# Miami University
# Board of Trustees Finance & Audit Committee Meeting
# Marcum Conference Center
# December 9, 2021
# 1:30 p.m. – 4:30 p.m.

**Executive Session, 1:30 p.m. to 2:00 p.m.**

1. Consult with Counsel, Personnel Matters, Pending or Threatened Litigation –Robin Parker, David Creamer

**Business Session, 2:00 p.m. to 4:30 p.m.**

1. Approval of Minutes of September 23, 2021 Finance & Audit Committee Meeting –Mark Sullivan

2. FY 2019 Financial Statements and Audit Results –David Creamer, Jennifer Morrison
   RSM US: Matt Garvey
   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)

3. Tuition and Fee Ordinances –David Creamer, David Ellis
   a. Professional MBA Tuition-No Change in Fee
   b. Adoption of Mental Health Fee-
      Contingent on Approval of the Chancellor
   c. Increase in Farmer School of Business Fee-
      Contingent on Approval of the Chancellor

4. Report on Facilities, Construction and Real Estate –David Creamer, Cody Powell
   a. Status of Capital Projects
   b. Resolution Authorizing Capital Improvement Plan and Funding Request
   c. Resolution Authorizing the Renovation of College at Elm Building
   d. Resolution Authorizing Central Campus Hot Water Conversion Project

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

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

7. Investment Sub-Committee Report –Biff Bowman, Bruce Guiot
   a. Agenda
   b. Chair's Report on Investment Performance (no enclosure)

8. Forward Agenda Priorities and Organizing Future Meeting Agendas –Mark Sullivan

(over)

## Reporting Updates

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

## Future Meeting Dates

Thursday, February 24, 2022
Thursday, May 12, 2022
Thursday, June 23, 2022
Thursday, September 22, 2022
Thursday, December 8, 2022

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**BOARD OF TRUSTEES**
**MIAMI UNIVERSITY**
**Minutes of the Finance and Audit Committee Meeting**
**Marcum Conference Center, Oxford, Ohio**
**Thursday, September 23, 2021 1:00 p.m.**

Chair Mark Sullivan called the meeting to order at 1:00 p.m., with a majority of members present constituting a quorum. The meeting was held in the Marcum Conference Center on the Oxford campus. Roll was called; attending with Chair Sullivan were Committee members; Trustees David Budig, Sandra Collins, Debbie Feldman, Rod Robinson, and Mary Schell; and National Trustee Biff Bowman. Also attending were Trustees Zachary Haines, and John Pascoe, along with Student Trustees Amitoj Kaur, and Dawson Cosgrove.

In addition to the Trustees, attending for all or part of the meeting were President Gregory Crawford, Provost Jason Osborne, Senior Vice Presidents David Creamer and Tom Herbert; Vice Presidents Cristina Alcalde, Jayne Brownell, Mike Crowder (interim), Jaime Hunt, David Seidl, Brent Shock and Randi Thomas; along with General Counsel Robin Parker; Athletic Director David Sayler; and Ted Pickerill, Executive Assistant to the President, and Secretary to the Board of Trustees. Also present to address or assist the Committee were; David Ellis, Associate Vice President for Budgeting and Analysis; Cody Powell, Associate Vice President for Facilities Planning and Operations; interim Chief Audit Officer Terry Moore; and Bruce Guiot, Chief Treasury Officer; along with many others in attendance to assist or observe.

## Public Business Session

Chair Sullivan welcomed everyone and opened the meeting.

## Executive Session

By unanimous roll call vote, with all voting in favor and none opposed, the Committee entered executive session to consult with counsel.

## Public Business Session

### Approval of the Minutes

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

## Comprehensive Campaign Update

Senior Vice President Herbert updated the Committee on the progress of the $1B Campaign. He reported the campaign has neared 50% raised, with $468M raised to date. He also reported that scholarships and academies remain the primary focus, with nearly $190M raised for scholarships, and $171M raised for academic support. Capital projects, to include the McVey Data Science Building, have received $68M to date.

Another focus of the campaign was to increase the percent of gifts received as cash. To date, over $245M of the $468M has been raised in the cash category.

For FY2021, the goal was to raise $60M, this goal was exceeded by 117.5%, with $70.5M raised, with over $54M in cash, exceeding the $24M cash goal by over 226%.

For FY2022 to date, over $6M has been raised towards a goal of $75M, and $3.5M has been raised in cash towards a cash goal of $30M.

*Associated Materials are included as Attachment A.*

## Gift Policy

A gift policy to establish a procedure to give guidance and counsel to individuals who solicit and accept gifts on behalf of Miami University was proposed. The policy is similar to the existing Miami University Foundation Gift Acceptance Policy.

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

*The Gift Policy is included in Attachment A.*

## Budget Update

Sr. Vice President Creamer provided the Committee with a fall enrollment budget update. Preliminary Net Tuition Revenue (NTR) showed a budget total for the incoming class of $52.2M with a projection of $51.6M. For all students (incoming and continuing), the budget total was $228M, with a projected total of $230.1M.

SVP Creamer presented information on the total financial aid applied on the Oxford campus since FY2010, showing the amount has risen from $10M in FY2010 to $139M projected for FY2022.

For the regional campuses, the enrollment trend from FY2011 to FY2022 was reviewed. Total regional campus enrollment has declined from 5,131 in FY2011 to 3,382 on the first day of the Fall 2021 term, with a decrease to 3,175 expected for the October 15 measurement date. A review of regional campus revenue showed steadier numbers,

with a slight increase from approximately $45M in FY2015 to approximately $47.5M projected for FY2022.

In preparation for the introduction of revenue dashboards SVP Creamer first reviewed the Oxford Campus state appropriations, which were $70.9M in 2001 and are $67.7M today. He also reviewed the demographic forecast for postsecondary enrollment, which is now slowly declining, the trend in the number of persons, aged 25-29 with a bachelor's degree, and the change in Oxford campus tuition compared to inflation. He then introduced the revenue dashboards. The measures include:

- Oxford total Net Tuition Revenue (NTR)
- Average NTR per incoming student
- Endowment offset for scholarships
- Undergraduate applications
- Undergraduate acceptance rate
- NTR from BAMA programs
- NTR from market priced graduate programs
- NTR from traditional graduate programs
- Revenue from overhead recoveries
- TT faculty compensations funded by grants
- Boldly creative student head count

Attachment B includes a summary and information on each measure.

The Committee discussed the dashboards and requested that expense dashboards and dashboards for the regional campuses also be developed.

*Associated Materials are included as Attachments B.*

**Year-End Operating Results**

Senior Vice President Creamer discussed the end of FY2021 operating results with the Committee. He reviewed the recent trend in core revenue, showing net tuition, fees and other student charges to be down $50M since FY2019, and the change in auxiliary enterprise revenue, down $77.2M. He stated recent budget reductions and vacant positions helped to reduce associated expenses, and that the federal Higher Education Emergency Relief Fund (HEERF) also provided support.

SVP Creamer reviewed endowment investment returns which were 29.3%, and those of the non-endowment pool which were 18.8%, allowing a transfer of $113.6M to the reserve for investment fluctuations.

He also reviewed the reduction in NTR and Auxiliaries, and stated a reduction in the Ohio pension liability of $68.9M helped to offset the revenue loss.

Greater detail can be found in Attachment C.

The Foundation's financial statements and performance were also reviewed, which also showed significant results for investment performance.

A review of gift-funded capital projects showed a total projects deficit of $5.6M, of which $5.1M is from the Athletic Performance Center.

*Associated Materials are included as Attachments C.*

## Capital Projects

Associate Vice President Cody Powell updated the Board on capital projects. He stated two projects had been recently completed, the field hockey turf and the High Street pedestrian flow project.

The foundation of the Clinical Health Sciences and Wellness Facility is complete, steel framing has begun, and basement piping is in place. Building completion is expected by August 2023.

The Dodds Hall renovation is proceeding on time and on budget towards an August 2022 completion. He reported the McVey Data Science Building is proceeding as a design-build project, and that a resolution will be presented to proceed with construction.

University Hall on the Hamilton Campus is also proceeding on time towards a January 2022 completion.

AVP Powell relayed implementation of the current utilities master plan is continuing with a focus on continued reductions in the use of steam, which provides the greatest impact on reducing carbon emissions. Facilities will continue to monitor the cost and feasibility of incorporating solar power.

The McVey Data Science Building construction resolution was then presented. Following a motion by Trustee Budig, a second by Trustee Bowman, and unanimous approval by voice vote, with all voting in favor and none opposed, the Committee recommended approval of the resolution by the full Board of Trustees.

*Associated materials are included as Attachment D.*

## Refunding of 2012 Bonds

Sr. Vice President Creamer and Chief Treasury Office Bruce Guiot explained that Miami is entering a refunding window for Series 2012 bonds. They stated interest rates remain low and recommend refunding the bonds at some point prior to September 2022. They stated the proposed resolution allows flexibility on the specific method of refunding – Taxable Advanced Refunding, Tax-Exempt Forward Refunding or Tax-Exempt Current

Refunding. They also stated they would evaluate interest rates and estimated volatility to determine the appropriate method and timing of the refunding.

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

*Associated Materials are included as Attachment E.*

## Internal Audit

Sr. Vice President Creamer introduced Terry Moore, the interim Chief Audit Officer. Mr. Moore presented the FY2022 audit plan, which was developed by Barb Jena prior to her retirement as Chief Audit Officer, and was based on risk assessment presented in June.

He highlighted four areas, first, outsourced vulnerability assessment and pen-test, stating the preliminary report is favorable. A locally administered capital project – the clinical health sciences and wellness building, which is an outsourced item audited for compliance. The Payment Card Industry (PCI) follow up, which is a follow up audit. The time clock system and DSE recreation center management application, which are new areas. He also informed the Committee that Miami Regionals Business Operations requested an audit, which is also being conducted.

*Associated materials are included as Attachment F.*

## Investment Subcommittee

The Investment Subcommittee Chair, National Trustee Biff Bowman updated the Committee on the June and September Investment Subcommittee meetings. Regarding the June 23, 2021 meeting, he informed the committee:

As we approached fiscal year-end, the Subcommittee reviewed investment performance for both the non-endowment and endowment, along with the capital stack comprised of the endowment pool, the University's non-endowment investments, and its operating cash. We also had a conversation about the target Reserve for Investment Fluctuations and the potential investment income budget for FY22.

The Subcommittee also reviewed the endowment spending policy and endowment administrative fee policy. No recommendations for changes were made. Staff completed a fiduciary review of Strategic Investment Group (SIG) and the custodian and concluded they are serving as good fiduciaries.

Regarding the September 23, 2021 meeting, he informed the Committee:

The Subcommittee reviewed fiscal year-end investment performance for both the non-endowment and endowment.

- FY returns were strong on both an absolute and relative basis, outperforming our benchmarks.
- Non-endowment's Tier III earned +28.3% (net of all fees)
- Non-endowment's Tier II and Tier III combined earned +18.8%
- Endowment/PIF earned estimated +30.9% (still collecting some private capital figures for June quarter)

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

- The endowment/PIF now exceeds $700M, propelled by strong investment returns and new gifts, up from about $555M a year ago.
- Operating cash flow was solid for FY21 and is tracking to forecast so far in FY22.

The Subcommittee also had a conversation about the non-endowment allocation:

- The Reserve for Investment Fluctuations target is set by policy and is intended to protect the budget against investment losses.
- The Reserve balance had been below target, but the FY21 surplus investment earnings has eliminated the Reserve's funding gap.
- The budgeted investment earnings for FY22 have more than doubled, but will provide some needed E&G budget relief and falls within expected return modelling.

Strategic Investment Group (SIG) reviewed their fixed income strategy, which is a significant part of the non-endowment. Their philosophy applies three factors to building the portfolio:

- duration,
- interest rate sensitivity, and
- credit spreads

The Subcommittee reviewed the FY21 endowment spending distribution and endowment administrative fee distribution. The endowment distribution increased by almost $2 million versus FY20.

The Subcommittee discussed diversity, equity, and inclusion in the asset management industry. Staff has initiated discussion with SIG regarding their firm as well as the underlying sub-managers they use to invest Miami's funds. SIG has already

collected some demographic data. Industry groups are developing principles to help standardize data. Miami plans to work with SIG in requesting and tracking the data with a focus on talent recruitment and development to promote a long-term evolution. Additional discussion and collaboration are planned.

Finally, the Subcommittee reviewed an endowment growth model to helps us understand the impact of three influencing levers: fundraising, distributions, and investment returns. The big return in FY21 has put us on a faster trajectory toward our goal of reaching a $1 billion endowment.

*The minutes from the June and September meetings of the Investment Subcommittee are included as Attachment G.*

**Annual Efficiency Report**

SVP Creamer explained that legislation was passed approximately five years ago for Ohio's public universities to complete and submit an annual efficiency report. However, the universities do not receive from the Chancellor the report's measures until September, so it is difficult to present the completed report to Trustees prior to the due date. Therefore, the Chancellor allows submission by the University before the Board's approval of the report with formal approval considered at the Board's next meeting.

Associate Vice President Ellis provided some highlights of the measures requested by the Chancellor this year. This year includes the response to the pandemic, management of academic enterprise, and student success and affordability (including text book cost).

Miami will submit the report on time, with the Board to consider formal approval at the December meeting.

*The Efficiency Report template is included as Attachment H.*

**Forward Agenda**

Senior Vice President Creamer will add to the dashboard expense/cost measures, which should assist in measuring any gaps and the progress towards their closure.

ERP was also discussed and the Committee was informed that IT is still on track to have a report to the Committee by the February meeting.

**<u>Additional Reports</u>**

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

Enrollment Update, Attachment I

Internal Audit Reporting Update, Attachment J
Cash and Investments, Attachment K
Lean Project Update, Attachment L

## Adjournment

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

Theodore O. Pickerill II
Secretary to the Board of Trustees

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**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**

President and Board of Trustees of Miami University

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, the financial statements of the business-type activities and the discretely presented component unit of Miami University (the University), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and the related notes to the financial statements, and have issued our report thereon dated October 15, 2021.

This report does not extend to the Miami University Foundation due to the Foundation issuing a separate report on Internal Control over Financial Reporting and on Compliance and Others Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated October 15, 2021.

**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 opinions 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 may exist that have not been identified.

**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 statement. 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.

RSM US LLP

Cleveland, Ohio
October 15, 2021


# Miami University

## Report to the Finance and Audit Committee
## October 15, 2021

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# Contents (cont.)







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# INTRODUCTION





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# Engagement Team

- **Matthew Garvey**
  - **Audit Partner**

- **Michelle Horaney**
  - **Audit Partner and Concurring Reviewer**

- **Steve Ansberry**
  - **Audit Senior Manager**

- **Michael Foreman**
  - **Audit Manager**

# Engagement Team

- Specialists
  - Information Technology
  - Actuarial (GASB 68 and 75)
  - Tax
- Minority Firm Partners
  - Manoranjan & Shaffer, Inc.





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# Scope of Services

Our engagement was to provide the following audit services as of and for the year ended June 30, 2021:

- Annual audit of the financial statements of the University in accordance with Auditing Standards Generally Accepted in the United States of America, *Government Auditing Standards*
- Ohio Compliance Supplement
- Audit in accordance with the Uniform Guidance delayed to due release of CARES Act funding compliance supplement addendum.
  - Three major programs audited in accordance with the Uniform Guidance:
    - Research and Development Cluster
    - Coronavirus Relief Funds – CFDA 21.019
    - CFDA 84.425E and F Coronavirus Aid, Relief and Economic Security (CARES) Act, Education Stabilization
  - Student Financial Aid





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# Scope of Services

- Agreed-upon procedures report to test compliance with the requirements outlined in the National Collegiate Athletic Association (NCAA) bylaw 3.2.4.16.
- Miami University University Foundation audit

# AUDIT OF MIAMI UNIVERSITY





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# Audit Status

- Financial statement audit was submitted to the Auditor of State (AOS) and Office of Budget and Management by the required October 15, 2021 deadline
- Next Steps
  - Complete testing for the annual audit of the University in accordance with Uniform Guidance – delayed to due release of CARES Act funding compliance supplement addendum
  - Data Collection Form Submission – Federal Audit Clearinghouse website
  - Complete reporting package to Auditor of State (AOS) and Office of Budget and Management
  - Completion of NCAA Agreed Upon Procedures and submitted to AOS by November 30, 2021





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# Auditor's Professional Responsibilities

- Our responsibilities under 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, have been described in our arrangement letter dated May 17, 2021.
- Our responsibilities, as stated in our auditor's report, are summarized as follows:
  - Our audit was conducted in accordance with GAAS.
  - Our audit was designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud.
  - An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected and performed are dependent upon our professional judgment based on our assessment of the risks of material misstatement and our consideration of internal control over financial reporting (ICFR).
  - Our consideration of ICFR was for the purpose of designing audit procedures and not for the purpose of expressing an opinion on the effectiveness of ICFR. Accordingly, we express no such opinion on ICFR.
  - Our audit also included assessing the accounting principles used and significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.
- In our opinion, the financial statements present fairly, in all material respects, the financial position and activities of the University as of and for the June 30, 2021.



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# Other Communications Required by Generally Accepted Auditing Standards

| Area | Comments |
|---|---|
| **Preferability of Accounting Policies and Practices** | Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice. |
| **Adoption of, or Change in, Accounting Policies** | Management has the ultimate responsibility for the appropriateness of the accounting policies used by the University. The University did not adopt any significant new accounting policies that had a significant impact on the financial statements, nor have there been any changes in existing significant accounting policies during the current period. |
| **Significant Accounting Policies** | We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. |
| **Significant Unusual Transactions** | We did not identify any significant unusual transactions. |
| **Disagreements With Management** | We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements. |
| **Consultations With Other Accountants** | We are not aware of any consultations management had with other accountants about accounting or auditing matters. |
| **Significant Issues Discussed with Management** | No significant issues arising from the audit were discussed or the subject of correspondence with management. |
| **Significant Difficulties Encountered in Performing the Audit** | We did not encounter any significant difficulties in dealing with management during the audit. |

# Management's Judgments and Accounting Estimates

- Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment.
- The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events.
- We have concluded that the methodologies management used for the significant estimates, as outlined on the following pages, are reasonable.





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# Management's Judgments and Accounting Estimates (cont.)

| Estimate | Accounting Policy | Management's Estimation Process | Basis for Our Conclusions on Reasonableness of Estimate |
|---|---|---|---|
| **Allowance for Uncollectible Student, Pledges and Loans Receivable** | The allowance for uncollectible accounts is based on management's estimate of the collectability of identified receivables, as well as aging of accounts. | The University calculates a specific percent reserve on the aging of the accounts based on historical experiences and by identifying specific accounts which are doubtful of collection. | We tested the underlying information supporting the allowance. We concluded management's estimate is reasonable. |
| **Investments** | Investments are recorded at fair value or estimated fair value in the case of investments in real estate. | Investments that are market traded are recorded at fair value based on quoted market prices, as established by the major securities markets. The value of holdings of commingled funds, not having a readily determined market value, is based on the net asset value per share as supplied by the investment manager. Investments in real estate are recorded at estimated fair value.. | For market traded investments, we tested the fair value information provided by management and found it to be consistent with fair values we obtained from another third-party source. For alternative investments, we corroborated the information to documentation obtained directly from fund management of the alternative investment funds and found it to be appropriate and reasonable. |

# Management's Judgments and Accounting Estimates (cont.)

| Estimate | Accounting Policy | Management's Estimation Process | Basis for Our Conclusions on Reasonableness of Estimate |
|---|---|---|---|
| **Depreciable Life** | Property and equipment are recorded at cost and then depreciated over the estimated useful lives of the assets. | Estimated useful lives are 50 years for buildings; 25 years for infrastructure, land improvements, and library books and publications; 20 years for improvements to buildings; and 5 to 7 years for equipment, vehicles, and furniture. | We believe the estimates and process used by the University are appropriate based upon our testing, which included substantive and analytical procedures. |
| **Compensated Absences** | Vacation and sick time is accrued for employees based upon the term of their employment contract or years of service. | Unused vacation and sick time are determined by current rates, terms of employment and subject to maximum accruals. | We tested the detail listing of accrued vacation and sick time at June 30, 2021 and noted the amounts accrued are reasonable based on the policy. |

# Management's Judgments and Accounting Estimates (cont.)

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





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# Other Communications Required by Generally Accepted Auditing Standards – Audit and Passed Adjustments

- No audit adjustments proposed by RSM. Management made closing entries in its normal course of business.
- We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.





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# Internal Controls Over Financial Reporting

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

# Communication of Internal Control Deficiencies

- We did not identify any significant deficiencies or compliance matters required to be reported in the *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.*





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# Communication of Compliance 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 determination of financial statement amounts. The results of our tests disclosed no instances of noncompliance or other matters that are require to be reported under *Government Auditing Standards*.

# OTHER ITEMS





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# Accounting Standards Update

## Upcoming GASB Pronouncements

- GASB Pronouncements requiring adoption at various dates going forward.
  - Adoption will likely not have a significant impact (although management continues to evaluate)
    - *GASB Statement No. 87, Leases - effective for year ending June 30, 2022.*
    - *GASB Statement No. 91, Conduit Debt Obligations – effective for year ending June 30, 2023.*
    - *GASB Statement No. 92, Omnibus 2020 – effective for year ending June 30, 2022.*
    - *GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements – effective for year ending June 30, 2023.*
    - *GASB Statement No. 96, Subscription-Based Information Technology Arrangements – effective for year ending June 30, 2023.*
    - *GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans– effective for year ending June 30, 2022.*





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2021

# Financial Report

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**Senior Vice President for Finance and Business Services**

MIAMI UNIVERSITY

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# Treasurer's Report

Overall the University's financial position improved at June 30, 2021. Total assets increased 13.9 percent in fiscal year 2021 to $2.71 billion compared to $2.38 billion in fiscal year 2020. Liabilities decreased 3.1 percent and totaled $1.09 billion.

The investment portfolios produced robust results during the fiscal year. Operational investments earned 18.8 percent, up from the previous year's gain of 1.4 percent. The pooled investment fund, which includes the University and Foundation endowments, posted an estimated return of 29.3 percent (pending most of the private capital results for the last quarter), the highest return in at least the last thirty years and a significant improvement from the 0.9 percent gain realized in the previous year.

Miami University's financial outlook will continue to be influenced in the near term by the global pandemic, but major economic and demographic changes are expected to have the greatest financial impact for the rest of this decade. Negative trends such as declining numbers of high school graduates, declining college participation rates, increased competition, and greater price sensitivity are expected to make revenue generation less predictable throughout this decade. Except for a brief period following the end of the Vietnam war, the current economic outlook for colleges and universities is the most challenging since World War II.

Respectfully submitted,

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

# Investment Report

## Miami University and Miami University Foundation

**JUNE 30, 2021**

MIAMI UNIVERSITY

### INVESTMENT POOLS

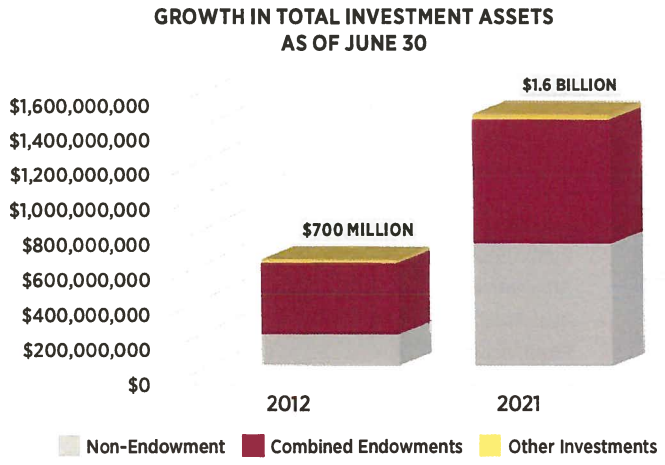
Total investment assets for Miami University and Miami University Foundation reached an all-time high at fiscal year-end, exceeding $1.5 billion. Total investment assets increased by over $336 million from the previous year, and have tripled over the last 15 years. The University's non-endowment pool, its working capital and reserves, rose to $842 million from $677 million. The Pooled Investment Fund (PIF), the combined University and Foundation endowment, grew to $725 million from $555 million. The fiscal year-end asset values among the pools are as follows:

| Pool | Type of Funds | Invested as of June 30, 2021 |
|---|---|---|
| University Non-Endowment | Working capital and cash reserves to support operating activities | $842,464,000 |
| Pooled Investment Fund (University & Foundation Endowments) | Funds donated to the University and the Foundation to establish endowments in perpetuity | $725,430,000 |
| Trusts, Annuities, and Separately Invested Assets | Gifts managed independently of the pooled funds | $ 23,321,000 |
| **Total Investments** | | **$1,591,215,000** |

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).

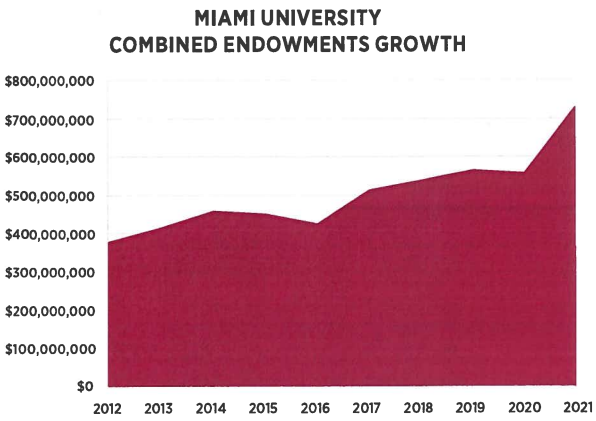
The University's non-endowment pool holds the working capital and cash reserves that fund the University's operating activities. Its balance fluctuates significantly during the course of a year based on the University's cash flow cycle of receipts and expenditures. June 30 typically marks the low point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

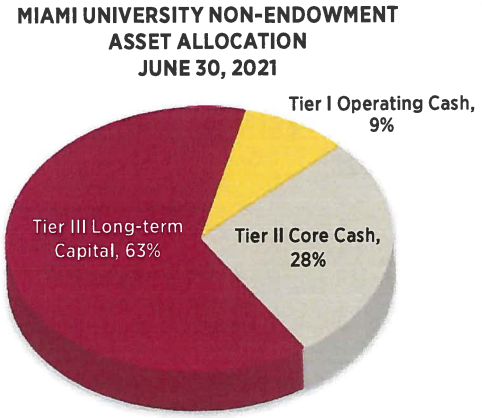
The PIF invests endowed gifts from donors and quasi-endowments established by the Boards. The pool operates under the philosophy that the funds are invested in perpetuity to provide benefits to today's students as well as to the many generations of Miami students yet to come. Miami invests the funds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




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

Over the last ten years, Miami's total investment assets have more than doubled, fueled by steady growth in both resident and non-resident student enrollment, generous donor support, and prudent fiscal discipline. In addition, both managed investment pools generated significant gains during fiscal year 2021.

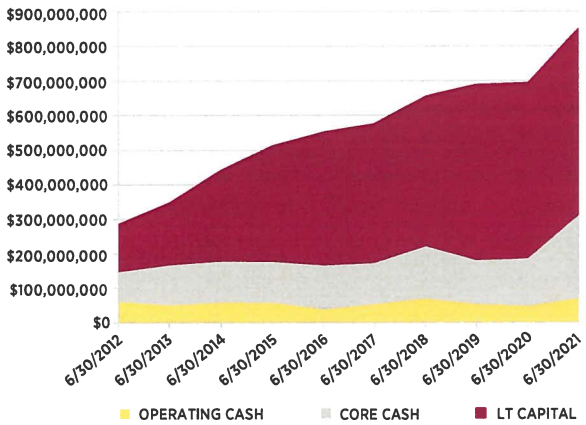



## ASSET ALLOCATION

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, except for the exclusion of less liquid asset classes. At fiscal year-end, it was invested in a mix of global public equity, various types of fixed income securities, and absolute return hedged strategies.

Cash flow generation was positive for the year despite continued challenges resulting from the pandemic. Federal and state relief funds, along with reduced operating expenses, offset sharply lower operating revenues. Tier II consisted of $187.7 million in the baseline allocation and $53.2 million in the special initiatives fund. Rebalancing actions taken during the year included $20 million transferred from operating cash to core cash, $5.6 million drawn from Tier II special initiatives to operating cash, $80 million reallocated from Tier III to Tier II to reduce portfolio risk, and $10 million transferred from operating cash to Tier III.




The PIF's strategic allocation policy considers not just asset exposure, but also the sources of risk and the interaction among the various assets and strategies. Under the investment policy adopted by the Foundation Board of Directors at the end of fiscal year 2018 and implemented during fiscal year 2019, this pool's primary strategic allocation categories 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 and real estate; fixed income, consisting of U.S. Treasury securities and public active credit strategies; and opportunistic, 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 88 sub-managers.

During the year, considerable effort and discussion was devoted to an asset allocation study conducted by SIG in light of historic lows for interest rates, the corresponding reduction in expected returns, and the increase in expected volatility for fixed income strategies. At the end of the fiscal year, the Foundation Board adopted an updated long-term target asset allocation policy.

**POOLED INVESTMENT FUND CHANGE IN ASSET ALLOCATION**

| | 2020 | 2021 |
|---|---|---|
| Public Equity | 51.8% | 48.9% |
| Alternatives | 23.4% | 24.6% |
| Real Assets | 7.1% | 6.9% |
| Fixed Income | 9.9% | 11.9% |
| Opportunistic | 4.5% | 4.1% |
| Cash, Accruals, & Pending Trades | 3.3% | 3.6% |
| Total | 100.0% | 100.0% |

**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 |
|---|---|---|---|---|
| **Equities** | **43%** | **-10%** | **+10%** | |
| U.S. Equities | 19% | -10% | +10% | Russell 3000 Index |
| Developed Non-U.S. Equities | 12% | -10% | +10% | MSCI World ex-U.S. Investible Market Index |
| Emerging Market Equities | 12% | -10% | +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 Ind |
| **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 Ind |
| Non-U.S. Fixed Income | 0% | -0% | +10% | |
| **Opportunistic** | **0%** | **-0%** | **+10%** | |
| **Cash** | **0%** | **-0%** | **+20%** | |
| **TOTAL** | **100%** | | | |

The intention is to increase the target private equity allocation from 20 to 25 percent, with most of the increase coming from the fixed income allocation. This transition will take a few years to be implemented, and public equity will continue to be elevated in the interim. At fiscal year-end, public equity related strategies remained the largest exposure at almost 49 percent, down slightly from last year's level.

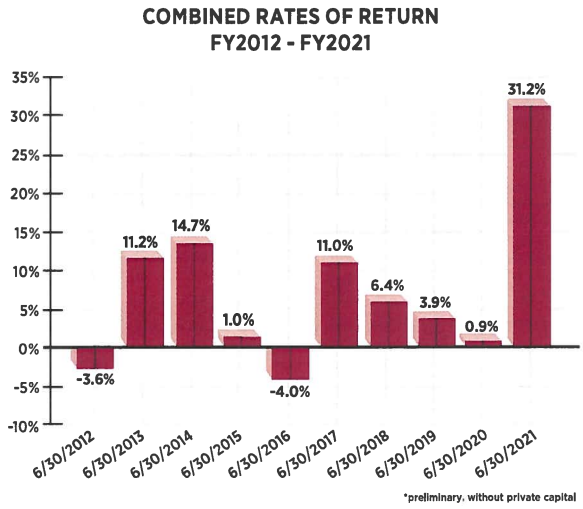
Liquidity measures how quickly the exposure to a particular asset manager can be redeemed and turned into cash. Approximately 60 percent of the portfolio could be converted to cash within a month, while over three quarters of the portfolio could be redeemed within a quarter.

## INVESTMENT RETURNS

The unprecedented stimulus that helped make the pandemic induced recession of 2020 the steepest but shortest recession on record propelled global capital markets to new highs throughout the fiscal year. U.S. equity markets were positive in nine of the twelve months of the fiscal year ending June 30, including each of the last five months. Global equity prices, up over 39 percent as measured by the MSCI All Country World Index (ACWI), were driven by a sharp rebound in economic activity, relaxed pandemic influenced social and business restrictions, the rollout of a vaccination, and a corresponding recovery of corporate earnings. Bond markets struggled in the second half of the fiscal year as concerns over inflation, growing deficits, and anticipated tapering of bond purchases by central banks put pressure on historically low interest rates. These risks are likely to persist for the foreseeable future.

The combined Tier II and Tier III portions of the University's non-endowment pool posted a gain of 18.8 percent for the fiscal year ended June 30, 2021, up considerably from a return of 1.4 percent earned in the previous year. The non-endowment return was carried by the long-term capital portion, up 28.6 percent and driven by global public equity investments. Annualized performance for the trailing ten years was 4.1 percent, providing annualized added return over the 90-day Treasury bill during that period of over three and one-half percentage points.

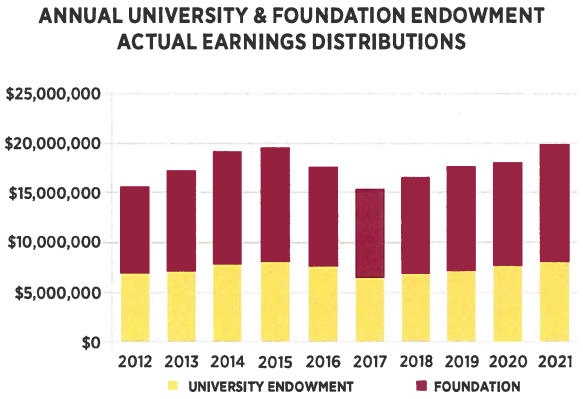
The PIF enjoyed an estimated return of +31.2 percent, the highest return in at least the last thirty years (please note the FY2021 return is incomplete, since we do not yet have returns for all private capital investments which have a significant reporting delay). This result was a significant turnaround from the 0.9 percent gain posted in the previous year. Strong global public equity returns of nearly 46 percent enabled PIF to outperform its portfolio custom benchmark for the year by about 2.7 percentage points. PIF's estimated annualized performance for the trailing ten years was 6.8 percent.



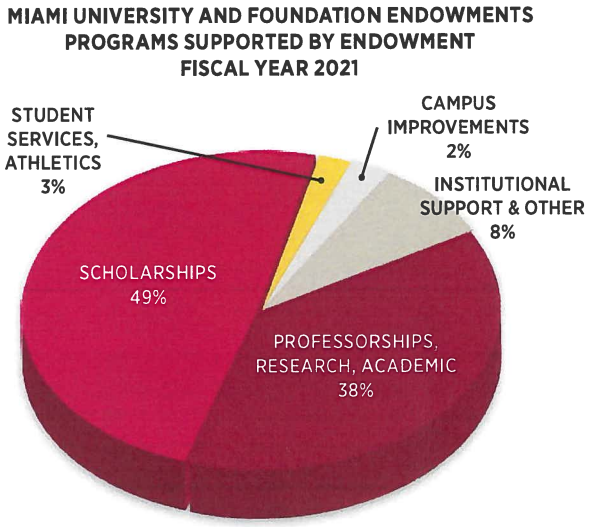

## PROGRAM SUPPORT

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 utilize current distribution of endowment earnings. 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 and preserving the purchasing power of the endowed principal.




The combined endowment distribution for Fiscal Year 2021 was almost $19.8 million, the most ever distributed in one year and nearly $2 million more than the previous year. Over the last ten years, the cumulative distributions have totaled close to $179 million and have provided an important source of funding to help make a Miami education more affordable for our students and to help offset reductions in state support. The following chart shows the proportion of programs supported by the 2021 distributions.




Though the broader economy has rebounded, higher education continues to face many challenges. Issues impacting the operating environment such as unfavorable demographic trends, stagnant state support, staffing difficulties, and increasing sensitivity to tuition cost are expected to persist. Miami's students, faculty, and staff appreciate the generous support from our alumni and friends that has helped to strengthen the institution's position as we confront these obstacles. This backing, combined with the continued innovative leadership of our boards and administration, will guide the thriving path forward.

## Contents

RSM

RSM US LLP

## Independent Auditor's Report

President and Board of Trustees of Miami University

**Report on the Financial Statements**
We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Miami University (the University), a component unit of the State of Ohio, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

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

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

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

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

***Opinions***
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Miami University, as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-12 as well as required supplementary information for certain retirement plan data and other postemployment benefits (OPEB) data on pages 60-63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

RSM US LLP

Cleveland, Ohio
October 15, 2021

**Miami University**

**Management's Discussion and Analysis**
**June 30, 2021**

## Introduction

The following discussion and analysis provides an overview of the financial position and activities of Miami University for the year ended June 30, 2021 and 2020. This discussion should be read in conjunction with the accompanying financial statements and footnotes.

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

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

## Financial Highlights

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of coronavirus (COVID-19) include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries. The extent to which the coronavirus impacts the University's financial condition, results of operations, and cash flows will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

As a result of the COVID-19 pandemic, the University was awarded approximately $31.3 million in various federal grants during fiscal year 2021. The Higher Education Emergency Relief Funds (HEERF) were authorized under the following congressional acts: The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) (HEERF II) and The American Rescue Plan (ARP) (HEERF III). The purpose of these funds was to assist colleges and universities in preparing for, preventing, and responding to the coronavirus. A portion of the funds received under HEERF I and HEERF II were required to be allocated as emergency financial aid grants to students. The student aid portion was intended to provide temporary emergency financial assistance to eligible students who were experiencing financial hardship due to the COVID-19 pandemic. HEERF II and HEEF III funds also included an institutional allocation that was intended to assist in covering lost revenue and provide relief for University operations that were negatively impacted as a result of the pandemic.

For further information on federal pandemic funding received, see Note 14.

Despite the effects of the pandemic, the University reported favorable year-end results for the twelfth consecutive year. Investment gains, a modest tuition increase and a continued focus on controlling operating costs have been important contributing factors to these successful results.

## Financial Highlights (Continued)

Overall the University's financial position improved at June 30, 2021. Total assets increased 13.9 percent in fiscal year 2021 to $2.71 billion compared to $2.38 billion in fiscal year 2020. Liabilities decreased 3.1 percent and totaled $1.09 billion. Significant financial events during fiscal year 2021 were:

- The University's fall 2020 cohort, at a confirmed size of 3,824 first-year resident undergraduate students, was the fifth enrolled cohort under the Miami Tuition Promise program. Each year of their enrollment, the incoming cohort of first-year first-time undergraduate resident students at the Oxford campus will have a guaranteed tuition amount due each year of their full-time enrollment for the four years of the guarantee. Total undergraduate enrollment decreased 4.1 percent to 20,580 students for fall 2020 compared to 21,612 total undergraduate students in the fall 2019 class. Graduate enrollment for fall 2020 decreased by 4.3 percent to a total of 2,337 compared to 2,442 graduate students in the fall 2019 class.

- For the fall 2020 cohort, the University shifted from emphasizing test score measures such as an average ACT and switched to "test optional admissions". 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 3.77 for the fall 2020 class. The profile of the incoming class for fall 2020 consisted of 39.5 percent non-resident, and 15.1 percent students of color. The fall 2020 categories of transfer students and relocation students stayed consistent year-over-year. The Hamilton campus incoming class size decreased from 559 students from fall 2019 to 472 for fall 2020, and the Middletown campus decreased from 306 students to 246 first-time incoming students for the fall 2020 class.

- The investment portfolios produced robust results during the fiscal year. Operational investments earned 18.8 percent, up from the previous year's gain of 1.4 percent. The pooled investment fund, which includes the University and Foundation endowments, posted an estimated return of 29.3 percent (pending most of the private capital results for the last quarter), the highest return in at least the last thirty years and a significant improvement from the 0.9 percent gain realized in the previous year. The unprecedented stimulus that helped make the pandemic induced recession of 2020 the steepest but shortest recession on record propelled global capital markets to new highs throughout the fiscal year. U.S. equity markets were positive in nine of the twelve months of the fiscal year ending June 30, including the last five months. Globally, equity prices were driven by a sharp rebound in economic activity aided by relaxed restrictions and the rollout of a vaccination, accompanied by a corresponding recovery of corporate earnings. Bond markets struggled in the second half of the fiscal year as concerns over inflation, growing deficits, and anticipated tapering of bond purchases by central banks put pressure on historically low interest rates. These risks are likely to persist for the foreseeable future.

## Statements of Net Position

The Statements of Net Position presents the assets, liabilities, deferred outflows/inflows of resources, and net position of the University as of the end of the fiscal year. The difference between total assets and 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. Except for capital assets, all other assets and liabilities are measured at a point in time using current values. Capital assets are recorded at historical cost less an allowance for depreciation.

**Miami University**

**Management's Discussion and Analysis**
**June 30, 2021**

## Statements of Net Position (Continued)

The net position is classified into three major categories. The first category, net investment in capital assets, reports the institution's net equity in property, plant, and equipment. The second major category, restricted net position, reports assets that are owned by the institution, but the use or purpose of the funds is restricted by an external source or entity. This category is subdivided into two types: nonexpendable and expendable. Nonexpendable restricted 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 institution, but only for the purpose specified by the donor, grantor, or other external entity. The third category, unrestricted net position, is separated into two types: allocated and unallocated. Allocated unrestricted net position is available to the institution, 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) | | |
|---|---|---|---|
| | 2021 | 2020 | 2019 |
| **Assets:** | | | |
| Current assets | $ 1,025,834 | $ 740,365 | $ 742,064 |
| Capital assets, net | 1,350,257 | 1,390,163 | 1,406,278 |
| Long-term investments | 282,732 | 224,219 | 227,443 |
| Other assets | 46,220 | 20,917 | 16,064 |
| **Total assets** | 2,705,043 | 2,375,664 | 2,391,849 |
| **Deferred outflows of resources** | 50,940 | 97,563 | 104,215 |
| **Total assets and deferred outflows of resources** | $ 2,755,983 | $ 2,473,227 | $ 2,496,064 |
| **Liabilities:** | | | |
| Current liabilities | $ 116,116 | $ 103,681 | $ 121,668 |
| Noncurrent liabilities | 972,298 | 1,019,461 | 1,066,770 |
| **Total liabilities** | 1,088,414 | 1,123,142 | 1,188,438 |
| **Deferred inflows of resources** | 121,250 | 86,274 | 49,326 |
| **Net Position:** | | | |
| Net investment in capital assets | 737,246 | 764,897 | 748,383 |
| Restricted – nonexpendable | 114,233 | 95,382 | 98,579 |
| Restricted – expendable | 104,299 | 74,825 | 62,283 |
| Unrestricted – allocated | 579,291 | 309,622 | 338,042 |
| Unrestricted – unallocated | 11,250 | 19,085 | 11,013 |
| **Total net position** | 1,546,319 | 1,263,811 | 1,258,300 |
| **Total liabilities, deferred inflows of resources and net position** | $ 2,755,983 | $ 2,473,227 | $ 2,496,064 |

Total assets of the institution increased 13.9 percent or $329.4 million in fiscal year 2021. This increase was primarily a result of an increase in investments. Detail of the increase in investments is provided in the Financial Highlights section of this report.

Total liabilities decreased 3.1 percent or $34.7 million in fiscal year 2021. This decrease was primarily the result of a change in actuarial assumptions decrease of the net pension liability and net OPEB liability totaling $133.4 million. The decrease was partially offset by an additional $204.4 million in general receipts revenue bonds that were issued during fiscal year 2021. Details of the bond issuance is provided in the Capital Assets and Debt Administration section of this report.

Total assets of the institution decreased 0.7 percent or $16.2 million in fiscal year 2020. This decrease was primarily a result of a decrease in net capital assets due to the retirement of certain equipment with a net book value of $7.7 million that occurred during the year.

### Statements of Net Position (Continued)

Total liabilities decreased 5.5 percent or $65.3 million in fiscal year 2020. This decrease was due to net Debt principal payments of $32.0 million, plus decreases in Accounts Payable of $22.0 million, due to timing.

### Statements of Revenues, Expenses and Changes in Net Position

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

In fiscal year 2021, total revenues of the institution from all sources were approximately $813.3 million, which represents a $124.3 million or 18.0 percent increase from the prior year. Approximately 53.1 percent of revenues were classified as operating, and 46.9 percent were classified as non-operating or other revenues.

In fiscal year 2020, total revenues of the institution from all sources were approximately $689.0 million, which represents a $45.2 million or 6.2 percent decrease from the prior year. Approximately 76.8 percent of revenues were classified as operating, and 23.2 percent were classified as non-operating or other revenues.

| | (Dollars in Thousands) | | |
|---|---|---|---|
| | 2021 | 2020 | 2019 |
| Operating revenues | $ 431,810 | $ 529,031 | $ 557,561 |
| Non-operating revenues | 378,973 | 149,166 | 146,784 |
| Other revenues | 2,515 | 10,843 | 29,893 |
| **Total revenues** | 813,298 | 689,040 | 734,238 |
| Operating expenses | (503,125) | (658,186) | (626,094) |
| Non-operating expenses | (27,665) | (25,343) | (26,172) |
| **Total expenses** | (530,790) | (683,529) | (652,266) |
| **Change in net position** | $ 282,508 | $ 5,511 | $ 81,972 |

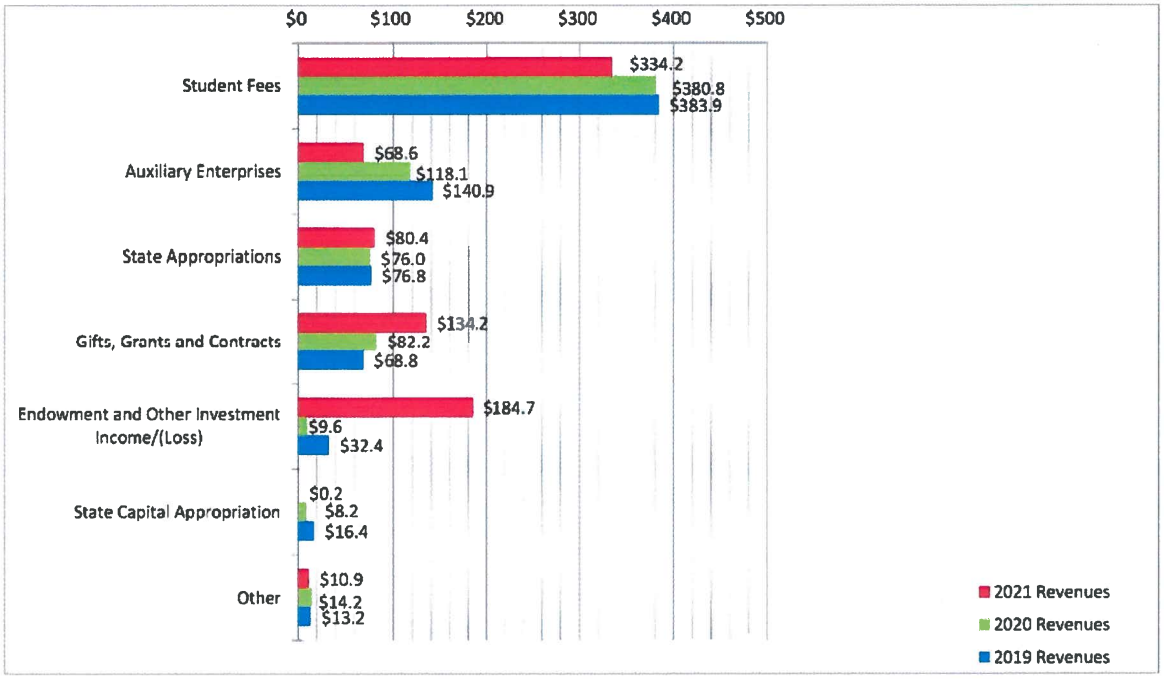
**Miami University**

**Management's Discussion and Analysis**
**June 30, 2021**

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

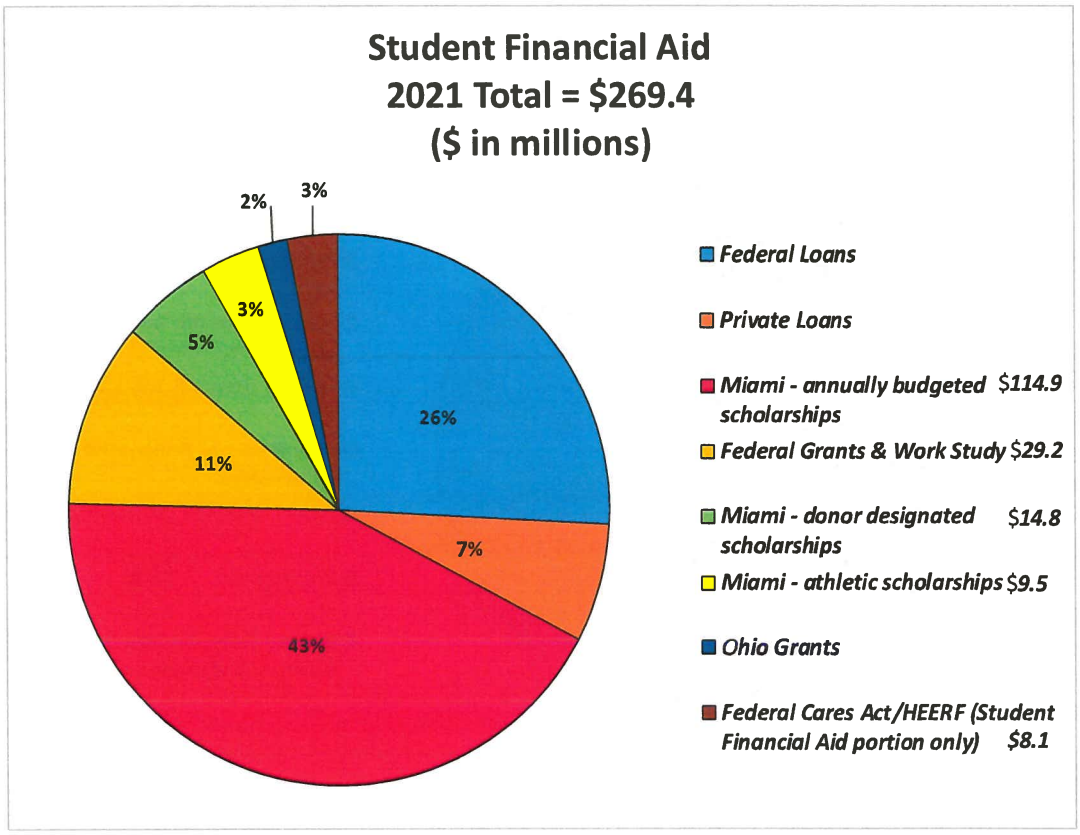
The University revenue base is shown in the accompanying chart. Student tuition and fees make up the largest percentage of revenues at 41.1 percent. Net endowment and investment income account for the second highest amount at 22.7 percent. Auxiliary enterprises such as residence and dining halls, several student recreational facilities, and the bookstore contributed 8.4 percent to the total. State appropriations are 9.9 percent of the total. Gifts, grants, and contracts represent 16.5 percent, and State capital appropriations are less than 1 percent.

