1,900,181	$1,633,306	$1,343,690	24%	16%
Benefits	$2,116,521	$2,402,247	$3,105,321	$747,238	$627,141	$514,019	24%	19%
Scholarships & Fellowships	$578	$185	$0	$0	$0	$578	0%	0%
Departmental Support Expenses	$4,167,875	$4,397,971	$3,514,261	$634,681	$991,997	$783,120	18%	-36%
President Total	**$11,939,000**	**$13,987,646**	**$14,484,065**	**$3,282,100**	**$3,252,444**	**$2,641,407**	**23%**	**1%**
Student Life								
Salaries	$5,932,585	$6,411,695	$6,920,155	$1,539,478	$1,555,259	$1,522,011	22%	-1%
Benefits	$6,541,257	$2,215,776	$2,642,516	$588,913	$581,226	$562,891	22%	1%
Scholarships & Fellowships	$351,617	$397,602	$410,246	$187,528	$220,831	$204,060	46%	-15%
Departmental Support Expenses	($2,098,867)	($1,952,169)	($2,171,376)	($731,602)	($613,405)	($671,899)	34%	19%
Student Life Total	**$10,726,593**	**$7,072,904**	**$7,801,541**	**$1,584,318**	**$1,743,911**	**$1,617,063**	**20%**	**-9%**
University Advancement								
Salaries	$7,548,246	$7,305,125	$8,460,437	$1,963,169	$1,847,743	$1,768,178	23%	6%
Benefits	$2,578,606	$2,434,383	$3,341,228	$771,456	$708,332	$678,756	23%	9%
Scholarships & Fellowships	$0	$0	$0	$0	$0	$0	0%	0%
Departmental Support Expenses	$804,923	$1,016,479	$836,339	$603,478	$445,166	$282,547	72%	36%
University Advancement Total	**$10,931,774**	**$10,755,986**	**$12,638,003**	**$3,338,104**	**$3,001,241**	**$2,729,480**	**26%**	**11%**
Information Technology								
Salaries	$7,213,296	$7,963,761	$9,674,883	$2,003,334	$1,962,417	$1,841,370	21%	2%
Benefits	$2,498,056	$2,523,081	$3,821,579	$786,719	$747,833	$706,920	21%	5%
Scholarships & Fellowships	$0	$0	$0	$0	$0	$0	0%	0%
Departmental Support Expenses	$1,207,469	($118,241)	$2,577,965	$1,175,136	$631,924	$1,419,171	46%	86%
Information Technology Total	**$10,918,821**	**$10,368,600**	**$16,074,426**	**$3,965,190**	**$3,342,174**	**$3,967,460**	**25%**	**19%**
Centrally Budgeted Funds								
Departmental Support Expenses	$4,115,576	$2,659,203	$5,085,903	$4,040,507	$3,111,282	$2,398,309	79%	30%
Grand Total								
Salaries	$179,401,357	$185,546,877	$201,596,891	$36,469,127	$36,327,767	$34,435,246	18%	0%
Benefits	$59,380,545	$60,037,119	$73,481,988	$13,242,896	$12,867,160	$12,162,535	18%	3%
Scholarships & Fellowships	$168,019,037	$177,860,599	$189,979,594	$90,503,417	$90,627,269	$85,271,941	48%	0%
Utilities	$13,170,226	$13,426,340	$15,101,242	$3,088,089	$2,867,528	$3,204,806	20%	8%
Departmental Support Expenses	$20,557,353	$21,161,347	$24,302,350	$11,866,300	$11,046,920	$10,456,279	49%	7%
Admin Service Charge	($9,912,368)	($13,740,790)	($14,033,413)	($3,489,603)	($3,416,447)	($2,459,342)	25%	2%
Carry Forward Accounts*	$8,460,998	$19,397,199	$0	$1,445,453	$10,108,946	$2,210,814	0%	-86%
Multi Year Accounts	$3,275,665	$3,381,735	$3,552,386	$519,520	$652,415	$380,542	15%	-20%
Total Expenses	**$442,352,815**	**$467,070,426**	**$493,981,038**	**$153,645,198**	**$161,081,558**	**$145,662,821**	**31%**	**-5%**

**Activity shown under carry forward accounts includes transfers out. Transfers out are excluded from all other activity.*

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2024/FY2023/FY2022

	FY2022 Actual	FY2023 Actual	FY2024 Budget	Through September YTD FY2024	FY2023	FY2022	FY24 Budget to Actual	% of '24 Budget	% Change from '23 YTD
Residence & Dining Halls									
Revenue	125,993,187	133,735,026	129,110,034	45,198,879	50,813,737	48,611,685	(83,911,155)	35%	-12%
General Fee Support	-	-	-	-	-	-	-	0%	0%
Total Sources	125,993,187	133,735,026	129,110,034	45,198,879	50,813,737	48,611,685	(83,911,155)	35%	-12%
Salary	13,864,212	10,063,799	11,800,954	2,245,404	2,835,314	2,803,880	(9,555,550)	19%	-26%
Benefits	4,289,347	3,345,976	4,740,183	865,083	1,024,006	1,015,796	(3,875,100)	18%	-18%
Utilites	6,672,862	7,190,413	8,044,799	1,492,664	1,420,488	1,499,119	(6,552,135)	19%	5%
Charge Outs	(593,642)	(570,079)	(327,946)	(157,754)	(218,834)	243,991	170,192	48%	-39%
Operating Expenses	38,383,949	45,936,136	43,476,394	8,958,195	7,687,422	8,999,940	(34,518,199)	21%	14%
Inventory Purchases	4,697,435	12,858,886	12,739,384	615,238	361,429	936,318	(12,124,146)	5%	41%
Debt Service	39,719,433	39,362,886	38,621,596	9,810,383	14,058,671	10,282,606	(28,811,213)	25%	-43%
Total Uses	107,033,596	118,188,017	119,095,364	23,829,213	27,168,496	25,781,650	(95,266,151)	20%	-14%
Net Before Non-Mandatory Transfers	18,959,591	15,547,009	10,014,670	21,369,666	23,645,241	22,830,035	11,354,996	213%	-11%
Net Transfers	5,025,585	(237,736)	11,080	-	(3,395,032)	(15,765)	(11,080)	0%	0%
CR&R Transfers	(7,204,266)	(14,306,637)	(10,025,750)	(2,506,438)	-	(1,730,548)	7,519,312	25%	100%
Net Total	16,780,910	1,002,636	-	18,863,228	20,250,209	21,083,722	18,863,228		-7%
Shriver Center									
Revenue	6,871,809	5,389,657	4,926,364	1,426,358	2,254,826	2,561,424	(3,500,006)	29%	-58%
General Fee Support	796,526	848,790	848,790	212,198	212,198	199,132	(636,592)	25%	0%
Total Sources	7,668,335	6,238,447	5,775,154	1,638,556	2,467,024	2,760,556	(4,136,598)	28%	-51%
Salary	893,043	909,085	1,026,484	213,902	217,996	186,563	(812,582)	21%	-2%
Benefits	295,263	271,447	347,050	75,688	78,566	70,009	(271,362)	22%	-4%
Utilities	200,291	218,715	257,232	47,750	45,898	49,332	(209,482)	19%	4%
Charge Outs	(655,650)	(467,879)	(452,924)	(396,678)	(402,173)	(401,168)	56,246	88%	-1%
Operating Expenses	747,626	588,312	774,980	144,398	178,422	219,775	(630,582)	19%	-24%
Inventory Purchases	5,200,201	3,622,828	3,561,000	1,198,340	1,735,605	2,097,000	(2,362,660)	34%	-45%
Debt Service	45,861	32,714	34,024	8,662	8,335	11,711	(25,362)	25%	4%
Total Uses	6,726,635	5,175,222	5,547,846	1,292,062	1,862,649	2,233,222	(4,255,784)	23%	-44%
Net Before Non-Mandatory Transfers	941,700	1,063,225	227,308	346,494	604,375	527,334	119,186	152%	-74%
Net Transfers	208,168	196,849	202,000	100,000	100,000	195,772	(102,000)	50%	0%
CR&R Transfers	(1,011,708)	(834,417)	(429,308)	(107,327)	(207,573)	(251,052)	321,981	25%	-93%
Net Total	138,160	425,657	-	339,167	496,802	472,054	339,167		-46%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2024/FY2023/FY2022

	FY2022 Actual	FY2023 Actual	FY2024 Budget	Through September YTD FY2024	FY2023	FY2022	FY24 Budget to Actual	% of '24 Budget	% Change from '23 YTD
Marcum Conference Center									
Revenue	1,293,327	1,564,830	1,532,281	414,951	374,013	318,444	(1,117,330)	27%	10%
General Fee Support	-	-	-	-	-	-	-	0%	0%
Total Sources	1,293,327	1,564,830	1,532,281	414,951	374,013	318,444	(1,117,330)	27%	10%
Salary	237,252	287,877	348,596	81,434	64,383	53,452	(267,162)	23%	21%
Benefits	76,311	82,221	106,824	26,504	19,072	17,686	(80,320)	25%	28%
Utilities	150,841	161,006	164,972	31,791	34,701	40,805	(133,181)	19%	-9%
Charge Outs	-	-	-	-	-	-	-	0%	0%
Operating Expenses	574,426	716,275	867,049	109,455	182,276	121,897	(757,594)	13%	-67%
Inventory Purchases	7,017	11,457	26,134	3,029	4,733	2,474	(23,105)	12%	-56%
Debt Service	-	-	-	-	-	-	-	0%	0%
Total Uses	1,045,847	1,258,836	1,513,575	252,213	305,165	236,314	(1,261,362)	17%	-21%
Net Before Non-Mandatory Transfers	247,480	305,994	18,706	162,738	68,848	82,130	144,032	870%	58%
Net Transfers	171,986	(1,160)	-	-	-	2,306	-	0%	0%
CR&R Transfers	(7,593)	(24,493)	(18,706)	(4,677)	(6,123)	(1,898)	14,029	25%	-31%
Net Total	411,873	280,341	-	158,061	62,725	82,538	158,061		60%
Intercollegiate Athletics									
Revenue	6,911,592	8,695,836	8,099,104	433,992	911,643	423,169	(7,665,112)	5%	-110%
General Fee Support	17,096,904	17,681,949	18,658,166	4,759,433	4,405,487	4,217,405	(13,898,733)	26%	7%
Designated Revenue	870,251	1,047,365	739,100	336,276	587,788	155,946	(402,824)	45%	-75%
Restricted Revenue	1,386,574	1,603,637	2,113,857	405,182	448,950	264,111	(1,708,675)	19%	-11%
Total Sources	26,265,321	29,028,787	29,610,227	5,934,883	6,353,868	5,060,631	(23,675,344)	20%	-7%
Salary	9,038,758	9,231,494	9,208,508	2,281,410	2,210,371	2,113,848	(6,927,098)	25%	3%
Benefits	3,077,684	3,118,998	3,187,647	859,136	817,454	799,439	(2,328,511)	27%	5%
Utilities	4,734	59	-	-	-	97	-	0%	0%
Charge Outs	(120,777)	(125,350)	-	1,663	10,500	-	1,663	0%	-531%
Operating Expenses	13,199,404	14,082,249	14,406,006	6,569,936	5,831,901	5,376,127	(7,836,070)	46%	11%
Inventory Purchases	-	-	-	-	-	-	-	0%	0%
Debt Service	-	-	-	-	-	-	-	0%	0%
Designated Expense	621,702	1,155,346	739,100	162,250	234,368	21,231	(576,850)	22%	-44%
Restricted Expense	1,460,893	1,789,002	2,113,857	293,304	472,109	165,810	(1,820,553)	14%	-61%
Total Uses	27,282,398	29,251,798	29,655,118	10,167,699	9,576,703	8,476,552	(19,487,419)	34%	6%
Net Before Non-Mandatory Transfers	(1,017,077)	(223,011)	(44,891)	(4,232,816)	(3,222,835)	(3,415,921)	(4,187,925)	9429%	24%
Net Transfers	1,211,403	62,203	44,891	(12,500)	(12,500)	(36,902)	(57,391)	-28%	0%
CR&R Transfers	-	-	-	-	-	-	-	0%	0%
Net Total	194,326	(160,808)	-	(4,245,316)	(3,235,335)	(3,452,823)	(4,245,316)		24%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2024/FY2023/FY2022

	FY2022 Actual	FY2023 Actual	FY2024 Budget	Through September YTD FY2024	FY2023	FY2022	FY24 Budget to Actual	% of '24 Budget	% Change from '23 YTD
Recreation Center									
Revenue	2,184,981	2,639,926	2,684,042	949,109	697,804	618,207	(1,734,933)	35%	26%
General Fee Support	3,199,744	3,281,957	3,281,957	820,489	820,489	799,936	(2,461,468)	25%	0%
Total Sources	5,384,725	5,921,883	5,965,999	1,769,598	1,518,293	1,418,143	(4,196,401)	30%	14%
Salary	1,645,597	1,851,095	1,962,267	480,071	443,403	371,086	(1,482,196)	24%	8%
Benefits	446,328	431,459	551,021	133,708	118,686	108,153	(417,313)	24%	11%
Utilities	778,782	800,833	932,164	209,261	175,890	186,441	(722,903)	22%	16%
Charge Outs	(11,805)	(11,750)	(12,000)	-	-	(400)	12,000	0%	0%
Operating Expenses	1,824,446	1,905,990	1,802,313	445,829	460,122	354,965	(1,356,484)	25%	-3%
Inventory Purchases	187,249	241,442	215,000	69,082	50,466	27,783	(145,918)	32%	27%
Debt Service	-	-	-	-	-	-	-	0%	0%
Total Uses	4,870,597	5,219,069	5,450,765	1,337,951	1,248,567	1,048,028	(4,112,814)	25%	7%
Net Before Non-Mandatory Transfers	514,128	702,814	515,234	431,647	269,726	370,115	(83,587)	84%	38%
Net Transfers	(49,804)	(48,360)	(48,000)	(12,500)	(12,500)	(22,105)	35,500	26%	0%
CR&R Transfers	(647,396)	(499,501)	(467,234)	(116,809)	(120,680)	(161,810)	350,425	25%	-3%
Net Total	(183,072)	154,953	-	302,338	136,546	186,200	302,338		55%
Goggin Ice Arena									
Revenue	1,653,617	1,839,440	1,731,700	416,708	403,639	430,555	(1,314,992)	24%	3%
General Fee Support	4,242,279	4,343,067	4,366,134	1,091,533	1,085,767	1,060,570	(3,274,601)	25%	1%
Total Sources	5,895,896	6,182,507	6,097,834	1,508,241	1,489,406	1,491,125	(4,589,593)	25%	1%
Salary	1,048,359	1,067,703	1,103,233	265,462	258,540	256,913	(837,771)	24%	3%
Benefits	280,724	346,574	369,921	95,964	90,644	83,023	(273,957)	26%	6%
Utilities	932,794	982,727	1,137,646	258,010	224,043	246,663	(879,636)	23%	13%
Charge Outs	(157,449)	(177,984)	-	(19,255)	(42,844)	(33,272)	(19,255)	0%	-123%
Operating Expenses	874,885	973,236	813,896	184,394	254,450	204,873	(629,502)	23%	-38%
Inventory Purchases	144,600	158,645	160,000	66,083	54,544	49,350	(93,917)	41%	17%
Debt Service	1,842,272	1,815,694	1,822,419	460,104	458,348	465,380	(1,362,315)	25%	0%
Total Uses	4,966,185	5,166,595	5,407,115	1,310,762	1,297,725	1,272,930	(4,096,353)	24%	1%
Net Before Non-Mandatory Transfers	929,711	1,015,912	690,719	197,479	191,681	218,195	(493,240)	29%	3%
Net Transfers	(40,410)	(13,480)	(48,000)	(12,500)	21,250	(14,422)	35,500	26%	270%
CR&R Transfers	(1,003,030)	(711,617)	(642,719)	(160,680)	(177,904)	(250,758)	482,039	25%	-11%
Net Total	(113,729)	290,815	-	24,299	35,027	(46,985)	24,299		-44%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2024/FY2023/FY2022

	FY2022 Actual	FY2023 Actual	FY2024 Budget	Through September YTD FY2024	FY2023	FY2022	FY24 Budget to Actual	% of '24 Budget	% Change from '23 YTD
Transportation Services									
Revenue	2,731,428	2,737,391	2,443,000	1,009,916	1,110,689	1,024,890	(1,433,084)	41%	-10%
General Fee Support	2,658,198	2,719,117	3,255,692	813,924	679,779	664,550	(2,441,768)	25%	16%
Total Sources	5,389,626	5,456,508	5,698,692	1,823,840	1,790,468	1,689,440	(3,874,852)	32%	2%
Salary	165,631	171,386	271,484	47,675	43,613	38,155	(223,809)	18%	9%
Benefits	58,184	59,035	104,866	18,711	16,747	14,690	(86,155)	18%	10%
Utilities	-	-	-	-	-	-	-	0%	0%
Charge Outs	(44,677)	(72,506)	(40,000)	(37,611)	(18,977)	(30,554)	2,389	94%	50%
Operating Expenses	894,932	2,445,805	3,260,042	798,949	675,582	222,279	(2,461,093)	25%	15%
Inventory Purchases	-	-	-	-	-	-	-	0%	0%
Debt Service	1,535,296	1,521,734	1,520,603	384,913	385,063	388,553	(1,135,690)	25%	0%
Total Uses	2,609,366	4,125,454	5,116,995	1,212,637	1,102,028	633,123	(3,904,358)	24%	9%
Net Before Non-Mandatory Transfers	2,780,260	1,331,054	581,697	611,203	688,440	1,056,317	29,506	105%	-13%
Net Transfers	(1,141,504)	513,925	520,769	130,192	130,192	130,192	(390,577)	25%	0%
CR&R Transfers	(945,816)	(1,070,554)	(1,102,466)	(275,617)	(267,638)	(236,454)	826,849	25%	3%
Net Total	692,940	774,425	-	465,778	550,994	950,055	465,778		-18%
Utility Enterprise									
Revenue	-	-	-	-	-	-	-	0%	0%
General Fee Support	-	-	-	-	-	-	-	0%	0%
Total Sources	-	-	-	-	-	-	-	0%	0%
Salary	1,289,531	1,507,154	1,639,141	334,570	367,596	264,656	(1,304,571)	20%	-10%
Benefits	477,929	517,855	641,788	131,808	141,216	101,979	(509,980)	21%	-7%
Utilities	11,372,641	11,960,121	13,862,880	1,793,237	1,980,563	2,270,030	(12,069,643)	13%	-10%
Charge Outs	(47,931)	(34,528)	(23,000)	(8,770)	(4,760)	(8,257)	14,230	38%	46%
Expense Recovery	(23,193,863)	(24,417,544)	(27,355,360)	(5,680,262)	(5,340,083)	(5,791,837)	21,675,098	21%	6%
Operating Expenses	1,572,437	1,564,316	2,231,000	366,750	475,534	261,538	(1,864,250)	16%	-30%
Inventory Purchases	2,426	305	-	-	-	-	-	0%	0%
Debt Service	2,299,758	2,131,561	2,168,096	551,742	542,409	587,646	(1,616,354)	25%	2%
Total Uses	(6,227,071)	(6,770,760)	(6,835,455)	(2,510,925)	(1,837,525)	(2,314,245)	4,324,530	37%	27%
Net Before Non-Mandatory Transfers	6,227,071	6,770,760	6,835,455	2,510,925	1,837,525	2,314,245	(4,324,530)	37%	27%
Net Transfers	(4,359,908)	(4,345,660)	(4,368,900)	(1,092,301)	(1,092,275)	(769)	3,276,599	25%	0%
CR&R Transfers	(2,180,541)	(2,298,932)	(2,466,555)	(616,639)	(548,662)	(545,135)	1,849,916	25%	11%
Net Total	(313,378)	126,168	-	801,985	196,588	1,768,341	801,985		75%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2024/FY2023/FY2022

	FY2022 Actual	FY2023 Actual	FY2024 Budget	Through September YTD FY2024	FY2023	FY2022	FY24 Budget to Actual	% of '24 Budget	% Change from '23 YTD
Armstrong - Student Affairs									
Revenue	164,930	181,436	140,953	20,277	32,767	46,501	(120,676)	14%	-62%
General Fee Support	5,798,049	5,861,490	5,918,266	2,209,579	2,192,555	2,160,818	(3,708,687)	37%	1%
Total Sources	5,962,979	6,042,926	6,059,219	2,229,856	2,225,322	2,207,319	(3,829,363)	37%	0%
Salary	513,534	588,240	734,490	156,891	146,622	113,777	(577,599)	21%	7%
Benefits	104,722	132,824	162,905	39,016	36,350	28,151	(123,889)	24%	7%
Utilities	313,853	325,720	387,911	72,918	75,002	81,333	(314,993)	19%	-3%
Charge Outs	-	-	-	-	-	-	-	0%	0%
Operating Expenses	730,829	820,652	887,895	432,802	466,008	456,715	(455,093)	49%	-8%
Inventory Purchases	-	-	-	-	-	-	-	0%	0%
Debt Service	2,450,000	2,449,999	2,450,000	619,577	612,500	612,501	(1,830,423)	25%	1%
Total Uses	4,112,938	4,317,435	4,623,201	1,321,204	1,336,482	1,292,477	(3,301,997)	29%	-1%
Net Before Non-Mandatory Transfers	1,850,041	1,725,491	1,436,018	908,652	888,840	914,842	(527,366)	63%	2%
Net Transfers	3,442	(280,935)	(141,160)	-	-	588	141,160	0%	0%
CR&R Transfers	(1,484,905)	(1,512,347)	(1,294,858)	(840,132)	(902,167)	(906,453)	454,726	65%	-7%
Net Total	368,578	(67,791)	-	68,520	(13,327)	8,977	68,520		119%
Miscellaneous Facilities									
Revenue	12,452	156,092	98,000	30,900	38,000	12,226	(67,100)	32%	-23%
General Fee Support	308,681	321,012	406,897	406,897	321,012	308,681	-	100%	21%
Total Sources	321,133	477,104	504,897	437,797	359,012	320,907	(67,100)	87%	18%
Salary	-	-	-	-	-	-	-	0%	0%
Benefits	-	-	-	-	-	-	-	0%	0%
Utilities	-	-	-	-	-	-	-	0%	0%
Charge Outs	-	-	-	-	-	-	-	0%	0%
Operating Expenses	105,862	216,697	211,594	30,773	30,763	14,876	(180,821)	15%	0%
Inventory Purchases	-	-	-	-	-	-	-	0%	0%
Debt Service	309,149	321,011	322,994	81,568	81,060	78,201	(241,426)	25%	1%
Total Uses	415,011	537,708	534,588	112,341	111,823	93,077	(422,247)	21%	0%
Net Before Non-Mandatory Transfers	(93,878)	(60,604)	(29,691)	325,456	247,189	227,830	355,147	-1096%	24%
Net Transfers	-	-	29,691	-	-	-	(29,691)	0%	0%
CR&R Transfers	-	-	-	-	-	-	-	0%	0%
Net Total	(93,878)	(60,604)	-	325,456	247,189	227,830	325,456		24%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2024/FY2023/FY2022

	FY2022 Actual	FY2023 Actual	FY2024 Budget	Through September YTD FY2024	FY2023	FY2022	FY24 Budget to Actual	% of '24 Budget	% Change from '23 YTD
Total Auxiliary									
Revenue	147,817,323	156,939,634	150,765,478	49,901,090	56,637,118	54,047,101	(100,864,388)	33%	-13%
General Fee Support	34,100,381	35,057,382	36,735,902	10,314,053	9,717,287	9,411,092	(26,421,849)	28%	6%
Designated Revenue	870,251	1,047,365	739,100	336,276	587,788	155,946	(402,824)	45%	-75%
Restricted Revenue	1,386,574	1,603,637	2,113,857	405,182	448,950	264,111	(1,708,675)	19%	-11%
Total Sources	184,174,529	194,648,018	190,354,337	60,956,601	67,391,143	63,878,250	(129,397,736)	32%	-11%
Salary	28,695,917	25,677,833	28,095,157	6,106,819	6,587,838	6,202,330	(21,988,338)	22%	-8%
Benefits	9,106,492	8,306,389	10,212,205	2,245,618	2,342,741	2,238,926	(7,966,587)	22%	-4%
Utilities	20,426,798	21,639,594	24,787,604	3,905,631	3,956,585	4,373,820	(20,881,973)	16%	-1%
Charge Outs	(1,631,931)	(1,460,076)	(855,870)	(618,405)	(677,088)	(229,660)	237,465	72%	-9%
Expense Recovery	(23,193,863)	(24,417,544)	(27,355,360)	(5,680,262)	(5,340,083)	(5,791,837)	21,675,098	21%	6%
Operating Expenses	58,908,796	69,249,668	68,731,169	18,041,481	16,242,480	16,232,985	(50,689,688)	26%	10%
Inventory Purchases	10,238,928	16,893,563	16,701,518	1,951,772	2,206,777	3,112,925	(14,749,746)	12%	-13%
Debt Service	48,201,769	47,635,599	46,939,732	11,916,949	16,146,386	12,426,598	(35,022,783)	25%	-35%
Designated Expense	621,702	1,155,346	739,100	162,250	234,368	21,231	(576,850)	22%	-44%
Restricted Expense	1,460,893	1,789,002	2,113,857	293,304	472,109	165,810	(1,820,553)	14%	-61%
Total Uses	152,835,501	166,469,374	170,109,112	38,325,157	42,172,113	38,753,128	(131,783,955)	23%	-10%
Net Before Non-Mandatory Transfers	31,339,028	28,178,644	20,245,225	22,631,444	25,219,030	25,125,122	2,386,219	112%	-11%
Net Transfers	1,028,958	(4,154,354)	(3,797,629)	(899,609)	(4,260,865)	238,895	2,898,020	24%	-374%
CR&R Transfers	(14,485,255)	(21,258,498)	(16,447,596)	(4,628,319)	(2,230,747)	(4,084,108)	11,819,277	28%	52%
Net Total	17,882,731	2,765,792	-	17,103,516	18,727,418	21,279,909	17,103,516		-9%

APPROPRIATION ORDINANCE 2023-XX

Whereas, an operating budget is to be authorized annually by the Board of Trustees; and

Whereas, the fiscal year 2024 operating budget was adopted in June 2023 by the Board of Trustees due to comply provisions of the budget bills under consideration by the Ohio General Assembly regarding fee caps; and

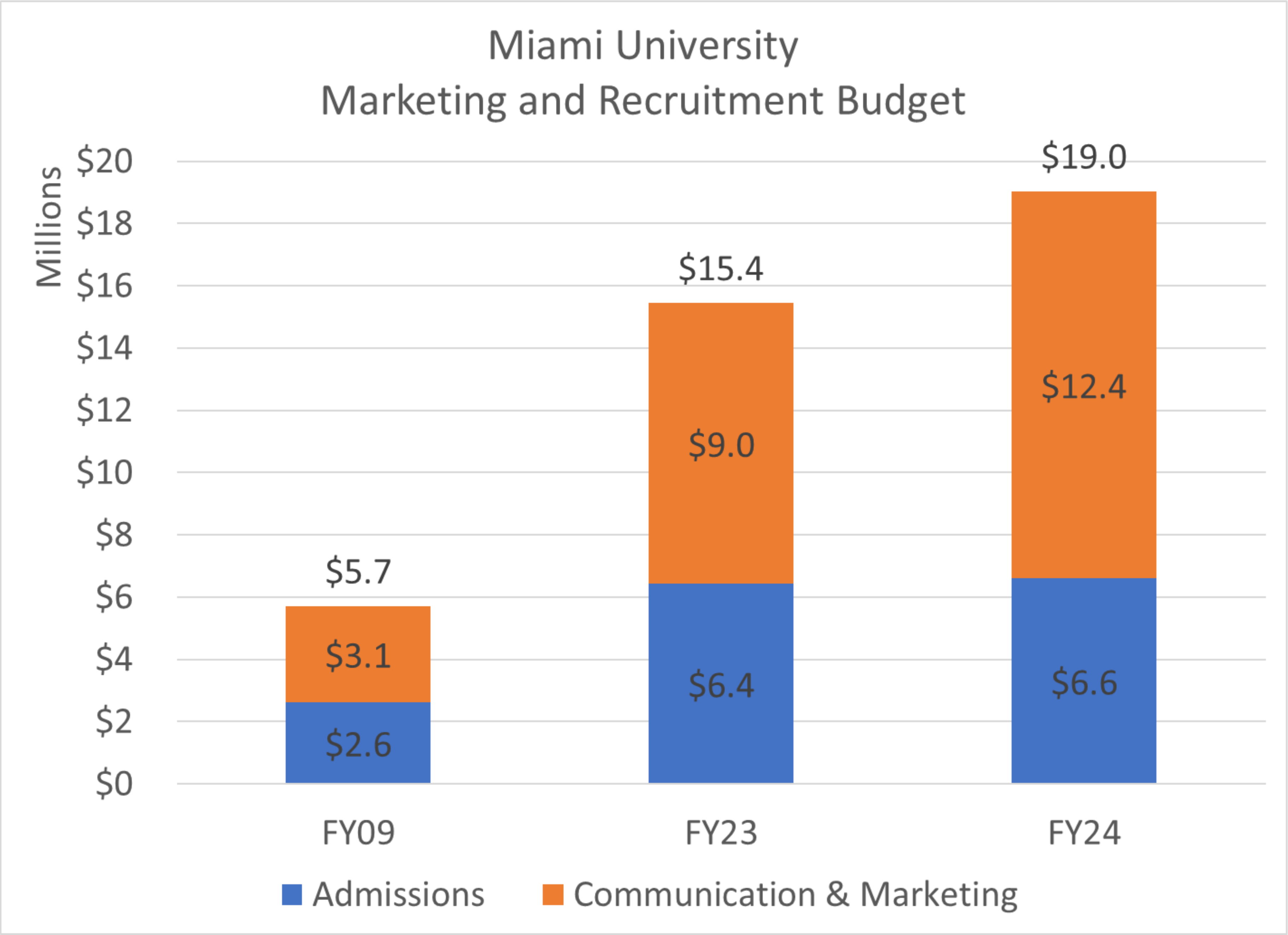
Whereas, market conditions continue present challenges for recruiting the incoming class requiring further investment in the University's advertising and marketing strategies;

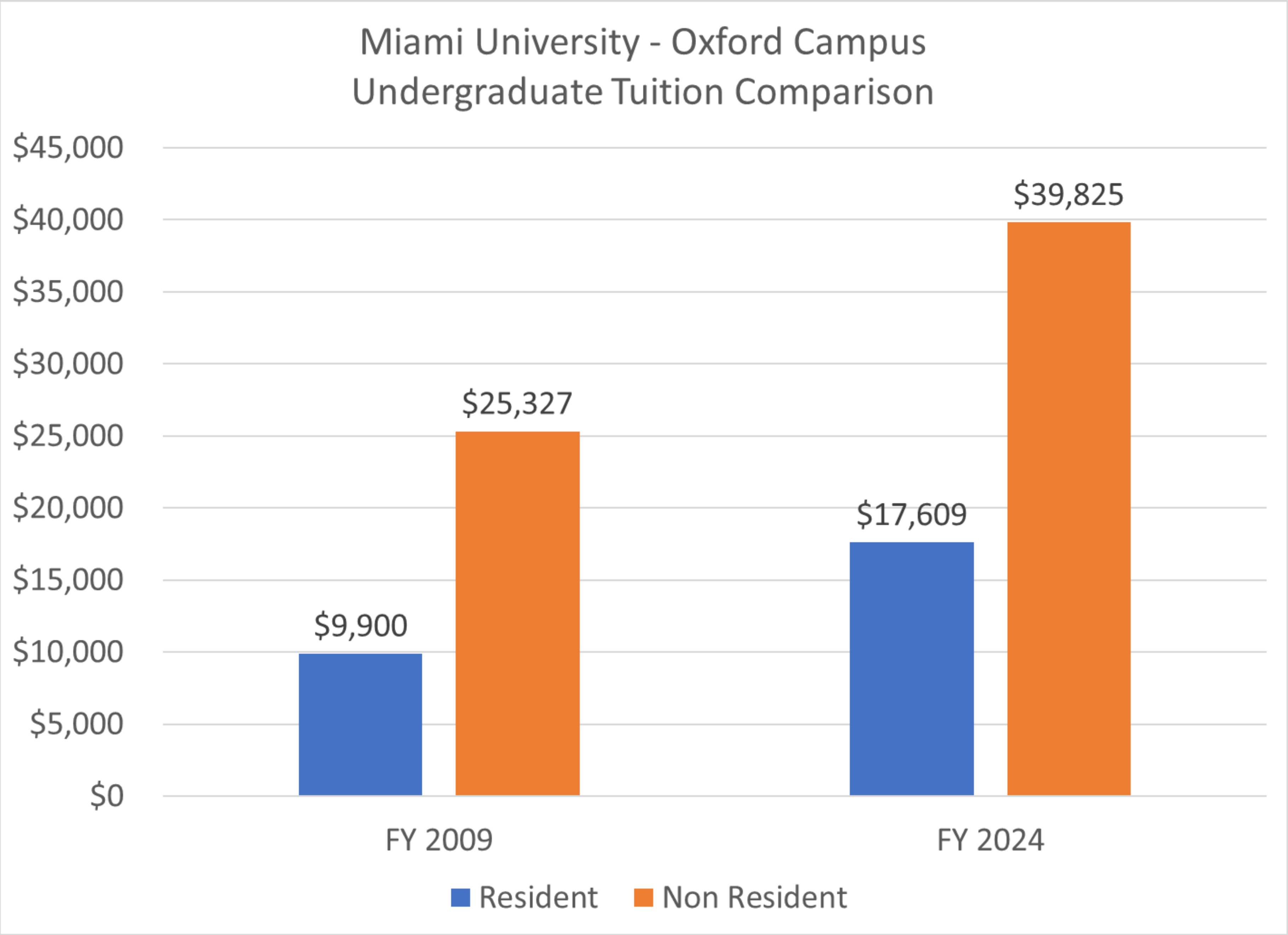
Now, Therefore, Be it Ordained: that the Board of Trustees adopts the revised budget as presented below;

	FY2024 Original	Change	FY2024 Revised
General Fund Expenditures			
Salaries	$226,378,983	$0	$226,378,983
Staff Benefits	$82,386,845	$0	$82,386,845
Scholarships, Fellowships & Fee Waivers	$191,813,743	$0	$191,813,743
Less Financial Aid Discount	($155,049,011)	$0	($155,049,011)
Utilities	$16,409,094	$0	$16,409,094
Support Expense	$25,248,582	$3,000,000	$28,248,582
Sub-Total General Fund Expenditures	$387,188,236	$3,000,000	$390,188,236
General Fund Transfers			
Debt Service (Mandatory)	$15,090,060	$0	$15,090,060
General Fee & Other (Non-Mandatory)	$58,950,061	$0	$58,950,061
Total General Fund	$461,228,357	$3,000,000	$464,228,357
Designated Funds	$55,649,850	$0	$55,649,850
Restricted Funds	$67,441,112	$0	$67,441,112
Auxiliary Enterprises:			
Expenditures	$120,316,424	$0	$120,316,424
Debt Service (Mandatory)	$46,939,732	$0	$46,939,732
Other Transfers	$21,107,656	$0	$21,107,656
Total Auxiliaries	$188,363,812	$0	$188,363,812
TOTAL	$772,683,131	$3,000,000	$775,683,131

Be It Further Ordained: that the Senior Vice President for Finance and Business Services and Treasurer, with the approval of the President, may make such adjustments as are necessary in the operating budget within the limits of available funds or within the limits of additional income received for a specific purpose ("restricted funds").

December 15, 2023


Miami University
Marketing and Recruitment Budget
Millions
$20
$18
$16
$14
$12
$10
$8
$6
$4
$2
$0
$5.7
$3.1
$2.6
$15.4
$9.0
$6.4
$19.0
$12.4
$6.6
FY09
FY23
FY24
Admissions
Communication & Marketing



Miami University - Oxford Campus
Undergraduate Tuition Comparison
$45,000
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0
$9,900
$25,327
$17,609
$39,825
FY 2009
FY 2024
Resident
Non Resident

Miami University – Oxford Campus
Incoming Class Size and NTR per Student

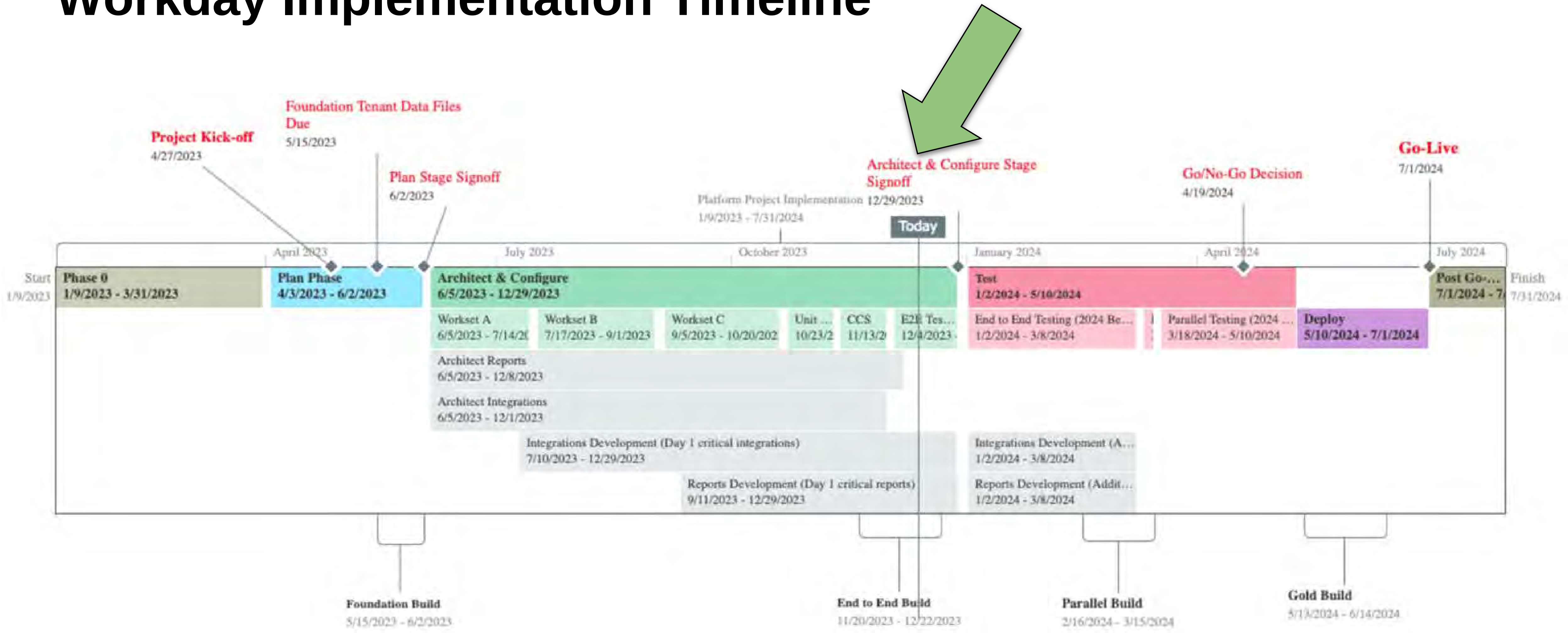
Student Type	Fall 2008	Fall 2023
Gross Tuition (Instructional and General Fees)	$65,416,135	$106,375,261
Discount	$5,453,939	$41,188,189
Marketing and Admission Costs	$587,761	$15,595,926
Net Tuition Revenue	$59,374,435	$49,591,146
Financial FTE:		
First Time Non-Resident	1,171	1,404
First Time Resident	2,345	2,476
International	90	41
Transfer, Relocate, and Other	538	306
Total	4,144	4,227
NTR Per Student	$14,471	$15,422
Marketing and Admission Costs per Student	$142	$3,690
Net Revenue Per Student	$14,329	$11,732

Business Session
Item 4

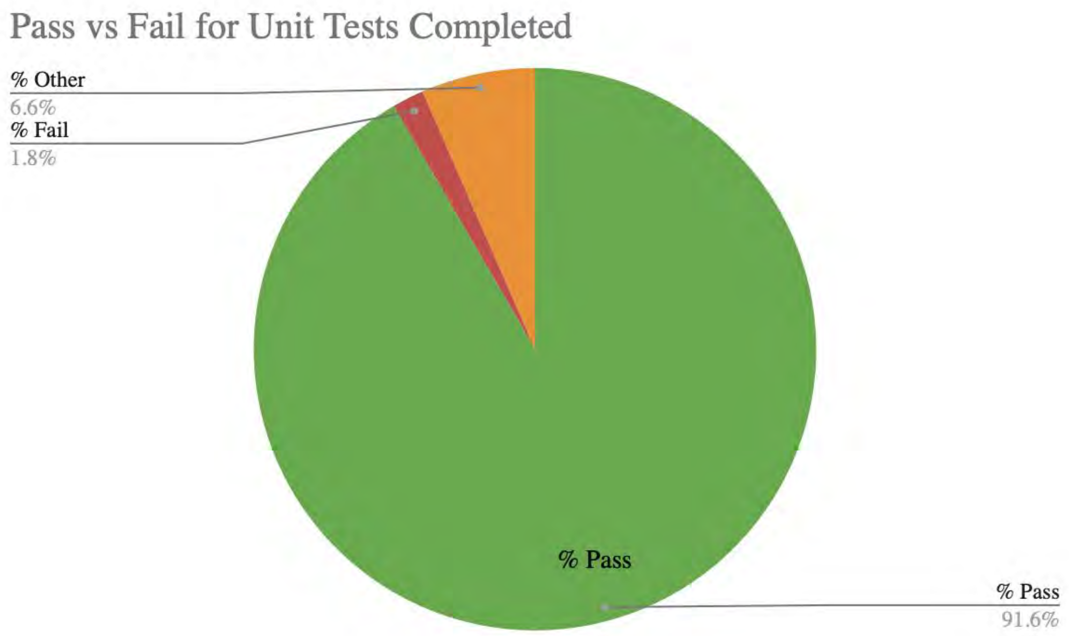
Board of Trustees

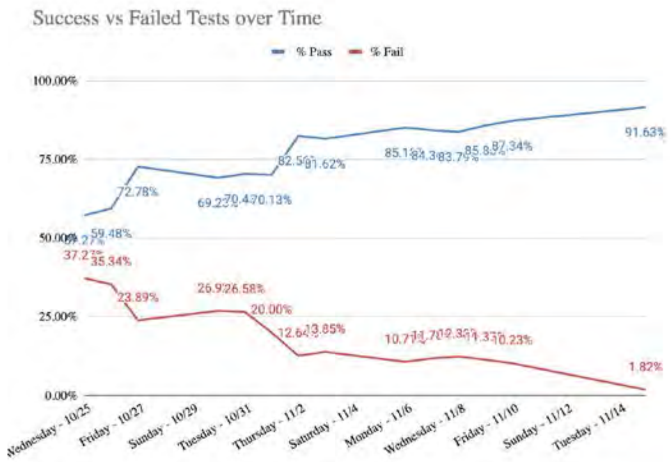
Workday ERP Update
December 2023

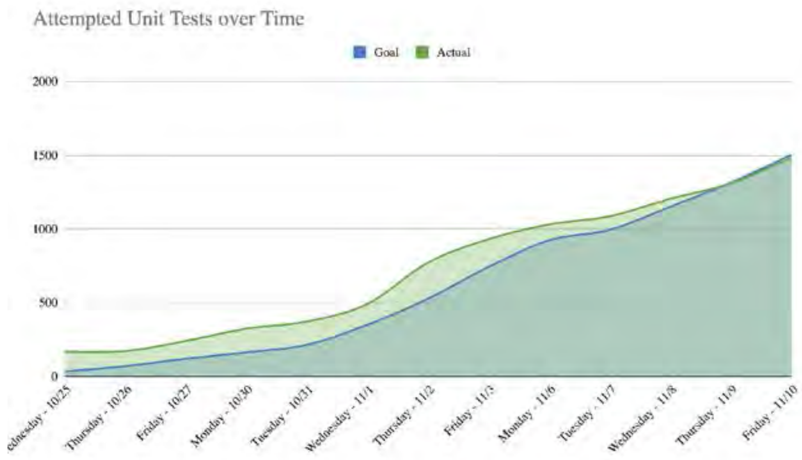
Workday Implementation Timeline



Round 1 Testing Results and Lessons Learned







Success definitions and results

- Success threshold: 70-90% success rate on pass/fail, actual results: 91.6% passed
- Success threshold: 80-90% of tests conducted, actual results: 99% of tests conducted

Oversight: Avoiding pitfalls

- Our overall effort review with Workday resulted in a “green” rating.
- Our tracking of common issues and red flags based on peer institution feedback does not currently indicate the problems that delayed peer institutions’ go-lives.
    - Common issues identified in other deployments included:
        - Lack of capacity
        - Lack of sponsorship
        - Lack of engagement
        - Lack of knowledge of current business practices (e.g. Absence)
        - Loss of critical staff or expertise
- We are continuing to focus on workload management for key resources.