**Total Revenues ($ in Millions)**



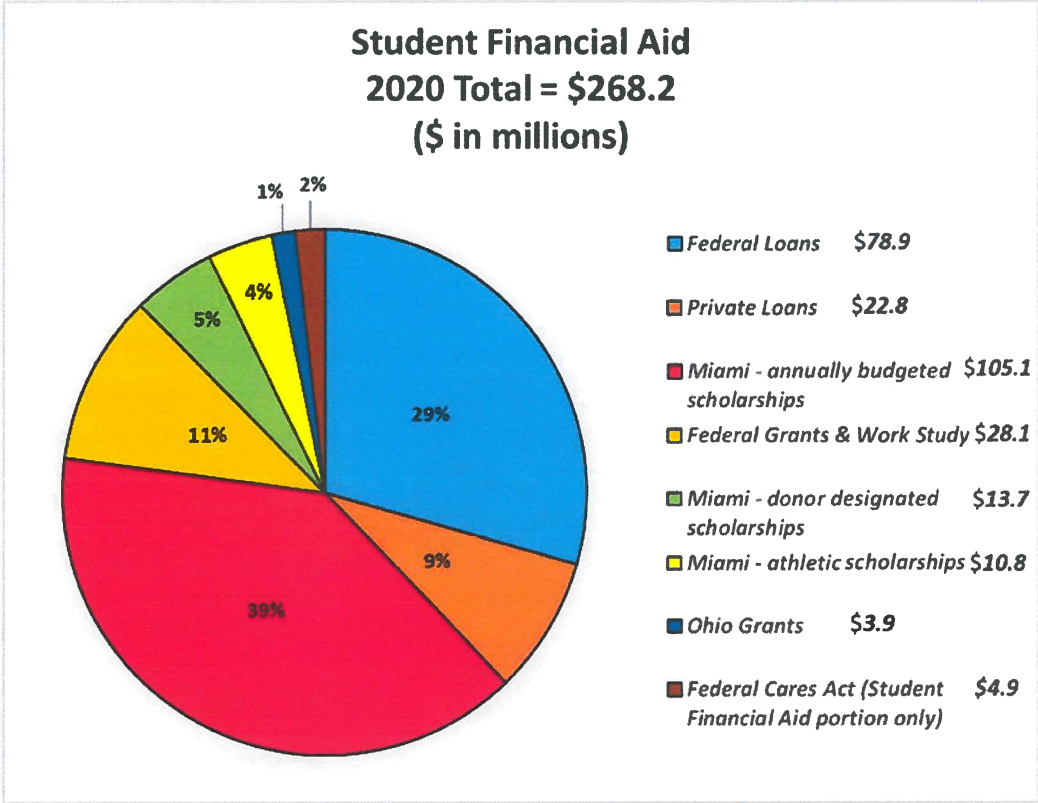
**Statements of Revenues, Expenses and Changes in Net Position (Continued)**

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 2021, Miami-funded financial aid increased by $9.2 million of 7.1 percent. In total, financial aid awards were $269.4 million.



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

In fiscal year 2020, Miami-funded financial aid increased by $14.4 million or 12.5 percent. In total, financial aid awards were $268.2 million.



## Capital Assets and Debt Administration

During fiscal year 2021, 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 2021 include renovation projects to Marcum Conference Center, Stanton Hall, the Soccer Stadium Complex, Yager Stadium, Saddle Barn Indoor Arena and the Middletown Campus Regional Book Depository. Other infrastructure improvements included the South Quad Hot Water Conversion.

During fiscal year 2020, 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 2020 include renovation projects to MacCracken Hall, Richard Hall, Maplestreet Station, Minnich Hall, Scott Hall, Porter Hall, and Pearson Hall. Other infrastructure improvements included Central Quad Utility Improvements.

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

The University's bond rating remained the same in fiscal years 2021 and 2020 with a rating of Aa3 from Moody's Investors Services and a rating of AA from Fitch Ratings.

On June 9, 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 of the Series 2021A Bonds were used to refund the Miami University Series 2011 General Receipts Revenue and Refunding Bonds.

On July 16, 2020, the University 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 2045. A portion of the proceeds of the Series 2020A 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.

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

## Economic Factors That Will Affect the Future

Miami University's financial outlook will continue to be influenced in the near term by the global pandemic, but major economic and demographic changes are expected to have the greatest financial impact for the rest of this decade. Negative economic trends such as declining numbers of high school graduates, declining college participation rates, increased competition, and greater price sensitivity are expected to make revenue generation less predictable throughout this decade. Except for a brief period following the end of the Vietnam war, the current economic outlook for colleges and universities is the most challenging since World War II.

For fall 2021, Miami University's Oxford campus enrolled its largest ever first-time student cohort of 4,612 students, up from 3,883 in the prior year. Total enrollment on the first day of classes for the Oxford campus grew from 18,885 to 19,153. Overall, first day enrollment at the University declined from 23,438 to 23,359 as enrollments at Miami's regional sites in Hamilton and Middletown declined from 4,320 to 3,907. Following a shift to "test optional admissions," the incoming first-time student GPA for Oxford campus students grew from 3.76 to 3.77.

## Economic Factors That Will Affect the Future (Continued)

While the new student cohort on the Oxford campus grew by almost 18.8 percent from fall 2020, tuition revenue from this cohort, after student scholarships, is estimated to rise by only 4.2 percent even after a 3 percent increase in Ohio resident tuition. The nonresident composition of the new class fell from 39.7 percent to 36.3 percent as students chose to remain closer to home. The rising tuition discount rate is partially due to the drop in the percentage of nonresident students enrolling, especially international students, but it is also influenced by the previously mentioned economic and demographic changes. Declining numbers of high school graduates in the regions of the country where Miami primarily recruits students and an increase in the number and size of educational institutions competing for this shrinking pool of students is resulting in a significantly more competitive environment for students and rising tuition discount rates.

Additionally, Ohio's aging population trend is expected to have a negative impact on the state's tax revenues going forward as well as the growth in the proportion of the state's population eligible to retire. This will likely lead to a greater demand for social service programs and fewer citizens in the workforce paying taxes. Miami's state funding for fiscal year 2022 is over 4 percent less than what the University received in fiscal year 2021, and these current population trends suggest that a reversal of the past trend in state support is unlikely given Ohio's own economic outlook and demographic issues.

In light of these economic realities, a university-wide strategic planning committee was commissioned by Miami's president resulting in a new strategic plan that was adopted by Miami's Board of Trustees on June 28, 2019. The plan is designed to provide a blueprint for adapting to today's economic and demographic changes and sustaining the University's long history of academic excellence and strong financial performance.

The need for faster and greater change by Miami University is the focus of the new strategic plan as reflected in the plan's opening statement:

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

In addition to adopting a new strategic plan, the University's Board of Trustees authorized a $50 million investment fund to help initiate new academic programs that better align with student and employer interests. Additionally, $128.5 million in new tax-exempt bonds (2020A Series) were issued to fund facility improvements to align with new or expanded programs in clinical health, data science, engineering, and technology. A new clinical health building is already under construction while the new data science building, partially funded by a $20 million naming gift, will commence construction before the end of calendar year 2021. In total, 15 new or expanded academic programs have been implemented in the last two years consistent with the strategic plan.

At the same time, a study was completed in the spring of 2021 of existing academic programs and majors with 25 programs to be sunset to allow for the reallocation of financial resources between academic programs. Miami's admissions and marketing team will begin to execute a new marketing plan later this year to expand marketing and recruitment efforts in more regions in the United States and internationally. The most important measure of the success of these new recruitment strategies will be whether applications for admission and selectivity grow sufficiently in the future to enable a flat or lower discount rate and not necessarily larger undergraduate student cohorts.

**Economic Factors That Will Affect the Future (Continued)**

While the number of traditional age undergraduate students enrolling in higher education is expected to decline, the number of working professionals seeking advanced degrees or specialized certificates is expected to rise. Historically, this population has been hard to attract to Miami's campuses given their physical locations. However, technology is allowing for some growth and expansion in these markets with some of the previously mentioned degree programs focused on this audience as well as undergraduate students. While professional graduate education is a growing focus for Miami, the University will continue to focus primarily on undergraduate students and programs.

For decades Miami and other public colleges and universities could rely on tuition increases and/or growing enrollments to provide the financial resources needed to replace the loss of state support, offset rising costs, and provide for growth and expansion of the University. That economic model is evaporating as major shifts in the underlying elements of supply and demand for higher education create a very different set of economic factors. Miami is on a path to respond to these new trends, but it must execute these new initiatives timely and effectively to continue to keep pace with this new and rapidly changing higher education environment.

**Miami University**

**Statements of Net Position**
**June 30, 2021 and 2020**
**(Dollars in Thousands)**

| | Miami University | | University Foundation | |
|---|---|---|---|---|
| **Assets** | 2021 | 2020 | 2021 | 2020 |
| Current assets: | | | | |
| Cash and cash equivalents | $ 209,247 | $ 115,130 | $ 24,835 | $ 19,751 |
| Investments | 732,561 | 551,287 | - | - |
| Accounts, pledges and notes receivable, net | 74,950 | 66,708 | 5,646 | 7,377 |
| Inventories | 1,946 | 3,008 | - | - |
| Prepaid expenses | 7,130 | 4,232 | - | - |
| **Total current assets** | 1,025,834 | 740,365 | 30,481 | 27,128 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | - | - | 30,388 | 32,619 |
| Investments | 282,732 | 224,219 | 683,989 | 507,642 |
| Pledges and notes receivable, net | 19,535 | 6,449 | 23,529 | 33,667 |
| Net pension asset | 2,053 | 1,706 | - | - |
| Net OPEB asset | 24,632 | 12,762 | - | - |
| Nondepreciable capital assets | 47,004 | 66,453 | - | - |
| Depreciable capital assets, net | 1,303,253 | 1,323,710 | - | - |
| **Total noncurrent assets** | 1,679,209 | 1,635,299 | 737,906 | 573,928 |
| **Total assets** | 2,705,043 | 2,375,664 | 768,387 | 601,056 |
| **Deferred outflows of resources:** | | | | |
| Deferred loss on debt refunding | 453 | - | - | - |
| Pensions | 40,400 | 70,981 | - | - |
| OPEB | 10,087 | 26,582 | - | - |
| **Total deferred outflows of resources** | 50,940 | 97,563 | - | - |
| **Total assets and deferred outflows of resources** | $ 2,755,983 | $ 2,473,227 | $ 768,387 | $ 601,056 |
| **Liabilities** | | | | |
| Current liabilities: | | | | |
| Accounts payable | $ 32,881 | $ 23,524 | $ 18,554 | $ 16,253 |
| Accrued salaries and wages | 19,698 | 17,854 | - | - |
| Accrued compensated absences | 1,367 | 1,286 | - | - |
| Unearned revenue | 14,484 | 15,583 | - | - |
| Deposits | 9,274 | 11,336 | - | - |
| Current portion of long-term debt | 37,772 | 33,328 | - | - |
| Other current liabilities | 640 | 770 | 720 | 545 |
| **Total current liabilities** | 116,116 | 103,681 | 19,274 | 16,798 |
| Noncurrent liabilities: | | | | |
| Accrued compensated absences | 18,342 | 16,940 | - | - |
| Bonds payable, net | 673,810 | 589,872 | - | - |
| Capital leases payable | 3,109 | 1,638 | - | - |
| Federal Perkins loan program | 1,319 | 1,860 | - | - |
| Net pension liability | 275,718 | 309,786 | - | - |
| Net OPEB liability | - | 99,365 | - | - |
| Other noncurrent liabilities | - | - | 287,415 | 228,746 |
| **Total noncurrent liabilities** | 972,298 | 1,019,461 | 287,415 | 228,746 |
| **Total liabilities** | 1,088,414 | 1,123,142 | 306,689 | 245,544 |
| **Deferred inflows of resources:** | | | | |
| Deferred gains on debt refunding | 5,771 | 816 | - | - |
| Beneficial interest in perpetual trust | 2,260 | 1,946 | - | - |
| Pensions | 55,775 | 48,058 | - | - |
| OPEB | 57,444 | 35,454 | - | - |
| **Total deferred inflows of resources** | 121,250 | 86,274 | - | - |
| **Net position:** | | | | |
| Net investment in capital assets | 737,246 | 764,897 | - | - |
| Restricted: | | | | |
| Nonexpendable - permanent endowments | 114,233 | 95,382 | 276,129 | 247,138 |
| Expendable - gift and grant programs | 104,299 | 74,825 | 180,644 | 104,571 |
| Unrestricted | 590,541 | 328,707 | 4,925 | 3,803 |
| **Total net position** | 1,546,319 | 1,263,811 | 461,698 | 355,512 |
| **Total liabilities, deferred inflows and net position** | $ 2,755,983 | $ 2,473,227 | $ 768,387 | $ 601,056 |

See notes to financial statements.

**Miami University**

**Statements of Revenues, Expenses, and Changes in Net Position**
**Years Ended June 30, 2021 and 2020**
**(Dollars in Thousands)**

| | Miami University | | University Foundation | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| **Operating revenues:** | | | | |
| Tuition, fees, and other student charges | $ 476,155 | $ 488,549 | $ - | $ - |
| Less allowance for student scholarships | (141,958) | (107,745) | - | - |
| **Net tuition, fees, and other student charges** | 334,197 | 380,804 | - | - |
| Sales and services of auxiliary enterprises | 73,776 | 123,059 | - | - |
| Less allowance for student scholarships | (5,158) | (5,009) | - | - |
| **Net sales and services of auxiliary enterprises** | 68,618 | 118,050 | - | - |
| Federal grants | 12,298 | 14,587 | - | - |
| Gifts | - | - | (4,304) | 697 |
| Sales and services of educational activities | 865 | 1,528 | - | - |
| Private grants | 4,210 | 2,652 | - | - |
| State grants | 2,576 | 1,067 | - | - |
| Local grants | 83 | 125 | - | - |
| Other | 8,963 | 10,218 | - | - |
| **Total operating revenues** | 431,810 | 529,031 | (4,304) | 697 |
| **Operating expenses:** | | | | |
| Education and general: | | | | |
| Instruction and departmental research | 193,715 | 193,920 | - | - |
| Separately budgeted research | 11,608 | 13,066 | - | - |
| Public service | 6,281 | 1,979 | - | - |
| Academic support | 52,538 | 61,664 | - | - |
| Student services | 22,760 | 29,910 | - | - |
| Institutional support | 61,796 | 61,607 | - | - |
| Operation and maintenance of plant | 27,230 | 29,300 | - | - |
| Scholarships and fellowships | 43,708 | 45,880 | - | - |
| Auxiliary enterprises | 70,739 | 100,158 | - | - |
| Depreciation | 73,794 | 69,782 | - | - |
| Pension and other postemployment benefit (revenue) expense | (68,867) | 32,156 | - | - |
| Other | 7,823 | 18,764 | - | - |
| **Total operating expenses** | 503,125 | 658,186 | - | - |
| **Net operating (loss) income** | (71,315) | (129,155) | (4,304) | 697 |
| **Non-operating revenues (expenses):** | | | | |
| State appropriations | 80,405 | 75,959 | - | - |
| Gifts, including those from the University Foundation | 47,240 | 31,766 | - | - |
| Federal grants | 64,221 | 28,078 | - | - |
| Net investment income (loss), net of investment expense of $2,261 for the University and $2,911 for the Foundation in FY 21 $2,257 for the University and $2,742 for the Foundation in FY 20 | 184,017 | 8,884 | 93,891 | (366) |
| State grants | 2,029 | 2,043 | - | - |
| Interest on debt | (27,665) | (25,343) | - | - |
| Payments to Miami University | - | - | (15,884) | (15,559) |
| Other non-operating revenues (expenses) | 1,061 | 2,436 | 2,043 | (1,013) |
| **Net non-operating revenues (expenses)** | 351,308 | 123,823 | 80,050 | (16,938) |
| **Income (loss) before other revenues, expenses, gains or losses** | 279,993 | (5,332) | 75,746 | (16,241) |
| **Other revenues, expenses, gains or losses:** | | | | |
| State capital appropriation | 247 | 8,204 | - | - |
| Capital grants and gifts | 1,578 | 1,880 | - | - |
| Additions to permanent endowments | 690 | 759 | 30,440 | 16,771 |
| **Total other revenues, expenses, gains or losses** | 2,515 | 10,843 | 30,440 | 16,771 |
| **Change in net position** | 282,508 | 5,511 | 106,186 | 530 |
| Total net position at beginning of year | 1,263,811 | 1,258,300 | 355,512 | 354,982 |
| **Total net position at end of year** | $ 1,546,319 | $ 1,263,811 | $ 461,698 | $ 355,512 |

See notes to financial statements.

**Miami University**

**Statements of Cash Flows**
**Years Ended June 30, 2021 and 2020**
**(Dollars in Thousands)**

| | 2021 | 2020 |
|---|---|---|
| Cash flows from operating activities: | | |
| Tuition, fees, and other student charges | $ 476,975 | $ 487,766 |
| Sales and services of auxiliary enterprises | 73,403 | 124,286 |
| Contracts | 3,119 | 12,400 |
| Other operating receipts | 8,752 | 12,006 |
| Payments for employee compensation and benefits | (349,569) | (376,116) |
| Payments to vendors for services and materials | (98,235) | (123,182) |
| Student scholarships | (190,824) | (158,634) |
| Loans issued to students and employees | (1,288) | (1,927) |
| Collection of loans from students and employees | 1,191 | 1,270 |
| **Net cash flows used in operating activities** | (76,476) | (22,131) |
| Cash flows from noncapital financing activities: | | |
| State share of instruction funds | 82,374 | 77,999 |
| Grants for noncapital purposes | 49,336 | 23,675 |
| Gifts | 47,157 | 32,627 |
| **Net cash flows provided by noncapital financing activities** | 178,867 | 134,301 |
| Cash flows from capital and related financing activities: | | |
| State capital appropriation | 247 | 8,204 |
| Grants for capital purposes | 902 | 1,622 |
| Other capital and related receipts | 3,888 | 679 |
| Proceeds from debt obligations | 253,939 | - |
| Payments to construct, renovate, or purchase capital assets | (24,583) | (82,175) |
| Principal paid on outstanding debt | (159,027) | (31,965) |
| Interest paid on outstanding debt | (37,510) | (28,713) |
| **Net cash flows provided by (used in) capital and related financing activities** | 37,856 | (132,348) |
| Cash flows from investing activities: | | |
| Proceeds from sale of investments | 397,769 | 176,728 |
| Purchases of investments | (446,515) | (166,693) |
| Endowment fees | (1,306) | (883) |
| Other investment income | 3,922 | 5,393 |
| **Net cash flows (used in) provided by investing activities** | (46,130) | 14,545 |
| **Net increase (decrease) in cash and cash equivalents** | 94,117 | (5,633) |
| Cash and cash equivalents: | | |
| Beginning | 115,130 | 120,763 |
| Ending | $ 209,247 | $ 115,130 |

(Continued)

**Miami University**

**Statements of Cash Flows (Continued)**
**Years Ended June 30, 2021 and 2020**
**(Dollars in Thousands)**

| | 2021 | 2020 |
|---|---|---|
| Reconciliation of operating loss to net cash flows used in operating activities: | | |
| Operating loss | $ (71,315) | $ (129,155) |
| Adjustments to reconcile net operating loss to net cash flows used in operating activities: | | |
| Depreciation expense | 73,794 | 69,782 |
| Net loss on retirements of capital assets | 3,076 | 7,728 |
| Accounts receivable bad debt adjustments | 634 | 178 |
| Adjustments to reconcile change in net position to net cash used in operating activities: | | |
| Accounts receivable | (14,594) | (7,455) |
| Inventories | 1,062 | (137) |
| Prepaid expenses | (2,110) | 2,533 |
| Notes receivable | 1,008 | 968 |
| Net pension asset | (347) | (951) |
| Net OPEB asset | (11,870) | (283) |
| Deferred outflows of pension resources | 30,581 | 24,717 |
| Deferred outflows of OPEB resources | 16,495 | (18,065) |
| Accounts payable | 1,341 | (152) |
| Accrued salaries and wages | 1,844 | 396 |
| Accrued compensated absences | 1,483 | 527 |
| Unearned revenue and deposits | (3,161) | 2,166 |
| Federal Perkins loans | (671) | (1,667) |
| Net pension liability | (34,068) | (28,584) |
| Net OPEB liability | (99,365) | 18,219 |
| Deferred inflows of pension resources | 7,717 | 27,828 |
| Deferred inflows of OPEB resources | 21,990 | 9,276 |
| **Net cash flows used in operating activities** | $ (76,476) | $ (22,131) |
| | | |
| Supplemental disclosures of noncash information: | | |
| Capital assets included in accounts payable | $ 11,588 | $ 2,990 |
| Capital assets acquired by gifts in kind | $ 666 | $ 258 |

See notes to financial statements.

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 1. Summary of Significant Accounting Policies

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

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

Furthermore, in accordance with GASB Codification Section 2600: *Reporting Entity and Component Unit Presentation and Disclosure*, the Miami University Foundation (the Foundation) is included as a discretely presented component unit in a separate column in the University's financial statements to emphasize that it is legally separate from the University. The Foundation, which is a separate not-for-profit foundation, meets this criteria set forth in the Codification Section 2600 due to the significance of its operational and financial relationship with the University. Note 10 provides additional information on the Foundation. Certain disclosures concerning the Foundation are not included because it has been audited separately and reports have been issued under separate cover. Copies of these reports may be obtained from Treasury Services, 107 Roudebush Hall, Miami University, Oxford, Ohio, 45056.

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

**Recent and pending accounting pronouncements**: Effective July 1, 2020, the University adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities and the focus of the criteria generally is on (1) whether the government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. There was no material impact on the University's financial statements due to the adoption of Statement No. 84.

Effective July 1, 2020, the University adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. There was no material impact on the University's financial statements due to the adoption of Statement No. 89.

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Effective July 1, 2020, the University adopted GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. There was no material impact on the University's financial statements due to the adoption of Statement No. 90.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021 and all reporting periods thereafter. The University does not anticipate the adoption of this standard will have a significant impact on the financial statements.

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

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. 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 March 2020, GASB issued 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. The University has not yet determined the impact this statement will have on the financial statements.

**Note 1. Summary of Significant Accounting Policies (Continued)**

In May 2020, GASB issued 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. The University has not yet determined the impact this statement will have on the financial statements.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. 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.

**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.

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

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

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

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

**Postemployment benefits other than pensions (OPEB)**: For purposes of measuring the OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to healthcare costs, and employer OPEB expense, information about the fiduciary net position of the OPERS OPEB Plan as well as the STRS Ohio OPEB Plan (collectively referred to as, the OPEB Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plans. For this purpose, 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 Statements of Revenues, Expenses, and Changes in Net Position, as those activities that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Substantially all of the University's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Codification 2200: *Comprehensive Annual Financial Report*, including state appropriations, gifts, and investment income.

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

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

**Deferred outflows/inflows of resources**: Deferred outflows of resources are a consumption of net positions by the University that is applicable to a future reporting period. Deferred outflows of resources of the University consist of certain changes in the 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 positions 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, and certain changes in net pension asset/liability not included in pension expense and net OPEB asset/liability not included in OPEB expense.

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

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.

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 1. Summary of Significant Accounting Policies (Continued)

**Net position**: Net positions are divided into three major categories. The first category, net investment in capital assets include property, plant and equipment, net of accumulated depreciation and net of capital related debt and capital related deferred inflows of resources. Capital related debt is offset by unspent bond proceeds, if any. The second major category is restricted net position. This category contains assets that are owned by the institution (offset by liabilities payable from those assets, if any), but the use or purpose of the funds is restricted by an external source or entity. The corpus of the nonexpendable restricted assets is available for investment purposes only. The expendable restricted assets may be expended by the institution, but must be spent only for the purpose as determined by a donor or external entity. The income generated from the nonexpendable restricted investments and the expendable restricted funds may be used for student loans, scholarships and fellowships, instruction, research, and other needs to support the operation of the University. The third category is unrestricted net position and is separated into two types: allocated and unallocated. Allocated unrestricted assets are available to the institution, but are allocated for a specific purpose within the institution by University policy, management, or the governing board. The allocated unrestricted net position was $579,291 and $309,622 as of June 30, 2021 and 2020, respectively, and is to be used for loans, scholarships, investments and capital projects. Unallocated unrestricted net positions are available to be used for any lawful purpose of the institution. Generally, it is the University's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted resources are available.

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

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

**Subsequent events**: The University has evaluated subsequent events occurring between the end of our most recent fiscal year and October 15, 2021, the date the financial statements were available to be issued.

## 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.

## Note 2. Cash, Cash Equivalents and Investments (Continued)

**Cash and cash equivalents**: At year-end, the carrying amount of the University's cash and cash equivalents was approximately $209,247 and $115,130 in 2021 and 2020, respectively. 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 withdrawls 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 withdrawls exceeding $25 million.

Approximately $5,507 and $11,730 in 2021 and 2020, respectively, of cash and cash equivalents was covered by federal depository insurance; $81,175 and $45,394 in 2021 and 2020, respectively, was covered by collateral held by third-party trustees pursuant to paragraph 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions; and the remaining $122,565 and $58,006 was not collateralized or insured for the years ending June 30, 2021 and 2020, respectively, 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, 2021 and 2020 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 of by a custodian in the University's name or directly held 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, 2021 were exchange traded contracts.

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 2. Cash, Cash Equivalents and Investments (Continued)

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

| | 2021 | | | | |
|---|---|---|---|---|---|
| Investment Type | Fair Value | Not Applicable | AAA | AA, A, and BBB | Below BBB |
| U.S. Treasury bonds | $ 86,703 | $ - | $ 86,703 | $ - | $ - |
| U.S. Treasury notes | 177,329 | - | 177,329 | - | - |
| U.S. Treasury strips | 1,687 | - | 1,687 | - | - |
| U.S. Treasury inflation protection securities | 27,125 | - | 27,125 | - | - |
| Common and preferred stocks | 909 | 909 | - | - | - |
| Exchanged traded funds | 18,042 | 18,042 | - | - | - |
| Commingled funds | 703,129 | 703,129 | - | - | - |
| Other | 369 | 369 | - | - | - |
| **Total investments** | $ 1,015,293 | $ 722,449 | $ 292,844 | $ - | $ - |

| | 2020 | | | | |
|---|---|---|---|---|---|
| Investment Type | Fair Value | Not Applicable | AAA | AA, A, and BBB | Below BBB |
| U.S. Treasury bonds | $ 142,541 | $ - | $ 142,541 | $ - | $ - |
| U.S. Treasury strips | 1,685 | - | 1,685 | - | - |
| U.S. Treasury inflation protection securities | 22,850 | - | 22,850 | - | - |
| Common and preferred stocks | 815 | 815 | - | - | - |
| Exchanged traded funds | 18,990 | 18,990 | - | - | - |
| Commingled funds | 588,275 | 588,275 | - | - | - |
| Real estate and other | 350 | 350 | - | - | - |
| **Total investments** | $ 775,506 | $ 608,430 | $ 167,076 | $ - | $ - |

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

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

| | 2021 | | | | |
|---|---|---|---|---|---|
| Investment Type | Fair Value | Less than 1 Year | 1 to 5 Years | 6 to 10 Years | More than 10 Years |
| U.S. Treasury bonds | $ 86,703 | $ 42,610 | $ 19,782 | $ 17,281 | $ 7,030 |
| U.S. Treasury notes | 177,329 | 117,474 | 59,855 | - | - |
| U.S. Treasury strips | 1,687 | - | 1,687 | - | - |
| U.S. Treasury inflation protection securities | 27,125 | 4,996 | 10,940 | 11,189 | - |
| **Total bonds** | $ 292,844 | $ 165,080 | $ 92,264 | $ 28,470 | $ 7,030 |

| | 2020 | | | | |
|---|---|---|---|---|---|
| Investment Type | Fair Value | Less than 1 Year | 1 to 5 Years | 6 to 10 Years | More than 10 Years |
| U.S. Treasury bonds | $ 142,541 | $ 66,584 | $ 59,829 | $ 16,128 | $ - |
| U.S. Treasury strips | 1,685 | - | 1,685 | - | - |
| U.S. Treasury inflation protection securities | 22,850 | - | 12,574 | 10,276 | - |
| **Total bonds** | $ 167,076 | $ 66,584 | $ 74,088 | $ 26,404 | $ - |

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 2. Cash, Cash Equivalents and Investments (Continued)

**Fair value of financial instruments**: Fair value is defined in the accounting standards as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management utilizes valuation techniques that maximize the use of observable inputs (Levels 1 and 2) and minimize the use of unobservable inputs (Level 3) within the fair value hierarchy established by GASB. Assets 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. The University values its investment in the Miami University Foundation Investment Pool at fair value which is based on its proportionate share of the investment pool. Additional information regarding the nature and values of investments held in the investment pool can be found in Note 10.

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

| | 2021 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Investment assets: | | | | |
| U.S. Treasury bonds | $ - | $ 86,703 | $ - | $ 86,703 |
| U.S. Treasury notes | - | 177,329 | - | 177,329 |
| U.S. Treasury strips | - | 1,687 | - | 1,687 |
| U.S. Treasury inflation protection securities | - | 27,125 | - | 27,125 |
| Common and preferred stocks | 864 | - | 45 | 909 |
| Exchanged traded funds | 18,042 | - | - | 18,042 |
| Other | - | - | 369 | 369 |
| Miami University Foundation investment pool | - | - | 281,500 | 281,500 |
| | $ 18,906 | $ 292,844 | $ 281,914 | $ 593,664 |

| | |
|---|---|
| Funds reported at fair value based on net asset value per share: | |
| Non-publicly traded funds | |
| Cintrifuse Syndicate Fund II, LLC [a] | $ 480 |
| Harrison Street Core Property LP Fund [b] | 2,227 |
| Morgan Stanley Prime Property Fund [c] | 5,344 |
| Strategic Active Credit Trust [d] | 41,053 |
| Strategic Developed Markets ex-U.S. Equity Trust [e] | 88,086 |
| Strategic Emerging Markets Equity Trust [f] | 33,894 |
| Strategic Global Equity Trust [g] | 41,535 |
| Strategic SPC Alpha Segregated Portfolio [h] | 124,116 |
| Strategic U.S. Equity Trust [i] | 82,301 |
| PRISA LP [b] | 2,198 |
| Hedge funds [j] | 395 |
| **Total investment assets** | $ 1,015,293 |

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 2. Cash, Cash Equivalents and Investments (Continued)

| | 2020 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Investment assets: | | | | |
| U.S. Treasury bonds | $ - | $ 142,541 | $ - | $ 142,541 |
| U.S. Treasury strips | - | 1,685 | - | 1,685 |
| U.S. Treasury inflation protection securities | - | 22,850 | - | 22,850 |
| Common and preferred stocks | 765 | - | 50 | 815 |
| Exchanged traded funds | 18,990 | - | - | 18,990 |
| Real estate and other | - | - | 350 | 350 |
| Miami University Foundation investment pool | - | - | 223,104 | 223,104 |
| | $ 19,755 | $ 167,076 | $ 223,504 | $ 410,335 |

| | |
|---|---|
| Funds reported at fair value based on net asset value per share: | |
| Non-publicly traded funds: | |
| Cintrifuse Syndicate Fund II, LLC [(a)] | $ 204 |
| Harrison Street Core Property LP Fund [(b)] | 2,103 |
| Morgan Stanley Prime Property Fund [(c)] | 4,975 |
| Strategic Active Credit Trust [(d)] | 39,003 |
| Strategic Developed Markets ex-U.S. Equity Trust [(e)] | 80,545 |
| Strategic Emerging Markets Equity Trust [(f)] | 35,593 |
| Strategic Global Equity Trust [(g)] | 38,489 |
| Strategic SPC Alpha Segregated Portfolio [(h)] | 91,227 |
| Strategic U.S. Equity Trust [(i)] | 67,069 |
| PRISA LP [(b)] | 2,046 |
| Hedge funds [(j)] | 3,917 |
| **Total investment assets** | $ 775,506 |

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, 2021, with a redemption notice period, if applicable, ranging from 30 day to 90 days. As of June 30, 2021, the University has made commitments to limited partnerships of approximately $580 that have not yet been funded.

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

(a) This class includes 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.
(b) This fund is an open-ended commingled fund that invests in commercial real estate.
(c) This fund is a real estate investment trust.
(d) This fund invests primarily in long-only investments in publicly traded bonds and other debt securities generally with below investment grade credit ratings as well as futures and options on such securities and certain bond indices.
(e) 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.
(f) 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.

## Note 2. Cash, Cash Equivalents and Investments (Continued)

(g) 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.

(h) 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.

(i) 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.

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

All of the University's investments in publicly traded securities are subject to market risk. As a result, a significant downturn in the securities markets could adversely affect the market value of University assets. Investments include globally oriented strategies that include exposure to non-U.S. equity and debt securities. While providing a potential diversification benefit, such international investments are exposed to foreign currency risk. All direct investments and investment vehicles in the portfolios are denominated in U.S. dollars. The University's investments that are exposed to concentration risk consist of its holdings in Strategic Developed Markets ex-U.S. Equity Trust fund, Strategic SPC Alpha Segregated Securities fund and Strategic U.S. Equity Trust fund which represent 8.7 percent, 12.2 percent and 8.1 percent of the total investment assets at June 30, 2021, respectively (10.4 percent, 11.8 percent and 8.6 percent at June 30, 2020). 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. 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, 2021 and 2020, the University had no exposure to foreign currency risk.

**Endowment funds**: The Miami University Foundation (Foundation) manages the Foundation and University endowment and quasi-endowment funds in a single investment pool (Pooled Fund). The University investment is maintained as a separate fund in the financial system of the Foundation and receives a proportionate share of the Pooled Fund's activity. The Foundation owns the assets of the Pooled Fund; the University has an interest in the Pooled Fund. The Foundation's Pooled Fund is not registered with the Securities and Exchange Commission as an investment company. The Foundation's Board of Directors appoints an Investment Committee, which is responsible for oversight of the Pooled Fund in accordance with Foundation policies. University investments include $281,500 and $223,104 managed by the Foundation as of June 30, 2021 and 2020, respectively. The assets held on behalf of the University are included in other noncurrent liabilities on the Statements of Net Position of the Foundation. The fair value of the University's position in the Pooled Fund is based on the University's proportional share of the Pooled Fund, which is marked-to-market at year-end. Note 10 provides additional information on the Foundation and the Pooled Fund.

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

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 2. Cash, Cash Equivalents and Investments (Continued)

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 $8,909 and $8,740 in 2021 and 2020, respectively. In accordance with donors' stipulations, a portion of the earnings was returned to endowment principal and the balance of $7,531 and $7,277 was distributed for expenditure for 2021 and 2020, respectively. 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 are summarized as follows:

| | 2021 | 2020 |
|---|---|---|
| Accounts receivable: | | |
| Student receivables | $ 8,674 | $ 11,051 |
| University Foundation | 17,019 | 16,246 |
| Grants and contracts | 27,649 | 11,216 |
| Investment trade receivables | 7,503 | 17,467 |
| Other receivables | 4,905 | 4,367 |
| **Total accounts receivable** | 65,750 | 60,347 |
| Less allowances for doubtful accounts | (1,250) | (1,285) |
| **Net accounts receivable** | 64,500 | 59,062 |
| Pledges receivable: | | |
| Pledges receivable | 25,692 | 8,596 |
| Less allowance for doubtful pledges | (806) | (606) |
| **Net pledges receivable** | 24,886 | 7,990 |
| Notes receivable: | | |
| Federal loan programs | 3,510 | 4,185 |
| University loan programs | 3,463 | 3,794 |
| **Total notes receivable** | 6,973 | 7,979 |
| Less allowance for doubtful notes | (1,874) | (1,874) |
| **Net notes receivable** | 5,099 | 6,105 |
| **Total** | $ 94,485 | $ 73,157 |

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 4. Capital Assets

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

| | 2021 | | | | |
|---|---|---|---|---|---|
| | Beginning Balance | Additions | Retirements | Transfers | Ending Balance |
| Capital assets: | | | | | |
| Land | $ 6,025 | $ - | $ - | $ - | $ 6,025 |
| Collections of works of art and historical treasures | 10,437 | 253 | - | - | 10,690 |
| Construction in progress | 49,991 | 23,445 | - | (43,147) | 30,289 |
| **Total nondepreciable capital assets** | 66,453 | 23,698 | - | (43,147) | 47,004 |
| Land improvements | 67,128 | 3,641 | - | 2,098 | 72,867 |
| Buildings | 1,742,286 | 3,094 | (5,534) | 20,808 | 1,760,654 |
| Infrastructure | 180,294 | 1,752 | - | 20,241 | 202,287 |
| Machinery and equipment | 88,744 | 3,128 | (4,333) | - | 87,539 |
| Library books and publications | 74,444 | 1,599 | - | - | 76,043 |
| Vehicles | 6,682 | 52 | (740) | - | 5,994 |
| Intangible assets | 12,061 | - | (5) | - | 12,056 |
| **Total depreciable capital assets** | 2,171,639 | 13,266 | (10,612) | 43,147 | 2,217,440 |
| **Total capital assets** | 2,238,092 | 36,964 | (10,612) | - | 2,264,444 |
| Less accumulated depreciation: | | | | | |
| Buildings | 619,862 | 57,507 | (2,455) | - | 674,914 |
| Infrastructure | 93,390 | 6,945 | - | - | 100,335 |
| Land improvements | 26,496 | 2,509 | - | - | 29,005 |
| Machinery and equipment | 33,697 | 4,717 | (4,332) | - | 34,082 |
| Library books and publications | 56,497 | 1,818 | - | - | 58,315 |
| Vehicles | 6,035 | 267 | (743) | - | 5,559 |
| Intangible assets | 11,952 | 31 | (6) | - | 11,977 |
| **Total accumulated depreciation** | 847,929 | 73,794 | (7,536) | - | 914,187 |
| **Total capital assets, net** | $ 1,390,163 | $ (36,830) | $ (3,076) | $ - | $ 1,350,257 |

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 4. Capital Assets (Continued)

| | 2020 | | | | |
|---|---|---|---|---|---|
| | Beginning Balance | Additions | Retirements | Transfers | Ending Balance |
| Capital assets: | | | | | |
| Land | $ 6,025 | $ - | $ - | $ - | $ 6,025 |
| Collections of works of art and historical treasures | 10,160 | 277 | | - | 10,437 |
| Construction in progress | 173,878 | 49,442 | - | (173,329) | 49,991 |
| **Total nondepreciable capital assets** | 190,063 | 49,719 | - | (173,329) | 66,453 |
| Land improvements | 63,098 | 2,410 | - | 1,620 | 67,128 |
| Buildings | 1,584,247 | - | (13,670) | 171,709 | 1,742,286 |
| Infrastructure | 179,132 | 1,162 | - | - | 180,294 |
| Machinery and equipment | 85,212 | 6,203 | (2,671) | - | 88,744 |
| Library books and publications | 72,882 | 1,562 | - | - | 74,444 |
| Vehicles | 6,735 | 339 | (392) | - | 6,682 |
| Intangible assets | 12,660 | - | (599) | - | 12,061 |
| **Total depreciable capital assets** | 2,003,966 | 11,676 | (17,332) | 173,329 | 2,171,639 |
| **Total capital assets** | 2,194,029 | 61,395 | (17,332) | - | 2,238,092 |
| Less accumulated depreciation: | | | | | |
| Buildings | 572,130 | 53,674 | (5,942) | - | 619,862 |
| Infrastructure | 86,883 | 6,507 | - | - | 93,390 |
| Land improvements | 24,155 | 2,341 | - | - | 26,496 |
| Machinery and equipment | 31,279 | 5,089 | (2,671) | - | 33,697 |
| Library books and publications | 54,636 | 1,861 | - | - | 56,497 |
| Vehicles | 6,148 | 279 | (392) | - | 6,035 |
| Intangible assets | 12,520 | 31 | (599) | - | 11,952 |
| **Total accumulated depreciation** | 787,751 | 69,782 | (9,604) | - | 847,929 |
| **Total capital assets, net** | $ 1,406,278 | $ (8,387) | $ (7,728) | $ - | $ 1,390,163 |

## Note 5. Long-Term Liabilities

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

| | 2021 | | | | |
|---|---|---|---|---|---|
| | Beginning Balance | Additions | Reductions | Ending Balance | Current Portion |
| Bonds and leases payable: | | | | | |
| Bonds payable | $ 578,519 | $ 204,400 | $ (158,145) | $ 624,774 | $ 36,885 |
| Capital leases payable | 1,761 | 3,118 | (882) | 3,996 | 887 |
| Premiums | 44,558 | 49,539 | (8,176) | 85,921 | - |
| **Total bonds and leases payable** | 624,838 | 257,057 | (167,203) | 714,691 | 37,772 |
| Other liabilities: | | | | | |
| Compensated absences | 18,226 | 10,774 | (9,291) | 19,709 | 1,367 |
| Federal Perkins loans | 2,630 | 232 | (903) | 1,959 | 640 |
| **Total other liabilities** | 20,856 | 11,006 | (10,194) | 21,668 | 2,007 |
| **Total** | $ 645,694 | $ 268,063 | $ (177,397) | $ 736,359 | $ 39,779 |

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 5. Long-Term Liabilities (Continued)

| | 2020 | | | | |
|---|---|---|---|---|---|
| | Beginning Balance | Additions | Reductions | Ending Balance | Current Portion |
| Bonds and leases payable: | | | | | |
| Bonds payable | $ 610,365 | $ - | $ (31,846) | $ 578,519 | $ 33,205 |
| Capital leases payable | 1,880 | - | (119) | 1,761 | 123 |
| Premiums | 46,883 | - | (2,325) | 44,558 | - |
| **Total bonds and leases payable** | 659,128 | - | (34,290) | 624,838 | 33,328 |
| Other liabilities: | | | | | |
| Compensated absences | 17,698 | 8,140 | (7,612) | 18,226 | 1,286 |
| Federal Perkins loans | 4,297 | 270 | (1,937) | 2,630 | 770 |
| **Total other liabilities** | 21,995 | 8,410 | (9,549) | 20,856 | 2,056 |
| **Total** | $ 681,123 | $ 8,410 | $ (43,839) | $ 645,694 | $ 35,384 |

Miami University's General Receipts Revenue Bonds (Series 2010A, 2011, 2012, 2014, 2017, 2020A and 2021A) relate to the multi-phase effort to renovate all campus student housing and dining facilities as well as general educational facilities, 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 obligation with accrued interest thereon, to be immediately due and payable on the announced accelerated maturity date.

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

## Note 6. Indebtedness

During the year ended June 30, 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 $75,930 as of June 30, 2021.

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 $5,402 at June 30, 2021 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 $278. The unamortized difference of $263 at June 30, 2021 is reported in the accompanying financial statements as a deferred outflow of resources and is being amortized through the year 2035 for the refunding of Series 2012 Bonds.

**Note 6. Indebtedness (Continued)**

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 $190 at June 30, 2021 is reported in the accompanying financial statements as a deferred outflow of resources and is being amortized through the year 2035 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 2.00 percent to 5.00 percent and maturities from 2017 to 2042. A part of the proceeds were used to refund a portion of the remaining Miami University General Receipts Bonds, Series 2007. The net change in cash flows related to the refunding was approximately $5,800 and the net present value savings was approximately $5,000. In 2017, the University defeased a portion of the Series 2007 bonds by placing some of the proceeds from the Series 2017 bonds into an escrow account to provide for future debt service. The outstanding balance of defeased bonds were $32,250 and $36,765 as of June 30, 2021 and 2020, respectively.

The February 14, 2017 bond refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of $599. The unamortized difference of $369 and $429 at June 30, 2021 and 2020, respectively, 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 existing 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 3.00 percent to 5.00 percent and maturities from 2015 to 2040.

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

During the year ended June 30, 2012, the University issued $148,775 in General Receipts Revenue Bonds with interest rates ranging from 2.00 percent to 5.00 percent and maturities from 2012 to 2037. A part of the proceeds were used to refund a portion of the remaining Miami University General Receipts Bonds, Series 2003. The net change in cash flows related to the refunding was approximately $2,100 and the net present value savings was approximately $1,600. In fiscal year 2012, the University defeased a portion of the Series 2003 bonds by placing some of the proceeds from the Series 2011 bonds into an escrow account to provide for all future debt service. The outstanding balance of defeased bonds were $11,070 and $14,400 as of June 30, 2021 and 2020, respectively.

The December 21, 2011 bond refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of $1,209. The unamortized difference of $387 at June 30, 2020 is reported in the accompanying financial statements as a deferred inflow of resources and was amortized in full during the year ending June 30, 2021.

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

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**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 6. Indebtedness (Continued)

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 new health sciences building and a new digital innovation multidisciplinary building. The proceeds from the 2017, 2014, 2013, and 2012 issuances have been and will continue to be used to fund the multi-phase effort to renovate all campus student housing and dining facilities as well as to retire outstanding indebtedness of the University for more favorable borrowing terms as described in the proceeding paragraphs. The 2015 issuance was to refinance the 2005 issuance that was used to fund the campus student housing and dining facilities as well as the Farmer School of Business and infrastructure projects. The 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 $27,665 and $25,343 for the years ending June 30, 2021 and 2020, respectively. The interest costs that were capitalized during the year ending June 30, 2020 totaled $409. As a result of the adoption of GASB Statement No. 89, no interest costs were capitalized on or after June 30, 2020.

The maturity dates, interest rates, and outstanding principal balances as of June 30, 2021 are as follows:

| | Maturity Dates | Interest Rates | Outstanding Debt |
|---|---|---|---|
| Bonds payable: | | | |
| Series 2021A general receipts | 2022 - 2037 | 5.00% | $ 75,930 |
| Series 2020A general receipts | 2022 - 2046 | 4.00% - 5.00% | 128,470 |
| Series 2017 general receipts | 2022 - 2042 | 4.00% - 5.00% | 132,115 |
| Series 2015 general receipts | 2022 - 2025 | 1.88% | 21,815 |
| Series 2014 general receipts | 2022 - 2040 | 3.50% - 5.00% | 102,225 |
| Series 2012 general receipts | 2022 - 2038 | 3.00% - 5.00% | 67,474 |
| Series 2011 general receipts | 2022 - 2037 | 5.00% | 7,270 |
| Series 2010A general receipts | 2022 - 2036 | 5.76% - 6.77% | 89,475 |
| **Total bonds payable** | | | 624,774 |
| Bond premiums | | | 85,921 |
| **Total bonds payable, net** | | | $ 710,695 |

The maturity dates, interest rates, and outstanding principal balances as of June 30, 2020 are as follows:

| | Maturity Dates | Interest Rates | Outstanding Debt |
|---|---|---|---|
| Bonds payable: | | | |
| Series 2017 general receipts | 2021 - 2042 | 4.00% - 5.00% | $ 139,260 |
| Series 2015 general receipts | 2021 - 2025 | 1.88% | 27,020 |
| Series 2014 general receipts | 2021 - 2040 | 3.50% - 5.00% | 116,895 |
| Series 2012 general receipts | 2021 - 2038 | 3.00% - 5.00% | 93,844 |
| Series 2011 general receipts | 2021 - 2037 | 4.00% - 5.00% | 107,820 |
| Series 2010A general receipts | 2021 - 2036 | 5.56% - 6.77% | 93,680 |
| **Total bonds payable** | | | 578,519 |
| Bond premiums | | | 44,558 |
| **Total bonds payable, net** | | | $ 623,077 |

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 6. Indebtedness (Continued)

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

| | Principal | Interest | Total |
|---|---|---|---|
| 2022 | $ 36,885 | $ 29,962 | $ 66,847 |
| 2023 | 37,585 | 27,229 | 64,814 |
| 2024 | 39,265 | 25,432 | 64,697 |
| 2025 | 34,674 | 23,801 | 58,475 |
| 2026 | 30,470 | 22,231 | 52,701 |
| 2027 - 2031 | 144,800 | 88,544 | 233,344 |
| 2032 - 2036 | 160,240 | 48,449 | 208,689 |
| 2037 - 2041 | 102,805 | 16,204 | 119,009 |
| 2042 - 2046 | 38,050 | 2,812 | 40,862 |
| **Total** | $ 624,774 | $ 284,664 | $ 909,438 |

The University has $3,996 in capitalized lease obligations that have varying maturity dates through 2032 and carry implicit interest rates ranging from 2.65 percent to 6.38 percent. The scheduled maturities of these leases as of June 30, 2021 are:

| | |
|---|---|
| 2022 | $ 770 |
| 2023 | 768 |
| 2024 | 768 |
| 2025 | 769 |
| 2026 | 178 |
| 2027 - 2031 | 888 |
| 2032 | 178 |
| **Total minimum lease payments** | 4,319 |
| Less amount representing interest | (323) |
| **Net minimum lease payments** | $ 3,996 |

Certain buildings are financed with capital leases. The carrying amount of the buildings related to these capital leases as of June 30, 2021 and 2020 is $2,086 and $2,138, respectively.

## Note 7. Net Pension Liability / Asset

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

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

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

## Note 7. Net Pension Liability / Asset (Continued)

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

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

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

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

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

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

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

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

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

**Contribution requirements:** Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate and member contribution rate 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 $9,553 and $10,736 for the years ended June 30, 2021 and 2020, respectively.

## Note 7. Net Pension Liability / Asset (Continued)

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 years 2020 and 2019. 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 $13,032 and $14,261 for the years ended June 30, 2021 and 2020, respectively. For 2021, 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 years ended June 30, 2021 and 2020 was approximately $68,234 and $76,683, respectively. The payroll for employees covered by OPERS for the years ended June 30, 2021 and 2020 was approximately $92,496 and $101,097, respectively.

**Pension liabilities and assets, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**: At June 30, 2021, the University reported a liability of $275,718 for its proportionate share of the net pension liability for the OPERS Traditional plan and the STRS Ohio plan, in the amounts of $92,084 and $183,634, respectively. The net pension liability was measured as of December 31, 2020 for the OPERS traditional plan and June 30, 2020 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 .621864 percent for OPERS Traditional, which was a decrease of .082589 from its proportion measured as of December 31, 2019 and .758928 percent for STRS Ohio, which was a decrease of .012028 from its proportion measured as of June 30, 2019.

At June 30, 2020, the University reported a liability of $309,786 for its proportionate share of the net pension liability for the OPERS Traditional plan and the STRS Ohio plan, in the amounts of $139,294 and $170,492, respectively. The net pension liability was measured as of December 31, 2019 for the OPERS traditional plan and June 30, 2019 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 .704723 percent for OPERS Traditional, which was an increase of .00093 from its proportion measured as of December 31, 2018 and .770956 percent for STRS Ohio, which was a decrease of .00006 from its proportion measured as of June 30, 2018.

At June 30, 2021, the University reported an asset of $2,053 for its proportionate share of the net pension asset for the OPERS Combined plan. The net pension asset was measured as of December 31, 2020. 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 .711364 percent for OPERS Combined plan, which was a decrease of .106741 from its proportion measured as of December 31, 2019.

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## Note 7. Net Pension Liability / Asset (Continued)

At June 30, 2020, the University reported an asset of $1,706 for its proportionate share of the net pension asset for the OPERS Combined plan. The net pension asset was measured as of December 31, 2019. 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 .818105 percent for OPERS Combined plan, which was an increase of .00144 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2021, the University recognized pension expense of approximately $27,459 consisting of pension of approximately $3,544 for the OPERS Traditional plan, approximately $23,863 for the STRS Ohio plan and an expense of $52 for the OPERS Combined plan.

For the year ended June 30, 2020, the University recognized pension expense of approximately $50,680 consisting of pension expense of approximately $23,871 for the OPERS Traditional plan, approximately $26,703 for the STRS Ohio plan and an expense of $106 for the OPERS Combined plan.

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

| | 2021 | | |
|---|---|---|---|
| | STRS Ohio | OPERS | Total |
| Deferred outflows of resources: | | | |
| Differences between expected and actual actuarial experience | $ 412 | $ - | $ 412 |
| Net difference between projected and actual earnings on pension plan investments | 8,930 | - | 8,930 |
| Changes in assumptions | 9,858 | 128 | 9,986 |
| Changes in proportion and differences between University contributions and proportionate share of contributions | 877 | 4,514 | 5,391 |
| University contributions subsequent to the measurement date | 9,553 | 6,128 | 15,681 |
| **Total** | $ 29,630 | $ 10,770 | $ 40,400 |
| Deferred inflows of resources: | | | |
| Differences between expected and actual actuarial experience | $ 1,174 | $ 4,239 | $ 5,413 |
| Net difference between projected and actual earnings on pension plan investments | - | 36,197 | 36,197 |
| Changes in proportion and differences between University contributions and proportionate share of contributions | 2,620 | 11,545 | 14,165 |
| **Total** | $ 3,794 | $ 51,981 | $ 55,775 |

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**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 7. Net Pension Liability / Asset (Continued)

| | 2020 | | |
|---|---|---|---|
| | STRS Ohio | OPERS | Total |
| Deferred outflows of resources: | | | |
| Differences between expected and actual actuarial experience | $ 1,381 | $ - | $ 1,381 |
| Changes in assumptions | 20,059 | 6,605 | 26,664 |
| Changes in proportion and differences between University contributions and proportionate share of contributions | 3,115 | 22,350 | 25,465 |
| University contributions subsequent to the measurement date | 10,736 | 6,735 | 17,471 |
| **Total** | $ 35,291 | $ 35,690 | $ 70,981 |
| Deferred inflows of resources: | | | |
| Differences between expected and actual actuarial experience | $ 739 | $ 2,011 | $ 2,750 |
| Net difference between projected and actual earnings on pension plan investments | 8,483 | 31,659 | 40,142 |
| Changes in proportion and differences between University contributions and proportionate share of contributions | 994 | 4,172 | 5,166 |
| **Total** | $ 10,216 | $ 37,842 | $ 48,058 |

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 $15,681 and $17,471, for the years ended June 30, 2021 and 2020, respectively, for University contributions subsequent to the measurement dates of the Plans and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

| | STRS Ohio | OPERS | Total |
|---|---|---|---|
| Year ended June 30: | | | |
| 2022 | $ 6,038 | $ (18,503) | $ (12,465) |
| 2023 | 2,342 | (9,001) | (6,659) |
| 2024 | 4,341 | (14,795) | (10,454) |
| 2025 | 3,562 | (4,971) | (1,409) |
| 2026 | - | (33) | (33) |
| Thereafter | - | (36) | (36) |
| | $ 16,283 | $ (47,339) | $ (31,056) |

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 7. Net Pension Liability / Asset (Continued)

**Actuarial assumptions used for the year-ended June 30, 2021**

For STRS Ohio, the total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

For OPERS, the total pension liability/asset in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| OPERS | Traditional Pension Plan | Combined Plan |
|---|---|---|
| Wage Inflation | 3.25 percent | 3.25 percent |
| Projected salary increases | 3.25 percent to 10.75 percent (includes wage inflation at 3.25 percent) | 3.25 percent to 8.25 percent (includes wage inflation at 3.25 percent) |
| Investment rate of return and discount rate | 7.20 percent | 7.20 percent |
| Cost-of-living adjustments (COLA) | Pre January 7, 2013 retirees: 3.00 percent simple<br>Post January 7, 2013 retirees: .5 percent simple through 2021, then 2.15 percent simple | Pre January 7, 2013 retirees: 3.00 percent simple<br>Post January 7, 2013 retirees: .5 percent simple through 2021, then 2.15 percent simple |

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

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

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 7. Net Pension Liability / Asset (Continued)

**Experience studies**: STRS actuarial assumption used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. OPERS actuarial assumptions used in the December 31, 2020 valuation are based on the results of an actual experience study for the period January 1, 2011 through December 31, 2015.

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

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

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

| | STRS Ohio | | OPERS | |
|---|---|---|---|---|
| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return | Target Allocation | Long-Term Expected Real Rate of Return |
| Domestic equities | 28.00 % | 7.35 % | 21.00 % | 5.64 % |
| International equities | 23.00 | 7.55 | 23.00 | 7.36 |
| Alternative investments | 17.00 | 7.09 | 12.00 | 10.42 |
| Fixed income | 21.00 | 3.00 | 25.00 | 1.32 |
| Real estate | 10.00 | 6.00 | 10.00 | 5.39 |
| Other | 1.00 | 2.25 | 9.00 | 4.75 |
| **Total** | 100.00 % | | 100.00 % | |

**Discount rate**: The discount rate used to measure the total pension liability was 7.45 percent for STRS Ohio as of the measurement date (June 30, 2020). The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutorily required rates and that all of the contributions would be made to the pension plan, with none of the future contributions paid to the OPEB plan. Based on those assumptions, the STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability (asset) was 7.20 percent for OPERS as of the measurement date (December 31, 2020). The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employer contributions will be made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 7. Net Pension Liability / Asset (Continued)

**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.

| | 2021 | | |
|---|---|---|---|
| | 1% Decrease (6.45%) | Current Discount Rate (7.45%) | 1% Increase (8.45%) |
| STRS Ohio | $ 261,462 | $ 183,634 | $ 117,680 |

| | 1% Decrease (6.20%) | Current Discount Rate (7.20%) | 1% Increase (8.20%) |
|---|---|---|---|
| OPERS - Traditional Plan | $ 175,652 | $ 92,084 | $ 22,599 |
| OPERS - Combined Plan | (1,430) | (2,053) | (2,518) |

**Actuarial assumptions used for the year-ended June 30, 2020**

For STRS Ohio, the total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

For OPERS, the total pension liability/asset in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| OPERS | Traditional Pension Plan | Combined Plan |
|---|---|---|
| Wage Inflation | 3.25 percent | 3.25 percent |
| Projected salary increases | 3.25 percent to 10.75 percent (includes wage inflation at 3.25 percent) | 3.25 percent to 8.25 percent (includes wage inflation at 3.25 percent) |
| Investment rate of return and discount rate | 7.20 percent | 7.20 percent |
| Cost-of-living adjustments (COLA) | Pre January 7, 2013 retirees: 3.00 percent simple<br>Post January 7, 2013 retirees: 1.40 percent simple through 2020, then 2.15 percent simple | Pre January 7, 2013 retirees: 3.00 percent simple<br>Post January 7, 2013 retirees: 1.40 percent simple through 2020, then 2.15 percent simple |

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 7. Net Pension Liability / Asset (Continued)

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

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

**Experience studies**: STRS actuarial assumption used in the July 1, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. OPERS actuarial assumptions used in the December 31, 2019 valuation are based on the results of an actual experience study for the period January 1, 2011 through December 31, 2015.

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

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

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

| | STRS Ohio | | OPERS | |
|---|---|---|---|---|
| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return | Target Allocation | Long-Term Expected Real Rate of Return |
| Domestic equities | 28.00 % | 7.35 % | 19.00 % | 5.75 % |
| International equities | 23.00 | 7.55 | 21.00 | 7.66 |
| Alternative investments | 17.00 | 7.09 | 12.00 | 10.70 |
| Fixed income | 21.00 | 3.00 | 25.00 | 1.83 |
| Real estate | 10.00 | 6.00 | 10.00 | 5.20 |
| Other | 1.00 | 2.25 | 13.00 | 4.98 |
| **Total** | 100.00 % | | 100.00 % | |

## Note 7. Net Pension Liability / Asset (Continued)

**Discount rate**: The discount rate used to measure the total pension liability was 7.45 percent for STRS Ohio as of the measurement date (June 30, 2019). The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutorily required rates and that all contributions would be made to the pension plan with more of the future contributions paid to the OPEB plan. Based on those assumptions, the STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability (asset) was 7.20 percent for OPERS as of the measurement date (December 31, 2019). The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employer contributions will be made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

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

| | 2020 | | |
|---|---|---|---|
| | 1% Decrease (6.45%) | Current Discount Rate (7.45%) | 1% Increase (8.45%) |
| STRS Ohio | $ 249,156 | $ 170,492 | $ 103,900 |

| | | Current | |
|---|---|---|---|
| | 1% Decrease (6.20%) | Discount Rate (7.20%) | 1% Increase (8.20%) |
| OPERS - Traditional Plan | $ 229,740 | $ 139,294 | $ 57,985 |
| OPERS - Combined Plan | (1,031) | (1,706) | (2,192) |

## Note 8. Defined Contribution Retirement Plans

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

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in STRS Ohio or OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of seven private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. The required contribution was 4.47 percent for STRS Ohio and 2.44 percent for OPERS of covered payroll for the years ended June 30, 2021 and 2020. The employer also contributes what would have been the employer's contribution under STRS Ohio or OPERS, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with vesting after one year. The pension expense for the ARP was $7,600 and $7,976 for the years ended June 30, 2021 and 2020, respectively.

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

The payroll for employees electing the alternative retirement program for the years ended June 30, 2021 and 2020 was approximately $75,362 and $78,891, respectively.

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

**OPEB plans:** STRS Ohio is a cost-sharing multiple employer statewide retirement plan. STRS Ohio provides access to health care coverage for eligible retirees who participated in the Defined Benefit or Combined Plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and reimbursement of a portion of the monthly Medicare Part B premiums. 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 $295.8 million or 60% and $312.8 million or 64% of the total health care costs in fiscal 2021 and 2020, respectively (excluding deductibles, coinsurance and copayments).

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage. For the year ended June 30, 2020, STRS Ohio received $81.9 million in Medicare Part D reimbursements.

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

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 2020 Comprehensive Annual 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 2020.

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 years ended June 30, 2021 and 2020 was approximately $68,234 and $76,683, respectively. The payroll for employees covered by OPERS for the years ended June 30, 2021 and 2020 was approximately $92,496 and $101,097, respectively. There were no employer contributions made to fund post-employment benefits for the years ended June 30, 2021 and 2020.

**OPEB asset, OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB**: At June 30, 2021, the University reported an asset of $11,294 for its proportionate share of the net OPEB liability for the OPERS plan. The net OPEB asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. 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 OPERS plan to be a reliable approximation of long term contribution effort to the plan. At the measurement date, the University's proportion was .633933 percent for OPERS, which was an decrease of .085446 from its proportion measured as of December 31, 2019.

At June 30, 2020, the University reported a liability of $99,365 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, 2018, rolled forward to the measurement date of December 31, 2019. 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 .719379 percent for OPERS, which was an increase of .00097 from its proportion measured as of December 31, 2018.

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

At June 30, 2021, the University reported an asset of $13,338 for its proportionate share of the net OPEB asset for the STRS Ohio plan. The net OPEB asset was measured as of June 30, 2020 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 .758928 percent for STRS Ohio, which was a decrease of .012028 from its proportion measured as of June 30, 2019.

At June 30, 2020, the University reported an asset of $12,762 for its proportionate share of the net OPEB asset for the STRS Ohio plan. The net OPEB asset was measured as of June 30, 2019 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 .770956 percent for STRS Ohio, which was a decrease of .00006 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2021, the University recognized OPEB (income) of approximately $(72,750) consisting of OPEB income of approximately $(72,741) for the OPERS plan and ($9) for the STRS Ohio plan.

For the year ended June 30, 2020, the University recognized OPEB expense of approximately $13,057 consisting of OPEB expense of approximately $13,057 for the OPERS plan and $0 for the STRS Ohio plan.

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**(Dollars in Thousands)**

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

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

| | 2021 | | |
|---|---|---|---|
| | STRS Ohio | OPERS | Total |
| Deferred outflows of resources: | | | |
| Differences between expected and actual actuarial experience | $ 855 | $ - | $ 855 |
| Net difference between projected and actual earnings on OPEB plan investments | 467 | - | 467 |
| Changes in assumptions | 220 | 5,552 | 5,772 |
| Changes in proportion and differences between University contributions and proportionate share of contributions | - | 2,993 | 2,993 |
| **Total** | $ 1,542 | $ 8,545 | $ 10,087 |
| Deferred inflows of resources: | | | |
| Differences between expected and actual actuarial experience | $ 2,657 | $ 10,193 | $ 12,850 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 6,015 | 6,015 |
| Changes in assumptions | 12,669 | 18,300 | 30,969 |
| Changes in proportion and differences between University contributions and proportionate share of contributions | 350 | 7,260 | 7,610 |
| **Total** | $ 15,676 | $ 41,768 | $ 57,444 |

| | 2020 | | |
|---|---|---|---|
| | STRS Ohio | OPERS | Total |
| Deferred outflows of resources: | | | |
| Differences between expected and actual actuarial experience | $ 1,160 | $ 2 | $ 1,162 |
| Changes in assumptions | 260 | 15,708 | 15,968 |
| Changes in proportion and differences between University contributions and proportionate share of contributions | 579 | 8,873 | 9,452 |
| **Total** | $ 1,999 | $ 24,583 | $ 26,582 |
| Deferred inflows of resources: | | | |
| Differences between expected and actual actuarial experience | $ 653 | $ 9,070 | $ 9,723 |
| Net difference between projected and actual earnings on OPEB plan investments | 804 | 5,745 | 6,549 |
| Changes in assumptions | 14,093 | - | 14,093 |
| Changes in proportion and differences between University contributions and proportionate share of contributions | 15 | 5,074 | 5,089 |
| **Total** | $ 15,565 | $ 19,889 | $ 35,454 |

**Miami University**

**Notes to Financial Statements**
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## Note 9. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

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

| | STRS Ohio | OPERS | Total |
|---|---|---|---|
| Year ended June 30: | | | |
| 2022 | $ (3,545) | $ (16,588) | $ (20,133) |
| 2023 | (3,229) | (13,312) | (16,541) |
| 2024 | (3,118) | (2,614) | (5,732) |
| 2025 | (2,978) | (709) | (3,687) |
| 2026 | (617) | - | (617) |
| Thereafter | (647) | - | (647) |
| | $ (14,134) | $ (33,223) | $ (47,357) |

**Actuarial assumptions used for the year-ended June 30, 2021**

For STRS Ohio, the total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| STRS Ohio | |
|---|---|
| Projected salary increases | 12.50 percent at age 20 to 2.50 percent at age 65 |
| Projected payroll increases | 3.00 percent |
| Investment rate of return | 7.45 percent, net of investment expenses, including inflation |
| Discount rate | 7.45 percent |
| Health care cost trends | |
| Medical | |
| Pre-Medicare | 5.00 percent initial, 4.00 percent ultimate |
| Medicare | -6.69 percent initial, 4.00 percent ultimate |
| Prescription Drug | |
| Pre-Medicare | 6.5 percent initial, 4.00 percent ultimate |
| Medicare | 11.87 percent initial, 4.00 percent ultimate |

For OPERS, the total OPEB liability at the December 31, 2020 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| OPERS | |
|---|---|
| Single discount rate | 6.00 percent |
| Investment rate of return | 6.00 percent |
| Municipal bond rate | 2.00 percent |
| Inflation | 3.25 percent |
| Projected salary increases | 3.25 percent to 10.75 percent (includes wage inflation) |
| Health care cost trends | 8.5 percent initial, 3.50 percent ultimate in 2035 |

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**Notes to Financial Statements**
**(Dollars in Thousands)**

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

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

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

**Experience Studies**: STRS actuarial assumption used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. OPERS actuarial assumption used in the December 31, 2020 valuation are based on the results of an actuarial experience study for the period January 1, 2011 through December 31, 2015.

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

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

| | STRS Ohio | | OPERS | |
|---|---|---|---|---|
| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return | Target Allocation | Long-Term Expected Real Rate of Return |
| Domestic equities | 28.00 % | 7.35 % | 25.00 % | 5.64 % |
| International equities | 23.00 | 7.55 | 25.00 | 7.36 |
| Alternative investments | 17.00 | 7.09 | - | - |
| Fixed income | 21.00 | 3.00 | 34.00 | 1.07 |
| Real estate | 10.00 | 6.00 | - | - |
| REITs | - | - | 7.00 | 6.48 |
| Other | 1.00 | 2.25 | 9.00 | 4.02 |
| **Total** | 100.00 % | | 100.00 % | |

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

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

**Discount rate**: For STRS Ohio, the discount rate used to measure the total OPEB liability was 7.45 percent as of the measurement date, June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2021.

For OPERS, a single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020, which is an increase of 2.84 percent since the prior measurement date. This single discount rate was based on an expected rate of return of the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent based on an index of 20-year general obligation bonds with an average AA credit rating. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the OPERS health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, and the duration of the projection period through which projected health care payments are fully funded.

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:

| | 2021 | | |
|---|---|---|---|
| | 1% Decrease (6.45%) | Current Discount Rate (7.45%) | 1% Increase (8.45%) |
| STRS Ohio | $ (11,605) | $ (13,338) | $ (14,809) |

| | | | |
|---|---|---|---|
| | 1% Decrease (5.00%) | Current Discount Rate (6.00%) | 1% Increase (7.00%) |
| OPERS | $ (2,808) | $ (11,294) | $ (18,270) |

**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:

| | 2021 | | |
|---|---|---|---|
| | 1% Decrease | Current Health Care Cost Trend Rate | 1% Increase |
| STRS Ohio | $ (14,717) | $ (13,338) | $ (11,658) |
| OPERS | $ (11,569) | $ (11,294) | $ (10,986) |

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

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

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

**Actuarial assumptions used for the year-ended June 30, 2020**

For STRS Ohio the total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| STRS Ohio | |
|---|---|
| Projected salary increases | 12.50 percent at age 20 to 2.50 percent at age 65 |
| Projected payroll increases | 3.00 percent |
| Investment rate of return | 7.45 percent, net of investment expenses, including inflation |
| Discount rate | 7.45 percent |
| Health care cost trends | |
| Medical | |
| Pre-Medicare | 5.87 percent initial, 4.00 percent ultimate |
| Medicare | 4.93 percent initial, 4.00 percent ultimate |
| Prescription Drug | |
| Pre-Medicare | 7.73 percent initial, 4.00 percent ultimate |
| Medicare | 9.62 percent initial, 4.00 percent ultimate |

For OPERS the total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| OPERS | |
|---|---|
| Single discount rate | 3.16 percent |
| Investment rate of return | 6.00 percent |
| Municipal bond rate | 2.75 percent |
| Inflation | 3.25 percent |
| Projected salary increases | 3.25 percent to 10.75 percent (includes wage inflation) |
| Health care cost trends | 10.5 percent initial, 3.50 percent ultimate in 2030 |

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

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

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

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

**Experience Studies**: STRS actuarial assumption used in the July 1, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. OPERS actuarial assumption used in the December 31, 2019 valuation are based on the results of an actuarial experience study for the period January 1, 2011 through December 31, 2015.

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

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

| | STRS Ohio | | OPERS | |
|---|---|---|---|---|
| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return | Target Allocation | Long-Term Expected Real Rate of Return |
| Domestic equities | 28.00 % | 7.35 % | 21.00 % | 5.75 % |
| International equities | 23.00 | 7.55 | 23.00 | 7.66 |
| Alternative investments | 17.00 | 7.09 | - | - |
| Fixed income | 21.00 | 3.00 | 36.00 | 1.53 |
| Real estate | 10.00 | 6.00 | - | - |
| REITs | - | - | 6.00 | 5.69 |
| Other | 1.00 | 2.25 | 14.00 | 4.90 |
| **Total** | 100.00 % | | 100.00 % | |

**Discount rate**: For STRS Ohio, the discount rate used to measure the total OPEB liability was 7.45 percent as of the measurement date, June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2020.

For OPERS, a single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019, which is a decrease of .0080 percent since the prior measurement date. This single discount rate was based on an expected rate of return of the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent based on an index of 20-year general obligation bonds with an average AA credit rating. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the OPERS health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

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

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

| | 2020 | | |
|---|---|---|---|
| | 1% Decrease (6.45%) | Current Discount Rate (7.45%) | 1% Increase (8.45%) |
| STRS Ohio | $ (10,890) | $ (12,762) | $ (14,336) |

| | 1% Decrease (2.16%) | Current Discount Rate (3.16%) | 1% Increase (4.16%) |
|---|---|---|---|
| OPERS | $ 130,035 | $ 99,365 | $ 74,808 |

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

| | 2020 | | |
|---|---|---|---|
| | 1% Decrease | Current Health Care Cost Trend Rate | 1% Increase |
| STRS Ohio | $ (14,472) | $ (12,762) | $ (10,668) |
| OPERS | $ 96,433 | $ 99,365 | $ 102,260 |

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

## Note 10. Discretely Presented Component Unit

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

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

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

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

**Note 10. Discretely Presented Component Unit (Continued)**

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

| | 2021 | | |
|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Net assets at end of year | $ 4,925 | $ 456,773 | $ 461,698 |
| Change in net assets for the year | 1,122 | 105,064 | 106,186 |
| Distributions to Miami University | 15,884 | - | 15,884 |

| | 2020 | | |
|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Net assets at end of year | $ 3,803 | $ 351,709 | $ 355,512 |
| Change in net assets for the year | 813 | (283) | 530 |
| Distributions to Miami University | 15,559 | - | 15,559 |

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

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

The value of holdings of non-publicly traded funds that do not have a readily determined market value is based on the funds' estimated net asset value as supplied by the investment manager. The values are reviewed and evaluated by Foundation management. Market prices are not available for certain investments. These investments are carried at estimated fair value provided by the funds' management. Some valuations are determined as of June 30, while the remaining valuations are determined based on March 31 information when June 30 information is not yet available and adjusted by cash receipts, cash disbursements, and securities distributions 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. Investments in real estate are recorded at appraised value at the date of donation.

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

**Miami University**

**Notes to Financial Statements**
**(Dollars in Thousands)**

## Note 10. Discretely Presented Component Unit (Continued)

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

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

| | Fair Value | |
|---|---|---|
| | 2021 | 2020 |
| Investment description: | | |
| Pooled Investment Fund (PIF): | | |
| Strategic Investment Management, LLC funds | $ 483,317 | $ 355,868 |
| Government bonds | 56,751 | 25,120 |
| Hedge funds | 7,880 | 2,154 |
| Various private capital investments | 117,593 | 102,863 |
| Exchange traded funds | 415 | 6,702 |
| Other | 2,813 | 2,649 |
| Split-interest funds: | | |
| Charitable remainder trusts | 12,583 | 9,817 |
| Charitable gift annuities | 2,063 | 1,903 |
| Pooled income funds | 574 | 566 |
| **Total** | $ 683,989 | $ 507,642 |

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 has been delegated by the Board to an external investment firm, Strategic Investment Management, LLC. The external investment firm has discretion to manage the PIF within the framework of the investment policy statement. Additionally, the external investment firm has implemented a combination of internally and externally managed investment vehicles, including separate accounts, limited partnerships, and commingled funds. The Foundation's investment portfolio also includes publicly traded securities 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, 2021, the Foundation has made commitments to limited partnerships of approximately $99,000 that have not yet been funded, some of which management expects may not be called by the partnerships due to the life-cycle of the respective partnerships.

For the years ending June 30, 2021 and 2020 dividend and interest income of $1,303 and $1,930, respectively, is net of fees from external investment managers totaling $7 and $15 for June 30, 2021 and 2020, respectively.

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

## Note 10. Discretely Presented Component Unit (Continued)

**Pledges receivable**: As of June 30, 2021 and 2020, contributors to the Foundation have made unconditional pledges totaling $21,056 and $28,884, respectively, with one pledge accounting for over 47 percent of that total. Net pledges receivable have been discounted using rates commensurate with the risks involved to a net present value of $19,968 and $27,271 at June 30, 2021 and 2020, respectively. Discount rates ranged from 0.6 percent to 3.40 percent. Management has set up an allowance for uncollectible pledges of $1,114 and $1,118 at June 30, 2021 and 2020, respectively. 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**: UPMIFA provides statutory guidelines for prudent management, investment, and expenditure of donor-restricted endowment funds held by charitable organizations.

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

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

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in restricted - expendable net positions. There were no deficiencies of this nature as of June 30, 2021.

## Note 10. Discretely Presented Component Unit (Continued)

**Net position classification**: Resources of the Foundation are classified for reporting purposes into net positions based on the existence or absence of donor-imposed restrictions and state law. Net positions unrestricted represent the portion of funds over which the Foundation has discretionary control as there are no donor-imposed purposes or time restrictions on how the funds may be spent. Restricted expendable net positions include gifts and grants for which donor imposed restrictions have not been met (primarily future capital projects or gifts for educational purposes), earnings from long term investments which are donor restricted, and time restricted trust activity. Restricted nonexpendable net positions include gifts which generally require, by donor restriction, that the corpus be invested in perpetuity. The donors generally permit the use of a portion of the income earned to be utilized for specific purposes based on their restrictions.

## Note 11. Commitments

At June 30, the University is committed to future contractual obligations for capital expenditures of approximately $107,499 and $35,107, respectively. These commitments are being funded from the following sources:

| | 2021 | 2020 |
|---|---|---|
| Contractual obligations: | | |
| Approved state appropriations not expended | $ 153 | $ 220 |
| University funds and bond proceeds | 107,346 | 34,887 |
| **Total** | $ 107,499 | $ 35,107 |

## Note 12. 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.

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 $2,513 and $3,094 is included in the accrued salaries and wages as of June 30, 2021 and 2020, respectively. The change in the total liability for actual and estimated claims is summarized below at June 30:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| Liability at beginning of year | $ 3,094 | $ 2,908 | $ 2,970 |
| Claims incurred | 41,371 | 40,042 | 42,197 |
| Claims paid | (41,127) | (39,768) | (42,316) |
| Change in estimated claims incurred but not reported | (825) | (88) | 57 |
| **Liability at end of year** | $ 2,513 | $ 3,094 | $ 2,908 |

## Note 12. Risk Management (Continued)

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 (Consortium). Due to various reasons, the Consortium and its members were presented with many renewal challenges this past year, which resulted in some changes to the programs effective July 1, 2021. In summary:

The "All-Risk" Property Program, which has been in place for 27 years, has a loss limit of approximately $1,483,000. The Group Casualty Program, which has been in place for 22 years and includes general liability, automobile liability and educator's legal liability, has loss limit of $35,000. The University has a dedicated policy for the first $10,000 of any covered property claims and the first $15,000 of any covered casualty claims. Additional limits for both the "All-Risk" Property and Casualty Programs are shared with the members of the Consortium. The Consortium continues to identify opportunities for additional excess limits; however, coverage is often limited with costs being prohibitive.

In both coverages, the University's base deductible is $100,000 with a few other deductibles applying such as for flood, windstorm, and sexual assault. The next layer of coverage is the Consortium's self-insurance pools whereby all members fund this layer per the agreed-to contribution and allocation methodology. For the "All-Risk" Property Program, the next $250,000 of a covered claim is paid from the self-insurance pool. For the Group Casualty Program, the next $900,000 of a covered claim is paid from the self-insurance pool. To date, the University has had two (2) property claims and three (3) 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 13. Contingencies

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

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

## Note 14. Pandemic

On January 30, 2020 the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the word to help mitigate the spread of coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries. The extent to which the coronavirus impacts the University's financial condition, results of operations, and cash flows will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. The CARES Act legislation is intended to provide relief for organizations that have been negatively impacted by the COVID-19 pandemic. During fiscal year 2020, the University received approximately $10,100 from the CARES Provider Relief Fund

In the fall of 2020, the University was awarded approximately $14,700 from the Ohio Department of Higher Education Coronavirus Relief Funds (ODHE CRF). The funds were awarded to provide economic relief to support the costs of remote learning, grants to students, technology and other purposes related to the disruption of campus operations due to the COVID-19 pandemic.

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) was signed into law. The Higher Education Emergency Relief Fund II (HEERF II) funding authorized under the CRRSSA is intended to ensure learning continues for students during the COVID-19 pandemic and to provide relief for organizations that have been negatively impacted by the COVID-19 pandemic. During the year ending June 30, 2021, the University was awarded approximately $20,000 from the HEERF II Fund.

On March 11, 2021, the American Rescue Plan (ARP) was signed into law. The Higher Education Emergency Relief Fund III (HEERF III) funding authorized under the ARP is funding provided in addition to those under the CRRSSA. The funds are intended to provide support to institutions of higher education to serve students and ensure learning continues for students during the COVID-19 pandemic. During the year ending June 30, 2021, the University was awarded approximately $36,800 in HEERF III.

# Required Supplementary Information

**Miami University**

**Retirement Plan Data**
**Years Ended June 30, 2021, 2020, 2019, 2018, 2017, 2016 and 2015**
**(In Thousands)**

| | STRS Ohio | OPERS Traditional | OPERS Combined |
|---|---|---|---|
| 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 | 68,234 | 84,935 | 4,632 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 269.12% | 108.42% | -44.32% |
| 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 | 76,683 | 92,833 | 3,201 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 222.33% | 150.05% | -53.30% |
| 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 | 76,102 | 91,506 | 3,155 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 224.38% | 183.17% | -23.93% |
| Plan fiduciary net position as a percentage of the total pension liability | 77.30% | 74.70% | 126.64% |
| For the Year Ended June 30, 2018 | | | |
| University's proportion of the net pension liability (asset) | 0.772173% | 0.663383% | 0.684872% |
| University's proportionate share of the net pension liability (asset) | $ 183,431 | $ 104,072 | $ (932) |
| University's covered payroll | 74,262 | 89,066 | 2,774 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 247.01% | 116.85% | -33.60% |
| Plan fiduciary net position as a percentage of the total pension liability | 75.30% | 84.66% | 137.28% |
| For the Year Ended June 30, 2017 | | | |
| University's proportion of the net pension liability (asset) | 0.762848% | 0.664940% | 0.665441% |
| University's proportionate share of the net pension liability (asset) | $ 255,348 | $ 150,997 | $ (370) |
| University's covered payroll | 71,889 | 86,004 | 2,679 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 355.20% | 175.57% | -13.81% |
| Plan fiduciary net position as a percentage of the total pension liability | 66.80% | 77.25% | 116.55% |
| For the Year Ended June 30, 2016 | | | |
| University's proportion of the net pension liability (asset) | 0.750872% | 0.651198% | 0.664254% |
| University's proportionate share of the net pension liability (asset) | $ 207,519 | $ 112,796 | $ (323) |
| University's covered payroll | 67,969 | 83,037 | 2,475 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 305.31% | 135.84% | -13.05% |
| Plan fiduciary net position as a percentage of the total pension liability | 72.10% | 81.08% | 116.90% |
| For the Year Ended June 30, 2015 | | | |
| University's proportion of the net pension liability (asset) | 0.718940% | 0.662272% | 0.650661% |
| University's proportionate share of the net pension liability (asset) | $ 174,871 | $ 79,877 | $ (251) |
| University's covered payroll | 67,064 | 80,131 | 2,327 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 260.75% | 99.68% | -10.79% |
| Plan fiduciary net position as a percentage of the total pension liability | 74.70% | 86.45% | 114.83% |

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

(Continued)

**Miami University**

**Retirement Plan Data (Continued)**
**Last Ten Fiscal Years Ended June 30, 2021**
**(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 |
| 2011 | $ 8,415 | $ 8,415 | $ - | $ 64,727 | 13.0% |
| 2012 | 8,195 | 8,195 | - | 63,038 | 13.0% |
| 2013 | 8,095 | 8,095 | - | 62,272 | 13.0% |
| 2014 | 8,218 | 8,218 | - | 63,215 | 13.0% |
| 2015 | 8,718 | 8,718 | - | 67,064 | 13.0% |
| 2016 | 9,516 | 9,516 | - | 67,969 | 14.0% |
| 2017 | 10,064 | 10,064 | - | 71,889 | 14.0% |
| 2018 | 10,397 | 10,397 | - | 74,262 | 14.0% |
| 2019 | 10,654 | 10,654 | - | 76,102 | 14.0% |
| 2020 | 10,736 | 10,736 | - | 76,683 | 14.0% |
| 2021 | 9,553 | 9,553 | - | 68,234 | 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 |
| 2011 | $ 8,035 | $ 8,035 | $ - | $ 84,585 | 9.5% |
| 2012 | 8,492 | 8,492 | - | 84,266 | 10.1% |
| 2013 | 9,853 | 9,853 | - | 85,101 | 11.6% |
| 2014 | 11,458 | 11,458 | - | 87,598 | 13.1% |
| 2015 | 10,925 | 10,925 | - | 86,845 | 12.6% |
| 2016 | 10,877 | 10,877 | - | 90,034 | 12.1% |
| 2017 | 11,778 | 11,778 | - | 93,543 | 12.6% |
| 2018 | 13,180 | 13,180 | - | 96,874 | 13.6% |
| 2019 | 14,046 | 14,046 | - | 99,651 | 14.1% |
| 2020 | 14,261 | 14,261 | - | 101,097 | 14.1% |
| 2021 | 13,032 | 13,032 | - | 92,496 | 14.1% |

**Miami University**

**OPEB Plan Data**
**Years Ended June 30, 2021, 2020, 2019 and 2018**
**(In Thousands)**

| | STRS Ohio | OPERS |
|---|---|---|
| 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% |

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

| | 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 |
| 2011 | $ 647 | $ 647 | $ - | $ 64,727 | 1.0% |
| 2012 | 630 | 630 | - | 63,038 | 1.0% |
| 2013 | 623 | 623 | - | 62,272 | 1.0% |
| 2014 | 632 | 632 | - | 63,215 | 1.0% |
| 2015 | 671 | 671 | - | 67,064 | 1.0% |
| 2016 | - | - | - | 67,969 | 0.0% |
| 2017 | - | - | - | 71,889 | 0.0% |
| 2018 | - | - | - | 74,262 | 0.0% |
| 2019 | - | - | - | 76,102 | 0.0% |
| 2020 | - | - | - | 76,683 | 0.0% |
| 2021 | - | - | - | 68,234 | 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 |
| 2011 | $ 3,807 | $ 3,807 | $ - | $ 84,585 | 4.5% |
| 2012 | 3,371 | 3,371 | - | 84,266 | 4.0% |
| 2013 | 2,129 | 2,129 | - | 85,101 | 2.5% |
| 2014 | 876 | 876 | - | 87,598 | 1.0% |
| 2015 | 1,302 | 1,302 | - | 86,845 | 1.5% |
| 2016 | 1,801 | 1,801 | - | 90,034 | 2.0% |
| 2017 | 1,403 | 1,403 | - | 93,543 | 1.5% |
| 2018 | 474 | 474 | - | 96,874 | 0.5% |
| 2019 | - | - | - | 99,651 | 0.0% |
| 2020 | - | - | - | 99,365 | 0.0% |
| 2021 | - | - | - | 92,496 | 0.0% |

**Miami University**

**Notes to Required Supplementary Information**
**Year Ended June 30, 2021**

For the year ended June 30, 2021
Changes in assumptions (Pension): The Retirement Boards of OPERS and STRS Ohio made no changes in assumptions as compared to the prior year.

Changes in assumptions (OPEB): The Retirement Board of OPERS approved one change to the actuarial assumptions in 2020. The discount rate was increased from 3.16 percent to 6.00 percent. There were no other changes in assumptions compared to the prior year for OPERS. The Retirement Board of STRS Ohio made no changes in assumptions in 2020 compared to the prior year.

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, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For the year ended June 30, 2020
Changes in assumptions (Pension): The Retirement Boards of OPERS and STRS Ohio made no changes in assumptions as compared to the prior year.

Changes in assumptions (OPEB): The Retirement Board of OPERS approved one change to the actuarial assumptions in 2019. The discount rate was reduced from 3.96 percent to 3.16 percent. There were no other changes in assumptions compared to the prior year for OPERS. The Retirement Board of STRS Ohio made no changes in assumptions in 2019 compared to the prior year.

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, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

On January 15, 2020, the Board of OPERS approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

# *Trustees and Officers as of* JUNE 30, 2021

MIAMI UNIVERSITY

## *Miami University Board of Trustees*

*Date listed is expiration of term.*

David H. Budig, Chair
*February 28, 2022*

Sandra D. Collins, Secretary
*February 28, 2025*

Rod Robinson, Treasurer
*February 28, 2026*

Debbie Feldman
*February 28, 2029*

Zachary T. Haines
*February 28, 2027*

John C. Pascoe
*February 28, 2024*

Mary Schell
*February 28, 2028*

## *National Trustees (non-voting)*

Biff Bowman
*April 30, 2023*

Jeff Pegues
*January 31, 2023*

Mark Sullivan
*September 18, 2022*

## *Student Trustees (non-voting)*

Dawson Cosgrove
*February 28, 2023*

Amitoj Kaur
*February 28, 2022*

## *Administrative Officers*

Gregory Crawford
*President*

Jason Osborne
*Provost and Executive Vice President for Academic Affairs*

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

Robin Parker
*General Councel*

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

## *Financial Services Staff*

The 2021 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.

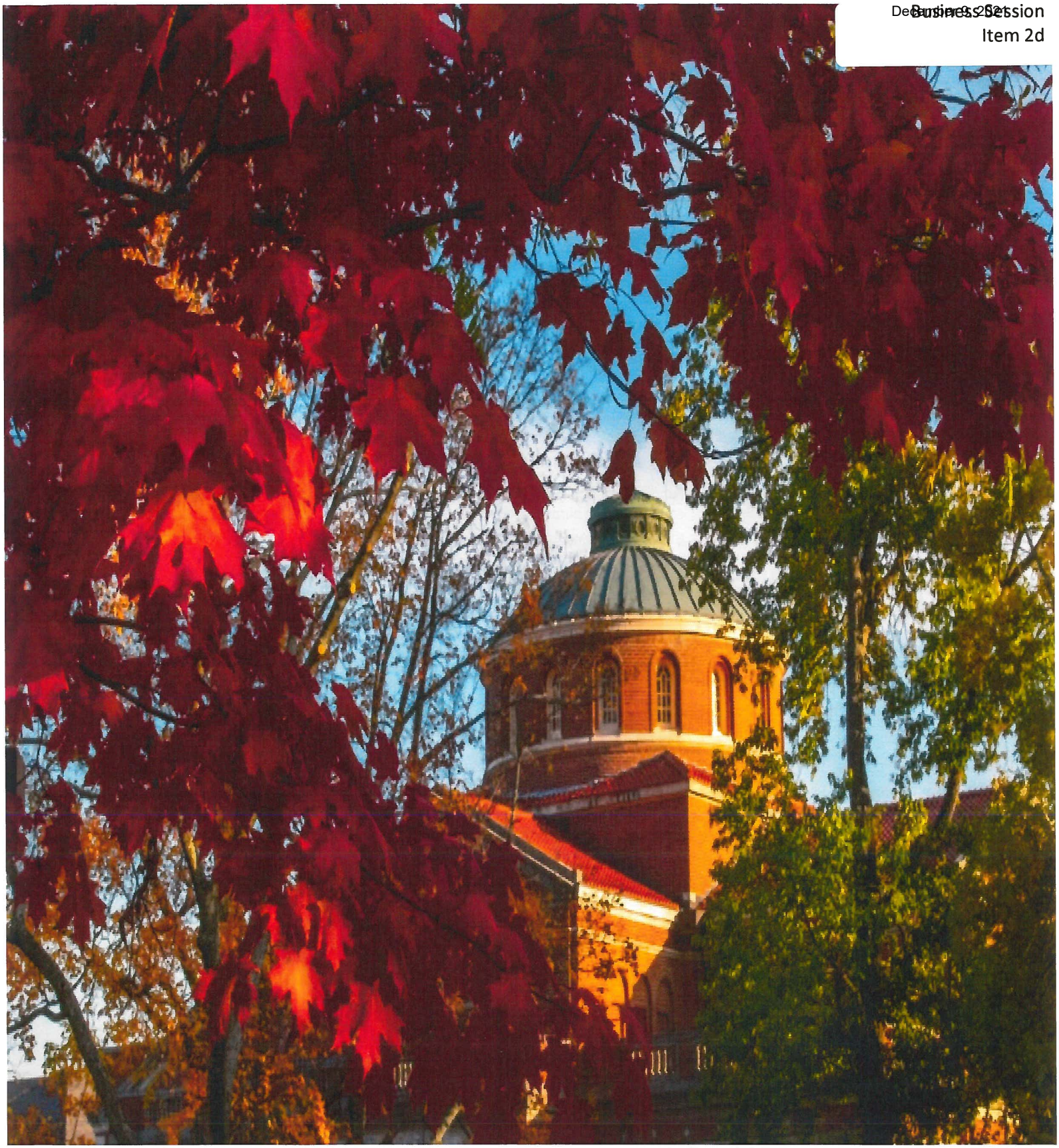
Students and employees should bring questions or concerns to the attention of the Office of Equity and Equal Opportunity, Hanna House, 529-7157 (V/TTY) and
529-7158 (fax). Students and employees with disabilities may contact the Office of Disability Resources, 19 Nellie Craig Walker Hall, 529-1541 (V/TTY) 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 2021



# *Miami University Foundation*

**Financial Report**
**June 30, 2021**

# Investment Report

## Miami University and Miami University Foundation

**JUNE 30, 2021**


### INVESTMENT POOLS

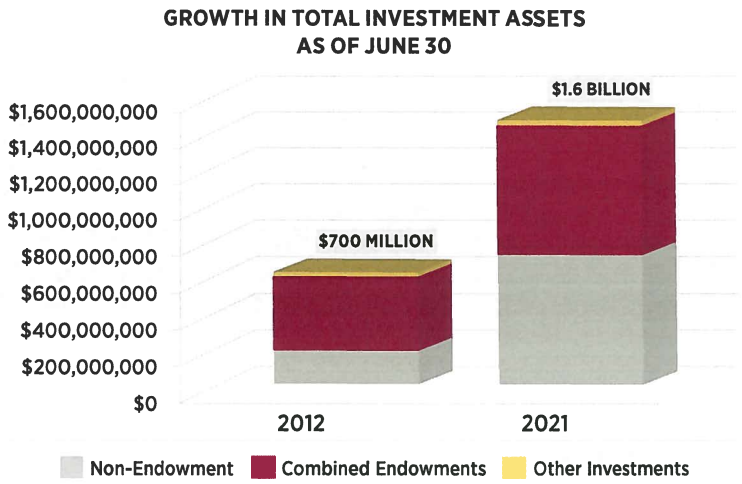
Total investment assets for Miami University and Miami University Foundation reached an all-time high at fiscal year-end, exceeding $1.5 billion. Total investment assets increased by over $336 million from the previous year, and have tripled over the last 15 years. The University's non-endowment pool, its working capital and reserves, rose to $842 million from $677 million. The Pooled Investment Fund (PIF), the combined University and Foundation endowment, grew to $725 million from $555 million. The fiscal year-end asset values among the pools are as follows:

| Pool | Type of Funds | Invested as of June 30, 2021 |
|---|---|---|
| University Non-Endowment | Working capital and cash reserves to support operating activities | $842,464,000 |
| Pooled Investment Fund (University & Foundation Endowments) | Funds donated to the University and the Foundation to establish endowments in perpetuity | $725,430,000 |
| Trusts, Annuities, and Separately Invested Assets | Gifts managed independently of the pooled funds | $ 23,321,000 |
| **Total Investments** | | **$1,591,215,000** |

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.