Oversight: Governance, Decisions, Metrics, and Tracking

INTEGRATION METRICS

Ownership	Workset	Not Started	On HOLD	Waiting on Vendor	Discovery	Design	Build	Unit Test	Unit Testing Signed Off	Ready for E2E	E2E Test Complete	Ready for Production	Totals
Avaap	A	0	0	0	0	3	3	9	1	0	0	0	16
Avaap	B	0	0	1	3	0	0	0	0	7	0	0	11
Avaap	C	0	5	0	3	2	0	0	0	0	0	0	10
Avaap	PCR#4	20	4	0	7	3	1	4	0	0	0	0	39
Avaap	PCR#TBDA	2	0	0	5	0	0	0	0	0	0	0	7
Avaap	PCR#TBDB	0	0	0	0	0	0	0	0	0	0	0	0
Avaap	NEW	0	0	0	0	0	0	0	0	0	0	0	0
Avaap	Phase X	7	0	0	0	0	0	0	0	0	0	0	7
Totals		29	9	1	18	8	4	13	1	7	0	0	90
Miami	A	0	0	0	0	0	3	0	0	0	0	0	3
Miami	B	0	1	0	1	0	0	0	0	0	0	0	2
Miami	C	0	0	0	3	0	0	0	0	0	0	0	3
Miami	PCR#4	0	0	8	15	2	8	2	0	2	0	0	37
Miami	PCR#TBDA	0	0	0	0	0	0	0	0	0	0	0	0
Miami	PCR#TBDB	0	0	0	0	0	0	0	0	0	0	0	0
Miami	NEW	0	0	0	0	0	0	0	0	0	0	0	0
Miami	Phase X	3	0	0	0	0	0	0	0	0	0	0	3
Totals		3	1	8	19	2	11	2	0	2	0	0	48
Decision Pending													2
Integration Totals		32	10	9	37	10	15	15	1	9	0	0	140

Decisions, integrations, and other critical work are tracked and made visible using centralized tools across our work teams and governance structure.

METRICS ON DECISIONS

Date	Total Decisions	Open Decisions	Closed Decisions
Current Metrics	187	48	139
Last Week Metrics	181	67	114

Open Decisions

Priority	Count	Past Due	Due in Next 2 Weeks	Due Beyond 2 Weeks
High	2	0	2	0
Med	8	0	5	3
Low	38	14	12	12

Link to High/Med Priority Past Due Decisions

Oversight: Financials – On time, On budget

- Overall: we are on time, and on budget.
  - Using unspent budget money, contingency funds, and un-spent staff augmentation funds to address scope increases where appropriate.
- Peer institutions have seen delays and/or cost overruns earlier than this in their deployments.

Remaining Tasks and What's Next

Workday Platform → End to End Testing → Go/No-Go → Deployment → Go Live!

Workday Student → Student Effort

- End to end (E2E) testing through May 10, 2024
- Go/No-Go decision point on April 19th, 2024
- Deployment May-June 2024
- Platform (HR, Finance) go live, July 1st, 2024

- Student phased go live, Fall 2025-Fall 2026

Visit: https://miamioh.edu/workday-info/ for more details on status, the team, timeline, and other materials.

MIAMI UNIVERSITY
PHYSICAL FACILITIES DEPARTMENT

Cole Service Building
Oxford, Ohio 45056-3609
(513) 529-7000
(513) 529-1732 Fax
www.pfd.muohio.edu

Status of Capital Projects Executive Summary
December 15, 2023

1. Projects completed:

Six major projects were completed since the last report. Ogden Residence Hall and Bell Tower Place renovation has finally been completed. Bell Tower dining venue was successfully opened at the start of the fall semester in August. The adjacent Starbucks venue was completed and opened at the end of September. The renovated residence hall is now complete, but is not expected to be occupied until the summer of 2024. Two roof replacements were completed. One section of roof at the Farmer School of Business and the roof of Gardner-Harvey Library on the Middletown campus were replaced since the last report. The Central Campus Hot Water Conversion has been completed as part of Miami's strategy to move away from inefficient and carbon-intensive steam. Finally, Tappan Hall received ventilation improvements providing similar benefits our students now experience in new construction or fully renovated residence halls. The projects were completed on time (with the exception of Ogden) and within budget and is expected to return more than 3% percent of the project's revenues. Twelve projects under $500,000 were completed since the last report.

2. Projects added:

Two major projects and twelve projects under $500,000 were added since the last report. The Benton Hall First Year Experience Classroom Renovation will construct a new project-based instructional space in a prominent location intended to showcase the dynamic engineering coursework to prospective and current students. The Richard and Carole Cocks Art Museum Renovation/Expansion is currently a donor-funded concept plan that is exploring options to address operational issues within the museum.

3. Projects in progress:

The Bachelor Hall Renovation is now considered underway since the project is supporting the enabling spaces in Harris, Laws and Upham Halls. The work in Harris Hall is nearing completion and the work in both Upham and Laws will commence after the first of the new year. The work in Bachelor has been bid and awarded. The Richard M. McVey Data Science Building is now substantially complete. The occupants of the building will begin relocating into the space over the winter term and the building will be fully operational for the start of the spring semester. The King Library Room 112 Renovation is repurposing an underutilized space into a dynamic and flexible learning commons. Also at King Library, a large window replacement project has now begun. The windows are currently being manufactured, with the replacement of over 200 units planned for the summer of 2024. Finally, the South Chiller Plant Free Cooling Improvement 2021 project is essentially complete and is operational. The project improves the efficiency of operation, but is supporting the year-round cooling needs in the south area of campus since the opening of the Clinical Health Sciences and Wellness facility.

Respectfully submitted,

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

Miami University
Physical Facilities Department
Status of Capital Projects Report

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Miami University
Physical Facilities Department
Status of Capital Projects Report

	Number of Projects		Value
Under Construction	**5**		**$133,080,000**
In Design	**1**		**$55,000,000**
In Planning	**4**		**$6,775,000**
Projects Under $500,000	**55**		**$9,183,892**
	64		
		Total	**$204,038,892**

New Projects Over $500,000

Benton Hall – First Year Experience Classroom Renovation	**Page 11, Item 1**
Richard and Carole Cocks Art Museum – Renovation/ Expansion	**Page 12, Item 4**

Projects Completed Since Last Report

Central Campus Hot Water Conversion	**$20,500,000**
Farmer School of Business Atrium Roof Replacement 2023	**$712,500**
Laws Hall – Graduate and Undergraduate Dean Offices	**$780,000**
Middletown Campus – Gardner-Harvey Library – Roof Replacement 2023	**$1,584,500**
Ogden Residence Hall / Bell Tower Place Dining Renovation	**$37,561,718**
Tappan Hall Ventilation Improvements 2023	**$3,100,000**
Total	**$64,238,718**

Miami University
Physical Facilities Department
Status of Capital Projects Report

UNDER CONSTRUCTION

(Under Contract)
Projects Requiring Board of Trustees Approval

1. Bachelor Hall Renovation: (BOT Jun '22) (BOT Mar '23) **(Previous Report – In Design)**
Porchowsky
This project will provide for the renovation of Bachelor Hall. Built in 1979, this general academic building contains over 180 offices and 22 classrooms. The facility has not had a major renovation since its opening. Bachelor Hall currently houses the departments of Mathematics, Speech Pathology and Audiology, and English, as well as the Humanities Center and the American Cultures and English (ACE) program for international students. Speech Pathology and Audiology will be moving out of the building. This project will identify new occupants for the building through a comprehensive look at the humanities programs and alignment of departments within the College of Arts & Sciences across the campus. The project will renovate the entire 112,418 GSF facility with new mechanical systems and upgraded fire suppression, electrical and plumbing systems. The project will explore covering the existing open courtyard to increase building efficiency and create much needed collaboration and updated instructional spaces.

Construction activities within Bachelor Hall are scheduled to begin the summer of 2024 and complete August 2026. The first of two state capital appropriations have been approved for $22,311,930. The second state capital appropriation was submitted in the fall of 2023.

Construction services for this project have been procured through two GMPs and subcontracts have been executed. Work has begun in Harris Hall, the first of two enabling projects, and will complete by January 2024. The second enabling project will commence in Laws and Upham Halls in spaces vacated by programs moving to the McVey Data Science Building. This work will begin in February and complete in May 2024. The renovation of Bachelor Hall will begin in June 2024 and complete in June 2026.

Delivery Method: Design-Build

Project Cost	
Design and Administration	$7,227,332
Cost of Work	$56,459,873
Contingency	$4,262,795
Owner Costs	$4,250,000
Total	$72,200,000

Funding Source	
Local	$27,576,140
State	$44,623,860
Total	$72,200,000

Contingency Balance: $4,262,795
Construction Complete: 1%
Project Completion: June 2026

Miami University
Physical Facilities Department
Status of Capital Projects Report

2. Richard M. McVey Data Science Building: (BOT Sep '21)
Porchowsky
This project is performing programming related to innovation, multidisciplinary project-based work, and instilling a sense of leadership and entrepreneurship in our students. A Programming Committee with representation from areas of STEM, data science, entrepreneurship, Interactive Media, and design thinking was convened in January 2019. The University hired a Criteria AE firm to develop the program of requirements, assist in potential site selection, and provide conceptual and schematic design services.

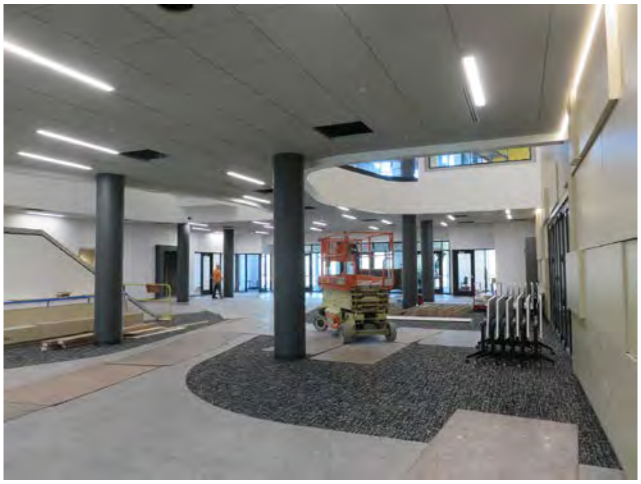
As a national leader in education for the digital arts, statistical analytics and technological research, and to further research and discoveries in these disciplines, the committee has envisioned a new building to house a collection of departments that will promote cross-disciplinary research while creating a venue for instruction, innovation and collaborations with industry partners.

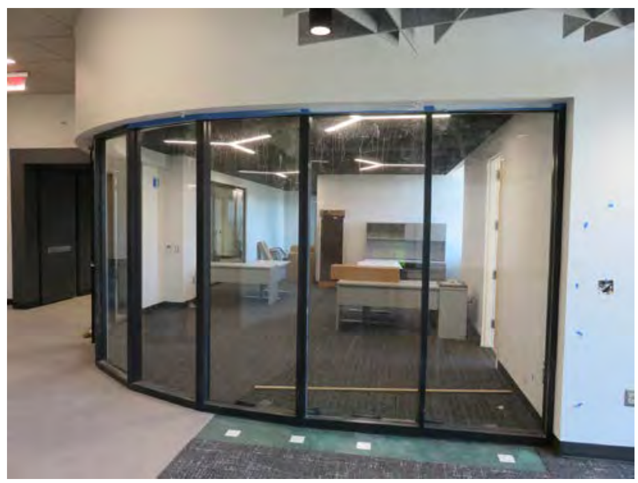
The McVey Data Science Building is designed as an 89,000 GSF building and will include faculty and student project spaces, consulting spaces, classrooms, and computer labs. There are also certain unique spaces within the building such as the Cyber Security Lab, the Robotics/Maker Lab, the XR Stage, the UX Focus Group Room, and the VR Track Space.

The project is now substantially complete and contractors are working to complete punch-list items. The installation of furniture is wrapping up and owner-provided items are being installed. Building occupants will begin to be relocated after the first of the year and the space will be fully operational for Spring Semester 2024. **This will be the last report.**

Miami University
Physical Facilities Department
Status of Capital Projects Report

Richard M. McVey Data Science Building (continued):





Delivery Method: Design-Build

Project Cost	
Design and Administration	$5,536,416
Cost of Work	$46,806,125
Contingency	$3,607,459
Owner Costs	$2,050,000
Total	$58,000,000

Funding Source	
2020A Bond	$30,000,000
Gift	$20,000,000
Local	$8,000,000
Total	$58,000,000

Contingency Balance: $2,907,459
Construction Complete: 100%
Project Completion: January 2024

Miami University
Physical Facilities Department
Status of Capital Projects Report

UNDER CONSTRUCTION

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

1. King Library Room 112 Renovation: (Previous Report – In Design)
Heflin
This project includes the renovation of Room 112 and 112A at Level 1 of King Library, resulting in approximately 2,650 square feet of renovation area. Room 112 currently operates as a computer lab and Room 112A is currently used as storage for the adjacent spaces. The proposed design includes three new enclosed spaces, along with an extension of the open learning commons space to the adjacent corridor.

Designed for flexibility, the new 24-seat classroom and conference room will be managed by the library and will be used by both students and faculty. The new breakout space will provide a new typology of meeting space for the library, consisting of casual furniture that will allow for informal meetings and presentations. The remainder of the space will serve as an extension of the Level 1 Learning Commons and will be open to the adjacent corridor, allowing for increased light and views. Loose furnishing will also provide new seating and study areas for students. The look and feel of the space will be a departure from the existing library finishes and will take cues developed in the 2022 King Library Master Plan.

Contract was awarded in September 2023. Demolition and construction was completed in October with a substantial completion date in January 2024. **This will be the last report.**

Delivery Method: Single Prime Contracting

Project Cost	
Design and Administration	$64,500
Cost of Work	$670,000
Contingency	$45,500
Owner Costs	$100,000
Total	$880,000

Funding Source	
Local	$880,000
Total	$880,000

Contingency Balance: $45,000
Construction Complete: 55%
Project Completion: January 2024

Miami University
Physical Facilities Department
Status of Capital Projects Report

2. King Library Window Replacement:

Heflin

This project has been postponed until the summer of 2024 due to supply chain issues. This project will address the removal and replacement of 210 windows at King Library. The four-story building was built in two phases, with the southern half of the building constructed in 1965, and the northern half in 1973. Throughout the nearly 60-year life of the building, there have been several renovations; however, the windows are original to the building. The windows are neo-Georgian, operable, double-hung, wood windows. The wood is painted and glazing is single pane, non-coated float glass windows. There are four unique window types or sizes.

Window manufacturing began in October 2023 and will be complete in December 2023. Construction will begin in May 2024 and is targeted for completion by mid-August 2024.

Delivery Method: Single Prime Contractor

Project Cost	
Design and Administration	$58,400
Cost of Work	$940,000
Contingency	$70,000
Owner Costs	$31,600
Total	$1,100,000

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

Contingency Balance: $70,000
Construction Complete: 0%
Project Completion: August 2024

3. SCP Free Cooling Improvement 2021:

Van Winkle

This project will add a ‘free cooling’ system to the South Chiller Plant (SCP) to provide winter time cooling capacity for the buildings that require year-round cooling from the SCP. The free cooling system will consist of a water-to-water heat exchanger between the existing chilled water plant loop and an exterior glycol loop that will be sized to accommodate the plant’s cooing load when the Outdoor Air Temperature drops below 28º F, and the chillers are no longer able to run. The project will increase the efficiency and capacity of the chilled water system when the Outdoor Air Temperature drops below freezing. This is increasingly important as the new Clinical Health Sciences building will have a cooling load all year long due to the nature of some of the spaces and equipment planned to be in the building.

The delivery of the dry cooler was delayed due to supply chain issues, but has now arrived and is installed. The new dry coolers are currently undergoing start-up activities to ensure they are functioning for the upcoming winter. During the retro-commissioning, some issues were discovered adding additional scope to the project.

Miami University
Physical Facilities Department
Status of Capital Projects Report

SCP Free Cooling Improvement 2021 (continued):

Delivery Method: Design-Build

Project Cost	
Design and Administration	$75,000
Cost of Work	$760,500
Contingency	$55,000
Owner Costs	$9,500
Total	$900,000

Funding Source	
Local	$900,000
Total	$900,000

Contingency Balance: $5,000
Construction Complete: 90%
Project Completion: January 2024
(revised since last report: November 2023)

Miami University
Physical Facilities Department
Status of Capital Projects Report

IN DESIGN

(Pre-Contract)

1. **North Chiller Plant (NCP) Geothermal Conversion 2025:** (BOT Mar '23)
Van Winkle
This project will install 520 geothermal wells 850 feet deep in the lawn south of Millett Hall, replace two old chillers in the North Chiller Plant (NCP) with heat pump chillers, and convert Millett Hall and the Student Athlete Development Center from steam heat to low temperature heating hot water. When completed, the NCP will operate in a simultaneous heating and cooling mode and use the geothermal wellfield as a heat source or heat sink to meet the demands of the north campus.

The engineering design team and the Construction Manager at Risk (CMR) are under contract.

The project is currently in design, with Construction Document level documents being delivered in November. Pricing from contractors is expected in early December. GMP negotiation is anticipated in January 2024.

Delivery Method: Construction Manager at Risk

Proposed Budget: $55,000,000
Desired Start: May 2024
Desired Completion: TBD

Funding Source	
Local	$55,000,000
Total	$55,000,000

Miami University
Physical Facilities Department
Status of Capital Projects Report

IN PLANNING

(Pre-A&E)

1. **Benton Hall – First Year Experience Classroom Renovation:** **(New Project This Report)**
Heflin
This renovation project is designed to provide project-based instruction and be prominently located within Benton Hall to demonstrate the dynamic engineering coursework that takes place in the college.

The renovation will occur in limited spaces on the first and second floor with a total square footage affected of 10,583 square feet. The work will include selective demolition of interior walls, reconfiguration of space, casework, new finishes and rearrangement of existing building systems including: mechanical, electrical, plumbing, fire alarm, fire suppression, and data cabling. The remainder of the building will remain occupied during the duration of the work.

Delivery Method: Single Prime Contractor

Proposed Budget: $1,575,000
Desired Start: May 2024
Desired Completion: August 2024

Funding Source	
Local	$1,575,000
Total	$1,575,000

2. **Goggin Ice Center – Refrigeration System Replacement:**
Van Winkle
This project will replace the existing Freon-based system that refrigerates both ice pads. The existing system is nearing the end of its useful life and has had multiple leaks. These leaks cause a significant safety risk and are very costly. The existing refrigerant in the system is no longer an accepted substance for new systems. The project will explore options for alternative refrigeration methods. The system will be designed to separate production of ice for each pad for more flexibility.

The project is currently moving forward as a study/program verification activity. The design engineer will be looking at our system to provide us with a variety of options to move forward to a refrigerant system that will be comply with EPA regulations and meet the University's utilization and energy efficiency goals. This study will include anticipated costs, and impacts of construction for a future project, in order to develop a budget and plan for the upcoming refrigerant replacement project.

Delivery Method: Construction Manager at Risk

Proposed Budget: $3,000,000
Desired Start: TBD
Desired Completion: TBD

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

Miami University
Physical Facilities Department
Status of Capital Projects Report

3. **<u>McGuffey Hall – Roof Replacement:</u>**
Heflin
This project will replace the clay tile roof on McGuffey Hall. An architectural firm will perform a full audit of the roof to determine any additional work necessary to repair dormers, cupolas, or knee walls.

The A/E firm is beginning design with documents complete in January 2024. Bidding will follow. This work is scheduled to begin during the summer of 2024.

Delivery Method: Single Prime Contractor

Proposed Budget: $2,000,000
Desired Start: May 2024
Desired Completion: August 2025

Funding Source	
Local	$2,200,000
Total	$2,200,000

4. **<u>Richard and Carole Cocks Art Museum – Renovation/Expansion:</u> (New Project This Report)**
Heflin
This project is exploring the possibility of an addition to the Art Museum to handle the overcrowded stored collection, and renovation of existing collections space for additional instructional space and more efficient staff space. The renovation would also address several deferred maintenance issues with the building, as well as increase accessibility.

Miami has engaged the original architect as a consultant to propose a concept plan. Once complete, the concept plan will be estimated through a construction manager for feasibility and phasing advice. The consultant services are being paid for through the Cocks Family gift, which is also available to be applied toward any construction.

Delivery Method: Construction Manager at Risk

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

Funding Source	
Local	TBD
Total	TBD

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COMPLETED PROJECTS

1. Central Campus Hot Water Conversion: (BOT Dec '21)
Van Winkle
As part of the Campus Utility Master Plan, the Central Campus Hot Water Conversion Project converted a large portion of the central quadrangle of campus from steam to hot water. The project also created redundant connections to the existing distribution piping from the South Chiller Plant.

Delivery Method: Construction Manager at Risk

Project Revenue	
Design and Administration	$1,300,000
Cost of Work	$18,500,000
Contingency	$650,000
Owner Costs	$50,000
Total	$20,500,000

Project Expense	
Design and Administration	$1,295,000
Cost of Work	$18,200,000
Contingency	$55,000
Owner Costs	$50,000
Total	$19,600,000

Estimated Contingency Balance Returned: $595,000
Est. Contingency Balance Returned, Percent of Total: 92%
Est. Bid Savings / VE Returned: $305,000
Estimated Final Total: $900,000

2. Farmer School of Business Atrium Roof Replacement 2023:
Burwinkel
This project replaced the existing EPDM flat roof system at Farmer School of Business in the atrium section of the building. It addressed not only the roof, but also the slope of the roof and replacement of all roof drains. This project was successfully completed in August of this year.

Delivery Method: Single Prime Contractor

Project Revenue	
Design and Administration	$36,300
Cost of Work	$610,350
Contingency	$61,588
Owner Costs	$4,262
Total	$712,500

Project Expense	
Design and Administration	$36,300
Cost of Work	$610,350
Contingency	$45,588
Owner Costs	$4,262
Total	$696,500

Estimated Contingency Balance Returned: $16,000
Est. Contingency Balance Returned, Percent of Total: 26%
Est. Bid Savings / VE Returned: $0
Estimated Final Total: $16,000

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3. Laws Hall – Graduate and Undergraduate Dean Offices:

Burwinkel

In anticipation of dynamic changes as prompted by Miami RISE, the Graduate School offices located in Roudebush Hall were relocated to Laws Hall, where these offices will serve students directly. Laws Hall, an academic and administrative building in the heart of the campus, is more accessible and inviting to students. Space in the former BEST Library was converted to office suites with a few private offices, work spaces, and shared resources comprising approximately 3,000 net assignable square feet. This project was successfully completed in August of this year.

Delivery Method: Single Prime Contractor

Project Revenue	
Design and Administration	$69,017
Cost of Work	$476,142
Contingency	$161,816
Owner Costs	$73,025
Total	$780,000

Project Expense	
Design and Administration	$69,017
Cost of Work	$476,142
Contingency	$31,816
Owner Costs	$73,025
Total	$650,000

Estimated Contingency Balance Returned: $130,000
Est. Contingency Balance Returned, Percent of Total: 80%
Est. Bid Savings / VE Returned: $0
Estimated Final Total: $130,000

4. Middletown Campus – Gardner-Harvey Library – Roof Replacement 2023:

Burwinkel

This project replaced the existing roof system at Gardner-Harvey Library on the Middletown Campus. It addressed not only the roof, but also the slope of the roof, condition of the existing roof drains, and metal coping around the perimeter of the structure.

Delivery Method: Single Prime Contractor

Project Revenue	
Design and Administration	$57,495
Cost of Work	$1,425,000
Contingency	$85,080
Owner Costs	$16,925
Total	$1,584,500

Project Expense	
Design and Administration	$57,495
Cost of Work	$1,435,000
Contingency	$25,080
Owner Costs	$16,925
Total	$1,534,500

Estimated Contingency Balance Returned: $60,000
Est. Contingency Balance Returned, Percent of Total: 70%
Est. Bid Savings / VE Returned: $0
Estimated Final Total: $60,000

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5. Ogden Residence Hall / Bell Tower Place Dining Renovation:

Morris

This project was a renovation of Ogden Residence Hall and Bell Tower Place Dining Hall, both within the same building. Ogden Hall received an upgrade in the mechanical systems, fire suppression, energy efficiency, finishes, interior renovations and accessibility.

Bell Tower Place, the dining facility on the lower level of Ogden Hall, has been fully renovated and is now functioning as a "ghost kitchen," a virtual restaurant that serves customers by delivery and pick up based on online ordering. Interior seating for over 160 persons is available, plus outside seating for another 50.

A pick-up order Starbucks facility occupies one of the four wings on the lower level.

Delivery Method: Design-Build

Project Revenue	
Design and Administration	$3,855,228
Cost of Work	$28,475,746
Contingency	$3,339,594
Owner Costs	$1,891,150
Total	$37,561,718

Project Expense	
Design and Administration	$3,817,655
Cost of Work	$28,880,742
Contingency	$3,200,718
Owner Costs	$1,445,702
Total	$37,344,817

Estimated Contingency Balance Returned: $138,876
Est. Contingency Balance Returned, Percent of Total: 4%
Est. Bid Savings / VE Returned: $78,025
Estimated Final Total: $216,901

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6. **Tappan Hall Ventilation Improvements 2023:**
Rein
This project improved the ventilation in Tappan Hall residence rooms by supplying conditioned fresh air to those rooms. Two Dedicated Outdoor Air Systems (DOAS) were installed in the attic. The DOAS units minimize energy cost associated with conditioning the outside air by using energy recovery wheels. These wheels capture energy in the building exhaust and exchange this energy with the incoming outside air.

The work was completed prior to the students moving in to the building at the start of the fall semester.

Delivery Method: Single Prime Contractor

Project Revenue	
Design and Administration	$155,000
Cost of Work	$2,244,000
Contingency	$289,000
Owner Costs	$412,000
Total	$3,100,000

Project Expense	
Design and Administration	$157,000
Cost of Work	$2,300,000
Contingency	$151,460
Owner Costs	$204,005
Total	$2,812,465

Estimated Contingency Balance Returned: $137,540
Est. Contingency Balance Returned, Percent of Total: 48%
Est. Bid Savings / VE Returned: $149,995
Estimated Final Total: $287,535

Miami University
Physical Facilities Department
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Projects Between $50,000 and $500,000

Project		Budget
Airport Master Planning 2022		$400,000
Airport Pavement Project 2022		$302,000
Airport Pavement Project 2023		$158,000
Alumni Hall Additional Fire Suppression Upgrades 2023		$200,000
Armstrong Student Center – 1000 Replacement Carpet	ON HOLD	$100,000
Armstrong Student Center – Wayfinding		$200,000
Art Building – Emergency Generator Replacement 2020		$111,645
Beta Bell Tower Structure Repair 2022		$69,600
Billings Hall – Starship Robot Hub 2023		$45,000
Demske Culinary Support Center – Boiler & BAS Upgrade 2020		$100,000
E & G Building – LED Retrofits 2022		$349,435
Engineering Building – Room 275 Testing Equipment Power 2023		$55,000
Emerson Hall – Controls Improvements 2023		$50,000
Equestrian Center – Site Work 2023		$17,000
Ernst Nature Theater Improvements 2023		$200,000
Farmer School of Business – Memorial Parklet		$200,000
Farmer School of Business – Rooms 0042 & 3061 renovation		$335,000
Goggin Ice Center – Replace Lockers, Phase 2, 2023		$136,670
HC – Mosler Hall – Second Floor Refresh		$51,500
Hanna House - Renovation for Diversity 2022		$415,000
Heritage Commons – LED Conversion 2020		$125,000
Hughes Hall – EMR Liebert Unit Replacement		$125,000
Hughes Hall- Exterior Door Replacement 2022		$200,000
Hughes Hall – Lab Air Compressor Replacement 2022		$125,000
Hughes Hall – Storm Line Replacement		$70,000
Laws Hall – Room 016-017 Library Work 2023		$55,020
Laws Hall – Room 108 SLAM Lab		$108,000
McKie Field – Baseball Scoreboard Upgrade 2023	ON HOLD	$500,000
Morris Hall – Controls Improvements 2023		$50,000
MUO – Card Access in Non-Renovated Halls 2023		$180,000
MUO – Hood Cleaning 2022-25		$52,000
MUO Painting – Campus Services Exterior 2023		$133,200
MUO Rental Refresh 2022: 15 N. University		$170,000
MUO Rentals Refresh 2022: 163 Shadowy Hills		$52,000
MUO Rentals Refresh 2022: 305 Patterson		$76,000
MU Regionals – Early College Academy 2023		$100,00
North Campus Garage Improvements 2020		$464,500
Old Manse - Aspire, Drainage & Engineering 2022		$400,000
Oxford Area Trails – Phase 3		$303,922
Phillips Hall - 212 Lab Exhaust Upgrade 2021		$150,000
Presser Hall – Misc. Sound Attenuation		$53,000
Psychology Building – Animal Facility Floor Phase 2		$144,400
Psychology Building – Lounge Reupholstery 2023		$380,000

Miami University
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Projects Between $50,000 and $500,000 (continued)

Pulley Tower – Controls	$50,000
Recreational Sports Center – Entry Plazas 2023	$50,000
Recreational Sports Center – Resurface Climbing Wall	$163,000
Regional Book Depository Upgrades 2022	$330,000
Roof Assessments – 2023	$60,000
Shriver Center – Room 007 Fan Coil	$160,000
Soccer Lighting 2023	$435,000
South Refrigerant Plant – Cooling Tower Fill Replacement 2023	$100,000
Steam Plant – Fire Alarm Upgrade 2023	$90,000
University Stables – East Pasture Fence Rehab 2023	$88,000
Utility – Thermal Energy Storage Tank Filtration 2022	$190,000
Varsity Tennis Resurfacing 2023	$55,000

*Bold denotes newly added projects

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

Project	Original Budget	Returned Funds
Advancement Services Building – New Carpet	$100,000	$1,485
Armstrong Student Center – 2015 Seal Offices 2023	$63,175	$2,590
Armstrong Student Center – 3065 Pavilion Carpeting	$61,000	$3,904
Armstrong Student Center – Electric Gear Replacement 2022	$106,000	$21,058
Boyd Hall – Fire Alarm Upgrade 2020	$115,000	$3,565
MUO Painting - Campus Services Interiors	$150,000	($80,591)
MUO Painting – E&G Exterior 2023	$294,150	$216,790
MUO Rental Refresh 2022: 220 E. High Street	$154,000	$12,104
MUO Service Dog Park	$61,439	$42
Recreational Sports Center – Turnstiles 2022	$125,000	$860
Shriver Center – Starbucks-Bookstore Door	$60,000	$28,095
Yager – Cradle of Coaches Statute 2023	$160,000	$42,431

Miami University
Physical Facilities Department
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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

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 Improvements Plan proposes renovation of Bachelor Hall in the first biennium and renovation of Center for Performing Arts in the Second and Third Biennia; and

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

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees hereby authorizes the 2025-2030 Capital Improvements Plan and 2025-2026 funding request; and

BE IT FURTHER RESOLVED: that the Senior Vice President for Finance and Business Services and Treasurer is hereby authorized to amend the 2025-2030 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 2025 - FY 2030

Oxford Campus	
	Project Amount
FY 2025 - FY 2026	
Bachelor Hall Renovation	$25,000,000
FY 2027 - FY 2028	
Center for Performing Arts Renovation	$25,000,000
FY 2029 - FY 2030	
Center for Performing Arts Renovation	$25,000,000

RESOLUTION R2023-xx

WHEREAS, Miami University's partnership with the Butler County Regional Transit Authority (BCRTA) is to provide transportation services supporting the Oxford, Middletown, Hamilton and Voice of America campuses and is now in its eleventh year; and

WHEREAS; Miami, BCRTA and the City of Oxford have collaborated on long-term planning for the development of a Multimodal Transportation Hub in close proximity to Miami's campus in Oxford, Ohio, which serves Miami students, faculty, and staff; and

WHEREAS; a site for the new facility has been identified on Miami University property at 97 W Chestnut Street known as Chestnut Fields, which until recently has been occupied by the Talawanda School District's transportation services department; and

WHEREAS; the BCRTA is seeking to enter into a long-term lease on a portion of the Chestnut Fields property to construct a new Multimodal Transportation Hub facility of approximately 55,000 GSF, a fueling station, and bus wash facility; and

WHEREAS; Miami University will benefit from the enhanced operational efficiency, improved care and maintenance of the bus assets and shared use of the facility; and

WHEREAS; the BCRTA has acquired funding from the Federal Transit Administration, Ohio Department of Transportation, other Ohio Public Transit funds and modest local funding to fulfill a project budget of approximately $24 million with Miami University providing $1.6 million towards the project as was committed to BCRTA in 2015; and

NOW, THEREFORE, BE IT RESOLVED; that the Board of Trustees authorizes the Senior Vice President for Finance and Business Services and Treasurer, to proceed in executing a lease agreement and other related instruments and documentation necessary to bring the BCRTA Multimodal Transportation Hub to completion; and to take any further action as reasonably necessary to effectuate the completion of the Multimodal Transportation Hub.

Executive Summary
for the
BCRTA Lease
December 15, 2023

Miami University and the Butler County Regional Transit Authority (BCRTA) have collaborated to provide local and regional transit services since 2013. A recent contract extension was executed to continue this collaboration through 2033. Since BCRTA maintains a public mass transportation system in Butler County and Miami provides independent transit services for university faculty, staff and students in several locations across the same county, the collaboration adds value for both parties. Miami and BCRTA have endeavored to create a multimodal transit hub to the Oxford and University communities through cooperative education, grant-seeking and relationship building. BCRTA has raised more than $22,500,000 toward this project and Miami has committed $1,600,000 in local funding along with a 40-year property lease on which the Multimodal Transit Hub will be constructed and operated.

The proposed location for the land lease on which the Multimodal Transit Hub is to be constructed is located at 97W Chestnut Street. Miami University purchased the 27-acre site from the Talawanda School District in 2014. The high school facility was razed, but the purchase agreement allowed the school district to continue using approximately 7-acres of land with the existing bus maintenance, dispatch, storage facility and a fueling station. These facilities were vacated by the Talawanda School District during the summer of 2023. It is this portion of the property that is intended to be leased to BCRTA for the construction of the new facility.

In addition to strengthening the transportation options in and around Oxford, the new facility will act as a ticketing agent for the proposed Amtrak platform which is adjacent to this site. The lease agreement will provide bus and equipment wash services and upgraded fueling stations for Miami University fleet vehicles and equipment.

<u>LICENSE AGREEMENT</u>

THIS LICENSE AGREEMENT (this "**Agreement**"), made as of this ____ day of _______________, 20___ (the "**Effective Date**"), by and between **Miami University**, a public institution of higher education established and existing under the laws of the State of Ohio having a principal place of business at 501 E. High Street, Oxford, Butler County, Ohio 45056 ("**Miami**"), and **Butler County Regional Transit Authority**, an Ohio regional transit authority having a principal place of business at 3045 Moser Court, Hamilton, Butler County, Ohio 45011, as Lessee ("**<u>BCRTA</u>**"),

<u>W I T N E S S E T H</u>:

WHEREAS, Miami is the owner of certain parcels of land situated in Butler County, Oxford, Ohio, identified in the Butler County Auditor's Office (the "**Auditor's Office**") as Tax Parcel Number H4000115000004 and H4000115000007 (the "**Miami Parcels**") as more particularly described on <u>Exhibit "A"</u> attached hereto and made a part hereof;

WHEREAS, Miami, in conjunction with, by, and through BCRTA desires to bolster the public transit infrastructure and amenities in Butler County, Ohio, by permitting the BCRTA to construct a multimodal transportation facility upon the Facility Parcel in order to support regional job-seekers and education-seekers, transit-dependent families, local residents and visitors, which BCRTA intends to call the Chestnut Street Shared Services Facility and Multimodal Station (the "**Multimodal Facility**");

WHEREAS, Miami and BCRTA intend to execute a ground lease agreement (the "**Ground Lease**") whereby BCRTA will lease the Facility Parcel from Miami upon the terms and conditions set forth in the Ground Lease for an initial lease term of forty (40) years (the "**Lease Term**");

WHEREAS, as a condition of the Ground Lease, BCRTA will construct the Multimodal Facility;

WHEREAS, to facilitate the construction and operation of the Multimodal Facility, Miami desires to permit BCRTA access over portions of the Miami Parcels on and subject to the terms of this Agreement.

NOW THEREFORE, in consideration of the covenants set forth herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, intending to be legally bound hereby, Miami and BCRTA hereby agree as follows:

1. Incorporation. The Recitals set forth above and the Exhibits attached hereto are incorporated herein by reference as though fully set forth herein.

2. Definitions. In addition to the terms defined in the foregoing recitals and elsewhere in this Agreement, the following terms shall have the following meanings:

"**Licenses**" shall mean, collectively, the Access License and the Construction License.

"**License Areas**" shall mean the Access License Area and the Construction License Area.

"**Owner**" shall mean the then record holder of fee simple title to any portion of the Miami Parcels.

"**Parcel**" shall mean the Miami Parcels or the Facility Parcel, as the case may be.

"**Facility Parcel**" shall mean that certain parcel of real property located in Butler County, Ohio which is owned in fee simple by Miami and more commonly known as Tax Parcel Number H4000115000004.

"**Party**" shall mean either Miami or BCRTA and their respective successors and assigns; the "**Parties**" shall mean Miami and BCRTA as their interests may appear.

"**Permittees**" shall mean the respective employees, agents, contractors, customers, tenants, subtenants, invitees and licensees of Miami and BCRTA, as applicable.

3. Access License.

(a) Pursuant to the terms and conditions set forth herein, Miami, as Owner of the Miami Parcel, hereby declares, establishes, creates and grants in favor of the BCRTA a temporary non-exclusive license and right-of-way (the "**Access License**"), subject to all matters of record, for the benefit of the BCRTA over and across the Access License Area (as hereinafter defined) for vehicular and pedestrian (but not for parking purposes) ingress and egress to and from the Miami Parcels to Chestnut Street. The Access License shall be for the non-exclusive benefit of the BCRTA, and its Permittees. As between Miami and BCRTA, BCRTA shall maintain, or cause to be maintained, the Access License Area in accordance with all laws and in good and safe condition. The Access License shall run with the leasehold estate granted by Miami to BCRTA pursuant to the Ground Lease and inure to the benefit of any successor tenant, subtenant, assignee, or other transferee of BCRTA's interest under said Ground Lease which has been approved by Miami in writing (such approval not to be unreasonably withheld, conditioned, or delayed) for the construction, operation, use, and maintenance of the Multimodal Facility.

(b) The "**Access License Area**" as used in this Agreement shall mean those portions of the Miami Parcel that are intended to be used from time to time for a driveway, driving area or access area for the passage and accommodation of pedestrians and vehicles, but not for parking purposes and that are reasonably necessary to access the Miami Parcels to and from

Chestnut Street over and across that those areas located on the Miami Parcels and depicted on Exhibit "B" attached hereto and made a part hereof.

(c) To the extent within Miami's power and control, Miami shall not cause or permit any unreasonable disruption, obstruction or damage at, in, or on the Miami Parcel, nor shall Miami cause or permit any loitering, nuisance or debris to accumulate at or on the Miami Parcel, including, without limitation, in or on the Access License Area. Notwithstanding anything set forth herein to the contrary, BCRTA may install fencing and gates in, on, and/or around the Access License Area in order to control access to the Access License Area consistent with the use of the Miami Parcel as a multimodal transportation facility. If requested by Miami, BCRTA shall promptly remove all fencing and gates installed by BCRTA upon the expiration or earlier termination of the Lease Term. Miami will use commercially reasonable efforts to provide written notice of such request to BCRTA twelve (12) months prior to the end of the term described in Section 11(a) hereafter, provided that Miami's failure to provide such advance notice shall not relieve BCRTA from its obligations under this Section 3(c). If Miami fails to provide BCRTA with twelve (12) months prior notice, then BCRTA's time for performance hereunder shall be deemed extended so that BCRTA has up to twelve (12) months to remove the fences and gates.

4. Construction License.

(a) Pursuant to the terms and conditions set forth herein, Miami, as the Owner of the Miami Parcel, hereby declares, establishes, creates and grants in favor of BCRTA, as the tenant holding a leasehold interest, a temporary, exclusive license and right for the benefit of the leasehold premises over and across the Construction License Area (as hereinafter defined) for BCRTA's use to aid in the construction, installation, maintenance, use, repair, replacement and/or removal of transit station facilities on the Miami Parcel (the "**Construction License**"). Miami, as the owner of the servient tenement, and its respective Permittees, shall use the Construction License Area for purposes in aid of the construction on the Miami Parcel of a transit station facility only in accordance with this Agreement and for no other purpose.

(b) The "**Construction License Area**" shall mean that area located on the Miami Parcel as depicted and filled with diagonal lines on Exhibit "B" attached hereto and made a part hereof.

5. Maintenance of Access License Area and Construction License Area. The expense of maintaining the Access License Area and the Construction License Area shall be allocated between Miami and BCRTA at the time such maintenance is needed based upon their mutual agreement considering the amount of use each party makes of the Access License Area and the Construction License Area. The parties agree to negotiate in good faith to reach agreement as to the division between them of such maintenance expense considering such factors, including but not limited to, (a) the quantity of the license area used by each party, (b) the frequency of use by each party, (c) the nature of the use by each party, (d) the wear and tear on the license area attributable to each party's use, and (e) whether the need for maintenance is attributable to the negligent acts or omissions of a particular party. The maintenance shall be in accordance with all

applicable laws and designed to keep the Access License Area and the Construction License Area in good condition and repair at all times.

6. Restoration of Access License Area and Construction License Area. As soon as practical after substantial completion of the initial construction of the Multimodal Facility, BCRTA shall restore the Access License Area and Construction License Area to the condition the Access License Area and Construction License Area were in immediately prior to the BCRTA's commencement of construction, at BCRTA's sole cost and expense.

7. Right to Modify or Assign. This Agreement may be terminated, extended, modified or amended only by written agreement signed by the Parties and recorded in the Butler County, Ohio, Recorder's Office.

8. Not a Public Dedication. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Miami Parcel to the general public, or for any public use or purpose whatsoever.

9. Negation of Partnership. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in their respective operations, businesses, or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise. Each Party shall be considered a separate owner, and no party shall have the right to act as an agent for another party, unless expressly authorized to do so herein or by separate written instrument signed by the party to be charged.

10. Governing Law. The provisions of this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Ohio.

11. Release of Liability Following Transfer of Title. The transferee in any sale, transfer or other conveyance of the Miami Parcel, or any portion hereof, shall, by its acceptance of an instrument of conveyance, be deemed to have automatically assumed all provisions of this Agreement that Miami, or its successors, was heretofore obligated to perform as respects the Miami Parcel or part thereof so conveyed and agrees, upon request to execute an instrument, in recordable form, which is legally sufficient to evidence such assumption.

12. Term.

(a) With respect to the Access License, the term of this Agreement shall commence upon the Effective Date and, except as otherwise hereinbefore specifically provided and unless mutually terminated by the parties in interest, shall continue until the expiration of the forty (40) year Lease Term of the Ground Lease, and any extensions agreed to in writing by and between Miami and BCRTA. Each Party hereby expressly agrees, on behalf of itself and its successors and assigns, that any provisions of law or equity to the contrary notwithstanding, in the event of any default hereunder which is not cured within any time hereinbefore specified, it shall not terminate this Agreement nor its obligations under this Agreement, nor terminate the rights of the other Party hereto with respect to its Parcel nor withhold the benefits of this Agreement of the other Party by reason of any default by reason of such Party, it being the express understanding of the Parties hereto that this Agreement shall continue in effect throughout its term notwithstanding any default by any Party hereto; provided, however, such limitation shall not affect in any manner any other rights or remedies which a Party may have hereunder by reason of such breach. Notwithstanding the foregoing, if any provision of this Agreement would be unlawful, void or voidable by reason of applicability of the rule against perpetuities, such provisions shall expire twenty-one (21) years after the death of the last survivor of the now-living descendants of Elizabeth II, Queen of England.

(b) With respect to the Construction License, the term of this Agreement shall commence upon the Effective Date and, except as otherwise hereinbefore specifically provided and unless mutually terminated by the parties in interest, shall continue until the acquisition, construction and installation of the Multimodal Facility has been substantially completed and a temporary or final certificate of occupancy has been issued therefor. Each Party hereby expressly agrees, on behalf of itself and its successors and assigns, that any provisions of law or equity to the contrary notwithstanding, in the event of any default hereunder which is not cured within any time hereinbefore specified, it shall not terminate this Agreement nor its obligations under this Agreement, nor terminate the rights of the other Party hereto with respect to its Parcel nor withhold the benefits of this Agreement of the other Party by reason of any default by reason of such Party, it being the express understanding of the Parties hereto that this Agreement shall continue in effect throughout its term notwithstanding any default by any Party hereto; provided, however, such limitation shall not affect in any manner any other rights or remedies which a Party may have hereunder by reason of such breach. Notwithstanding the foregoing, if any provision of this Agreement would be unlawful, void or voidable by reason of applicability of the rule against perpetuities, such provisions shall expire twenty-one (21) years after the death of the last survivor of the now-living descendants of Elizabeth II, Queen of England.