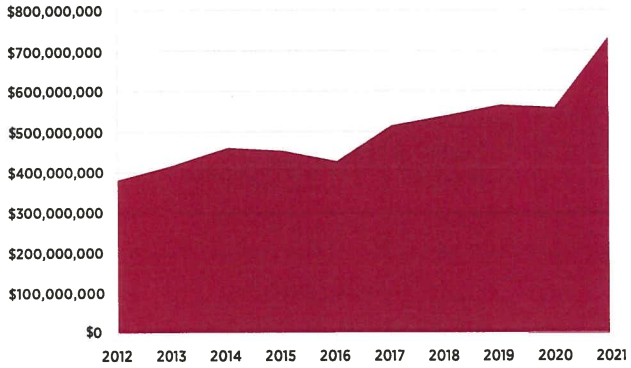
The PIF invests endowed gifts from donors and quasi-endowments established by the Boards. The pool operates under the philosophy that the funds are invested in perpetuity to provide benefits to today's students as well as to the many generations of Miami students yet to come. Miami invests the funds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



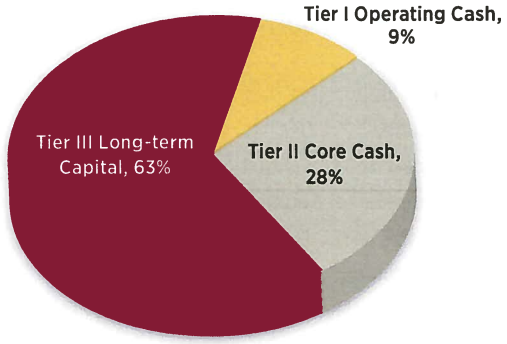

The University and Foundation also hold assets given by donors in the form of trusts, annuities, insurance policies, real estate, and other assets. These funds are, by necessity, managed separately from the PIF.

Over the last ten years, Miami's total investment assets have more than doubled, fueled by steady growth in both resident and non-resident student enrollment, generous donor support, and prudent fiscal discipline. In addition, both managed investment pools generated significant gains during fiscal year 2021.

**MIAMI UNIVERSITY COMBINED ENDOWMENTS GROWTH**




**MIAMI UNIVERSITY NON-ENDOWMENT ASSET ALLOCATION JUNE 30, 2021**

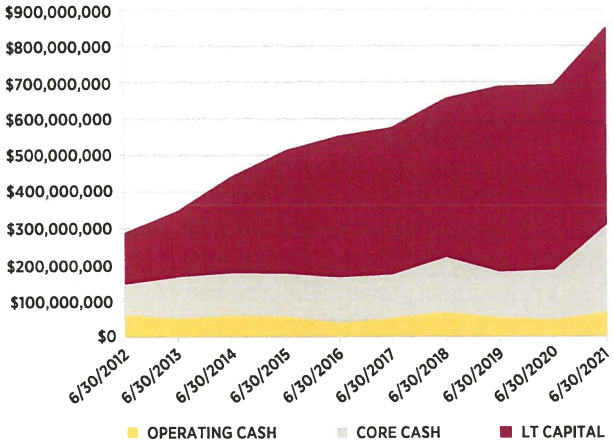



## ASSET ALLOCATION

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, except for the exclusion of less liquid asset classes. At fiscal year-end, it was invested in a mix of global public equity, various types of fixed income securities, and absolute return hedged strategies.

Cash flow generation was positive for the year despite continued challenges resulting from the pandemic. Federal and state relief funds, along with reduced operating expenses, offset sharply lower operating revenues. Tier II consisted of $187.7 million in the baseline allocation and $53.2 million in the special initiatives fund. Rebalancing actions taken during the year included $20 million transferred from operating cash to core cash, $5.6 million drawn from Tier II special initiatives to operating cash, $80 million reallocated from Tier III to Tier II to reduce portfolio risk, and $10 million transferred from operating cash to Tier III.

**MIAMI UNIVERSITY NON-ENDOWMENT ASSET ALLOCATION HISTORY**




The PIF's strategic allocation policy considers not just asset exposure, but also the sources of risk and the interaction among the various assets and strategies. Under the investment policy adopted by the Foundation Board of Directors at the end of fiscal year 2018 and implemented during fiscal year 2019, this pool's primary strategic allocation categories 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 and real estate; fixed income, consisting of U.S. Treasury securities and public active credit strategies; and opportunistic, 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 88 sub-managers.

During the year, considerable effort and discussion was devoted to an asset allocation study conducted by SIG in light of historic lows for interest rates, the corresponding reduction in expected returns, and the increase in expected volatility for fixed income strategies. At the end of the fiscal year, the Foundation Board adopted an updated long-term target asset allocation policy.

**POOLED INVESTMENT FUND CHANGE IN ASSET ALLOCATION**

| | 2020 | 2021 |
|---|---|---|
| Public Equity | 51.8% | 48.9% |
| Alternatives | 23.4% | 24.6% |
| Real Assets | 7.1% | 6.9% |
| Fixed Income | 9.9% | 11.9% |
| Opportunistic | 4.5% | 4.1% |
| Cash, Accruals, & Pending Trades | 3.3% | 3.6% |
| Total | 100.0% | 100.0% |

**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 |
|---|---|---|---|---|
| **Equities** | **43%** | **-10%** | **+10%** | |
| U.S. Equities | 19% | -10% | +10% | Russell 3000 Index |
| Developed Non-U.S. Equities | 12% | -10% | +10% | MSCI World ex-U.S. Investible Market Index |
| Emerging Market Equities | 12% | -10% | +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 Ind |
| **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 Ind |
| Non-U.S. Fixed Income | 0% | -0% | +10% | |
| **Opportunistic** | **0%** | **-0%** | **+10%** | |
| **Cash** | **0%** | **-0%** | **+20%** | |
| **TOTAL** | **100%** | | | |

The intention is to increase the target private equity allocation from 20 to 25 percent, with most of the increase coming from the fixed income allocation. This transition will take a few years to be implemented, and public equity will continue to be elevated in the interim. At fiscal year-end, public equity related strategies remained the largest exposure at almost 49 percent, down slightly from last year's level.

Liquidity measures how quickly the exposure to a particular asset manager can be redeemed and turned into cash. Approximately 60 percent of the portfolio could be converted to cash within a month, while over three quarters of the portfolio could be redeemed within a quarter.

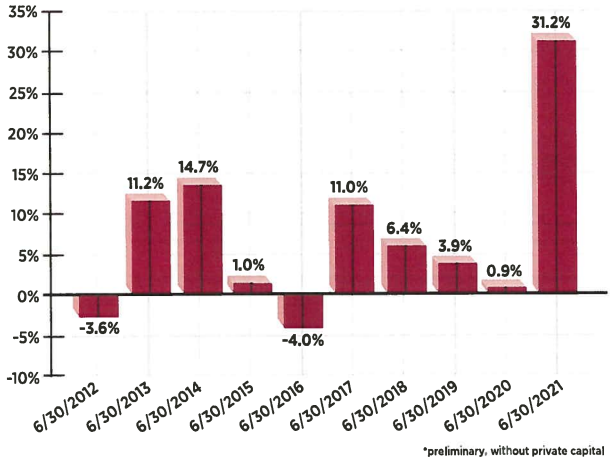
## INVESTMENT RETURNS

The unprecedented stimulus that helped make the pandemic induced recession of 2020 the steepest but shortest recession on record propelled global capital markets to new highs throughout the fiscal year. U.S. equity markets were positive in nine of the twelve months of the fiscal year ending June 30, including each of the last five months. Global equity prices, up over 39 percent as measured by the MSCI All Country World Index (ACWI), were driven by a sharp rebound in economic activity, relaxed pandemic influenced social and business restrictions, the rollout of a vaccination, and a corresponding recovery of corporate earnings. Bond markets struggled in the second half of the fiscal year as concerns over inflation, growing deficits, and anticipated tapering of bond purchases by central banks put pressure on historically low interest rates. These risks are likely to persist for the foreseeable future.

The combined Tier II and Tier III portions of the University's non-endowment pool posted a gain of 18.8 percent for the fiscal year ended June 30, 2021, up considerably from a return of 1.4 percent earned in the previous year. The non-endowment return was carried by the long-term capital portion, up 28.6 percent and driven by global public equity investments. Annualized performance for the trailing ten years was 4.1 percent, providing annualized added return over the 90-day Treasury bill during that period of over three and one-half percentage points.

The PIF enjoyed an estimated return of +31.2 percent, the highest return in at least the last thirty years (please note the FY2021 return is incomplete, since we do not yet have returns for all private capital investments which have a significant reporting delay). This result was a significant turnaround from the 0.9 percent gain posted in the previous year. Strong global public equity returns of nearly 46 percent enabled PIF to outperform its portfolio custom benchmark for the year by about 2.7 percentage points. PIF's estimated annualized performance for the trailing ten years was 6.8 percent.

**COMBINED RATES OF RETURN**
**FY2012 - FY2021**

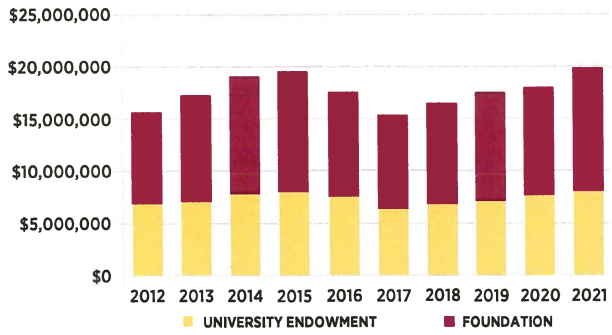



## PROGRAM SUPPORT

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 utilize current distribution of endowment earnings. 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.

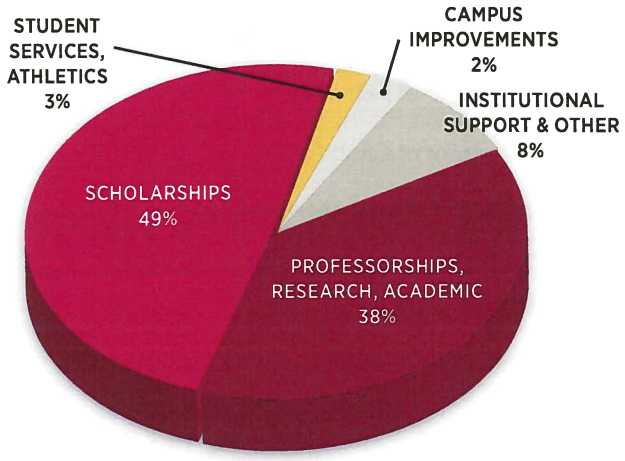
The endowment spending policies for both the University and Foundation, adopted by the Boards in fiscal year 2017, distribute four percent of the average of the previous twelve quarterly market values as of March 31st of each fiscal year. The policies are intended to provide consistent, predictable,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

**ANNUAL UNIVERSITY & FOUNDATION ENDOWMENT**
**ACTUAL EARNINGS DISTRIBUTIONS**




The combined endowment distribution for Fiscal Year 2021 was almost $19.8 million, the most ever distributed in one year and nearly $2 million more than the previous year. Over the last ten years, the cumulative distributions have totaled close to $179 million and have provided an important source of funding to help make a Miami education more affordable for our students and to help offset reductions in state support. The following chart shows the proportion of programs supported by the 2021 distributions.

**MIAMI UNIVERSITY AND FOUNDATION ENDOWMENTS**
**PROGRAMS SUPPORTED BY ENDOWMENT**
**FISCAL YEAR 2021**




Though the broader economy has rebounded, higher education continues to face many challenges. Issues impacting the operating environment such as unfavorable demographic trends, stagnant state support, staffing difficulties, and increasing sensitivity to tuition cost are expected to persist. Miami's students, faculty, and staff appreciate the generous support from our alumni and friends that has helped to strengthen the institution's position as we confront these obstacles. This backing, combined with the continued innovative leadership of our boards and administration, will guide the thriving path forward.

## Contents

RSM

RSM US LLP

# Independent Auditor's Report

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

**Report on the Financial Statements**
We have audited the accompanying financial statements of Miami University Foundation, which comprise the statement of financial position as of June 30, 2021, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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

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

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

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

**Opinion**
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miami University Foundation as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**
We have previously audited Miami University Foundation's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 13, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Matter**
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Cleveland, Ohio
October 5, 2021

**Miami University Foundation**

**Statement of Financial Position**
**June 30, 2021**
**(With Comparative Totals for June 30, 2020)**

| | 2021 | 2020 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | **$ 55,223,052** | $ 52,370,458 |
| Pledges receivable, net | **18,854,458** | 26,153,262 |
| Other receivables, primarily investment related | **10,320,304** | 14,890,158 |
| Investments | **682,108,589** | 505,528,979 |
| Cash value of life insurance | **1,879,981** | 2,082,859 |
| Real estate investments | **-** | 30,000 |
| **Total assets** | **$ 768,386,384** | $ 601,055,716 |
| **Liabilities** | | |
| Accounts payable and other liabilities | **$ 18,554,028** | $ 16,253,392 |
| Assets held for other entities | **282,419,394** | 223,847,779 |
| Deferred revenue | **1,106,188** | 1,515,820 |
| Obligations under split-interest agreements | **4,608,948** | 3,926,994 |
| **Total liabilities** | **306,688,558** | 245,543,985 |
| **Net Assets** | | |
| Without donor restrictions | **4,925,473** | 3,803,299 |
| With donor restrictions | **456,772,353** | 351,708,432 |
| **Total net assets** | **461,697,826** | 355,511,731 |
| **Total liabilities and net assets** | **$ 768,386,384** | $ 601,055,716 |

See notes to financial statements.

**Miami University Foundation**

**Statement of Activities**
**Year Ended June 30, 2021**
**(With Comparative Totals for the Year Ended June 30, 2020)**

| | Without Donor Restrictions | With Donor Restrictions | **2021 Total** | 2020 Total |
|---|---|---|---|---|
| Revenues and other additions: | | | | |
| Contributions | $ 72,729 | $ 26,063,238 | **$ 26,135,967** | $ 17,467,408 |
| Investment income: | | | | |
| Dividend and interest income, net | 15,575 | 1,297,881 | **1,313,456** | 1,930,167 |
| Net realized and unrealized gains | 1,165,680 | 94,311,136 | **95,476,816** | 420,081 |
| **Net investment income** | 1,181,255 | 95,609,017 | **96,790,272** | 2,350,248 |
| Change in value of split-interest agreements | - | 2,476,444 | **2,476,444** | (615,570) |
| Net assets released from restrictions due to satisfaction of donor restrictions | 19,084,778 | (19,084,778) | **-** | - |
| **Total revenues and other additions** | 20,338,762 | 105,063,921 | **125,402,683** | 19,202,086 |
| Expenses and other deductions: | | | | |
| Distributions to Miami University (Note 6) | 15,883,574 | - | **15,883,574** | 15,559,285 |
| Other expenses | 433,242 | - | **433,242** | 397,182 |
| Administrative expenses (Note 6) | 2,899,772 | - | **2,899,772** | 2,716,226 |
| **Total expenses and other deductions** | 19,216,588 | - | **19,216,588** | 18,672,693 |
| **Change in net assets** | 1,122,174 | 105,063,921 | **106,186,095** | 529,393 |
| Net assets - beginning of year | 3,803,299 | 351,708,432 | **355,511,731** | 354,982,338 |
| Net assets - end of year | $ 4,925,473 | $ 456,772,353 | **$ 461,697,826** | $ 355,511,731 |

See notes to financial statements.

**Miami University Foundation**

**Statement of Cash Flows**
**Year Ended June 30, 2021**
**(With Comparative Totals for the Year Ended June 30, 2020)**

| | 2021 | 2020 |
|---|---|---|
| Cash flows from operating activities: | | |
| Payments to Miami University, net | **$ (17,593,489)** | $ (19,199,786) |
| Cash flows from investing activities: | | |
| Proceeds from sale of investments | **133,071,075** | 103,707,112 |
| Purchase of investments | **(140,195,729)** | (99,126,741) |
| Assets held for other entities | **(7,469,849)** | (3,195,067) |
| Proceeds from real estate sale | **305,315** | - |
| **Net cash (used in) provided by investing activities** | **(14,289,188)** | 1,385,304 |
| Cash flows from financing activities: | | |
| Contributions restricted for long-term investment | **33,927,694** | 20,125,409 |
| Dividend and interest income, restricted | **1,339,915** | 2,127,267 |
| Interest utilized for payment of split-interest obligations | **375,713** | 408,053 |
| Payments on split-interest obligations | **(908,051)** | (745,100) |
| **Net cash provided by financing activities** | **34,735,271** | 21,915,629 |
| **Net increase in cash and cash equivalents** | **2,852,594** | 4,101,147 |
| Cash and cash equivalents: | | |
| Beginning | **52,370,458** | 48,269,311 |
| Ending | **$ 55,223,052** | $ 52,370,458 |
| Reconciliation of change in net assets to net cash used in operating activities: | | |
| Change in net assets | **$ 106,186,095** | $ 529,393 |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | | |
| Increase (decrease) in accounts payable and other liabilities | **1,623,099** | (527,093) |
| Contributions restricted for long-term investment | **(26,135,967)** | (17,467,408) |
| Net change in value of split-interest agreements | **(2,476,444)** | 615,570 |
| Dividends and interest income, net | **(1,313,456)** | (1,930,167) |
| Net realized and unrealized gains on investments | **(95,476,816)** | (420,081) |
| **Net cash used in operating activities** | **$ (17,593,489)** | $ (19,199,786) |

See notes to financial statements.

**Miami University Foundation**

**Notes to the Financial Statements**

## Note 1. Organization

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

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

## Note 2. Summary of Significant Accounting Policies

**Financial statement presentation:** The financial statements of the Foundation are prepared in accordance with accounting principles generally accepted in the United States of America (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 and STAR Plus) that include short-term, highly liquid investments readily convertible to cash, with an original maturity of three months or less. The carrying amounts of these items are a reasonable estimate of their fair value.

Approximately $452,000 of cash and cash equivalents was covered by federal depository insurance; $23.9 million was covered by collateral held by third-party trustees pursuant to paragraph 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions; and the remainder was invested in money market funds that invest substantially all of its assets in U.S. Treasury securities and repurchase agreements. The Foundation maintains active relationships with multiple cash equivalent accounts to reduce its exposure to custodial credit risk at any single institution.

**Miami University Foundation**

**Notes to the Financial Statements**

## Note 2. Summary of Significant Accounting Policies (Continued)

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

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

The value of holdings of non-publicly traded funds that do not have a readily determined market value 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. Investments in real estate are recorded at appraised value at the date of donation.

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

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

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

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

**Miami University Foundation**

**Notes to the Financial Statements**

## Note 2. Summary of Significant Accounting Policies (Continued)

**Contributions and allowance for uncollectible pledges:** The Foundation recognizes contributions as revenue with a corresponding pledge receivable in the period in which the pledge (promise to give) is received. Management estimates an allowance for uncollectable pledges of approximately $1,114,000 as of June 30, 2021. The estimate is based on management's review of delinquent accounts and an assessment of the Foundation's historical evidence of collections.

**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, 2021, the Foundation has no uncertain tax positions.

**Recent accounting pronouncements adopted:** In August 2018, the FASB issued Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. ASU 2018-13 removes, modifies and adds certain disclosures requirements on fair value required by Topic 820. The Foundation adopted this ASU in the accompanying financial statements. The adoption of this ASU did not have a material impact on the Foundation's financial statements.

**Subsequent events:** The Foundation has evaluated subsequent events for potential recognition and/or disclosure through October 5, 2021, the date of the financial statements were available to be issued.

## Note 3. Pledges Receivable, Net

At June 30, 2021, contributors to the Foundation have made unconditional pledges totaling $21,055,657 with one pledge accounting for over 47% of that total. Net pledges receivable have been discounted using interest rates to a net present value of $19,968,071 at June 30, 2021. Discount rates ranged from 0.6% to 3.40%. The methodology for calculating an allowance for uncollectible pledges is based upon management's analysis of the aging of payment schedules for all outstanding pledges. At June 30, 2021, net pledges are due as follows:

| | |
|---|---|
| Unconditional pledges expected to be collected: | |
| Within one year | $ 6,074,837 |
| Between two and five years | 13,055,860 |
| In more than five years | 1,924,960 |
| Pledges receivable | 21,055,657 |
| Less discount on pledges | (1,087,586) |
| Less allowance for uncollectible pledges | (1,113,613) |
| **Pledges receivable, net** | $ 18,854,458 |

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.

**Miami University Foundation**

**Notes to the Financial Statements**

## Note 4. Investments

Investments held by the Foundation as of June 30, 2021 were:

| Investment Description | Fair Value |
|---|---|
| Pooled Investment Fund (PIF): | |
| Strategic Investment Management, LLC funds | $ 483,316,556 |
| Various private capital investments | 117,592,930 |
| Government bonds | 56,750,484 |
| Hedge funds | 7,880,083 |
| Exchange traded funds | 414,567 |
| Other | 933,204 |
| Split-interest funds: | |
| Charitable remainder trusts | 12,583,400 |
| Charitable gift annuities | 2,063,456 |
| Pooled income funds | 573,909 |
| **Total** | $ 682,108,589 |

The PIF portfolio's fair value, excluding cash, was $665,954,620 at June 30, 2021. The Foundation maintains a diversified investment portfolio for the PIF intended to reduce market risk, credit risk, and interest rate risk with a strategy designed to take advantage of market inefficiencies. During 2019, management of the PIF 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, 2021, the Foundation has made commitments to limited partnerships of approximately $99 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.

**Miami University Foundation**

**Notes to the Financial Statements**

## Note 4. Investments (Continued)

Assets held for other entities as of June 30, 2021 were:

| | Miami University Endowment | Miami University Paper Science & Engineering Foundation | Other | Total |
|---|---|---|---|---|
| Assets held for other entities at June 30, 2020 | $ 223,103,509 | $ 594,191 | $ 150,079 | $ 223,847,779 |
| New investments | 2,160,724 | - | - | 2,160,724 |
| Earnings distribution | (7,531,122) | - | - | (7,531,122) |
| Dividend and interest income, net of administrative | (1,240,155) | (3,133) | (850) | (1,244,138) |
| Net unrealized and realized gains | 65,006,758 | 171,902 | 43,441 | 65,222,101 |
| **Value as of June 30, 2021** | 281,499,714 | 762,960 | 192,670 | 282,455,344 |
| Distribution payable (included in accounts payable and other liabilities) | - | (30,000) | (5,950) | (35,950) |
| **Assets held for other entities at June 30, 2021** | $ 281,499,714 | $ 732,960 | $ 186,720 | $ 282,419,394 |

## Note 5. Fair Value Measurements and Disclosures

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

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

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

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

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

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

**Miami University Foundation**

**Notes to the Financial Statements**

## Note 5. Fair Value Measurements and Disclosures (Continued)

The following table presents the fair value hierarchy for the balances of the assets and liabilities of the Foundation measured at fair value on a recurring basis as of June 30, 2021:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Investment assets: | | | | |
| Exchange traded funds | $ 414,567 | $ - | $ - | $ 414,567 |
| Government bonds | - | 56,750,484 | - | 56,750,484 |
| Other | 734,257 | 24,197 | 174,750 | 933,204 |
| Split-interest funds: | | | | |
| Charitable remainder trusts | 12,583,400 | - | - | 12,583,400 |
| Charitable gift annuities | 2,063,456 | - | - | 2,063,456 |
| Pooled income funds | 573,909 | - | - | 573,909 |
| | $ 16,369,589 | $ 56,774,681 | $ 174,750 | 73,319,020 |

| | |
|---|---|
| Funds reported at fair value based on net asset value: [a] | |
| Non-publicly traded funds: | |
| Strategic U.S. Equity Trust | $ 103,985,212 |
| Strategic Global Equity Trust | 52,438,815 |
| Strategic Developed Markets ex-US Equity Trust | 71,827,758 |
| Strategic Emerging Markets Equity Trust | 71,693,422 |
| Strategic Active Credit Trust | 35,389,724 |
| Strategic SPC Alpha Segregated Portfolio | 147,981,625 |
| Hedge funds | 7,880,083 |
| Various private capital investments | 117,592,930 |
| **Total non-publicly traded funds reported at fair value based on net asset value** | 608,789,569 |
| **Total investment assets** | $ 682,108,589 |

| | | | | |
|---|---|---|---|---|
| Investment liabilities: | | | | |
| Split-interest funds: | | | | |
| Charitable remainder trusts | $ - | $ - | $ 2,754,825 | $ 2,754,825 |
| Charitable gift annuities | - | - | 1,847,584 | 1,847,584 |
| Pooled income funds | - | - | 6,539 | 6,539 |
| **Total investment liabilities** | $ - | $ - | $ 4,608,948 | $ 4,608,948 |

[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.

**Miami University Foundation**

**Notes to the Financial Statements**

## Note 5. Fair Value Measurements and Disclosures (Continued)

The following table sets forth the significant terms of the agreements with non-publicy traded funds reported at fair value based on net asset value at June 30, 2021:

| | Fair Value | Unfunded Commitments | Redemption Frequency (if Currently Eligible) | Redemption Notice Period |
|---|---|---|---|---|
| Strategic Investment Management, LLC funds | | | | |
| Strategic U.S. Equity Trust [a] | $ 103,985,212 | $ - | monthly | 30 days |
| Strategic Global Equity Trust [b] | 52,438,815 | - | monthly | 30 days |
| Strategic Developed Markets ex-US Equity Trust [c] | 71,827,758 | - | monthly | 30 days |
| Strategic Emerging Markets Equity Trust [d] | 71,693,422 | - | monthly | 30 days |
| Strategic Active Credit Trust [e] | 35,389,724 | - | monthly | 30 days |
| Strategic SPC Alpha Segregated Portfolio [f] | 147,981,625 | - | monthly | 30 days |
| Hedge funds [g] | 7,880,083 | - | various | 90 days |
| Various private capital investments [h] | | | | |
| Private equity | 52,330,928 | 67,484,000 | illiquid | not applicable |
| Private debt | 23,979,455 | 17,937,000 | illiquid | not applicable |
| Private natural resources | 17,332,378 | 6,533,000 | illiquid | not applicable |
| Private real estate | 23,950,169 | 6,578,000 | illiquid | not applicable |
| **Total** | $ 608,789,569 | $ 98,532,000 | | |

(a) 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.

(b) 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.

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

(d) 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.

(e) This fund invests primarily in long-only investments in publicly traded bonds and other debt securities generally with below investment grade credit ratings as well as futures and options on such securities and certain bond indices.

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

(g) This class includes primarily investments in hedge funds that invest in both long and short positions in publicly traded equity and debt securities on a global basis. Most debt securities are sub-investment grade and may be hard to price due to thin trading volumes. The fair values of the investments in this class have been estimated using the net asset value per share of the investments. One (1) investment, valued at $2.7 million, is considered to be a segregated asset by the manager. The segregated asset contains impaired assets that have been separated from the manager's fund and are expected to be gradually monetized. Proceeds will be returned upon monetization, but the timing is uncertain.

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

**Miami University Foundation**

**Notes to the Financial Statements**

## 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 2,028 separate accounts established since its inception. The following presents a summary of changes in endowment net assets for the year ended June 30, 2021:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Endowment net assets, July 1, 2020 | $ 3,803,299 | $ 311,216,263 | $ 315,019,562 |
| Contributions | 72,729 | 30,440,202 | 30,512,931 |
| Dividend and interest income, net of investment expense | 15,575 | 1,276,608 | 1,292,183 |
| Realized and unrealized gains | 1,165,680 | 94,289,331 | 95,455,011 |
| Net assets released from restrictions and other changes | 15,686,385 | (15,205,576) | 480,809 |
| Distributions to Miami University | (12,918,423) | - | (12,918,423) |
| Administrative expenses | (2,899,772) | - | (2,899,772) |
| **Endowment net assets, June 30, 2021** | $ 4,925,473 | $ 422,016,828 | $ 426,942,301 |

**Miami University Foundation**

**Notes to the Financial Statements**

## Note 6. Endowment (Continued)

Endowment net asset composition by type of fund as of June 30, 2021:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Donor-restricted endowment: | | | |
| Historical gift value | $ - | $ 276,685,401 | $ 276,685,401 |
| Appreciation | - | 145,331,427 | 145,331,427 |
| Board-designated endowment | 4,925,473 | - | 4,925,473 |
| **Total** | $ 4,925,473 | $ 422,016,828 | $ 426,942,301 |

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. There were no deficiencies of this nature as of June 30, 2021.

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 2021 was $22,320,675 which includes $7,531,122 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, $11,941,479 was distributed to Miami University from Foundation endowments. In addition to current year endowment distributions, $3,942,095 of non-endowed funds were distributed to Miami University in satisfaction of donor restrictions. The following summarizes the programs supported by the current year's distribution:

| Miami University Program Supported | Spending Rate and Special Distribution | Donor Stipulated Distribution | Total Distributions to Miami University |
|---|---|---|---|
| Scholarships and fellowships | $ 6,221,460 | $ 114,207 | $ 6,335,667 |
| Academic support | 4,486,096 | 831,745 | 5,317,841 |
| Student services/athletics | 404,881 | 38,623 | 443,504 |
| Campus improvements | 94,893 | 1,499,955 | 1,594,848 |
| Other institutional support | 734,149 | 1,457,565 | 2,191,714 |
| **Total distributions to Miami University** | $ 11,941,479 | $ 3,942,095 | $ 15,883,574 |

**Miami University Foundation**

**Notes to the Financial Statements**

## Note 6. Endowment (Continued)

Miami University incurs certain expenses related to development and investment related expenses relative to endowment management as well as fundraising efforts for the benefit of the Foundation. Miami University is reimbursed for its expenses in the form of a maximum administrative fee of 1.0% calculated against the previous fiscal year's March 31st value of the Foundation investment pool. The administrative fee is funded from current and accumulated earnings from all funds holding shares in the Foundation investment pool, including the assets held for other entities; funds with insufficient accumulated earnings are not charged thereby reducing the maximum administrative fee payable. A total of $2,899,772 was reimbursed to Miami University in 2021 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, 2021:

| Miami University Program Supported | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Scholarships and fellowships | $ 1,311,440 | $ 208,973,798 | $ 210,285,238 |
| Academic support | - | 163,637,429 | 163,637,429 |
| Student services/athletics | - | 13,210,933 | 13,210,933 |
| Campus improvements | - | 6,664,338 | 6,664,338 |
| Institutional support and other | 3,614,033 | 64,285,855 | 67,899,888 |
| **Total net assets** | $ 4,925,473 | $ 456,772,353 | $ 461,697,826 |

## Note 8. Functional Expenses

Expenses classified by functional classification for the year ended June 30, 2021, are summarized as follows:

| | Program Services | Management and General | Fundraising | Total Expenses |
|---|---|---|---|---|
| Distributions to Miami University | $ 15,883,574 | $ - | $ - | $ 15,883,574 |
| Other expenses | - | 433,242 | - | 433,242 |
| Administrative expenses | - | 1,855,854 | 1,043,918 | 2,899,772 |
| | $ 15,883,574 | $ 2,289,096 | $ 1,043,918 | $ 19,216,588 |

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

**Miami University Foundation**

**Notes to the Financial Statements**

## Note 9. Availability and Liquidity

The calculation below represents financial assets available and without donor restrictions for general expenditures within one year of June 30, 2021:

| | |
|---|---|
| Financial assets at year end: | |
| Cash and cash equivalents | $ 55,223,052 |
| Pledge receivable, net | 18,854,458 |
| Other receivables, primarily investment related | 10,320,304 |
| Investments | 682,108,589 |
| Cash value of life insurance | 1,879,981 |
| **Total financial assets** | 768,386,384 |
| Less amounts not available to meet cash needs for general expenditures within one year: | |
| Contractual or donor restrictions: | |
| Donor restricted endowment | (422,016,828) |
| Donor restricted by time or purpose | (34,755,525) |
| Assets held for other entities | (282,419,394) |
| Board designated endowment | (4,925,473) |
| **Total financial assets and available resources available within one year** | $ 24,269,164 |

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

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

## Note 10. Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries. The extent to which the coronavirus impacts the Foundation's financial condition, results of operations, and cash flows will depend on future developments, which are highly uncertain and cannot be predicted, but include new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others. To date, the Foundation has experienced significant fluctuations in the fair value of its investment portfolio. The concentration of revenue from investments which are a significant source of support for the Foundation's activities make it reasonably possible that the Foundation is vulnerable to additional investment volatility risk.

# Supplementary Information

## Miami University Foundation

## Schedule of Changes in Net Assets
## Year Ended June 30, 2021

| | Balance July 1, 2020 | Contributions | Endowment Income | Market Adjustment, Net | Transfers To Miami | Intrafund Transfers | Other | **Balance June 30, 2021** |
|---|---|---|---|---|---|---|---|---|
| Pooled endowment funds | $ 314,351,365 | $ 30,507,505 | $ 1,283,724 | $ 92,385,123 | $ (12,904,009) | $ 507,418 | $ - | **$ 426,131,126** |
| Non-pooled endowment funds | 668,197 | 5,425 | 8,460 | 170,116 | (14,414) | (26,609) | - | **811,175** |
| **Total endowment funds** | 315,019,562 | 30,512,930 | 1,292,184 | 92,555,239 | (12,918,423) | 480,809 | - | **426,942,301** |
| Expendable funds - donor restricted for capital projects | 3,115,664 | 1,107,666 | 1,051 | (112) | (1,498,706) | - | - | **2,725,563** |
| Expendable and board discretionary funds-non capital | 1,515,122 | 1,195,891 | 516 | (71) | (1,460,445) | 312,673 | (433,242) | **1,130,444** |
| Accumulated cash value insurance | 2,082,859 | 12,683 | - | 96,585 | - | (312,146) | - | **1,879,981** |
| Other investment funds | 219,247 | 291,662 | 19,720 | (74,597) | (6,000) | (325,285) | - | **124,747** |
| Net split-interest funds | 7,247,257 | 313,939 | (15) | - | - | (156,051) | 2,484,032 | **9,889,162** |
| Pledges receivable | 26,153,262 | (7,298,804) | - | - | - | - | - | **18,854,458** |
| Interest in trusts held by others | 158,758 | - | - | - | - | - | (7,588) | **151,170** |
| **Total net assets** | $ 355,511,731 | $ 26,135,967 | $ 1,313,456 | $ 92,577,044 | $ (15,883,574) | $ - | $ 2,043,202 | **$ 461,697,826** |

Detail of Market Adjustment, Net

| Net Unrealized and Realized Gains | Administrative Expense | Market Adjustment, Net |
|---|---|---|
| $ 95,476,816 | $ 2,899,772 | $ 92,577,044 |

## Miami University Foundation

## Schedule of Investments
## June 30, 2021
## (With Comparative Totals for June 30, 2020)

| Description | 2021 Fair Value | 2020 Fair Value |
|---|---|---|
| **Pooled Funds** | | |
| Strategic Investment Management, LLC Funds (a) | | |
| Strategic Active Credit Trust | $ **35,389,724** | $ 20,701,320 |
| Strategic Developed Markets ex-US Equity Trust | **71,827,758** | 50,857,175 |
| Strategic Emerging Market Equity Trust | **71,693,422** | 61,131,503 |
| Strategic Global Equity Trust | **52,438,815** | 41,514,015 |
| Strategic SPC Alpha Segregated Portfolio | **147,981,625** | 95,132,158 |
| Strategic U.S. Equity Trust | **103,985,212** | 86,531,721 |
| **Total Strategic Investment Management, LLC Funds** | **483,316,556** | 355,867,892 |
| International Public Equities | | |
| iShares Core MSCI EAFE ETF (b) | **413,227** | 3,730,262 |
| iShares Core MSCI Emerging Markets ETF (b) | **1,340** | 952 |
| iShares Russell 3000 ETF (b) | **-** | 2,970,990 |
| **Total International Public Equities** | **414,567** | 6,702,204 |
| Domestic Public Debt (c) | | |
| Strategic Investment Group (U.S. Treasuries - Government Bonds) | 56,750,484 | 25,120,120 |
| **Total Domestic Public Debt** | **56,750,484** | 25,120,120 |
| Hedge Funds (a) | | |
| Fir Tree Partners | **-** | 66,580 |
| GoldenTree Asset Management | **2,772,261** | 2,087,707 |
| Hildene Capital Management | **5,107,822** | - |
| **Total Hedge Funds** | **7,880,083** | 2,154,287 |
| Various Private Capital Investments (a) | | |
| Asia Research & Capital Management Limited (ARCM) - Debt | **3,234,911** | 1,473,354 |
| Bayview Fund Management, LLC - Debt | **1,387,956** | - |
| Commonfund (7 Funds) - Various | **5,020,008** | 4,281,153 |
| Falcon Investment Advisors - Debt | **5,897,150** | 5,827,597 |
| GEM Realty Securities - Real Estate | **10,704,584** | 11,026,534 |
| Goldman Sachs (4 funds) - Various | **4,093,453** | 4,561,837 |
| Hamilton Lane Advisors (2 funds) - Equities | **2,292,186** | 2,850,289 |
| Huron Capital Partners - Equities | **2,157,020** | 2,199,832 |
| Maranon Capital, LP - Debt | **7,630,108** | 9,196,912 |
| Metropolitan - Real Estate | **410,030** | 458,277 |
| Penn Square Capital Group (2 funds) - Real Estate | **938,396** | 1,206,501 |
| Pomona Capital - Equities | **164,338** | 189,172 |
| Rockland Capital LLC - Natural Resources | **3,701,070** | 2,164,162 |
| Strategic Private Equity V - Equities | **34,373,909** | 13,826,436 |
| Summit Partners - Equities | **10,774,988** | 6,872,626 |
| Domain Timber Advisers (2 funds) - Natural Resources | **3,159,506** | 3,792,174 |
| Venture Investment Associates - Natural Resources | **4,989,292** | 4,261,178 |
| Westport Capital Partners (2 funds) - Real Estate | **11,897,159** | 22,115,820 |
| Yukon Partners - Debt | **4,766,866** | 6,558,812 |
| **Total private investments** | **117,592,930** | 102,862,666 |
| **Total pooled funds** | **665,954,620** | **492,707,169** |

(Continued)

## Miami University Foundation

## Schedule of Investments (Continued)
## June 30, 2021
## (With Comparative Totals for June 30, 2020)

| Description | 2021 Fair Value | 2020 Fair Value |
|---|---|---|
| **Separately Invested Funds** | | |
| Limited Partnerships, Non-Public Equities (a) and Separately held mutual funds (d) | | |
| Stone Ridge (d) | $ 2,425 | $ 26,567 |
| Student Managed Investment Funds (c) | 734,257 | 274,396 |
| Student Venture Funds | 174,750 | 214,250 |
| United States Treasury Inflation Protections Securities (c) | 21,772 | 21,297 |
| **Total limited partnerships, non-public equities and separately held mutual funds** | 933,204 | 536,510 |
| **Total separately invested funds** | 933,204 | 536,510 |
| **Split-Interest Funds** | | |
| PNC Bank (c) | | |
| Domestic public equities | 7,223,363 | 5,656,355 |
| International public equities | 2,845,059 | 1,641,402 |
| Domestic public debt | 4,514,745 | 4,506,267 |
| Global public debt | 637,598 | 481,276 |
| **Total split-interest funds** | 15,220,765 | 12,285,300 |
| **Grand total** | $ 682,108,589 | $ 505,528,979 |

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

Business Session
Item 3a
December 10, 2021
Finance and Audit

# TUITION AND FEE ORDINANCE
## Professional MBA Program
## ORDINANCE O2022-XX

WHEREAS, Miami University is committed to providing a quality and affordable education and services to its graduate students; and

WHEREAS, the Board of Trustees of Miami University annually adopts tuition (instructional and general fees) and an out-of-state surcharge for graduate students on all campuses; and

WHEREAS, the University offers graduate program with unique costs and market conditions; and

WHEREAS, after evaluating the competitive position of the Miami PMBA program in the greater Cincinnati market, the Farmer School of Business recommends that tuition remain at $1,050; and

NOW, THEREFORE, BE IT ORDAINED: that the Board of Trustees approves the recommendation to maintain the current PMBA tuition of $1,050 per credit hour for the 2022-23 student cohort.

Business Session
Item 3b
December 10, 2021
Finance and Audit

**TUITION AND FEE ORDINANCE**
**Mental Health Fee**
**ORDINANCE O2022-XX**

WHEREAS, Section 381.160 (A)(2) of HB 110 prohibits the creation of new special purpose fees unless authorized by the Chancellor of Higher Education; and

WHEREAS, Miami University previously eliminated its health center fee in order to reduce the cost of tuition; and

WHEREAS, the mental health of students has been a growing concern on university campuses for the past decade and has been a specific concern of Miami University's Association of Student Government; and

WHEREAS, the post pandemic environment is leading to a sharp growth in the number of students requiring services and the complexity of the services needed; and

WHEREAS, Miami University has through its own financial resources expanded the services available for students on the Oxford Campus but demand for these services continues to exceed the available services on campus and the limited number of service providers in the Oxford community further restricts student access to these essential services; and

WHEREAS, Vice President Jayne Brownell and her staff have developed a plan for expanding services over the next four to five years to reduce the gap between the services needed and their availability to students; and

WHEREAS, the expansion of these services will require a substantial increase in the spending on these services that can only be met through a new mental health fee given the absence today of any health fee paid by Miami students; and

WHEREAS, a fee of $50 per semester for a student taking 12 or more credit hours is proposed to begin in fall 2022 that will only be applied to students enrolling for the first-time given Miami's tuition promise program.

NOW, THEREFORE, BE IT RESOLVED: the Miami University Board of Trustees approves the creation of a new mental health fee in the amount identified above to be assessed to all new first-time students beginning with the fall 2022 entering cohort; and

BE IT FURTHER RESOLVED: the proposed new fee is dependent on the approval of the Chancellor of Higher Education and will not be implemented absent the Chancellor's approval.

Mental health has been a growing concern on college campuses for over a decade, but it has been talked about much more widely and with more urgency in recent years with the isolation and uncertainty of the COVID-19 pandemic, renewed and intensified conversations across the country about diversity, equity and inclusion, and more visibility and action around sexual and interpersonal violence, among other issues. The American Psychological Association declared a "National Mental Health Crisis" in January of 2021, and their survey conducted later in the year shows that conditions are not improving for mental health nationally. The JED Foundation (2020) reports that 63% of college students say their emotional health is worse than before the COVID-19 pandemic and 56% of students are significantly concerned with their ability to care for their mental health. The predominant ways the distress and mental health concerns are presenting are anxiety (82%), depression (63%), trouble concentrating (62%), and difficulty coping with stress in healthy ways (60%) and 1 in 5 students have had suicidal thoughts in the past month (JED Foundation, 2020). There is a new awareness in our culture that emotional health and well-being are important, and even when not rising to the level of a clinical diagnosis, seeking out help during times of distress has become normalized for our students.

Miami has invested in additional staffing in the Student Counseling Service (SCS) since 2014. However, even with that expansion we are not meeting the current level of need of our student population. As a residential campus made up of a traditionally-aged student body, many of whom had the resources to access these types of services before arriving at Miami, our students are more likely to expect and use mental health services than on campuses with older or commuter students. Our rural campus adds another challenge since our students have limited access to private providers in the surrounding community. All of those factors put a strain on our system. Further, mental health and emotional well-being is not only addressed through formal psychological counseling. There are elements of **prevention**, **ongoing treatment and support**, and **response** that work together to form a network of mental health support for our student community. Those other pieces of our system are all strained as well, and require new resources to adequately meet the range of student needs now and in the future.

**Prevention:**

As we think about prevention resources, health education is the primary strategy we can employ. In Miami's Office of Student Wellness, we offer educational programs provided through online modules (e.g. AlcoholEdu, Sexual Assault Prevention for Universities), through direct active and passive programming (e.g. public health campaigns), and through the use of our HAWKS peer educators. Due to limited resources, the current focus of that work is primarily on alcohol and other drugs and on sexual and interpersonal violence prevention. Expanding our professional and peer education team would allow them to focus on topics related to mental health, emotional well-being, suicide prevention, and student safety.

**Ongoing treatment and support:**

Many students need personal, individualized support while at Miami outside of times of crisis. This may be a short term need, an ongoing but manageable psychological condition, or a

disability diagnosis that requires accommodations to be successful at Miami. The majority of these needs are provided by SCS and by the Miller Center for Student Disability Services.

***Student Counseling Service:***
The last 10 years has seen a 13.7% increase in the total number of all clinical services (individual and group counseling, workshops, substance use assessments, psychiatric appointments, drop-in consultations, and mental health screenings) and a 60% increase in demand for individual counseling services provided at SCS. This is despite a temporary decrease in demand during COVID-19 while students were studying remotely.

| **SCS utilization** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **13/14** | **14/15** | **15/16** | **16/17** | **17/18** | **18/19** | **19/20** | **20/21** |
| Individual counseling appointments | 5551 | 5699 | 6592 | 7325 | 7922 | 8616 | 7631 | 9137 |
| Unduplicated students served | NA | 1142* | 1948* | 2002* | 2087* | 2032 | 1849 | 1189 |

*includes psychiatry appointments

By adding five additional counseling staff since 2014, we were successful in reducing the wait time for an initial consultation appointment to about one or two business days. However at busy times of the year, students' next appointment beyond that initial consultation could be as long as two weeks. This year, with increased student demand, we are currently seeing up to a 10 day wait time for that first, initial consultation appointment, which is concerning, and up to a 4 week wait for a first follow-up therapy appointment for individual counseling. Additional full-time clinical staff would allow us to keep those wait times low or eliminate them completely.

***Miller Center for Student Disability Services:***
Psychological disabilities, including AD/HD, and medical disabilities have become the top two disability categories served by the Miller Center. Anxiety related disorders are the fastest growing subgroup among the psychological disabilities category. Due to the unpredictable nature of psychological and medical disabilities, students have a higher need for ongoing case management services, and often need both academic and personal accommodations to succeed.

The number of students with disabilities at Miami University is increasing on a continuous basis. Currently, the Miller Center is serving 2282 students (fall 2021), a 32% increase compared to fall 2018. That number represents 12% of the Oxford student body.

In terms of staffing, the most recent 2018 Association on Higher Education and Disability (AHEAD) benchmarking survey indicated a national average staffing ratio of 150:1 for institutions with 10,000-19,000 students. Those institutions report an average of 752 registered students and 5 staff members providing direct services to students. We have 4 staff members providing direct services, with nearly three times the number of registered students, or a ratio of

570:1. Increasing the number of accommodation coordinators would enhance the support for this growing population.

**Response:**
Response to student crises involves several parts of campus (e.g. Residence Life, MUPD, SCS, and others) with ongoing and complex needs often occurring in the days and weeks after the immediate crisis has passed.

There are also students whose situations build and escalate over time, requiring staff to actively follow up with these students, ideally to prevent a crisis point from occurring. We're including those situations under response since they require focused staff time to respond to a report (usually to the CARE team) and to outreach to a student and offer support. These cases might get funneled to SCS or other resources for ongoing care, or can be case managed for long periods of time.

The CARE team saw a significant increase in cases (36%) during the first 10 weeks of the term this year, through the end of October. Further,17% of all reports include suicidality/ideation. The increase in suicidality and psychological distress have contributed to a 24% increase in medical withdrawals as compared to the same date in fall 2019 (a traditional year). We anticipate this number will continue to rise, as our peak period for medical withdrawals will come later in the semester. In recent non-COVID years, more than 300 students requested a medical leave each year.

| **Through October 31** | **2019** | **2021** | **Year over year increase** |
|---|---|---|---|
| CARE/Students of Concern Cases (SOC) | 169 | 229 | 36% |
| Care cases related to suicidal ideation/attempt | 18 | 39 | 117% |
| Medical Withdrawals | 74 | 92 | 24% |

As we look to future needs regarding response, it would be very helpful to have a new role, a Care Manager. This person would likely have a social work or similar background, and could serve multiple needs. In the DOS office, they could:

- Outreach to students identified by the Care team and connect them to campus resources.
- Follow up with students who have been hospitalized for a mental health crisis to aid their initial support and transition back to campus, working with SCS as appropriate.
- Assist the Dean of Students office with medical withdrawal processes, as appropriate.
- Assist the Title IX coordinator in assisting students who have experienced sexual or interpersonal violence to arrange requested campus accommodations.

In SCS, in addition to providing direct clinical service, they could:

- Assist students who need care beyond the scope of Student Counseling Services to find off-campus services for longer-term or more specialized care or to manage more serious mental health challenges.
- Follow up with students who have been hospitalized for a mental health crisis to provide ongoing support.
- Follow up with students returning from a medical leave of absence who had psychological or substance use issues to help them with a successful reentry into the Miami community.