13. Mortgages. This Agreement shall not restrict a Party's right to assign or convey its interest in its Parcel, its leasehold, or in this Agreement to a mortgagee as additional security or collateral security. However, any and all mortgages granted to a mortgagee on any Parcel, leasehold, or this Agreement shall be subordinate and subject to this Agreement and any person foreclosing any such mortgage or acquiring title to the premises affected thereby shall acquire title subject to all of the terms of this Agreement.

14. Miscellaneous. All references in this Agreement to the single number and neuter gender shall be deemed to mean and include the plural number all genders, and vice versa, unless the context shall otherwise require. The headings contained herein are for convenience only and shall not affect the interpretation of this Agreement. This Agreement may be executed in more than one counterpart, each of which shall be deemed an original.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

WITNESS:	MIAMI:
	MIAMI UNIVERSITY, an Ohio public institution of higher education
______________________________	By:______________________________
	Name:______________________________
	Title:______________________________
WITNESS:	BCRTA:
	BUTLER COUNTY REGIONAL TRANSIT AUTHORITY, an Ohio regional transit authority
______________________________	By:______________________________
	Name: ______________________________
	Title: ______________________________

[Signature Page to License Agreement]

STATE OF OHIO)
) SS:
COUNTY OF __________________)

On this, the _______ day of _________, 20___, before me, the undersigned Notary Public, personally appeared the above named ________________________, known to me to be the ___________________ of **MIAMI UNIVERSITY**, an Ohio public institution of higher education, which executed the foregoing instrument, who acknowledged that he/she did sign said instrument for and on behalf of said Miami University, being thereunto duly authorized by said University; that the same is his/her free act and deed and the free act and deed of said Miami University. This is an acknowledgment; no oath was administered in connection with the notarial act.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

____
Notary Public

My Commission Expires:

STATE OF OHIO)
) SS:
COUNTY OF __________________)

On this, the _______ day of _________, 20___, before me, the undersigned Notary Public, personally appeared the above named ________________________, known to me to be the ___________________ of **BUTLER COUNTY REGIONAL TRANSIT AUTHORITY**, an Ohio regional transit authority, which executed the foregoing instrument, who acknowledged that he/she did sign said instrument for and on behalf of said Butler County Regional Transit Authority, being thereunto duly authorized by said Regional Transit Authority; that the same is his/her free act and deed and the free act and deed of said Butler County Regional Transit Authority. This is an acknowledgment; no oath was administered in connection with the notarial act.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

____
Notary Public

My Commission Expires:

EXHIBIT "A"

MIAMI PARCELS

[LEGAL DESCRIPTION TO BE CONFIRMED]

EXHIBIT “B”

DEPICTION OF ACCESS LICENSE AREA AND CONSTRUCTION LICENSE AREA

[LEGAL DESCRIPTION TO BE CONFIRMED]

AND

DEPICTION TO BE ADDED

GROUND LEASE AGREEMENT

This GROUND LEASE AGREEMENT (this "**Agreement**" or this "**Lease**") is made as of the Effective Date (as defined in **Article I** below) by and between MIAMI UNIVERSITY, a public institution of higher education established and existing under the laws of the State of Ohio having a principal place of business at 501 E. High Street, Oxford, Butler County, Ohio 45056, as Lessor (the "**University**"); and BUTLER COUNTY REGIONAL TRANSIT AUTHORITY, an Ohio regional transit authority having a principal place of business at 3045 Moser Court, Hamilton, Butler County, Ohio 45011, as Lessee ("**BCRTA**").

W I T N E S S E T H:

WHEREAS, BCRTA presently maintains and operates a public mass transportation system in Butler County, Ohio;

WHEREAS, convenient and affordable transportation for administrators, faculty, staff and students of the University to, from, and around the University is critical to the educational mission of the University;

WHEREAS, BCRTA desires to bolster the public transit infrastructure and amenities in Butler County, Ohio, by constructing the Project (as defined in **Article I** below), which is designed to support regional job-seekers and education-seekers, transit-dependent families, local residents and visitors;

WHEREAS, the Project's intended site, located at TPN: H4000115000007, H4000115000008 and H4000115000011), is owned in fee simple by the University (the "**Project Site**"), and BCRTA desires to lease a portion of the Project Site for purposes of constructing improvements thereon, including all building fixtures, equipment and such other improvements which collectively, upon completion, shall comprise the Project;

WHEREAS, contemporaneous to entering into this Lease, the BCRTA is actively applying for and securing funding in the form of grants from federal and state authorities and local contributions to provide financing critical to ensure completion of the Project; and

WHEREAS, the BCRTA and the University now seek to enter into this Lease for the entirety of the Premises (as defined in **Article I** below).

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the University and the BCRTA, each intending to be legally bound, agree as follows:

Article I. DEFINITIONS

Section 1.01 Definitions. In addition to the words and terms elsewhere defined in this Lease, the following words and terms as used in this Lease shall have the following meanings unless the context or use indicates another or different meaning or intent.

(a) "**Affiliate**" means any person which is controlled by the BCRTA or its successor agency, which controls the BCRTA or its successor, or which is under common control with the BCRTA or its successor.

(b) "**Authorized BCRTA Representative**" means the individual who signs this Lease for and on behalf of the BCRTA, who is hereby appointed by the BCRTA to serve in such capacity.

(c) "**BCRTA**" means Butler County Regional Transit Authority, lessee hereunder, an Ohio regional transit authority authorized to do business in the State of Ohio and its successors and assigns, including any surviving, resulting or transferee entity as provided in **Section 8.03** hereof.

(d) "**Commencement Date**" means the date of BCRTA's opening for business as a multimodal transportation site to the general public in the Premises. Tenant agrees to complete the Acceptance Letter, attached hereto as **Exhibit D**, signifying the Commencement Date of the Lease and the commencement date of the payment of Rent for the Premises. University and BCRTA acknowledge and agree, in the event of any conflict between this Lease and the Acceptance Letter, such fully executed Acceptance Letter shall control and prevail.

(e) "**Completion Date**" means the date of completion of the acquisition, construction and installation of the Project, as certified in writing by BCRTA to University.

(f) "**Construction Period**" means the period commencing on the date on which the first disbursement of monies are disbursed by the Project Manager in conjunction with construction of the Project, and ending on the Completion Date.

(g) "**Federal Interest**" has the meaning set forth in **Section 8.12** of this Agreement.

(h) "**FTA**" means the Federal Transit Administration.

(i) "**Default Rate**" means the index rate, base rate or reference rate from time to time published as the Wall Street Journal Prime Rate (being the base rate on corporate loans posted by at least 70% of the nation's top 10 banks by assets).

(j) "**Effective Date**" means the date that this Lease is signed by both University and BCRTA.

(k) "**Environmental Contamination**" means the presence of Hazardous Material(s) in concentrations which require remediation under applicable Environmental Laws.

(l) "**Environmental Laws**" means any federal, state or local law, ordinance, regulation or order relating to the protection of or regulation of the environment or public health or safety, including cleanup of Hazardous Materials.

(m) "**Event of Default**" means any of the events described in **Section 10.01** hereof.

(n) "**Granting Authority**" means any governmental or quasi-governmental agency or authority, including but not limited to the FTA, the United States Department of Transportation, its agents, employees and representatives responsible for granting and dissemination of BUILD discretionary grant funds, the State of Ohio Department of Transportation, its agents, employees and representatives for distribution and dissemination of TIGER grant funds, or any other governmental agency or authority, from which funding for the Project has been obtained.

(o) "**Hazardous Materials**" means all chemicals, substances and/or materials listed under or otherwise governed or regulated by any Environmental Laws including, without limitation, hazardous or toxic substances, hazardous wastes or hazardous materials, petroleum products or any constituents thereof.

(p) "**Lease**" and "**Agreement**" means this instrument.

(q) "**Lease Term**" and "**Term**" means the duration of the leasehold interest created by this Lease as specified in **Section 5.01** hereof.

(r) "**Leasehold Interest**" means the interest of the BCRTA in the Premises pursuant hereto, subject to the Permitted Encumbrances.

(s) "**Net Proceeds**", when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorneys' fees) incurred in the collection of such gross proceeds.

(t) "**Permitted Encumbrances**" means, as of any particular time, (i) this Lease and the security interests created herein, (ii) [intentionally omitted], (iii) utility, access or other easements and rights of way, restrictions, reservations, reversions and exceptions in the nature of easements that the BCRTA certifies will not materially interfere with or impair the operations being conducted at the Project, (iv) unfiled and inchoate mechanics' and materialmen's liens for construction work in progress, (v) architects', contractors', subcontractors', mechanics', materialmen's, suppliers', laborers' and vendors' liens or other similar liens not then payable or permitted to exist as provided in **Section 6.01(c)** hereof, (vi) subleases to operators of portions of the Premises, (vii) such minor defects, irregularities, encumbrances, easements, rights of way and clouds on title that do not materially impair the Premises affected thereby for the purpose for which it was acquired or is held by the BCRTA, and (viii) Permitted Exceptions described in the Title Policy.

(u) "**Premises**" means a portion of the Project Site that is described on **Exhibit A**, and includes the land depicted on **Exhibit B**, together with all easements, hereditaments, tenements and other rights and privileges of any kind appurtenant thereto, less such real estate and interests in real estate as may be taken by the exercise of the power of eminent domain as provided in **Section 7.02** hereof, and subject to any and all existing rights, obligations, easements, licenses, restrictions, agreements and other instruments of record or reserved herein.

(v) "**Project**" means that certain multimodal transportation facility constructed in Butler County, Ohio, consisting of land, improvements to be constructed thereon or therein, building fixtures and building equipment installed or to be installed thereat, and shall be comprised of the Premises, the Project Improvements and the Project Equipment, as they may at any time exist. BCRTA intends to call the Project *The Chestnut Street Shared Services Facility and Multimodal Station*.

(w) "**Project Equipment**" means the building fixtures and building equipment acquired and/or installed with the proceeds of any payment by BCRTA or the Tenant Improvement Allowance (defined herein) pursuant to **Section 4.05** hereof and any item of property acquired and installed in substitution therefor and renewals and replacements thereof pursuant to **Sections 6.02, 7.01, and 7.02** hereof, less such property as may be released from this Lease pursuant to **Section 6.02** hereof or taken by the exercise of power of eminent domain as provided in **Section 7.02** hereof, but not including any of the BCRTA's own machinery, equipment and related property installed under the provisions of **Section 6.01** hereof. The Project Equipment insofar as it will be initially installed as a part of the Project shall be more fully described on **Exhibit C**. The parties acknowledge that **Exhibit C** cannot be fully prepared until after the Commencement Date.

(x) "**Project Funds**" means all monies secured by the BCRTA relative to construction of the Project as identified herein, including governmental grants received from the Granting Authorities and the Tenant Improvement Allowance (defined herein) provided by the University.

(y) "**Project Improvements**" means, collectively, the buildings, structures, fixtures and other improvements heretofore constructed or to be constructed in conjunction with the Project and comprising the Premises, but not constituting a part of the Project Equipment, the acquisition, construction or installation of which or the improvements or replacements thereto, in whole or in part, are to be acquired with the proceeds from the Project Funds.

(z) "**Project Manager**" means the individual appointed by the BCRTA to provide project oversight and to serve as the lead development coordinator relative to the Project. Notwithstanding anything herein to the contrary, the Project Manager may either be an employee of the BCRTA or an independent third party, whichever the BCRTA shall choose in its sole discretion.

(aa) "**Talawanda**" means the Board of Education of the Talawanda City School District.

(bb) "**Talawanda Lease**" means that certain Lease Agreement by and between the University and Talawanda, dated as of April 15, 2019.

(cc) "**Tenant Improvement Allowance**" means the grant of One Million, Six Hundred Thousand Dollars ($1.6 Million) by the University to the BCRTA to be used by BCRTA for purposes of constructing and completing the Project as contemplated herein. The Tenant Improvement Allowance shall be paid to BCRTA only after the remaining cost to complete the Project is less than Nine Million Dollars ($9,000,000) as indicated on the Schedule of Values to be prepared by the Contractor (or Construction Manager, as the case may be) and updated on a regular basis, not less than monthly, and timely delivered to University for its review. University shall pay the Tenant Improvement Allowance to BCRTA within fourteen (14) business days after (i) all other Project Funds are secured and committed from all other sources, (ii) University's receipt of written notice from BCRTA and the Contractor or Construction Manager for the Project certifying that the Project has progressed so that there is less than Nine Million Dollars ($9,000,000) needed to complete the Project, as measured against the Schedule of Values, and (ii) University's review and confirmation of the same.

(dd) "**Termination for Convenience Right**" has the meaning set forth in **Section 3.01** of this Lease.

(ee) "**Title Policy**" means the owner's policy of title insurance that will be procured by the University as required under this Agreement.

Section 1.02 Rules of Construction. Unless the context clearly indicates to the contrary:

(a) "Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Lease and not solely to the particular portion thereof in which any such word is used.

(b) Words importing the singular number shall include the plural number and vice versa, and any pronoun used herein shall be deemed to cover all genders.

(c) All references herein to particular Sections are references to Sections of this Lease.

(d) Any certificate or statement required to be delivered under the provisions of this Lease shall, in the absence of manifest error, be deemed to be conclusive evidence of the truth, correctness and accuracy of the matters covered in such certificate or statement.

Article II. REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations and Warranties by the University. The University makes the following representations and warranties:

(a) Organization and Authority. The University is a public body corporate and politic, created and validly existing pursuant to the Constitution and laws of the State of Ohio. The University has the power to enter into the transactions contemplated herein and to perform and observe all such obligations in accordance with the terms hereof. By proper corporate action, the University has duly authorized the execution and delivery of this Lease and all instruments as may be required to effectuate the same.

(b) Agreements are Legal and Authorized. The execution and delivery by the University of the Lease and the compliance by the University with all of the provisions hereof and the consummation of the transactions contemplated hereby (to the extent such provisions and consummation are within the control of the University): (i) are within the power of the University, (ii) will not conflict with or result in any material breach of any of the terms, conditions or provisions of, or constitute a default under, its organizational documents, or any commitment, agreement or instrument of whatever nature to which the University is a party or by which it may be bound, or to which any of its properties may be subject, or any license, judgment, decree, law, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the University or any of its activities or properties, which would have a material adverse impact on the University's ability to perform its obligations hereunder, (iii) will not result in the creation or imposition of any material and prohibited lien, charge or encumbrance on the Project or the Premises; and (iv) have been duly authorized by all necessary action on the part of the University. The University is not subject to any charter, law, contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the University from entering into this Lease or any instruments pertaining thereto, or performing any of its obligations thereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights.

(c) No Prior Pledge. Neither this Lease nor the receipts and revenues generated hereunder have been pledged or hypothecated in any manner or for any purpose, other than as may be specifically set forth herein.

(d) Enforceability. This Lease is a legal, valid and binding limited obligation of the University enforceable in accordance with its terms, except to the extent the enforceability hereof may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity, and (ii) bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights heretofore or hereinafter enacted to the extent constitutionally applicable.

(e) Pending Litigation. There are no actions, suits, proceedings, inquiries or investigations pending, or to the best knowledge of the University threatened against or affecting the University in any court or before any governmental authority or arbitration board or tribunal which is reasonably anticipated to materially and adversely affect the transactions contemplated by this Lease or which may be reasonably anticipated to adversely affect the validity or enforceability of the Lease or the ability of the University to perform its obligations hereunder.

(f) Environmental Condition of the Premises. To the best knowledge of the University, except as may be set forth in the Phase I Environmental Site Assessments dated May 6, 2021, July, 2013 and May, 2013 or the Pre-Demolition Asbestos Survey completed by Westech Environmental dated April 4, 2023, or as set forth in the anticipated forthcoming Phase II Environmental Assessment to be performed at Talawanda's expense by a third-party environmental assessor, the Premises have not previously nor are they presently the subject of any ongoing claim of or investigation into an event of Environmental Contamination.

Section 2.02 Representations and Warranties by BCRTA. The BCRTA makes the following representations and warranties:

(a) Organization and Power. BCRTA is an Ohio regional transit authority, duly organized and validly existing under the laws of the State of Ohio. BCRTA has the power and authority to enter into this Lease and to perform and observe its obligations contained herein in accordance with the terms hereof, and has, by proper action, been duly authorized to execute, deliver and perform this Lease in accordance with the terms hereof.

(b) Pending Litigation. To the best knowledge of the BCRTA, there are presently no actions, suits, proceedings, inquiries or investigations pending, threatened against or affecting the BCRTA in any court or before any governmental authority, arbitration board or tribunal which is reasonably anticipated to materially and adversely affect the Project or the transactions contemplated by this Lease or which is reasonably anticipated to adversely affect the validity or enforceability of the Lease or the ability of the BCRTA to perform its obligations hereunder.

(c) Agreements Are Valid and Authorized. The execution and delivery by the BCRTA of the Lease and the compliance by BCRTA with all of the provisions hereof and the consummation of the transactions contemplated hereby (to the extent such provisions and consummation are within the control of the BCRTA): (i) are within the power of the BCRTA, (ii) will not conflict with or result in any material breach of any of the terms, conditions or provisions of, or constitute a default under, its organizational documents, or any commitment, agreement or instrument of whatever nature to which the BCRTA is a party or by which it may be bound, or to which any of its properties may be subject, or any license, judgment, decree, law, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the BCRTA or any of its activities or properties, which would have a material adverse impact on the BCRTA's ability to perform its obligations hereunder, (iii) will not result in the creation or imposition of any material and prohibited lien, charge or encumbrance on the Project or the Premises; and (iv) have been duly authorized by all necessary action on the part of the BCRTA.

(d) Governmental Consents. To the best knowledge of the BCRTA, neither the BCRTA nor any of its business or properties, nor any relationship between the BCRTA and any other person, nor any circumstance in connection with the execution, delivery and performance by the BCRTA of its obligations under this Lease, is such as to require the consent, approval or authorization of, or the filing, registration or qualification with any governmental authority on the part of the BCRTA, other than those already obtained or required to be obtained as of the Effective Date.

(e) No Defaults. No event has occurred and no condition exists with respect to the BCRTA that would constitute an Event of Default (as defined herein) under this Lease or which, with the lapse of time or with the giving of notice or both would become an Event of Default hereunder.

(f) Governmental Approvals. The Project has been or will be acquired, constructed and installed in such manner as to conform in all material respects with all applicable zoning, planning, building and other regulations of governmental authorities having jurisdiction over the Project and all necessary utilities will be available in all material respects to the Project.

(g) Enforceability. This Lease is a legal, valid and binding obligation of the BCRTA enforceable in accordance with its terms, except to the extent the enforceability hereof may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity, and (ii) bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights heretofore or hereinafter enacted to the extent constitutionally applicable.

(h) Operation of the Project. From and after the Effective Date, BCRTA will develop, construct, maintain, and operate the Project or cause it to be developed, constructed, maintained, and operated in a manner consistent with all applicable federal, state and/or local laws and ordinances, including but not limited to any and all FTA regulations governing the use of the Project.

Article III. DUE DILIGENCE, LEASING CLAUSES AND WARRANTY OF TITLE

Section 3.01 Due Diligence.

(a) Commencing on the Effective Date of this Lease and continuing for a period of ninety (90) days thereafter, BCRTA shall have the right to complete, at BCRTA's sole cost and expense, all physical and legal inspections and testing of the Premises it deems necessary or desirable ("**Due Diligence**"). The Due Diligence may include, but shall not be limited to, such due diligence items as BCRTA may determine in its sole discretion, including without limitation, obtaining an appraisal, survey, title examination, zoning reports, property condition assessment, evaluation of utilities, environmental studies, and availability of appropriate governmental/licensing approvals and entitlements. Except as expressly set forth herein, BCRTA shall obtain the Due Diligence information at its sole cost and expense. In order to conduct the Due Diligence, University shall permit access to the Premises by BCRTA, its agents, employees and contractors for inspection and testing of the condition of the Premises, provided that BCRTA gives University twenty-four (24) hours' prior notice of each inspection time, and provided that BCRTA shall cause its contractors conducting inspection and testing to be responsible for all damage to the Premises or injury to persons occurring as a result of such inspection and testing.

(b) If BCRTA is satisfied with the results of the Due Diligence, BCRTA will deliver written notice of this determination to University on or before the expiration of the Due Diligence Period (a "**Confirmation Notice**"). If BCRTA is not satisfied with the results of its Due Diligence, it may deliver written notice to University describing the conditions that must be corrected in order to induce BCRTA to Lease the Property (an "**Objection Notice**") on or before the expiration of the Due Diligence Period. If BCRTA delivers an Objection Notice to University, University will not be obligated to cure any matter described in the Objection Notice, except to remove mortgages, judgment liens or similar encumbrances. However, University will have up to thirty (30) days after its receipt of an Objection Notice (such 30-day period, the "**University Cure Period**") to attempt to remedy the objection(s) to BCRTA's satisfaction, or to confirm that the objection(s) will be remedied at or before the Commencement Date. If University remedies the objection(s) to BCRTA's satisfaction in BCRTA's sole discretion, BCRTA will issue a Confirmation Notice. If University does not remedy the objection(s) to BCRTA's satisfaction within the University Cure Period, BCRTA will have the right to terminate this Lease by delivering written notice to University (a "**Termination Notice**") within thirty (30) days following the expiration of the University Cure Period. Notwithstanding any other provision of this Lease, BCRTA has the right to terminate the Lease for its convenience by delivering a Termination Notice (without Objection Notice) to University at any time before the expiration of the Due Diligence Period ("**Termination for Convenience Right**"). If BCRTA fails to deliver a Confirmation Notice, Objection Notice or Termination Notice to University prior to the expiration of the Due Diligence Period, BCRTA shall be deemed to have waived all objections to the condition of the Premises and all exceptions to title shall become Permitted Exceptions.

Section 3.02 Lease of the Premises. Subject to all Permitted Encumbrances, effective as of the Effective Date, the University hereby leases the Premises to the BCRTA and the BCRTA hereby leases the Premises from the University, including the Project to be constructed thereon, at the rental rate and for the Lease Term as forth in **Section 5.01** hereof, and in accordance with all other provisions of this Lease. Furthermore, during the Construction Period, the University hereby grants to the BCRTA temporary easements and/or licenses (as appropriate) over and across its lands adjoining the Premises for the purposes of acquiring, constructing, installing and maintaining the Project, as set forth in **Section 4.01** hereof. Such temporary easements and/or licenses shall expire on the Completion Date, whereupon the BCRTA shall have possession of the Premises, construction of the Project shall be complete and the Lease Term and the Leasehold Interest (an "estate for years") shall commence, subject to any easements and/or licenses retained by the University. The University hereby agrees that third parties shall be entitled to rely on the authorization and appointment set forth in this paragraph. Notwithstanding the foregoing or anything to the contrary contained herein, the University hereby reserves the easements depicted on **Exhibit B** for itself and its successors and assigns, which such easements shall be deemed Permitted Encumbrances. BCRTA represents and warrants that BCRTA will, in the exercise of its reasonable discretion, grant or permit the University to record additional easements as may be necessary for the reasonable use of the Project Site or other adjacent property owned by the University provided the granting of such easements does not materially impair the BCRTA's use and enjoyment of the Premises.

Section 3.03 Title. Commencing on the Commencement Date, and continuing during the Lease Term, BCRTA shall have a leasehold interest in the Premises and shall have ownership of the Project during the Lease Term. In accordance with and subject to the terms hereof, the University hereby agrees to accept ownership of and title to the property and improvements that are to comprise the Project and Premises, when the same are conveyed to the University at the conclusion of this Lease or earlier termination hereof, by, or on behalf of, the BCRTA. The University acknowledges that in order to take title to the Project, payment to the FTA or its successor may be required as a matter of federal law. Pending such conveyance, the University disclaims any interest in the equipment and improvements comprising the Project, as well as all other items of equipment that are neither paid for with proceeds of any Project Funds, nor additions or alterations, replacements or substitutions therefor. The University shall not otherwise encumber the Premises or any part thereof, except with the written consent of BCRTA which shall not be unreasonably denied. The University will do no act to impair its title to the Premises without the permission of BCRTA, except in the event BCRTA commits an Event of Default (beyond any applicable cure periods) or otherwise fails to perform its obligations under this Lease (beyond any applicable cure periods). Except as expressly set forth herein, the University makes no warranty as to the design, suitability, condition or fitness for purpose of the Project. The University agrees that it shall, upon request of the BCRTA, join where necessary in any proceeding to protect and defend the University's title in and to the Premises, provided that the BCRTA and University shall evenly split the costs of any such proceeding, except in the event the proceeding was instituted as a result of, or in connection with the negligence or willful misconduct, or a default under this Lease by one of the parties to this Lease in which case, to the extent permitted by law, the costs of any such proceeding shall be the responsibility of the party that committed the negligence or willful misconduct, or a default under this Lease. The University acknowledges and agrees that the termination of this Lease will not terminate or adversely affect the lease or sublease of the tenants or subtenants of the Premises. Further, so long as there shall not have occurred and be continuing an Event of Default under this Lease, if applicable the University hereby agrees to enter into from time to time, upon the prior written request of the BCRTA, a Non-Disturbance and Attornment Agreement in form and substance reasonably agreeable to University benefiting tenants and subtenants of the Project ensuring that the termination of this Lease will not terminate the lease or sublease of the tenants and subtenants of the Premises.

Section 3.04 Quiet Enjoyment. Providing no Event of Default exists beyond any applicable cure periods and is continuing hereunder, BCRTA shall have the right of quiet enjoyment and peaceable possession of the Premises, free from all claims of all persons whomsoever acting by, through or under the University, including but not limited to Talawanda, throughout the Lease Term, subject to the terms of this Lease. Provided no Event of Default exists beyond any applicable cure periods and is continuing, the University agrees that it will not take or cause another party to take any action to interfere with the BCRTA's peaceful and quiet enjoyment of the Premises during the Lease Term. The University agrees that, provided no Event of Default exists and is continuing, in the event the peaceful and quiet enjoyment of the Premises shall otherwise be denied to the BCRTA or contested by anyone, the University shall, upon request of the BCRTA, take commercially reasonable steps under the circumstances to protect and defend the quiet enjoyment of the BCRTA, provided that, unless such denial or contest shall result from the negligence or willful misconduct of the University, the costs related to such steps shall not be borne by the University. The provisions of this Section shall apply so long as the BCRTA shall perform the covenants, conditions and agreements to be performed by it hereunder, or so long as the period for remedying any default in such performance shall not be expired.

Section 3.05 Limitations of Warranties. The warranties and covenants and other obligations of the University hereunder shall be limited to the extent of the University's interest in the Premises and such amounts as may be collected from time to time from the BCRTA under this Lease; provided, however that nothing contained in this Section shall restrict the University's liability resulting from the University's gross negligence or willful misconduct.

Section 3.06 Agreement of the University to Execute Amendment to Ground Lease Agreement. The University and the BCRTA understand and agree that portions of the Premises and/or items of the Project Equipment may, from time to time, need to be removed from this Lease in accordance with the provisions hereof and, similarly, that certain items of personal and real property may be acquired by the BCRTA and/or the University or may be acquired directly by the University for inclusion in the Project. The University agrees to execute from time to time an amendment or amendments to this Lease, in reasonable form, containing reasonable, mutually agreeable, terms as necessary to facilitate such adjustments; provided, however, that the University may withhold its consent and signature from any amendment that would extend the Lease Term of this Lease, in its sole and exclusive discretion.

Section 3.07 Easements and Licenses. The University and the BCRTA each covenant and agree that the University shall grant the Premises and BCRTA shall accept the Premises subject to the following easements and/or licenses in the location depicted on **Exhibit B** and upon the terms agreed to between them in separate easement documents, each of which shall be recorded in due course in the Butler County, Ohio real property records and automatically be considered a Permitted Encumbrance for purposes of this Agreement upon the Effective Date:

(a) A Temporary Construction License over the areas shaded in red depicted on **Exhibit B** from University to BCRTA for purposes of constructing the Improvements contemplated by this Agreement, which license will expire and terminate immediately upon BCRTA's completion of the construction of the Improvements;

(b) A Permanent Access Easement (during the term of the Lease) from the City of Oxford, Ohio to University over the eastern driveway entrance to the Project Site from Chestnut Street depicted on **Exhibit B**, which will provide that University's Lessees shall have the right to utilize the same for ingress and egress to and from the Project Site during the Term of the Agreement;

(c) A Temporary Access License over the western driveway entrance to the Project Site from Chestnut Street depicted on **Exhibit B**, which will provide that BCRTA and University shall have the right to utilize the same for ingress and egress to and from the Project Site during the Term of the Agreement.

Section 3.08 Refueling Station and Talawanda Lease Requirements. BCRTA acknowledges that Talawanda is obligated under the terms of the Talawanda Lease to (i) conduct a Phase II Environmental Assessment of the Premises and (ii) remediate any Hazardous Substances found on the Premises, provided, however, that BCRTA first remove the existing underground fuel tanks and refueling station from the Project Site, which BCRTA has been permitted to utilize pursuant to the terms of a verbal agreement between BCRTA, the University and Talawanda. BCRTA covenants and agrees that it will take full responsibility for removing the existing underground fuel tanks and refueling station at the Project Site during the Due Diligence Period, at BCRTA's sole cost and expense. Further, BCRTA covenants and agrees to cooperate with Talawanda to facilitate any and all required environmental assessments and/or remediation that may be commercially reasonable or necessary as identified in the Phase II Environmental Assessment performed by Talawanda's third-party assessor.

Section 3.09 Assumption of Maintenance Obligations. During the Lease Term, BCRTA will assume all of the University's obligations to maintain, repair, and replace any and all access easement areas and construction easement areas which are or may be the University's obligation to maintain in the easements and licenses referred to in Section 3.07 hereof, subject only to the terms of such recorded easements and licenses.

Article IV. CONTINGENCY; COMMENCEMENT AND COMPLETION OF THE PROJECT

Section 4.01 Project Contingent on Project Funds; Agreement to Construct and Install Project.

(a) It is expressly understood and agreed by the BCRTA and the University, that this Lease is being entered into by the University and the BCRTA in conjunction with the BCRTA's application to the Granting Authorities for Project Funds which are critical to construction of the Project as contemplated herein and, but for such Project Funds, the BCRTA would not be capable of undertaking and completing the Project. Accordingly, in the event that such Project Funds are not granted to the BCRTA, or are otherwise rescinded subsequent to the BCRTA being advised that such funds are forthcoming, this Lease shall immediately become null and void, and the parties shall have no continuing obligations hereunder. For purposes of clarity, should either: (i) the BCRTA fail to secure all Project Funds deemed necessary to complete construction of the Project as contemplated herein prior to initiation of the Construction Period; or (ii) the BCRTA fail to obtain all of the easements necessary for the commencement and completion of the Project, then (A) the BCRTA shall be under no obligation to commence and complete the Project and this Lease shall be void; (B) the University shall be under no obligation to pay or otherwise provide any Project Funds to BCRTA; and (C) BCRTA shall return to and reimburse the University all Project Funds University paid to BCRTA prior to the commencement or completion of the Project.

(b) Upon confirmation by the BCRTA of receipt of all necessary Project Funds and the commencement of the Construction Period, BCRTA shall promptly coordinate with the Project Manager to: establish a schedule for the acquisition, construction and installation of the Project Improvements and Project Equipment, and ensure that this schedule accommodates completion of the acquisition, construction and installation of the Project no later than March 2026, delays incident to the occurrence of force majeure events (as defined herein) excepted (provided that BCRTA notifies the University of the occurrence of a force majeure event within 30 days of its occurrence) but if said acquisition, construction and installation is not completed within the time herein contemplated there shall be no resulting diminution in or postponement of the rents required to be paid by the BCRTA pursuant to **Section 5.03** hereof, other than an adjustment to the Commencement Date (as defined herein). The BCRTA shall take all necessary steps to track the inventory of Project Equipment following acquisition and installation of the same upon the Project so that the same may be conveyed to the University upon the conclusion or earlier termination of this Lease. Notwithstanding the foregoing or anything to the contrary contained herein, in the event the Project is not fully completed and open for business to the public on or before the Completion Date, as established by the Acceptance Letter, University shall have the right to terminate this Lease and required BCRTA to restore the Premises to the condition it was in immediately prior to the commencement of construction. In addition to any other notice and cure provision set forth herein, prior to exercising such right to terminate, University shall give BCRTA written notice of its intent to exercise its right to terminate and BCRTA shall have 180 days after receipt of such notice within which to complete the Project. If University exercises its termination rights under this **Section 4.01(b)**, then BCRTA shall be solely responsible for repaying to the applicable party or governmental entity the Federal Interest under **Section 8.12** of this Lease and any Tenant Improvement Allowance deposited by University.

Section 4.02 Disbursement of Project Funds.

(a) In order to provide funds for payment of the cost of the acquisition, construction and installation of the Project, the BCRTA has applied for the Project Funds (other than the Tenant Improvement Allowance) which, with the Tenant Improvement Allowance, shall be sufficient to plan, design, bid, contract for and complete construction of the Project as contemplated herein. Notwithstanding anything herein to the contrary, until the BCRTA is in receipt of such funds (less the Tenant Improvement Allowance), the Construction Period will not commence. Thereafter, during the Construction Period, the Project Manager shall promptly remit payment from the Project Funds upon written request from the BCRTA for the following purposes; after all other Project Funds have been expended (less the Tenant Improvement Allowance):

(i) payment to the BCRTA of such amounts, if any, as shall be necessary to reimburse the BCRTA in full for all advances and payments made prior to or after the delivery of the Project Funds for expenditures in connection with the acquisition of rights of way necessary for providing ingress/egress, clearing the site, preliminary site improvement, the preparation of the plans and specifications for the Project (including any preliminary study or planning of the Project of any aspect thereof), the acquisition, construction and installation of the improvements and equipment comprising the Project, the acquisition, construction and installation of necessary utility services or other public facilities to connect the Project with public transportation and utility facilities, and the acquisition, construction and installation of all real or personal property, including Project Equipment deemed necessary in connection with the Project, and any architectural, engineering and supervisory services with respect to any of the foregoing;

(ii) payment for labor, services, materials and supplies used or furnished in site improvement and in the acquisition construction and installation of those improvements and equipment comprising the Project, all as provided in the plans and specifications therefor; payment for the cost of the acquisition, construction and installation of utility services or other facilities to connect the Project with public transportation and utility facilities; payment for the cost of all real and personal property, including Project Equipment, deemed necessary in connection with construction of the Project; and payment for any miscellaneous expenses incidental to any of the foregoing;

(iii) payment of all fees, if any, for reasonable architectural, engineering and supervisory services with respect to the Project, including, but not limited to planning, designing, bidding, and contracting for such services, and the salary of the Project Manager, whether such compensation is on an hourly or fulltime basis;

(iv) to such extent as they shall not be paid by a contractor for acquisition, construction or installation with respect to any part of the Project, payment of the premiums on all insurance required to be taken out and maintained by the BCRTA during the Construction Period under this Lease, or reimbursement therefor;

(v) payment of the taxes, assessments and other charges, if any, referred to in **Section 6.03** hereof that may become payable during the Construction Period;

(vi) upon prior approval of the Project Manager, payment of expenses incurred by the BCRTA in seeking to enforce any remedy against any contractor or subcontractor with respect to any default under a contract relating to the Project; and

(vii) any other amounts reasonably approved by the Project Manager and agreed upon in writing by the parties.

(b) The payments specified in **Sections 4.02(a)(i)-(vii)** above shall be made by the Project Manager only upon receipt of the following:

(i) A certification by the BCRTA stating that: (1) an obligation in the stated amount has been incurred by or on behalf of the BCRTA in connection with the acquisition, construction and/or installation of the Project; (2) such obligation is a proper charge against the Project Funds and has not been the basis of any previous withdrawal from the Project Funds, specifying the purpose and circumstances of such obligation in reasonable detail and identifying the party to whom such obligation is owed; and (3) the BCRTA has no notice of any vendor's, mechanic's, or other liens or right to liens, chattel mortgages or conditional sales contracts, or other contracts or obligations (other than those being contested in good faith as permitted in **Section 6.01(c)** hereof) which should be satisfied or discharged before such payment is made, and (4) conditional and unconditional releases and waivers of all liens from each contractor performing work on the Project.

(ii) With respect to any such requisition for payment for labor, services, material, supplies or equipment, a certificate, signed by an Authorized BCRTA Representative and certifying that insofar as such obligation was incurred for labor, services, material, supplies or equipment in connection with the acquisition, construction and installation of the Project, such labor and services were, to the knowledge of the requisitioning party, performed and such material, supplies or equipment were or are to be used in connection with the acquisition, construction and installation of the Project or delivered to the site for that purpose.

(iii) In making any such payment from the Project Funds, the Project Manager may rely on any such requisitions and certificates delivered to it pursuant to this Section and the Project Manager shall be relieved of all liability with respect to making such payments in accordance with such requisitions and such certificates without inspection of the Project or need for any additional investigation.

Section 4.03 Cooperation of the Parties. The University and the BCRTA agree to cooperate with each other in furnishing to the Project Manager any such documents referred to in **Section 4.02** hereof that may be required to effect payments out of the Project Funds, and to cause such requisitions and certificates to be directed by the Authorized BCRTA Representative to the Project Manager as may be necessary to effect payment out of the Project Funds in accordance with **Section 4.02** hereof. Such obligation of the University and the BCRTA is subject to any provisions of this Lease requiring additional documentation with respect to payments and shall not extend beyond the Project Funds available for payment under the terms hereof.

Section 4.04 Establishment of Completion Date. The Completion Date of the Project shall be evidenced to the Project Manager by the executed Acceptance Letter in the form attached hereto as **Exhibit D**, signed on behalf of the BCRTA by an Authorized BCRTA Representative stating , among other relevant things, that, except for unexpended Project Funds for Project costs not then due and payable as provided in **Section 4.02(i)** hereof, (a) the acquisition, construction and installation of the Project has been substantially completed and a temporary or final certificate of occupancy has been issued therefor and all labor, services, materials and supplies used in such acquisition, construction and installation have been paid for, (b) the Project has been acquired, constructed and installed to the BCRTA's satisfaction and all costs and expenses incurred in connection therewith have been paid, (c) except for disputed claims for payment, BCRTA has received full and final releases and waivers of liens from all contractors performing work on the Project and (d) all permissions required of governmental authorities for the occupancy of the Premises have been obtained, including a temporary or final certificate of occupancy. Notwithstanding the foregoing, the Acceptance Letter shall state that it is given without prejudice to any rights of the BCRTA and University against third parties which may exist on the date of such certificate or which may subsequently accrue. The University and the BCRTA agree to cooperate one with the other in causing such Acceptance Letter to be furnished to the Project Manager. Notwithstanding the foregoing, in the event that the Project Funds have been exhausted prior to completion of the Project, the representations required by this **Section 4.04** shall not be required to be included in the Acceptance Letter.

Section 4.05 Insufficiency of Project Funds. Following commencement of the Construction Period but prior to the conclusion thereof, the BCRTA and University agree that if the Project Funds are not sufficient to pay the costs of constructing and completing the Project as contemplated herein, and the timetable for completing construction of the Project cannot be amended to allow construction of the Project to be completed in phases for which sufficient Project Funds are available, then University shall have the right, at its option, to terminate this Lease and require BCRTA to restore the Project Site to substantially the same condition it was in immediately prior to the commencement of construction. In addition to any other notice and cure provision set forth herein, prior to exercising such right to terminate, University shall give BCRTA written notice of its intent to exercise its right to terminate and BCRTA shall have 180 days after receipt of such notice within which to obtain funding sufficient to complete the Project. In the event that University terminates this Lease under this **Section 4.05**, BCRTA shall be solely liable to repay all amounts of the Project Funds, including those amounts received from University, FTA, and any other federal, state, or local governmental or non-governmental entity.

Section 4.06 Remedies Against Suppliers, Contractors and Subcontractors and their Sureties. In the event of default by any supplier, contractor or subcontractor under any contract made by it in connection with the Project, or in the event of breach of warranty with respect to any material, workmanship or performance guaranty pertaining to construction of the Project, the BCRTA, either separately or in conjunction with others, will promptly proceed to exhaust the remedies of the BCRTA, as applicable, against any defaulting supplier, contractor or subcontractor and against any surety therefor, for the performance of any contract made in connection with the construction of the Project as contemplated herein. The University agrees to obtain the prior consent of the BCRTA (which shall not be unreasonably withheld, conditioned or delayed) before taking any action in connection with any such default. If the BCRTA desires, the BCRTA may, in its own name or in the name of the University (if written approval is requested and granted by the University, in the University's sole discretion), prosecute or defend any action or proceeding or take any other action involving any such supplier, contractor, subcontractor or surety which the BCRTA deems reasonably necessary, and in such event the University hereby agrees to cooperate fully with the BCRTA and to take all action necessary to effect the substitution of the BCRTA for the University in any such action or proceeding. BCRTA acknowledges and agrees that any legal action involving University may require prior written authorization from the Ohio Attorney General, and BCRTA shall not proceed with any actions without receiving such authorization. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing prior to the Completion Date shall be first paid to the Project Manager for inclusion in the Project Funds, second, to reimburse the University for any costs, fees, damages or expenses (legal or otherwise) it incurred in prosecuting or defending such action or proceeding.

Section 4.07 Construction of Improvements.

(a) Design Approval. Prior to undertaking of any construction, reconstruction, remodel, or demolition of any structure on the Premises, including the Project Improvements. BCRTA shall submit to University, for University's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed, a written request for consent and plans and specifications detailing such work or alterations. University's interest in approving such plans and specifications shall be to ensure that: (i) the market value of the Project Improvements (or University's adjacent property) will not be diminished; (ii) the design will be harmonious with surroundings and settings and the University's intended use thereof; and (iii) the structural integrity of the planned work or Project Improvements will not be compromised. University shall promptly, but no longer than within fifteen (15) days of receipt of such request, approve or deny such request (in the event of approval, such work shall be deemed "**Approved Work**"). If University disapproves any such plans and specifications, University shall note on the plans and specifications the sections or items that are disapproved.

(b) Design Standards. The Project shall be constructed substantially in accordance with the design and development standards agreed upon by the parties and more particularly described in plans and specifications approved by University.

(c) Construction Documents. Prior to the commencement of construction of the Approved Work, BCRTA shall submit a copy of all construction documents with the general contractor, as well as any architectural drawings (collectively, the "**Construction Documents**") to University.

(d) Bonding of Construction. Prior to the commencement of construction of the Approved Work, BCRTA shall submit to University, at the expense of BCRTA or its general contractor, a performance bond and a labor and materials bond from a surety company reasonably acceptable to University. Such surety shall be authorized to do business in the State of Ohio and be of recognized responsibility. The performance bond shall be conditioned, in the case of the initial construction, upon the completion of the Project substantially in accordance with the plans and specifications approved by University and within the time set forth in the this Lease and the Construction Documents, and in the case of any Approved Work, upon the completion of the Approved Work substantially in accordance with the plans and specifications and Construction Documents applicable to such work, and in compliance with all relevant legal requirements. Such labor and materials bond shall insure completion of the construction free and clear of all liens, chattel mortgages and conditional bills of sale. Each bond shall be issued for the benefit of University and BCRTA, as their respective interests shall appear. The amount of each bond shall be equal to one hundred percent (100%) of the estimated cost of construction for the performance bond and one hundred percent (100%) of the estimated cost of construction for the labor and materials bonds. If University and BCRTA shall fail to agree on the proper amount of such bonds, BCRTA shall supply the bonds in the amount requested by University.

(e) Prevailing Wage. As additional consideration under this Lease, and as an accommodation to University, BCRTA agrees to pay, and cause its contractors to pay, Davis Bacon Act federal Prevailing Wage rates in constructing the Project.

(f) Commencement of Construction. BCRTA shall commence construction of the Project no later than three hundred sixty five (365) days after BCRTA's receipt of (i) the Project Funds (less the Tenant Improvement Allowance) and (ii) all necessary permits and approvals from the appropriate governmental authorities.

(g) General Construction Provisions. During construction, the insurance policies required hereunder shall include builders' risk coverage. All construction shall be performed in a good and workman-like manner and in compliance with all applicable laws, rules, and regulations pertaining to the same. BCRTA and not University shall pay or may cause others to pay for all expenses and costs incurred in the construction of the Project. All bids and contracts for any construction, including without limitation, for the Project, shall be with persons or entities other than University, and the rights, title and interests of University in and to the Premises and Project Site shall not be subject to any lien or encumbrance relating to the same.

Article V. EFFECTIVE DATE; LEASE TERM; RENTAL PROVISIONS

Section 5.01 Effective Date of this Lease; Duration of Lease Term; Talawanda Lease. This Lease shall become effective upon the Effective Date. The term of this Lease shall commence upon the Commencement Date and shall continue uninterrupted for a period of forty (40) years (the "**Lease Term**" or "**Term**"). BCRTA hereby acknowledges that (a) it has received a copy of the Talawanda Lease, as amended by that certain letter dated October 13, 2022, which was sent by University's SVP for Finance and Business Services to the Board of Education of the Talawanda City School District (the "**Extension Letter**"); and (b) the Extension Letter extends the term of the Talawanda Lease on a month-to-month basis until no longer needed by Talawanda. BCRTA hereby further acknowledges that BCRTA shall not have any interest in the Premises until the Effective Date, and covenants that BCRTA shall not do anything to interrupt or otherwise violate Talawanda's rights under the Talawanda Lease. The University represents that BCRTA shall have access to the Premises, including any portion thereof occupied by Talawanda, on and after the last month of the extension, subject to easements granted to or retained by the University and any Permitted Exceptions.

Section 5.02 Delivery and Acceptance of Possession of the Premises. Subject to the Permitted Encumbrances, the University agrees to deliver to the BCRTA sole and exclusive possession of the Premises (subject to the right of the Project Manager and University to enter thereon for inspection and other purposes as set forth in **Section 8.02** hereof) on the Effective Date of this Lease and the BCRTA agrees to accept possession of the Premises upon such delivery; provided, however, that the BCRTA shall be permitted full right of access to the Premises prior to the Completion Date in furtherance of its obligations relative to construction of the Project. Upon the Effective Date of this Lease, all of BCRTA's rights and obligations under this Lease shall be in effect (including the payment of Additional Rent) other than the payment of Base Rent.

Section 5.03 Rent and Other Amounts Payable. On the Commencement Date, and thereafter, on or before the first of each month during the Lease Term, the BCRTA shall pay or cause to be paid to the University as rent for the Premises ("**Base Rent**"), a sum equal to One Dollar ($1.00), it being agreed that the Base Rent and the BCRTA's participation in the construction of the Project shall serve as good, valuable and sufficient consideration. In addition to paying the Base Rent as set forth herein, the BCRTA shall, at all times commencing upon the Effective Date and continuing during the Lease Term, be responsible for the payment of any and all expenses pertaining to the Premises, including but not limited to capital repairs to the Premises, and all items of operating expense relating to BCRTA's operations within and upon the Premises (each an item of "**Additional Rent**" and collectively referred to with Base Rent as "**Rent**").

Section 5.04 Place of Rental Payments. The Base Rent referenced herein shall be remitted to the University's address for notices as identified herein, as appropriate, on or before the first day of each month, as well as payments for any other item of Additional Rent for which the University contracts on behalf of the BCRTA, if any. All other payments provided for in **Section 5.03** hereof shall be paid directly to such invoicing entities in accordance with their respective accounts receivable practices.

Section 5.05 Obligations of BCRTA.

(a) The obligations of the BCRTA to make the payments required in **Section 5.03** hereof and to perform and observe the other agreements on its part contained herein, subject to the contingency provisions set forth in **Section 4.01** hereof, shall be absolute and unconditional and with no right of setoff. Accordingly, during the Lease Term the BCRTA (i) will not suspend or discontinue any payments provided for in **Section 5.03** hereof except to the extent the same have been prepaid, (ii) will perform and observe all of its other agreements contained in this Lease, and (iii) except as provided in **Section 11.01** hereof, will not terminate the Lease for any cause, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Premises or Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of Ohio, or any political subdivision of either thereof, or any failure of the University to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Lease.

(b) Nothing contained in this Section shall be construed to release the University from its performance of any of the agreements on its part herein contained; and if the University should fail to perform any such agreement, the BCRTA may undertake such action against the University as the BCRTA may deem necessary to compel performance so long as such action does not conflict with the agreements on the part of the BCRTA contained in the preceding sentence. The BCRTA may, however, at its own cost and expense and in its own name or in the name of the University, prosecute or defend any action or proceeding or take any other action involving third persons which the BCRTA deems reasonably necessary or in order to insure the acquisition, construction, installation and completion of the Project or to secure or protect its right of possession, occupancy and use of the Premises, and in such event the University hereby agrees to cooperate fully with the BCRTA and to take all lawful action which is required to effect the substitution of the BCRTA for the University in any such action or proceeding if the BCRTA shall so request.

Section 5.06 Holdover. In the event the BCRTA remains in possession of the Premises after the expiration of the Lease Term, including any extension thereof, without first obtaining the University's written consent, the BCRTA shall be deemed a tenant at sufferance and may be evicted by the University without notice. The BCRTA shall be obligated to pay rent for each month that it holds over without written consent at a monthly rental as set forth in **Section 5.07** hereof. All of the BCRTA's obligations under this Lease shall apply during such period of holding over. To the extent permitted by law, the BCRTA shall also be liable for (a) any additional rent as herein provided and (b) for all other damages which the University may suffer as a result of such holding over by the BCRTA including, without limitation, the loss of a prospective tenant or tenants for such space and the cost of evicting the BCRTA, including reasonable attorneys' fees. There shall be no renewal of this Lease by operation of law or otherwise. Nothing in this Section shall be construed as consent by the University to any holding over by the BCRTA after expiration of the Lease Term, or any extension thereof.

Section 5.07 Surrender of Premises. On the last day of the Lease Term hereof, or on any sooner termination, the BCRTA shall surrender the Premises to the University clean and free of debris, Hazardous Materials, and Environmental Contamination, and the BCRTA's personal property, trade fixtures and equipment. If the Premises are not surrendered at the expiration of the Lease Term or earlier termination of this Lease in accordance with the provisions of this Section, at the University's option, Tenant shall continue to be responsible for the payment of Base Rent plus the payment $5,000 monthly and all other amounts due under this Lease until the Premises are so surrendered in accordance with said provisions. To the extent permitted by law, the BCRTA shall be responsible for any and all damages, expenses, costs, losses or liabilities arising from any delay by the BCRTA in so surrendering the Premises including, without limitation, any damages, expenses, costs, losses or liabilities arising from any claim against the BCRTA made by any succeeding tenant or prospective tenant founded on or resulting from such delay and losses and damages suffered by the University due to lost opportunities to lease any portion of the Premises to any such succeeding tenant or prospective tenant, together with, in each case, reasonable attorneys' fees and actual costs.

Article VI. MAINTENANCE AND MODIFICATIONS; TAXES; INSURANCE; UTILITIES

Section 6.01 Maintenance and Modifications of the Project by the BCRTA.

(a) During the Lease Term, BCRTA will cause the Premises to be maintained, preserved and kept in good repair, working order and condition and will, from time to time, cause to be made all necessary and proper repairs, replacements and renewals. The BCRTA covenants that as long as the BCRTA or one of its Affiliates has a leasehold interest in the Premises, it or one of its Affiliates will cause the same to be reasonably maintained and operated in good order, condition and repair and in accordance with any and all regulations set forth by the FTA from time to time. The BCRTA may comply with the foregoing obligations, in whole or in part, by causing them to be performed by the permitted sublessees, tenants and property managers of the Premises.

(b) The BCRTA may from time to time, in its sole discretion and at its own expense, make any additions, modifications or improvements to the Premises, so long as the additions, modifications or improvements DO NOT (i) alter the purpose/use of the Project; (ii) alter the exterior footprint or architectural appearance of the Project; (iii) extend the depreciation of the building beyond the lease term under circumstances in which University must repay Federal Interest or any other governmental interest to the extent such repayment relates to the additions, modifications or improvements made without University approval; or (iv) do anything that would require the University to repay Federal Interest or sums owed to any other governmental entity of any kind (whether federal, state, or local). All machinery, equipment and related property so installed by the BCRTA shall remain the sole property of the BCRTA following the conclusion of the Lease Term or upon earlier termination of this Lease, unless such property is reasonably necessary for University to use or operate the Premises following the expiration of this Lease and the University requests in writing for such property to remain, subject to the terms of **Section 8.12** of this Agreement. All such machinery, equipment and other related property may be modified or removed at any time; provided that any damage to the Premises occasioned by such modification or removal shall be repaired by the BCRTA at its own expense.

(c) The BCRTA shall not permit any mechanics' liens, materialmen's liens or other liens to be established and remain against the Project or Premises for labor or materials furnished or services rendered in connection with any additions, modifications, improvements, repairs, renewals or replacements so made by it; provided, that if the BCRTA shall first notify the University of its intention to do so, the BCRTA may in good faith contest any mechanics' liens, materialmen's liens or other liens filed or established against the Premises, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the University shall notify the BCRTA that, in the opinion of independent counsel, by nonpayment of any such items, the Premises or any material part thereof, or the revenues from the Premises will be subject to loss or forfeiture, in which event the BCRTA shall promptly pay and cause to be satisfied and discharged all such unpaid items. The University will cooperate fully with the BCRTA in any such contest, provided, however, that BCRTA shall be solely responsible for the cost of all reasonable attorneys' fees, costs, and expenses incurred by the University in such contest. Notwithstanding the foregoing or anything to the contrary contained herein, if any mechanics', laborers' or materialmen's lien is filed at any time against this Lease or any interest herein and/or the Premises or Project site arising out of the construction of the Project or any additions, alterations, repairs or replacements thereto, then in any case, BCRTA shall, within one hundred twenty (120) days after notice of the filing thereof, discharge or may cause others to discharge the same of record by payment, bond, order of a court of competent jurisdiction or otherwise.

Section 6.02 Removal of Project Equipment. Subject to its obligations under **Section 6.01** of this Lease, the BCRTA shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable, inappropriate or unnecessary Project Equipment. In any instance where the BCRTA determines, in its sole discretion, that any such items have become inadequate, obsolete, worn out, unsuitable, undesirable, inappropriate or unnecessary for their purposes, the BCRTA may remove such items of Project Equipment and sell, trade-in, exchange or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the University therefore and may, at its election in its reasonable discretion, install other equipment in substitution therefor, provided that the BCRTA shall certify that such removal (taking into account any substitution) shall not impair the operation of the Premises. At the option of the BCRTA, at any time prior to the end of the Construction Period, the BCRTA may deposit such moneys into the Project Funds, whereupon such moneys shall become a part of the Project Funds and used in the manner as set forth in **Article IV** hereof. The preceding provisions of this **Section 6.02** shall apply to the Project only during the Lease Term of this Lease.

Section 6.03 Taxes, Other Governmental Charges and Utility Charges. The University and the BCRTA further acknowledge that under present law, neither the Premises, nor any part of the University's or the BCRTA's interest in the Project will be subject to ad valorem taxation by the State of Ohio or by any political or taxing subdivision thereof, and that under present law the income and profits (if any) of the University or the BCRTA deriving from the Premises are not subject to either Federal or Ohio taxation. Notwithstanding the foregoing, BCRTA agrees that, in the event any tax liability shall accrue to the Project or Premises from and after the Effective Date of this Lease, the BCRTA shall pay, as the same shall become lawfully due and payable: (i) all taxes and governmental charges of any kind whatsoever upon or with respect to the interest held by the BCRTA under this Lease; (ii) all taxes and governmental charges of any kind whatsoever upon or with respect to the Project or any machinery, equipment or related property installed or brought by the BCRTA therein or thereon (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the income or profits of the University from the Project which, if not paid, will become a charge on the rents, revenues and receipts from the Premises); (iii) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project; and (iv) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Project; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the BCRTA shall be obligated to pay only such installments as are required to be paid during the Lease Term.

Section 6.04 Insurance Required. From the Effective Date and throughout the Lease Term, the BCRTA shall have in place all insurance coverage required by federal, state and/or municipal laws for a regional transit authority. Notwithstanding the foregoing, the BCRTA shall have the option to self-insure (through a joint self-insurance pool or otherwise) in accordance with and pursuant to the insurance requirements set forth herein. On or before July 1 of each year throughout the Lease Term, the BCRTA and University shall conduct an annual review of BCRTA's insurance limits to confirm that adequate insurance coverage is being maintained, which such limits shall have a minimum threshold of $10,000,000 for Commercial General Liability, and $10,000,000 for Automobile Liability. BCRTA shall immediately notify the University in the event that BCRTA shall lose its insurance coverage or if the coverage under any policy of insurance shall fall below the minimum limits agreed upon by the parties. Upon receipt of any such notification, University may, in its sole discretion, elect to obtain such coverage on behalf of BCRTA and to seek prompt repayment for the same. Notwithstanding the foregoing, any exercise of self-help pursuant to this Section shall be in addition to and not in lieu of any additional rights or remedies available to such non-breaching party as are identified herein. The University shall be named as an additional insured on all liability policies of insurance carried by BCRTA under the terms of this Lease. Following the Commencement Date, on or before July 1 of each year throughout the Lease Term, the BCRTA shall provide the University with certificates of insurance evidencing the required general liability and automobile liability coverages required hereunder. Notwithstanding anything set forth herein, the parties acknowledge that the insurance requirements incumbent upon BCRTA may be satisfied through statutorily permitted risk sharing pools despite the fact that such arrangements are not technically "insurance" under state law.

Section 6.05 Application of Net Proceeds of Insurance. The Net Proceeds of the liability insurance carried pursuant to the provisions of **Section 6.04** hereof shall be applied to pay the liability with respect to which the insurance payment is made. Nothing contained in this **Section 6.05** shall relieve the BCRTA of its obligations as set forth in **Section 7.01** hereof.

Section 6.06 Additional Provisions Respecting Insurance. All claims made under any insurance policies carried pursuant to the requirements of **Section 6.04** hereof, regardless of amount, may be adjusted by the BCRTA with the insurers.

Section 6.07 Advances by the University. If the BCRTA fails to maintain the full insurance coverage required by this Lease or fails to keep the Premises in a safe condition, or fails to keep the same in good repair and good operating condition, the University may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or make the required repairs, renewals and replacements if the BCRTA shall fail to do so within fifteen (15) days following delivery of written notice of such failure to the BCRTA by the University. To the extent permitted by law, all amounts so advanced therefor by the University shall become an additional obligation of the BCRTA and which amounts, together with interest thereon at the Default Rate from the date thereof, shall be promptly reimbursed as an item of Rent by the BCRTA upon receipt of a written invoice therefor.

Section 6.08 Title Insurance.

(a) BCRTA has or may order a title commitment (at University's cost, subject to the terms of this Agreement and **Section 1.01(t))** reflecting the state of title to the Premises (the "**Title Commitment**"). Within sixty (60) days after the Effective Date ("**Survey Deadline**"), if not accomplished beforehand, BCRTA at its sole cost shall cause an Ohio licensed surveyor to prepare an ALTA/ACSM Land Title Survey of the Premises (the "**Survey**") and provide two (2) copies of the Survey to University. Within fifteen (15) days after the Survey Deadline, BCRTA shall notify University of any exception in the Title Commitment or any matter disclosed in the Survey which makes the Premises materially unsuitable for BCRTA's purposes ("**Title Objections**"). University thereupon shall have fifteen (15) days ("**Cure Period**") within which to cause such Title Objections to be removed from the Title Commitment or cause the matters reflected on the Survey to be removed, as the case may be ("**Cure**"); provided, University shall have no duty to effect a Cure except as set forth herein. As to any Title Objection to a mortgage or other monetary lien encumbering the land on which the Project is to be built which was placed or allowed to remain on the land by the negligent or intentional acts or omissions of the University, University shall cure such Title Objection within thirty (30) days of receipt of BCRTA's Title Objections. Additionally, as to each Title Objection which, in BCRTA's reasonable discretion, makes the Premises unsuitable for BCRTA's purposes, and which can be cured by the expenditure of funds in an amount of up to Ten Thousand and 00/100 Dollars ($10,000.00), University shall cure such objection, at its cost. As to any Title Objection which cannot be cured through the expenditure of Ten Thousand and 00/100 Dollars ($10,000.00) or less, University and BCRTA shall equally share the cost to cure such objection (50% each), up to a maximum total expenditure by the University of $25,000.00 to cure such Title Objection. Under no circumstance shall University be obligated to expend more than $25,000.00 to cure any such Title Objection. Anything to the contrary notwithstanding, BCRTA shall not assert a Title Objection or as to matters caused by BCRTA, its real estate brokers, or persons or entities hired by or on behalf of BCRTA and having rights to file a lien on the Premises or any other part of the Project Site.

(b) BCRTA will pay the cost of the Title Commitment. BCRTA and University shall equally share the cost of an ALTA Policy of Title Insurance (latest revision), applicable to a leasehold, in the amount of the Project Funds. The costs to be shared include the cost of any commercially reasonable coverage that requires additional premium for endorsements, or the deletion of any standard exceptions. The title evidence shall be certified to on or before 15 calendar days after the Effective Date with endorsement as of 8:00 AM on the 88th day after the Effective Date, and shall show (i) in University marketable title, in fee simple as to parcel 1, (ii) in the City of Oxford marketable title, in fee simple as to parcel 2 and parcel 3, free and clear of all liens and encumbrances, subject to all matters listed in Section 6.08(a).

Section 6.09 Responsibility.

(a) BCRTA is a regional transit authority and, as such, is subject to the laws of the State of Ohio, including without limitation, the Ohio Constitution and applicable sections of the Ohio Revised Code. As such: (i) to the extent permitted by Ohio law, the BCRTA agrees to be liable for the wrongful acts and omissions of its officers, employees and agents engaged in the scope of their employment arising under this Lease; and (ii) in lieu of the BCRTA's obligation to indemnify the University under this Lease, to the extent permitted by law, the BCRTA hereby agrees to be responsible for any and all liability, claims, costs, expenses (but specifically excluding legal fees, courts costs, witness fees and other such related costs) or damages arising from any claim with respect to the BCRTA's wrongful conduct in connection with this Lease.

(b) The University is a public institution and, as such, is subject to the laws of the State of Ohio, including without limitation, the Ohio Constitution and applicable sections of the Ohio Revised Code. As such: (i) to the extent permitted by Ohio law, the University agrees to be liable for the wrongful acts and omissions of its officers, employees and agents engaged in the scope of their employment arising under this Lease; and (ii) in lieu of the University's obligation to indemnify the BCRTA under this Lease, the BCRTA hereby agrees, to the extent permitted by law, to be responsible for any and all liability, claims, costs, expenses (but specifically excluding legal fees, courts costs, witness fees and other such related costs) or damages arising from any claim with respect to the University's wrongful conduct in connection with this Lease.

(c) The University expressly agrees to be solely responsible for any claims arising prior to the Effective Date of this Lease and relating to the Premises, including but not limited to any claims relating to an alleged Environmental Contamination at or upon the Premises arising prior to the Effective Date of this Lease.

(d) BCRTA expressly agrees that from and after the Effective Date of this Lease:

(i) BCRTA shall be responsible for compliance with all Environmental Laws and all governmental notices, orders and requests pursuant to Environmental Laws, including without limitation, providing, obtaining, maintaining and complying with all permits, registrations, notifications, reports, licenses and other authorizations required by Environmental Laws applicable to this Lease or BCRTA's use or occupancy of the Project Site;

(ii) BCRTA shall be responsible to ensure that no Hazardous Materials are brought, placed, held, stored, located, used, disposed of or released upon, under, from or at the Project Site, other than in strict compliance with all Environmental Laws and only in those amounts relating to and necessitated by permitted uses of the Project Site and shall be solely responsible for any and all claims arising from or after the Effective Date of this Lease until such time as BCRTA returns possession of the Project Site to University; provided, however, notwithstanding the foregoing, BCRTA shall continue to be solely responsible for any and all claims arising from or after the Effective Date of this Lease that arise out of or in connection with BCRTA's use or operation of the Project Site at any time;

(iii) BCRTA will (1), with the exception of privileged or confidential communications, provide University with copies of all communications between BCRTA and any governmental agencies or authorities or a third party related to Hazardous Materials brought, placed, held, stored, located, used, disposed of or released upon, under, from or at the Project Site or related to the violation or alleged violation of any Environmental Laws with respect to the use or occupancy of the Project Site within five (5) business days of BCRTA's receipt thereof, (2) permit University, at University's sole discretion, to participate in any proceeding brought by a government agency or authority, or a third party, with respect to Hazardous Materials brought, placed, held, stored, located, used, disposed of or released upon, under, from or at the Project or with respect to the violation or alleged violation of any Environmental Laws arising out of the use or occupancy of the Project Site, and (3) permit University, from time-to-time, to conduct inspections, tests, analyses and investigations of BCRTA's compliance with its obligations in this Section or otherwise related to the environmental conditions relative to the use or occupancy of the Project Site;

(iv) To the extent possible, BCRTA will promptly cure and resolve any such actions and proceeds that result from any Environmental Contamination caused by BCRTA or BCRTA's officers, agents, employees, contractors, customers, licensees or invitees. BCRTA will keep the Project Site free of any lien imposed pursuant to Environmental Laws;

(v) If BCRTA fails to undertake to cure a violation of any of the foregoing covenants within a reasonable time, University may cause the removal of any Environmental Contamination from the Project Site in accordance with Environmental Laws and, to the extent permitted by law, the reasonable costs of any remediation of said Environmental Contamination required by Environmental Laws will be Additional Rent under this Lease, and such reasonable costs will become due and payable on demand by University;

(e) Not less than 180 days (or more than 365 days) prior to the expiration or earlier termination of this Lease, BCRTA shall obtain and pay for a Phase I environmental inspection of the Project Site, and, if necessary, a Phase II environmental inspection and any additional testing that may be necessary as a result thereof (the "**Environmental Testing**"), reasonably demonstrating (i) the Project Site is in compliance with all Environmental Laws, (ii) no Hazardous Materials have been released, spilled, or currently exist on the Project Site, and (iii) the Project Site is not subject to any Environmental Contamination. If the results of the

Environmental Testing determine that (1) the Project Site is not in compliance with all Environmental Laws, (2) Hazardous Materials have been released, spilled, or currently exist on the Project Site, or (3) the Project Site is subject to any Environmental Contamination, then BCRTA shall be responsible, at its sole cost and expense to remediate the Project Site and cause the removal of any Environmental Contamination to University's satisfaction.

Article VII. DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.01 Damage and Destruction. If prior to expiration of the Lease Term, the Project and/or Premises are damaged or destroyed by fire or other casualty, the BCRTA shall be obligated to continue to make the rental payments specified in **Section 5.03** hereof, and shall promptly replace, repair, rebuild or restore the property damaged to substantially the same condition as existed prior to the event causing such damage, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the BCRTA (which may require FTA input) and as will not impair the operating unity of the Project and/or Premises, or change its character to such an extent that its ownership by the University would not be permitted under the laws pursuant to which the University was created. The University hereby acknowledges and agrees that the University shall have no right to settle any claim with regard to any damage or destruction of the Project Improvements without first securing the written approval of the BCRTA, which approval may be granted or withheld in the BCRTA's sole and absolute discretion. In exercising its discretion BCRTA may consider the position of the FTA related to the Federal Interest. All Net Proceeds of any casualty insurance policy shall be made available to additional insureds or loss payees under such policy, and applied in a manner consistent with **Section 6.05** hereof. Notwithstanding anything set forth herein to the contrary, the obligation of BCRTA to replace, repair, rebuild or restore the property is conditioned upon BCRTA's actual receipt of insurance proceeds necessary to fund such replacement, repair, rebuilding or restoration of the property (which may be impacted by the FTA's position as to the Federal Interest.)

Section 7.02 Condemnation. If the title in and to, or the temporary use of, the Project Improvements or any part thereof) shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the BCRTA shall be obligated to continue to make the rental payments specified in **Section 5.03** hereof, as applicable, and shall cause the restoration of the Premises, as applicable, to substantially the same condition as existed prior to the exercise of the said power of eminent domain, or shall acquire and install other machinery, equipment or related property suitable for the BCRTA's operations thereat, title to which machinery, equipment or related property will be conveyed to the University by bill of sale and shall be deemed a part of the Project, as applicable, and available for use and occupancy by the BCRTA without the payment of any Rent other than the payments specified in **Section 5.03** hereof. The University hereby acknowledges and agrees that the University shall have no right to convey the Premises in lieu of condemnation or to settle any claim with regard to condemnation without written first obtaining the written approval of the BCRTA, which approval may be granted or withheld in the BCRTA's sole and absolute discretion. All condemnation proceeds and proceeds received in lieu of condemnation shall be made available to the BCRTA for purposes of fulfilling its obligation to restore the Premises as set forth herein.

Article VIII. SPECIAL COVENANTS

Section 8.01 Disclaimer of Warranties. THE UNIVERSITY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE PREMISES OR ANY PORTION THEREOF LEASED HEREUNDER THAT SUCH PREMISES WILL BE SUITABLE FOR THE PROJECT OR THE BCRTA'S PURPOSES OR NEEDS.

Section 8.02 Inspection of the Premises; Right of Access by the University. The BCRTA agrees that the University, or any of its authorized agents shall have the right, at all reasonable times during business hours, to enter upon the Premises and to examine and inspect the Project provided that such activities do not result in any interference or prejudice to the BCRTA's operations or those of any subtenant of BCRTA, to ensure compliance with the provisions of this Lease. Provided that the BCRTA is not then in default hereunder, such inspection shall only be made upon reasonable prior notice to the BCRTA and in the presence of a representative of the BCRTA. The BCRTA further agrees that the University and its duly authorized agents shall have such rights of access to the Premises during the Construction Period as may be reasonably necessary in accordance with **Section 4.01** to cause the acquisition, construction and installation of the Project to be completed.

Section 8.03 BCRTA to Maintain its Existence; Exceptions Permitted. The BCRTA agrees that throughout the Term of this Lease, it shall maintain its existence and shall not merge or consolidate with any other entity and shall not transfer or convey all or substantially all of its property (other than the assignment of its interest under this Lease as permitted under the terms of this Lease), assets and licenses\; provided however, the BCRTA may, without violating any provisions of this Lease, consolidate with or merge into another domestic entity or permit one or more domestic legal entities to consolidate with or merge into or transfer or convey all or substantially all of its assets to another domestic legal entity, but only on the condition that the assignee legal entity or the legal entity resulting from or surviving such merger (if other than the BCRTA) or consolidation or legal entity to which such transfer is made is then solvent and shall expressly assume in writing and agree to pay and to perform all of the BCRTA's obligations under this Lease. If the BCRTA is the surviving entity following such a merger the express assumption referenced in this **Section 8.03** shall not be required.

Section 8.04 Good Standing in the State. The BCRTA and the University both warrant and represent that they are currently in good standing in the State of Ohio and shall remain so during the Construction Period and Lease Term.

Section 8.05 Granting and Release of Easements. If no Event of Default shall have happened and be continuing, the University, upon written request of BCRTA, grant without delay, or modify, amend, release or terminate any easements, licenses, rights of way (temporary or perpetual and including the dedication of public highways), other rights or privileges in the nature of easements with respect to any property included in the Premises and other contracts or agreements helpful in effecting the development, construction, maintenance, operation or restoration of the Project, and such grant will be free from the lien or security interests created by this Lease, and the University agrees that it shall execute and deliver and will cause the Project Manager (if such action shall be undertaken during the Construction Period) to execute and deliver any instrument necessary or appropriate to confirm, grant, amend, modify, terminate or release any such easement, license, right of way, other right or privilege or other document within ten (10) business days upon receipt of: (a) a copy of the instrument of grant or release, and (b) a written certification from the BCRTA signed by an Authorized BCRTA Representative requesting the execution of such instrument and stating (i) that such grant or release is not detrimental to the proper conduct of the business of the BCRTA, and (ii) that such grant or release will not impair the effective use or materially interfere with the operation of the Premises or completion of construction of the Project.

Section 8.06 Compliance with Laws. Beginning on the Effective Date of this Lease, the BCRTA agrees that it will comply in all material respects with any applicable law, ordinance, rule or regulation of any governmental authority with respect to its use of the Premises.

Section 8.07 Jurisdiction and Governing Law. This Agreement shall be construed in accordance with the laws of the United States of America and the State of Ohio, regardless of Ohio's choice of law provisions. Any litigation (or alternative dispute resolution proceedings ("**ADR**") arising out of or related to this Agreement shall be venued in the appropriate state or federal courts located in the State of Ohio (or in the case of ADR shall be conducted in Butler County, Ohio). The parties further agree that they do hereby waive all questions or personal jurisdiction, venue and convenience of forum for purposes of giving effect to this provision.

Section 8.08 Limitation of Liability of Directors, Trustees, Officers, Members, Agents and Employees of the University and the BCRTA. Nothing herein shall be deemed to be an obligation of any director, officer, member, agent or employee of the University in his or her individual capacity, and neither the directors of the University nor any officer thereof shall be liable personally or be subject to any personal liability or accountability by reason of the Project or this Lease. No director, officer, member, agent or employee of the University shall incur any personal liability with respect to any other action taken by him or her pursuant to this Lease of the Project. Nothing herein shall be deemed to be an obligation of any trustee, officer, member, agent or employee of the BCRTA in his or her individual capacity, and neither the trustees of the BCRTA, nor any officer thereof shall be liable personally or be subject to any personal liability or accountability by reason of the Project or this Lease. No trustee, officer, member, agent or employee of the BCRTA shall incur any personal liability with respect to any other action taken by him or her pursuant to this Lease or the Project.

Section 8.09 Political Activity. BCRTA acknowledges and agrees that no portion of the Project Funds shall be use for any partisan political activity or to further the election or defeat of any candidate for public office. All employees of the BCRTA, during the Lease Term, shall observe the limitations on political activities to which they may be subject under the Hatch Act (5 U.S.C. 1501 et seq; 18 U.S.C. 595).

Section 8.10 Federal Changes. At all times relevant hereto, the BCRTA will undertake all necessary steps to comply will all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by implication within any grant or applicable application materials, as the same may be amended or promulgated during the Term of this Lease.

Section 8.11 Clean Air Act and Federal Water Pollution Control Regulations. During the Term hereof, and as it relates to the Premises and the Project, the BCRTA agrees to comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 USE 185(h), Section 508 of the Clean Water Act, as amended (33 USC 1368, et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. 125, et seq.), as amended), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR. Part 15), which prohibit the use under non-exempt federal contracts, grants or loans, or facilities included on the EPA list for Violating Facilities.

Section 8.12 Repayment of Federal Interest.

(a) Federal Interest. The parties acknowledge that a portion of the Project Funds includes funding provided to BCRTA by the FTA (or other governmental agencies), and that additional funding may be provided to BCRTA by the FTA (or other governmental agencies) to support the Project during the Term (such funds are hereinafter referred to as the "**FTA Funds**" regardless of whether they were supplied by the FTA or other governmental agencies), if approved by University. The Parties acknowledge that a portion of the FTA Funds (the "**Federal Interest**") may need to be repaid to the FTA upon the expiration or earlier termination of this Lease. The parties wish to memorialize hereinafter the manner in which the Federal Interest will be calculated and repaid.

(b) Procedures. Upon the expiration or earlier termination of this Lease for any reason, University shall, within thirty (30) days' of request from BCRTA, provide BCRTA notice of whether University will continue to use the Premises for transit purposes or if the Premises will be used for non-transit purposes. Upon receiving such notice from University, BCRTA shall engage with FTA to determine the process for calculating the Federal Interest (if any). BCRTA shall be solely responsible for taking all steps necessary to calculate the Federal Interest, including, without limitation, obtaining an appraisal for the Premises and an appraisal review with FTA; provided that University shall provide reasonable assistance to BCRTA in working with FTA. BCRTA shall communicate any disposition instructions BCRTA receives from FTA to University. Once the property is valuated according to the then-current FTA regulations, BCRTA shall provide University with instructions on disposing of the Federal Interest (which process is currently outlined in FTA Circular 5010.1E Chapter IV(2)(j)(2)(b)).

(c) Financial Responsibility for Repaying the Federal Interest. The repayment of the Federal Interest shall be governed exclusively by the following terms and conditions:

(i) If this Lease is terminated due to the natural expiration of the Lease Term by its terms (which coincides with the termination of the useful life of the Project under current FTA regulations), then BCRTA and the University shall equally share (50% each) the cost of repaying the Federal Interest, if any.

(ii) If this Lease is terminated by BCRTA due to an Event of Default committed by University (or University's uncured and material breach of this Lease), then University shall be solely responsible for repaying the entire Federal Interest.

(iii) If this Lease is terminated by University due to an Event of Default committed by BCRTA (or BCRTA's uncured and material breach of this Lease), or if BCRTA exercises its Termination for Convenience Right under this Lease, then BCRTA shall be solely responsible for repaying the entire Federal Interest.

(iv) With respect to additions, modifications or improvements to the Premises made by BCRTA (under **Section 6.01** hereof) with University approval, which result in a Federal Interest in the additions, modifications, or improvements, if this Lease is terminated due to the expiration of the Lease Term (which coincides with the termination of the useful life of the Project under current FTA regulations), then the University shall be solely responsible for the cost of repaying the entire Federal Interest as to those additions, modifications, or improvements.

(d) Repayment of Projects Funds other than the Federal Interest. Except as otherwise outlined above, BCRTA shall be solely responsible for repaying any amount of the Project Funds BCRTA agreed to repay under any grant or other agreement with the party providing such Project Funds. BCRTA covenants and agrees that it will keep the Property lien free and no mechanic's liens or other lien shall be allowed against the Premises or the estate of University in the Property at any time.

(e) Laws and Regulations. BCRTA represents and warrants that at all times during the Lease Term it will operate the Project and maintain the Premises at all times in accordance with federal laws, rules and regulations, including but not limited to any regulations, laws or requirements of the FTA as may be promulgated by the FTA from time to time.

(f) Real Property Inventory. BCRTA represents and warrants that it will maintain a Real Property Inventory on file and will annually provide the University with a written copy of such inventory report within thirty (30) days of the date it delivers the Real Property Inventory to the FTA.

(g) Survival. The terms of this **Section 8.12** shall survive the expiration or earlier termination of this Lease.

(h) No Indemnity. Neither University's nor BCRTA's agreement to repay the Federal Interest upon the terms set forth herein shall constitute an indemnity by either party. University and BCRTA both acknowledge and agree that the payment obligations outlined in this **Section 8.12** have been negotiated by the parties in recognition of the relative risks to each with respect to the repayment of certain funds that may or may not be owed at the expiration of the Term of this Lease, and expressly state that such obligations are not intended (and shall not be interpreted by any party, including a third-party) as an obligation to indemnify either party.

Section 8.13 False or Fraudulent Statements.

(a) The BCRTA acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986 as amended, 31 U.S.C. Paragraphs 3801 et seq. and U.S. Department of Transportation Regulations. "Program Fraud Civil Remedies", 49 C.F.R. Part 31, apply to their actions pertaining to the Project. Upon execution of the within Lease, the BCRTA certify and affirm the truthfulness and accuracy of any statement it has made, makes, may make, or causes to be made, pertaining to the within the Lease or the construction of the Project as contemplated herein. In addition to other penalties that may be applicable, the BCRTA further acknowledges that if it makes, or causes to be made, false, fictitious, or fraudulent claims, statements, submissions, or certifications, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on such offending party to the extent the Federal Government may deem appropriate.

(b) The BCRTA also acknowledges that if it makes, or causes to be made, false, fictitious, or fraudulent claims, statements, submissions or certifications to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. Paragraph 5307, the Federal Government shall have the right to impose the penalties of 18 U.S.C. Paragraph 1001 and 49 U.S.C. Paragraph 5307(n)(t) on the such offending party, to the extent the Federal Government may deem appropriate.

Section 8.14 Continuous Operations. During the Lease Term: (a) BCRTA shall maintain continuous operations at the Premises in accordance with the provisions of this Lease and shall not cease such operations, other than a temporary cessation as may be required during any period of repair or reconstruction resulting from damage to, destruction of or Condemnation as to any part of the Premises; and (b) BCRTA shall not voluntarily close the Project without first obtaining the written consent of the University and the Granting Authorities, and any effort to close or discontinue operating the Project prior to securing such written authority shall constitute a Default hereunder.

Article IX. ASSIGNMENT, PLEDGING AND SELLING; REDEMPTION; RENT PREPAYMENT AND ABATEMENT

Section 9.01 Assignment and Subletting.

(a) Subleasing. The BCRTA may not sublease any part of the Premises or Project without the prior written consent of the University, which consent shall not be unreasonably delayed, withheld or conditioned. No sublease shall relieve the BCRTA from primary liability for any of its obligations hereunder. In the event of a sublease, the BCRTA shall remain primarily liable for payment of the rents specified in **Section 5.03** hereof, and for the payment, performance, and observance of all other obligations and agreements herein provided to be performed by the BCRTA. In connection with any such sublease, the BCRTA shall furnish or cause to be furnished to the University, upon request, assurances reasonably satisfactory to the University that the Premises will continue to be operated in compliance with the provisions and purposes identified herein. The University shall have the right, at any time and from time to time, to notify any sublessee of the rights of the University as provided by this Section. The Parties acknowledge that it is their goal to avoid a situation in which a sublease would result in the Premises or Project no longer being used for transit purposes thereby resulting in the FTA's ability to recover the Federal Interest.

(b) Assignment. Except as set forth herein, this Lease may not be assigned, in whole or in part, by the BCRTA without the consent of the University in each case, such approval not to be unreasonably withheld or denied. Any assignment of this Lease shall also be subject to the following conditions:

(i) no assignment shall relieve the BCRTA from primary liability for any payment of rent or other obligations hereunder accruing prior to the date of such assignment unless the BCRTA shall have obtained the consent of the University, such approval not to be unreasonably withheld, conditioned or delayed; provided, however, in connection with an assignment of this Lease; and

(ii) the BCRTA shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the University a true and complete copy of each such assignment, together with any instrument of assumption.

Section 9.02 Restrictions on Sale of the Project by the University. Except for any sale under threat of a taking by eminent domain or a sale pursuant to **Article VI** hereof, the University agrees that, during the Lease Term, it shall not: (a) directly, indirectly, or beneficially sell, convey, or otherwise dispose of any part of its interest in the Premises; (b) permit any part of the Premises to become subject to any lien, claim of title, encumbrance, security interest, conditional sale contract, title retention arrangement, finance lease, or other charge of any kind, without the written consent of the BCRTA (which shall not be unreasonably withheld, conditioned, or delayed); or (c) assign, transfer, or hypothecate any payment of rent (or analogous payment) then due or to accrue in the future under any lease of the Premises, except that if the laws of the State at the time shall permit, nothing contained in this Section shall prevent the consolidation of the University with, or merger of the University into, or transfer of the Premises as an entirety to, any public body of the State whose property and income are not subject to taxation and which has authority to own and lease the Project, provided, that upon any such consolidation, merger, or transfer: (i) the due and punctual repayment of the principal of, premium, if any, and interest on all remaining Project Funds at the time of such sale, to any Granting Authority entitled to the same, on a pro rata basis, if required; and (ii) the due and punctual performance and observance of all the agreements of the University to which the University is a party with respect to the Project to be kept and performed by the University, shall be expressly assumed in writing by the public body resulting from such consolidation or surviving such merger or to which the Project shall be transferred as an entirety. Notwithstanding anything set forth herein to the contrary, University agrees that it may, after giving advance written notice to BCRTA, execute any documents that would adversely affect the Federal Interest including, but not limited to, a lease, transfer of title, lien, pledge, mortgage, encumbrance, third party contract, subagreement, grant anticipation note, alienation, and/or innovative finance arrangements, provided, however, that if the University executes any such document and the Federal Interest is adversely affected, University shall pay the cost to reimburse the portion of the Federal Interest that is thereby affected.

Section 9.03 Prepayment of Rents. There is expressly reserved to the BCRTA the right, and the BCRTA is authorized and permitted, at any time it may choose, so long as it is not then in default hereunder, to prepay all or any part of the rents payable under **Section 5.03** hereof, and the University agrees to accept such prepayment when the same is tendered by the BCRTA. All prepaid rents shall be credited against the rents specified in **Section 5.03**, in chronological order of its due dates. The mere payment and acceptance of such prepaid rent, without more, is a matter of convenience to the parties and shall not, in and of itself, prejudice the parties or constitute a waiver of any legal position they wish to take or argument they wish to make.

Article X. EVENTS OF DEFAULT AND REMEDIES

Section 10.01 Events of Default. The following shall constitute an Event of Default under this Lease:

(a) failure by the BCRTA to make any rental payments required under **Section 5.03** hereof on or before the date that the payment is due and continuance of such failure for a period of five (5) business days after written notice thereof has been given to the BCRTA;

(b) failure by either the University or the BCRTA to observe and perform any material covenant, condition or agreement required hereunder (other than as referred to in **Section 5.03(a)**), for a period of thirty

(30) days following receipt of written notice from the non-breaching party, specifying such failure and requesting remediation, unless the parties shall agree in writing to an extension of such time; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the non-breaching party shall not unreasonably withhold its consent to an extension of such time if curative measures are possible and corrective action is instituted by the breaching party within the applicable period and diligently pursued to completion;

(c) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the BCRTA or adjudging the BCRTA bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the BCRTA under Title 11 of the United States Code, as now constituted or as amended or any other applicable Federal or state bankruptcy or other similar law, and such decree or order shall have continued undischarged or unstayed for a period of ninety (90) days; or the entry of a decree or order of a court having jurisdiction of the premises for the appointment of a receiver or liquidator or trustee or custodian or assignee in bankruptcy or insolvency of the BCRTA or of all or a major part of its property, or for the winding up or liquidation of its affairs and such decree or order shall have remained in force undischarged or unstayed for a period of ninety (90) days;

(d) the BCRTA shall institute proceedings to be adjudicated a bankrupt or insolvent, or shall consent to the filing of a bankruptcy or insolvency proceeding against it, or shall file a petition or answer or consent seeking relief under Title 11 of the United States Code, as now constituted or as amended, or any other applicable Federal or state bankruptcy or other similar law, or shall consent to the institution of proceedings thereunder or to the filing of any such petition, or shall consent to the appointment or taking possession of a receiver or liquidator or trustee or custodian or assignee in bankruptcy or insolvency of it or of all or a major part of its property, or shall make an assignment for the benefit of its creditors, or shall admit in writing its inability to pay its debts generally as they become due, or the failure of the BCRTA generally to pay its debts as such debts become due, or the taking of action by the BCRTA in furtherance of any such action; or

(e) The sale, transfer, assignment or other disposal of the Premises or the BCRTA's interest in the Premises other than a sale, transfer, assignment or disposal which may be permitted under the provisions of **Article IX** hereof.

The foregoing provisions of this Section are subject to the following limitations. If by reason of force majeure the BCRTA is unable in whole or in part to carry out the agreements on its part herein contained, other than the obligations on the part of the BCRTA contained in **Sections 5.03, 6.03, 6.04**, **8.03, 8.12 and 8.13** hereof, the BCRTA shall not be deemed in default during the continuance of such inability. The term "**force majeure**" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; terrorism; orders of any kind of the government of the United States of America or of the State of Ohio or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the BCRTA. The BCRTA agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the BCRTA from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the BCRTA, and the BCRTA shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the BCRTA, unfavorable to the BCRTA.

Section 10.02 Remedies for Default. Whenever any Event of Default shall have happened and be subsisting, the University may take any one (1) or more of the following remedial steps:

(a) declare all installments of rent payable under **Section 5.03** hereof for the remainder of the Lease Term to be immediately due and payable, whereupon the same shall become immediately due and payable;

(b) re-enter and take possession of the Premises and the Project without terminating this Lease and without any liability to the BCRTA for such entry and repossession, and sublease the Premises and the Project for the account of the BCRTA, holding the BCRTA liable for the difference in the rents and other amounts payable by such sublessee in such subleasing and the rents and other amounts payable by the BCRTA hereunder;

(c) terminate the Lease, exclude the BCRTA from possession of the Project and use its best efforts to lease the Project to another for the account of the BCRTA, holding the BCRTA liable for all rent, Project Funds, repayment of the Federal Interest (if any) and other payments due up to the effective date of such leasing;

(d) require accounting books and records of the BCRTA pertaining exclusively to the Premises; however this remedy is only applicable to an Event of Default identified under **Section 10.01(a)**; and

(e) take whatever action at law or in equity may appear necessary or desirable to collect the rents then due, or to enforce performance and observance of any obligation, agreement or covenant of the BCRTA under this Lease.

Any amounts collected pursuant to action taken under this Section shall be paid to satisfy any outstanding obligations of the BCRTA under this Lease. Any enforcement of recovery under this Section shall be limited to and against the BCRTA ONLY and no claim or recovery may be made against any officer, trustee or other employee of the BCRTA.

Section 10.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to the University is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the University to exercise any remedy reserved to it in this Section, it shall not be necessary to give any notice, other than such notice or notices as may be herein expressly required.

Section 10.04 Reserved.

Section 10.05 No Additional Waiver Implied by One Waiver. If any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 10.06 Waiver of Appraisement, Valuation, Etc. If the BCRTA should default under any of the provisions of this Lease, the BCRTA agrees to waive, to the extent it may lawfully do so, the benefit of all appraisement, valuation, stay, extension or redemption laws now or hereafter in force, and all right of appraisement and redemption to which it may be entitled.

Section 10.07 Reinstatement of Lease. Notwithstanding any termination of this Lease in accordance with the provisions of **Section 10.02**, until the earliest of such time as (a) the University shall have entered into a valid and binding agreement providing for the reletting of the Premises, (b) the University's Board of Trustees or the President's Executive Cabinet have taken formal action to use the Premises for a purpose other than as described in this Lease, or (c) the passage of six (6) months, the BCRTA may at any time after such termination pay all accrued unpaid rent, except rent accelerated pursuant to **Section 10.02(a)** of this Lease, plus any costs incurred by the University relative to such default, and fully cure all other defaults then capable of being cured. Upon such payment and cure, this Lease shall be fully reinstated, as if it had never been terminated, and the BCRTA shall be restored to the use, occupancy and possession of the Project and any acceleration pursuant to **Section 10.02(a)** of this Lease shall thereupon be rescinded and annulled.