In order to have the financial resources to increase our capacity for assisting students with their mental health and emotional well-being while at Miami, we propose a new student fee that would be deployed in the ways described in the plan below. The fee would apply to all undergraduate and graduate students enrolled on the Oxford campus who will have any physical presence on campus, and would be prorated for part-time students.

These fees exist at many other colleges and universities around the country. Currently, all of the existing staff resources referenced in this memo (counseling, health education/wellness, Miller Center, Dean of Students) are funded through E&G resources; no student fees contribute to these staff salaries. At many other institutions, student counseling staff in particular is at least partially funded by student fees, either in a fee for service model or by a blanket student fee. For a sample of fees at other schools, please Appendix A at the end of this document.

**Mental Health Support fee proposal**

| Based on 4250 students per class | **$100 ($50 per term)** |
|---|---|
| **Year 1** | $425,000 |
| **Year 2** | $850,000 |
| **Year 3** | $1,275,000 |
| **Year 4** | $1,700,000 |

Below is a description of the roles that would be added each year. A detailed budget is available here, organized by year and by category of support (prevention, ongoing treatment and support, and response).

**Year One:**

- Care manager: This 12-month position would initially be shared by the DOS and SCS
- Two mental health counselors (10 month)
- Disability accommodations coordinator
- Health education coordinator: This position would manage the scheduling, management, and compliance with all of our health education requirements for students, as well as work with our HAWKs peer educators.
- Health educator: This position would focus on prevention efforts related to mental health, including suicide prevention.

**Year Two:**

- Four psychology doctoral interns
- Disability accommodations coordinator
- Care manager (10 month): We would change the responsibilities of one of the two people with this role so one would be in SCS full time and one in the DOS office full time. This would allow the SCS care manager to provide clinical services as needed, which for licensing reasons could not take place in the DOS office.
- Graduate assistant for DOS office
- Employee an additional 10 HAWKs peer educators to focus on mental health issues.
- Health educator: This position would focus on multiple issues related to student well-being, such as mental health, healthy relationships, and alcohol and other drugs

**Year Three:**

- Two mental health counselors (12 month)
- Graduate assistant for Student Wellness
- Graduate assistant for health and wellness communications (social media, websites, publications, marketing materials, etc.)
- Confidential advocate for sexual and interpersonal violence (SIV): This role has been provided by Women Helping Women, but their resources vary so there have been years

that no one was available to students, and it is an important part of a care network for these students. This would offer stability in that role.
- Health education programming funds
- Programming and training funds for HAWKS
- Office and training/professional development expenses for additional staff

**Year Four:**
- New technology solutions are being introduced to allow more access to mental health support 24 hours a day. In a few years that market will be more developed and it will make sense to adopt some form of virtual mental health support.
- Permanent funding for HOPE 24/7 crisis line: these gift monies that support this line will be exhausted.
- Permanent funding to hire per diem counselors in SCS during peak times of year: the gift monies that allow us to use this practice will be exhausted by this date.
- Making sure our services are accessible to all students is a priority. We currently have a gift account that supports copays and fee waivers for low income students, but that fund will be exhausted by this date. This would provide permanent funding.
- Any remaining funds would be used for new well-being needs/initiatives that may arise in the next four years, and to support future salary increases for fee-funded staff.

## References

American Psychological Association. (2021a). The national mental health crisis. https://www.apa.org/news/press/releases/stress/2021/october-decision-making.

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**Appendix A: Sampling of mental health related fees at other institutions**

IUC Universities

- Kent State University: "Student Recreation and Wellness Fee" - Counseling & Psychological Services (CAPS) - enrolled students are eligible for 6 covered therapy sessions each academic year which are paid for by student fees: **$55/semester**

- Ohio University: "Wellbeing Fee" - a university discount program that helps reduce patient costs for select services through Counseling and Psychological Services (CPS)." **$45/semester** https://www.ohio.edu/student-affairs/wellbeing

- Shawnee State University: "Student Health and Wellness Fee" Personal counseling appointments, workshops, crisis/emergency: **$25/semester**

- Wright State University: "Counseling and Wellness Services Fee" - an optional **$20/semester** fee that allows students to receive mental health services (counseling, psychological assessment and psychiatric services) and Life Coaching Services at CWS at no cost. Students may choose to waive the fee and continue to utilize the counseling and wellness services, but at a cost of $20 per session for mental health, psychological assessment, psychiatric and/or life coaching services." https://www.wright.edu/student-affairs/health-and-wellness/counseling-and-wellness/counseling-and-wellness-services-fees

Other Public Universities

- University of Buffalo: "Health fee" - Supported services include health care, health promotion, mental health counseling, and accessibility resources. http://www.buffalo.edu/studentaccounts/tuition-and-fees/broad-based-fees/comprehensive-fee/comprehensive-fee-components/health.html **$219.50/semester**

- University of Utah: "Student Mental Health Fee" - A **$15/semester** fee that is shared across the Center for Student Wellness, the Center for Disability and Access, the Women's Resource Center and the University Counseling Center.

- Indiana University: "Health Fee" - Covers routine medical office visits, over-the-counter medications, two counseling sessions per semester, wellness services and health coaching. **$124.99/semester**

- University of Arkansas: Student Health Fee" - The fee addresses important concerns for the entire campus community, including communicable disease, sexual health, mental health, and substance abuse. **$7.25/credit hour**

- San Diego State University: “Health & Wellness Fee” - Mental health resources **$55/semester**

- University of Connecticut: “Health & Wellness Fee” - offsets the costs for medical and mental health services, as well as health promotion and wellness activities. **$290/year**

- West Virginia University: “Mental Health Fee” - Provides funding for additional therapists and counselors at Counseling Center. **$24/semester**

Private Universities

- Brown University: “Health Services Fee” - Access to care for all students on campus, including medical services, health promotion, and counseling services. **$503/semester**

- Clemson University: “Student Health Fee” - Provides medical, counseling & psychological, and health promotion services. **$182/semester**

- Columbia University: “Health & Related Services Fee” - Gives students access to services available at Health Promotion, Counseling, Medical, Disability, and Sexual Violence Response. **$623/semester**

- Syracuse University: “Health & Wellness Fee” - Provides services for counseling, healthcare, and community wellness. **$391/semester**

- Tufts University: “Health and Wellness Fee” - Unlimited visits to health services, counseling services, and programming pertaining to health promotion and prevention. **$958/year** https://students.tufts.edu/health-and-wellness/your-health-and-wellness-fee

- Tulane University: “Campus Health Fee” - supports the operations of Campus Health, which offers Tulane students comprehensive medical, mental health, and health promotion services. **$345/semester**

Business Session
Item 3c
December 10, 2021
Finance and Audit

**TUITION AND FEE ORDINANCE**
**Farmer School of Business Fee**
**ORDINANCE O2022-XX**

WHEREAS, Section 381.160 (A)(2) of HB 110 places legislative restrictions on how much undergraduate tuition and special purpose fees may be increased; and

WHEREAS, increases in or the creation of new special purpose fees must be approved by the Chancellor in addition to being adopted by the University's Board of Trustees; and

WHEREAS, the Farmer School of Business program fee of $110 per credit hour has not been increased since the fall of 2016; and

WHEREAS, the fee is necessary to cover the cost of exceptionally high business faculty salaries and enhanced support functions and student experiences; and

WHEREAS, the cost of these essential academic services continue to rise while Ohio's appropriation for instruction remains over $3 million less for fiscal year 2022 than what the Oxford Campus was appropriated and received 21 years earlier in fiscal year 2001; and

WHEREAS, the increase in the Farmer School of Business fee will not apply to existing students due to the Miami tuition promise and will only be assessed for fist-time students beginning in the 2022-23 academic year.

NOW, THEREFORE, BE IT RESOLVED: the Miami University Board of Trustees approves the increase in the Farmer School of Business program fee from $110 to $125 per credit hour effective for new students beginning in the 2022-23 academic year; and

BE IT FURTHER RESOLVED: that the proposed increase in this fee is subject to the approval of the Chancellor of Higher Education; and

BE IT FURTHER RESOLVED: the Board of Trustees of Miami University recommends to the Chancellor that the fee be subject to the percentage change in tuition allowed under Ohio law commencing with the new 2023-24 student cohort.

MIAMI UNIVERSITY
PHYSICAL FACILITIES DEPARTMENT

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**Status of Capital Projects Executive Summary**
**December 10, 2021**

1. Projects completed:

Four major projects were completed since the last report. The Fire Alarm Monitoring Upgrade and the IT Fiber Distribution Improvement projects were both important infrastructure upgrades. The projects improved the reliability of critical systems on campus. The Center for Performing Arts (CPA) roof replacement project faced some challenges due to supply chain issues, but was finally completed. Finally, the South Chiller Plant Conversion Phase 2 brought Nellie Craig Walker Hall and Hanna House onto our new, efficient central utilities. The project also brought chilled water and heating hot water to the new Clinical Health Sciences and Wellness facility. This project was part of our Utility Master Plan and our continued effort in achieving our sustainability initiatives. Collectively, 16% of the project revenues will be returned upon closure of the projects. Eight projects under $500,000 were completed since the last report.

2. Projects added:

No major projects and seven projects under $500,000 were added since the last report.

3. Projects in progress:

The Clinical Health Sciences and Wellness facility is really beginning to take shape. The entire steel structure and the roof trusses on the southern wing are now complete. Framing on the exterior walls is underway and allowing portions of the building to be enclosed. All major HVAC units have arrived and are installed in the lower level. The Dodds Hall Renovation is making good progress. Inside the building, the elevator shaft has been installed and partition and ceiling framing is nearly complete. The fan coil units are being installed in the rooms. On the exterior of the building, windows are now being installed and the roof repairs and trim painting have been completed. Work has just begun on the Richard M. McVey Data Science Building. Earthwork and site utilities are the first activities on the site. Finally, the University Hall Renovation has made great progress and is completing early. Furniture move-in on the final phase of this project is occurring in the middle of December. Occupants will move into the space in early January 2022, well in advance of the spring semester.

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** | **4** | **$181,660,000** |
| **In Design** | **4** | **$54,150,000** |
| **In Planning** | **5** | **$94,280,000** |
| **Projects Under $500,000** | **42** | **$13,420,248** |
| | **Total** | **$343,510,248** |

**New Projects Over $500,000**

**Projects Completed Since Last Report**

| | |
|---|---|
| **Fire Alarm Monitoring Upgrade** | **$1,400,000** |
| **IT Fiber Distribution Improvement** | **$750,000** |
| **Oxford Campus – CPA Roof Replacement** | **$1,342,413** |
| **South Chiller Plant Conversion, Phase 2** | **$4,000,000** |

Miami University
Physical Facilities Department
Status of Capital Projects Report

## UNDER CONSTRUCTION

## (Under Contract)
## Projects Requiring Board of Trustees Approval

1. **Clinical Health Sciences and Wellness Facility:** (BOT Feb '20)
Heflin
A Programming Committee comprised of faculty, administration and Physical Facilities staff was convened in January 2019 to determine the program of the facility. The team worked with the Criteria AE firm of Moody Nolan and Perkins and Will to develop the Program of Requirements, assist in site selection analysis, and provide the Conceptual and Schematic Design.

The Student and Employee Health Services and Student Counseling clinics and the Student Wellness organization are included in the health sciences facility, along with the Speech Pathology and Audiology clinic and academic program, Nursing, and the new Physician Associate program. The Clinical Health Sciences and Wellness facility site is to be built on the existing footprint of the health and counseling center and adjacent parking lot. This location required relocating the clinic operations to Harris Hall while the new facility is under construction. The project's $96,000,000 budget includes the $6,200,000 Harris Hall renovation budget which was previously approved by the Board of Trustees. Some of the program spaces include simulation and skills labs, a standardized patient clinic, speech and audiology research labs, gross anatomy and health innovation labs, as well as classrooms and faculty/staff offices.

Structural steel, air handler equipment installation, and slab on metal deck concrete pours are complete. Roof truss, bar joist exterior wall framing, mechanical, electrical and plumbing installation are in process. Roofing installation begins in December. The construction will progress south to north allowing dried in area work to continue. Final truss installation will complete in early February 2022. Construction will progress through March 2023 with the PA program starting classes in May 2023. All other program groups will commence operation for the 2023 Fall Semester.

Under Construction

Miami University
Physical Facilities Department
Status of Capital Projects Report

**Clinical Health Sciences and Wellness Facility (continued):**

Delivery Method: Design-Build

| Project Cost | |
|---|---|
| Design and Administration | $6,689,810 |
| Cost of Work | $79,360,260 |
| Contingency | $3,282,750 |
| Owner Costs | $6,667,180 |
| Total | $96,000.000 |

| Funding Source | |
|---|---|
| Local | $74,790,000 |
| State | 21,210,000 |
| | |
| | |
| Total | $96,000,000 |

Contingency Balance: $3,182,750
Construction Complete: 44%
Project Completion: Summer 2023

2. **Dodds Hall Renovation:** (BOT Dec ’19)
Morris
This project will renovate Dodds Residence Hall at the northeast corner of the South Quad as a continuation of the 2010 Long Range Housing Master Plan. This will be the last of the South Quad halls to be renovated. Dodds Hall will receive an upgrade very similar to what was completed at Porter Hall – mechanical systems, energy efficiency, finishes and accessibility. The design includes improvements in the heating, cooling, plumbing and life safety systems, as well as the building envelope. The renovation extends the life of the facility.

Roof repairs, elevator shaft installation, partition and ceiling framing, and third floor windows are largely complete. Fan coil units and second floor windows are being installed. Drywall installation is in process. Underground plumbing is complete. On the exterior of the building, painting of the roof trim is complete. Inside the building, metal studs are being installed. Windows were delivered late due to supply chain delays.

Under Construction

Miami University
Physical Facilities Department
Status of Capital Projects Report

**Dodds Hall Renovation (continued):**

Delivery Method: Design-Build

| Project Cost | |
|---|---|
| Design and Administration | $874,271 |
| Cost of Work | $15,240,514 |
| Contingency | $560,215 |
| Owner Costs | $985,000 |
| Total | $17,660,000 |

| Funding Source | |
|---|---|
| Local | $17,660,000 |
| | |
| | |
| | |
| Total | $17,660,000 |

Contingency Balance: $560,215
Construction Complete: 30%
Project Completion: August 2022

3. **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 design development phase has been completed and the Design Build team is working on the construction documents which will be complete by February 2022. The first GMP has been executed and includes earthwork, site utilities, foundations, waterproofing and the pre-purchase of structural steel and elevators. Subsequent GMPs will be received over the next several months and is expected to be finalized by late February. On-site activities have begun and contractors are continuing to mobilize.

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: $3,607,459
Construction Complete: 0%
Project Completion: January 2024

**4. University Hall Renovation:** (BOT Feb ’20)
Heflin
This project will renovate University Hall to provide students and faculty a state-of-the-art educational facility with high fidelity simulation and skills laboratory spaces, flexible and technologically-integrated classrooms and study spaces, as well as the necessary administrative and faculty support spaces need to support the program.

The renovation of University Hall will focus on three primary priorities--building infrastructure upgrades and deferred maintenance, interior renovations and improvements, and exterior enhancement.

Phase II construction is substantially complete. Punchlist work is being completed. Furniture move-in will occur December 13-23. Occupants will move into the space in early January 2022, with all areas completed in time for the 2022 Spring Semester. The adjacent asphalt parking lot will be resurfaced in the summer of 2022.

Under Construction

Miami University
Physical Facilities Department
Status of Capital Projects Report

**University Hall Renovation (continued):**

Delivery Method: Design-Build

| Project Cost | |
|---|---|
| Design and Administration | $720,764 |
| Cost of Work | $7,620,050 |
| Contingency | $981,437 |
| Owner Costs | $677,749 |
| Total | $10,000,000 |

| Funding Source | |
|---|---|
| 2020A Bond | $638,587 |
| Local | $9,361,413 |
| | |
| | |
| Total | $10,000,000 |

Contingency Balance: $731,387
Construction Complete: 95%
Project Completion: January 2022

Under Construction

Miami University
Physical Facilities Department
Status of Capital Projects Report

## UNDER CONSTRUCTION

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

**No Projects This Report**

Miami University
Physical Facilities Department
Status of Capital Projects Report

# IN DESIGN
# (Pre-Contract)

## 1. Central Campus Hot Water Conversion:

Van Winkle

As part of the Campus Utility Master Plan, the Central Campus Hot Water Conversion Project will convert a large portion of the central quadrangle of campus from steam to hot water. This project includes the creation of a new satellite campus heating plant to be located in the basement of Upham Hall. Hot water piping will be extended from this new satellite campus heating plant to the buildings in central area of campus. The project will also create redundant connections to the existing distribution piping from the South Chiller Plant. The cross connection between the two plants will improve robustness and reliability for both the South Chiller Plant and the new Central Campus Utility Plant. A small amount of the new hot water piping will be located in the existing tunnel systems with the remainder to be direct buried. Hot water connection and conversion of Ogden is occurring under another project, as that building is being renovated. Hot water connection and conversion to Williams, Bonham House, Warfield, MacMillan, Kreger, Irvin, Alumni, Bishop, McGuffey, Hall Auditorium, King Library, Harrison and Upham will occur as part of this project. Steam supply is being maintained to the new Central Campus Utility Plant located in Upham Hall for Hot Water production. In the future, the steam supply is planned to be replaced with Hot Water from a future hot water generation plant.

This project is a key step in the Utility Master Plan to meet strategic energy reduction and campus sustainability goals of decommissioning coal-fired steam systems. The scope of the project includes direct buried hot water piping, direct buried chilled water piping and converting the buildings named above from steam heating to hot water heating. The change from steam to hot water will improve both the efficiency and reliability of heating the central portion of the campus.

The project is in the Construction Document phase. Design work and reviews are on-going. This project is expected to begin construction in spring 2022 with construction being completed in fall 2023. The Construction Manager has begun working with design-assist contractors to finalize the budget. The GMP has not yet been negotiated, but estimated pricing is increasing dramatically for both labor and materials compared to original estimates.

Delivery Method: Construction Manager at Risk

Proposed Budget: $20,500,000
(revised since last report: $14,500,000)
Desired Start: March 2022
Desired Completion: December 2023

| Funding Source | |
|---|---|
| Local | $20,500,000 |
| Total | $20,500,000 |

Miami University
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Status of Capital Projects Report

## 2. Ogden Residence Hall / Bell Tower Place Dining Renovation:

Morris

This project will renovate Ogden Residence Hall and Bell Tower Place Dining Hall, both within the same building. This is a continuation of the 2010 Long Range Housing Master Plan. Ogden Hall will receive an upgrade in the mechanical systems, fire suppression, energy efficiency, finishes, interior renovations and accessibility. The design includes improvements in the heating, cooling, plumbing, electrical, life safety systems, as well as the building envelope. The renovation extends the life of the facility.

The existing dining facility will be remodeled to provide a contemporary and modernized experience to meet the needs and expectations of the students. It will feature flexible food offering stations that may easily be converted without replacing equipment. The renovated facility will be operated as a buffet-style venue and feature expanded and unique menus, visible food prep areas, and will create an environment that has the same quality that is present in the newer dining facilities.

The Design Development phase is underway. Construction will begin in the summer of 2022 with substantial completion in the summer of 2023. The dining hall will be offline for the entire construction period.

Delivery Method: Design-Build

Proposed Budget: $31,000,000
Desired Start: June 2022
Desired Completion: August 2023

| Funding Source | |
|---|---|
| Local | $31,000,000 |
| Total | $31,000,000 |

## 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 32 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 design for this project has been put on hold. Recently implemented control strategy changes at the South Chiller Plant have allowed for the existing Heat Recovery Chillers to operate down to ambient temperatures not previously thought achievable with the current system setup, and with an increased winter time cooling load. The plant operations will be closely monitored this upcoming winter, and a determination will be made if the existing equipment will be capable of providing the necessary winter cooling loads at the new Clinical Health Science building or if any free cooling equipment will be required to meet those loads, and if so, what the appropriate size of the free cooling equipment should be.

Miami University
Physical Facilities Department
Status of Capital Projects Report

**SCP Free Cooling Improvement 2021 (continued):**

Delivery Method: Single Prime Contractor

Proposed Budget: $650,000
Desired Start: TBD
Desired Completion: May 2023

| Funding Source | |
|---|---|
| Local | $650,000 |
| Total | $650,000 |

**4. South Quad Tunnel Top, Phase 2:**

Morris

The utilities around Miami's campus utilize tunnels in many areas. These tunnels allow for easier maintenance and upgrade of the utility distribution systems. The tunnels across campus vary greatly in age and condition. The tunnel tops are being updated in phases with a new, more efficient top design. The tunnels in the South Quad are circa 1960. This project will replace the tunnel tops on the east side of the quadrangle from Center Drive to Harris Hall's breezeway. The project will also repair portions of the pipe insulation inside this tunnel. This project will complete the tunnel replacements in the South Quad area. Other tunnel tops were recently completed in conjunction with the Porter Hall renovation.

Construction drawings are complete. The Design Builder is preparing to submit the Guaranteed Maximum Price. Lowering of chilled water line in tunnel will commence in February to accommodate placement of the new tunnel top.

Delivery Method: Design-Build

Proposed Budget: $2,000,000
Desired Start: February 2022
Desired Completion: June 2022

| Funding Source | |
|---|---|
| Local | $2,000,000 |
| Total | $2,000,000 |

Miami University
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# IN PLANNING

## (Pre-A&E)

### 1. Bachelor Hall Renovation:

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.

The Criteria AE firm has been selected and is completing campus space planning services to help coordinate the relocation of several academic departments and an evaluation of the utilization of instructional spaces on campus. Once this portion of work is complete, the Criteria team will begin developing the program of requirements for Bachelor Hall.

Proposed Budget: $62,000,000
(revised since last report: $48,000,000)
Desired Start: TBD
Desired Completion: TBD

| Funding Source | |
|---|---|
| TBD | $62,000,000 |
| Total | $62,000,000 |

### 2. Center for Performing Arts – Gates-Abegglen Theater Renovation:

Morris

Named for former Miami faculty, Homer N. Abegglen (Director of Theater for 40 years until 1968) and Arthur Loren Gates (Chairman of the Department of Speech for 35 years until 1940), the Gates-Abegglen Theater is the center of the Theatre Department's programs. The theater has not had a major renovation since its original construction in 1969, as part of the Center for Performing Arts. The current design of the theater is challenging for a variety of performance types due to its design and construction. This renovation of the Theater will revise the stage and audience spaces enhancing the performance and viewing experiences, as well as making the venue appropriate for a broader array of performance types including musical, spoken word, visiting artist, lecture, dance, etc. The increase in variety will improve the theater's utilization by making it available to more departments for both performance and instruction.

The renovation will include reconstructing the audience seating, new forward stage, new lighting and curtain systems and the control booth. The project will proceed through schematic design and create architectural renderings for the division to raise the funds to complete the renovation.

Miami University
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**Center for Performing Arts – Gates-Abegglen Theater Renovation (continued):**

Architect selection is complete and has begun programming/conceptual design. Following schematic design, a fundraising phase will commence.

Proposed Budget: $8,000,000
Desired Start: TBD
Desired Completion: TBD

| Funding Source | |
|---|---|
| Local | $8,000,000 |
| Total | $8,000,000 |

**3. College @ Elm:**

Heflin

Building on Miami's award-winning undergraduate programs, the College @ Elm will provide space to give students real world experience, access to external partners, and alternative teaching methods around business startups and small-scale manufacturing. Its large volumes, easily accessible loading docks, industrial sized elevator and community-adjacent location make it a prime candidate for a manufacturing innovation incubator.

The College @ Elm has three tenants identified and contains space for future tenants. A key anchor tenant is the Fischer Group. This is a group of interrelated companies with the capability to take a product from idea to shelf, which offers students the opportunity to see a product through every phase of development. The Fisher Group will have dedicated space for research and design, prototyping, manufacturing, and fulfillment. A second tenant is Miami University. Miami's College of Engineering, Business School, and Institute for Entrepreneurship will lead the programming at the College @ Elm to provide space for student, faculty, and staff to develop initiatives around product innovation. Miami is focusing on the theme of medical and biomedical products to bring to market through university led research and partnerships that can take advantage of the university's resources. The third tenant is the City of Oxford. The city is committed to have at least one staff at the College @ Elm to tie in local opportunities for collaboration and economic development. Remaining space is available for other local and regional businesses.

The building is a concrete frame with large volumes of various sizes throughout. The envelope has significant deferred maintenance that will need to be repaired and refurbished. The renovation will include new electrical, mechanical, plumbing, and fire protection systems. Office and instructional spaces would be fitted out in alignment with contemporary business environments. Large portions of the facility will be furnished with minimal elements and flexible features to accommodate turnover of tenants over time.

The project is in the Construction Document phase with a focus on early bid packages for long lead time materials such as MEP systems, roofing, and windows.

Delivery Method: Design Build

Proposed Budget: $13,500,000
(revised since last report: $10,700,000)
Desired Start: December 2021
Desired Completion: January 2023

| Funding Source | |
|---|---|
| TBD | $13,500,000 |
| Total | $13,500,000 |

Miami University
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## 4. King Library Renovation 2020:

Heflin

This project comprises interior renovations of the ground, first, and second floors of King Library. The lower level will include reconfiguration and upgrades to the existing café including casework, finishes, furnishings, and some food service equipment. The first floor will include reconfiguration and finish upgrades to existing spaces including the lobby, access services, various offices, and restrooms. The project also includes the creation of new distinct areas within the existing open stack space, including a maker space. The second floor will be limited to minor alterations as required to accommodate shifting of existing services and programs between floors.

The project will be designed via a master planning effort over the next 10 years. The estimated total project budget is $10,000,000, designed to be split into two 5-year periods of $5,000,000 each. The goal at initiation is to take the project to the schematic design phase. The library administration will then proceed in fund raising to support the overall master plan goal.

Program verification commenced in September 2021. Schematic Design will be complete in late February 2022. Following schematic design, a fundraising phase will commence.

Delivery Method: Single Prime Contracting

Proposed Budget: $10,000,000
(revised since last report: $3,700,000)
Desired Start: TBD
Desired Completion: TBD

| Funding Source | |
|---|---|
| Local | $10,000,000 |
| Total | $10,000,000 |

## 5. Laws Hall – Graduate and Undergraduate Dean Offices:

Burwinkel

The Provost's office has added a position, the Dean of Undergraduate Students. The primary job of the department of Undergraduate Education is to ensure Miami's undergraduate students are as successful as possible. The Graduate School anticipates dynamic changes as prompted by Miami RISE, which aims to drive transformational change to guide Miami through unprecedented volatility in higher education. These offices currently have space in Roudebush Hall and will move to Laws Hall. These offices will be serving students directly. Laws Hall, an academic and administrative building in the heart of the campus, is more accessible and inviting to students. The offices will be located in the currently underutilized area of the former BEST Library circulation desk and the 3-d printing services area. The office suites will have a few private offices, work spaces, and shared resources comprising approximately 3,000 net assignable square feet.

The construction documents have been advertised and bids have been received from General Contractors. Bids are being analyzed with an award no later than December 10. Mobilization is taking place later this month with construction kicking off in the New Year.

Proposed Budget: $780,000
Desired Start: January 2022
Desired Completion: May 2022

| Funding Source | |
|---|---|
| Local | $780,000 |
| Total | $780,000 |

Miami University
Physical Facilities Department
Status of Capital Projects Report

# COMPLETED PROJECTS

## 1. Fire Alarm Monitoring Upgrade:

Fellman

This project installed a new fire alarm monitoring system for all buildings on the Oxford Campus with centrally-monitored fire alarm systems. The existing Keltron Multiplex Fire Alarm Monitoring system will be obsolete and is scheduled to be phased out by the manufacturer on December 31, 2021. This new monitoring system communicates using modern technology via Radio Frequency (RF) communication methods. Fire Alarm signaling will be sent to workstations in the Cole Service Building Operations Center and the University Police Department. The head-end equipment is housed in the Data Center at Hoyt Hall. The new RF Keltron monitoring system allows for reliable and safe fire alarm monitoring on campus while also transmitting maintenance needs from the building's fire alarm system to the central station.

All buildings on the Oxford campus with a centrally-monitored fire alarm system have been converted to the new RF monitoring system. The project is being finalized and will be closed completely once it is fully commissioned.

Delivery Method: Single Prime Contractor

| Project Revenue | |
|---|---|
| Design and Administration | $32,250 |
| Cost of Work | $1,214,550 |
| Contingency | $140,000 |
| Owner Costs | $13,200 |
| Total | $1,400,000 |

| Project Expense | |
|---|---|
| Design and Administration | $42,250 |
| Cost of Work | $1,039,385 |
| Contingency | $0 |
| Owner Costs | $13,200 |
| Total | $1,094,835 |

Est. Contingency Balance Returned: $140,000
Est. Contingency Balance Returned, Percent of Total: 100%
Est. Bid Savings / VE Returned: $165,165
Est. Final Total: $305,165

## 2. IT Fiber Distribution Improvement:

Fellman

This project included improvements to the outside plant infrastructure and fiber backbone distribution system for Miami University's Oxford Campus, Hamilton Campus and Middletown Campus. Both existing and new pathways were utilized to house new fiber optic cable. The new fiber optic cable provides a redundant fiber backbone to select academic and administrative buildings. The reliability of the IT network to the selected buildings is improved by the addition of the redundant fiber service to these buildings. The buildings impacted on the Oxford Campus include the following: Alumni Hall, Dauch Indoor Sports Center, Yager West, Bachelor, Boyd, CPA, Art Building, Hiestand, Harrison, Irvin, McGuffey, Main Steam Plant, Phillips, Presser, Roudebush, and Shriver. All facilities at the Middletown and Hamilton Campuses were included with this upgrade project.

Miami University
Physical Facilities Department
Status of Capital Projects Report

**IT Fiber Distribution Improvement (continued):**

Delivery Method: Single Prime Contractor

| Project Revenue | |
|---|---|
| Design and Administration | $60,000 |
| Cost of Work | $625,000 |
| Contingency | $65,000 |
| Owner Costs | $0 |
| Total | $750,000 |

| Project Expense | |
|---|---|
| Design and Administration | $49,500 |
| Cost of Work | $625,000 |
| Contingency | $24,338 |
| Owner Costs | $9,691 |
| Total | $708,529 |

Est. Contingency Balance Returned: $40,662
Est. Contingency Balance Returned, Percent of Total: 63%
Est. Bid Savings / VE Returned: $809
Est. Final Total: $41,471

**3. Oxford Campus – CPA Roof Replacement:**

Morris

This project replaced the remainder of the roof system on the Center for Performing Arts. Existing masonry chimney was removed. Insulation shortages and resultant long lead times delayed material delivery and have required a design change from poly-iso insulation to expanded polystyrene insulation. Rainy summer/fall weather also extended project duration.

Delivery Method: Single Prime Contractor

| Project Revenue | |
|---|---|
| Design and Administration | $108,000 |
| Cost of Work | $930,000 |
| Contingency | $294,413 |
| Owner Costs | $10,000 |
| Total | $1,342,413 |

| Project Expense | |
|---|---|
| Design and Administration | $114,000 |
| Cost of Work | $881,500 |
| Contingency | $17,000 |
| Owner Costs | $10,000 |
| Total | $1,022,500 |

Est. Contingency Balance Returned: $277,413
Est. Contingency Balance Returned, Percent of Total: 94%
Est. Bid Savings / VE Returned: $42,500
Est. Final Total: $319,913

Miami University
Physical Facilities Department
Status of Capital Projects Report

**4. <u>South Chiller Plant Conversion, Phase 2:</u>** (BOT Feb ’20)

Van Winkle

As part of the Campus Utility Master Plan, the South Quad Hot Water Conversion Phase 2 has extended hydronic heating and cooling infrastructure from the recently completed South Quad Hot Water Conversion project. The hydronic infrastructure installed under this project will serve the Nellie Craig Walker Hall (CAB), the new Clinical Health Sciences and Wellness facility and Hanna House. The piping is sized to serve future buildings in the area. The hydronic infrastructure is planned to eventually extend north across Spring Street connecting to the Central Quad. This extension will occur in a future project under the Utility Master Plan. The cross connection will improve robustness and reliability of the existing South Chiller Plant and the future Central Campus Utility Plant.

Building conversions have been completed. Both Nellie Craig Walker and Hanna House are now served by the South Chiller Plant.

Delivery Method: Construction Manager at Risk

| **Project Revenue** | |
|---|---|
| Design and Administration | $393,000 |
| Cost of Work | $3,290,000 |
| Contingency | $317,000 |
| Owner Costs | $0 |
| Total | $4,000,000 |

| **Project Expense** | |
|---|---|
| Design and Administration | $336,285 |
| Cost of Work | $3,120,000 |
| Contingency | $30,000 |
| Owner Costs | $0 |
| Total | $3,486,285 |

Est. Contingency Balance Returned: $287,000
Est. Contingency Balance Returned, Percent of Total: 91%
Est. Bid Savings / VE Returned: $226,715
Est. Final Total: $513,715

Miami University
Physical Facilities Department
Status of Capital Projects Report

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

| Project | | Budget |
|---|---|---|
| Art Building – Emergency Generator Replacement 2020 | ON HOLD | $125,000 |
| Advancement Services Building – new carpet | | $100,000 |
| Bonham House – Interior Refresh | | $110,075 |
| Boyd Hall – Fire Alarm Upgrade | | $105,000 |
| Boyd Hall - Greenhouse LED Lighting 2021 | | $87,000 |
| Cole Service Building – AH4 Upgrade 2020 | | $70,000 |
| Dorsey Hall – Ventilation AHU Upgrade 2020 | | $210,000 |
| Dorsey Hall – Ventilation DOAS Upgrade 2020 | | $418,000 |
| E & G Buildings – LED Retrofits 2020 | | $350,000 |
| Electric Vehicle Charging Stations | | $165,000 |
| Equestrian Center Erosion Control | | $5000,000 |
| Farmer School of Business – Room 042 & 3061 renovation | | $200,000 |
| Flower Hall – Ventilation AHU Upgrade 2020 | | $243,000 |
| Goggin Ice Center – Arena Lighting Upgrade 2020 | | $480,000 |
| Goggin Ice Center – Pad B Lighting Upgrade 2020 | | $220,000 |
| Hahne Hall – Ventilation AHU Upgrade 2020 | | $245,000 |
| Hahne Hall – Ventilation DOAS Upgrade 2020 | | $245,000 |
| Heritage Commons – LED Conversion 2020 | | $85,000 |
| Hueston Woods - Water Autosampler Improvement 2021 | | $90,149 |
| Indoor Sports Center LED Conversion 2020 | | $290,000 |
| Lewis Place – Ongoing projects | | $250,000 |
| MacFarland Hall – Ventilation Upgrade 2020 | | $496,000 |
| McBride Hall – Ventilation Upgrade 2020 | | $382,000 |
| Millett Hall – Wayne Embry Statue | | $192,020 |
| MUO Campus Services Chimney repairs Symmes Hall | | $100,000 |
| MUO Painting – Campus Services Exterior 2021 | | $200,000 |
| MUO Painting – E&G Exterior 2021 | | $182,000 |
| North Campus Garage Improvements | | $300,000 |
| Peabody Hall – 100 Apartment Renovation 2021 | | $96,011 |
| Peabody Hall - Honors Finishes Refresh 2021 | | $165,494 |
| Phillips Hall - 212 Lab Exhaust Upgrade 2021 | | $150,000 |
| Psychology Building - Animal Facility Floor 2021 | | $150,000 |
| Recreation Sports Center - Dive Tower Cleaning and Painting 2021 | | $180,650 |
| Residence Halls – Ventilation A/E Fees | | $290,000 |
| Shriver Center - Technology Store 2021 | | $62,849 |
| South Chiller Plant – Hot Water Filtration Upgrade 2021 | | $60,000 |
| Steam Plant – Reverse Osmosis Water Addition 2021 | | $275,000 |
| Tappan Hall – Exterior Upgrades 2020 | ON HOLD | $120,000 |
| Thesken Hall - Robotics Reno | | $250,000 |
| Utilities – Black Start Support 2021 | | $70,000 |
| Utilities – Pad Switch Replacement 2020 | | $495,000 |
| Western Dining Commons – Redundant Chiller Upgrade 2020 | | $115,000 |

Miami University
Physical Facilities Department
Status of Capital Projects Report

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

| Project | Original Budget | Returned Funds |
|---|---|---|
| Armstrong Student Center – Smoothie Bar | $242,397 | $2,143 |
| Flower Hall – Ventilation DOAS Upgrade 2020 | $485,000 | $38,881 |
| Laws Hall – SLAM Renovation | $94,555 | $4376 |
| Hahne Hall – Addition Ventilation Upgrade 2020 | $330,000 | $29,000 |
| MUO Campus Services Chimney Repairs (Morris, Havighurst, Symmes) | $200,000 | $111,792 |
| Regional Book Depository – Chiller Boiler and Humidifier Upgrade 2020 | $440,000 | $70,889 |
| Shideler Hall – 047 – Renovations to SHD246 and SHD047 | $60,000 | $18 |
| Simpson Shade House Renovation 2019 | $254,427 | $192 |

## 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.

Business Session
Item 4b
December 10, 2021
Finance and Audit

**Capital Improvement Plan and Funding**
**RESOLUTION R2022-XX**

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

WHEREAS, the proposed capital improvement plan recommends renovation of Bachelor Hall in the first and second biennium of the proposed six year plan; and

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

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees hereby authorizes the 2023-2028 Capital Improvements plan and 2023-2024 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 2023-2028 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 or the Ohio General Assembly.

# Six-Year Capital Program Request
# FY 2021 - FY 2026

| Oxford Campus | |
|---|---|
| | Project Amount |
| FY 2023 - FY 2024 | |
| Bachelor Hall Renovation | $22,311,930 |
| FY 2025 - FY 2026 | |
| Bachelor Hall Renovation | $23,000,000 |
| FY 2027 - FY 2028 | |
| Renovation and Adaptation of the Center for Performing Arts for New Academic Programming | $24,000,000 |

Business Session
Item 4c
December 10, 2021
Finance and Audit

**College at Elm**
**RESOLUTION R2022-XX**

WHEREAS, Miami University desires to enhance the regional economy while also offering students the opportunity to gain real world experience through partnerships with external entities focused on product and business development; and

WHEREAS, the creation and development of these partnerships requires a dedicated facility where faculty, students and university partners can collaborate on ideas and in some instances manufacture the products generated by these ideas; and

WHEREAS, the proposed site for these joint collaborations is the Elm Street Building located at 20 S. Elm Street, which has not been in use for a number of years; and

WHEREAS, Miami University has received $1,000,000 from the State of Ohio, $1,500,000 from a Jobs Ohio grant, and local funds in the amount of $11,000,000 for making the necessary improvements in the Elm Street building; and

WHEREAS, the $13,500,000 budget includes a cost of work estimate of approximately $10,500,000; and

WHEREAS, the receipt of the Guaranteed Maximum Price is planned for December 2021; and

WHEREAS, it has been determined the best value for the University would be to utilize the Design-Build method of project delivery;

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees hereby authorizes the Senior Vice President for Finance and Business Services and Treasurer, to proceed with the award of contracts for the College @ Elm project with a total project budget not to exceed $13,500,000.

Executive Summary
for the
College @ Elm Renovation Project
December 10, 2021

Building on Miami's award-winning undergraduate programs, the College @ Elm will provide space to offer students real world experience, access to external partners, and alternative teaching methods around business startups and small-scale manufacturing. Its large volumes, easily accessible loading docks, industrial sized elevator and community-adjacent location make it a prime candidate for a manufacturing innovation incubator.

The College @ Elm has three tenants identified. First, The Fischer Group will have dedicated space for research and design, prototyping, manufacturing, and fulfillment. Second, Miami's College of Engineering, Business School, and Institute for Entrepreneurship will lead the programming at the College @ Elm to provide space for students, faculty, and staff to develop initiatives around product innovation. The third tenant is the City of Oxford, which is committed to have at least one staff at the College @ Elm to tie in local opportunities for collaboration and economic development. Remaining space is available for other local and regional businesses.

The building is a concrete frame with large volumes of various sizes throughout. The project will correct significant deferred maintenance to the envelope, include new building and life safety systems, and make the building accessible. Office and instructional spaces would be fitted out in alignment with contemporary business environments with flexible collaboration areas throughout. A large portion of the facility will accommodate turnover of tenants over time. A new entrance and stair tower will be constructed at the southeast corner of the building.

The project is in the Construction Document phase with a focus on early bid packages for long lead time materials such as MEP systems, roofing, and windows.

Funding for this project will be from local funds:

| Project component: | Budget: | Funding Source: |
|---|---|---|
| Est. Design and Administration: | $ 744,638 | Local Funds |
| Est. Cost of Work: | $11,370,000 | Local Funds |
| Est. Owner's Costs: | $843,031 | Local Funds |
| Est. Contingency: | $ 542,331 | Local Funds |
| Est. Total: | $13,500,000 | |

Business Session
Item 4d
December 10, 2021
Finance and Audit

**Central Campus Hot Water Conversion**
**RESOLUTION R2022-XX**

WHEREAS, the Central Campus Hot Water Conversion project will convert a major portion of the central area of campus to simultaneous heating and cooling and creates a hot water plant inside Upham Hall; and

WHEREAS, the project is the next phase of the Utility Master Plan and a necessary step in fulfilling the University's Sustainability Commitments and Goals; and

WHEREAS, this project is an essential step to decommissioning the current steam plant and making a significant reduction in the cost of heating and cooling the Oxford Campus while simultaneously further reducing the University's carbon footprint; and

WHEREAS, Miami University has identified local funds in the amount of $20,500,000 for the Central Campus Hot Water Conversion project; and

WHEREAS, the $20,500,000 budget includes a cost of work estimate of approximately $18,000,000; and

WHEREAS, the receipt of the first Guaranteed Maximum Price is planned for December 2021; and

WHEREAS, it has been determined the Construction Manager at Risk delivery method to be the best value for the University;

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees hereby authorizes the Senior Vice President for Finance and Business Services and Treasurer, to proceed with the award of contracts for the Central Campus Hot Water Conversion project with a total project budget not to exceed $20,500,000.

Business Session
Item 4d
December 10, 2021
Finance and Audit

Executive Summary
for the
Central Campus Hot Water Conversion
December 10, 2021

As part of the Campus Utility Master Plan, the Central Campus Hot Water Conversion Project will convert a large portion of the central quadrangle of the campus from steam to low temperature heating hot water. This project includes the creation of a new satellite campus heating plant to be located in the basement of Upham Hall. Hot water piping will be extended from this new satellite campus heating plant to the buildings in the central area of campus. The project will also create redundant connections to the existing distribution piping from the South Chiller Plant (both heating hot water and chilled water). The cross connection between the two plants will improve robustness and reliability for both the South Chiller Plant and the new Central Campus Utility Plant. A small amount of the new hot water piping will be located in the existing tunnel systems with the remainder to be direct buried. Hot water connection and conversion of Ogden is occurring under another project, as that building is being renovated. Hot water connection and conversion to Warfield, MacMillan, Kreger, Irvin, Alumni, Bishop, McGuffey, Hall Auditorium, King Library, Harrison and Upham will occur as part of this project. Bonham House will be converted from steam heat to a more residential style natural gas fired forced air system. Steam supply is being maintained to the new Central Campus Utility Plant located in Upham Hall for hot water production. In the future, the steam supply is planned to be replaced with higher temperature heating hot water from the existing Central Steam Plant that will be converted to production of hot water.

This project is a key step in the Utility Master Plan to meet strategic energy reduction and campus sustainability goals of decommissioning coal-fired steam systems. The scope of the project includes direct buried hot water piping, direct buried chilled water piping and converting the buildings named above from steam heating to hot water heating. The change from steam to hot water will improve efficiency, reliability, and reduce the carbon footprint.

The project is in the Construction Document phase. Design work and reviews are on-going. The Construction Manager at Risk (CMR) has been selected for this project. This project is expected to begin construction in spring 2022 with construction being completed in fall 2023.

Funding for this project will be from local funds:

| Project component: | Budget: | Funding Source: |
|---|---|---|
| Est. Design and Administration: | $1,075,000 | Local Funds |
| Est. Cost of Work: | $18,000,000 | Local Funds |
| Est. Owner's Costs: | $210,000 | Local Funds |
| Est. Contingency: | $1,215,000 | Local Funds |
| Est. Total: | $20,500,000 | |

Business Session
Item 5
December 9, 2021
Finance and Audit

**Miami University**
**Finance and Audit Committee**
**FY 2022 Forecasted Operating Results**
**Projections Based upon Activity through September 30, 2021**

**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 includes year to date earnings for non-endowment and endowment income but no forecast of the fiscal year performance 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 2022 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 were 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 to an unanticipated federal grant obtained by the Psychology Department.