Article XI. MISCELLANEOUS

Section 11.01 Notices. Any notice, request or other communication (a "**notice**") required or permitted to be given hereunder shall be in writing and shall be delivered by hand or national overnight courier (such as United Parcel Service or Federal Express), sent by facsimile (provided a copy of such notice is deposited with an overnight courier for next business day delivery) or mailed by United States registered or certified mail, return receipt requested, postage prepaid and addressed to each party at its address as set forth below. Any such notice shall be considered given on the date of delivery to hand or courier delivery, confirmed facsimile transmission (provided a copy of such notice is deposited with an overnight courier for next business day delivery), deposit with such overnight courier for next business day delivery, or receipt via the United States mail, but the time period (if any is provided herein) in which to respond to such notice shall commence on the date of hand or overnight courier delivery or on the date received following deposit in the United States mail as provided above. Rejection or other refusal to accept or inability to deliver any notices required hereunder due to change of address for which no notice was given shall be deemed to be constructive receipt of the notice. By giving at least five (5) days' prior written notice thereof, any party may from time to time and at any time change its mailing address hereunder. Any notice of any party may be given by such party's counsel.

Notice addresses are as follows:

As to the BCRTA:	Butler County Regional Transit Authority Attn: Executive Director 3045 Moser Court Hamilton, Ohio 45011 Office: 513.785.5246 Email: dutkeviczmm@butlercountyrta.com
With a copy to:	Isaac Wiles & Burkholder LLC Attn: Mark Landes and Ryan Spitzer 2 Miranova Pl, Suite 700 Columbus, Ohio 43215 614.221.2121 Email: rspitzer@isaacwiles.com
As to the University:	Miami University Attn: AVP for Facilities Planning and Operations 101 South Fisher Drive Oxford, Ohio 45056 Email: powellcj@miamioh.edu
With a copy to:	Miami University Attn: Office of General Counsel 501 East High Street 215 Roudebush Hall Oxford, OH 45056 generalcounsel@miamioh.edu

A duplicate copy of each notice, certificate or other communication given hereunder by the University, the BCRTA or the Project Manager shall also be provided to each of the other parties. The University, the BCRTA and the Project Manager may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.02 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the University, the BCRTA and their respective successors and assigns.

Section 11.03 Severability. If any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.04 Amounts Remaining in Project Fund. It is agreed by the parties hereto that, moneys remaining in the Project Fund following completion of the Project, unless any Granting Authority shall require otherwise, shall belong to and be paid to the BCRTA by the Project Manager as an overpayment of rents (excluding the amount of the Tenant Improvement Allowance, which shall be paid to University if such funds are not needed to complete the Project).

Section 11.05 Amendments, Changes and Modifications. Except as otherwise provided herein, this Lease may only be amended, changed, modified, altered or terminated by the written agreement of the University and the BCRTA.

Section 11.06 Execution of Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.07 Captions. The captions and headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Lease.

Section 11.08 Recording of Lease. This Lease shall not be recorded. However, a short form or memorandum hereof and every assignment and modification hereof may, at the election and expense of the BCRTA, be recorded in the office of the County Recorder for Butler County, Ohio, or in such other office as may be at the time provided by law as the proper place for such recordation. The University will reasonably cooperate in the execution and recording of the short form or memorandum.

Section 11.09 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Ohio as applied to contracts made and to be performed in the state of Ohio.

Section 11.10 Net Lease. This Lease shall be deemed a "net lease," and the BCRTA shall pay absolutely net during the Lease Term the rents, revenues, utilities, fees, maintenance costs and expenses, and receipts pledged hereunder, without abatement, deduction or set off other than those herein expressly provided.

Section 11.11 No Joint Venture; Relationship. This Agreement is not intended to constitute or create a joint venture, pooling arrangement, partnership or formal business organization of any kind by and between the University and the BCRTA; and the rights and obligations of the parties shall be only those expressly set forth herein. At all times relevant hereto, the BCRTA and the University shall remain independent entities, neither party shall act as agent for the other (unless the same shall be expressly set forth herein), and the employees of one party shall not be deemed to be the employees of the other.

Section 11.12 Estoppel Certificates. Upon ten (10) business days written request of either party, the non-requesting party will provide a statement to a proposed assignee of this Lease concerning (a) whether a default exists under this Lease, and if so specifying the nature of such default; (b) whether this Lease has been amended, and if so, specifying the amendments; and (c) any other matter concerning this Lease reasonably requested by such proposed assignee.

Section 11.13 Third Party Beneficiary. The University and the BCRTA hereby acknowledge that as a result of any grant it may make, the FTA will have rights in the project which are binding upon the parties. Beyond such rights in the FTA, there are no third party beneficiaries under this Lease.

Section 11.14 Compliance with Laws. The performance by both the University and the BCRTA in accordance herewith, and each such party's conduct with respect to the Project and this Lease shall, at all times, comply with all applicable standards, provisions, and stipulations of United States (including federal, state, and local) laws, rules, regulations, and ordinances.

Section 11.15 Entire Agreement; Priority. All exhibits attached to this Lease are hereby incorporated herein by this reference. This Lease, including the exhibits attached hereto, sets forth the entire understanding of the University and BCRTA with respect to the subject matter hereof. In the event of any conflict between the terms herein and those of the exhibits, the terms herein shall prevail. No person has any authority to make any representation or promise on behalf of any of the parties which is inconsistent with the terms set forth in this Lease and this Lease has not been executed in reliance on any promise or representation not set forth in this Lease.

Section 11.16 Incorporation of Federal Transit Administration (FTA) Terms. This Lease includes, in part, certain Standard Terms and Conditions required by the United States Department of Transportation ("**DOT**"), whether or not the same be expressly set forth in the preceding contractual provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1F, amended as of March 18, 2013, are incorporated herein by reference. Anything to the contrary herein notwithstanding, all FTA mandates shall be deemed to control in the event of a conflict with other provisions set forth herein; provided that the repayment of the Federal Interest shall be controlled exclusively by the process set forth in this Lease except to the extent that may be contrary to law. The parties hereto shall take reasonable steps not to perform any act, fail to perform any act, or refuse to comply with any BCRTA requests which may cause the BCRTA to be in violation of such FTA terms and conditions.

Section 11.17 Access Requirements for Persons with Disabilities. During the Term hereof, the BCRTA agrees to comply with all applicable requirements of the Americans with Disabilities Act of 1990 (ADA), 42 U.S.C. Section 12101 et seq: Section 504 of the Rehabilitation Act of 1973, as amended, 19 U.S.C. Section 792:49 U.S.C. Section 5301 (d); and the Federal Regulations including any amendments thereto: 49 C.F.R. Part 27, 49 C.F.R. Part 38; 28 C.F.R. Part 35; 28 C.F.R. Part 36; 41 C.F.R. Subpart 101-19; 29 C.F.R. Part 1630; 47 C.F.R. Part 1630; 47 C.F.R. Part 64, Subpart F; and 49 C.F.R. Part 609, as the same apply to the Premises.

Section 11.18 Access to Wash Bays. As part of the Project, BCRTA may install and maintain wash bays at the Premises that will be used to clean buses and other vehicles. As additional consideration for the rights granted to BCRTA by University under this Lease, if wash bays are installed and maintained at the Premises, BCRTA shall permit University to utilize the wash bays located on the Premises to clean the University's vehicle fleet. University shall refrain from using the wash bays to clean the beds of dump trucks and other similar activities that may overly tax the wash bay system.

Section 11.19 Access to Fueling Stations. As part of the Project, BCRTA may install and may, during the Term, maintain fueling stations at the Premises. BCRTA covenants and agrees that it shall permit the University to utilize these fueling stations and will enter into a fueling station agreement with University upon good faith terms and conditions governing the terms of the University's use of such fueling stations.

Section 11.20 Access to Main Street. BCRTA shall use commercially reasonable efforts to work with the City of Oxford to maintain a secondary point of ingress/egress off of S. Main Street (a/k/a Collins Run Road) from the area around the athletic track located south of the Project.

Section 11.21 Non-Discrimination. BCRTA covenants for itself, its heirs, executors, administrators, successors, and assigns and all persons claiming under or through it or them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, sex, marital status, sexual orientation, national origin, ancestry, age, physical handicap or medical condition, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Premises or Project herein leased, and BCRTA and any person claiming under or through BCRTA shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of BCRTA and its subtenants, licensees, vendees or customers in the Premises or Project.

[**REMAINDER OF PAGE INTENTIONALLY BLANK – SIGNATURES FOLLOW**]

IN WITNESS WHEREOF, the University and the BCRTA have caused this Lease to be executed in their respective names and their respective seals to be hereunto affixed and attested by their duly authorized representatives, all as of the date first above written.

WITNESS:

____

LESSOR:

MIAMI UNIVERSITY, a public institution of higher education established and existing under the laws of the State of Ohio

By: _______________________________

Name: David K. Creamer

Title: Sr. Vice President for Finance and Business Services/Treasurer

WITNESS:

____

LESSEE:

BUTLER COUNTY REGIONAL TRANSIT AUTHORITY, an Ohio regional transit authority

By: _______________________________

Name:_____________________________

Title:______________________________

[Acknowledgments appear on the next following page.]

[ADD ACKNOWLEDGMENTS.]

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT B

DEPICTION OF PREMISES AND EASEMENTS

EXHIBIT C

PROJECT EQUIPMENT

After execution of this Lease, BCRTA will prepare and the parties will execute a Letter Agreement setting forth an itemized description of the Project Equipment. Once executed, the Letter Agreement will be attached hereto as **Exhibit C** immediately following this page.

EXHIBIT D

FORM OF ACCEPTANCE LETTER

Landlord:	**Miami University ("University")** 501 E. High Street Oxford, Ohio 45056
Tenant:	**Butler County Regional Transit Authority ("BCRTA")** 3045 Moser Court Hamilton, Ohio 45011
Premises:	The Chestnut Street Shared Services Facility and Multimodal Station ______________________________________ ______________________________________ (For the purposes of this Acceptance Letter the Chestnut Street Shared Services Facility and Multimodal Station is referred to as the "Premises", however, the use of that term is not intended by the parties to alter the definition of the term "Premises" set forth in the Ground Lease Agreement described below.)
Re:	Ground Lease Agreement, dated for reference purposes only as ___________, **2023**, by and between University and BCRTA with respect to the Premises as described in the Ground Lease Agreement ("Lease").

This is to advise that the undersigned has inspected the improvements at the above-referenced Premises and hereby confirms the following:

Acceptance Representations by BCRTA:

1. Provided that BCRTA has delivered to University a certificate of insurance evidencing that BCRTA has obtained the coverage required pursuant to the terms of the Lease and that University is named as an additional insured ("Certificate of Insurance"), BCRTA has accepted possession of the Premises pursuant to the terms of the Lease.

2. That the improvements and space required to be furnished according to the aforesaid Lease have been completed and supplied by University in all respects and in compliance with all applicable codes.

3. To BCRTA's knowledge, the University has fulfilled its obligations under the Lease up to this point in time.

4. That no Rent has been prepaid except as provided by the Lease.

5. That there are no existing defenses or offsets which the undersigned BCRTA has against the enforcement of said Lease by the University.

6. That the aforesaid Lease has not been modified or altered, except as set forth herein.

7. The Commencement Date of the Lease is the ___ day of ________________, _____.

8. The Termination Date of the Lease is the ____ day of __________________, _____.

9. That the Lease remains in full force and effect.

Contingent Representations under Section 4.04 of the Lease:

[The following representations shall not be required to be included in the Acceptance Letter if the Project Funds have been exhausted prior to completion of the Project.]

10. That the acquisition, construction and installation of the Project has been substantially completed and a temporary or final certificate of occupancy has been issued therefor and all labor, services, materials and supplies used in such acquisition, construction and installation have been paid for.
11. That the Project has been acquired, constructed and installed to the BCRTA's' satisfaction and all costs and expenses incurred in connection therewith have been paid.

12. That, except for disputed claims for payment, BCRTA has received full and final releases and waivers of liens from all contractors performing work on the Project.

13. That all permissions required of governmental authorities for the occupancy of the Premises have been obtained, including a temporary or final certificate of occupancy.

UNIVERSITY:
Miami University,
a public institution of higher education established and existing under the laws of the State of Ohio

By: ________________________________

Its: ________________________________

Signature: ___________________________

Dated this _____ day of __________, 20___

BCRTA:
Butler County Regional Transit Authority,
An Ohio regional transit authority

By: ________________________________

Its: ________________________________

Signature: ___________________________

Dated this _____ day of __________, 20___

<u>**EASEMENT AGREEMENT**</u>

THIS EASEMENT AGREEMENT (this "**Agreement**"), made as of this ____ day of _______________, 20___ (the "**Effective Date**"), by and between **the City of Oxford, Ohio (fka The Village of Oxford)**, an Ohio municipal corporation having a principal place of business at 15 South College Avenue, Oxford, Ohio 45056 ("**Oxford**"); and **Miami University**, a public institution of higher education established and existing under the laws of the State of Ohio having a principal place of business at 501 E. High Street, Oxford, Ohio 45056 ("**Miami**"),

<u>W I T N E S S E T H</u>:

WHEREAS, Oxford is the owner of certain parcels of land situated in Butler County, Oxford, Ohio, identified in the Butler County Auditor's Office (the "**Auditor's Office**") as Tax Parcel Numbers H4100115000012 and H4000115000016 as more particularly described on <u>Exhibit "A"</u> attached hereto and made a part hereof ("**Parcel 2**" and "**Parcel 3**" or collectively the "**Oxford Parcels**");

WHEREAS, Miami is the owner of a certain parcel of land situated in Butler County, Oxford, Ohio, identified in the Auditor's Office as Tax Parcel Number: H4000115000008 ("**Parcel 1**" or the "**Miami Parcel**") as more particularly described on <u>Exhibit "B"</u> attached hereto and made a part hereof;

WHEREAS, Miami, in conjunction with, by, and through **Butler County Regional Transit Authority**, an Ohio regional transit authority having a principal place of business at 3045 Moser Court, Hamilton, Butler County, Ohio 45011 ("**BCRTA")** desires to bolster the public transit infrastructure and amenities in Butler County, Ohio, by constructing a multimodal transportation facility, which is designed to support regional job-seekers and education-seekers, transit-dependent families, local residents and visitors, and which BCRTA intends to call The Chestnut Street Shared Services Facility and Multimodal Station;

WHEREAS, in furtherance of the construction of the multimodal transportation facility the parties desire to create certain rights and privileges and impose certain covenants, restrictions and conditions upon the Oxford Parcels and Miami Parcel.

NOW THEREFORE, in consideration of the covenants set forth herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, intending to be legally bound hereby, Oxford and Miami hereby agree as follows:

1. Incorporation. The Recitals set forth above and the Exhibits attached hereto are incorporated herein by reference as though fully set forth.

2. Definitions. In addition to the terms defined in the foregoing recitals and elsewhere in this Agreement, the following terms shall have the following meanings:

"**Easements**" shall mean, collectively, the Access Easement and the Construction Easement.

"**Easement Areas**" shall mean the Access Easement Area and the Construction Easement Area.

"**Owner**" shall mean the then record holder of fee simple title to any portion of a Parcel.

"**Parcel**" shall mean any of the Oxford Parcels and/or the Miami Parcel.

"**Party**" shall mean any Owner of any portion of a Parcel and their respective successors and assign, who become owners in fee of any portion of a Parcel; the "**Parties**" shall mean all such Owners.

"**Permittees**" shall mean each respective Owner's employees, agents, contractors, customers, tenants, subtenants, invitees and licensees in connection with the Owner's ownership of the Miami Parcels and/or the Oxford Parcel, as applicable.

"**Person**" shall mean any individual, partnership, firm, association, corporation, limited liability company, trust, or any other form of business or governmental authority.

3. Access Easement.

(a) Pursuant to the terms and conditions set forth herein, Oxford, as Owner of the Oxford Parcels, hereby declares, establishes, creates and grants in favor of the Owner of the Miami Parcel a perpetual non-exclusive easement and right-of-way (the "**Access Easement**"), subject to all matters of record, for the benefit of the Miami Parcel over and across the Access Easement Area (as hereinafter defined) for vehicular and pedestrian (but not for parking purposes) ingress and egress to and from the Miami Parcels to Chestnut Street. The Access Easement shall be for the non-exclusive benefit of the Owner of the Miami Parcel, and its respective Permittees, and shall be used in common with the Owner of the Oxford Parcels and its respective Permittees. As between Oxford and Miami, Miami shall maintain, or cause to be maintained, the Access Easement Area in accordance with all laws and in good and safe condition. The Access Easement shall run with the land and inure to the benefit any successor Owner of the Miami Parcel.

(b) The "**Access Easement Area**" as used in this Agreement shall mean those portions of the Oxford Parcel that are intended to be used from time to time for a driveway, driving area or access area for the passage and accommodation of pedestrians and vehicles, but not for parking purposes and that are reasonably necessary to access the Miami Parcel to and from Chestnut Street.

(c) Miami shall not cause or permit any disruption, obstruction or damage at or on the Oxford Parcels, nor shall Miami cause or permit any loitering, nuisance or debris to accumulate at or on the Oxford Parcels, including, without limitation, in or on the Access Easement Area. The Owner of the Oxford Parcels may modify, change, reconfigure or reduce the Access Easement Area in its sole and absolute discretion so long as doing so does not eliminate the access (without alternative access being provided) to the Miami Parcel for vehicular and pedestrian ingress and egress to and from Chestnut. Notwithstanding anything set forth herein to the contrary, Miami and/or its Permittees may install fencing and gates in, on, and/or around the Access Easement Area in order to control access to the Access Easement Area consistent with the use of the Miami Parcel and the Oxford Parcels as a multimodal transportation facility.

4. Construction Easement.

(a) Pursuant to the terms and conditions set forth herein, Oxford, as the Owner of the Oxford Parcels, hereby declares, establishes, creates and grants in favor of Miami, as the Owner of Parcel 1, subject to all matters of record, a temporary, exclusive easement and right for the benefit of Parcel 1 over and across the Construction Easement Area (as hereinafter defined) for the use of Miami and its Permittees to aid in the construction, installation, maintenance, use, repair, replacement and/or removal of transit station facilities on Parcel 1, Parcel 2, and Parcel 3 (the "**Construction Easement**"). Miami, as the Owner of Parcel 1, and its respective Permittees, shall use the Construction Easement Area for purposes in aid of the construction on Parcel 1, Parcel 2, and Parcel 3 of a transit station facility only in accordance with this Agreement and for no other purpose. The Construction Easement shall run with the Land and shall inure to the benefit of any successor Owner of Parcel 1.

(b) The "**Construction Easement Area**" shall mean that area located on the Oxford Parcels as depicted and described on Exhibit "___" attached hereto and made a part hereof. Except as expressly set forth herein, Miami and its Permittees shall have no other rights to use (i) any other portion of the Oxford Parcels or (ii) the Construction Easement Area for any other purpose.

5. Maintenance of Access Easement Area. As between Oxford and Miami, Miami shall maintain the Access Easement Area in good condition and repair.

Notwithstanding anything herein to the contrary, all costs and expenses incurred for maintenance, repairs or replacements of the Access Easement Area necessitated by the negligent acts or omissions of an Owner of the Oxford Parcels (or any portion thereof), or its Permittees, shall be borne solely by such Owner of the Oxford Parcels (or any portion thereof), respectively. The Owner of the Miami Parcel and its Permittees shall at all times use the Access Easement Area in a reasonable manner and shall not cause unreasonable wear or tear or damage to the Access Easement Area. Except as expressly set forth herein, Miami and its Permittees shall have no other rights to use (i) any other portion of the Oxford Parcels; or (ii) the Access Easement Area for any other purpose.

6. Maintenance of Construction Easement Area. As between the Owner of the Miami Parcel and The Owner of the Oxford Parcels, the Owner of the Miami Parcel shall maintain the Construction Easement Area in accordance with all applicable laws and in good condition and repair. Notwithstanding anything herein to the contrary, the Owner of the Miami Parcel and its Permittees shall at all times use the Construction Easement Area in a reasonable manner and shall not cause unreasonable wear or tear or damage to the Construction Easement Area. Except as expressly set forth herein, Miami and its Permittees shall have no other rights to use (i) any other portion of the Oxford Parcels; or (ii) the Construction Easement Area for any other purpose.

7. Right to Modify or Assign. This Agreement may be terminated, extended, modified or amended only by written agreement signed by the Owners and recorded in the Butler County, Ohio, Recorder's Office.

8. Not a Public Dedication. Nothing herein contained shall be deemed to be a gift or dedication of any portion of any Parcel to the general public, or for any public use or purpose whatsoever.

9. No Transfer. The Owner of the Miami Parcel cannot extend any rights or benefits created under this Agreement to any real property other than the Miami Parcel. The easements and rights granted hereunder shall be used only in connection with the business(es) operating at or on the Miami Parcel.

10. Negation of Partnership. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in their respective operations, businesses, or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise. Each Party shall be considered a separate owner, and no party shall have the right to act as an agent for another party, unless expressly authorized to do so herein or by separate written instrument signed by the party to be charged.

11. Governing Law. The provisions of this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Ohio.

12. Release of Liability Following Transfer of Title. The transferee in any sale, transfer or other conveyance of a Parcel(s), or any portion hereof, shall, by its acceptance of an instrument of conveyance, be deemed to have automatically assumed all provisions of this Agreement that such transferring Party was heretofore obligated to perform as respects the Parcel(s) or part thereof so conveyed and agrees, upon request from the other Party hereto to execute an instrument, in recordable form, which is legally sufficient to evidence such assumption. In addition, if any Party transfers an interest in all or any portion of its Parcel(s) to secure indebtedness by way of mortgage, deed of trust or in connection with a sale/leaseback or lease/subleaseback transaction, and such Party or any affiliate retains or acquires a possessory interest by way of lease or otherwise on the Parcel(s) or portion thereof so transferred, then so long as such Party has such possessory interest,

the owner of fee simple title to the Parcel(s) of such Party or portion thereof in the case of a sale/leaseback financing transaction, or the lessee/sublessor in the case of a lease/subleaseback transaction, as the case may be, shall not be primarily liable for the obligations of such Party, it being agreed that such Party shall remain primarily liable for the performance thereof and that performance by such Party of such obligation shall be deemed a performance by such owner, lessee or holder, as the case may be, and shall be acceptable to the other Party with the same force and effect as if performed by such owner, lessee or holder, as the case may be.

13. Term.

(a) With respect to the Access Easement, the term of this Agreement shall commence upon the Effective Date and, except as otherwise hereinbefore specifically provided and unless mutually terminated by the parties in interest, shall continue until the expiration of the Lease Term of forty (40) years and any extensions thereof pursuant to that certain Ground Lease Agreement between Miami as lessor and BCRTA as lessee for the construction and operation of The Chestnut Street Shared Services Facility and Multimodal Station. Each Party hereby expressly agrees, on behalf of itself and its successors and assigns, that any provisions of law or equity to the contrary notwithstanding, in the event of any default hereunder which is not cured within any time hereinbefore specified, it shall not terminate this Agreement nor its obligations under this Agreement, nor terminate the rights of the other Party hereto with respect to its Parcel nor withhold the benefits of this Agreement of the other Party by reason of any default by reason of such Party, it being the express understanding of the Parties hereto that this Agreement shall continue in effect throughout its term notwithstanding any default by any Party hereto; provided, however, such limitation shall not affect in any manner any other rights or remedies which a Party may have hereunder by reason of such breach. Notwithstanding the foregoing, if any provision of this Agreement would be unlawful, void or voidable by reason of applicability of the rule against perpetuities, such provisions shall expire twenty-one (21) years after the death of the last survivor of the now-living descendants of Elizabeth II, Queen of England.

(b) With respect to the Construction Easement, the term of this Agreement shall commence upon the Effective Date and, except as otherwise hereinbefore specifically provided and unless mutually terminated by the parties in interest, shall continue until the acquisition, construction and installation of The Chestnut Street Shared Services Facility and Multimodal Station has been substantially completed and a temporary or final certificate of occupancy has been issued therefor. Each Party hereby expressly agrees, on behalf of itself and its successors and assigns, that any provisions of law or equity to the contrary notwithstanding, in the event of any default hereunder which is not cured within any time hereinbefore specified, it shall not terminate this Agreement nor its obligations under this Agreement, nor terminate the rights of the other Party hereto with respect to its Parcel nor withhold the benefits of this Agreement of the other Party by reason of any default by reason of such Party, it being the express understanding of the Parties hereto that this Agreement shall continue in effect throughout its term notwithstanding any default by any Party hereto; provided, however, such limitation shall not affect in any manner any other rights or remedies which a Party may have hereunder by reason of such breach. Notwithstanding the foregoing, if any provision of this Agreement would be unlawful, void or voidable by reason of applicability of the rule against perpetuities, such provisions shall expire twenty-one (21) years after the death of the last survivor of the now-living descendants of Elizabeth II, Queen of England.

14. Mortgages. This Agreement shall not restrict a Party's right to assign or convey its interest in its Parcel or in this Agreement to a mortgagee as additional security or collateral security. However, any and all mortgages granted to a mortgagee on any Parcel shall be subordinate and subject to this Agreement and any person foreclosing any such mortgage or acquiring title to the premises affected thereby shall acquire title subject to all of the terms of this Agreement.

15. Miscellaneous. All references in this Agreement to the single number and neuter gender shall be deemed to mean and include the plural number all genders, and vice versa, unless the context shall otherwise require. The headings contained herein are for convenience only and shall not affect the interpretation of this Agreement. This Agreement may be executed in more than one counterpart, each of which shall be deemed an original.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

WITNESS:

OXFORD:

CITY OF OXFORD, an Ohio ____________________________

____

By:______________________________

Name: ______________________________

Title: ______________________________

WITNESS:

MIAMI:

MIAMI UNIVERSITY, an Ohio ____________________________

____

By:______________________________

Name:______________________________

Title:______________________________

[Signature Page to Easement Agreement]

STATE OF OHIO)
) SS:
COUNTY OF __________________)

On this, the _______ day of _________, 20___, before me, the undersigned Notary Public, personally appeared the above named ________________________, known to me to be the ___________________ of ________________________, a ________________________which executed the foregoing instrument, who acknowledged that he/she did sign said instrument for and on behalf of said ________________________, being thereunto duly authorized by said ________________________; that the same is his/her free act and deed and the free act and deed of said ________________________. This is an acknowledgment; no oath was administered in connection with the notarial act.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

____
Notary Public

My Commission Expires:

STATE OF OHIO)
) SS:
COUNTY OF __________________)

On this, the _______ day of _________, 20___, before me, the undersigned Notary Public, personally appeared the above named ________________________, known to me to be the ___________________ of ________________________, a ________________________which executed the foregoing instrument, who acknowledged that he/she did sign said instrument for and on behalf of said ________________________, being thereunto duly authorized by said ________________________; that the same is his/her free act and deed and the free act and deed of said ________________________. This is an acknowledgment; no oath was administered in connection with the notarial act.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

____
Notary Public

My Commission Expires:

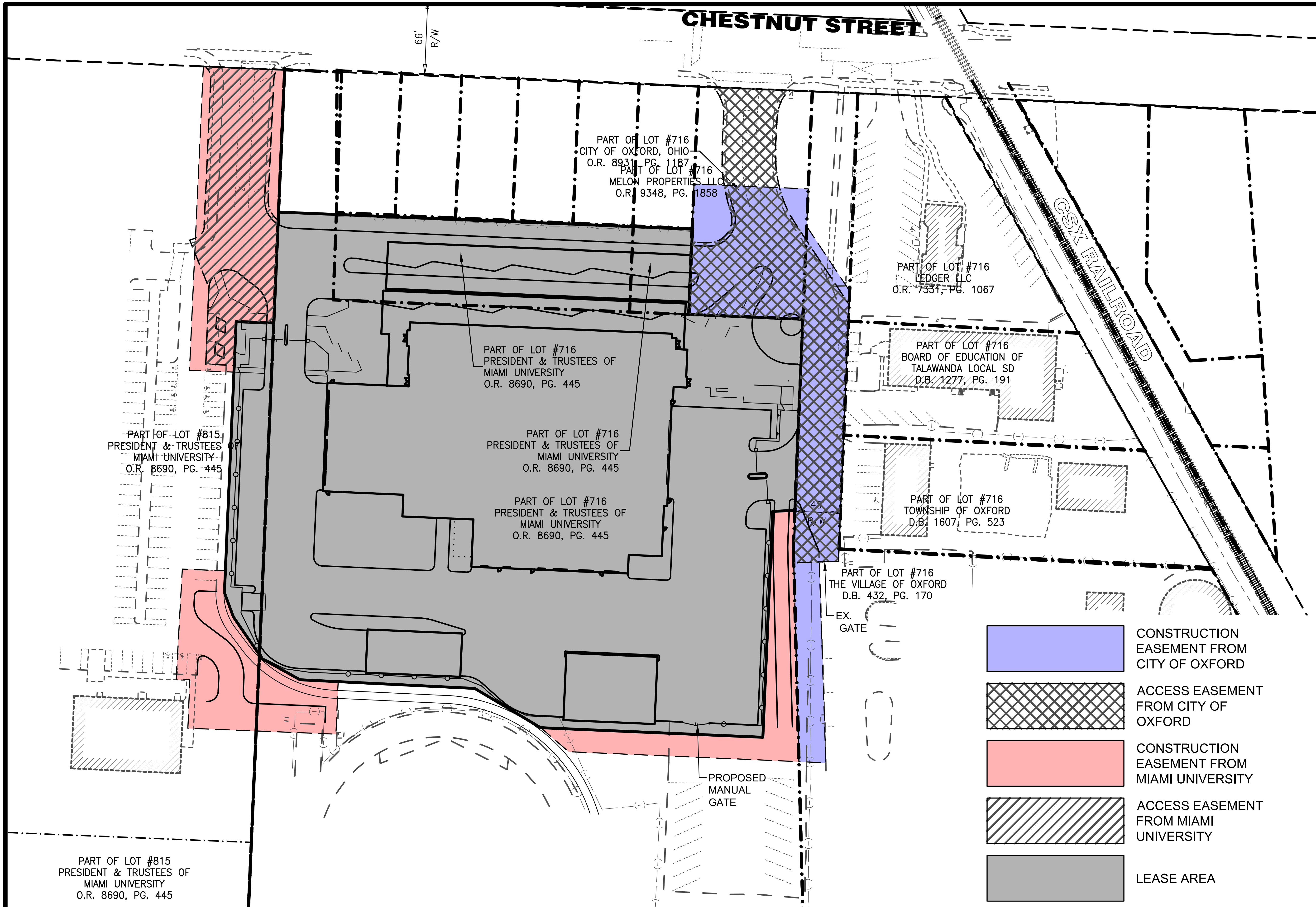
EXHIBIT "A"

<u>OXFORD PARCELS</u>

EXHIBIT “B”

MIAMI PARCEL

4858-3516-3177.4



bayer becker
www.bayerbecker.com
6900 Tylersville Road, Suite A
Mason, OH 45040 - 513.336.6600

BCRTA STATION

CHESTNUT STREET

OXFORD, OHIO

EXHIBIT

Drawing:

Scale 1" = 80'

Drawn by:

Checked By:

Issue Date: 4-11-2022

RESOLUTION R2023-xx

WHEREAS, Miami University is dedicated to efficient operations, offering an education of equal or higher quality while decreasing their costs; and

WHEREAS, Section 3333.95 of the Ohio Revised Code requires all boards of trustees of Ohio's state institutions of higher education to complete an efficiency report annually for the Chancellor of Higher Education which is compiled by the chancellor into a statewide report shared at year end with the governor and legislature; and

WHEREAS, there are a number of other topics that are required to be addressed in the report per the Ohio Revised Code, including Section 3333.951(C) requires institutions to report on their annual study on the cost of textbooks for students enrolled in the institution, 3333.951(B) requires Ohio's co-located colleges and universities to annually review best practices and shared services, Section 3345.59(E) requires information on efficiencies gained as a result of the "regional compacts," Section 3345.027 requires policies to be established granting potential student employers access to transcripts, and Miami's implementation of the "Second Chance Grant" program created Section 3333.127; and

WHEREAS, Miami University recognizes with the adoption of this resolution continues to progress with its efficiency actions and affordability consistent with objectives originally outlined by the Ohio Task Force report; and

WHEREAS, the institution's efficiency report was presented to Miami's Fiscal Priorities committee; and

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees of Miami University accepts the FY 2023 efficiency report; and

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

Ohio Department of Higher Education

Mike DeWine, Governor
Randy Gardner, Chancellor

Affordability & Efficiency

FY23 Efficiency Reporting Template

Introduction:

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

The first several Efficiency Reports were heavily influenced by and structured around the Ohio Task Force on Affordability and Efficiency's October 2015 report "Action Steps to Reduce College Costs" (Task Force). The Task Force report provided many good recommendations that sharpened our focus and set a course for increasing efficiency throughout public higher education in Ohio. Since then, the Efficiency Reports have transitioned to other timely issues. This year's report will continue that practice.

In addition, there are a number of topics that are required to be addressed per the Ohio Revised Code. Specifically, ORC Section 3333.951(C) requires IHEs to report on their annual study to determine the cost of textbooks for students enrolled in the institution. ORC 3333.951(B) requires Ohio's co-located colleges and universities to annually review best practices and shared services and report their findings to the Efficiency Advisory Committee. ORC 3345.59(E) requires information on efficiencies gained as a result of the "regional compacts" created in 2018.

The reporting template also requests information regarding college debt and debt collection practices, among other things.

Your Efficiency Report Contact: David Cummins, Associate Vice Chancellor Financial Planning and Oversight, 614-752-9496, dcummins@highered.ohio.gov Please provide your institution's efficiency report by **Friday, November 3, 2023** via email to OdheFiscalReports@highered.ohio.gov

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

- **Section I: Efficiency and Effectiveness –** This section captures information on progress made from strategic partnerships and practices that are likely to yield significant savings and/or enhance program offerings.

- **Section II: Academic Practices –** This section covers areas more directly related to instruction, with an emphasis on actions taken to reduce the costs to students of textbooks, including the options of Inclusive Access and Open Educational Resources.

- **Section III: Policy Reforms** – This section captures state IHE responses to suggested policy reforms originating from state initiatives, including transcript withholding and Second Chance Grants as created in Sub. SB 135.

- **Section IV: Future goals –**In the spirit of continuous improvement, the DeWine-Husted administration continues to request feedback on steps the state can take to support your institution's goals.

For purposes of this report, efficiency is defined on a value basis as a balance of quality versus cost:

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

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

Miami University

Section I: Efficiency and Effectiveness

Benchmarking

Each institution should regularly identify and evaluate its major cost drivers, along with priority areas that offer the best opportunities for efficiencies. Institutions should also track their progress in controlling costs and improving effectiveness.

1. Does your institution utilize Higher Education Information (HEI) system data to evaluate the efficiency of operations? If so, which data sources are most useful or informative? How can the data provided in HEI be better utilized for this purpose?

   The Department of Planning Architecture and Engineering uses HEI data along with other institutional data to determine priority of capital projects. This data is also regularly used to compare the university's usage to peer institutions as a factor in prioritizing the capital plan.

2. **2.** What other data, metrics, or benchmarks does your institution utilize to evaluate operational efficiencies and the appropriate balance of instructional vs. administrative expenses? How is such data utilized by your institution? Please summarize and provide an overview of your performance based on each measure.

   Miami University participates in an administrative benchmarking consortium of 72 institutions of higher education from across the United States and Canada. Seven other Ohio-based universities are also part of the consortium. The Helio Campus tool uses a standard activity model to assess a variety of measures of efficiency covering approximately 200 fiscal years from FY14 through FY22.

   Miami University's administrative units generally outperform other institutions in the consortium on various measures of efficiency and has among the highest levels of centralization of administrative services tracked in the database.

Facilities Planning

In April 2022 the Auditor of State's Office completed a Performance Audit of the facility inventory data maintained by DHE. AOS provided three recommendations within that audit:

- DHE should work to ensure that all institutions report data by a specified date and it should develop and follow internal data verification methods.
- DHE should provide the collected facilities data in a timely manner so that policy makers can make informed decisions relating to necessary changes in the state operating and capital budgets.
- DHE should develop a strategic plan for higher education, with a focus on facilities.

1. How has your institution employed planning and changing use of campus space to reduce costs and increase efficient use of capital resources?

    a. Miami combines departmental offices when multiple programs exist in a building being renovated or constructed new. This practice allows leadership in each department to share resources which includes, but is not limited to – secretarial and administrative assistance, computing equipment, audio visual equipment, general office equipment, and reduces overall space requirements through consolidation. This was most recently deployed with the planning and construction of our Clinical Health Sciences and Wellness facility (combines offices for Speech Pathology and Audiology, Nursing, and Physician's Associates) and the McVey Data Science Building (combines offices ETBD, Computer Science Engineering, Statistics)

    b. Several years ago, Miami developed a long-range housing master plan (LRHMP), which intended to renovate, replace, and remove aging housing and dining building stock in a manner that is most efficient for the university. This was a major initiative, which has been executed over a decade of time. Planning has been a crucial part of optimizing a capital spend of over $750 million and minimizing operational costs as part of this effort. This planning effort has dramatically reduced energy spend (described in greater detail below), labor spend, and supplies and materials spend. A recent example was the planning associated with the renovation of our Bell Tower dining venue as a part of the Ogden residence hall renovation. Bell Tower had operated as a traditional dining experience. Our planning staff worked closely with operational teams to design and install a large-scale mobile-order ghost kitchen requiring limited to no physical branding, substantially less staffing, and ultimate flexibility to quickly and cost effectively meet students' changing needs.

    c. Miami has also developed a utility master plan (UMP). The plan's overall goal is to develop a strategy to reduce our spend on energy through reduction in waste and to minimize the risk of major capital investments supporting infrastructure facing greater environmental regulation and cost. The strategy has been to convert the campus from an inefficient high-pressure steam production and distribution system to low-temperature heating hot water and simultaneous heating and cooling. This type of transition was only possible with integrated planning between the long-range housing master plan, other major capital renovations, and navigating end-of-life schedules of complicated infrastructure. During this past fiscal year, the campus used the construction of the Clinical Health Sciences and Wellness facility to complete the conversion of the south campus. Further, the central academic quadrangle was also converted. While each project is difficult to uniquely identify, the planning work over the past decade has reduced our energy consumption on the entire campus by more than 50% per gross square foot of building space.

2. How have recent enrollment trends, including changing demographics and the increased utilization of distance learning, impacted facilities planning at your institution?
    a. Do you see continued increases in distance learning, or do you think that the percentage of courses taken by distance learning has reached a stable level?

Miami's mission asserts that Miami's Oxford campus provides a "highly involving residential experience," with Oxford students meeting a two-year residency requirement and selecting from a variety of living-learning communities and academic neighborhoods. As a result, Miami does not have a large distance learning portfolio of courses and programs.
However, Miami is committed to providing a superb education to adult and traditional-aged students who are time and place-bound; and to meet their needs, we do have a selective offering of online courses and programs; and over the past five years, we have developed a number of new professional, health-related and technology- oriented programs (which include clinical placements, fieldwork, co-ops or internships) which are better suited for some online instruction. Thus, it is not surprising that since FY2019, the credit hour enrollment for in-person instruction has slightly decreased on both the Oxford and Regional campuses, while the online instructional credit hours have slightly increased on all campuses.
As we continue to meet the needs of an increasingly mobile and more diverse student population, we would anticipate that these trends would continue.

Miami does see opportunities for continued growth in distance learning. However, the growth in distance learning is not reducing the residential undergraduate model, but rather serving non-traditional students that otherwise would not complete higher education ambitions. Miami's focus on distance learning is creating pathways for Ohio residents that have begun, but not completed degrees. Other areas of distance learning growth are supporting continuing education of Ohio's workforce to remain competitive in their roles.

3. What benchmarks or data sources does your institution use to assess demand for physical space?

Space utilization decisions at Miami University are guided by principles and processes set forth by the Space Utilization Group (SUG) which also includes a subcommittee focused specifically on academic spaces. Decisions made by SUG are also guided by departmental and divisional input and needs, Miami policy as well as standards set forth by the State of Ohio and the Ohio Department of Higher Education.

In addition to advising on initiatives and policies relating to academic space, SUG reviews and analyzes academic spaces to assist University leadership and administrative units to use Miami University space assets in an efficient yet flexible manner with the goal of supporting the academic mission of the university. Each year, all classrooms, labs and other academic instructional spaces are inspected by members of IT Services, Physical Facilities & Planning and Academic Affairs for technology, structural, furniture and other related issues. Rooms are given a color code so that critical issues are addressed first.

Periodically, Miami hires outside consultants to provide recommendations on efficient uses of space. For example, in 2019, Perkins & Will conducted a major study on classroom usage; this study's findings guided our planning for new and existing academic buildings.

SUG serves as a professional resource for academic space items for all campuses of Miami University including making recommendations on policies, procedures and principles for academic space utilization; providing communication and advising decision-makers on appropriate policies and procedures to University academic stakeholders. It also provides advice on major project requests and capital improvement priorities related to academic affairs when requested. It reports to the President, the Provost, and the Vice President for Finance and Business Services.
In fiscal year 2023, the provost allocated $3.5 million to improve credit-bearing, instructional spaces on the Oxford campus. Funding requests which are approved by SUG using a set of criteria will result in improvements such as structural renovations, furnishings, equipment, and/or technology

a. Do you see a shift in the demand for different types of physical space, e.g. lab space?

Yes. The university has invested in resources to increase the amount of research dollars brought into the university. It is expected this could result in more square footage needed to be dedicated to research over time. The comprehensive approach to space assignment reflects this anticipated change. Miami University prioritizes undergraduate research as a unique offering for its undergraduate students. This allows some research space to also be utilized as instructional space, offering opportunities for reducing instructional space.

4. Does your institution utilize HEI physical structure data or area utilization data to inform the six-year capital planning process?

   Yes, this data is collected and maintained by the Department of Planning Architecture and Engineering. This data is used to determine priority of capital projects along with other institutional data. This data is also regularly used to compare the university's usage to peer institutions as a factor in prioritizing the capital plan.

Regional Compacts

ORC Section 3345.59 requires regional compacts of Ohio's public institutions, with an executed agreement in place by June 30, 2018, for institutions to collaborate more fully on shared operations and programs. The section identifies nine areas to be addressed to improve efficiencies, better utilize resources and enhance services to students and their regions. Per paragraph E of that section:

> (E) Each state institution of higher education shall include in its annual efficiency report to the chancellor the efficiencies produced as a result of each compact to which the institution belongs.

Specific to the Regional Compact in which your institution is a member, please describe collaborations that have occurred within the regional compacts and the efficiencies or enhanced services provided in any of the relevant categories below.

Category	Description
Reducing duplication of academic programming	Miami continues to take ambitious strides to ensure that it offers the optimum portfolio of academic programs and courses to align with the university's mission, to meet student needs and employer demand, to eliminate unnecessary duplication, and to prepare Miami students for professional and lifelong success. Below are four interrelated initiatives designed to advance the goal of delivering an exceptional curricular portfolio: 1) **Academic Program Evaluation, Improvement & Prioritization (APEIP) Project** is a response to a recommendation in MiamiRISE (Miami's strategic plan) to conduct a comprehensive, one-time evaluation of all undergraduate and graduate academic programs. In fall 2020, each department and division were provided detailed internal and external data on their programs and courses, including: student demand, employer demand, competitive intensity, application and information request trends, enrollment (head count & completions), student credit hours (by major, by faculty, and by lower vs. upper division), instructional cost per hour, section capacity and fill rates in departmental courses, DFW rates in courses, time to degree, degrees awarded, employment rates, and faculty data (course loads, research productivity, etc.). Using the data provided, departmental faculty, department chairs, and deans collaboratively identified initial ratings for each program. Forty-three of 260 programs (16.5%) were given the rating "continuous improvement with potential additional resources," and 120 (55%) were given the "continuous improvement with minor difficulties" rating. Forty-nine programs (18.8%) were asked to engage in program restructuring due to significant difficulties in the program, and 34 programs (13.1%) were voluntarily eliminated by the

faculty of the program's home department in consultation with the dean. An additional 14 programs, which had not been admitting students in recent years, were removed from the books through standard processes. Programs nominated for elimination were judged by departmental faculty as either outdated or duplicative, had histories of low enrollments, or were misaligned with the University's mission and faculty expertise.

In fall 2021, deans worked with their departments to develop 3-5-year curricular action plans to improve the programs that were not eliminated. Each May since then, departments have submitted progress updates on their plans; the Office of the Provost offers feedback on each report and develops an overall summary of the plans and actions taken which is shared with the deans, Provost, President and Board of Trustees. In the past year, an additional five programs were voluntarily eliminated by the departments, making the total of program eliminations 44.

In fall 2023, the undergraduate programs with the lowest enrollment trends (total of 17) have been identified for possible program elimination or consolidation. Departments have been asked to develop a concrete plan by the end of the fall 2023 semester.