**All Funds**
**Unrestricted**
**For July 1, 2021 to June 30, 2022**
**as of September 30, 2021**

| | 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 | $67,681,775 | $67,681,775 | $12,794,776 | $12,740,343 | $0 | $0 | $0 | $0 | $0 | $0 | $80,476,551 | $80,422,118 | $0 | $80,476,551 | $80,422,118 |
| Tuition (Net) | $307,301,402 | $306,002,928 | $29,907,206 | $30,402,985 | $0 | $0 | $0 | $0 | $0 | $0 | $337,208,608 | $336,405,913 | $0 | $337,208,608 | $336,405,913 |
| Room, Board and Fees | $2,596,500 | $2,596,500 | $274,200 | $274,200 | $19,506,612 | $23,640,627 | $109,103,882 | $109,103,882 | $0 | $0 | $131,481,194 | $135,615,209 | $0 | $131,481,194 | $135,615,209 |
| Sales | $0 | $0 | $0 | $0 | $1,678,030 | $1,213,529 | $22,918,571 | $21,403,908 | $0 | $0 | $24,596,601 | $22,617,437 | $0 | $24,596,601 | $22,617,437 |
| Investment Income (Net) | $14,900,000 | $14,900,000 | $100,000 | $100,000 | $2,293,619 | $2,293,619 | $168,373 | $168,373 | $0 | $0 | $17,461,992 | $17,461,992 | $0 | $17,461,992 | $17,461,992 |
| Other Revenue | $1,553,360 | $1,553,360 | $89,902 | $89,902 | $14,485,184 | $14,390,208 | $8,082,370 | $8,400,191 | $0 | $0 | $24,210,816 | $24,433,661 | $0 | $24,210,816 | $24,433,661 |
| **Total Revenue** | $394,033,037 | $392,734,563 | $43,166,084 | $43,607,430 | $37,963,445 | $41,537,982 | $140,273,196 | $139,076,354 | $0 | $0 | $615,435,762 | $616,956,329 | $0 | $615,435,762 | $616,956,329 |
| **Expenses:** | | | | | | | | | | | | | | | |
| Salaries and Wages | $189,257,187 | $184,902,569 | $24,577,117 | $22,948,587 | $16,735,461 | $21,517,862 | $32,589,888 | $29,880,330 | $0 | $0 | $263,159,652 | $259,249,349 | $0 | $263,159,652 | $259,249,349 |
| Benefits | $66,959,151 | $64,063,613 | $8,441,061 | $7,815,803 | $6,419,143 | $7,682,843 | $10,636,946 | $9,878,704 | $0 | $0 | $92,456,301 | $89,440,963 | $0 | $92,456,301 | $89,440,963 |
| Support Expenses | $79,664,175 | $76,815,552 | $6,515,796 | $6,515,796 | $37,930,272 | $26,145,769 | $57,397,755 | $58,088,423 | $0 | $0 | $181,507,998 | $167,565,540 | $0 | $181,507,998 | $167,565,540 |
| Equipment | $1,991,752 | $1,991,752 | $32,600 | $32,600 | $1,100,560 | $1,100,560 | $487,558 | $276,520 | $0 | $0 | $3,612,470 | $3,401,432 | $0 | $3,612,470 | $3,401,432 |
| Interest on Debt | $6,839,046 | $6,839,046 | $113,167 | $113,167 | $0 | $0 | $20,265,540 | $20,338,107 | $0 | $0 | $27,217,753 | $27,290,320 | $0 | $27,217,753 | $27,290,320 |
| Depreciation | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $73,800,000 | $0 | $73,800,000 |
| Other | ($9,937,367) | ($9,937,367) | $3,051,178 | $3,051,178 | $0 | $0 | $6,886,189 | $6,886,189 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Expenses** | $334,773,944 | $324,675,165 | $42,730,919 | $40,477,130 | $62,185,436 | $56,447,035 | $128,263,875 | $125,348,273 | $0 | $0 | $567,954,174 | $546,947,603 | $73,800,000 | $567,954,174 | $620,747,603 |
| **Net Before Transfers** | $59,259,093 | $68,059,398 | $435,165 | $3,130,300 | ($24,221,991) | ($14,909,052) | $12,009,321 | $13,728,081 | $0 | $0 | $47,481,587 | $70,008,726 | ($73,800,000) | $47,481,587 | ($3,791,274) |
| **Transfers:** | | | | | | | | | | | | | | | |
| Transfer for Principal on Debt | $7,817,660 | $7,817,660 | $380,000 | $380,000 | $0 | $0 | $28,157,211 | $28,157,211 | $0 | $0 | $36,354,871 | $36,354,871 | $0 | $36,354,871 | $36,354,871 |
| General Fee | $45,545,893 | $45,624,049 | $369,591 | $340,784 | ($6,227,751) | ($6,227,751) | ($33,861,611) | ($33,861,610) | $0 | $0 | $5,826,122 | $5,875,472 | $0 | $5,826,122 | $5,875,472 |
| Capital Projects & Other | $5,886,312 | $5,886,312 | ($314,426) | ($307,925) | ($8,997,120) | ($8,997,120) | $17,713,719 | $17,765,444 | $0 | $0 | $14,288,485 | $14,346,711 | $0 | $14,288,485 | $14,346,711 |
| **Total Transfers** | $59,249,865 | $59,328,021 | $435,165 | $412,858 | ($15,224,871) | ($15,224,871) | $12,009,319 | $12,061,045 | $0 | $0 | $56,469,478 | $56,577,053 | $0 | $56,469,478 | $56,577,053 |
| **Net After Transfers** | $9,227 | $8,731,376 | $0 | $2,717,441 | ($8,997,120) | $315,819 | $2 | $1,667,037 | $0 | $0 | ($8,987,891) | $13,431,673 | ($73,800,000) | ($8,987,891) | ($60,368,327) |

**All Funds**
**Restricted**
**For July 1, 2021 to June 30, 2022**
**as of September 30, 2021**

| | Restricted Gifts All Campuses | | University Endowment | Grants & Contracts All Campuses | | Total Restricted Funds | |
|---|---|---|---|---|---|---|---|
| **Description** | **Budget** | **Forecast** | | **Budget** | **Forecast** | **Budget** | **Forecast** |
| **Revenue:** | | | | | | | |
| State Appropriation | $0 | $0 | $0 | $710,000 | $710,000 | $710,000 | $710,000 |
| Tuition (Net) | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Room, Board and Fees | $0 | $375 | $0 | $0 | $0 | $0 | $375 |
| Sales | $0 | $40,528 | $0 | $0 | $0 | $0 | $40,528 |
| Investment Income (Net) | $4,146,434 | $4,146,434 | $0 | $0 | $0 | $4,146,434 | $4,146,434 |
| Other Revenue | $22,450,980 | $22,450,980 | $0 | $56,362,872 | $61,994,036 | $78,813,852 | $84,445,016 |
| **Total Revenue** | $26,597,414 | $26,638,317 | $0 | $57,072,872 | $62,704,036 | $83,670,286 | $89,342,352 |
| **Expenses:** | | | | | | | |
| Salaries and Wages | $7,271,494 | $8,042,496 | $0 | $8,000,000 | $7,617,789 | $15,271,494 | $15,660,285 |
| Benefits | $2,867,525 | $2,137,426 | $0 | $2,000,000 | $2,037,631 | $4,867,525 | $4,175,057 |
| Support Expenses | $16,458,395 | $16,269,733 | $0 | $47,072,872 | $52,415,450 | $63,531,267 | $68,685,183 |
| Equipment | $0 | $188,662 | $0 | $0 | $248,404 | $0 | $437,066 |
| 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** | $26,597,414 | $26,638,317 | $0 | $57,072,872 | $62,319,274 | $83,670,286 | $88,957,591 |
| **Net Before Transfers** | $0 | $0 | $0 | $0 | $384,761 | $0 | $384,761 |
| **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 | $0 | $0 | $0 | $0 | $384,761 | $0 | $384,761 |
| **Total Transfers** | $0 | $0 | $0 | $0 | $384,761 | $0 | $384,761 |
| **Net After Transfers** | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

**OXFORD**

The projection for the Oxford General Fund through September is a surplus of approximately $6.6 million. Details of the specific items are highlighted below.

**Revenues**

The Oxford campus student fee revenues (instructional, general out-of-state, and other) are forecast to be approximately $1.4 below the $259.2 million budget. Net instructional revenue (including the out of state surcharge) is forecast to be $0.3 million under budget. The general fee is forecast to be slightly below the $48.1 million budget. Net instructional revenue and the general fee revenue are forecast to be under budget due to cohort financial aid exceeding the $137.4 million budget by $1.6 million. The forecast includes fall revenues, a preliminary forecast of spring term while winter and summer terms are held on budget.

The state appropriation for the Oxford campus of $67.7 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.

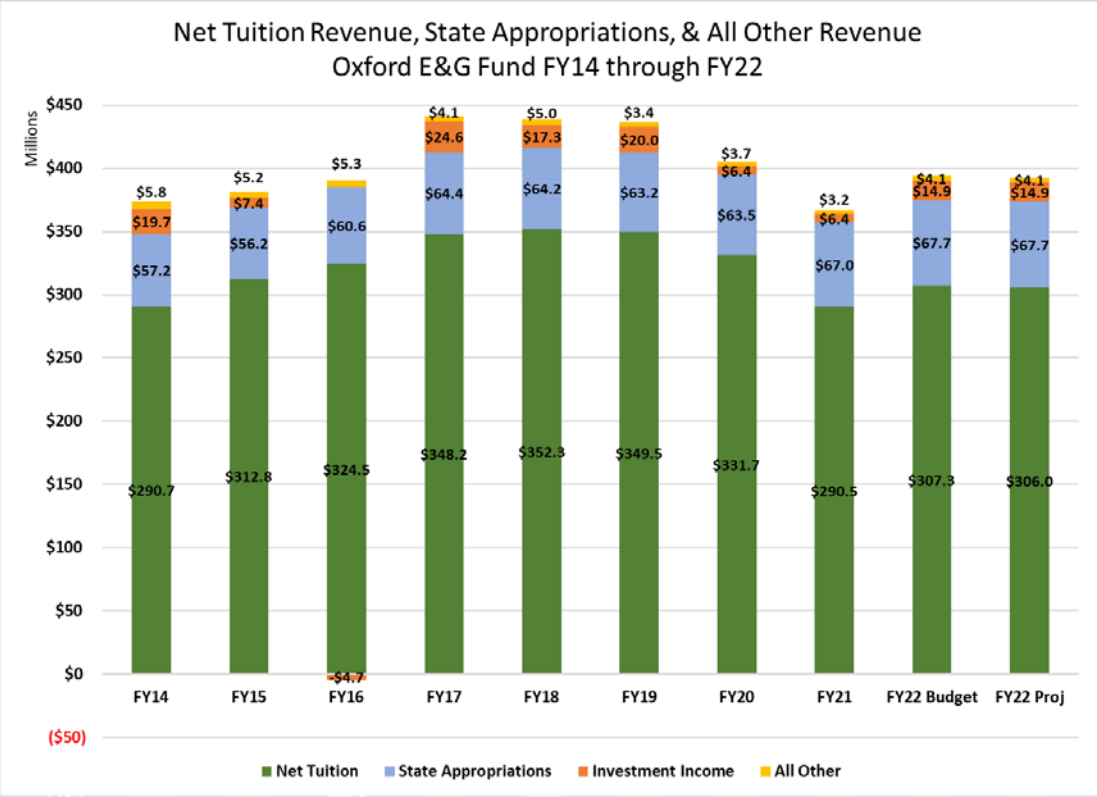
Investment income is shown at the amount budgeted and does not include a forecast for June 30, 2021. As a reminder, any investment income amount above the budgeted will be allocated to the investment fluctuation reserve.

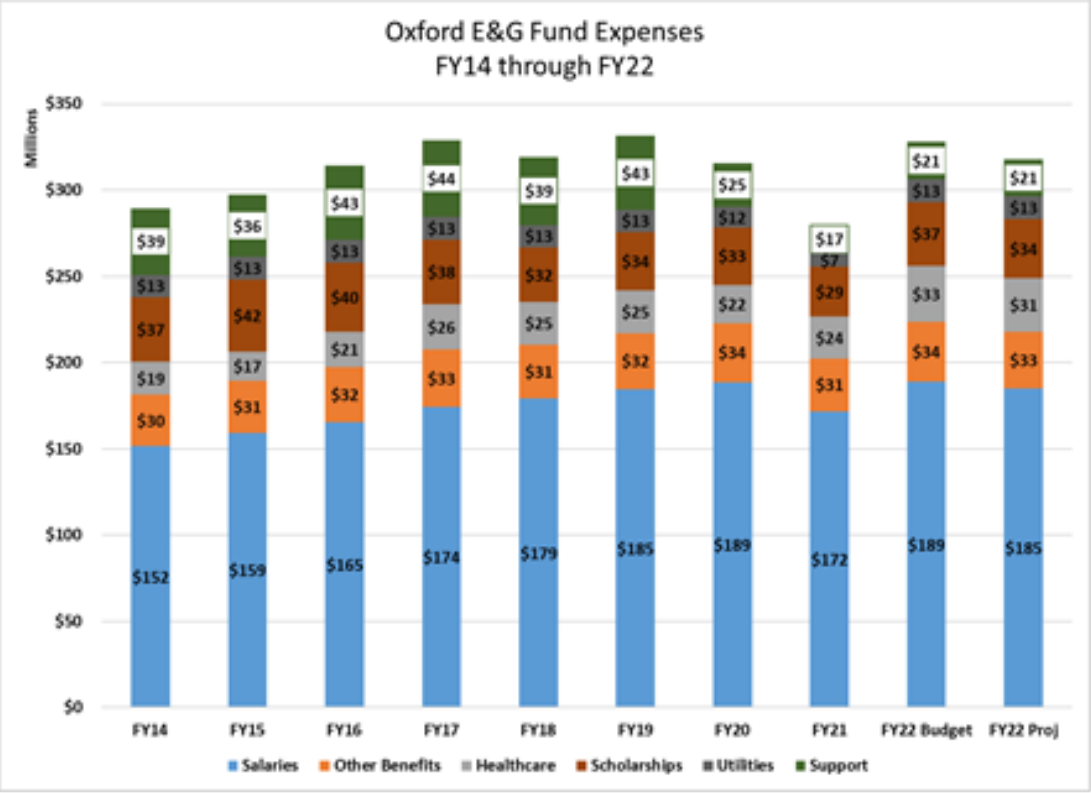
Other revenue categories are also projected as budgeted.

**Expenditures and Transfers**

Employee salaries and staff benefits are projected to be $7.3 million below budget. The underspending is attributable to more vacant positions than budgeted. Through the first three months of the fiscal year, health care claims were lower than budgeted due to position vacancy and lower medical claims costs. 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. Departmental support costs are forecast $2.8 million below budget through September.

The underspending in academic salaries and benefits noted above are carryforward eligible and recorded as an increase in Departmental Budgetary Carryforward.


Net Tuition Revenue, State Appropriations, & All Other Revenue
Oxford E&G Fund FY14 through FY22
Millions
$450
$400
$350
$300
$250
$200
$150
$100
$50
$0
($50)
FY14
FY15
FY16
FY17
FY18
FY19
FY20
FY21
FY22 Budget
FY22 Proj
$5.8
$19.7
$57.2
$290.7
$5.2
$7.4
$56.2
$312.8
$5.3
$60.6
$324.5
-$4.7
$4.1
$24.6
$64.4
$348.2
$5.0
$17.3
$64.2
$352.3
$3.4
$20.0
$63.2
$349.5
$3.7
$6.4
$63.5
$331.7
$3.2
$6.4
$67.0
$290.5
$4.1
$14.9
$67.7
$307.3
$4.1
$14.9
$67.7
$306.0
Net Tuition
State Appropriations
Investment Income
All Other


Oxford E&G Fund Expenses
FY14 through FY22
Millions
$350
$300
$250
$200
$150
$100
$50
$0
FY14
FY15
FY16
FY17
FY18
FY19
FY20
FY21
FY22 Budget
FY22 Proj
$39
$13
$37
$19
$30
$152
$36
$13
$42
$17
$31
$159
$43
$13
$40
$21
$32
$165
$44
$13
$38
$26
$33
$174
$39
$13
$32
$25
$31
$179
$43
$13
$34
$25
$32
$185
$25
$12
$33
$22
$34
$189
$17
$7
$29
$24
$31
$172
$21
$13
$37
$33
$34
$189
$21
$13
$34
$31
$33
$185
Salaries
Other Benefits
Healthcare
Scholarships
Utilities
Support

MIAMI UNIVERSITY

FY2022 Forecast

**Oxford General Fund Only**

*As of September 30, 2021*

| | Budget | September End-of-Year Forecast | Budget to Projection |
|---|---|---|---|
| REVENUES: | | | |
| Instructional & OOS Surcharge | $ 396,539,305 | $ 396,807,063 | $ 267,758 |
| Less Cohort Financial Aid Discount | 137,369,664 | 139,014,052 | 1,644,388 |
| Net Instructional Fee & Out-of-State Surcharge | 259,169,641 | 257,793,011 | (1,376,630) |
| General | 48,131,761 | 48,209,917 | $ 78,156 |
| Other Student Revenue | 2,596,500 | 2,596,500 | - |
| *Tuition, Fees and Other Student Charges* | *309,897,902* | *308,599,428* | *(1,298,474)* |
| State Appropriations | 67,681,775 | 67,681,775 | $ - |
| Investment Income | 14,900,000 | 14,900,000 | $ - |
| Other Revenue | 1,553,360 | 1,553,360 | $ - |
| ***Total Revenues*** | ***$ 394,033,037*** | ***$ 392,734,563*** | ***$ (1,298,474)*** |
| EXPENDITURES: | | | |
| Salaries | 189,257,187 | 184,902,569 | (4,354,618) |
| Benefits | 34,345,813 | 32,982,503 | (1,363,310) |
| Healthcare Expense | 32,613,337 | 31,081,110 | (1,532,227) |
| Graduate Assistant, Fellowships & Fee Waivers | 21,851,377 | 19,002,753 | (2,848,624) |
| Undergraduate Scholarships & Student Waivers | 15,104,400 | 15,104,400 | - |
| Utilities | 13,368,009 | 13,368,009 | - |
| Departmental Support Expenditures | 17,822,624 | 17,822,624 | - |
| Multi-year Expenditures | 3,572,151 | 3,572,151 | - |
| ***Total Expenditures*** | ***$ 327,934,898*** | ***$ 317,836,119*** | ***$ (10,098,779)*** |
| DEBT SERVICE AND TRANSFERS: | | | |
| General Fee | (45,545,893) | (45,624,049) | (78,156) |
| Capital, Renewal & Replacement | (6,476,400) | (6,476,400) | - |
| Debt Service | (14,656,706) | (14,656,706) | - |
| Support for VOALC (50%) | (415,133) | (415,133) | - |
| Other Miscellaneous Operational Transfers | (3,827,937) | (3,827,937) | - |
| Other Transfers (net) | 4,833,158 | 4,833,158 | - |
| ***Total Debt Service and Transfers*** | ***$ (66,088,911)*** | ***$ (66,167,067)*** | ***$ (78,156)*** |
| *Net Revenues/(Expenditures) Before Adjustments* | $ 9,227 | $ 8,731,376 | $ 8,722,149 |
| ADJUSTMENTS: | | | |
| Departmental Budgetary Carryforward | | (2,153,965) | (2,153,965) |
| ***Net Increase/(Decrease) in Fund Balance*** | ***$ 9,227*** | ***$ 6,577,411*** | ***$ 6,568,184*** |

## HAMILTON & MIDDLETOWN

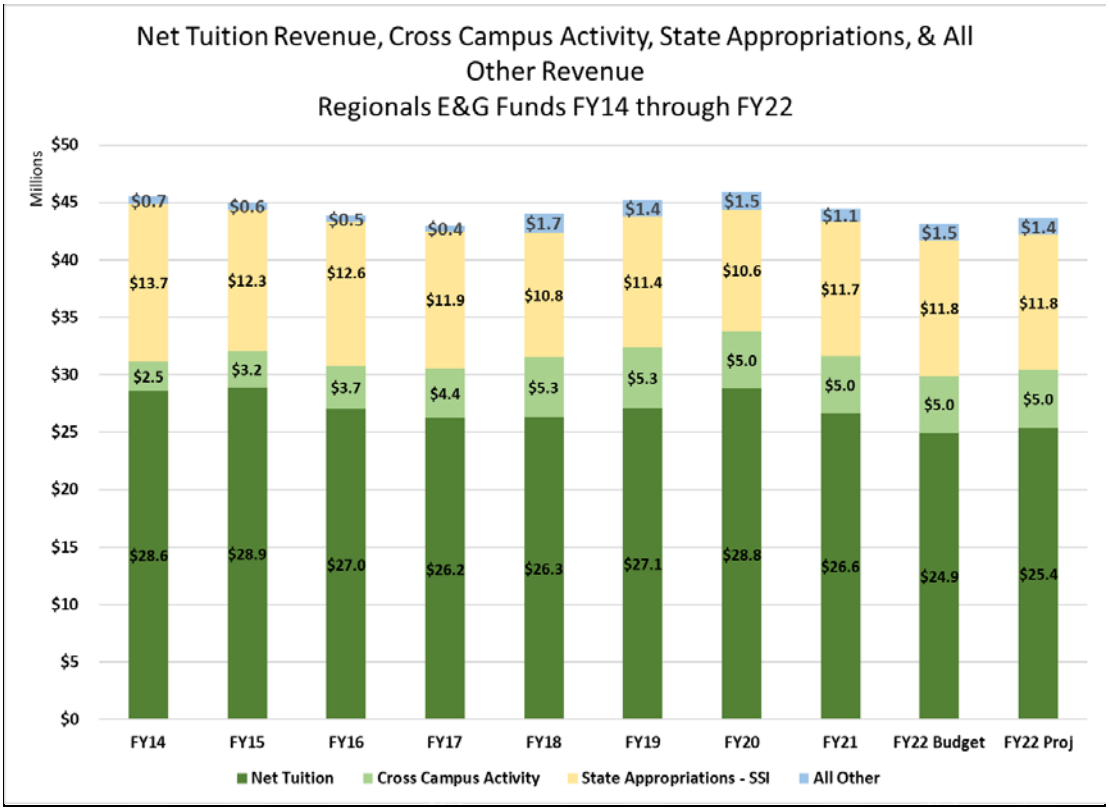
The Hamilton and Middletown campus student fee revenue (instructional, general and out-of-state) is estimated to be above 0.5 million budget. State subsidy (SSI) reflect the subsidy payment schedule reflecting actual course and degree completions made available by the Ohio Department of Higher Education. The College Credit Plus program is performing slightly above budget for Middletown while Hamilton revenues are projected short of budget based on fall term. Other revenues are on budget.

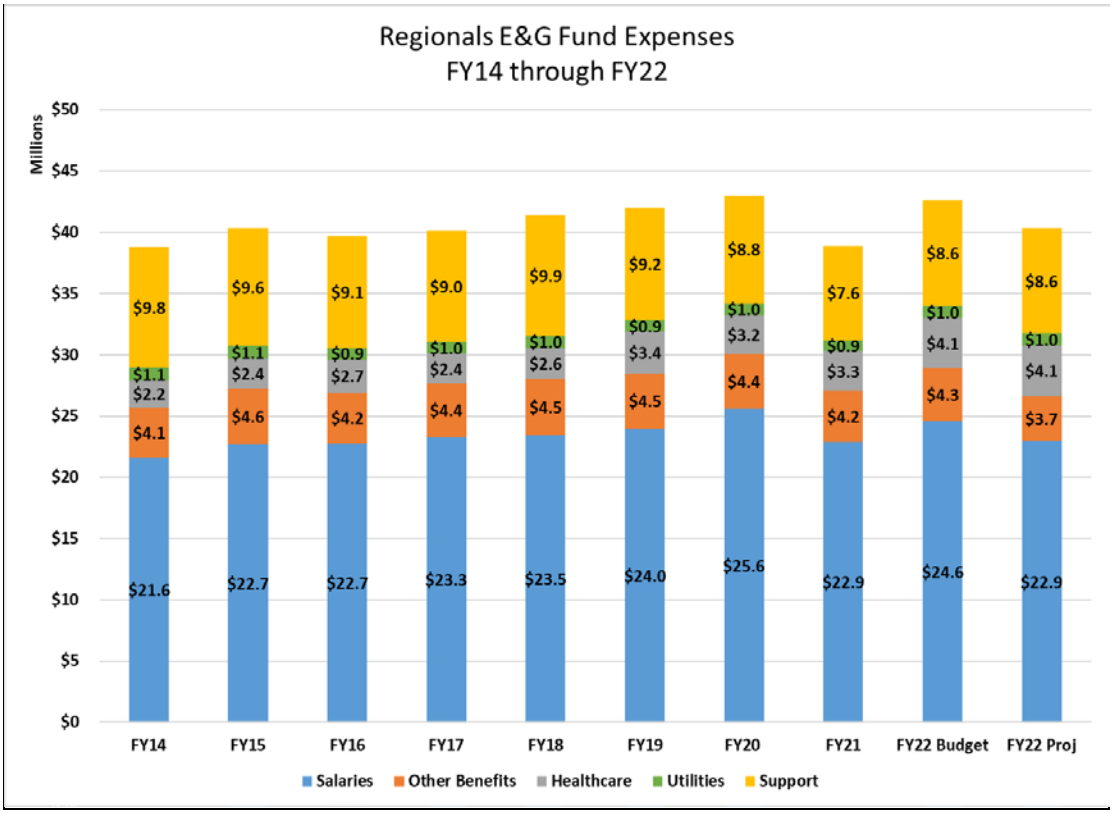
Expenditures on personnel and benefit costs are $0.8 million below budget on the Hamilton campus and $1.5 million below budget on the Middletown campus. The actual performance in these categories has exceeded the underspending assumed in the budget.

Overall, the General Fund for Hamilton is projected to end the fiscal year with a $0.8 million surplus prior to adjustments. The Middletown campus General Fund is projected to have an operating surplus of $1.9 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 FY14 through FY22
Millions
$50
$45
$40
$35
$30
$25
$20
$15
$10
$5
$0
FY14
FY15
FY16
FY17
FY18
FY19
FY20
FY21
FY22 Budget
FY22 Proj
$0.7
$0.6
$0.5
$0.4
$1.7
$1.4
$1.5
$1.1
$1.5
$1.4
$13.7
$12.3
$12.6
$11.9
$10.8
$11.4
$10.6
$11.7
$11.8
$11.8
$2.5
$3.2
$3.7
$4.4
$5.3
$5.3
$5.0
$5.0
$5.0
$5.0
$28.6
$28.9
$27.0
$26.2
$26.3
$27.1
$28.8
$26.6
$24.9
$25.4
Net Tuition
Cross Campus Activity
State Appropriations - SSI
All Other


Regionals E&G Fund Expenses
FY14 through FY22
Millions
$50
$45
$40
$35
$30
$25
$20
$15
$10
$5
$0
FY14
FY15
FY16
FY17
FY18
FY19
FY20
FY21
FY22 Budget
FY22 Proj
$9.8
$9.6
$9.1
$9.0
$9.9
$9.2
$8.8
$7.6
$8.6
$8.6
$1.1
$1.1
$0.9
$1.0
$1.0
$0.9
$1.0
$0.9
$1.0
$1.0
$2.2
$2.4
$2.7
$2.4
$2.6
$3.4
$3.2
$3.3
$4.1
$4.1
$4.1
$4.6
$4.2
$4.4
$4.5
$4.5
$4.4
$4.2
$4.3
$3.7
$21.6
$22.7
$22.7
$23.3
$23.5
$24.0
$25.6
$22.9
$24.6
$22.9
Salaries
Other Benefits
Healthcare
Utilities
Support

MIAMI UNIVERSITY

FY2022 Forecast

**Hamilton General Fund Only**

*As of September 30, 2021*

| | Budget | September End-of-Year Forecast | Budget to Projection |
|---|---|---|---|
| REVENUES: | | | |
| Instructional & OOS Surcharge - Regional Students | $ 14,584,177 | $ 14,609,801 | $ 25,624 |
| Instructional & OOS Surcharge - Cross Campus | 4,027,555 | 4,027,555 | - |
| Less Continuing & New Scholarships | 846,806 | 712,603 | (134,203) |
| Net Instructional Fee & Out-of-State Surcharge | 17,764,926 | 17,924,753 | 159,827 |
| General | 900,931 | 895,523 | (5,408) |
| Other Student Revenue | 193,500 | 193,500 | - |
| *Tuition, Fees and Other Student Charges* | *18,859,357* | *19,013,776* | *154,419* |
| State Appropriations - SSI | 7,487,105 | 7,487,105 | - |
| State Appropriations - CCP | 465,740 | 385,001 | (80,739) |
| Investment Income | 50,000 | 50,000 | - |
| Other Revenue | 79,500 | 79,500 | - |
| ***Total Revenues*** | ***$ 26,941,702*** | ***$ 27,015,382*** | ***$ 73,680*** |
| EXPENDITURES: | | | |
| Salaries | 15,878,464 | 15,878,464 | - |
| Allowance for Unspent Salaries | (1,113,461) | (1,539,170) | (425,709) |
| Benefits | 3,274,876 | 3,274,876 | - |
| Allowance for Unspent Benefits | (302,738) | (644,589) | (341,851) |
| Healthcare Expense | 2,345,290 | 2,345,290 | - |
| Anticipated Benefit Recovery | (91,886) | (91,886) | - |
| Graduate Assistant Fee Waivers | - | - | - |
| Utilities | 549,000 | 549,000 | - |
| Departmental Support Expenditures | 4,884,510 | 4,884,510 | - |
| Multi-year Expenditures | - | - | - |
| ***Total Expenditures*** | ***$ 25,424,056*** | ***$ 24,656,495*** | ***$ (767,560)*** |
| DEBT SERVICE AND TRANSFERS: | | | |
| General Fee | (235,458) | (230,050) | 5,408 |
| Capital, Renewal & Replacement | - | (1,500) | (1,500) |
| Debt Service | - | - | - |
| Support for VOALC (25%) | (207,566) | (207,566) | - |
| Other Transfers Out | (1,074,622) | (1,074,622) | - |
| Other Transfers In | | | - |
| ***Total Debt Service and Transfers*** | ***$ (1,517,646)*** | ***$ (1,513,738)*** | ***$ 3,908*** |
| *Net Revenues/(Expenditures) Before Adjustments* | $ - | $ 845,149 | $ 845,148 |
| ADJUSTMENTS: | | | |
| Departmental Budgetary Carryforward | - | - | - |
| Divisional Budgetary Carryforward | - | (767,560) | (767,560) |
| Strategic Investment Funding - Divisional Carryforward | - | - | - |
| Reserve for Carry Forward | - | - | - |
| Transfer from Fund Balance | - | - | - |
| Reserve for Encumbrances | - | - | - |
| Reserve for Investment Fluctuations | - | - | - |
| Reserve for Future Budgets | - | - | - |
| ***Net Increase/(Decrease) in Fund Balance*** | ***$ 9 -*** | ***$ 77,589*** | ***$ 77,588*** |

MIAMI UNIVERSITY

FY2022 Forecast

**Middletown General Fund Only**

*As of September 30, 2021*

| | Budget | September End-of-Year Forecast | Budget to Projection |
|---|---|---|---|
| REVENUES: | | | |
| Instructional & OOS Surcharge - Regional Students | $ 10,756,062 | $ 11,115,361 | $ 359,299 |
| Instructional & OOS Surcharge - Cross Campus | 972,445 | 972,445 | - |
| Less Continuing & New Scholarships | 1,043,512 | 1,038,052 | (5,460) |
| Net Instructional Fee & Out-of-State Surcharge | 10,684,995 | 11,049,754 | 364,759 |
| General | 556,354 | 532,955 | (23,399) |
| Other Student Revenue | 80,700 | 80,700 | - |
| *Tuition, Fees and Other Student Charges* | *11,322,049* | *11,663,409* | *341,360* |
| State Appropriations - SSI | 4,303,612 | 4,303,612 | - |
| State Appropriations - CCP | 538,319 | 564,625 | 26,306 |
| Investment Income | 50,000 | 50,000 | - |
| Other Revenue | 10,402 | 10,402 | - |
| ***Total Revenues*** | ***$ 16,224,382*** | ***$ 16,592,048*** | ***$ 367,666*** |
| EXPENDITURES: | | | |
| Salaries | 10,938,655 | 10,938,655 | - |
| Allowance for Unspent Salaries | (1,126,542) | (2,329,362) | (1,202,820) |
| Benefits | 1,783,786 | 1,783,786 | - |
| Allowance for Unspent Benefits | (433,719) | (717,127) | (283,408) |
| Healthcare Expense | 1,931,770 | 1,931,770 | - |
| Anticipated Benefit Recovery | (66,317) | (66,317) | - |
| Graduate Assistant Fee Waivers | - | - | - |
| Utilities | 393,100 | 393,100 | - |
| Departmental Support Expenditures | 3,474,926 | 3,474,926 | - |
| Multi-year Expenditures | - | - | - |
| ***Total Expenditures*** | ***$ 16,895,658*** | ***$ 15,409,431*** | ***$ (1,486,227)*** |
| DEBT SERVICE AND TRANSFERS: | | | |
| General Fee | (134,133) | (110,734) | 23,399 |
| Capital, Renewal & Replacement | - | (5,000) | (5,000) |
| Debt Service | (61,646) | (61,646) | - |
| Support for VOALC (25%) | (207,567) | (207,567) | - |
| Other Transfers Out | - | - | - |
| Other Transfers In | 1,074,622 | 1,074,622 | - |
| ***Total Debt Service and Transfers*** | ***$ 671,276*** | ***$ 689,675*** | ***$ 18,399*** |
| *Net Revenues/(Expenditures) Before Adjustments* | $ 0 | $ 1,872,293 | $ 1,872,293 |
| ADJUSTMENTS: | | | |
| Departmental Budgetary Carryforward | - | - | - |
| Divisional Budgetary Carryforward | - | (1,486,227) | (1,486,227) |
| Strategic Investment Funding - Divisional Carryforward | - | - | - |
| Reserve for Carry Forward | - | - | - |
| Transfer from Fund Balance | - | - | - |
| Reserve for Encumbrances | - | - | - |
| Reserve for Investment Fluctuations | - | - | - |
| Reserve for Future Budgets | - | - | - |
| ***Net Increase/(Decrease) in Fund Balance*** | ***$ 10 0*** | ***$ 386,066*** | ***$ 386,065*** |

MIAMI UNIVERSITY

FY2022 Forecast

**Voice of America Learning Center General Fund Only**

*As of September 30, 2021*

| | Budget | September 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 | - | - | - |
| ***Total Revenues*** | ***$ -*** | ***$ -*** | ***$ -*** |
| EXPENDITURES: | | | |
| Salaries | - | - | - |
| Allowance for Unspent Salaries | - | - | - |
| Benefits | - | - | - |
| Allowance for Unspent Benefits | - | - | - |
| Healthcare Expense | - | - | - |
| Anticipated Benefit Recovery | - | - | - |
| Graduate Assistant Fee Waivers | - | - | - |
| Utilities | 32,320 | 32,320 | - |
| Departmental Support Expenditures | 265,718 | 265,718 | - |
| Multi-year Expenditures | - | - | - |
| ***Total Expenditures*** | ***$ 298,038*** | ***$ 298,038*** | ***$ -*** |
| DEBT SERVICE AND TRANSFERS: | | | |
| General Fee | - | - | - |
| Capital, Renewal & Replacement | (100,706) | (100,706) | - |
| Debt Service | (431,521) | (431,521) | - |
| Support for VOALC | 830,265 | 830,265 | - |
| Other Miscellaneous Operational Transfers | - | - | - |
| ***Total Debt Service and Transfers*** | ***$ 298,038*** | ***$ 298,038*** | ***$ -*** |
| *Net Revenues/(Expenditures) Before Adjustments* | $ 0 | $ 0 | $ - |
| ADJUSTMENTS: | | | |
| Departmental Budgetary Carryforward | - | - | - |
| Divisional Budgetary Carryforward | - | - | - |
| Strategic Investment Funding - Divisional Carryforward | - | - | - |
| Reserve for Carry Forward | - | - | - |
| Transfer from Fund Balance | - | - | - |
| Reserve for Encumbrances | - | - | - |
| Reserve for Investment Fluctuations | - | - | - |
| Reserve for Future Budgets | - | - | - |
| ***Net Increase/(Decrease) in Fund Balance*** | 11 ***$ 0*** | ***$ 0*** | ***$ -*** |

# MIAMI UNIVERSITY
## Financial Analysis by Operational Unit (Oxford Campus)

| | Year End Actual | | Budget | Through September 30 | | | % of 22 | % Change |
|---|---|---|---|---|---|---|---|---|
| | FY2020 | FY2021 | FY2022 | FY2022 | FY2021 | FY2020 | Budget | from 21 YTD |
| **College of Arts & Sciences** | | | | | | | | |
| Salaries | $55,891,881 | $51,375,701 | $49,499,567 | $8,111,790 | $8,178,435 | $8,806,577 | 16% | -1% |
| Benefits | $15,589,669 | $15,308,407 | $16,323,573 | $2,599,172 | $2,597,073 | $2,808,186 | 16% | 0% |
| Scholarships & Fellowships | $8,979,044 | $7,986,380 | $9,732,841 | $4,559,733 | $220,176 | $5,227,349 | 47% | 1971% |
| Departmental Support Expenses | $4,044,616 | $2,838,681 | $3,803,426 | $822,463 | $660,053 | $1,370,452 | 22% | 25% |
| **College of Arts & Sciences Total** | **$84,505,211** | **$77,509,169** | **$79,359,407** | **$16,093,158** | **$11,655,737** | **$18,212,564** | **20%** | **38%** |
| **College of Education, Health, and Society** | | | | | | | | |
| Salaries | $15,259,973 | $13,832,683 | $12,284,605 | $2,373,069 | $2,296,652 | $2,512,576 | 19% | 3% |
| Benefits | $4,187,956 | $4,164,181 | $4,243,968 | $761,110 | $748,707 | $790,350 | 18% | 2% |
| Scholarships & Fellowships | $1,607,233 | $1,289,780 | $2,023,682 | $1,033,586 | $131,947 | $896,888 | 51% | 683% |
| Departmental Support Expenses | $1,356,639 | $614,042 | $1,095,200 | $141,696 | $109,115 | $374,312 | 13% | 30% |
| **College of Education, Health, and Society Total** | **$22,411,801** | **$19,900,686** | **$19,647,455** | **$4,309,462** | **$3,286,421** | **$4,574,126** | **22%** | **31%** |
| **College of Engineering and Computing** | | | | | | | | |
| Salaries | $9,995,928 | $9,707,579 | $8,824,276 | $1,721,251 | $1,663,707 | $1,758,698 | 20% | 3% |
| Benefits | $2,941,617 | $3,090,248 | $3,136,270 | $584,698 | $575,325 | $587,537 | 19% | 2% |
| Scholarships & Fellowships | $747,905 | $497,166 | $1,007,760 | $387,959 | $4,354 | $448,637 | 38% | 8811% |
| Departmental Support Expenses | $1,186,321 | $457,566 | $1,275,119 | $144,840 | $76,158 | $578,339 | 11% | 90% |
| **College of Engineering and Computing Total** | **$14,871,771** | **$13,752,559** | **$14,243,424** | **$2,838,748** | **$2,319,544** | **$3,373,212** | **20%** | **22%** |
| **Farmer School of Business** | | | | | | | | |
| Salaries | $22,207,061 | $20,588,109 | $17,402,972 | $3,651,424 | $3,537,731 | $4,013,653 | 21% | 3% |
| Benefits | $6,603,882 | $6,577,227 | $6,655,336 | $1,273,064 | $1,264,288 | $1,356,757 | 19% | 1% |
| Scholarships & Fellowships | $447,389 | $376,905 | $609,960 | $124,775 | $37,036 | $258,470 | 20% | 237% |
| Departmental Support Expenses | $1,724,073 | $196,323 | $6,000 | $29,988 | $76,959 | $487,382 | 500% | -61% |
| **Farmer School of Business Total** | **$30,982,405** | **$27,738,563** | **$24,674,269** | **$5,079,251** | **$4,916,013** | **$6,116,263** | **21%** | **3%** |
| **College of Creative Arts** | | | | | | | | |
| Salaries | $11,396,366 | $10,970,517 | $9,246,361 | $1,740,742 | $1,729,820 | $1,749,328 | 19% | 1% |
| Benefits | $3,289,314 | $3,470,200 | $3,355,493 | $614,614 | $600,082 | $600,087 | 18% | 2% |
| Scholarships & Fellowships | $1,587,431 | $1,288,719 | $1,352,520 | $550,986 | $161,575 | $869,446 | 41% | 241% |
| Departmental Support Expenses | $1,226,749 | $419,348 | $721,057 | $287,428 | $95,335 | $295,142 | 40% | 201% |
| **College of Creative Arts Total** | **$17,499,860** | **$16,148,784** | **$14,675,431** | **$3,193,770** | **$2,586,812** | **$3,514,004** | **22%** | **23%** |
| **Dolibois European Center - Luxemburg** | | | | | | | | |
| Salaries | $1,046,219 | $952,161 | $1,339,910 | $210,402 | $198,426 | $200,858 | 16% | 6% |
| Benefits | $172,318 | $137,624 | $458,352 | $28,872 | $29,704 | $34,462 | 6% | -3% |
| Scholarships & Fellowships | $0 | $0 | $0 | | | | 0% | 0% |
| Departmental Support Expenses | $296,127 | $179,092 | $191,404 | $54,487 | $50,513 | $57,474 | 28% | 8% |
| **Dolibois European Center - Luxemburg Total** | **$1,514,664** | **$1,268,877** | **$1,989,666** | **$293,761** | **$278,643** | **$292,793** | **15%** | **5%** |

# MIAMI UNIVERSITY
## Financial Analysis by Operational Unit (Oxford Campus)

| | Year End Actual | | Budget | Through September 30 | | | % of 22 | % Change |
|---|---|---|---|---|---|---|---|---|
| | FY2020 | FY2021 | FY2022 | FY2022 | FY2021 | FY2020 | Budget | from 21 YTD |
| **President** | | | | | | | | |
| Salaries | $5,200,749 | $4,880,309 | $5,430,241 | $1,352,066 | $1,193,988 | $1,256,587 | 25% | 13% |
| Benefits | $1,636,849 | $1,795,397 | $2,082,217 | $517,243 | $458,427 | $480,977 | 25% | 13% |
| Scholarships & Fellowships | $1,414 | $1,000 | $0 | $578 | $0 | $339 | 0% | 0% |
| Departmental Support Expenses | $3,339,154 | $3,053,059 | $3,218,229 | $876,144 | $571,547 | $931,076 | 27% | 53% |
| **President Total** | **$10,178,167** | **$9,729,765** | **$10,730,687** | **$2,746,031** | **$2,223,962** | **$2,668,980** | **26%** | **23%** |
| **Student Life** | | | | | | | | |
| Salaries | $6,271,099 | $5,278,479 | $6,590,238 | $1,522,011 | $1,484,263 | $1,473,648 | 23% | 3% |
| Benefits | $2,012,199 | $1,782,238 | $2,415,849 | $562,891 | $553,589 | $545,048 | 23% | 2% |
| Scholarships & Fellowships | $519,003 | $484,222 | $547,959 | $204,060 | $35,774 | $283,178 | 37% | 470% |
| Departmental Support Expenses | ($1,027,728) | ($3,047,131) | ($1,866,289) | ($662,143) | ($1,096,742) | ($711,508) | 35% | -40% |
| **Student Life Total** | **$7,774,573** | **$4,497,807** | **$7,687,757** | **$1,626,818** | **$976,883** | **$1,590,366** | **21%** | **67%** |
| **University Advancement** | | | | | | | | |
| Salaries | $8,001,604 | $7,849,003 | $7,969,381 | $1,768,178 | $1,951,156 | $1,692,928 | 22% | -9% |
| Benefits | $2,897,276 | $2,667,423 | $3,067,595 | $678,756 | $743,924 | $646,352 | 22% | -9% |
| Scholarships & Fellowships | $0 | $14,596 | $0 | $13,458 | $6,439 | $0 | 0% | 109% |
| Departmental Support Expenses | $691,518 | $842,009 | $960,083 | $292,411 | $263,082 | $197,788 | 30% | 11% |
| **University Advancement Total** | **$11,590,398** | **$11,373,031** | **$11,997,060** | **$2,752,802** | **$2,964,602** | **$2,537,069** | **23%** | **-7%** |
| **Information Technology** | | | | | | | | |
| Salaries | $7,479,849 | $6,482,427 | $9,093,500 | $1,841,370 | $1,755,936 | $1,908,297 | 20% | 5% |
| Benefits | $2,414,192 | $2,325,904 | $3,500,997 | $706,920 | $674,410 | $732,999 | 20% | 5% |
| Scholarships & Fellowships | $0 | $0 | $0 | $0 | $0 | $0 | 0% | 0% |
| Departmental Support Expenses | $1,510,629 | $2,045,366 | $1,690,520 | $1,563,804 | $1,846,472 | $2,137,250 | 93% | -15% |
| **Information Technology Total** | **$11,404,671** | **$10,853,697** | **$14,285,016** | **$4,112,093** | **$4,276,818** | **$4,778,547** | **29%** | **-4%** |
| **Centrally Budgeted Funds** | | | | | | | | |
| Departmental Support Expenses | $2,603,886 | $2,711,913 | $10,602,360 | $2,719,362 | $1,961,593 | $1,697,505 | 26% | 39% |
| **Grand Total** | | | | | | | | |
| Salaries | $188,815,544 | $171,707,223 | $189,257,187 | $34,476,530 | $34,161,438 | $36,361,226 | 18% | 1% |
| Benefits | $56,522,323 | $55,089,611 | $66,959,151 | $12,176,326 | $12,080,257 | $12,715,112 | 18% | 1% |
| Scholarships & Fellowships | $133,836,814 | $159,830,259 | $174,325,441 | $85,418,576 | $86,239,866 | $69,151,046 | 49% | -1% |
| Utilities | $11,964,769 | $11,741,296 | $13,344,175 | $3,204,806 | $2,152,223 | $2,691,504 | 24% | 49% |
| Departmental Support Expenses | $25,176,160 | $16,379,729 | $27,771,709 | $11,645,363 | $9,536,513 | $12,665,442 | 42% | 22% |
| Admin Service Charge | ($10,286,434) | ($3,170,690) | ($9,925,251) | ($2,459,342) | ($773,923) | ($2,552,860) | 25% | 218% |
| Multi Year Accounts | $3,091,466 | $769,122 | $3,572,151 | $380,542 | $22,090 | $707,427 | 11% | 1623% |
| **Total Expenses** | **$409,120,642** | **$412,346,549** | **$465,304,562** | **$144,842,802** | **$143,418,464** | **$131,738,897** | **31%** | **1%** |

# MIAMI UNIVERSITY
## Financial Analysis by Operational Unit (Oxford Campus)

| | Year End Actual | | Budget | Through September 30 | | | % of 22 | % Change |
|---|---|---|---|---|---|---|---|---|
| | FY2020 | FY2021 | FY2022 | FY2022 | FY2021 | FY2020 | Budget | from 21 YTD |
| **Graduate School** | | | | | | | | |
| Salaries | $3,203,113 | $2,980,540 | $3,085,798 | $615,361 | $712,988 | $666,226 | 20% | -14% |
| Benefits | $665,493 | $652,482 | $714,679 | $177,841 | $216,527 | $191,431 | 25% | -18% |
| Scholarships & Fellowships | $5,035,621 | $3,887,442 | $4,944,165 | $1,764,780 | $7,098,184 | $2,489,791 | 36% | -75% |
| Departmental Support Expenses | $255,660 | $195,052 | $690,496 | $26,036 | $98,141 | $58,623 | 4% | -73% |
| **Graduate School Total** | **$9,159,887** | **$7,715,517** | **$9,435,138** | **$2,584,019** | **$8,125,840** | **$3,406,071** | **27%** | **-68%** |
| **Other Provost Departments** | | | | | | | | |
| Salaries | $10,172,603 | $10,523,860 | $23,781,359 | $2,659,803 | $2,615,850 | $2,486,331 | 11% | 2% |
| Benefits | $3,433,458 | $3,958,012 | $7,705,531 | $1,015,773 | $995,079 | $940,430 | 13% | 2% |
| Scholarships & Fellowships | $749,617 | $194,581 | $1,183,426 | $1,904 | $31,214 | $67,225 | 0% | -94% |
| Departmental Support Expenses | $7,543,879 | $6,143,067 | $6,446,911 | $4,155,627 | $3,955,109 | $3,775,758 | 64% | 5% |
| **Other Provost Departments Total** | **$21,899,557** | **$20,819,519** | **$39,117,227** | **$7,833,106** | **$7,597,252** | **$7,269,744** | **20%** | **3%** |
| **Academic Affairs** | | | | | | | | |
| Salaries | $129,173,142 | $120,931,150 | $125,464,848 | $21,083,842 | $20,933,608 | $22,194,247 | 17% | 1% |
| Benefits | $36,883,708 | $37,358,381 | $42,593,201 | $7,055,145 | $7,026,785 | $7,309,240 | 17% | 0% |
| Scholarships & Fellowships | $19,154,242 | $15,520,973 | $20,854,353 | $8,423,724 | $7,684,485 | $10,257,808 | 40% | 10% |
| Departmental Support Expenses | $17,634,063 | $11,043,170 | $14,229,613 | $5,662,564 | $5,121,384 | $6,997,482 | 40% | 11% |
| **Academic Affairs Total** | **$202,845,156** | **$184,853,674** | **$203,142,015** | **$42,225,274** | **$40,766,262** | **$46,758,776** | **21%** | **4%** |
| **Physical Facilities** | | | | | | | | |
| Salaries | $15,119,169 | $13,283,604 | $15,293,173 | $3,091,875 | $2,977,728 | $3,465,412 | 20% | 4% |
| Benefits | $4,992,730 | $4,707,871 | $5,866,661 | $1,185,490 | $1,140,664 | $1,326,260 | 20% | 4% |
| Scholarships & Fellowships | $0 | $0 | $0 | $0 | $0 | $0 | 0% | 0% |
| Departmental Support Expenses | ($4,807,333) | ($4,552,450) | ($3,707,158) | ($1,106,366) | ($847,277) | ($1,268,449) | 30% | 31% |
| **Physical Facilities Total** | **$15,304,567** | **$13,439,024** | **$17,452,676** | **$3,170,999** | **$3,271,115** | **$3,523,223** | **18%** | **-3%** |
| **Other Finance & Business Services Departments** | | | | | | | | |
| Salaries | $10,009,582 | $6,275,729 | $8,990,876 | $2,146,652 | $2,192,710 | $2,343,702 | 24% | -2% |
| Benefits | $3,281,065 | $2,111,817 | $3,444,793 | $814,623 | $835,893 | $894,472 | 24% | -3% |
| Scholarships & Fellowships | $0 | $0 | $0 | $0 | $0 | $0 | 0% | 0% |
| Departmental Support Expenses | $1,045,709 | $1,157,106 | $1,865,984 | $483,408 | $561,711 | $1,287,729 | 26% | -14% |
| **Other Finance & Business Services Departments Total** | **$14,336,356** | **$9,544,652** | **$14,301,653** | **$3,444,683** | **$3,590,314** | **$4,525,903** | **24%** | **-4%** |
| **Enrollment Management & Student Success** | | | | | | | | |
| Salaries | $7,560,348 | $6,706,625 | $7,737,165 | $1,674,678 | $1,672,049 | $2,026,405 | 22% | 0% |
| Benefits | $2,402,802 | $2,304,792 | $2,972,860 | $642,488 | $643,704 | $778,388 | 22% | 0% |
| Scholarships & Fellowships | $114,162,155 | $143,809,468 | $152,923,129 | $76,776,757 | $78,513,168 | $58,609,721 | 50% | -2% |
| Departmental Support Expenses | $4,187,763 | $3,182,372 | $4,481,109 | $1,824,812 | $1,157,604 | $1,397,944 | 41% | 58% |
| **Enrollment Management & Student Success Total** | **$128,313,068** | **$156,003,257** | **$168,114,263** | **$80,918,734** | **$81,986,526** | **$62,812,457** | **48%** | **-1%** |