2) Launched in August 2021, the **Miami Academic Program Incubator (MAPI)** is a resource and consultation service for departments that aims to encourage, support and incentivize the rapid revitalization and creation of undergraduate and graduate programs that ensure Miami offers a high-quality and cost-effective portfolio of academic programs.

   Departments and divisions that are considering a new academic program or a significant revision to an academic program are required to participate in MAPI. MAPI is led by a steering team of University leaders who provide data and research on program ideas (data are gathered internally and externally from third-party vendors such as EAB and Gray Associates), curriculum coaching (including recommendations for collaborations with other departments, divisions and institutions), concrete narrative feedback on the program idea (as articulated in a brief concept paper prepared by the department) and the opportunity to apply for seed funding to jumpstart the program (if appropriate). The MAPI team also engages in research on future trends in higher education and provides recommendations to deans and chairs on potential new directions for existing programs as well as possible ideas for new programs.
   Since its inception in fall 2021, MAPI has produced the following outcomes:

   - Vetted 24 concept papers for new programs or significant revisions of existing programs. Following the review of the concept papers and data analysis and feedback from MAPI, 14 of the 24 projects were not advanced by the department or division. Seven have been developed into full proposals for formal approval, and the remainder are still under consideration by the department or division. (Note: We see the fact that some concepts were not brought to fruition as positive. Prior to MAPI it is likely that all ideas would have been shaped into new programs, and many of those programs would likely not have succeeded, costing the University unnecessary resources and time.)

- Developed Guidelines for Cross-Divisional & Cross-Departmental Programs to encourage course and program sharing.
- Developed a new Learning Management Project site and website to provide information to departments on developing new programs (including glossary of curricular terms, information on best practices in program design, contact information for all key curricular needs, guidance on marketing and budget)
- Contracted with two external research consultation services, Gray Associates and EAB, to assist in market feasibility studies, program assessments, and future trends in higher education; secured a new "enroll predict" machine learning tool from Gray Associates to assist in more accurate enrollment predictions for individual programs
- Engaged in ongoing research on promising trends in academic programs which helped to shape revisions of existing programs (revising our math programs to become more applied in focus, shifting our manufacturing engineering programs to focus on "smart" technology, and enhancing our marketing program to leverage digital approaches) and to develop ideas for new programs (e.g., masters in counseling psychology, post-baccalaureate certificate in speech pathology, digital health solutions professional education program) which are now under development
- Streamlined the procedure for approval and launch of new programs.

3) **Department Planning & Improvement Process** is a new model for academic program review that was approved in April 2022 and will be launched in 2024 (as the APEIP project phases out). Its focus will be on continuous improvement (including a comprehensive review led by a team of internal and external faculty experts plus biennial updates). It will feature:

- Collaboratively developed strategic goals for each review (created in conversation with the department, dean and Office of Provost);
- Holistic emphasis (encompassing all aspects of the department, including its academic programs and curricula, reports on assessment of student learning outcomes, and success in the advancement of DEI goals);

	● Six-year cycle (with updates on progress every two years in between the comprehensive review); ● Review team members who provide consultation on strategic goals in addition to an evaluation of the department; ● Process customized for departments with professional accreditation reviews; and ● Robust support for the process (e.g., consultation, departmental orientation, data workbooks, team chair training). Seven departments have been identified to participate in the pilot phase and are now working on developing strategic improvement goals and self-assessment documents. 4) In 2022, Miami University conducted a review of potential duplicate associate and baccalaureate programs with another university in the southwest Ohio region, specifically University of Cincinnati. Seventy programs were identified by the Ohio Department of Higher Education. Although program-based collaboration is an exciting option for some programs, it is important to note that the main campuses of Miami University and University of Cincinnati are at least one hour driving distance from one another, and both campuses serve residentially based students who will be less inclined to commute that distance for courses. Online offerings at both institutions are limited. The Office of the Provost compiled the program data and shared the information with the academic deans who offered feedback based upon their contextual understanding of the program's mission, purpose and effectiveness. Each academic dean consulted with the appropriate department to determine the recommendation action. Possible actions include: ● **No action**: The program is well aligned with the University's liberal arts mission and/or experiencing strong enrollment and/or has a strong track record of student success outcomes. ● **Program elimination**: The program is outdated, experiencing declining enrollments or deficient success outcomes. ● **Program restructuring**: The program will undergo significant revisions for improvement. ● **Possible collaboration with University of Cincinnati**. Several programs were identified for possible collaboration with UC. These include: French, Classical Studies, Critical Race & Ethnic Studies, and Women's, Gender & Sexuality Studies. Faculty have been collaborating on new course sharing and other curricular and research collaborations.

	5) **HumanitiesFUTURES**: In summer 2023, the Provost formed a group of faculty leaders in humanities disciplines to develop new initiatives and strategies for promoting humanities and liberal arts learning outcomes and programs that address the changing landscape of higher education. This team is working on curricular innovations, career readiness, and communication strategies and initiatives to assist faculty in crafting cost-effective courses, programs and other learning opportunities that leverage the liberal arts while meeting the demands of students.
Implementing strategies to address workforce education needs of the region	Miami has submitted and received approval for 259 out of 263 Transfer Assurance Guides and is now 98.5% compliant for all Transfer Assurance Guides and has received approval for 31 of a possible 33 Career Technical Assurance Guides for which we are eligible, making us 93.9% compliant. Faculty are working on submitting materials for approval for the remaining TAG, CTAG and the new ITAG course matches in the fall 2023 semester. Miami actively participates in the One-Year Option and Ohio Guaranteed Transfer to Degree Pathways – all designed to obtain technical credits without unnecessary duplication or institutional barriers. Miami has developed over 25 OGTP pathways in business, arts & humanities, as well as social and behavioral sciences. We are in the process of submitting three additional pathways in engineering. Miami has also developed articulation agreements with many Ohio public institutions in majors that are not part of the Ohio Guaranteed Transfer to Degree Pathways. See: https://www.miamioh.edu/academic-affairs/admin-affairs/partnerships-educational-institutions/post-secondary-educational-partnerships/index.html Miami's senior associate provost serves on the Ohio Articulation & Transfer Advisory Board of the Ohio Department of Higher Education where she regularly collaborates with leaders from career technical centers as well as two- and four-year institutions across the state. She also served as co-chair (with the UC vice provost) of the statewide committee to revise the Ohio Transfer Module into the new OT36 model. One of the key goals of the new Ohio Transfer 36 is to ensure more meaningful credit that directly improves students' time to degree. Miami has already secured approval for 78 courses to be included in OT36. Miami has an innovative Work+ program which is designed for Miami University Regionals students to obtain an associate or bachelor's degree while working part-time and getting their tuition paid. Work+ makes it possible for a student to earn a college degree debt-free. Closely to twenty current workforce partners include: Premier Health Atrium Medical Center, Kettering Health Hamilton, BCRTA, Boys & Girls Club of West Chester, Community First Solutions, FasTest Labs, the Fischer Group, Bilstein, GMi Companies, Nation Coating Systems, Worthington Industries, YMCA, Shape Corp, Butler County General Health District, and Zahra Investments. During 2022-2023 our Work+ partners provided approximately $250,000 in tuition for students. See: https://miamioh.edu/regionals/student-resources/work-plus/index.html

	Miami also offers a diverse array of TechCred opportunities for students which are credentials for students and adult working professionals to upskill their technological capacities. Miami offers credentials in agile project management, computer skills for the workplace, digital marketing, photoshop, data analytics, ICAgile Certified Professional, SQL Queries, cybersecurity, additive manufacturing, advanced manufacturing, CAD/CAM 1, manufacturing engineering materials, material science and machinability of materials, mechatronics technology, and robotics and automation. See: https://miamioh.edu/techcred/ Additionally, Miami directly engages employers through custom training solutions. Miami has developed a modern healthcare supply chain course for Bon Secours Mercy Health and data analytics courses for the Cleveland Clinic; we also continue to license miniMBA content to Tri-Delta's alumni network. More specifically, the Scripps Gerontology Center offers emotion-focused communications training to caregivers (particularly those providing care for patients with dementia). In addition to these courses, Miami offers non-degree programs focused on business, leadership, and inclusivity in the workplace that are available to employers and individual working professionals. See: https://miamioh.edu/professional As a result of a grant funded by the Ohio Department of Higher Education, Miami faculty and staff collaborated on free online computer science and computational thinking modules to help prepare students and teachers in Ohio and nationwide.
Sharing resources to align educational pathways and to increase access within the region	Since 2018, Miami University's senior associate provost partnered with leaders from University of Cincinnati, Cincinnati State Technical & Community College, Southern State Community College, and Sinclair Community College to create a grant proposal for the "Tackling Transfer" Initiative through the Ohio Department of Higher Education. The grants have funded several all-day summits designed to promote transfer student success. To date, seven summits have been held at different campuses and institutions across the region. Over 40 persons have attended each summit. Key outcomes of these summits have included new bilateral agreements in variety of subject areas (sciences, technology, engineering), a SW Ohio Regional Transfer Summit website [https://www.uc.edu/aas/southwesttransfer.html], a charter and bylaws, and the development of a SW Ohio Transfer Toolkit which is now available on the website listed above. Miami partners with UC as a participant in the Southwest Regional Depository which is one of five regional depositories in Ohio that houses library materials of IUC members in lieu of new library space. In 2021, Miami formed the Miami University Transfer Collaborative which includes leadership from all campuses and several key units (admission, enrollment management, academic affairs, registrar, advisement and student success). This group has formulated a comprehensive strategic plan to promote greater access and success for transfer students and meaningful collaborations with our

	two-year institutional partners. Since its inception, the Transfer Collaborative has reviewed and revised the workflow procedure for transfer-related agreements, begun redesign of Miami's front-facing transfer web portal, developed a master list of agreements, hired a new transfer coordinator to serve as the single point of contact for our two-year partners, secured approval for an additional transfer evaluation coordinator to promote timely credit evaluations, aligned Miami's liberal education plan requirements with Ohio Transfer 36 and secured approvals for more than 75 courses to be included in OT36, and identified dedicated advisors for transfer students on all campuses as well as a new transfer coordinator on the Regional campuses. Miami also has partnered with several other institutions in the Southwest Ohio region to participate in the EAB Moonshot for Equity initiative (described below).
Reducing operational and administrative costs to provide more learning opportunities and collaboration in the region	Miami participates in a courier delivery service to provide requested library material to public libraries, colleges, universities and the State Library of Ohio. As members of OhioLINK, regional campuses can fully access both printed materials and OhioLINK's digital library through their library. Miami's Institute for Learning in Retirement engages in joint programming with the Osher Lifelong Learning Institute at the University of Cincinnati, in the West Chester area, to provide non-credit, enrichment programming for people age 50 and older. Over 400 persons are enrolled in this semester's courses. Representatives from all higher education institutions in Southwest Ohio continue to meet at OH-AHEAD with the goal of finding additional common services and efficiencies, such as alternative format production, to serve students with disabilities.
Enhancing career counseling and experiential learning opportunities for students	Miami Regionals (along with Cincinnati State, University of Cincinnati, and Southern State) is actively engaged in workforce education and pathway development through involvement with the Tech Prep Southwest Regional Center. Tech Prep staff members are located at Miami University Hamilton (along with Southern State Community College and Cincinnati State). Tech Prep also shares staff with a regional workforce development initiative, Partners for a Competitive Workforce, to further link the educational initiative with employers. College staff link their respective institutions to collaborative regional activities that address statewide goals focused on workforce education, pathway development and technical services. The center serves 16 secondary partner districts including three of Ohio's largest Career Technical Planning Districts (CTPDs); four urban districts; six rural CTPDs and one Compact. Since 2015, Miami Regionals, Cincinnati State, and UC have collaborated to offer annual conferences targeted to high school juniors and seniors interested in engineering careers. More than 1000 students have been impacted by shared expertise, business engagement and access to regional resources.

	Miami's Center for Career Exploration & Success partners regularly with REDI Cincinnati to share best practices and procedures relating to internships in the Cincinnati area. Miami and UC have collaborated on several Ohio Means Internships & Co-Ops grants in the past five years to increase the number of internships and co-ops in the Southwest Ohio Region. Career Services & Professional Development at Miami Regionals is using MyMajors (career/academic assessment) to help students discover the best major for them to declare. This assessment has been folded into an online orientation for new students. This unit has also doubled the number of students participating in internships since fall 2022 and increased the number of internships by 40% in the past year.
Expand alternative education delivery models such as competency-based and project-based learning	Since 2019, Miami has developed 33 microcredentials and professional education programs. Microcredentials are credit-bearing programs offered on Miami's Regional Campus that typically include nine credits of courses focusing on a workforce-related topic or skill set. Almost all of them are delivered online to provide students with maximum flexibility. Microcredential topics span business, communication & culture, engineering and technology; all were developed in collaboration and consultation with local businesses from those specific fields. Currently, about 1,500 students have earned more than 3,000 credentials. See: https://www.miamioh.edu/regionals/academics/elearning/campaigns/microcredentials/index.html Miami's Oxford campus offers several professional development programs which are typically non-credit-bearing, online or hybrid, and customized for particular industries and employer and/or alumni needs. Miami has developed programs focused on data analytics, professional writing, business, advanced manufacturing, and DEI (diversity, equity & inclusion) topics. Over 4,000 persons have completed one or more of these programs in the past three years. See: https://miamioh.edu/online/programs/professional-education/index.html Miami currently offers a Prior Learning Assessment Portfolio opportunity for veterans and military students to meet general education requirements. Miami's Transfer Collaborative has begun the process of researching and developing a more robust portfolio option for Prior Learning Assessment to reach a greater diversity of students and to better ensure that students who have gained competency in the workplace can also secure appropriate credit for relevant and appropriate general education courses and courses in the major. The portfolio option would supplement other prior learning assessment opportunities currently offered at Miami (e.g., departmental proficiency examinations, College Level Examination Program).
Collaboration and pathways with information technology centers, adult basic and literacy education programs and school districts	Miami's Regional Campus in Hamilton is a site for the ODHE ASPIRE Program including access to our student services, libraries, and facilities for any ASPIRE participant. Miami's Regional Learning Center in West Chester is an ASPIRE ESOL (English for Speakers of Other Languages) site for family members recently relocated from international locations of global businesses in the area. These collaborations serve people in need of acquiring skills in post-secondary education and training, and

	employment. It has provided a supportive pathway for individuals going from GED or learning English, to post-secondary higher education. Miami also participates actively in the statewide College Credit Plus program that offers qualified students grades seven through 12 the opportunity to take college courses while earning credit for both high school and college at little or no cost to students. Over 500 students annually participate in Miami CCP courses on the Oxford and Regional campuses. Miami Regionals Early College Academy (ECA) was launched in Fall 2022. It welcomed the first cohort of high school Juniors from Hamilton and Middletown school districts who are enrolled full time in the college-level courses pursuing an Associate in Arts in General Studies degree. In Fall 2023, we expanded the ECA and brought additional 91 students from Hamilton, Middletown, Franklin, Madison, Winton Woods, and New Miami school districts. The total number of the ECA participants in Fall 2023 is 110. All of the associated fees for the ECA participants are covered by the program. The high schools provide transportation, lunch, and cover the cost of required textbooks. The ECA students will graduate with a minimum of 62 college credit hours, earning an Associate in Arts in General Studies, while simultaneously graduating with their high school diploma. These students will only have two years remaining to complete a Miami bachelor's degree significantly reducing the time and cost for degree attainment. Miami University offers the students specialized academic support and opportunities for involvement in co- and extracurricular activities. Upon completion of the first year in the ECA, the average GPA of the first cohort is 3.12.
Enhancing the sharing of resources between institutions to expand capacity and capability for research and development	Miami and UC faculty have collaborated to secure fourteen external research grants in the past six years. Grants have focused on such diverse topics as increasing the participation of women in STEM fields, understanding bipolar disorder, investigating racial bias, evaluating STEM in the play space, advanced turbine cooling, and most recently, a study into mood disorders. In addition, Miami, UC, and Cincinnati State have collaborated on four regional submissions to the ODHE RAPIDS grant program, providing approximately $3M in equipment used for education, research, and workforce training in SW Ohio.
Identifying and implementing the best use of university regional campuses	To provide a seamless transition of students who relocate from one campus to another or to those taking classes on multiple campuses, Miami University's Oxford campus and Miami University Regionals share the same general education requirements, academic and student policies, curricular approval processes, and are governed by a single University Senate and Board of Trustees. In addition, many administrative and instructional staff work at multiple campuses and collaborate on curricular, research projects as well as community and University service projects. Miami Regionals allows diverse students including post-traditional learners to take their first two years locally, staying closer to their family and jobs. Besides access to a much larger array of programs, disciplines, and majors, this reduces the tuition before they relocate to the Oxford campus to complete their degree. With all campuses in close proximity, Butler County Regional Transit

	Authority (BCRTA) connects our campuses allowing students to take a specific course(s) at a different campus. Miami's Regional E-Learning (online courses and programs) allows any Miami student the chance to shorten their time toward graduation or the flexibility to add another course to their academic plan. Miami, UC and Cincinnati State are all members of the Greater Cincinnati Collegiate Connection (GC3) which enables students from all three (and other GC3) institutions to cross-register for courses and facilitates administrators, faculty and staff from all three as well as other GC3 member institutions to engage in joint professional development programming. The Pathways Program enables students who are not initially admitted to the Oxford campus to begin study on the Regional campuses. Students are co-enrolled in courses and receive specialized advising and support. If they meet all requirements, they are admitted to the Oxford campus in the spring semester of their first year. Over 100 students have participated in the Pathways Program over the past four years.
Other initiatives not included above	In September 2021, Miami University, Cincinnati State, Gateway Technical & Community College along with Northern Kentucky University announced their participation in the EAB Moon Shot for Equity Initiative. This is a national initiative that aims to close equity gaps within ecosystem cohorts of two- and four-year colleges and universities by 2030. Moonshot goals focus on transformative change relating to campus climate (equity-focuses professional development, climate assessment), access and enrollment (securing financial assistance, leveraging degree maps and pathways for transfer students), and student support and belonging (proactive advising and coordinated care). In addition enhancing transformation through change management training, equity-focused.

Co-located Campuses

ORC Section 3333.951(B) requires Ohio's co-located colleges and universities to annually review best practices and shared services in order to improve academic and other services and reduce costs for students, and to report their findings to the Efficiency Advisory Committee.

> (B) Each state institution of higher education that is co-located with another state institution of higher education annually shall review best practices and shared services in order to improve academic and other services and reduce costs for students. Each state institution shall report its findings to the efficiency advisory committee established under section 3333.95 of the Revised Code. The committee shall include the information reported under this section in the committee's annual report.

Co-located campus: ____ Cincinnati State Technical & Community College ______________________________

Type of Shared Service or Best Practice (IE: Administrative, Academic, etc.)	Please include an explanation of this shared service.	Monetary Impact from Shared Service
Academic	Beginning July 2023, Cincinnati State Technical & Community College opened a branch location on Miami's Middletown campus to ease student transfer, increase access to a college degree for students in the region, and forge deeper curricular and other collaborations across the two institutions. Middletown High School is also located in close proximity to Miami's Middletown campus, which creates an advantageous opportunity to support pipelines from high school through college and to career. With this collaboration, Cincinnati State students have access to the library, computer labs, Bennett Recreation Center, student activities, and more on Miami's Middletown campus. This partnership is an outgrowth f the EAB Moonshot for Equity initiative which aims to forge alliances and innovations to ensure college completion among diverse students. Miami and Cincinnati State have already developed over a dozen pathways for students in a variety of degree programs.	**TBD**

Section II: Academic Practices

This section covers areas more directly related to instruction, with an emphasis on savings strategies related to the cost of textbooks, and the expanded use of alternative instructional materials.

Textbook Affordability

Textbook Cost Study

ORC Section 3333.951(D) requires Ohio's public colleges and universities to do the following on an annual basis:

> (D) Each state institution of higher education shall conduct a study to determine the current cost of textbooks for students enrolled in the institution, and shall submit the study to the chancellor of higher education annually by a date prescribed by the chancellor.

Your institution's submission of Textbook Cost Study information via the annual Efficiency Report is used to satisfy this statutory requirement. Please attach the analysis of textbook costs developed by your institution labeled "[Institution Name – Academic Year – Textbook Cost Study]" and summarize the results of your institution's study below.

Category	Amount
Average cost for textbooks that are new	$78.18
Average cost for textbooks that are used	$43.41
Average cost for rental textbooks	$33.51
Average cost for eBook	$77.24

Reducing Textbook Costs for Students

ORC Section 3333.951(C) requires Ohio's public colleges and universities to report their efforts toward reducing textbook costs for students.

> (C) Each state institution of higher education annually shall report to the efficiency advisory committee on its efforts to reduce textbook costs to students.

Please discuss all initiatives implemented, including those specifically referenced below, that ensure students have access to affordable textbooks.

Open Educational Resources (OER)

1. Has your institution adopted practices/policies to formally encourage the use of OER materials in lieu of purchased materials? Please explain and please include links to relevant information, if applicable, that is available on your institution's website.

   Miami University uses e-Campus as textbook provider of online textbooks and course materials. 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 (along with the other Southwest Ohio institutions) has OhioLINK which negotiates the purchase and enables the sharing of library materials. OhioLINK joined the Open Textbook Network in 2017. The OhioLINK system leaders, in conjunction with OTN staff, coordinate full-day "train the trainer" workshops. These workshops focus on developing campus leaders and aid in their efforts to reduce textbook costs for students. The Miami representative also helped coordinate an OhioLINK-sponsored OER summit in 2017, 2018, 2019, 2020 and 2022, and also presented sessions at several of these Summits. Additionally, as a system leader, she has given workshops focusing on copyright and OER and Creative Commons licensing at multiple OhioLINK institutions on request over the past five years.

   Miami has revitalized its OER committee and is in the process of developing and presenting a series of workshops across campus, in which the focus is how faculty can incorporate OER into their courses.

2. Has your institution provided support to faculty for the development of OER materials? If so, please explain and include links to relevant information, if applicable, that is available on your institution's website.

   Miami's Affordable and Open Educational Resources Committee which includes faculty representation from all academic divisions has launched several programs and set of resources designed to target faculty teaching courses with the highest cost textbooks and largest enrollments:

   - **OER Explore** is a two-hour workshop designed to help faculty better understand textbook affordability issues and possible solutions for addressing them. The workshop concludes with an overview of Miami University's OER and Affordable Learning grant programs. Following the workshop, faculty write and publish a review of an OER textbook in their field or investigate and reflect on inclusive access electronic textbook possibilities and then receive a modest stipend. Since its inception in 2016, almost 130 faculty members have completed the program. We will offer 2 instances of this workshop on the Oxford campus and 2 additional instances at the Regional campuses in the coming months.

   - **OER Adopt**. This selective grant program supports faculty in replacing their commercial textbook with an OER. Faculty submit an application; those selected must complete a three-phase program and receive professional development funds when each phase is successfully completed. Phase 1 entails teaching the course with the commercial textbook and investigating other open education substitutes; phase 2 involves teaching the course with the chosen OER and assessing its impact on student learning; and phase 3 focuses on the faculty creating a report and disseminating their findings to their colleagues in the department or field of study. Over 20 faculty have participated in the program which has led to approximately $1,209,000.00 in cost savings for their students. We have awarded one $500 grant in fall 2023, and have another grant in process.

   - **OER Create** grant program supports faculty who wish to write and publish their own OER textbook and learning materials. Faculty are provided professional development funds as well guidance and support for publishing the OER (e.g., editorial services, layout, and electronic publishing). To accomplish this, the University agreed to be an inaugural partner (with nine other higher education institutions) in the OTN Publishing Cooperative. OER published as part of this grant program will be published to the OER Collection in Miami's institutional repository, the Scholarly Commons, and in the Open Textbook Library (OTL). We do not currently have any OER Create proposals in process, but expect to see several after offering the OER Explore workshops in the coming months.

3. What courses did your institution offer during the 2022-23 academic year that used OER? Please fill out the attached template completely. This template will be used to inform a statewide landscape analysis of OER adoption and may be publicly shared in a report.

Table below also attached.

TERM (Fall 2022 or Spring 2023)	COURSE ID	CCP (YES OR NO)	NUMBER OF STUDENTS ENROLLED	AVERAGE RETURN ON INVESTMENT
Fall 2022	BUS 284		68	7888
Spring 2023	BUS 284		68	7888
Fall 2022	LAS 208		101	11716
Spring 2023	LAS 208		111	12876
Spring 2023	ARC 211		66	7656
Fall 2022	MUS 285		29	3364
Spring 2023	MGT 453		72	8352
Fall 2022	ART 188		146	16936
Spring 2023	ART 188		146	16936
Fall 2022	EDT 181/182		76	8816
Fall 2022	FSW 295		35	4060
Fall 2022	PSY 111		70	8120
Spring 2023	PSY 111		35	4060

Inclusive Access

Inclusive access is defined as an arrangement between an institution, through faculty, and students to offer college textbooks and materials as "included" within tuition and/or a fee assessment, rather than purchased individually by the student. The benefit to faculty and students of inclusive access typically includes a significantly reduced cost per textbook for students, as compared to students buying a new copy of the textbook, and confidence that all students will possess the necessary textbook and/or materials on "day one." Federal law provides the statutory right for students to "opt-out" of inclusive access if they prefer, which preserves the right of the student to source materials.

1. Does your institution formally encourage faculty to offer inclusive access acquisition of college textbooks as a cost-savings for students? If yes, what mechanisms are in place help promote this strategy with faculty?

    A pilot program is scheduled to begin in the Spring of 2024.

2. What courses did your institution offer during the 2022-23 academic year that participated in an inclusive access program? Please fill out the attached template completely. This template will be used to inform a statewide landscape analysis of the utilization of inclusive access and may be publicly shared in a report.

3. How are students at your institution made aware of their right to opt out of utilizing inclusive access?

Please provide contact information for the person completing this section of the Efficiency Report, so that we may follow up if we have questions.

Dr. Amy Bergerson, Dean, Undergraduate Education

Other Textbook Affordability Practices

What other practices, if any, does your institution utilize to improve college textbook affordability?

Please provide any relevant information in the table below.

Initiative	Explanation of Initiative	Cost Savings to Students

Section III: Policy Reforms

Transcript Access

ORC Section 3345.027 requires the following of public colleges and universities:

(C)(1) Not later than December 1, 2023, the board of trustees of each state institution of higher education shall formally consider and adopt a resolution determining whether to end the practice of transcript withholding. Once adopted, each state institution shall submit a copy of the resolution to the chancellor of higher education.

(2) In adopting the resolution required under this division, each board of trustees shall consider and evaluate all of the following factors:

(a) The extent to which ending the practice of transcript withholding will promote the state's post-secondary education attainment and workforce goals;
(b) The rate of collection on overdue balances resulting from the historical practice of transcript withholding;
(c) The extent to which ending the practice of transcript withholding will help students who have disenrolled from the state institution complete an education, whether at the same institution or another state institution.

If a board of trustees resolves to maintain the practice of transcript withholding, the board shall include in the resolution a summary of its evaluation of the factors contained in division (C)(2) of this section.

(3) Not later than January 1, 2024, the chancellor shall provide a copy of each resolution submitted under this division to the governor, the speaker of the house of representatives, and the president of the senate

Although the submission of this year’s Efficiency Report will occur prior to the submission date of the policy required to be adopted by the section above, please be aware of this new requirement as you plan your fall schedule for Board of Trustee meetings.

Special Purpose Fees Policy

Limitations on increases in instructional and general fees have traditionally been set by the General Assembly within biennial operating budgets. Limitations on special purpose fee increases, alternatively, are fairly new beginning with Am. Sub. HB 49 of the 132nd General Assembly. Section 381.160 of Am. Sub. HB49 precluded increases in special purpose fees and establishing new special fees, at universities, except for certain categories of fees specifically exempted in law from the fee limitations. Am. Sub. HB 166 of the 133rd General Assembly continued the special purpose fee restriction but additionally required the Chancellor to review and approve new special purpose fees and increases in existing special purpose fees at universities and community colleges. This same level of special purpose fee restraint has been continued in every biennial budget since, including the current biennial budget Am. Sub. HB 33 (Section 381.260(A)(1)(c)).

Please describe your institution's policy for assigning special purpose fees to specific courses or academic programs. Specifically:

1. What criteria are used to determine whether a course or lab fee is appropriate?

   The commodity or service being acquired has to be beyond the normal cost of instruction, perishable/consumable, and more efficiently purchased in bulk rather than left to the student to acquire.

2. What is the internal process for approving new fees or fee increases?

   Requests for fee increased must be approved at the department, and division prior to submission to the University Budget Office. The University Budget Office prepares and analysis that is reviewed by the Senior Vice President prior to the request being added to the miscellaneous fee ordinance considered and approved by the Board of Trustees. All changes to fees are also made in compliance with the restriction on fees specified in the state budget.

3. What controls are in place to assure that the fee revenue is utilized appropriately to the benefit of the students paying the fee?

   The analytical review of fees includes an examination of changes in fund balance and a sampling of transactional activity to assure that the students paying the fee realize the benefit or the commodity or service being acquired.

Additional Practices

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

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

Miami University Lean Initiative
Miami University started its Lean Initiative in 2009. Since 2009, Miami employees have completed 2,013 projects valued at $117,929,256 in cost avoidance, cost reduction, and new revenue. In FY 2023, Miami employees completed 127 projects valued at $6,696,282 in cost avoidance, cost reduction, and new revenue.

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

Affordability
While Miami's tuition has risen an average of 2% per year for the last 17 years, the amount of tuition paid by the average Ohio resident for fall 2023 is actually lower ($371) that what a first-time student paid in the fall of 2006 due to the increase in institutional aid.

Section IV: Future Goals

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

1. Please provide your thoughts and suggestions regarding ways the State of Ohio can further support strength, resiliency and reputational excellence in Ohio's post-secondary education system.

Thank you for completing the FY23 Efficiency Reporting Template. We appreciate the important role Ohio's colleges and universities play in supporting Ohio students, economic growth, world-class research and the overall success for our state.

MIAMI UNIVERSITY
OXFORD, OH • EST. 1809

INTERNAL AUDIT AND CONSULTING SERVICES

ROUDEBUSH HALL, ROOM 4
OXFORD, OHIO 45056-3653
(513) 529-0545

To: Finance & Audit Committee

From: Terry Moore, Chief Audit Officer

Subject: FY2024 Internal Audit Plan

Date: November 21, 2023

FY2024 INTERNAL AUDIT PLAN

The following presents Internal Audit & Consulting Services' (IACS) proposed plan of internal audit activities for FY24. The Audit Plan (Plan) was provided to the Chair of the Finance & Audit Committee and the Sr. Vice President for Finance & Business Services for review and comment.

At the request of the Sr. VP for Finance & Business Services, the Plan allocates significant resources to the Workday ERP implementation project through advisory work, training, and configuration testing. As such, additional projects included in the Plan are limited to those currently in process or required. In addition, the Plan includes a more efficient audit follow up process to monitor corrective actions. Instead of re-auditing the area, we will perform a follow-up *review* and rely heavily on management self-reporting that audit issues have been addressed appropriately.

The Plan is presented in a table on the next page. Highlighted are the projects related to the Workday implementation and a major audit required by Ohio regulations (#245 Locally Administered Capital Projects (Bachelor Hall). Other notable activities include the annual enterprise risk assessment, a quality assurance self-assessment, and continuous auditing of procurement credit card activity.

The Plan will be presented to the full Committee for formal approval at the December 14, 2023 meeting.

Respectfully submitted,

Terry Moore, CIA, CFE

Chief Audit Officer

MIAMI UNIVERSITY
Internal Audit & Consulting Services

Internal Audit & Consulting Services
FY 2024 Audit Plan

Audit ID	Audit Project		Audit Division	Audit Dept	Estimated Hrs	Qtr 1	Qtr 2	Qtr 3	Qtr 4
237	**Workday ERP Implementation Advisory**	**Mgmt. Requested**	**Finance & Business Services**	**Finance & Business Services**	**750**				
235	Ethics Hotline Monitoring and Administration	Required	—	—	25				
227	Donor-based Scholarship Awards	Rollover/In Process	Enrollment Management/Advancement	Student Financial Assistance/Advancement Svcs.	500				
240	Annual Security & Fire Safety Reporting	Required/Completed	Finance & Business Services	Public Safety	250				
241	Network Penetration Testing	Required/Completed	IT Services	Information Security Office	50				
207A	Follow Up Review — Outsourced Vulnerability Assessment	Required/Completed	IT Services	Information Security Office	10				
242	P-Card Continuous Auditing	In Process	Finance & Business Services	Accounts Payable	250				
243	Annual Enterprise Risk Assessment	Required	—	—	250				
233	Post-Award Administration of Sponsored Programs	Rollover/In Process	Finance & Business Services	GAC Grants & Contracts	500				
213	DSE Recreation Management Application	Rollover/In Process	Finance & Business Services	PFD Rec Sports & Goggin/Auxiliary Business Office	100				
222A	Follow Up Review — Capital Asset Equipment	Required	Finance & Business Services	General Accounting	25				
219A	Follow Up Review — Controlled Substances Purchasing	Required	Research & Innovation	Research & Innovation	25				
218A	Follow Up Review — P-Card Internal Controls	Required	Finance & Business Services	Accounts Payable	25				
246	**Workday ERP Training & Testing**	**Mgmt. Requested**	**Finance & Business Svcs/Academic Affairs**	**Finance/HCM (Human Capital Management)**	**1000**				
231	IIA Self-Assessment with Independent Validation	Required	—	—	500				
245	**Locally Administered Capital Projects (Bachelor Hall)**	**Required**	**Finance & Business Services**	**PFD Planning, Architecture, & Engineering**	**500**				
198A	Follow Up Review — Payroll Adjustments Review	Required	Finance & Business Services	HR/Payroll	25				
201A	Follow Up Review — PFD Time & Materials Contracts	Required	Finance & Business Services	PFD Planning, Architecture, & Engineering	25				
212A	Follow Up Review — TimeClock Plus Time Tracking Application	Required	Finance & Business Services	HR	25				
000	Unplanned Projects	If Necessary	—	—	250				
					5085				

MIAMI UNIVERSITY
INVESTMENT SUBCOMMITTEE MEETING
Wednesday, December 13, 2023
104 Roudebush Hall
Oxford, OH
3:00 – 5:00 pm

AGENDA

I.	Non-endowment review - Capital stack - Tier allocation - Cash flow	Guiot/SIG
II.	Non-endowment Investment Earnings Budget	Guiot/Creamer
III.	Fiscal Year to Date Update - Investment performance & asset allocation review - Non-endowment and Endowment	SIG
IV.	Investment Management Fees - Annual expense review	SIG
V.	Investment Process Enhancements Update - Risk evaluation	SIG
VI.	Retirement Plans Update	Guiot/Creamer
VII.	Adjourn	

Miami University
Resolution R2024-

WHEREAS, the Board of Trustees of Miami University adopted Resolution R2020-56 on June 19, 2020, to update and amend the Non-Endowment Funds Investment Policy; and

WHEREAS, Miami's staff and outsourced chief investment officer have proposed various revisions and updates to the Investment Policy; and

WHEREAS, the Senior Vice President for Finance and Business Services of the University, with the concurrence of the Investment Sub-Committee, has recommended revising and updating this policy as stated below;

NOW, THEREFORE BE IT RESOLVED that the Board of Trustees approves the amended Non-Endowment Funds Investment Policy; and

BE IT FURTHER RESOLVED that this Resolution supersedes and replaces Resolution R2020-56.

MIAMI UNIVERSITY
INVESTMENT POLICY STATEMENT - NON-ENDOWMENT
Updated December 2023

MIAMI UNIVERSITY
Investment Policy Statement – Non-Endowment

~~June 2020~~December 2023

I. Purpose

This Investment Policy Statement ("IPS") shall serve as the governing framework for the management of the Non-Endowment assets of Miami University (the "University") and will guide the activities and decisions of the Board of Trustees of the University (the "BoT"), as well as the Finance and Audit Committee of the BoT (the "FAC"), the Investment Subcommittee of the FAC (the "Investment Subcommittee"), the University staff, and the Outsourced Chief Investment Officer ("OCIO") in managing the University's Non-Endowment assets.

All University funds derived from the sources enumerated in Ohio Revised Code 3345.05 (A) (hereafter the "Non-Endowment"), shall for investment purposes be designated into one of three pools:

- (Tier I) the University's Operating Cash;
- (Tier II) the University's Core Cash Sub-Account; and
- (Tier III) the University's Long-Term Capital Sub-Account.

In addition, the BoT may designate some of these funds as quasi-endowments, which for investment purposes shall be invested with the University's endowment pool according to the Pooled Investment Agreement between the University and the Miami University Foundation and the endowment investment policy (Appendix A).

II. Fiduciary Duties

In fulfilling its responsibilities described herein, each of the BoT, the FAC and its Investment Subcommittee, the Office of Investments and Treasury Services, and the OCIO is a fiduciary to the Non-Endowment and shall act in accordance with the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Among other things, UPMIFA requires each person managing an institutional portfolio to do so in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

III. Roles and Responsibilities

Board of Trustees. The BoT shall approve this IPS, its guidelines, and amendments. The BoT shall also approve recommendations to hire or fire third party service providers (e.g., auditors, custodian, OCIO, and consultants).

The IPS will guide the activities and decisions of the BoT, as well as, the FAC, the Investment Subcommittee, the Office of Investments and Treasury Services, and the OCIO in managing the assets of the Non-Endowment.

Finance and Audit Committee. The BoT has delegated implementation oversight of the IPS to the FAC, which, in turn, may entrust an Investment Subcommittee to carry out these responsibilities and which serves as the Investment Committee required by Ohio Revised Code 3345.05. Specific responsibilities of the FAC include:

- upon recommendation of its Investment Subcommittee, submitting for BoT approval an IPS, setting forth, among other things, the fiduciary roles and responsibilities, investment guidelines and objectives for the investment of the assets, including asset allocation target exposures, permissible ranges (i.e., minimum and maximum allocations to each asset class), and the benchmarks against which the performance of each asset class, and the portfolio as a whole, will be evaluated;
- upon recommendation of its Investment Subcommittee, submitting for BoT approval Investment Subcommittee recommendations to hire or fire third party service providers (e.g., auditors, custodian, OCIO, and consultants); and
- reporting at least semi-annually to the BoT.

Investment Subcommittee. The Investment Subcommittee as a governing fiduciary shall oversee the investment and administration of the Non-Endowment. It serves as the "investment committee" required by Ohio Revised Code 3345.05. The Investment Subcommittee, in conjunction with the OCIO, develops policies and guidelines for recommendation to the BoT and the FAC designed to position the Non-Endowment to achieve its objectives with a prudent level of risk. Revisions to the IPS may be recommended by the Investment Subcommittee and approved by the BoT as necessary.

The Investment Subcommittee delegates its authority to make investment decisions to the OCIO in accordance with the Investment Management Agreement dated May 16, 2018 and as may be amended (the "Investment Management Agreement"), which is incorporated herein by reference. Specific responsibilities of the Investment Subcommittee include:

- submitting for FAC concurrence and BoT approval an IPS, setting forth, among other things, the fiduciary roles and responsibilities, investment guidelines and objectives for the investment of the Non-Endowment assets, including asset allocation target exposures, permissible ranges (i.e., minimum and maximum allocations to each asset class), and the benchmarks against which the performance of each asset class, and the portfolio as a whole, will be evaluated;
- proposing for FAC concurrence and BoT for approval such updates to the IPS as it, in consultation with the Office of Investments and Treasury Services, the OCIO, and any other advisor, deems appropriate;

- communicating to the Office of Investments and Treasury Services and the OCIO any changes in the risk profile and characteristics of Miami University that may impact the investment objectives and guidelines of the Non-Endowment;
- delegating specific administrative, operational, and managerial responsibilities relating to the investment and reinvestment of the Non-Endowment assets;
- monitoring compliance with the IPS;
- reviewing the Office of Investments and Treasury Services' oversight and evaluation of third party vendors on its behalf and making recommendations to the FAC and the BoT with respect thereto;
- reviewing periodically the following:
    - investment performance, including comparisons to objectives and benchmarks
    - asset allocation for the Non-Endowment
    - fees paid in support of the management of the Non-Endowment
- reporting at least semi-annually to the BoT.

Staff. The Secretary to the BoT will maintain the official minutes and records of the FAC and Investment Subcommittee. The Office of Investments and Treasury Services is responsible for managing the operations of the Non-Endowment investment program. Specific responsibilities of the Office of Investments and Treasury Services include:

- budgeting, investing, forecasting, and monitoring funds associated with the Tier 1 Operating Cash portfolio;
- managing the transfer of funds among the Non-Endowment investment Tiers;
- facilitating division carry forward balances, donor gifts, and other unrestricted funds that can be quasi-endowed;
- providing administration, reporting, accounting, audit, and tax support for the Non-Endowment operations;
- ensuring compliance with Ohio Revised Code Section 3345.05 (C)(1);
- serving as the day-to-day contact with the OCIO including communicating planned contributions and withdrawals, transfers of funds, and liquidity needs, communicating with the OCIO and any other advisor(s) any changes in the risk profile and characteristics of Miami University that may impact the investment objectives and guidelines of the Non-Endowment;
- monitoring and evaluating third party service providers (e.g., auditors, custodian, OCIO, and consultants), specifically
    - overseeing the OCIO or other advisor(s) who shall have the responsibility, and may have discretion, for implementing investment strategies in accordance with the guidelines set forth in the IPS;
    - overseeing other service providers to the Non-Endowment, including the custodian of Non-Endowment assets;
    - considering various factors such as
        - quantitative performance

- qualitative factors (e.g., philosophy, process, resources, alignment of interests, organizational culture)
- policies and procedures governing best execution, other trading practices, and proxy voting
- investment related fees and expenses
- ~~o~~ the organization's effectiveness in meeting its fiduciary obligations;

- recommending to the Investment Subcommittee, based upon the evaluation of the above factors, the hiring and termination of third party service providers (e.g., auditors, custodian, OCIO, and consultants);
- reviewing the effectiveness of the University in meeting its fiduciary responsibilities;
- managing constituent relationships;
- providing support to the FAC and its Investment Subcommittee;
- reporting to the FAC and its Investment Subcommittee at their respective meetings.

Outsourced Chief Investment Officer. To assist with managing the Non-Endowment investment program, the BoT has retained the services of an OCIO in conformity the requirements of Ohio Revised Code Section 3345.05(D)(1). The Investment Subcommittee delegated authority to make investment decisions to the OCIO in accordance with the Investment Management Agreement, which is incorporated herein by reference.

The OCIO will have day-to-day responsibility and discretion for investing a designated portion of the Non-Endowment assets (specifically Tiers II and III). The OCIO will report to the Investment Subcommittee on a regular basis in accordance with the Investment Management Agreement that governs the relationship. Specific responsibilities include:

- advising the Investment Subcommittee on the development of the IPS;
- periodically reviewing and recommending to the Investment Subcommittee any changes, modifications, and/or amendments to the IPS, including the investment guidelines and objectives;
- implementing the investment program with respect to Tiers II and III on a discretionary basis, including the selection and monitoring of commingled investment vehicles, the appointment of sub-advisers, and the direct management of assets not allocated to investment vehicles or sub-advisers, in accordance with the guidelines and asset allocation ranges as set forth in this IPS and the Investment Management Agreement;
- taking all necessary actions with respect to the hiring and termination of sub-advisers, and the subscription to and withdrawal from, commingled investment vehicles, including reviewing and executing investment management agreements and subscription documents;
- setting investment guidelines for sub-advisers in conformity to this IPS and the Investment Management Agreement and monitoring their compliance therewith;

- meeting with sub-advisers and evaluating their investment performance;
- interacting with the custodian and other relevant service providers to the Non-Endowment, as necessary to perform its investment management services;
- assisting the Office of Investments and Treasury Services in meeting its reporting and administrative requirements;
- providing reporting and performance monitoring as necessary for the Investment Subcommittee to perform its oversight responsibilities; and
- meeting with the Investment Subcommittee at least quarterly or at other intervals as reasonably agreed with the Investment Subcommittee.

IV. Objectives: Non-Endowment Investment Program

~~The primary~~An important objective of the Non-Endowment investment program is to ensure adequate operating liquidity for the University. Liquidity needs are actively managed in a three-pool structure that allows for differentiation among investment risks and returns.

An additional objective of the Non-Endowment investment program is to provide a consistent annual distribution to the general operating budget of the Oxford Campus.

For investment strategy purposes, the University's Non-Endowment and Foundation Endowment portfolios should be considered together. The liquidity, risk, and return characteristics of the combined pools provide the opportunity to more effectively deploy capital and improve the overall risk-adjusted returns of both investment programs.

The investment of Non-Endowment assets will be guided by the objective of earning rates of return in excess of savings accounts or 91-day Treasury Bills while accepting a low level of market risk and maintaining a high degree of liquidity. The three Tiers of the Non-Endowment investment program are constructed to adequately meet the University's projected budgetary needs and Ohio Revised Code requirements (listed below in Section XI Investment Guidelines) with low risk and liquid investments in Tier I, and with progressively higher expected returns at higher risk profiles in Tiers II and III. The portfolio's asset allocation will be statistically modeled using historical and projected risk and return characteristics of the portfolio's asset classes.