# MIAMI UNIVERSITY
## Financial Analysis - Auxiliary Units (Oxford Campus)
## FY2022/FY2021/FY2020

| | FY2020 Actual | FY2021 Actual | FY2022 Budget | Through September YTD FY2022 | FY2021 | FY2020 | FY22 Budget to Actual | % of '22 Budget | % Change from '21 YTD |
|---|---|---|---|---|---|---|---|---|---|
| **Residence & Dining Halls** | | | | | | | | | |
| Revenue | 98,070,581 | 60,963,849 | 118,980,246 | 48,611,685 | 15,276,338 | 39,516,900 | (70,368,561) | 41% | 69% |
| General Fee Support | - | - | - | - | - | - | - | 0% | 0% |
| Total Sources | 98,070,581 | 60,963,849 | 118,980,246 | 48,611,685 | 15,276,338 | 39,516,900 | (70,368,561) | 41% | 69% |
| Salary | 15,037,925 | 12,106,863 | 17,252,545 | 2,803,880 | 2,381,969 | 3,163,371 | (14,448,665) | 16% | 15% |
| Benefits | 4,590,552 | 3,923,349 | 5,815,076 | 1,015,796 | 909,580 | 1,123,005 | (4,799,280) | 17% | 10% |
| Utilites | 6,078,811 | 5,668,749 | 7,166,175 | 1,499,119 | 977,881 | 1,626,428 | (5,667,056) | 21% | 35% |
| Charge Outs | (396,641) | (286,360) | (427,328) | 243,991 | - | (396,641) | 671,319 | -57% | 100% |
| Operating Expenses | 32,550,106 | 21,953,068 | 37,716,263 | 8,999,940 | 5,841,910 | 9,776,677 | (28,716,323) | 24% | 35% |
| Inventory Purchases | 3,284,275 | 2,008,633 | 4,610,065 | 936,318 | 260,704 | 1,032,270 | (3,673,747) | 20% | 72% |
| Debt Service | 41,870,643 | 38,730,990 | 39,956,353 | 10,282,606 | 10,288,302 | 10,574,425 | (29,673,747) | 26% | 0% |
| Total Uses | 103,015,671 | 84,105,292 | 112,089,149 | 25,781,650 | 20,660,346 | 26,899,535 | (86,307,499) | 23% | 20% |
| Net Before Non-Mandatory Transfers | (4,945,090) | (23,141,443) | 6,891,097 | 22,830,035 | (5,384,008) | 12,617,365 | 15,938,938 | 331% | 124% |
| Net Transfers | 22,160 | (428,273) | 2,770 | (15,765) | - | - | (18,535) | -569% | 100% |
| CR&R Transfers | 4,668,787 | (340,128) | (6,893,867) | (1,730,548) | (60,995) | (4,338,544) | 5,163,319 | 25% | 96% |
| Net Total | (254,143) | (23,909,844) | - | 21,083,722 | (5,445,003) | 8,278,821 | 21,083,722 | | 126% |
| **Shriver Center** | | | | | | | | | |
| Revenue | 7,750,701 | 5,712,089 | 6,099,400 | 2,561,424 | 2,184,046 | 3,009,907 | (3,537,976) | 42% | 15% |
| General Fee Support | 952,132 | 507,855 | 796,526 | 199,132 | 143,894 | 238,033 | (597,394) | 25% | 28% |
| Total Sources | 8,702,833 | 6,219,944 | 6,895,926 | 2,760,556 | 2,327,940 | 3,247,940 | (4,135,370) | 40% | 16% |
| Salary | 1,489,693 | 1,188,131 | 1,055,778 | 186,563 | 279,867 | 621,595 | (869,215) | 18% | -50% |
| Benefits | 305,879 | 339,025 | 353,419 | 70,009 | 104,519 | 185,879 | (283,410) | 20% | -49% |
| Utilities | 206,051 | 154,167 | 216,961 | 49,332 | 51,152 | 69,469 | (167,629) | 23% | -4% |
| Charge Outs | (1,022,695) | (471,059) | (631,987) | (401,168) | (440,648) | (477,180) | 230,819 | 63% | -10% |
| Operating Expenses | 1,071,580 | 826,716 | 514,647 | 219,775 | 148,184 | 452,049 | (294,872) | 43% | 33% |
| Inventory Purchases | 6,848,011 | 4,865,900 | 4,538,500 | 2,097,000 | 1,876,317 | 2,959,436 | (2,441,500) | 46% | 11% |
| Debt Service | 46,815 | 44,248 | 45,784 | 11,711 | 11,902 | 11,945 | (34,073) | 26% | -2% |
| Total Uses | 8,945,334 | 6,947,128 | 6,093,102 | 2,233,222 | 2,031,293 | 3,823,193 | (3,859,880) | 37% | 9% |
| Net Before Non-Mandatory Transfers | (242,501) | (727,184) | 802,824 | 527,334 | 296,647 | (575,253) | (275,490) | 66% | 44% |
| Net Transfers | 129,213 | 222,604 | 201,385 | 195,772 | 100,000 | 200,000 | (5,613) | 97% | 49% |
| CR&R Transfers | (66,970) | (406,029) | (1,004,209) | (251,052) | (101,507) | (191,618) | 753,157 | 25% | 60% |
| Net Total | (113,288) | (910,609) | - | 472,054 | 295,140 | (566,871) | 472,054 | | 37% |

# MIAMI UNIVERSITY
## Financial Analysis - Auxiliary Units (Oxford Campus)
## FY2022/FY2021/FY2020

| | FY2020 Actual | FY2021 Actual | FY2022 Budget | Through September YTD FY2022 | FY2021 | FY2020 | FY22 Budget to Actual | % of '22 Budget | % Change from '21 YTD |
|---|---|---|---|---|---|---|---|---|---|
| **Marcum Conference Center** | | | | | | | | | |
| Revenue | 936,799 | 59,587 | 1,284,852 | 318,444 | - | 374,268 | (966,408) | 25% | 100% |
| General Fee Support | - | - | - | - | - | - | - | 0% | 0% |
| Total Sources | 936,799 | 59,587 | 1,284,852 | 318,444 | - | 374,268 | (966,408) | 25% | 100% |
| Salary | 281,752 | 119,322 | 316,464 | 53,452 | 37,014 | 85,487 | (263,012) | 17% | 31% |
| Benefits | 59,288 | 42,800 | 92,365 | 17,686 | 12,762 | 24,353 | (74,679) | 19% | 28% |
| Utilities | 139,059 | 123,699 | 159,825 | 40,805 | 22,988 | 34,015 | (119,020) | 26% | 44% |
| Charge Outs | (44) | - | - | - | - | - | - | 0% | 0% |
| Operating Expenses | 507,648 | 188,490 | 705,105 | 121,897 | 15,750 | 138,498 | (583,208) | 17% | 87% |
| Inventory Purchases | 9,550 | 2,524 | 3,500 | 2,474 | - | 4,271 | (1,026) | 71% | 100% |
| Debt Service | - | - | - | - | - | - | - | 0% | 0% |
| Total Uses | 997,253 | 476,835 | 1,277,259 | 236,314 | 88,514 | 286,624 | (1,040,945) | 19% | 63% |
| Net Before Non-Mandatory Transfers | (60,454) | (417,248) | 7,593 | 82,130 | (88,514) | 87,644 | 74,537 | 1082% | 208% |
| Net Transfers | - | (1,715) | - | 2,306 | - | - | 2,306 | 0% | 100% |
| CR&R Transfers | (4,801) | - | (7,593) | (1,898) | - | (72,552) | 5,695 | 25% | 100% |
| Net Total | (65,255) | (418,963) | - | 82,538 | (88,514) | 15,092 | 82,538 | | 207% |
| **Intercollegiate Athletics** | | | | | | | | | |
| Revenue | 7,139,225 | 3,222,302 | 7,235,743 | 423,169 | (259,785) | 944,000 | (6,812,574) | 6% | 161% |
| General Fee Support | 19,444,018 | 11,064,469 | 16,858,134 | 4,217,405 | 3,134,959 | 4,773,329 | (12,640,729) | 25% | 26% |
| Designated Revenue | 1,046,948 | - | 765,100 | 155,946 | 20,921 | 385,643 | (609,154) | 20% | 87% |
| Restricted Revenue | 3,575,517 | - | 2,211,770 | 264,111 | 223,602 | 684,899 | (1,947,659) | 12% | 15% |
| Total Sources | 31,205,708 | 14,286,771 | 27,070,747 | 5,060,631 | 3,119,697 | 6,787,871 | (22,010,116) | 19% | 38% |
| Salary | 9,519,506 | 7,861,215 | 8,451,609 | 2,113,848 | 2,023,930 | 2,305,126 | (6,337,761) | 25% | 4% |
| Benefits | 2,972,743 | 2,589,050 | 2,724,024 | 799,439 | 762,498 | 844,547 | (1,924,585) | 29% | 5% |
| Utilities | 421 | 157 | 2,500 | 97 | - | 12 | (2,403) | 4% | 100% |
| Charge Outs | (138,623) | (39,531) | - | - | - | (665) | - | 0% | 0% |
| Operating Expenses | 13,650,878 | 9,658,935 | 13,093,030 | 5,376,127 | 4,156,980 | 5,890,894 | (7,716,903) | 41% | 23% |
| Inventory Purchases | - | 10 | - | - | - | - | - | 0% | 0% |
| Debt Service | - | - | - | - | - | - | - | 0% | 0% |
| Designated Expense | 1,353,878 | - | 765,100 | 21,231 | 8,056 | 271,427 | (743,869) | 3% | 62% |
| Restricted Expense | 2,549,791 | - | 2,211,770 | 165,810 | 362,706 | 383,592 | (2,045,960) | 7% | -119% |
| Total Uses | 29,908,594 | 20,069,836 | 27,248,033 | 8,476,552 | 7,314,170 | 9,694,933 | (18,771,481) | 31% | 14% |
| Net Before Non-Mandatory Transfers | 1,297,114 | (5,783,065) | (177,286) | (3,415,921) | (4,194,473) | (2,907,062) | (3,238,635) | 1927% | -23% |
| Net Transfers | (47,177) | 107,065 | 177,286 | (36,902) | (12,500) | (12,500) | (214,188) | -21% | 66% |
| CR&R Transfers | - | - | - | - | - | (7,500) | - | 0% | 0% |
| Net Total | 1,249,937 | (5,676,000) | - | (3,452,823) | (4,206,973) | (2,927,062) | (3,452,823) | | -22% |

# MIAMI UNIVERSITY
## Financial Analysis - Auxiliary Units (Oxford Campus)
## FY2022/FY2021/FY2020

| | FY2020 Actual | FY2021 Actual | FY2022 Budget | Through September YTD FY2022 | FY2021 | FY2020 | FY22 Budget to Actual | % of '22 Budget | % Change from '21 YTD |
|---|---|---|---|---|---|---|---|---|---|
| **Recreation Center** | | | | | | | | | |
| Revenue | 2,177,662 | 1,123,771 | 2,322,255 | 618,207 | 213,552 | 831,069 | (1,704,048) | 27% | 65% |
| General Fee Support | 3,881,561 | 2,061,328 | 3,199,744 | 799,936 | 584,048 | 970,390 | (2,399,808) | 25% | 27% |
| Total Sources | 6,059,223 | 3,185,099 | 5,521,999 | 1,418,143 | 797,600 | 1,801,459 | (4,103,856) | 26% | 44% |
| Salary | 2,037,936 | 1,562,466 | 1,908,669 | 371,086 | 347,529 | 614,227 | (1,537,583) | 19% | 6% |
| Benefits | 453,877 | 396,559 | 486,285 | 108,153 | 121,189 | 158,113 | (378,132) | 22% | -12% |
| Utilities | 690,884 | 676,124 | 753,271 | 186,441 | 134,533 | 153,080 | (566,830) | 25% | 28% |
| Charge Outs | (862) | (1,928) | - | (400) | - | - | (400) | 0% | 100% |
| Operating Expenses | 1,565,031 | 1,196,799 | 1,622,526 | 354,965 | 291,992 | 406,809 | (1,267,561) | 22% | 18% |
| Inventory Purchases | 165,717 | 90,797 | 187,800 | 27,783 | 8,766 | 47,532 | (160,017) | 15% | 68% |
| Debt Service | - | - | - | - | - | - | - | 0% | 0% |
| Total Uses | 4,912,583 | 3,920,817 | 4,958,551 | 1,048,028 | 904,009 | 1,379,761 | (3,910,523) | 21% | 14% |
| Net Before Non-Mandatory Transfers | 1,146,640 | (735,718) | 563,448 | 370,115 | (106,409) | 421,698 | (193,333) | 66% | 129% |
| Net Transfers | (45,867) | (30,989) | 84,000 | (22,105) | (12,500) | (12,500) | (106,105) | -26% | 43% |
| CR&R Transfers | (1,098,593) | 333,670 | (647,448) | (161,810) | 84,455 | (274,733) | 485,638 | 25% | 152% |
| Net Total | 2,180 | (433,037) | - | 186,200 | (34,454) | 134,465 | 186,200 | | 119% |
| **Goggin Ice Arena** | | | | | | | | | |
| Revenue | 1,692,968 | 1,174,260 | 1,696,500 | 430,555 | 165,662 | 674,590 | (1,265,945) | 25% | 62% |
| General Fee Support | 4,437,263 | 3,287,969 | 4,242,278 | 1,060,570 | 870,171 | 1,109,316 | (3,181,708) | 25% | 18% |
| Total Sources | 6,130,231 | 4,462,229 | 5,938,778 | 1,491,125 | 1,035,833 | 1,783,906 | (4,447,653) | 25% | 31% |
| Salary | 1,027,866 | 929,815 | 907,830 | 256,913 | 202,483 | 279,483 | (650,917) | 28% | 21% |
| Benefits | 289,706 | 292,606 | 283,857 | 83,023 | 75,484 | 90,646 | (200,834) | 29% | 9% |
| Utilities | 889,442 | 824,789 | 898,573 | 246,663 | 156,593 | 227,215 | (651,910) | 27% | 37% |
| Charge Outs | - | (83,711) | - | (33,272) | - | - | (33,272) | 0% | 100% |
| Operating Expenses | 721,265 | 670,179 | 859,534 | 204,873 | 94,492 | 185,716 | (654,661) | 24% | 54% |
| Inventory Purchases | 183,442 | 64,882 | 185,000 | 49,350 | 4,608 | 17,364 | (135,650) | 27% | 91% |
| Debt Service | 1,839,991 | 1,836,458 | 1,822,954 | 465,380 | 465,187 | 464,391 | (1,357,574) | 26% | 0% |
| Total Uses | 4,951,712 | 4,535,018 | 4,957,748 | 1,272,930 | 998,847 | 1,264,815 | (3,684,818) | 26% | 22% |
| Net Before Non-Mandatory Transfers | 1,178,519 | (72,789) | 981,030 | 218,195 | 36,986 | 519,091 | (762,835) | 22% | 83% |
| Net Transfers | 22,860 | (37,147) | 22,000 | (14,422) | (12,500) | 27,590 | (36,422) | -66% | 13% |
| CR&R Transfers | (975,067) | 3,601 | (1,003,030) | (250,758) | 737 | (247,720) | 752,272 | 25% | 100% |
| Net Total | 226,312 | (106,335) | - | (46,985) | 25,223 | 298,961 | (46,985) | | 154% |

# MIAMI UNIVERSITY
## Financial Analysis - Auxiliary Units (Oxford Campus)
## FY2022/FY2021/FY2020

| | FY2020 Actual | FY2021 Actual | FY2022 Budget | Through September YTD FY2022 | FY2021 | FY2020 | FY22 Budget to Actual | % of '22 Budget | % Change from '21 YTD |
|---|---|---|---|---|---|---|---|---|---|
| **Student Health Services** | | | | | | | | | |
| Revenue | 2,361,974 | 236,234 | - | - | - | 620,069 | - | 0% | 0% |
| General Fee Support | - | - | - | - | - | - | - | 0% | 0% |
| Total Sources | 2,361,974 | 236,234 | - | - | - | 620,069 | - | 0% | 0% |
| Salary | 437,215 | (36,156) | - | - | 111,428 | 106,996 | - | 0% | 0% |
| Benefits | 127,689 | (53,863) | - | - | 41,223 | 40,050 | - | 0% | 0% |
| Utilities | 790 | - | - | - | - | 151 | - | 0% | 0% |
| Charge Outs | - | - | - | - | - | - | - | 0% | 0% |
| Operating Expenses | 1,860,722 | 478,951 | - | - | 104,970 | 419,634 | - | 0% | 0% |
| Inventory Purchases | 8,270 | 20,706 | - | - | - | - | - | 0% | 0% |
| Debt Service | - | - | - | - | - | - | - | 0% | 0% |
| Total Uses | 2,434,686 | 409,638 | - | - | 257,621 | 566,831 | - | 0% | 0% |
| Net Before Non-Mandatory Transfers | (72,712) | (173,404) | - | - | (257,621) | 53,238 | - | 0% | 0% |
| Net Transfers | - | - | - | - | - | - | - | 0% | 0% |
| CR&R Transfers | 72,712 | - | - | - | - | - | - | 0% | 0% |
| Net Total | - | (173,404) | - | - | (257,621) | 53,238 | - | | 0% |
| **Transportation Services** | | | | | | | | | |
| Revenue | 1,825,233 | 927,108 | 2,297,000 | 1,024,890 | 170,815 | 865,379 | (1,272,110) | 45% | 83% |
| General Fee Support | 2,657,207 | 2,164,773 | 2,658,198 | 664,550 | 562,227 | 664,303 | (1,993,648) | 25% | 15% |
| Total Sources | 4,482,440 | 3,091,881 | 4,955,198 | 1,689,440 | 733,042 | 1,529,682 | (3,265,758) | 34% | 57% |
| Salary | 196,764 | 188,841 | 266,049 | 38,155 | 41,773 | 40,445 | (227,894) | 14% | -9% |
| Benefits | 62,157 | 66,021 | 84,814 | 14,690 | 16,025 | 14,770 | (70,124) | 17% | -9% |
| Utilities | - | - | - | - | - | - | - | 0% | 0% |
| Charge Outs | (54,931) | (33,734) | (20,000) | (30,554) | (85) | (43,295) | (10,554) | 153% | 100% |
| Operating Expenses | 1,725,475 | 2,236,414 | 2,693,922 | 222,279 | 620,856 | 823,597 | (2,471,643) | 8% | -179% |
| Inventory Purchases | - | - | - | - | - | - | - | 0% | 0% |
| Debt Service | 1,532,588 | 1,530,698 | 1,534,597 | 388,553 | 387,928 | 387,471 | (1,146,044) | 25% | 0% |
| Total Uses | 3,462,053 | 3,988,240 | 4,559,382 | 633,123 | 1,066,497 | 1,222,988 | (3,926,259) | 14% | -68% |
| Net Before Non-Mandatory Transfers | 1,020,387 | (896,359) | 395,816 | 1,056,317 | (333,455) | 306,694 | 660,501 | 267% | 132% |
| Net Transfers | 545,666 | 525,382 | 550,000 | 130,192 | 130,192 | 136,417 | (419,808) | 24% | 0% |
| CR&R Transfers | (1,034,463) | 7,299 | (945,816) | (236,454) | 1,922 | (258,217) | 709,362 | 25% | 101% |
| Net Total | 531,590 | (363,678) | - | 950,055 | (201,341) | 184,894 | 950,055 | | 121% |

# MIAMI UNIVERSITY
## Financial Analysis - Auxiliary Units (Oxford Campus)
## FY2022/FY2021/FY2020

| | FY2020 Actual | FY2021 Actual | FY2022 Budget | Through September YTD FY2022 | FY2021 | FY2020 | FY22 Budget to Actual | % of '22 Budget | % Change from '21 YTD |
|---|---|---|---|---|---|---|---|---|---|
| **Utility Enterprise** | | | | | | | | | |
| Revenue | - | - | - | - | - | - | - | 0% | 0% |
| General Fee Support | - | - | - | - | - | - | - | 0% | 0% |
| Total Sources | - | - | - | - | - | - | - | 0% | 0% |
| Salary | 1,613,976 | 1,167,980 | 1,781,819 | 264,656 | 343,775 | 340,076 | (1,517,163) | 15% | -30% |
| Benefits | 529,970 | 406,068 | 674,532 | 101,979 | 131,968 | 130,550 | (572,553) | 15% | -29% |
| Utilities | 7,705,547 | 6,906,737 | 10,362,694 | 2,270,030 | 1,138,672 | 1,785,455 | (8,092,664) | 22% | 50% |
| Charge Outs | - | (6,273) | (38,000) | (8,257) | (1,547) | (492) | 29,743 | 22% | 81% |
| Expense Recovery | (21,393,614) | (20,310,191) | (23,620,943) | (5,791,837) | (3,900,774) | (5,533,319) | 17,829,106 | 25% | 33% |
| Operating Expenses | 1,367,018 | 1,876,619 | 1,911,075 | 261,538 | 511,586 | 190,378 | (1,649,537) | 14% | -96% |
| Inventory Purchases | - | 897 | - | - | 165 | - | - | 0% | 0% |
| Debt Service | 2,309,864 | 2,257,382 | 2,304,382 | 587,646 | 586,754 | 587,658 | (1,716,736) | 26% | 0% |
| Total Uses | (7,867,239) | (7,700,781) | (6,624,441) | (2,314,245) | (1,189,401) | (2,499,694) | 4,310,196 | 35% | 49% |
| Net Before Non-Mandatory Transfers | 7,867,239 | 7,700,781 | 6,624,441 | 2,314,245 | 1,189,401 | 2,499,694 | (4,310,196) | 35% | 49% |
| Net Transfers | 2,770 | (4,423,141) | (4,443,900) | (769) | - | - | 4,443,131 | 0% | 100% |
| CR&R Transfers | (6,596,341) | (52,607) | (2,180,541) | (545,135) | - | (1,649,085) | 1,635,406 | 25% | 100% |
| Net Total | 1,273,668 | 3,225,033 | - | 1,768,341 | 1,189,401 | 850,609 | 1,768,341 | | 33% |
| **Armstrong - Student Affairs** | | | | | | | | | |
| Revenue | 126,769 | 26,201 | 119,200 | 46,501 | 1,626 | 29,864 | (72,699) | 39% | 97% |
| General Fee Support | 5,670,107 | 4,681,533 | 5,798,049 | 2,160,818 | 1,860,221 | 2,122,164 | (3,637,231) | 37% | 14% |
| Total Sources | 5,796,876 | 4,707,734 | 5,917,249 | 2,207,319 | 1,861,847 | 2,152,028 | (3,709,930) | 37% | 16% |
| Salary | 441,945 | 440,247 | 649,126 | 113,777 | 83,229 | 123,223 | (535,349) | 18% | 27% |
| Benefits | 102,140 | 104,336 | 122,573 | 28,151 | 26,908 | 27,235 | (94,422) | 23% | 4% |
| Utilities | 318,520 | 283,311 | 342,886 | 81,333 | 50,872 | 76,305 | (261,553) | 24% | 37% |
| Charge Outs | - | - | - | - | - | - | - | 0% | 0% |
| Operating Expenses | 1,005,268 | 637,395 | 783,374 | 456,715 | 446,141 | 787,891 | (326,659) | 58% | 2% |
| Inventory Purchases | - | - | - | - | - | - | - | 0% | 0% |
| Debt Service | 2,450,000 | 2,450,000 | 2,450,000 | 612,501 | 612,501 | 612,500 | (1,837,499) | 25% | 0% |
| Total Uses | 4,317,873 | 3,915,289 | 4,347,959 | 1,292,477 | 1,219,651 | 1,627,154 | (3,055,482) | 30% | 6% |
| Net Before Non-Mandatory Transfers | 1,479,003 | 792,445 | 1,569,290 | 914,842 | 642,196 | 524,874 | (654,448) | 58% | 30% |
| Net Transfers | (96,410) | (134,297) | (141,160) | 588 | - | (28,750) | 141,748 | 0% | 100% |
| CR&R Transfers | (1,148,929) | (547,232) | (1,428,130) | (906,453) | (661,808) | (806,600) | 521,677 | 63% | 27% |
| Net Total | 233,664 | 110,916 | - | 8,977 | (19,612) | (310,476) | 8,977 | | 318% |

# MIAMI UNIVERSITY
## Financial Analysis - Auxiliary Units (Oxford Campus)
## FY2022/FY2021/FY2020

| | FY2020 Actual | FY2021 Actual | FY2022 Budget | Through September YTD FY2022 | FY2021 | FY2020 | FY22 Budget to Actual | % of '22 Budget | % Change from '21 YTD |
|---|---|---|---|---|---|---|---|---|---|
| **Miscellaneous Facilities** | | | | | | | | | |
| Revenue | 102,211 | 63,757 | 108,000 | 12,226 | 2,123 | 20,927 | (95,774) | 11% | 83% |
| General Fee Support | 312,206 | 228,973 | 308,681 | 308,681 | 228,973 | 312,206 | - | 100% | 26% |
| Total Sources | 414,417 | 292,730 | 416,681 | 320,907 | 231,096 | 333,133 | (95,774) | 77% | 28% |
| Salary | 21,765 | - | - | - | - | 21,765 | - | 0% | 0% |
| Benefits | (3,743) | - | - | - | - | 8,379 | - | 0% | 0% |
| Utilities | - | - | - | - | - | - | - | 0% | 0% |
| Charge Outs | - | - | - | - | - | - | - | 0% | 0% |
| Operating Expenses | 102,779 | 69,252 | 174,941 | 14,876 | 5,433 | 13,900 | (160,065) | 9% | 63% |
| Inventory Purchases | - | - | - | - | - | - | - | 0% | 0% |
| Debt Service | 312,206 | 308,268 | 308,681 | 78,201 | 78,398 | 78,781 | (230,480) | 25% | 0% |
| Total Uses | 433,007 | 377,520 | 483,622 | 93,077 | 83,831 | 122,825 | (390,545) | 19% | 10% |
| Net Before Non-Mandatory Transfers | (18,590) | (84,790) | (66,941) | 227,830 | 147,265 | 210,308 | 294,771 | -340% | 35% |
| Net Transfers | - | (22,974) | - | - | - | - | - | 0% | 0% |
| CR&R Transfers | 20,207 | 71,290 | 66,941 | - | 17,823 | - | (66,941) | 0% | 0% |
| Net Total | 1,617 | (36,474) | - | 227,830 | 165,088 | 210,308 | 227,830 | | 28% |
| **Total Auxiliary** | | | | | | | | | |
| Revenue | 122,184,123 | 73,509,158 | 140,143,196 | 54,047,101 | 17,754,377 | 46,886,973 | (86,096,095) | 39% | 67% |
| General Fee Support | 37,354,494 | 23,996,900 | 33,861,610 | 9,411,092 | 7,384,493 | 10,189,741 | (24,450,518) | 28% | 22% |
| Designated Revenue | 1,046,948 | - | 765,100 | 155,946 | 20,921 | 385,643 | (609,154) | 20% | 87% |
| Restricted Revenue | 3,575,517 | - | 2,211,770 | 264,111 | 223,602 | 684,899 | (1,947,659) | 12% | 15% |
| Total Sources | 164,161,082 | 97,506,058 | 176,981,676 | 63,878,250 | 25,383,393 | 58,147,256 | (113,103,426) | 36% | 60% |
| Salary | 32,106,343 | 25,528,724 | 32,589,889 | 6,202,330 | 5,852,997 | 7,701,794 | (26,387,559) | 19% | 6% |
| Benefits | 9,490,258 | 8,105,951 | 10,636,945 | 2,238,926 | 2,202,156 | 2,647,527 | (8,398,019) | 21% | 2% |
| Utilities | 16,029,525 | 14,637,733 | 19,902,885 | 4,373,820 | 2,532,691 | 3,972,130 | (15,529,065) | 22% | 42% |
| Charge Outs | (1,613,796) | (922,596) | (1,117,315) | (229,660) | (442,280) | (918,273) | 887,655 | 21% | -93% |
| Expense Recovery | (21,393,614) | (20,310,191) | (23,620,943) | (5,791,837) | (3,900,774) | (5,533,319) | 17,829,106 | 25% | 33% |
| Operating Expenses | 56,127,770 | 39,792,818 | 60,074,417 | 16,232,985 | 12,238,294 | 19,086,043 | (43,841,432) | 27% | 25% |
| Inventory Purchases | 10,499,265 | 7,054,349 | 9,524,865 | 3,112,925 | 2,150,560 | 4,060,873 | (6,411,940) | 33% | 31% |
| Debt Service | 50,362,107 | 47,158,044 | 48,422,751 | 12,426,598 | 12,430,972 | 12,717,171 | (35,996,153) | 26% | 0% |
| Designated Expense | 1,353,878 | - | 765,100 | 21,231 | 8,056 | 271,427 | (743,869) | 3% | 62% |
| Restricted Expense | 2,549,791 | - | 2,211,770 | 165,810 | 362,706 | 383,592 | (2,045,960) | 7% | -119% |
| Total Uses | 155,511,527 | 121,044,832 | 159,390,364 | 38,753,128 | 33,435,378 | 44,388,965 | (120,637,236) | 24% | 14% |
| Net Before Non-Mandatory Transfers | 8,649,555 | (23,538,774) | 17,591,312 | 25,125,122 | (8,051,985) | 13,758,291 | 7,533,810 | 143% | 132% |
| Net Transfers | 533,215 | (4,223,485) | (3,547,619) | 238,895 | 192,692 | 310,257 | 3,786,514 | -7% | 19% |
| CR&R Transfers | (6,163,458) | (930,136) | (14,043,693) | (4,084,108) | (719,373) | (7,846,569) | 9,959,585 | 29% | 82% |
| Net Total | 3,086,282 | (28,692,395) | - | 21,279,909 | (8,578,666) | 6,221,979 | 21,279,909 | | 140% |

Business Session
Item 6a
December 10, 2021
Finance and Audit

# State of Ohio Efficiency Report
# RESOLUTION R2022-XX

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

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

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

WHEREAS, Miami University has increased annual student scholarships by $53.7 million exceeding its five-year goal for student scholarships by $23.7 million by fiscal year 2021 and continues to progress with its efficiency actions consistent with the objectives of the Ohio Task Force report; and

WHEREAS, Miami University's progress on its efficiency goals were presented to and discussed Miami's Fiscal Priorities committee; and

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

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees of Miami University accepts the FY 2021 efficiency report and update on progress towards the University's five year goal to increase student scholarships; 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.

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

| Category | Recommendation | Component | Description | Savings from FY12 - FY16 | FY 2017 Goal | FY2017 Actual | FY 2018 Goal | FY2018 Actual | FY 2019 Goal | FY2019 Actual | FY 2020 Goal | FY2020 Actual | FY 2021 Goal | FY21 Actual | Total Goal | Comment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Efficiency Savings | 3A | Campus Contracts | Require employees to use existing contracts for purchasing goods and services. | $ 11,456,528 | $ 588,000 | $ 585,571 | $ 538,000 | $ 529,995 | $ 493,000 | $ 318,660 | $ 473,000 | $ 457,887 | $ 453,000 | $ 260,401 | $ 2,545,000 | Strategic sourcing initiatives and IUC group purchasing |
| | 3B | Collaborative Contracts | Pursue new and/or strengthened purchasing agreements. | $ 1,800,000 | $ 212,000 | $ 694,818 | $ 262,000 | $ 1,168,635 | $ 307,000 | $ 4,530,574 | $ 277,000 | $ 6,045,331 | $ 297,000 | $ 13,357,872 | $ 1,355,000 | |
| | 4B | Operations Review | Conduct assessment of non-academic operations that might be run more efficiently by regional cooperative, private operator or other entity. | $ 8,200,000 | $ 800,000 | $ 2,070,000 | $ 300,000 | $ 3,507,211 | $ 470,000 | $ 4,097,211 | $ 360,000 | $ 6,263,136 | $ 320,000 | $ 17,867,417 | $ 2,250,000 | Reduction in the cost of operation in various auxiliary units |
| | 5A | Cost Diagnostic[1] | Produce a diagnostic to identify its cost drivers, along with priority areas that offer the best opportunities for efficiencies. | | | | | | | | | | | | $ - | Accelerated five year productivity plan resulting in substantial budget reductions |
| | 5B | Productivity Measure[1] | ODHE should develop a common measurement of administrative productivity that can be adopted across Ohio's public colleges and universities. | $ 11,300,910 | $ 1,071,576 | $ 3,845,348 | $ 2,140,291 | $ 14,307,393 | $ 3,206,164 | $ 19,783,799 | $ 4,269,209 | $ 25,858,931 | $ 5,329,438 | $ 77,568,822 | $ 16,016,678 | |
| | 5C | Organizational Structure[1] | Review organizational structure to identify opportunities to streamline and reduce costs. | | | | | | | | | | | | $ - | |
| | 5D | Health Care Costs | Take advantage of economies of scale, a statewide working group should identify opportunities to collaborate on health-care costs. | $ 5,660,153 | | | | $ 1,668,542 | | $ 1,343,982 | | $ 1,779,360 | | $ 579,316 | $ - | |
| | 5E | Data Centers | Develop a plan to move their primary or disaster recovery data centers to the State of Ohio Computer Center. | $ 1,633,114 | | | | | $ 50,000 | | $ 50,000 | | $ 50,000 | $ - | $ 150,000 | |
| | 5F | Space Utilization | Study the utilization of its campus and employ a system that encourages optimization of physical spaces. | | $ - | | $ - | $ - | $ 250,000 | | $ 500,000 | | $ 750,000 | | $ 1,500,000 | |
| | | Energy | Energy Efficiency | $ 2,212,986 | $ 132,794 | $ 498,176 | $ 132,130 | $ 1,269,669 | $ 131,470 | $ 609,445 | $ 130,812 | $ 511,758 | $ 130,158 | $ 263,603 | $ 657,364 | Implementation of utility master plan to increase efficiency & improve sustainability |
| | 6A | Negotiate Cost | Professional negotiators must be assigned to help faculty obtain the best deals for textbooks and instructional materials, starting with high-volume, high-cost courses. | | $ - | $ 31,724 | $ 1,819,270 | $ 1,038,487 | $ 1,839,687 | $ 1,409,035 | $ 1,839,775 | $ 1,318,568 | $ 1,839,775 | $ 1,714,946 | $ 7,338,506 | Outsourced book store. |
| | 6B | Standardize Materials | Encourage departments to choose common materials, including digital elements, for gateway courses that serve large volumes of students. | | | $ - | | | | | | | | | $ - | |
| | 6C | Digital Capabilities | Participate in a consortium to develop digital tools and materials, including open educational resources, that provide students with high-quality, low-cost materials. | | $ - | $ 65,847 | $ 2,423,964 | $ 45,719 | $ 2,451,166 | $ 644,836 | $ 2,451,283 | $ 1,263,501 | $ 2,451,283 | $ 1,209,000 | $ 9,777,696 | OER adopt program |
| | 7A | Educational Campaign | Develop a campaign to educate full-time undergraduates about the course loads needed to graduate on time. | | $ - | $ 893,420 | $ - | $ 1,389,999 | $ - | $ 1,464,822 | $ 947,826 | $ 4,724,769 | $ 947,826 | $ 1,881,291 | $ 1,895,652 | |
| | 7B | Graduation Incentive | Consider establishing financial incentives that encourage full-time students to take at least 15 credit hours per semester. | | | | | | | | | | | | $ - | |
| | 7C | Standardize Credits for Degree | Streamline graduation requirements so that most bachelor's degree programs can be completed within four years or less | | $ - | $ - | $ - | $ - | $ - | $ - | $ 4,107,800 | $ 4,316,762 | $ 4,189,956 | $ 4,886,496 | $ 8,297,756 | |
| | 7D | Data Driven Advising | Enhance academic advising services so that students benefit from both high-impact, personalized consultations and data systems that proactively identify risk factors that hinder student success. | | $ 308,567 | $ 986,319 | $ 466,431 | $ 192,168 | $ 183,861 | $ - | $ 323,715 | $ 613,915 | $ 535,878 | $ 613,915 | $ 1,818,452 | |
| | 7E | Summer Programs | Develop plans to evaluate utilization rates for summer session and consider opportunities to increase productive activity. | | $ 887,552 | $ 1,039,407 | $ 905,303 | $ 1,087,456 | $ 923,409 | $ 1,703,085 | $ 941,877 | $ 2,297,822 | $ 960,715 | $ 2,077,428 | $ 4,618,856 | Discounted tuition for online classes in summer and winter terms |
| | 7F | Pathway Agreements | Develop agreements that create seamless pathways for students who begin their educations at community or technical colleges and complete them at universities. | | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | |
| | 7G | Competency Based Education | Consider developing or expanding programs that measure student success based on demonstrated competencies instead of through the amount of time students spend studying a subject. | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | |
| | 8 | Program Review (duplicative programs) | Consider consolidating programs that are duplicated at other colleges and universities in their geographic area. | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | |
| | 10A | Financial Advising | Make financial literacy a standard part of students' education. | | | $ 1,200,000 | | $ 3,000,000 | | $ 3,500,000 | | $ 5,026,539 | | $ 9,827,876 | $ - | Aggressive financial advising leading to lower student loans |
| | | | **Subtotal Student Savings** | $ - | $ 1,196,119 | $ 4,216,717 | $ 5,614,968 | $ 6,753,829 | $ 5,398,123 | $ 8,721,778 | $ 10,612,276 | $ 19,561,876 | $ 10,925,433 | $ 22,210,953 | $ 33,746,918 | |
| | | | **Subtotal Institutional Efficiency Savings** | $ 42,263,691 | $ 2,804,370 | $ 7,693,913 | $ 3,372,421 | $ 22,451,445 | $ 4,907,634 | $ 30,683,671 | $ 6,060,021 | $ 40,916,404 | $ 7,329,596 | $ 109,897,432 | $ 24,474,042 | |
| | | | **Subtotal All Savings** | **$ 42,263,691** | **$ 4,000,489** | **$ 11,910,630** | **$ 8,987,389** | **$ 29,205,274** | **$ 10,305,757** | **$ 39,405,449** | **$ 16,672,297** | **$ 60,478,279** | **$ 18,255,029** | **$ 132,108,384** | **$ 58,220,960** | |

| Category | Recommendation | Component | Description | | FY 2017 | FY2017 Actual | FY 2018 | FY2018 Actual | FY 2019 | FY2019 Actual | FY 2020 | FY2020 Actual | FY 2021 | FY2021 Actual | Total Goal | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| New Resource Generation | 4A | Asset Review | Conduct an assessment of non-core assets to determine market value if sold,, leased or otherwise repurposed. | | $ 664,471 | $ 132,587 | $ 714,471 | $ 1,031,903 | $ 164,471 | $ 1,644,676 | $ 164,471 | $ 967,353 | $ 164,471 | $ 648,175 | $ 1,872,355 | Sale of properties, farm land leases and sale of plane. |
| | 4C | Affinity Partnerships | Upon determining assets and operations that are to be retained, evaluate opportunities for affinity relationships and sponsorships. | | $ 3,154,762 | $ 3,180,333 | $ 3,154,762 | $ 3,335,404 | $ 3,154,762 | $ 3,281,674 | $ 3,154,762 | $ 3,284,651 | $ 3,154,762 | $ 2,458,333 | $ 15,773,810 | Banking, pouring rights & health care sponsorship |
| | | Other Revenue | Other Resource Generation | $ 24,114,041 | $ 6,348,726 | $ 5,898,182 | $ 10,672,523 | $ 13,822,541 | $ 12,001,562 | $ 11,556,551 | $ 17,001,562 | $ 6,597,861 | $ 22,001,562 | $ 6,597,861 | $ 68,025,935 | Impact of retention efforts |
| | | | **Subtotal New Resource Generation** | **$ 24,114,041** | **$ 10,167,959** | **$ 9,211,102** | **$ 14,541,756** | **$ 18,189,848** | **$ 15,320,795** | **$ 16,482,901** | **$ 20,320,795** | **$ 10,849,865** | **$ 25,320,795** | **$ 9,704,369** | **$ 85,672,100** | |
| | | | **TOTAL OF COMBINED INSITUTIONAL OPPORTUNITIES FOR STUDENT AFFORDABILITY** | **$ 66,377,732** | **$ 12,972,329** | **$ 16,905,015** | **$ 17,914,177** | **$ 40,641,293** | **$ 20,228,429** | **$ 47,166,572** | **$ 26,380,816** | **$ 51,766,268** | **$ 32,650,391** | **$ 119,601,800** | **$ 110,146,142** | |

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

| | | FY 2017 | FY2017 Actual | FY 2018 | FY2018 Actual | FY 2019 | FY2019 Actual | FY 2020 | FY2020 Actual | FY 2021 | FY2021 Actual | Total Goal | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Increase undergraduate student financial aid | $ 31,809,204 | $ 8,000,000 | $ 10,729,821 | $ 14,000,000 | $ 17,081,494 | $ 20,000,000 | $ 26,261,028 | $ 25,000,000 | $ 42,005,843 | $ 30,000,000 | $ 53,737,552 | $ 97,000,000 | |
| Student Financial Relief due to COVID-19 | | | | | | | | | $ 26,792,214 | | $ 61,742,731 | | Reduced tuition and fees due to calendar changes |
| Student Success Collaborative | $ 355,000 | $ 161,000 | $ 315,047 | $ 161,000 | $ 1,876,603 | $ 161,000 | $ 1,137,492 | $ 161,000 | $ 2,724,048 | $ 161,000 | $ 2,972,113 | $ 805,000 | Student success services, particularly with regard to completion and time to degree |
| Investments in STEM facilities | $ - | $ 4,000,000 | $ 19,730,000 | $ 3,000,000 | $ 18,372,122 | $ - | $ 3,031,867 | $ - | $ 14,348,986 | $ - | $ 18,113,061 | $ 7,000,000 | |
| Investments in faculty for high demand programs | $ - | $ 727,549 | $ 727,549 | $ 1,451,480 | $ 2,689,852 | $ 2,171,771 | $ 8,054,696 | $ 3,088,460 | $ 10,079,596 | $ 3,801,567 | $ 1,122,936 | $ 11,240,827 | Engineering, Nursing & Allied Health, Technology & Design |
| **Total** | $ 32,164,204 | $ 12,888,549 | $ 31,502,417 | $ 18,612,480 | $ 40,020,071 | $ 22,332,771 | $ 38,485,083 | $ 28,249,460 | $ 95,950,687 | $ 33,962,567 | $ 137,688,393 | $ 116,045,827 | |

Notes:

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

SIGNIFICANT CHANGE(S) IN 5-YEAR GOALS FROM FY16 SUBMISSION TO FY18 SUBMISSION: Please use the area below to describe, in detail, significant deviation in your institution's 5-year goals from the FY16 submission to the FY17 submission, if applicable.

Ohio | Department of Higher Education

Mike DeWine, Governor
Randy Gardner, Chancellor


# FY21 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.

Prior 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. However, due to the unprecedented level of institutional disruption caused by the COVID-19 pandemic, this year's template has been revised significantly and will provide IHEs with the opportunity to highlight post-pandemic strategies and initiatives, including the expansion of online delivery models.

The FY21 reporting template also requires IHEs to report on their annual study to determine the cost of textbooks for students enrolled in the institution pursuant to Ohio Revised Code section 3333.951(C), as well as information on efficiencies gained as a result of the "regional compacts" as outlined in ORC section 3345.59. The reporting template also requests information regarding college debt and debt collection practices, among other things.

***Your Efficiency Report Contact:*** ***Jennifer Carson***, Senior Director, Audit & Compliance, 614-752-7538, jcarson@highered.ohio.gov
Please provide your institution's efficiency report by **Friday, October 29, 2021** via email to OdheFiscalReports@highered.ohio.gov

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

- **Section I: Operational Efficiency –** This section captures practices likely to yield significant savings that may be shared with students or benefit the institution generally. This section also captures information on the impacts of COVID-19 on each institution.

- **Section II: Academic Practices –** This section covers areas more directly related to instruction, including actions taken to embrace remote learning post-pandemic, including noting any permanent strategic posture toward online learning, as well as core savings strategies such as reducing the cost of textbooks, time-to-degree and program reviews.

- **Section III: Policy Reforms/Continued Progress** – This section captures state IHE responses to suggested policy reforms originating in gubernatorial task force efforts, legislative joint committee reports, student loan debt advisory group reports, etc. Emphasis should be placed on major initiatives such as a debt relief program consistent with DHE's *College Comeback* guidance, if one exists, or other steps taken by the institution that may be considered best practices.

- **Section IV: Student Benefit –**This section asks institutions to provide cost savings and/or resource generation benefiting students in actual dollars for any major initiatives within the past fiscal year. It is not necessary to respond to specific recommendations from the 2015 Task Force on Affordability and Efficiency. IHE's should provide clear direction whether savings have been redeployed to students or reinvested in the institution.

- **Section V: Future goals –** This section corresponds to Master Recommendation 2 of the Ohio Task Force on Affordability. It is designed to allow each institution to benchmark its respective five-year goals to its actual institutional cost savings or avoidance. In the spirit of continuous improvement, this section allows you to revise and/or update your five-year goals as needed. In addition, the DeWine-Husted administration 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: Operational Efficiency

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.

What ratios, metrics, or benchmarks does your institution utilize to evaluate operational efficiencies and the appropriate balance of instructional vs. administrative expenses? 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 FY20..

Miami University's administrative units generally out perform 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.

For definitional purposes, what IPEDS (or other uniformly accepted) expense categories, or subset(s) therein, would you include in instructional expenses and administrative expenses? Please explain.

Administrative Expenses include: Academic Support; Student Services; Institutional Support; Operation and Maintenance of Plant; and Auxiliary.
Instructional Expense includes: Instruction and Departmental Research; Separately Budgeted Research; Public Service; and Scholarships and Fellowships.

The categories included in instructional expense include traditionally reported direct expense for instruction and categories and those that directly benefit the student (scholarships). The category also includes costs that indirectly benefit the student through the advancement of knowledge (separately budgeted research), and community engagement and experiential learning opportunities (public service)

Are you aware of national models used to benchmark institutional efficiencies? If so, please provide.

In addition to the Helio Campus benchmarking initiative described above, Miami University has also participated in an administrative benchmarking project hosted by the Southern Association of College and University Business Officers and Central Association of College and University Business Officers.

In the last 2-3 years, has your institution received positive media coverage about operational efficiencies? If so, please provide.

Miami University receives Lean Excellence Award
By Kristal Humphrey, university news and communications

Miami University is the winner of the Lean Excellence 2018 Award presented by the University of Southern California's Center for Global Supply Chain Management and the American Society for Quality's Lean Enterprise Division.

The award recognizes organizations that demonstrate outstanding achievement in lean supply chain practices and foster a lean culture within their industry.

"Miami University was chosen because of its strides in applying lean excellence into the field of education," said Nick Vyas, executive director of the USC Center for Global Supply Chain Management. "Very few higher education institutions succeed in deploying lean systemwide, therefore Miami University has been recognized in its efforts."

Alfred Ryan, director of Miami's Lean initiatives, accepted the award Thursday, Aug. 2, at the University of Southern California Global Supply Chain Excellence Summit. Rosanne Gulley, manager for administrative services and risk management, also attended.

The purpose of the summit is to connect leaders and create transformation through supply chain excellence. It recognizes industry best practices through supply chain excellence awards.

The Lean Enterprise Division is a global network of professionals helping individuals and organizations apply proven and leading edge lean principles and practices.

**CARES Act and other Federal Support impact**
How much has your institution received in federal funds from the various programs initiated in response to the COVID-19 pandemic (e.g., HEERF, CRF, ARP)? Please list amount per award type.

Please see the table below.