The Investment Subcommittee has adopted asset allocation targets and permissible ranges, set forth in Exhibits 1 and 2, that are designed to meet this objective provided that markets deliver equilibrium returns consistent with normal market conditions. A benchmark index has been assigned to each asset class, as set forth in Exhibits 1 and 2. The combination of the benchmark index assigned to each asset class, weighted in accordance with the target allocation to that asset class, forms the "Policy Benchmark" against which the portfolio's overall performance will be measured. Each Tier seeks to achieve performance (net of management fees) that exceeds the performance of the applicable Policy Benchmark (net of assumed passive management fees and rebalancing costs) over rolling five- and ten-year periods.

V. Investment Objectives: Non-Endowment Tiers

TIER I - University Operating Cash

- Objective: To meet the day-to-day cash obligations of the University, provide a liquid and low investment risk source of funds when needed, and meet Ohio Revised Code requirements for public funds.
- Investments: Includes bank deposits, other cash vehicles, and eligible investments under ORC 3345.05 (C) (1).
- Tier Size: The targeted minimum cash balance held in Tier 1 is budgeted each fiscal year by the Office of Investments and Treasury Services and is confirmed every six months. The minimum balance will be two times the average monthly negative cash flow of the preceding fiscal year.

TIER II - University Core Cash Sub-Account

- Objective: The Baseline Tier II provides a liquid source of funds in the event the Tier I pool is insufficient to meet the University's operating cash needs, while providing an opportunity for incremental returns with modest volatility. The University may periodically create a Special Projects fund within Tier II but housed apart from the Baseline Tier II for funds earmarked for specific future disposition by the University that are likely to require target date maturity matching.
- Investments: Include U.S. Treasury and government agency securities generally with an average weighted maturity of between zero and two years for the baseline allocation. May include eligible investments under ORC 3345.05(C)(1).
- Tier Size: The targeted Baseline balance within this Sub-Account is calculated using the method outlined in Section VIII Annual Expenditure Policy, confirmed during each fiscal year budgeting cycle, and verified every six months. The target Baseline balance is based upon the reserve for investment fluctuations. The minimum balance shall not fall below two times the average negative monthly cash flow of the preceding fiscal year. The Special Projects allocation has no size restrictions.

TIER III - University Long-Term Capital Sub-Account

- Objective: To provide "endowment-like" long-term risk-adjusted returns on assets that would be expended by the University only in the unlikely event of severe financial exigency.
- Investments: Include public equity, absolute return and hedged strategies, open-ended real estate funds, futures-based commodity strategies, and diversified global fixed income securities. May include eligible investments under ORC 3345.05(C)(1). While these funds are expected to have less liquid fund structures,

private capital investments will be excluded from consideration unless approved by the Investment Subcommittee.

- Tier Size: This Sub-Account has no size restrictions and generally receives deposits of residual operating cash not deployed in Tiers I and II.

VI. Asset Allocation

To achieve the investment objectives of this IPS, an asset allocation study was conducted and shared with the Investment Subcommittee. It was used to establish percentage targets and ranges for each asset class eligible for investments within Tiers II and III. The asset allocation study analyzed the expected return, risk, and correlation of several asset classes as well as, the expected return and risk of various hypothetical portfolios comprising these asset classes. The expected return and risk characteristics of various portfolios were evaluated in terms of the future expected efficiency of achieving the investment objectives of the Non-Endowment.

Based upon this analysis, asset allocation policies, including ranges for each asset class, were defined. The asset allocation policies are contained in the investment guidelines set forth in Exhibits 1 and 2.

VII. Risk Management

The Tier II Sub-Account will emphasize liquidity and low volatility in keeping with the portfolio's objective of serving as a cash buffer for the University's short-term operating cash needs. The appropriate duration target and range will be agreed to by the Investment Subcommittee and OCIO and specified in Exhibit 1.

Investments in the Tier III Sub-Account will be broadly diversified across and within asset classes in order to seek to minimize the impact of adverse asset class and security-specific shocks, and to avoid excessive portfolio volatility. An appropriate target range for the annual standard deviation of the Tier III policy portfolio will be agreed on by the Investment Subcommittee and OCIO as specified in Exhibit 2. Meeting the "endowment-like" long-term return objectives of the Non-Endowment program shall require the OCIO to regularly monitor and manage market risks associated with the overall portfolio as well as individual asset classes. Specific investments will also be reviewed and aggregated, as available from each manager, on a regular basis to ensure that the portfolio does not maintain unwarranted concentration risks with respect to any single factor or security at the manager level, asset class level and portfolio level.

Leverage shall also be monitored to ensure that the intended exposure is in line with parameters determined by the OCIO to be appropriate for a specific strategy and/or asset class. In addition, the portfolio will seek to maintain sufficient liquidity, at all times, to meet the ongoing distribution needs of the Non-Endowment, to rebalance the portfolio, and to capture tactical opportunities. The source of monies for such liquidity needs will be based on rebalancing and cost considerations.

VIII. Annual Expenditure Policy

Similar to an endowment, in order to achieve the annual distribution objective, the annual distribution will be funded through both investment earnings from that year and, if necessary during periods of investment losses or low returns, accumulated earnings from prior years.

A reserve for investment fluctuations will be maintained in order to buffer the portfolio from short-term investment fluctuations. The target balance of the reserve for future investment fluctuations is determined as 20% of the previous fiscal year-end Non-Endowment pool Tier III Long Term Capital balance, plus two years of budgeted Non-Endowment investment earnings.

~~Each year, the University budget office shall budget investment earnings based on a reasonable assessment of the interest rate and capital markets environment and any funding to be added to the reserve for investment fluctuations.~~
Unlike an endowment, the Non-Endowment pool size is impacted by annual changes in net assets from both the operating performance of the University's unrestricted funds and draws on the reserves for special initiatives. Each year at its spring meeting, the Investment Subcommittee shall review the interest rate and capital markets environment, the expected return of the investment pool, sufficiency of the reserve for investment fluctuations, forecasted cash flow, and forecasted overall size of the Non-Endowment pool for at least the next five years to determine the annual distribution from the Non-Endowment pool. Increases to the annual distribution shall be made with caution given the importance of maintaining a stable annual distribution to the Oxford general operating budget.

Any earnings in excess of this budgeted level shall be allocated 100% to the reserve for investment fluctuations, unless otherwise determined by the BoT. In the event the earnings are short of the budgeted amount, the difference shall be drawn from the reserve for investment fluctuations.

~~The target amount of the reserve for investment fluctuations shall be reviewed at least annually to determine its sufficiency and to establish a future target.~~

~~X.~~IX. Performance Monitoring and Evaluation

The performance of the Non-Endowment, component asset classes, sub-advisers and investment vehicles shall be monitored by the OCIO on an ongoing basis and shall be reviewed with the Investment Subcommittee at least quarterly. Investment returns are to be measured net of all fees, including investment manager and the OCIO fee. The OCIO shall provide a summary of returns versus stated benchmarks for short-term and long-term periods. The OCIO will meet with the Investment Subcommittee regularly to provide a review of performance and risk, a discussion of market conditions and a summary of the current positioning of the portfolio.

~~XI.~~X. Conflicts of Interest

The Investment Subcommittee shall take reasonable measures to assess the independence of the OCIO, and any other service providers to the Non-Endowment. Any actual or potential conflicts of interest relating to any of the foregoing, or to any member of the BoT, FAC, Investment Subcommittee or Office of Investment and Treasury Services, shall be disclosed and addressed in accordance with UPMIFA, Ohio's Ethics laws as applicable, and any conflict of interest policy adopted by the University.

~~XII.~~XI. Investment Guidelines

Sub-advisers who are appointed to manage accounts for the Non-Endowment shall be provided investment guidelines as determined by the OCIO. In general, the guidelines will stipulate the types of securities in which the account may invest, general characteristics for the portfolio and/or the performance benchmark and objectives. The specific guidelines may vary depending upon the asset class or sub-asset class. Commingled investment vehicles will be governed by their offering memorandum and other constituent documents.

The investment of the Non-Endowment is subject to and shall be made in accordance with ORC 3345.05 (C) (1), with at least twenty-five percent of the average amount of the investment portfolio over the course of the previous fiscal year invested in securities of the United States government or of its agencies or instrumentalities, the treasurer of state's pooled investment program, obligations of Ohio or any political subdivision of Ohio, certificates of deposit of any national bank located in Ohio, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system, as a reserve. The Non-Endowment assets in excess of the twenty-five percent may be pooled with other University funds and invested in accordance with Ohio Revised Code Section 1715.52 (UPMIFA).

~~XIII.~~XII. Mission-Aligned and Other Considerations

ESG Considerations. The University and the Foundation (collectively "Miami"), and the OCIO strive to maintain a high standard of stewardship excellence in managing their investment assets and in supporting the mission of the University.

Miami believes that the consideration of environmental, social, and governance factors is an integral part of a thorough portfolio management process. Miami's investment approach delegates investment decisions to the OCIO and the choice of OCIO was based upon the OCIO's philosophy, process, resources, ability to underwrite risk comprehensively, and alignment of interests with Miami. In turn, the OCIO uses these principles to carefully select sub-advisers to implement the investment strategies for Miami. These external partners make decisions about specific securities.

Miami recognizes the important role of responsible investment. As such, Miami has selected an OCIO that is a signatory to the United Nations Principles for Responsible Investment (UNPRI). Signatories to the UNPRI publicly commit to adopt and implement the UN's global standards for responsible investing, which include an obligation to incorporate environmental, social, and corporate governance issues into investment analysis and decision-making processes.

Exhibit 1
MIAMI UNIVERSITY – NON-ENDOWMENT (TIER 2)
Policy Allocation Targets, Ranges and Benchmarks
JUNE 2018

Asset Category	Policy Allocation	Policy Ranges -	Policy Ranges +	Benchmark Indices [1]
Fixed Income	**100.0%**	**-10.0%**	**0.0%**	
U.S. Treasury & Gov't Agency Securities	100.0%	-10.0%	0.0%	*ICE BAML 0-2 Year Treasury Index*
Cash	**0.0%**	**0.0%**	**10.0%**	*Citigroup 3 Month Treasury Bill Index*
Total	**100%**			

Footnotes:

(1) The Policy Benchmark will be reported both gross and net of assumed passive management fees and rebalancing costs.

(2) Targeted Duration for the Baseline Allocation: a range of +/- 0.5 years will be targeted around the duration of the benchmark. For example, should the ICE BAML 0-2 Year Treasury Index carry a duration of 1 year, a target range of 0.5 and 1.5 years will be targeted.

(3) Should this sub-account house funds earmarked for special university projects requiring target date matching, the Office of Investments and Treasury Services will establish an estimated draw schedule and the OCIO will invest in U.S. Treasury and government/agency securities accordingly.

Exhibit 2
MIAMI UNIVERSITY – NON-ENDOWMENT (TIER 3)
Policy Allocation Targets, Ranges and Benchmarks
JUNE 2018

Asset Category	Policy Allocation	Policy Ranges -	+	Benchmark Indices [1]
Equities	**54.0%**	**-10.0%**	**+10%**	
U.S. Equities	27.0%	-10.0%	+10%	*Russell 3000 Index*
Non-U.S. Equities	18.0%	-10.0%	+10%	*MSCI World ex-US Investable Market Index (IMI) (Net)* [2]
Emerging Market Equities	9.0%	-9.0%	+10%	*MSCI Emerging Markets Index (Net)* [2]
Alternatives (Net) [3][4]	**12.0%**	**-12.0%**	**+10%**	
Hedge Funds (Net)[4]	12.0%	-12.0%	+10%	*HFRX Equal Weighted Strategies Index*
Hedge Funds (Gross)	*22.0%*	-22.0%	+5%	
Portable Alpha Overlay	*10.0%*	-10.0%	+10%	
Real Assets	**10.0%**	**-7.0%**	**+13%**	
Real Estate	3.0%	-3.0%	+5%	*NCREIF Fund Index - Open End Diversified Core Equity Index*
Commodities	3.0%	-3.0%	+6%	*S&P GSCI Total Return Index*
TIPS	4.0%	-4.0%	+6%	*Bloomberg Barclays 1-10 Year U.S. TIPS Index*
Fixed Income [4]	**24.0%**	**-10.0%**	**+10%**	
U.S. Investment Grade Fixed Income[5]	21.5%	-15.0%	+10%	*Bloomberg Barclays U. S. Aggregate Index*
U.S. High Yield Bonds	2.5%	-2.5%	+10%	*BofA Merrill Lynch High Yield Cash Pay Index*
Non-U.S. Fixed Income	0.0%	0.0%	+10%	*Citigroup Non-USD World Government Bond Index Hedged*
Cash	**0.0%**	**0.0%**	**+20%**	*Citigroup 3 Month Treasury Bill Index*
Total	**100%**			

Footnotes:
(1) The Policy Benchmark will be reported both gross and net of assumed passive management fees and rebalancing costs.
(2) Indices are net of dividend withholding tax.
(3) (Net) indicates that allocations are net of portable alpha strategies. The maximum gross allocation to hedge funds, including those overlaid in portable alpha strategies, is 27%.
(4) U.S. Fixed Income includes physical holdings of Treasuries, corporates and synthetic fixed income achieved through portable alpha strategies.
(5) For purposes of assessing compliance with the minimum of the policy range, fixed income will be deemed to include the allocation to cash.
(6) The targeted annual standard deviation range is 10-12%.

Appendix A
MIAMI UNIVERSITY FOUNDATION INVESTMENT POLICY STATEMENT
Most recent version as adopted by the Foundation Board of Directors

[AVAILABLE UPON REQUEST]

DRAFT Forward Twelve Month Agenda Agenda Item	December Fall Meeting	March Winter Meeting	May 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	x	
• Organization of Committee Agendas	x				
• Annual Review of the Committee Charter				x	
Strategic Matters and Significant Topics Affecting Miami:					
• Annual Comprehensive Campaign Update		x			x
• Annual Report on the State of IT			x		
• Health Benefit Strategic Indicators				x	
◙ Strategic Initiatives Fund (Boldly Creative)				x	x
◙ ERP Replacement	x	x	x	x	x
Regular Agenda Items:					
• 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	x			x
Finance and Accounting Agenda Items:					
• Budget Planning for New Year		x	x		
• Long-term Budget Plan				x	
• Appropriation Ordinance (Budget)	x			x	
• Tuition and Fee Ordinance				x	
• Miscellaneous Fee Ordinance				x	
• Room and Board Ordinance				x	
• Review of Financial Statements	x				x
• Annual State of Ohio Fiscal Watch Report				x	x
• PMBA Tuition Proposal					
• Review of Comprehensive Campaign Exceptions		x			x
Audit and Compliance Agenda:					
•Planning Meeting with Independent Auditors			x		
• Management Letter and Other Required Communications	x				
• Annual Planning Meeting with Chief Audit Officer	x				x
• Annual Report by Chief Audit Officer				x	
• Annual Review of Internal Audit Charter				x	
Investment Agenda:					
• Semi-Annual Review of Investment Performance			x		x
Facilities Agenda:					
• Approval of Six-Year Capital Plan (every other year)	x				
• Facilities Condition Report			x		
• Annual Report of Gift-Funded Projects					x
• Status of Capital Projects	x	x	x	x	x
• Authorization of Local Administration		x			
Routine Reports:					
• University Advancement Update	x	x	x	x	x
• Cash and Investments Report	x	x	x	x	x
• Lean Project Summary	x	x	x	x	x
• Enrollment Report	x	x	x	x	x
• Dashboards	x	x	x	x	x

REPORT ON CASH AND INVESTMENTS
Finance and Audit Committee
Miami University
November 16, 2023

Non-Endowment Fund

For the quarter ending September 30, 2023 and for the fiscal year-to-date, the non-endowment's estimated net-of-fees return excluding Operating Cash was -0.5%. Tier II Baseline Core Cash returns were +0.9% and Special Initiatives Fund returns were +0.6%, while Tier III's return was -1.0%. Public equities, the largest allocation in Tier III, fell -2.8% for the quarter. Fixed income also fell -1.2% for the quarter while real assets and hedge funds each rose +4.5% and +3.0%, respectively.

At September 30th, Operating Cash was about $118.0 million, cyclically up from $65.6 million at the end of December. Operating Cash earned an approximate 476 bps (annualized) yield on the average balance for the quarter, in addition to a significant portion receiving earnings credit against bank fees.

	Fair Value	**% of**
Current Funds	**(Millions)**	**Portfolio**
Operating Cash (Tier I):		
Short-term Investments*	$117,976,812	12.9%
Core Cash (Tier II):		
Baseline Tier II	$192,117,141	21.0%
Special Initiatives	$21,919,919	2.4%
Total Core Cash (Tier II):	$214,037,060	23.4%
Long-Term Capital (Tier III):		
Equity Investments	$305,746,116	33.5%
Debt Investments	$135,039,211	14.8%
Hedge Funds	$71,547,406	7.8%
Real Assets	$58,269,988	6.4%
Other**	$1,351,534	0.1%
Cash	$9,918,436	1.1%
Total Long-Term Capital (Tier III)	$581,872,691	63.7%
Total Current Fund Investments	**$913,886,563**	**100.0%**

*From "Cash Flow Report," not included in performance report.
**Includes Cintrifuse Syndicate Fund II and Cash.

(Continued on next page)

REPORT ON CASH AND INVESTMENTS
Finance and Audit Committee
Miami University
November 16, 2023

<u>Endowment Pooled Investment Fund</u>

The endowment's returns were -1.2% for the quarter ending September 30th and fiscal year-to-date. This figure excludes updated values for private capital, which report on a significant lag. The endowment's return was weighed down by negative returns in fixed income (-6.4%), public equity (-3.0%), and private equity (-0.2%). Hedge funds and real assets both earned +3.1%, while opportunistic (+1.4%%) and cash (+1.3%) also helped dampen the losses.

The Miami University Foundation Investment Committee met on October 19th to review the performance of the overall Pooled Investment Fund and that of its component submanagers. The Committee also reviewed its Charter and Investment Policy Statement. Several edits were approved including adding a responsibility for a role in the Foundation's Enterprise Risk Management oversight. The Committee also had a guest from another Strategic Investment Group client's investment committee with whom they discussed the committees' compositions and oversight activities

<u>Bond Project Funds</u>

The University drew approximately $2.0 million for construction expenses during the quarter. As of March 31, 2023, the balance remaining in the Series 2020 Bond Project Fund was $4,838,131.

<u>Attachments</u>

MU Special Initiatives & Baseline Tier II Performance as of 9/30/2023, "Revised Report"
MU Long-Term Capital Tier III Performance as of 9/30/2023, "Revised Report"
MUF PIF Performance as of 9/30/2023, "Revised Report"

CAPITAL STACK EARNINGS SUMMARY

FYTD as of 10/31/2023

	Net Interest & Dividends	Realized Gains/Losses	Unrealized Gains/Losses	Total
TIER I	$1,010,446	$0	$0	$1,010,446
TIER II	$1,279,570	$1,458,450	($163,942)	$2,574,078
TIER III	$736,400	($3,023,661)	($16,424,907)	($18,712,168)
NON-ENDOWMENT TOTAL	$3,026,415	($1,565,210)	($16,588,849)	($15,127,644)
FY23 EARNINGS BUDGET				$22,000,000
DIFFERENCE				($37,127,644)
POOLED INVESTMENT FUND	$615,739	($299,662)	($19,203,037)	($18,886,960)

PERFORMANCE SUMMARY

Miami University
September 30, 2023

Strategic Investment Group

Asset Class *Benchmark*	Market Value ($ mill)	Strategic Portfolio (%)	Rates of Return (%) 1 Month	3 Month	Fiscal Year To Date	Calendar Year To Date	1 Year	3 Year	5 Year	10 Year	Since Policy Inception	Since Inception	Inception Date
Miami University Long-Term Capital Tier III (Net of Sub-Mgr Fees)	**580.521**	**100.0%**	**(1.9)**	**(1.0)**	**(1.0)**	**6.0**	**13.1**	**6.4**	**5.5**	**4.6**	**7.4**	**4.7**	**30-Jun-02**
Miami University Long-Term Capital Tier III (Net of Sub-Mgr and Strategic Fees)	**580.521**	**100.0%**	**(2.0)**	**(1.0)**	**(1.0)**	**5.8**	**12.8**	**6.2**	**-**	**-**	**7.2**	**-**	**31-Dec-18**
Total Portfolio Policy Benchmark			*(2.6)*	*(2.0)*	*(2.0)*	*4.8*	*11.5*	*3.7*	*4.5*	*4.1*	*6.4*	*4.5*	
Total Portfolio Policy Benchmark (Net of Fees)			*(2.7)*	*(2.1)*	*(2.1)*	*4.7*	*11.3*	*3.5*	*-*	*-*	*6.2*	*-*	
Miami University - Baseline Tier II (Net of Sub-Mgr Fees)	**192.117**	**100.0%**	**0.0**	**0.6**	**0.6**	**2.3**	**2.9**	**0.7**	**1.4**	**1.2**	**1.3**	**2.4**	**30-Jun-02**
Miami University - Baseline Tier II (Net of Sub-Mgr and Strategic Fees)	**192.117**	**100.0%**	**0.0**	**0.6**	**0.6**	**2.2**	**2.8**	**0.7**	**-**	**-**	**1.2**	**-**	**31-Dec-18**
Total Portfolio Policy Benchmark			*0.3*	*1.2*	*1.2*	*2.8*	*3.5*	*0.5*	*1.4*	*1.0*	*1.3*	*2.0*	
Total Portfolio Policy Benchmark (Net of Fees)			*0.3*	*1.1*	*1.1*	*2.7*	*3.5*	*0.5*	*-*	*-*	*1.2*	*-*	
Miami University Special Initiatives Fund (Net of Sub-Mgr Fees)	**21.920**	**100.0%**	**0.3**	**0.9**	**0.9**	**2.3**	**3.3**	**(0.7)**	**1.9**	**-**	**2.0**	**2.0**	**19-Sep-18**
Miami University Special Initiatives Fund (Net of Sub-Mgr and Strategic Fees)	**21.920**	**100.0%**	**0.3**	**0.9**	**0.9**	**2.2**	**3.2**	**(0.8)**	**1.8**	**-**	**1.9**	**1.9**	**19-Sep-18**
Total Portfolio Policy Benchmark			*0.2*	*0.9*	*0.9*	*2.2*	*3.2*	*(0.8)*	*1.8*	*-*	*1.9*	*1.9*	
Miami University Core Cash (Net of Sub-Mgr Fees)	**214.037**		**0.1**	**0.6**	**0.6**	**2.3**	**2.9**	**0.5**	**1.8**	**1.5**	**1.8**	**2.5**	**30-Jun-02**
Miami University Core Cash (Net of Sub-Mgr and Strategic Fees)	**214.037**		**0.1**	**0.6**	**0.6**	**2.2**	**2.9**	**0.4**	**1.8**	**-**	**1.7**	**-**	**31-May-18**
Total Miami University Client Group (Net of Sub-Mgr and Strategic Fees)	**794.558**		**(1.4)**	**(0.6)**	**(0.6)**	**4.8**	**9.9**	**4.2**	**4.0**	**3.3**	**3.5**	**3.5**	**30-Jun-02**

Miami University Long-Term Capital Tier III

September 30, 2023

Strategic Investment Group

Asset Class *Benchmark*	Market Value ($ mill)	Portfolio (%)	1 Month	3 Month	Fiscal Year To Date	Calendar Year To Date	1 Year	3 Year	5 Year	10 Year	Since Policy Inception	Since Inception	Inception Date
			Rates of Return (%)										
U.S. Equity	**115.734**	**19.9%**	**(4.2)**	**(2.8)**	**(2.8)**	**11.5**	**21.1**	**11.8**	**9.3**	**-**	**13.8**	**9.2**	**31-Aug-18**
U.S. Equity Policy Benchmark			*(4.8)*	*(3.3)*	*(3.3)*	*12.4*	*20.5*	*9.4*	*8.9*	*-*	*13.3*	*8.8*	
Non-U.S. Equity	**153.055**	**26.4%**	**(2.5)**	**(2.6)**	**(2.6)**	**7.3**	**23.0**	**6.9**	**4.4**	**-**	**7.6**	**4.3**	**31-Aug-18**
Non-U.S. Equity Policy Benchmark			*(3.2)*	*(3.7)*	*(3.7)*	*4.6*	*19.2*	*3.1*	*2.1*	*-*	*5.1*	*2.0*	
Global Equity	**36.957**	**6.4%**	**(4.5)**	**(4.0)**	**(4.0)**	**7.2**	**20.4**	**6.0**	**-**	**-**	**5.7**	**5.7**	**30-Apr-19**
Global Equity Benchmark			*(4.3)*	*(3.5)*	*(3.5)*	*10.3*	*21.3*	*7.6*	*-*	*-*	*7.6*	*7.6*	
Total Equity	**305.746**	**52.7%**	**(3.4)**	**(2.8)**	**(2.8)**	**8.9**	**22.1**	**8.6**	**6.3**	**-**	**10.0**	**6.2**	**31-Aug-18**
Hedge Funds (Net Exposure)	**71.547**	**12.3%**	**0.8**	**3.0**	**3.0**	**4.7**	**5.9**	**6.7**	**4.9**	**4.6**	**5.7**	**4.1**	**30-Jun-02**
Hedge Funds Policy Benchmark			*0.0*	*0.8*	*0.8*	*1.6*	*2.5*	*1.7*	*1.8*	*4.9*	*2.4*	*6.1*	
Total Alternatives	**71.547**	**12.3%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**30-Jun-02**
Real Estate - IRR	**11.393**	**2.0%**	**0.8**	**0.9**	**0.9**	**(2.3)**	**(6.2)**	**7.3**	**-**	**-**	**6.0**	**6.0**	**28-Jun-19**
Real Estate Policy Benchmark - IRR			*0.0*	*0.0*	*0.0*	*(6.3)*	*(11.2)*	*6.3*	*-*	*-*	*4.9*	*4.9*	
Commodities	**17.463**	**3.0%**	**3.8**	**15.6**	**15.6**	**6.2**	**9.6**	**28.2**	**-**	**-**	**8.4**	**8.4**	**31-Jan-19**
Commodities Policy Benchmark			*4.1*	*16.0*	*16.0*	*7.2*	*10.9*	*29.5*	*-*	*-*	*10.0*	*10.0*	
TIPS	**29.414**	**5.1%**	**(0.7)**	**(0.5)**	**(0.5)**	**1.4**	**3.1**	**0.8**	**-**	**-**	**2.8**	**2.8**	**30-Jan-19**
TIPS Policy Benchmark			*(1.0)*	*(1.0)*	*(1.0)*	*0.5*	*2.1*	*0.0*	*-*	*-*	*2.7*	*2.7*	
Total Real Assets	**58.270**	**10.0%**	**1.0**	**4.5**	**4.5**	**1.9**	**2.5**	**10.2**	**-**	**-**	**5.9**	**5.9**	**30-Jan-19**
U.S. Fixed Income	**135.039**	**23.3%**	**(1.5)**	**(1.2)**	**(1.2)**	**1.7**	**2.6**	**(1.5)**	**1.6**	**-**	**1.5**	**1.7**	**30-Jun-18**
U.S. Fixed Income Policy Benchmark			*(2.4)*	*(2.8)*	*(2.8)*	*(0.5)*	*1.6*	*(4.5)*	*0.3*	*-*	*0.2*	*0.6*	
Total Fixed Income	**135.039**	**23.3%**	**(1.5)**	**(1.2)**	**(1.2)**	**1.7**	**2.6**	**(1.5)**	**1.6**	**2.2**	**1.5**	**4.0**	**30-Jun-02**
Total Cash, Accruals, and Pending Trades	**9.918**	**1.7%**	**0.5**	**1.3**	**1.3**	**3.6**	**4.4**	**1.7**	**1.6**	**-**	**1.6**	**1.6**	**27-Aug-18**
Miami University Long-Term Capital Tier III (Net of Sub-Mgr Fees)	**580.521**	**100.0%**	**(1.9)**	**(1.0)**	**(1.0)**	**6.0**	**13.1**	**6.4**	**5.5**	**4.6**	**7.4**	**4.7**	**30-Jun-02**
Miami University Long-Term Capital Tier III (Net of Sub-Mgr and Strategic Fees)	**580.521**	**100.0%**	**(2.0)**	**(1.0)**	**(1.0)**	**5.8**	**12.8**	**6.2**	**-**	**-**	**7.2**	**-**	**31-Dec-18**
Total Portfolio Policy Benchmark			*(2.6)*	*(2.0)*	*(2.0)*	*4.8*	*11.5*	*3.7*	*4.5*	*4.1*	*6.4*	*4.5*	
Total Portfolio Policy Benchmark (Net of Fees)			*(2.7)*	*(2.1)*	*(2.1)*	*4.7*	*11.3*	*3.5*	*-*	*-*	*6.2*	*-*	
Cintrifuse Syndicate Fund II, LLC	**1.191**												
TOTAL	**581.712**												**30-Jun-02**

Past performance is not a guarantee of future results.

PERFORMANCE SUMMARY

Miami University Pooled Investment Fund

September 30, 2023

Asset Class *Benchmark*	Market Value ($ mill)	Total Portfolio (%)	Rates of Return (%) 1 Month	3 Month	Fiscal Year To Date	Calendar Year To Date	1 Year	3 Year	5 Year	10 Year	Since Policy Inception	Since Inception	Inception Date
U.S. Equity	**165.854**	**23.4%**	**(4.2)**	**(3.0)**	**(3.0)**	**11.1**	**21.0**	**11.9**	**8.9**	**-**	**8.9**	**9.3**	**24-Jul-18**
U.S. Equity Policy Benchmark			*(4.8)*	*(3.3)*	*(3.3)*	*12.4*	*20.5*	*9.4*	*9.1*	*-*	*9.1*	*9.5*	
Non-U.S. Equity	**142.029**	**20.0%**	**(2.6)**	**(2.8)**	**(2.8)**	**5.9**	**19.9**	**4.5**	**3.5**	**-**	**3.5**	**3.2**	**30-Jun-18**
Non-U.S. Equity Policy Benchmark			*(3.1)*	*(3.5)*	*(3.5)*	*3.9*	*17.2*	*1.8*	*1.9*	*-*	*1.9*	*1.7*	
Global Equity	**40.557**	**5.7%**	**(4.5)**	**(4.0)**	**(4.0)**	**7.2**	**20.4**	**6.0**	**5.1**	**-**	**5.1**	**5.7**	**30-Jun-18**
Global Equity Benchmark			*(4.3)*	*(3.5)*	*(3.5)*	*10.3*	*21.3*	*7.6*	*6.8*	*-*	*6.8*	*7.3*	
Total Equity	**348.441**	**49.2%**	**(3.5)**	**(3.0)**	**(3.0)**	**8.1**	**20.5**	**7.8**	**6.0**	**7.3**	**6.0**	**6.4**	**31-Dec-96**
Private Equity - IRR	**124.571**	**17.6%**	**0.0**	**(0.2)**	**(0.2)**	**3.2**	**3.7**	**15.8**	**11.0**	**8.1**	**11.0**	**8.4**	**30-Sep-95**
Private Equity Policy Benchmark - IRR			*0.0*	*0.0*	*0.0*	*4.1*	*4.3*	*16.9*	*15.2*	*14.4*	*15.2*	*12.9*	
Hedge Funds (Net Exposure)	**88.921**	**12.5%**	**0.8**	**3.1**	**3.1**	**4.7**	**6.0**	**6.8**	**4.7**	**-**	**4.7**	**4.6**	**30-Jun-18**
Hedge Funds Policy Benchmark			*0.0*	*0.8*	*0.8*	*1.6*	*2.5*	*1.7*	*1.5*	*-*	*1.5*	*1.5*	
Total Alternatives	**213.492**	**30.1%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**30-Jun-18**
Real Estate - IRR	**19.123**	**2.7%**	**0.0**	**0.2**	**0.2**	**(6.4)**	**(11.2)**	**3.2**	**6.0**	**6.7**	**6.0**	**4.4**	**31-May-06**
Real Estate Policy Benchmark - IRR			*0.0*	*0.0*	*0.0*	*(6.1)*	*(10.9)*	*6.4*	*4.1*	*7.9*	*4.1*	*6.1*	
Timber	**2.085**	**0.3%**	**0.0**	**0.0**	**0.0**	**0.2**	**3.6**	**6.2**	**3.2**	**-**	**3.2**	**3.7**	**30-Jun-18**
Timber Policy Benchmark			*0.0*	*0.0*	*0.0*	*0.0*	*11.2*	*9.6*	*5.5*	*-*	*5.5*	*6.0*	
Commodities	**10.466**	**1.5%**	**4.5**	**17.9**	**17.9**	**7.9**	**11.9**	**-**	**-**	**-**	**26.7**	**26.7**	**13-Jan-21**
Commodities Policy Benchmark			*4.1*	*16.0*	*16.0*	*7.2*	*10.9*	*-*	*-*	*-*	*24.1*	*24.1*	
TIPS	**24.881**	**3.5%**	**(0.7)**	**(0.6)**	**(0.6)**	**1.1**	**2.7**	**-**	**-**	**-**	**0.3**	**0.3**	**25-Jan-21**
TIPS Policy Benchmark			*(1.0)*	*(1.0)*	*(1.0)*	*0.5*	*2.1*	*-*	*-*	*-*	*(0.8)*	*(0.8)*	
Total Real Assets	**56.556**	**8.0%**	**0.6**	**3.1**	**3.1**	**(0.4)**	**(1.1)**	**6.7**	**6.7**	**-**	**6.7**	**6.9**	**30-Jun-18**
U.S. Fixed Income	**35.824**	**5.1%**	**(4.3)**	**(6.4)**	**(6.4)**	**(3.3)**	**(2.3)**	**(3.0)**	**0.0**	**-**	**0.0**	**0.1**	**30-Jun-18**
U.S. Fixed Income Policy Benchmark			*(2.5)*	*(3.2)*	*(3.2)*	*(1.2)*	*0.6*	*(4.9)*	*0.2*	*-*	*0.2*	*0.3*	
Total Fixed Income	**35.824**	**5.1%**	**(4.3)**	**(6.4)**	**(6.4)**	**(3.3)**	**(2.3)**	**(3.0)**	**0.0**	**-**	**0.0**	**0.0**	**30-Sep-18**
Opportunistic - IRR	**33.794**	**4.8%**	**0.4**	**1.4**	**1.4**	**2.7**	**4.9**	**10.8**	**8.0**	**7.4**	**8.0**	**-**	**28-Feb-01**
Opportunistic Policy Benchmark - IRR			*0.0*	*0.0*	*0.0*	*0.5*	*3.5*	*9.7*	*7.1*	*8.1*	*7.1*	*-*	
Total Opportunistic - IRR	**33.794**	**4.8%**	**0.4**	**1.4**	**1.4**	**2.7**	**4.9**	**10.8**	**8.0**	**7.4**	**8.0**	**-**	**28-Feb-01**
Total Cash, Accruals, and Pending Trades	**20.774**	**2.9%**	**0.5**	**1.3**	**1.3**	**3.6**	**4.4**	**1.7**	**1.6**	**-**	**1.6**	**1.6**	**30-Jun-18**
Miami University Pooled Investment Fund (Net of Sub-Mgr Fees)	**708.881**	**100.0%**	**(1.8)**	**(1.2)**	**(1.2)**	**5.3**	**11.6**	**7.8**	**6.3**	**5.8**	**6.3**	**8.3**	**30-Apr-93**
Miami University Pooled Investment Fund (Net of Sub-Mgr and Strategic Fees)	**708.881**	**100.0%**	**(1.8)**	**(1.2)**	**(1.2)**	**5.2**	**11.4**	**7.6**	**6.1**	**-**	**6.1**	**-**	**30-Sep-18**
Total Combined Portfolio Policy Benchmark			*(2.3)*	*(1.7)*	*(1.7)*	*5.1*	*10.7*	*5.6*	*5.6*	*5.7*	*5.6*	*6.6*	
Total Combined Portfolio Policy Benchmark (Net of Fees)			*(2.3)*	*(1.8)*	*(1.8)*	*4.9*	*10.5*	*5.4*	*5.4*	*-*	*5.4*	*-*	

Past performance is not a guarantee of future results.

MIAMI UNIVERSITY
OXFORD, OH • EST. 1809

INTERNAL AUDIT AND CONSULTING SERVICES

ROUDEBUSH HALL, ROOM 4
OXFORD, OHIO 45056-3653
(513) 529-0545

To: Finance & Audit Committee

From: Terry Moore, Chief Audit Officer

Subject: Internal Audit & Consulting Services Reporting Update

Date: November 21, 2023

AUDIT ISSUES LOG

Since the last reporting update to the Committee in September 2023, eight new audit recommendations were added and one was closed. The new recommendations are related to moveable capital assets, network penetration testing, Regionals campus crime logs, and the annual security and fire safety report. Details are provided in the open audit issues log on the following pages. In all cases, management agreed with IACS' recommendations and management's action plans are appropriate.

The one closed issue arose in the March 2023 audit of the moveable capital assets tracking process. Details are provided in the closed audit issues log on the last page.

Risk Level	Open as of Sept 1	Added	Closed	Open as of November 21
High	0	0	0	0
Moderate	11	7	0	18
Low	3	1	1	3
Total	14	8	1	21

Regarding the audit recommendations still outstanding, ten have been reported by management as completed. IACS shows these as 99% complete and will schedule follow-up reviews to validate that the audit findings have been appropriately addressed. For all others, IACS will continue to monitor management's progress on corrective actions.

Respectfully submitted,

Terry Moore, CIA, CFE

Chief Audit Officer

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
1	**198.1** - Review of Payroll Adjustments - 1/2021	01/22/2021	08/31/2021	Moderate	Finance & Business Services	Payroll adjustments are also known as "out of cycle pays". IACS recommends the following eight actions be considered to reduce the need for payroll adjustments and/or streamline the process. 1. In order to meet pay schedules, post deadlines for departments to submit information to Human Resources (HR) and Academic Personnel (AP) on the HR and AP websites. 2. Establish hard start dates where individuals always start on a set date depending on their classification. 3. Establish an approval process for payroll adjustments. 4. Establish Process Maker training and instructions. 5. Communicate missed pays when possible with Process Maker, not as currently is done in an email. 6. Automate the Special Pay process, as it has been cited as a cause for payroll adjustments. 7. Process terminal payouts on a pay cycle, rather than as a payroll adjustment. 8. Review and update job documentation annually.	Dawn Fahner, Assoc VP for Human Resources	IACS followed up on the status of this multi-part, open audit recommendation in September 2023. The Associate VP for HR reported that two of the three remaining actions (#4 and #6) have been completed. The one action remaining (#6) is in process of being addressed through the Workday ERP implementation project, which is expected to go live in July 2024. This audit recommendation remains open, and IACS will continue to periodically check in with management. 85%
2	**201.2** - Audit of PFD Time & Materials Contracts - 8/2021	08/10/2021	02/28/2022	Moderate	Finance & Business Services	IACS recommends that the Physical Facilities Department (PFD): a. Implement procedures to record cost estimates for Time and Materials (T&M) work orders in the WebTMA maintenance management system. b. Compare actual, cumulative costs to the work order estimates, and document the reason for significant discrepancies (e.g., emergency situation, uncertain scope of work). c. Consider using the recorded cost estimate to assign a "Not to Exceed" amount to T&M work orders to incentivize contractors to increase efficiency.	Tony Yunker, Assoc. Dir. of Non-Capital Projects	In a November 2023 status update, management reported that the audit findings have been sufficiently addressed. IACS shows this issue as 99% complete until a follow-up review is performed. 99%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
3	**219.1** - Review of Controlled Substances and Regulated Materials Procurement - 4/2022	04/21/2022	06/30/2022	Moderate	Academic Affairs	IACS recommends internal controls be strengthened to reduce the risk that controlled substances and other regulated materials may be misused, mishandled, or potentially removed from authorized research laboratory settings. Specifically, we recommend: a. The Office of Research & Innovation (ORI) comply with the University's P-Card Policy restrictions on purchasing items controlled or regulated by a government entity. Rather than using a P-Card, ORI should continue to work with the Office of Strategic Procurement to implement a process for authorized individuals to requisition purchase orders for controlled substances and other regulated materials. Special attention should be given to: 1. Specify the individuals authorized to place orders at each licensed research laboratory location; 2. Specify the pre-approved suppliers from which materials may be procured; 3. Ensure that orders can only be shipped to the specific address on the applicable license; 4. Ensure that purchase orders have approval from the Director of Research, Ethics, and Integrity prior to being executed; and 5. Ensure proper separation of duties between ordering, receiving , and payment with particular focus on ensuring that the person who places the order is not also the person who receives the order. b. The Office of Research and Innovation (ORI) close or otherwise inactivate the Ohio Board of Pharmacy terminal facility license for Roudebush Hall (License# 022158300) given that: a) This location does not have a research laboratory; b) No research using controlled substances or regulated materials is conducted in this building; and c) Procurement of controlled substances and other regulated materials by ORI should not occur. c. The Office of Research and Innovation change the responsible persons for the Ohio Board of Pharmacy terminal facility licenses for Pearson Hall (License# 0272000076) and Phillips Hall (License# 0272000075). Instead of the Director of Research, Ethics and Integrity, it appears more appropriate for the responsible person to be an individual physically present at each location to help ensure that a sufficient amount of time can be provided to supervise and control the dangerous drugs and regulated materials on-site, in accordance with Ohio Administrative Code Rule 4729:5-2-01. The Office of Research and Innovation update their internal policies and procedures relevant to procuring controlled substances and other regulated materials, i.e., MU Controlled Materials Policies (Research), with sufficient details on the new procurement process.	Susan McDowell, VP for Research & Innovation	In a May 2023 update, ORI reported that further actions have been completed to adress the remaining open audit recommendations. IACS shows this issue as 99% complete until a follow-up review is performed. 99%
4	**212.1** - TimeClock Plus Time Tracking Application - 2/2023	02/28/2023	04/01/2023	Moderate	Finance & Business Services	IACS recommends Human Resources and Finance Business & Services IT work together to implement a solution to ensure that privileged system access to TimeClock Plus that is no longer required is removed promptly upon a user's termination of employment or change in job duties.	Dawn Fahner, Assoc VP for Human Resources; Brad Grimm, Assistant VP & FBS CIO	Given that TimeClock Plus functionality is being transitioned into the Workday ERP system, IACS is monitoring this issue as it relates to the Workday implementation project. As such, this audit recommendation remains open and IACS will continue to periodically check in with management. 75%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
5	**212.2** - TimeClock Plus Time Tracking Application - 2/2023	02/28/2023	04/01/2023	Moderate	Finance & Business Services	IACS recommends Human Resources (HR) consistently monitor and enforce the on-campus student employee hour restrictions specified in the Student Employment policy. HR should consider: - Work with FBS-IT to implement a dashboard widget in the TimeClock Plus system to allow supervisors to conveniently monitor student hours approaching their respective limit. - Remind supervisors and students employees of the hour restrictions, and track any "repeat offenders" for possible disciplinary action. - Notify International Student & Scholar Services of any international students who have exceeded the limit.	Dawn Fahner, Assoc VP for Human Resources	Given that TimeClock Plus functionality is being transitioned into the Workday ERP system, IACS is monitoring this issue as it relates to the Workday implementation project. As such, this audit recommendation remains open and IACS will continue to periodically check in with management. 75%
6	**212.3** - TimeClock Plus Time Tracking Application - 2/2023	02/28/2023	04/01/2023	Moderate	Finance & Business Services	IACS recommends Human Resources implement a solution to increase the effectiveness of the review and approval of student employee time cards, and thereby strengthen the integrity of time and attendance reporting.	Dawn Fahner, Assoc VP for Human Resources	Given that TimeClock Plus functionality is being transitioned into the Workday ERP system, IACS is monitoring this issue as it relates to the Workday implementation project. As such, this audit recommendation remains open and IACS will continue to periodically check in with management. 75%
7	**218.1** - P-Card Internal Controls Recommendations - 3/2023	03/02/2023	05/31/2023	Moderate	Finance & Business Services	IACS recommends Accounts Payable identify and correct P-Card cardholders having incompatible reconciler and approver delegation assignments, which could result in their P-Card expense reports being submitted with automatic full approval.	Jenny Wethington, Accounts Payable Manager	In a May 2023 status update, Accounts Payable reported that the action plan to address this open audit recommendation has been implemented. IACS shows this issue as 99% complete until a follow-up review is performed. 99%
8	**218.2** - P-Card Internal Controls Recommendations - 3/2023	03/02/2023	03/03/2023	Moderate	Finance & Business Services	IACS recommends Accounts Payable identify and correct why for some P-Card transactions the cardholder is not required to upload a receipt to their P-Card expense report.	Jenny Wethington, Accounts Payable Manager	Management reported that the audit findings have been sufficiently addressed. IACS shows this issue as 99% complete until a follow-up review is performed. 99%
9	**218.3** - P-Card Internal Controls Recommendations	03/02/2023	06/30/2023	Moderate	Finance & Business Services	IACS recommends Accounts Payable implement a checkbox (or other device) into the P-Card expense report creation process and require cardholders use it to indicate a missing the receipt for the transaction. Doing so would enable reviewers, approvers, and Accounts Payable to more easily identify transactions that may require additional attention, and help ensure that Missing Receipt Affidavit forms are properly completed and approved. In addition, trend analysis could be performed to identify cardholders with an excessive amount of missing receipts.	Jenny Wethington, Accounts Payable Manager	Management reported that the audit findings have been sufficiently addressed. IACS shows this issue as 99% complete until a follow-up review is performed. 99%
10	**218.4** - P-Card Internal Controls Recommendations - 3/2023	03/02/2023	09/30/2023	Moderate	Finance & Business Services	In summary, IACS recommends Accounts Payable implement three configuration changes in the Chrome River system to increase transparency and cardholder reporting requirements for hosting expenses. In addition, Accounts Payable should encourage cardholders to attach additional documentation to substantiate hosting expenses, such as an event flyer, invitation, email or website announcement, calendar post, etc.	Jenny Wethington, Accounts Payable Manager	Management reported that the audit findings have been sufficiently addressed. IACS shows this issue as 99% complete until a follow-up review is performed. 99%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
11	**238.1** - Movable Capital Assets Tracking Process - 3/2023	03/20/2023	03/31/2023	Moderate	Finance & Business Services	IACS recommends General Accounting (GAC) implement a solution to improve the timeliness of completing the movable capital assets tracking process. In doing so, GAC should consider processing forms upon receipt, increasing follow up with departments, and looking for opportunities to automate the process and eliminate waste.	Micki White, Asst. Director of Accounting	In a September 2023 status update, management reported that the audit findings have been sufficiently addressed. IACS shows this issue as 99% complete until a follow-up review is performed. 99%
12	**222.1** - Moveable Capital Assets - Audit # 2 - 10/2023	10/16/2023	02/01/2024	Moderate	Finance & Business Services	IACS recommends General Accounting (GAC): a. Remind departments to report asset status changes (e.g., disposed, relocated) as they occur throughout the year. We recommend notification be made within 30 days of when a status change occurs. GAC should timely update Banner upon receipt of such notification. b. Ensure that the annual physical inventory sheets are provided timely to all departments. We also recommend the due date to return completed sheets to GAC be changed to December 1st, prior to the end of the semester and winter break. c. Provide clear instructions to departments on how to complete physical inventory sheets, what to do if an asset cannot be located or is missing its tag, and a mechanism to indicate who performed the inventory count. GAC should follow up with individuals who do not clearly mark the status of an asset. d. Ensure that status changes reported through physical inventory sheets are updated timely in Banner. GAC should verify that any reported disposals have appropriate approval. e. Remind departments that assets are required to have an appropriate, affixed asset tag, and resolve any mis-tagged or untagged equipment.	Micki White, Asst. Director of Accounting	The Assistant Director of Accounting agreed with IACS' recommendations, stating: General Accounting agrees with IACS's recommendations. Our action plan will be to: a. We are taking several steps to remind departments to report asset status changes. b. Physical Inventory Sheets will go out to all departments by 10/31 each year. Plant Funds will request that all inventory sheets be returned by 12/1. c. The instructions on how to complete the Physical Inventory Sheets have been updated and will be distributed beginning with the sheets that go out October 2023. This will include the requirement that the individual performing the count sign and date the inventory sheet. In addition, a pdf of the instructions will be provided to the UPOC to distribute to those responsible for completing the inventory sheets. Plant Funds will follow up with departments who provide incomplete documentation in a timely manner. If there are assets noted that cannot be found, Plant Funds will research whether any notification was received for any location or disposal changes. If not, Plant Funds will ask the department to re-check their count and copy the department chair. If there is no resolution reached, a separate email will be sent to the department chair making them aware of the matter and ask for resolution. In addition, Plant Funds will request that the departments provide on the inventory sheet the asset custodian information that can then be uploaded into Workday. d. Plant Funds will enter into Banner any necessary changes reported on the inventory sheet within 30 days of receipt of the completed information. e. Upon notification, Plant Funds will work with departments to resolve any missing or mis-applied asset tags. This will also be included in the flyer mentioned in "a" above and will go out with the capital asset tags. This will begin immediately. We expect to have fully implemented our action plan by 2/1/24. 10%
13	**222.2** - Moveable Capital Assets - Audit # 2 - 10/2023	10/16/2023	02/01/2024	Moderate	Finance & Business Services	IACS recommends that General Accounting continue to tag, track, and maintain property records for capital assets from receipt to disposal.	Micki White, Asst. Director of Accounting	The Assistant Director of Accounting agreed with IACS' recommendation stating, "General Accounting agrees with IACS's recommendation. Our action plan [effective immediately] will be to continue to tag, track and maintain property records for capital assets from receipt to disposal. Reminders regarding the process will be sent to departments in the timeframe stated under number 1 above, Administration of Asset Records. We will implement the reminders under the timeline described under 1a and 1c above." 90%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
14	**222.3** - Moveable Capital Assets - Audit # 2 - 10/2023	10/16/2023	03/01/2024	Moderate	Finance & Business Services	IACS recommends General Accounting (GAC): a. Continue working with the Workday implementation team to leverage the system's capabilities to improve efficiency and internal controls, and address gaps in the current moveable capital asset management process. b. Consider best practices recommended by the Workday implementation partner and those implemented at other Workday institutions, such as The Ohio State University. For example, we recommend GAC identify for each asset: 1. An asset custodian. The custodian should be the individual who is in possession of the asset or is responsible for its use, condition, and disposition (e.g., faculty researcher/principal investigator). Equipment should be issued to the identified custodian utilizing Workday's delivered functionality. 2. An asset coordinator. This individual should be assigned by the appropriate unit leader (e.g., chair, director, dean, vice president) as the person responsible for coordinating management of the unit's capital assets. The coordinator should be at an appropriate level (e.g., lab manager, department administrator/supervisor) to efficiently and effectively assist the asset custodian with completing administrative tasks, such as asset registration, tagging, relocation, and disposal. The coordinator would also facilitate annual physical counts of capital assets within the unit, and be a point of contact for communications to/from General Accounting. c. Update policies and procedures for asset management accordingly. d. Provide training to appropriate departments/stakeholders to explain the process and communicate expectations. A single page handout summarizing key requirements could be utilized.	Micki White, Asst. Director of Accounting	The Assistant Director of Accounting agreed with IACS' recommendations stating: General Accounting agrees with IACS's recommendations. Our action plan will be to: a. Plant Funds will continue to work with the Workday implementation team to leverage system capabilities within Workday and address the gaps in the current process. Currently Plant Funds attends weekly meetings and have regular one-off discussions with the team. This will continue through the discussion, testing and implementation phases of Workday. b. Best practices within Workday will continue to be reviewed and discussed with the Workday implementation team, including the concept of assigning an asset custodian and asset coordinator (fields not currently available in Banner) and the most efficient way to maintain this information. Again, this will continue through the discussion, testing and implementation phases of Workday. c. Once the process within Workday is well-defined and tested, the Asset Management Guidelines and Procedures will be updated and distributed accordingly. The date for updating these guidelines and procedures will be included in the timeline mentioned below. d. In addition, at the same time, a training plan and timeline will be established with the goal to communicate the process and expectations in multiple ways, including in-person (ex. attend meetings within departments and divisions) and written (ex. updating documentation that goes out with asset tags, website, etc.). Once we are closer to reaching a conclusion on this discussion and testing for Workday, we will be able to provide a date for when these initiatives will be completed. The target date will be for Plant Funds to have a timeline for the training plan for departments by the end of February with the understanding that testing will be well underway and decisions will be made on the Workday capabilities that will be utilized. We expect to have fully implemented our action plan by 3/1/24. 10%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
15	**240.2** - Regionals Campus Crime Logs - 10/2023	10/27/2023	02/01/2024	Moderate	MU Regionals	IACS recommends Regionals campus management: a. Continue working with the security provider to obtain the missing incident reports for March-October of 2022 and update the crime log as appropriate. b. Modify the crime logs published on the Regionals webpages and their associated downloadable 60 Day Log to include only the most recent 60 days of incidents. c. Establish a defined process to monitor and ensure crime logs are updated daily and appropriately maintained.	Scott Brown, Regional Director of Physical Facilities & Operations	The Regional Director of Physical Facilities & Operations agreed with IACS' recommendations stating: a. "I will continue to contact Securitas weekly via email to see if we can get the hard copies of the missing incident reports for the Middletown campus, March 2022 through October 2022. Since I am depending on a response from a vendor who is probably not too happy with us right now it is difficult to set a timeline for obtaining these but we will do our best." b. "Our Regional Marketing Content Specialist, Rachel Brown had set the crime log web pages up many years ago. I have contacted her and she already has changed the settings to "hide sheets", only allowing the 60 day crime log to be viewed by the general public. I have also forwarded a recent email from Nicole asking that the headings on each column be changed to match those of Oxford. We start utilizing the new headings no later than November 1, 2023." c. "Immediately, I need to make it part of my daily routine to check the crime logs, earlier in the morning to make sure they are up to date. I have spoken to both first shift guards and they are aware that we need to update the crime logs daily, not once a week like they were previously doing. I realize that this oversite is needed in order to keep the university in compliance." 10%
16	**241.1** - FY24 CBTS Network Penetration Testing - 11/2023	11/06/2023	11/30/2023	Moderate	IT Services	CBTS recommends remediation of a significant security vulnerability instance on Miami's internal facing network to eliminate this exposure and prevent potential unauthorized access.	John Virden, Asst VP for Security, Compliance & Risk Mgt and CISO	The Information Security Officer concurred, stating: "The ISO immediately remidiated the finding upon notification from CBTS during the penetration test. All [instances] were patched and an allow list of IP addresses to each [instance] to prevent this exploit going forward. The allow list prevents devices from requesting files through [this instance] as the device will now only trust a few specified IP addresses to request files through it. This action plan was completed on September 19, 2023." IACS will follow up with management to validate that this issue has been sufficiently addressed. 99%
17	**241.2** - FY24 CBTS Network Penetration Testing	11/06/2023	07/01/2024	Moderate	IT Services	CBTS recommends action be taken to strengthen the security of certain devices on Miami's external facing network to mitigate risks associated with unauthorized access.	John Virden, Asst VP for Security, Compliance & Risk Mgt and CISO	The Information Security Officer concurred. Management's action plans include working with Miami's primary supplier for the devices in question to strengthen security, deploying software to help better manage device setup, and working with distributed support staff and end-users to establish standards and procedures for more secure device setup. The ISO will also consider additional steps when performing winter and summer classroom checks to verify proper device setup, and attempt to add additional detection methods to identify vulnerable devices. The ISO expects all action plans to be implemented by July 2024. 25%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
18	**241.3** - FY24 CBTS Network Penetration Testing - 11/2023	11/06/2023	07/01/2024	Moderate	IT Services	IACS recommends the Information Security Office (ISO) perform a self-assessment of the 10 internal control activities recommended by CBTS to identify any potential areas of weakness or opportunities to further enhance the University's security posture in these areas.	John Virden, Asst VP for Security, Compliance & Risk Mgt and CISO	The Information Security Officer concurred, stating: "ISO will set up an annual self assessment to address these 10 items in order to ensure we are providing proper standards, procedures, and actions that will help maintain or enhance our security posture. Some of the CBTS suggestions will be addressed as we move towards new systems such as Rapid Identity for IAM, tabletop exercises, and an asset database to potentially track third party dependencies. We expect to have fully implemented our action plan by July 2024." 10%
19	**201.3** - Audit of PFD Time & Materials Contracts - 8/2021	08/10/2021	11/01/2021	Low	Finance & Business Services	IACS recommends that the Physical Facilities Department (PFD) enforce actions required of Time and Materials contractors by the Contract Documents to provide a detailed account of the work performed each day and the approximate percentage of completion of the work order.	Tony Yunker, Assoc. Dir. of Non-Capital Projects	In a November 2023 status update, management reported that the audit findings have been sufficiently addressed. IACS shows this issue as 99% complete until a follow-up review is performed. 99%
20	**238.2** - Movable Capital Assets Tracking Process - 3/2023	03/20/2023	09/01/2023	Low	Finance & Business Services	IACS recommends General Accounting (GAC) implement a solution to improve the accuracy and completeness of movable capital assets data recorded in Banner. In addition, GAC should fully utilize Banner's built-in discreet fields to separately record data as captured on GAC's Capital Equipment Identification form (e.g., manufacturer, model, description). We also recommend GAC input into Banner the most recent date each asset was physically inventoried.	Micki White, Asst. Director of Accounting	In a September 2023 status update, management reported that the audit findings have been sufficiently addressed. IACS shows this issue as 99% complete until a follow-up review is performed. 99%
21	**240.1** - Annual Security & Fire Safety Report Review - 10/2023	10/26/2023	02/01/2024	Low	Finance & Business Services	IACS recommends the Clery Act Coordinator: a. Establish a defined process, including a checklist, to ensure that the necessary documentation for annual Clery Act reporting is updated accurately for each new year. b. Establish a schedule that defines when the steps of the process should be performed to allow adequate time for review prior to the October 1 Clery Act reporting deadline.	Nicole Roberts, Police Sergeant	The Clery Act Coordinator (Police Sergeant) agreed with IACS' recommendations, stating: The Clery Act Coordinator agrees with IACS' recommendations. The action plan will be to: a. Review any available standard work regarding Clery steps and create a yearly checklist, including dates for task completion. b. Work with University Communications & Marketing to ensure an earlier date for the creation of the test website, allowing more time for data entry and Internal Audit review. The action plan is expected to be fully implemented by February 1, 2024. 10%

Closed Internal Audit Issues

Line	Audit Name And Date	Date Opened	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
1	**238.3** - Movable Capital Assets Tracking Process - 3/2023	03/20/2023	Low	Finance & Business Services	IACS recommends General Accounting remind departments of their responsibility and requirement to complete a Property Pass to document a moveable capital asset temporarily taken off campus.	Micki White, Asst. Director of Accounting	IACS followed up on this issue in August/September 2023. We verified that management executed their action plan in accordance with the audit recommendation. As such, this audit issue is closed 9/8/2023.

Reporting Update
Item 3

December 2023

Enrollment Update

Finance and Audit

Board of Trustees

Fall 2024 Applications

Residency

	2021	2022	2023	2024	△ 2023 to 2024
Non-Resident	13,313	12,393	15,338	16,520	7.7%
Domestic Non-Resident	12,175	11,157	13,202	14,213	7.7%
International	1,138	1,236	2,136	2,307	8.0%
Ohio Resident	12,472	13,385	14,847	15,957	7.5%
Grand Total	**25,785**	**25,778**	**30,185**	**32,509**	**7.7%**

Data as of December 3

Fall 2024 Applications
Academic Divisions

	2021	2022	2023	2024	△ 2023 to 2024
CAS	10,416	9,903	10,424	10,953	5.1%
FSB	7,082	7,348	8,604	9,437	9.7%
CEC	3,317	3,296	4,249	4,523	6.4%
EHS	2,363	2,419	3,344	3,470	3.8%
CCA	1,318	1,432	1,707	1,836	7.6%
NURSING	1,289	1,380	1,857	2,290	23.3%
Grand Total	**25,785**	**25,778**	**30,185**	**32,509**	**7.7%**

Data as of December 3

Fall 2024 Applications

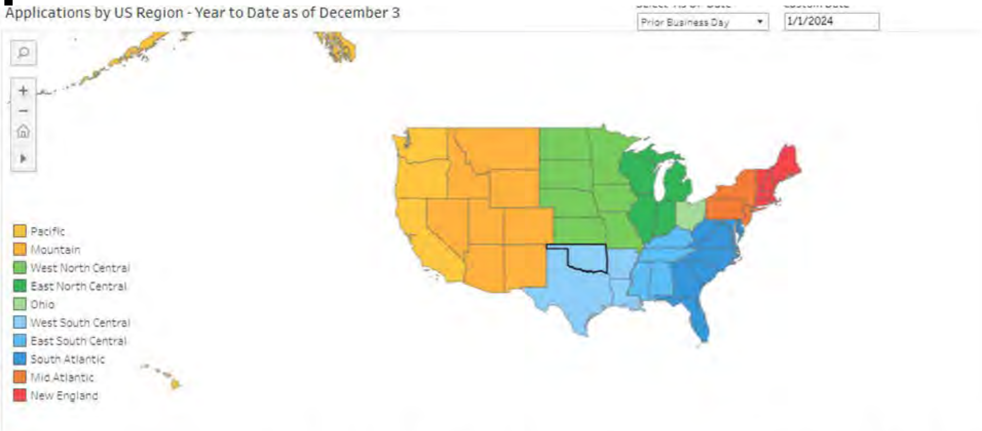
Key Indicators

	2021	2022	2023	2024	∆ 2023 to 2024
Applications	25,785	25,778	30,185	32,509	7.7%
GPA	3.85	3.86	3.84	3.80	-0.04
Curriculum Strength	14.2	13.6	13.1	13.2	0.1
% Non-Resident	51.6%	48.1%	50.8%	50.8%	0.0%
% Diversity	18.7%	19.7%	21.1%	23.2%	2.1%
% First Generation	15.4%	19.5%	23.3%	23.8%	0.5%

Data as of December 3

Fall 2024 Applications

Applications by US Region - Year to Date as of December 3



		2020		2021		2022		2023		2024	
		Applications	% Change	Applications	% Change	Applications	% Change	Applications	% Change	Applications	% Change
Western	Pacific	581	4.7%	524	-9.8%	423	-19.3%	530	25.3%	513	-3.2%
	Mountain	337	-14.5%	419	24.3%	397	-5.3%	437	10.1%	423	-3.2%
	Total	918	-3.3%	943	2.7%	820	-13.0%	967	17.9%	936	-3.2%
Midwest	West North Central	827	15.0%	829	0.2%	867	4.6%	875	0.9%	880	0.6%
	East North Central	4,919	-0.3%	5,472	11.2%	5,162	-5.7%	6,288	21.8%	6,706	6.6%
	Total	5,746	1.6%	6,301	9.7%	6,029	-4.3%	7,163	18.8%	7,586	5.9%
Southern	West South Central	193	17.7%	232	20.2%	222	-4.3%	269	21.2%	319	18.6%
	East South Central	636	-8.2%	764	20.1%	642	-16.0%	809	26.0%	889	9.9%
	South Atlantic	1,298	8.1%	1,485	14.4%	1,309	-11.9%	1,480	13.1%	1,607	8.6%
	Total	2,127	3.4%	2,481	16.6%	2,173	-12.4%	2,558	17.7%	2,815	10.0%
Northeast	Mid Atlantic	1,512	-0.7%	1,524	0.8%	1,415	-7.2%	1,634	15.5%	1,861	13.9%
	New England	922	0.5%	912	-1.1%	703	-22.9%	866	23.2%	1,006	16.2%
	Total	2,434	-0.2%	2,436	0.1%	2,118	-13.1%	2,500	18.0%	2,867	14.7%
Ohio	Total	11,356	1.4%	12,524	10.3%	13,456	7.4%	14,903	10.8%	16,054	7.7%
Other	Total	985	4.6%	1,100	11.7%	1,182	7.5%	2,094	77.2%	2,251	7.5%
Grand Total		23,566	1.4%	25,785	9.4%	25,778	0.0%	30,185	17.1%	32,509	7.7%

For love.
For honor.
FOR THOSE WHO WILL.

The Campaign for Miami University

Brad Bundy
Vice President, University Advancement

University Advancement Update

For love.
For honor.
FOR THOSE WHO WILL.

Agenda

- Recent Success
- $1B Campaign Update
- CY ‘23 Results to Date
- FY ‘24 Results to Date

For love.
For honor.
FOR THOSE WHO WILL.

Recent Success

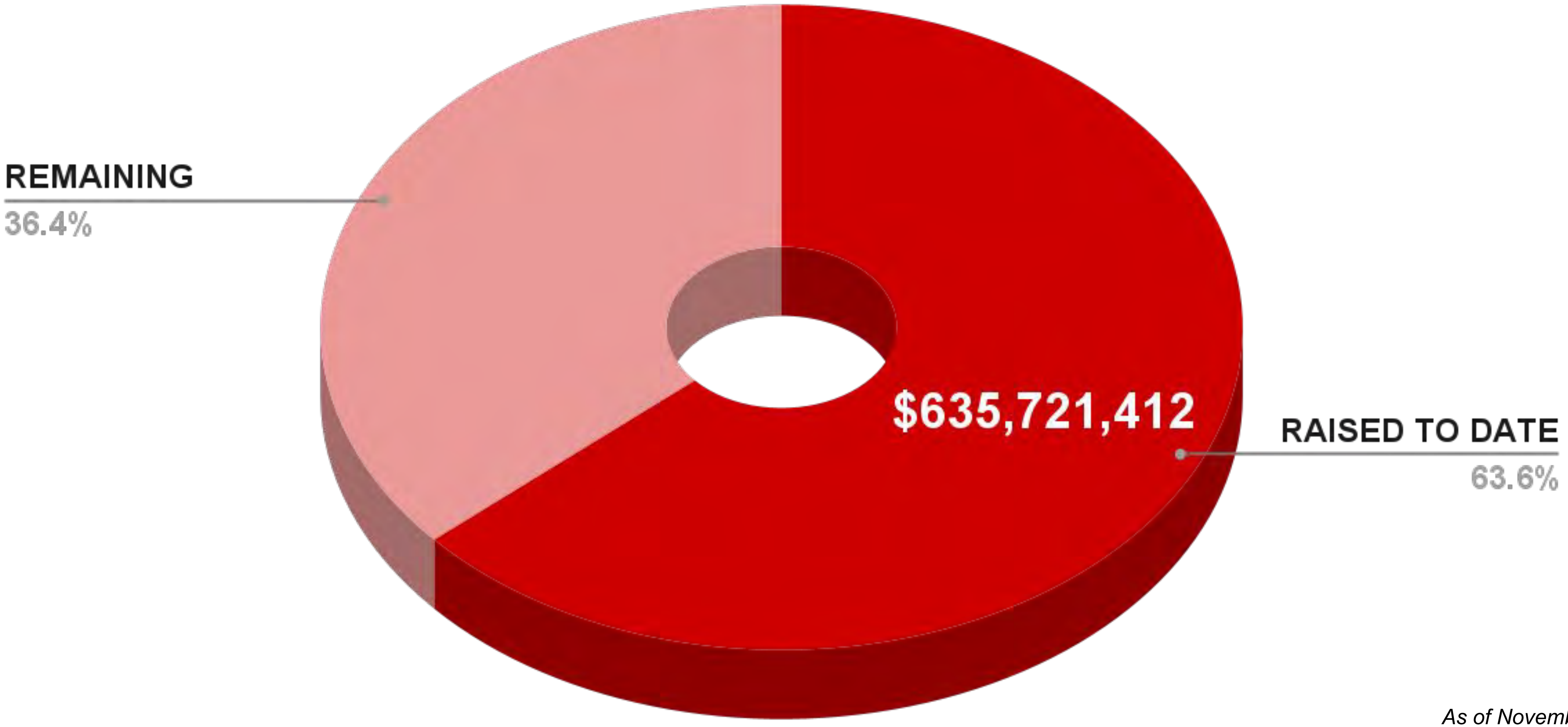
- Farmer Family Foundation increased matching gift ratio from 20% to 100% on all cash gifts to FSB from July 1 to June 30, 2025 or until $20M match is achieved
  - Match has motivated additional cash gifts totaling $6.4M from July 1 through October 31, 2023
- Executed two signature regional campaign events in Columbus and Chicago with over 200 prospects and donors in attendance at each event
- In 2023 held five salon style campaign events in New York, Austin, Miami FL, Las Vegas and Houston
- #MoveInMiami - 4,707 gifts; $4,893,604 raised; +200 projects supported

For love.
For honor.
FOR THOSE WHO WILL.

The Campaign for Miami University

$1B Campaign Update

Campaign Progress



As of November 24, 2023

Campaign Total By Initiative

Initiative	Total to Date
Scholarships	$261.0M
Academic and Programmatic Support	$243.2M
Capital Projects	$76.4M
Unrestricted - University	$14.8M
Unrestricted - Colleges	$19.7M
Undesignated	$17.3M
Technology and Equipment	$3.3M

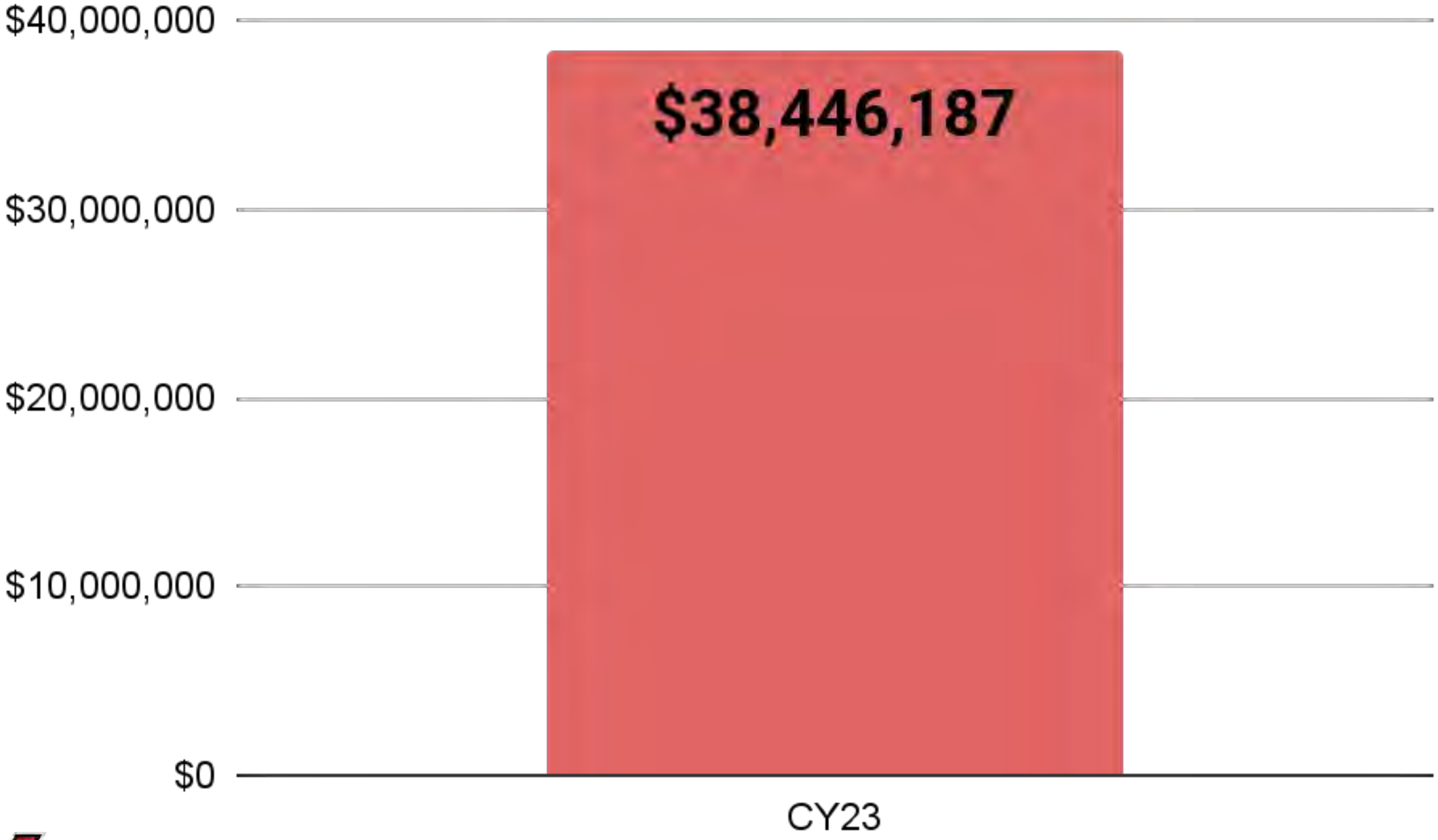
As of November 24, 2023

For love.
For honor.
FOR THOSE WHO WILL.

The Campaign for Miami University

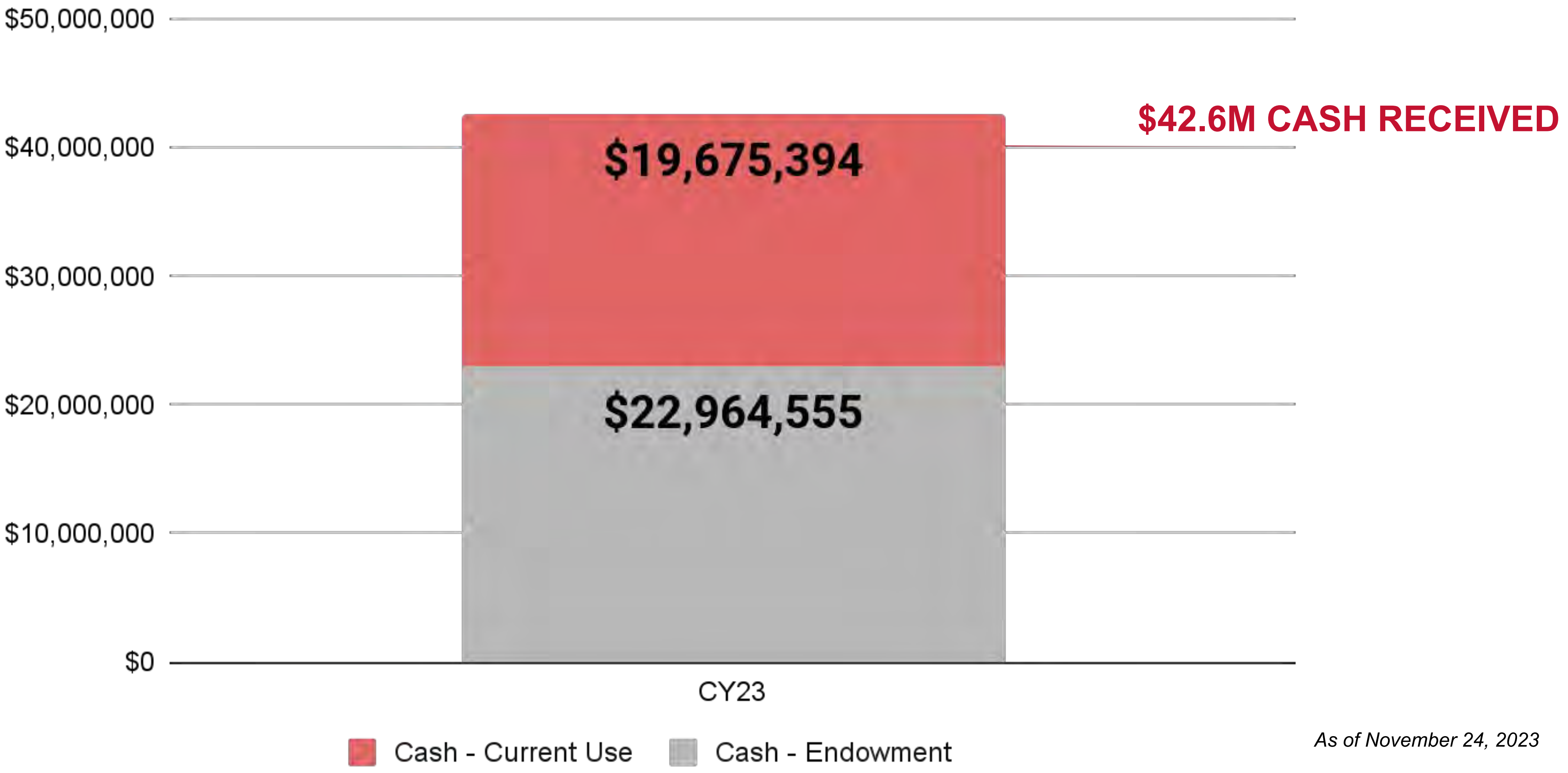
CY ‘23 Results to Date

CY ‘23 Results to Date



As of November 24, 2023

CY ‘23 Cash Received to Date



As of November 24, 2023

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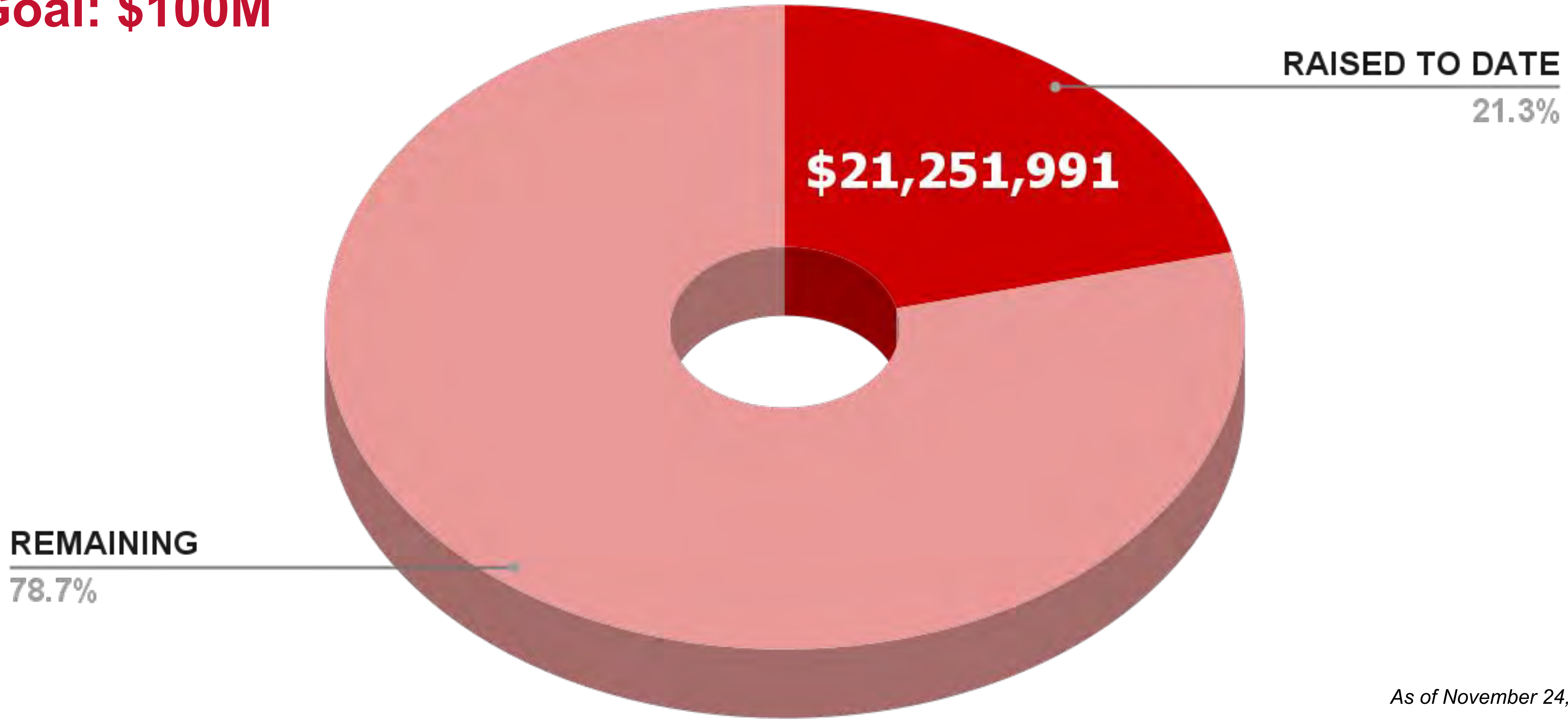
The Campaign for Miami University

FY ‘24 Results

as of 11/24/23

FY '24 Fundraising Results To Date

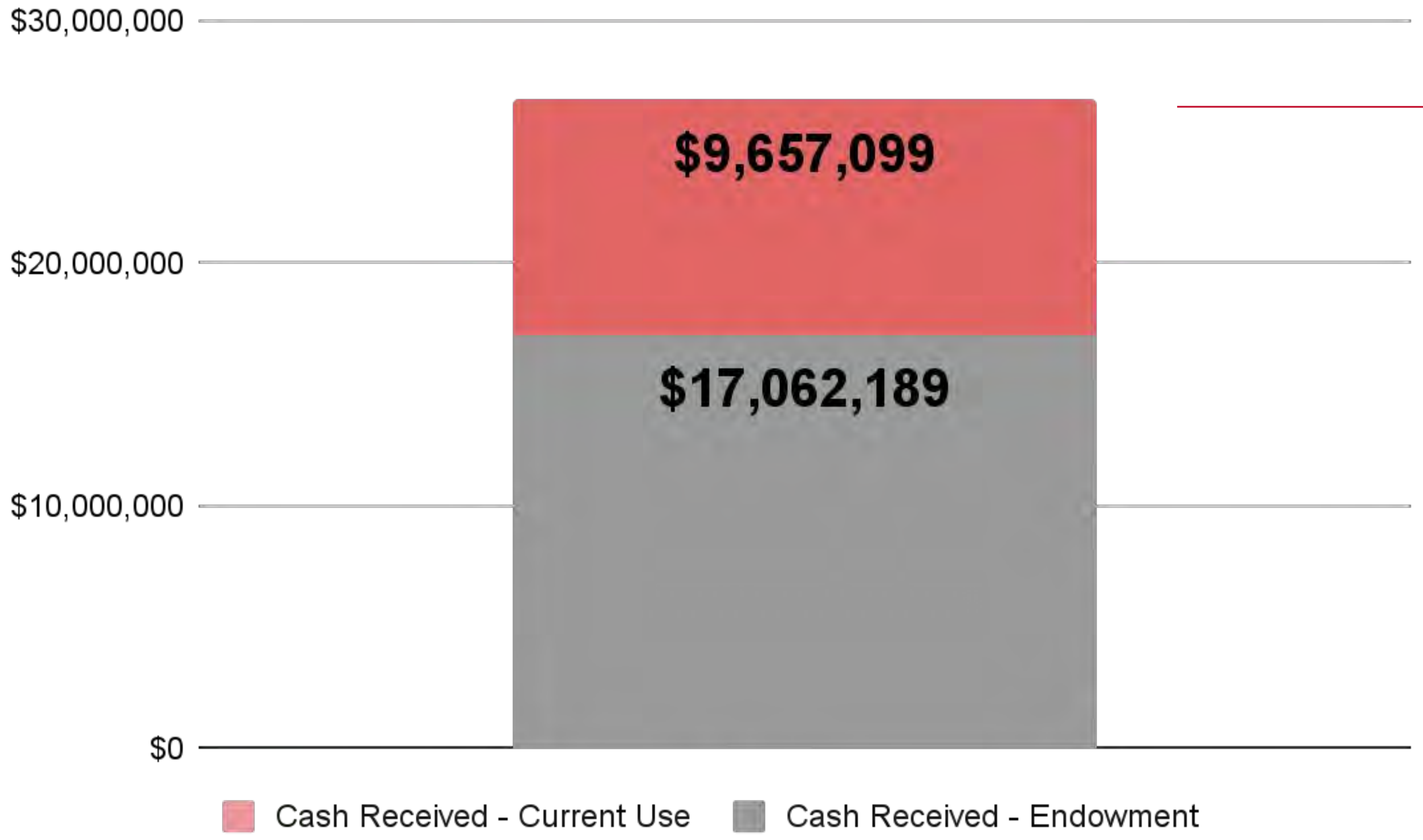
Goal: $100M



As of November 24, 2023

FY ‘24 Cash Received To Date

Cash Goal: $40M



$26.7M CASH RAISED

As of November 24, 2023

Campaign Ledger

	Gifts	Pledges	Total	Present Value
Bequests		240,502,689.96	240,502,689.96	117,065,786.37
Cash				
cash, checks, credit cards, EFT	117,808,786.28	149,703,723.36	267,512,509.64	
stocks, securities	9,406,928.27	666,614.79	10,073,543.06	
payroll deduction	490,186.90	396,541.89	886,728.79	
matching gifts	2,211,636.82	-	2,211,636.82	
realized bequests	25,281,120.94	-	25,281,120.94	
other campaign commitments	-	28,953,469.64	28,953,469.64	
Planned Gifts				
insurance premium	259,858.34	1,533,323.48	1,793,181.82	
lead trusts	2,000.00	1,035,848.00	1,037,848.00	
externally managed	327,847.04	4,430,000.00	4,757,847.04	3,219,060.00
charitable gift annuities	454,497.54	-	454,497.54	302,207.85
charitable remainder trusts	4,165,405.47	3,500,000.00	7,665,405.47	2,433,082.89
Grants	30,973,748.85	-	30,973,748.85	
Gifts in Kind	10,817,878.08	2,924,246.51	13,742,124.59	
Real Estate	-	-	-	
Membership Dues	16,860.22	-	16,860.22	
SUB TOTAL	202,216,754.75	433,646,457.63	**635,863,212.38**	
(manual adjustments/post 10-year pledges)			*(141,800)*	
REPORTED TOTAL			**$635,721,412.38**	

Includes CASE counting exceptions of $65,908,537 (10.4% of campaign total)

As of November 24, 2023

CY ‘23 Ledger To Date

	Gifts	Pledges	Total	Present Value
Bequests		8,729,001.00	8,729,001.11	3,345,865.58
Cash				
cash, checks, credit cards, EFT	13,161,465.14	9,033,798.26	22,195,263.40	
stocks, securities	851,539.91	150,000.00	1,001,539.91	
payroll deduction	38,326.49	12,540.16	50,866.65	
matching gifts	190,079.02	-	190,079.02	
realized bequests	2,078,319.16	-	2,078,319.16	
other camp commitments	-	-	-	
Planned Gifts				
insurance premium	19,931.00	-	19,931.00	
lead trusts	-	-	-	
externally managed	40,761.00	-	40,761.00	
charitable gift annuities	-	-	-	
charitable remainder trusts	-	-	-	
Grants	2,238,410.00	-	2,238,410.00	
Gifts in Kind	1,902,015.60	-	1,902,015.60	
Real Estate	-	-	-	
Other	-	-	-	
SUB TOTAL	20,520,847.32	17,925,339.42	**38,446,186.74**	
REPORTED TOTAL			**$38,446,186.74**	

Includes CASE counting exceptions of $1,927,075 (5.0% of CY total)

As of November 24, 2023

FY ‘24 Ledger To Date

	Gifts	Pledges	Total	Present Value
Bequests		4,472,000.00	4,472,000.00	1,458,800.62
Cash				
cash, checks, credit cards, EFT	7,946,274.21	6,240,947.40	14,187,221.61	
stocks, securities	597,403.83	150,000.00	747,403.83	
payroll deduction	18,889.52	7,430.00	26,319.52	
matching gifts	48,646.64	-	48,646.64	
realized bequests	570,476.95	-	570,476.95	
other camp commitments	-	-	-	
Planned Gifts				
insurance premium	375.00	-	375.00	
lead trusts	-	-	-	
externally managed	40,761.00	-	40,761.00	
charitable gift annuities	-	-	-	
charitable remainder trusts	-	-	-	
Grants	-	-	-	
Gifts in Kind	1,158,786.40	-	1,158,786.40	
Real Estate	-	-	-	
Other	-	-	-	
SUB TOTAL	10,381,613.55	10,870,377.40	**21,251,990.95**	
REPORTED TOTAL			**$21,251,990.95**	

Includes CASE counting exceptions of $1,249,075 (5.9% of FY total)

As of November 24, 2023

For love.
For honor.
FOR THOSE WHO WILL.

New Campaign Exceptions

- Software: $937,260
- Miami Tribe: $306,815
- Extended Pledges: $5,000
- Total Since Last Report: $1,249,075

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The Campaign for Miami University

Thank You!

Reporting Update
Item 5

Lean Project Update
as of 11/01/2023

MU-Lean Project Status Totals					Completed Projects			
Division	Active	Completed	Future	Total	**Cost Avoidance**	**Cost Reduction**	**Revenue Generated**	**Total**
Finance and Business Services	70	1939	3	2012	$59,075,118	$40,095,121	$11,529,556	$110,699,795
President	3	9	0	12	$530,371	$233,500	$1,015	$764,886
Advancement	5	32	0	37	$184,280	$280,570	$4,223,000	$4,687,850
Enrollment	5	49	0	54	$508,854	$37,323	$37,705	$583,882
Student Life	4	4	0	8	$53,434	$0	$0	$53,434
Information Technology Services	1	17	0	18	$437,033	$0	$4,180	$441,213
Academic Affairs	3	30	0	33	$2,455,098	$0	$402,116	$2,857,214
Lean Project Total - MU	91	2080	3	2,174	$63,244,188	$40,646,514	$16,197,572	$120,088,274

* no longer track Procurement realized as a separate category

MU-Lean Project Changes since 05-01-23 report					Newly Completed Projects since 05-01-23 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*	-26	67	-1	40	$1,066,377	$680,763	$442,819	$2,189,959
President	0	0	0	0	$0	$0	$0	$0
Advancement	0	0	0	0	$0	$0	$0	$0
Enrollment	-1	1	0	0	$0	$0	$0	$0
Student Life	1	0	0	1	$0	$0	$0	$0
Information Technology Services	0	0	0	0	$0	$0	$0	$0
Academic Affairs	0	0	0	0	$0	$0	$0	$0
Lean Project Total - MU	-26	68	-1	41	$1,066,377	$680,763	$442,819	$2,189,959