How has your institution utilized these various federal funds?

| | CARES HEERF 1 | CARES CRF | CARES Mental Health CRF | CARES Mental Health GEER | CSSRA HEERF 2 | ARP HEERF 3 |
|---|---|---|---|---|---|---|
| **Amount Awarded** | **$6,494,516** | **$14,704,315** | **$225,977** | **$384,162** | **$13,502,392** | **$18,372,221** |
| **Uses** | | | | | | |
| Substantially Dedicated Staff | | $6,539,942 | $0 | $0 | $0 | $0 |
| Hazard Pay | | $1,626,549 | $0 | $0 | $0 | $0 |
| Unemployment Benefits | | $682,282 | $0 | $0 | $0 | $0 |
| PPE | | $471,088 | $0 | $0 | $0 | $0 |
| Cleaning/public health | | $2,223,224 | $0 | $0 | $0 | $0 |
| COVID19 Testing & Contact Tracing | | $1,144,447 | $0 | $0 | $65,358 | $0 |
| Healthcare Claims | | $415,951 | $0 | $0 | $0 | $0 |
| Distance Learning | | $1,296,792 | $0 | $0 | $446,672 | $0 |
| Student Mental Health Counseling | | $0 | $225,977 | $384,162 | $0 | $0 |
| Telework | | $271,630 | $0 | $0 | $0 | $0 |
| Economic Support | | $24,484 | $0 | $0 | $0 | $0 |
| Financial Aid Outreach | | $0 | $0 | $0 | $0 | $0 |
| Other | | $7,926 | $0 | $0 | $18,341 | $0 |
| Revenue Replacement | $6,494,516 | $0 | $0 | $0 | $12,972,021 | $11,310,074 |
| **Total Uses** | **$6,494,516** | **$14,704,315** | **$225,977** | **$384,162** | **$13,502,392** | **$11,310,074** |
| Balance Remaining | $0 | $0 | $0 | $0 | $0 | $7,062,147 |

How much was provided by your institution directly to students as emergency aid?

| | Amount Awarded |
|---|---|
| CARES - HEERF 1 | $6,494,516 |
| CSSRA - HEERF 2 | $6,494,516 |
| ARP - HEERF 3 | $18,416,828 |

**FY 22 Budget Development**

Please provide a summary of projected enrollment for FY 22 relative to FY 21.

| Category | Fall 2020 | Fall 2021 | Percent Change |
|---|---|---|---|
| First year students | 5,458 | 6,120 | 12.1% |
| Total undergraduate students | 20,580 | 20,784 | 1.0% |
| Total graduate students | 2,337 | 2,261 | -3.3% |

What other planning assumptions were used related to the fiscal impact of COVID-19 in developing the institution's FY 22 budget?

| Major Assumptions | Description | Projected Fiscal Impact | Actual Fiscal Impact – as of fall 21 |
|---|---|---|---|
| Fall Enrollment/ Fee Revenue Relative to Fall 20 | The FY22 budget assumed an enrollment increase of 461 FTE, or 2.61% more than the FY21 budget. | $10,069,289 | $11,286,368 |
| Auxiliary Services | The FY22 budget assumes that campus is fully operational. | $45,234,234 | $45,234,234 |
| State Support | The state budget included an increase of 0.94% for Miami University. | $738,812 | $738,812 |
| Unique Cost Drivers – in response to COVID-19 | In FY22 we expect to have costs associated to vaccination clinics, testing and contact tracing, and cleaning/public health which will be offset by federal grants. | $0 | $0 |

| Other | | | |
|---|---|---|---|

## 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. Per O.R.C. §3345.59 {E} colleges and universities shall report within their annual efficiency reports the efficiencies gained as a result of the compact.

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

| Category | Description | Monetary Impact |
|---|---|---|
| Reducing duplication of academic programming | In response to the 2017 request by the Ohio Department of Higher Education, Miami University conducted a review of potential duplicate associate and baccalaureate degree programs with University of Cincinnati. The review included nine associate degree programs and 55 baccalaureate degree programs. To conduct this review, Miami evaluated programs in terms of the following indicators: (1) retention rates; (2) graduation rates; (3) enrollment pattern over past five years; (4) employment of its graduates; and (5) contributions to the core liberal education mission of the University. The Office of Institutional Research, in consultation with the Office of the Provost, compiled the program data and shared the information with the academic deans who offered feedback based on their contextual understanding of the program's mission, purpose and effectiveness. Each academic dean determined whether the programs within their division warranted no action or further evaluation<br>Below are some of the action steps implemented as a result of the study:<br>• Associate of Technical Studies (Engineering Technology Focus, Computer Information Technology Focus, and Commerce Focus) was revised to align with the requirements and includes concentrations in relevant One-Year Option pathways. | Not Applicable |

| | | |
|---|---|---|
| | • Associate of Criminal Justice was continued due to increasing enrollment trends and due to its "stackability" with Miami's four-year bachelor's degree in criminal justice.<br>• Black World Studies BA has been eliminated and replaced by a new BA in Critical Race & Ethnic Studies, with updated and streamlined requirements.<br>• Classical Humanities and Classical Languages BA has been revised to consolidate the two separate majors offered into one degree with two tracks. Moreover, the Department of Classics be merged into an existing department, thereby reducing staffing and administrative costs.<br>• Geography BA: underwent a significant revision to become "Geography and Sustainable Development" major.<br>• Hebrew Language Program has been suspended.<br>• Individualized Studies BA: Following a recent program review, in spring 2018 this program revised its curriculum to be more flexible and thus attractive to prospective students.<br>• Medical Laboratory Science BS is currently being monitored.<br><br>Beyond the duplication study, Miami is continuously committed to streamlining its entire curricular portfolio. As part of our new strategic plan, Miami launched the "Academic Program Evaluation, Improvement & Prioritization" (APEIP) project in 2020 which was led by a faculty-driven committee and encompasses a comprehensive data-driven evaluation of all academic degree programs, majors and certificates. Out of the 260 academic programs offered at Miami University, 25 programs were voluntarily eliminated by the faculty of the program's home department(s). The balance of Miami's academic programs (degrees, certificates, co-majors) were rated as follows: continuous improvement with potential new resources (n=43, 16.5%); continuous improvement with minor difficulties (n=143, 55.0%); program restructuring with significant difficulties (n=49, 18.8%), | |

| | | |
|---|---|---|
| | and sunset program with significant difficulties (n=25, 9.6%).<br><br>The process also revealed that an additional n=14 programs were dormant and had long ago ceased admitting students but had not yet been removed from the books. Department workload policies were updated to specify differential workloads for contingent faculty, teaching and clinical faculty, and tenure-track/tenured faculty. Departments were required to specify criteria for course releases beyond generic references to 'research active' or 'significant service.'<br><br>Finally, Miami, along with UC and Cincinnati State, is a member of the Greater Cincinnati Collegiate Connection (GC3), which enables students to enroll in courses taught by another member institution as part of their schedule. Miami Regionals (along with Southern State Community College and Cincinnati State) is a member of the Southwest Ohio Council for Higher Education (SOCHE) which allows for collaboration with both public and private member institutions for course consortium. | |
| Implementing strategies to address workforce education needs of the region | Miami has submitted and received approval for hundreds of Transfer Assurance Guides and is now 98% compliant for all Transfer Assurance Guides and 100% compliant for all Career Technical Assurance Guides for which we are eligible.<br><br>Miami actively participates in the One-Year Option and Ohio Transfer to Degree Guaranteed Pathways – all designed to obtain technical credits without unnecessary duplication or institutional barriers. Miami's has pathways in business, arts & humanities, as well as social and behavioral sciences. Miami has also developed 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/partnerships/ed- | Not Applicable |

| | | |
|---|---|---|
| | institutions/postsecondary-partners/existing-postsecondary-agreements/index.html<br><br>The Miami associate provost serves on the Ohio Articulation & Transfer Advisory Board of the Ohio Department of Higher Education where she regularly collaborates with leaders from career technical centers as well as two- and four-year institutions across the state. 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. | |
| Sharing resources to align educational pathways and to increase access within the region | Since 2018, Miami University's associate provost partnered with leaders from University of Cincinnati, Cincinnati State Technical & Community College, Southern State Community College, and Sinclair Community College to create a grant proposal for the "Tackling Transfer" Initiative through the Ohio Department of Higher Education. The 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.<br><br>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. | Not Applicable |
| Reducing operational and administrative costs to provide more | Miami participates in a courier delivery service to provide requested library material to public libraries, colleges, universities and the State Library of Ohio. | Not Applicable |

| | | |
|---|---|---|
| learning opportunities and collaboration in the region | 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.<br><br>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.<br><br>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. | Not Applicable |

| | | |
|---|---|---|
| | 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. | |
| Collaboration and pathways with information technology centers, adult basic and literacy education programs and school districts | Miami participates in the ODHE ASPIRE Program and provides ASPIRE courses at Adult Education Opportunity Center in the region for people in need of acquiring skills in post-secondary education and training, and employment.<br><br>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. | Not Applicable |
| Enhancing the sharing of resources between institutions to expand capacity and capability for research and development | Miami and UC faculty have collaborated to secure eight external research grants in the past six years. Grants have focused on such diverse topics as increasing the participation of women in STEM fields, understanding bipolar disorder, investigating racial bias, evaluating STEM in the play space, and advanced turbine cooling. In addition, Miami, UC, and Cincinnati State have collaborated on four regional submissions to the ODHE RAPIDS grant program, providing approximately $3M in equipment used for education, research, and workforce training in SW Ohio. | $3,000,000 |
| Identifying and implementing the best use of university regional campuses | To provide a seamless transition of students who relocate from one campus to another, Miami University (Oxford) and Miami University Regionals share the same general education requirements, academic policies, curricular approval processes, and are governed by a single University Senate and Board of Trustees. In addition, many administrative and instructional staff work at multiple | Not Applicable |

| | | |
|---|---|---|
| | campuses and collaborate on research projects as well as community and University service projects.<br><br>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.<br><br>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 regional cohorts of two- and four-year colleges and universities by 2030. Each institution will implement more than a dozen research-based practices proven to remove systemic barriers to student success. | Not Appicable. |

# Section II: Academic Practices

This section covers areas more directly related to instruction, such as actions taken to embrace remote learning post-pandemic, including noting any permanent strategic posture toward online learning, as well as core savings strategies such as reducing the cost of textbooks, time-to-degree and program reviews.

## Textbook Affordability

### Textbook Cost Study

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

Please summarize the results of your institution's study below.

| Category | Amount |
|---|---|
| Average cost for textbooks that are new | $71.87 |
| Average cost for textbooks that are used | $38.91 |
| Average cost for rental textbooks | $39.14 |
| Average cost for eBook | $59.22 |

### 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. Please discuss all initiatives implemented, including those referenced below that ensure students have access to affordable textbooks.

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

In collaboration with the IUC, Miami participates actively in a Textbook Cost Study. Miami has identified its top twelve undergraduate majors, consisting of 48.9%% of the student population, and has mapped the typical course path to completion. With the use of Miami's e-Campus virtual bookstore textbook pricing data, Miami calculates the four-year cost of required text purchases for each major. Through Miami's various textbook affordability efforts, Miami students recognize real cost savings on their textbook purchases.

1. Has your institution's board of trustees adopted a textbook selection policy consistent with Ohio Revised Code 3345.025? If so, please attach the policy in full length and label the file as "[Institution Name – Academic Year – Textbook Selection Policy]."

   A revision of Miami textbook policy was approved by the Board of Trustees in June 2018, and the policy is now in effect. See revised policy in the Policy Library. The revised policy explicitly encourages faculty members to consider textbook affordability when selecting a textbook. Additionally, the University's policy that requires multiple levels of approval for faculty wishing to teach courses that use a textbook they have authored was altered to eliminate any approvals for faculty teaching an OER which they authored.

*Textbook Auto-Adoption Policy*

2. Does your institution have a textbook auto-adoption policy in place in order to ensure compliance with federal law that requires faculty to select textbooks for courses no later than the first day of class registration? If so, please attach the policy and label the file as "[Institution Name – Academic Year – Text Auto-adoption Policy]." Please also describe the mechanisms for tracking compliance.

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

*Open Educational Resources*

3. Has your institution adopted practices/policies to formally encourage the use of OER materials in lieu of purchased materials? Please explain.

   In 2017, Miami University selected a provider of online textbooks and course materials, e-Campus, which signaled a shift away from the traditional brick and mortar bookstore approach toward a virtual approach. The e-Campus bookstore not only lowers the overhead cost of running a physical bookstore, but it provides faculty, at a glance, multiple textbook options so that they can ensure that they are selecting high quality, affordable and accessible course materials for their students. Because the virtual bookstore is linked to the SIS system, students can easily purchase new, used, rental and digital textbooks instantly upon registering for particular courses. Miami faculty are provided training (via workshops and online videos) on how to use the software platform as well as how to select appropriate and cost-effective textbooks. In addition, when faculty submit their textbook selections in compliance with the Higher Education Opportunity Act (HEOA), it allows our staff and e-Campus vendor to suggest standardized materials, more affordable editions, or alternative resources. In the past five years, faculty on all campuses

increased their compliance by as much as 65%. In 2020, Miami University renewed its contract with e-Campus, allowing both students and faculty to take advantage of these options that promote cost savings.

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, and 2020, 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 four years.

3a. Has your institution provided support to faculty for the development of OER materials. Please explain.

Miami's Open Educational Resources/Affordable Learning (OER/AL) 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 100 faculty members have completed the program. At least two instances of this program will be offered in the 2021-2022 academic year, providing 20-30 faculty the opportunity to get involved with this grant program.

- 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 15 faculty have participated in the program which has led to approximately $1,209,000.00 in cost savings for their students.

- 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.[1] 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). Several projects are currently being considered as a pilot for this program

3b. What courses (name, number of students) participate in OER? Please provide summary data if possible.

- **ACC 333, Managerial Accounting, (414 students)**
- **ARC 211, Intro to Landscape and Urban Design, (59 students)**
- **ART 188, History of Western Art (1,136 students)**
- **BUS 101, Foundations of Business (1,412 students)**
- **BUS 284, Professional Communication for Business (1,048 students)**
- **CHM 141R, College Chemistry (82 students)**
- **EDP 662, Social, Emotional and Behavioral Assessment (12 students)**
- **EDT 181/182, Physical Science and Society and Earth Science and Society (273 students)**
- **ENG 108/ACE 113, U.S. Cultures & Composition for Second-Language Writers (668 students)**
- **ESP 201, Intro to Entrepreneurship and Business Models (205 students)**
- **FST 360G, Film Genres (26 students)**
- **FSW 295, Research and Evaluation Methods (114 students)**
- **FSW 641, Families and Children Practice (59 students)**
- **FSW 645, Older Adults Practice (10 students)**
- **FSW 646, Older Adults Macropractice (11 students)**
- **GER 231, Folk and Literary Fairy Tales (106 students)**
- **GIC 301, Approaches to Global & Intercultural Studies (44 students)**
- **HST 197, World History to 1500 (709 students)**
- **LAS 208, Intro to Latin America (232 students)**
- **MGT 453, Quality Management Systems (114 students)**
- **MUS 184, Opera (30 students)**
- **MUS 285, Intro to African American Music (30 students)**
- **MUS 386, History of Hip Hop Culture (19 students)**
- **PHL 131, Intro to Ethics (423 students)**
- **PHY 211, Observational Foundations of Astronomy (15 students)**
- **POL/HST/RUS 436, Havighurst Colloquium (16 students)**
- **PSY 111, Intro to Psychology (1,397)**
- **PSY 293, Intro to Psychological Statistics (396 students)**
- **REL 360, Interdisciplinary Topics (5 students)**
- **SPN 362 , Spanish American Cultural History (53 students)**

*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.

4. 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?

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

   e-Campus is our outsourced bookstore and does offer inclusive access and Miami University is engaging with how best to implement that functionality to our faculty and students. Currently, faculty may individually work with eCampus to arrange the inclusive access option for students. Miami is working with eCampus to offer more incentives for faculty to participate.

   In addition, when faculty submit their textbook selections in compliance with the Higher Education Opportunity Act (HEOA), it allows our staff and e-Campus vendor to suggest standardized materials, more affordable editions, or alternative resources. In the past five years, faculty on all campuses increased their compliance by as much as 65%.

   4a. What courses (name, number of students) participate in inclusive access? Please provide summary data if possible.

   eCampus provides an inclusive access option for selected textbooks. Miami is currently in the process of working with eCampus to offer this option to our faculty. We plan to develop a procedure and plan this academic year.

   4b. How are students at your institution made aware of their right to opt out of utilizing inclusive access?

   eCampus website provides students with information on how to opt in and out of the inclusive access feature for appropriate textbooks.

*Other Textbook Affordability Practices*

5. What other practices, if any, does your institution utilize to improve college textbook affordability?

   See table below.

Please provide any relevant information in the table below.

| Initiative | Explanation of Initiative | Cost Savings to Students |
|---|---|---|
| Alternate Textbook Service | Alternate Textbook Service involves a collaboration between the course instructor, Library liaison, and the Coordinator of Scholarly Communications to replace the instructor's commercial textbook with an "alternate" textbook comprised of resources pulled from the library's electronic collections, from legal online resources, and reading selections made available in compliance with US copyright law. Faculty participating in this grant program are provided modest professional development funds. | Since the program's inception, three faculty members have used the service, resulting in $87,480.00 in cost savings for students. |
| Revision of Policy & Procedures | Miami has revised the annual report and dossier format for faculty to include a specific mention of open and affordable educational resources under the category relating to innovative teaching. It also added a question relating to affordable course materials to the proposal forms for all new courses. | Not Applicable |
| Affordable Education Leader Award | Affordable Education Leader Award is an annual award to be given to a continuing faculty member on any campus who demonstrates compelling and significant impact in areas related to affordable and open educational resources. The award has been given for the past two years. | Not Applicable |
| Course Pack Consultation Service (CPCS) | Course Pack Consultation Service (CPCS) allows faculty to reduce or eliminate the costs associated with course packs. The Coordinator of Scholarly Communications reviews the list of materials included in the course pack to determine which readings can be made freely available to students through the library's purchased electronic collections (eBooks and electronic articles) or through other freely and legally accessible online outlets (e.g., linking to archival materials on state historical society website). Links to these works are posted on to a page in | Since launching the program in fall 2017, twenty consultations have been completed, amounting to $115,505.00 in cost savings for students. |

| | | |
|---|---|---|
| | the instructor's LMS course site for students to access. Faculty participating in the CSPS are awarded modest professional development funds after the consultation. Since launching the program in fall 2017, nineteen consultations have been completed, amounting to $76,566.90 in cost savings for students. | |

**Online Education and Alternative Delivery Methods**

Online and competency-based education are growing in popularity with students nationally as flexible pathways to complete education. While COVID-19 greatly accelerated adoption of online learning, including many online-only courses, demand among students for online education as an option is expected to continue. As we look to the future, we are gathering information on which institutions plan to continue to offer or expand online education.

Please quantify the impact of moving to remote learning in spring term, 2020.

| Percent of Courses offered online prior to March 2020 | Percent of students enrolled in online courses prior to March 2020 |
|---|---|
| 10.7% | 30.6% |
| **Percent of Courses offered online as of fall term 2021** | **Percent of students enrolled in online courses fall term 2021** |
| 16.7% | 41.8% |

What is your institution's current approach to online education moving forward?

1. Does your institution provide centralized support to faculty teaching online, including video conferencing resources and course management software?

   Miami has two offices designed to provide support to faculty teaching online and hybrid programs: Miami Online which is located on the Oxford campus and E-Campus Regionals for the Regional campuses. Both offices provide comprehensive support for developing and delivering online courses and for supporting the technology needs for on-ground and hybrid courses.

   Miami also provides Instructure's Canvas Learning Management system for all Miami faculty and courses along with additional supporting applications and technologies such as Kaltura and Camtasia (video services), TopHat, TurnItIn, Webex, Zoom and Proctorio.

   Faculty development workshops, programs as well as online guides are available to all Miami faculty to assist them in utilizing Canvas effectively and ensuring that all online courses and programs meet Quality Matters standards.

   These two offices have expanded significantly in the last two years to meet the needs of remote teaching during the COVID-19 pandemic as well as the growing and continuing needs for a flexible learning and teaching environment.

2. Does your institution have courses that were offered online in response to COVID-19 restrictions that will only be offered in-person going forward? If so, please describe examples and rationale.

   In response to the COVID-19 pandemic and Governor's orders, Miami moved to remote teaching during part of the spring 2020 semester and the entire fall 2020 and spring 2021 semesters. All faculty shifted their courses to remote learning for this period.

Beginning fall 2021, Miami moved back to an in-person instructional model. Although we have moved back to our traditional focus on in-person teaching and a residential experience, we are using the lessons gained during the COVID-19 pandemic to enhance the residential experience with more purposeful and data-driven uses of technology to ensure a rigorous learning experience. The Office of the Provost, in collaboration with academic divisions and our online units, have created a "Residential+" vision for enhancing learning at Miami. We will be encouraging faculty to leverage the Learning Management System to promote deeper learning and student success while maintaining our time-honored focus on engaged, in-person learning. Additionally, we will be using our new skills with technology to develop discrete online graduate and professional programs and credentials for adult learners who need the flexibility of online and hybrid learning.

a. Please describe the required technology upgrades and associated expenses incurred by the institution to respond to the increased utilization of online instruction and remote learning

   MCS715 Tech Fee money supported $57,193.56 worth of technology upgrades by faculty who were remote teaching in the fall 2020. Also, the Provost office is now supporting a site license for Zoom and Voice Thread which is $86,800 worth or new permanent expense.

**Course and Program Evaluation**

Recommendation 8 of the 2015 Task Force was for institutions to evaluate courses and programs for enrollment and consideration of continuation. Per ORC Section 3345.35, colleges and universities need to address this recommendation every five years. By September 1, 2022, each IHE must evaluate all courses and programs the institution offers based on enrollment and duplication of its courses and programs with those of other state institutions of higher education within their geographic region, as determined by the chancellor. For courses and programs with low enrollment, as defined by the chancellor, the board of trustees shall provide a summary of recommended actions, including consideration of collaboration with other state institutions of higher education. For duplicative programs, as defined by the chancellor, the board of trustees shall evaluate the benefits of collaboration with other institutions of higher education to deliver the program. DHE plans to issue supplemental guidance to institutions to assist with the completion of this statutorily-required five year review.

1. Does your institution have programs and/or courses that have been discontinued since the last review was conducted in 2017? If so, please list them here, along with a summary of estimated cost savings produced.

   In 2020, Miami contracted with Gray Associates to engage in a comprehensive, neutral and data-driven evaluation of all academic programs, including degree programs, majors and certificates at the graduate and undergraduate level. The goal of the "Academic Program Evaluation, Improvement & Effectiveness" Project was to identify programs that need to be started, sustained, improved, or eliminated. Each academic program was evaluated using Gray and other data and then assigned ratings of "Continuous Improvement" or "Significant Difficulty" by the academic deans. These ratings were based on multiple factors, including program quality, student-demand, market size and trends, competitive intensity and degree fit. Departments have developed curricular action plans for programs that have been rated with "significant difficulties." These plans were reviewed and approved by the dean. Departments are currently implementing the plans and will have three years to achieve the target outcomes. Annual reports submitted to the dean and Provost will ensure that timely progress is being made to achieve outcomes.

   Additionally, this fall, Miami launched a new "Academic Incubator Program" which requires faculty wishing to propose new academic programs to undergo curricular coaching, data analysis and preliminary approval before completing the full proposal form. The goals of the program include avoiding duplication and unnecessary overlap of academic programs, promoting programs with a high likelihood of success, and encouraging collaboration across departments, divisions and with other institutions.

   Finally, Miami is revising its academic program review process to ensure that existing programs are meeting goals and are aligned with strategic priorities.

**Co-located Campuses**

ORC Section 3333.951 requires Ohio's co-located colleges and universities to annually review best practices and shared services in order to improve academic and other services and reduce costs for students. Co-located campuses are then required to report their findings to the Efficiency Advisory Committee.

Co-located campus: _____Not Applicable_____

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

# Section III: Policy Reforms

## Transcript Access

It is common for IHEs nationally to withhold transcripts from students who owe any amount of debt to the institution. Transcript withholding blocks students from re-enrolling both at the debt-holding institution and at other institutions. Transcripts are sometimes withheld in their entirety even when students have fully paid all or most tuition charges, earned their credits through successful completion of coursework and only incurred a nominal debt such as a parking ticket, library fine or other relatively minor assessment.

Ithaka S+R wrote a report on transcript withholding in October 2020 that is available here: https://sr.ithaka.org/publications/solving-stranded-credits/ The Hechinger Report wrote an in-depth piece on transcript withholding in March 22, 2021 that is available here: https://hechingerreport.org/colleges-are-withholding-transcripts-and-degrees-from-millions-over-unpaid-bills/

1. What is your institution's policy on transcript withholding? Under what circumstances and debt amount does your institution withhold the release of transcripts to students, employers and other colleges and universities?

   Miami University holds transcripts for former students with an existing unpaid balance. We will, however, release transcripts to employers to aid the graduate with their ongoing employment.

## Certification Practices

ORC 131.02 requires state IHE's to certify their outstanding debt to the Ohio Attorney General's office (AGO) for collection either 45 days after the amount is due or within 10 days after the start of the next academic session, whichever is later. However, Ohio's institutions certify their outstanding debt pursuant to varying policies and practices.

To ensure that all Ohio students are treated fairly and uniformly, Recommendation #7 of the Student Loan Debt Advisory Group report is that state institutions adopt uniform certification practices that emphasize transparency for both debtors and the AGO. The advisory group recommended that the Ohio Bursars Association, in partnership with the Ohio Association of Community Colleges and the Inter-University Council, facilitate this effort.

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

1. Does your institution set minimum balances for sending an account to collections? If so, how much?

   No Minimum

2. How many accounts did your institution send to the AG for collections in FY 21? What was the total balance sent?

   353 accounts, totaling $680,422.81

3. Please provide the average and median outstanding balances sent to the AG in FY 21? What was the average and median number of earned credits of the students sent to collections over that time period?

   Median outstanding balance: $755.14; Average Outstanding balance: $1927.54

   Of the 353 accounts, 34 were employees/former employees who were not students.

   Of the 319 student accounts, the average earned credits at Miami University were 40.78; the median was 16; the average GPA of these students was 1.68

   In addition, Miami University works to avoid the disruption of credit hour production due to outstanding balances by proactively reviewing students with small balances and providing emergency/microgrants in real time, just before registration. In FY21, we provided nearly $87,000 in emergency and microgrants.

4. Per Recommendation 7 in the Attorney General's report, best practices may include the National Association of College and University Business Officers Best Practices of Financial Responsibility Agreements with Students (Appendix D in the report). What, if any, efforts have your institution made to adopt uniform certification practices with peer institutions in the State of Ohio?

   The university collections manager is currently working with the AG advisory board and other university members to continue the work of the 2017 advisory board, and to compile universal best practices to provide consistency throughout the universities. The university collections manager is currently working with the Ohio Bursar's Association, attending meetings and conferences, and discussing with other members of Ohio Higher ED how they handle different situations. The university collections department engages in training and conferences in order to ensure that they are aware of and implementing any changes made to collection laws and Ohio Department of Higher Education requirements. All students are required to sign a Financial Responsibility Agreement every semester prior to registering for classes.

**College Comeback**

DHE issued formal guidance to IHEs in May 2021 titled "College Comeback" that clarifies that Ohio law allows IHEs to offer debt relief for re-enrollment programs. Already, several IHEs have adopted such programs.

1. Has your institution considered a "College Comeback" type program? If so, what is the status of your effort?

   In August we began an assessment effort by gathering data on our last five years of collections activity. The scope of this project includes a review of trends, balances, and overall student success metrics of those placed into collections. Data will be disaggregated by campus, and we will utilize the National Student Clearinghouse to determine if the student is/has been enrolled at another college or university. The goal of this project is to identify pockets of opportunities for a potential "College Comeback" program. It is anticipated that this analysis will be complete later this Fall.

2. Specifically, what criteria are being used to identify eligible students? How large is the target population that can benefit from the program?

   Effort is ongoing. Please see above.

# Section IV: Students Benefit

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

For fiscal year 2021 only, please explain what, if anything, your institution is doing that is a new benefit for your students that is not already addressed above. Answers may be financial benefits or intangibles such as efforts to improve career counseling, undergraduate teaching, research, etc. If you have targeted financial aid for tuition, fees, room and board, books, technology or other expenses, please explain the focus of cost reduction.

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

| Category | Initiative | FY21 (*Actual*) |
|---|---|---|
| Cost savings/avoidance to the institution in FY21 ONLY | Strategic Procurement | $5,505,664 |
| | Operations Review | $17,867,417 |
| | Productivity Initiatives | $77,568,822 |
| | Health Care Cost Savings | $579,316 |
| | Energy Projects | $263,603 |
| New resource generation for the institution in FY21 ONLY | Asset Review | $648,175 |
| | Affinity partnerships and sponsorships | $2,458,333 |
| | Other Revenue | $6,597,861 |
| Cost savings/avoidance to students in FY21 ONLY | Reductions to the Cost of Attendance | $7,496,581 |
| | Standardized Degree Credits | $4,886,496 |
| | Financial Advising | $9,827,876 |
| | Student Financial Relief due to COVID-19 | $61,742,731 |
| | Student Financial Aid | $53,737,552 |
| | Student Success Collaborative | $2,972,113 |
| | Improvements to high-demand/high-value student programs | $1,122,936 |
| | Investment in STEM Facilities | $18,113,061 |

**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.

See the discussion of the Academic Program Evaluation, Improvement and Effectiveness (APIEP) process above.

# Section V: Future Goals

Prior efficiency reports have identified five-year goals for each institution. An updated copy of the five-year goal template is attached. Please provide the data to complete the template, including information already provided in Section IV. In addition, if you have any updates or changes that need to be made to your five-year goals, as originally submitted in 2016, please include that information.

See attached *MasterRecommendation2* Template to complete.

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 FY21 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**
**INVESTMENT SUBCOMMITTEE MEETING**
**Wednesday, December 8, 2021**
**104 Roudebush Hall**
**3 p.m.**
**Oxford, OH**

# AGENDA

Objectives:

1. Provide updates to ongoing open investment related issues.

Agenda:

| | | |
|---|---|---|
| I. | Non-Endowment Asset Allocation<br>- Status of reallocation among tiers | SIG/Guiot |
| II. | Fiscal Year to Date Update<br>- Investment performance & asset allocation review<br>- Non-endowment and Endowment | SIG |
| III. | Asset Class Review<br>- Real assets and inflation | SIG |
| IV. | Retirement Plans Update | Creamer/Guiot |
| V. | Adjourn | |

| DRAFT | | | | | |
|---|---|---|---|---|---|
| **Forward Twelve Month Agenda** | | | | | |
| Agenda Item | December Fall Meeting | February 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 |
| | | | | | |
| **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 |
| | | | | | |
| **Finance and Accounting Agenda Items:** | | | | | |
| • Budget Planning for New Year | | x | x | | |
| • Long-term Budget Plan | | | | x | |
| • Appropriation Ordinance (Budget) | | | | x | |
| • Tuition and Fee Ordinance | x | | | x | |
| • Miscellaneous Fee Ordinance | | | | x | |
| • Room and Board Ordinance | | x | | | |
| • Review of Financial Statements | x | | | | x |
| • Annual State of Ohio Fiscal Watch Report | | | | x | x |
| • PMBA Tuition Proposal | x | | | | |
| • 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 |
| • 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) | | | | | |
| • 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 |

# REPORT ON CASH AND INVESTMENTS
## Finance and Audit Committee
## Miami University
## December 8, 2021

Non-Endowment Fund

For the quarter ending September 30, 2021, the non-endowment's estimated net-of-fees return excluding Operating Cash was -0.3%. Tier II Baseline Core Cash and Special Initiatives Fund returns were both 0.0%, while Tier III's return was -0.4%. Public equities, the largest allocation in Tier III, fell -1.4% for the quarter. Real assets, which amounted to 10.5% of Tier III, rose +2.3%.

At September 30th, Operating Cash was about $148.0 million, up from $73.9 million at the end of June. In August, an annual draw from the Special Projects fund of about $4.4 million was transferred to Operating Cash. Operating Cash earned an approximate 7 bps (annualized) yield on the average balance for the quarter, in addition to a significant portion receiving earnings credit against bank fees.

| | | |
|---|---|---|
| **Current Funds** | **(Millions)** | **Portfolio** |
| Operating Cash (Tier I): | | |
| Short-term Investments* | $148,032,530 | 15.9% |
| | | |
| Core Cash (Tier II): | | |
| Short-Term Bonds | $187,650,554 | 20.2% |
| Special Initiatives | $41,381,991 | 4.5% |
| Total Core Cash (Tier II): | $229,032,545 | 24.7% |
| | | |
| Long-Term Capital (Tier III): | | |
| Equity Investments | $289,033,613 | 31.1% |
| Debt Investments | $113,363,346 | 12.2% |
| Hedge Funds | $80,837,282 | 8.7% |
| Real Assets | $57,588,888 | 6.2% |
| Other** | $673,489 | 0.1% |
| Cash | $9,776,932 | 1.1% |
| Total Long-Term Capital (Tier III) | $551,273,550 | 59.4% |
| | | |
| **Total Current Fund Investments** | **$928,338,625** | 100.0% |

*Not included in performance report. Includes Cintrifuse Syndicate Fund II.

(Continued on next page)

# REPORT ON CASH AND INVESTMENTS
## Finance and Audit Committee
## Miami University
## December 8, 2021

Endowment Pooled Investment Fund

The endowment's returns were -0.9% for the quarter ending September 30th. This figure excludes updated values for private capital, which report on a significant lag. The endowment's return was pulled down by public equity's -2.1% return for the quarter, while real assets' +1.6% return partially offset the decline.

The Miami University Foundation Investment Committee met via teleconference on September 21st to review performance, the fixed income portfolio, the inflation outlook, cash donations, and the "three lever model" of endowment growth. The Committee also discussed DEI with respect to SIG and their submanagers.

Bond Project Funds

The University drew approximately $4.0 million for construction expenses during the quarter. As of September 30, 2021, the balance remaining in the Series 2020 Bond Project Fund was $90,182,379.

Attachments
Non-endowment Performance Summary as of 9/30/2021
MUF Performance Summary as of 9/30/2021

# PERFORMANCE SUMMARY

## Miami University

September 30, 2021

December 9, 2021

Strategic Investment Group®

| Asset Class<br>*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)** | **550.600** | **100.0%** | **(1.7)** | **(0.4)** | **(0.4)** | **9.4** | **21.9** | **9.7** | **7.9** | **6.2** | **13.6** | **5.3** | **30-Jun-02** |
| **Miami University Long-Term Capital Tier III (Net of Sub-Mgr and Strategic Fees)** | **550.600** | **100.0%** | **(1.7)** | **(0.4)** | **(0.4)** | **9.3** | **21.6** | **-** | **-** | **-** | **13.4** | **-** | **31-Dec-18** |
| *Total Portfolio Policy Benchmark* | | | *(2.2)* | *(0.6)* | *(0.6)* | *7.1* | *17.8* | *9.6* | *7.7* | *6.1* | *13.5* | *5.2* | |
| *Total Portfolio Policy Benchmark (Net of Fees)* | | | *(2.2)* | *(0.6)* | *(0.6)* | *7.0* | *17.6* | *-* | *-* | *-* | *13.3* | *-* | |
| **Miami University - Baseline Tier II (Net of Sub-Mgr Fees)** | **187.651** | **100.0%** | **0.0** | **0.0** | **0.0** | **0.1** | **0.1** | **1.6** | **0.9** | **1.3** | **1.5** | **2.5** | **30-Jun-02** |
| **Miami University - Baseline Tier II (Net of Sub-Mgr and Strategic Fees)** | **187.651** | **100.0%** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **-** | **-** | **-** | **1.4** | **-** | **31-Dec-18** |
| *Total Portfolio Policy Benchmark* | | | *0.0* | *0.0* | *0.0* | *0.1* | *0.1* | *1.8* | *1.1* | *0.9* | *1.8* | *2.1* | |
| *Total Portfolio Policy Benchmark (Net of Fees)* | | | *0.0* | *0.0* | *0.0* | *0.0* | *0.1* | *-* | *-* | *-* | *1.6* | *-* | |
| **Miami University Special Initiatives Fund (Net of Sub-Mgr Fees)** | **41.382** | **100.0%** | **(0.2)** | **0.0** | **0.0** | **(0.5)** | **(0.5)** | **3.8** | **-** | **-** | **3.9** | **3.9** | **19-Sep-18** |
| **Miami University Special Initiatives Fund (Net of Sub-Mgr and Strategic Fees)** | **41.382** | **100.0%** | **(0.2)** | **0.0** | **0.0** | **(0.5)** | **(0.5)** | **3.7** | **-** | **-** | **3.9** | **3.9** | **19-Sep-18** |
| *Total Portfolio Policy Benchmark* | | | *(0.2)* | *0.0* | *0.0* | *(0.5)* | *(0.5)* | *3.7* | *-* | *-* | *3.9* | *3.9* | |
| **Miami University Core Cash (Net of Sub-Mgr Fees)** | **229.033** | | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **2.6** | **1.5** | **1.6** | **2.4** | **2.7** | **30-Jun-02** |
| **Miami University Core Cash (Net of Sub-Mgr and Strategic Fees)** | **229.033** | | **(0.1)** | **0.0** | **0.0** | **(0.1)** | **(0.1)** | **2.5** | **-** | **-** | **2.3** | **-** | **31-May-18** |
| **Total Miami University Client Group (Net of Sub-Mgr and Strategic Fees)** | **779.633** | | **(1.2)** | **(0.3)** | **(0.3)** | **6.2** | **13.9** | **7.1** | **5.6** | **4.1** | **3.9** | **3.9** | **30-Jun-02** |

## Miami University Long-Term Capital Tier III

September 30, 2021

December 9, 2021

Strategic Investment Group®

| Asset Class / *Benchmark* | Market Value ($ mill) | Portfolio (%) | Rates of Return (%) 1 Month | 3 Month | Fiscal Year To Date | Calendar Year To Date | 1 Year | 3 Year | 5 Year | 10 Year | Since Policy Inception | Since Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **U.S. Equity** | **101.404** | **18.4%** | **(4.2)** | **(0.1)** | **(0.1)** | **17.4** | **36.2** | **15.0** | **-** | **-** | **23.8** | **14.7** | **31-Aug-18** |
| *U.S. Equity Policy Benchmark* | | | *(4.5)* | *(0.1)* | *(0.1)* | *15.0* | *31.9* | *15.5* | *-* | *-* | *24.4* | *15.2* | |
| **Non-U.S. Equity** | **146.749** | **26.7%** | **(2.7)** | **(2.4)** | **(2.4)** | **10.1** | **31.6** | **10.1** | **-** | **-** | **16.5** | **9.7** | **31-Aug-18** |
| *Non-U.S. Equity Policy Benchmark* | | | *(3.3)* | *(3.0)* | *(3.0)* | *5.8* | *24.1* | *7.9* | *-* | *-* | *14.0* | *7.6* | |
| **Global Equity** | **40.881** | **7.4%** | **(4.0)** | **(1.6)** | **(1.6)** | **11.3** | **30.0** | **-** | **-** | **-** | **-** | **14.8** | **30-Apr-19** |
| *Global Equity Benchmark* | | | *(4.1)* | *(0.4)* | *(0.4)* | *12.4* | *28.8* | *-* | *-* | *-* | *-* | *15.9* | |
| **Total Equity** | **289.034** | **52.5%** | **(3.4)** | **(1.4)** | **(1.4)** | **12.9** | **33.0** | **12.1** | **-** | **-** | **19.5** | **11.8** | **31-Aug-18** |
| **Hedge Funds (Net Exposure)** | **80.837** | **14.7%** | **0.7** | **0.2** | **0.2** | **6.1** | **13.0** | **5.7** | **6.0** | **5.6** | **7.1** | **4.1** | **30-Jun-02** |
| *Hedge Funds Policy Benchmark* | | | *(0.3)* | *(0.5)* | *(0.5)* | *2.9* | *7.6* | *3.9* | *7.2* | *8.9* | *5.1* | *6.9* | |
| **Total Alternatives** | **80.837** | **14.7%** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **30-Jun-02** |
| **Real Estate - IRR** | **9.782** | **1.8%** | **-** | **0.0** | **0.0** | **4.8** | **6.3** | **-** | **-** | **-** | **-** | **4.2** | **28-Jun-19** |
| *Real Estate Policy Benchmark - IRR* | | | *-* | *0.0* | *0.0* | *5.6* | *6.8* | *-* | *-* | *-* | *-* | *3.7* | |
| **Commodities** | **16.939** | **3.1%** | **6.0** | **4.8** | **4.8** | **36.6** | **56.7** | **-** | **-** | **-** | **-** | **3.1** | **31-Jan-19** |
| *Commodities Policy Benchmark* | | | *6.0* | *5.2* | *5.2* | *38.3* | *58.3* | *-* | *-* | *-* | *-* | *5.0* | |
| **TIPS** | **30.868** | **5.6%** | **(0.3)** | **1.7** | **1.7** | **3.6** | **4.7** | **-** | **-** | **-** | **-** | **5.9** | **30-Jan-19** |
| *TIPS Policy Benchmark* | | | *(0.4)* | *1.7* | *1.7* | *4.1* | *5.7* | *-* | *-* | *-* | *-* | *7.0* | |
| **Total Real Assets** | **57.589** | **10.5%** | **1.7** | **2.3** | **2.3** | **13.6** | **19.5** | **-** | **-** | **-** | **-** | **5.9** | **30-Jan-19** |
| **U.S. Fixed Income** | **113.363** | **20.6%** | **(0.5)** | **0.6** | **0.6** | **1.8** | **4.2** | **5.6** | **-** | **-** | **5.9** | **5.5** | **30-Jun-18** |
| *U.S. Fixed Income Policy Benchmark* | | | *(0.8)* | *0.1* | *0.1* | *(0.9)* | *0.3* | *5.4* | *-* | *-* | *5.7* | *5.4* | |
| **Total Fixed Income** | **113.363** | **20.6%** | **(0.5)** | **0.6** | **0.6** | **1.8** | **4.2** | **5.6** | **4.4** | **4.3** | **5.9** | **4.9** | **30-Jun-02** |
| **Total Cash, Accruals, and Pending Trades** | **9.777** | **1.8%** | **0.1** | **0.2** | **0.2** | **0.7** | **1.0** | **1.0** | **-** | **-** | **1.0** | **1.0** | **27-Aug-18** |
| **Miami University Long-Term Capital Tier III (Net of Sub-Mgr Fees)** | **550.600** | **100.0%** | **(1.7)** | **(0.4)** | **(0.4)** | **9.4** | **21.9** | **9.7** | **7.9** | **6.2** | **13.6** | **5.3** | **30-Jun-02** |
| **Miami University Long-Term Capital Tier III (Net of Sub-Mgr and Strategic Fees)** | **550.600** | **100.0%** | **(1.7)** | **(0.4)** | **(0.4)** | **9.3** | **21.6** | **-** | **-** | **-** | **13.4** | **-** | **31-Dec-18** |
| *Total Portfolio Policy Benchmark* | | | *(2.2)* | *(0.6)* | *(0.6)* | *7.1* | *17.8* | *9.6* | *7.7* | *6.1* | *13.5* | *5.2* | |
| *Total Portfolio Policy Benchmark (Net of Fees)* | | | *(2.2)* | *(0.6)* | *(0.6)* | *7.0* | *17.6* | *-* | *-* | *-* | *13.3* | *-* | |
| **Cintrifuse Syndicate Fund II, LLC** | **0.336** | | | | | | | | | | | | |
| **TOTAL** | **550.936** | | | | | | | | | | | | **30-Jun-02** |

# PERFORMANCE SUMMARY

## Miami University Pooled Investment Fund

September 30, 2021

December 9, 2021

Strategic Investment Group®

| 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** | **159.066** | **22.5%** | **(4.2)** | **0.1** | **0.1** | **17.7** | **36.7** | **14.4** | **-** | **-** | **14.4** | **14.7** | **24-Jul-18** |
| *U.S. Equity Policy Benchmark* | | | *(4.5)* | *(0.1)* | *(0.1)* | *15.0* | *31.9* | *16.0* | *-* | *-* | *16.0* | *16.2* | |
| **Non-U.S. Equity** | **167.052** | **23.6%** | **(3.1)** | **(4.1)** | **(4.1)** | **7.6** | **28.4** | **10.1** | **-** | **-** | **10.1** | **9.1** | **30-Jun-18** |
| *Non-U.S. Equity Policy Benchmark* | | | *(3.5)* | *(4.3)* | *(4.3)* | *4.0* | *22.7* | *8.4* | *-* | *-* | *8.4* | *7.6* | |
| **Global Equity** | **59.142** | **8.4%** | **(4.0)** | **(1.6)** | **(1.6)** | **11.3** | **30.0** | **11.9** | **-** | **-** | **11.9** | **12.3** | **30-Jun-18** |
| *Global Equity Benchmark* | | | *(4.1)* | *(0.4)* | *(0.4)* | *12.4* | *28.8* | *12.8* | *-* | *-* | *12.8* | *13.2* | |
| **Total Equity** | **385.261** | **54.4%** | **(3.7)** | **(2.1)** | **(2.1)** | **12.0** | **31.8** | **12.0** | **13.0** | **10.7** | **12.0** | **7.2** | **31-Dec-96** |
| **Private Equity - IRR** | **87.152** | **12.3%** | **-** | **-** | **-** | **-** | **36.0** | **13.3** | **11.6** | **8.3** | **13.3** | **8.4** | **30-Sep-95** |
| *Private Equity Policy Benchmark - IRR* | | | *-* | *-* | *-* | *-* | *44.3* | *22.9* | *20.2* | *16.2* | *22.9* | *13.4* | |
| **Hedge Funds (Net Exposure)** | **100.638** | **14.2%** | **0.7** | **0.4** | **0.4** | **6.5** | **13.6** | **5.4** | **-** | **-** | **5.4** | **5.3** | **30-Jun-18** |
| *Hedge Funds Policy Benchmark* | | | *(0.3)* | *(0.5)* | *(0.5)* | *2.9* | *7.6* | *3.3* | *-* | *-* | *3.3* | *3.3* | |
| **Total Alternatives** | **187.790** | **26.5%** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **30-Jun-18** |
| **Timber** | **2.818** | **0.4%** | **-** | **0.0** | **0.0** | **0.4** | **1.9** | **(0.2)** | **-** | **-** | **(0.2)** | **1.0** | **30-Jun-18** |
| *Timber Policy Benchmark* | | | *-* | *0.0* | *0.0* | *1.2* | *4.4* | *1.3* | *-* | *-* | *1.3* | *2.3* | |
| **Real Estate - IRR** | **18.420** | **2.6%** | **-** | **-** | **-** | **-** | **7.8** | **8.0** | **8.2** | **7.8** | **8.0** | **4.8** | **31-May-06** |
| *Real Estate Policy Benchmark - IRR* | | | *-* | *-* | *-* | *-* | *6.1* | *3.3* | *6.3* | *8.5* | *3.3* | *6.1* | |
| **Commodities** | **11.104** | **1.6%** | **6.6** | **5.5** | **5.5** | **-** | **-** | **-** | **-** | **-** | **-** | **38.5** | **13-Jan-21** |
| *Commodities Policy Benchmark* | | | *6.0* | *5.2* | *5.2* | *-* | *-* | *-* | *-* | *-* | *-* | *31.0* | |
| **TIPS** | **23.999** | **3.4%** | **(0.3)** | **1.7** | **1.7** | **-** | **-** | **-** | **-** | **-** | **-** | **3.5** | **25-Jan-21** |
| *TIPS Policy Benchmark* | | | *(0.4)* | *1.7* | *1.7* | *-* | *-* | *-* | *-* | *-* | *-* | *3.5* | |
| **Total Real Assets** | **56.340** | **8.0%** | **1.1** | **1.6** | **1.6** | **11.0** | **13.7** | **8.9** | **-** | **-** | **8.9** | **9.1** | **30-Jun-18** |
| **U.S. Fixed Income** | **38.355** | **5.4%** | **(0.4)** | **0.4** | **0.4** | **2.2** | **4.3** | **4.5** | **-** | **-** | **4.5** | **4.3** | **30-Jun-18** |
| *U.S. Fixed Income Policy Benchmark* | | | *(0.9)* | *0.0* | *0.0* | *(1.1)* | *0.2* | *5.5* | *-* | *-* | *5.5* | *5.2* | |
| **Total Fixed Income** | **38.355** | **5.4%** | **(0.4)** | **0.4** | **0.4** | **2.2** | **4.3** | **4.5** | **-** | **-** | **4.5** | **4.5** | **30-Sep-18** |
| **Opportunistic - IRR** | **30.088** | **4.3%** | **-** | **-** | **-** | **-** | **15.5** | **7.7** | **7.9** | **7.3** | **7.7** | **-** | **28-Feb-01** |
| *Opportunistic Policy Benchmark - IRR* | | | *-* | *-* | *-* | *-* | *12.7* | *6.4* | *7.6* | *10.0* | *6.4* | *-* | |
| **Total Opportunistic - IRR** | **30.088** | **4.3%** | **-** | **-** | **-** | **-** | **15.5** | **7.7** | **7.9** | **7.3** | **7.7** | **-** | **28-Feb-01** |
| **Total Cash, Accruals, and Pending Trades** | **9.983** | **1.4%** | **0.1** | **0.2** | **0.2** | **0.7** | **1.0** | **1.0** | **-** | **-** | **1.0** | **1.0** | **30-Jun-18** |
| **Miami University Pooled Investment Fund (Net of Sub-Mgr Fees)** | **707.817** | **100.0%** | **(2.0)** | **(0.9)** | **(0.9)** | **10.5** | **23.2** | **10.0** | **9.3** | **7.8** | **10.0** | **8.9** | **30-Apr-93** |
| **Miami University Pooled Investment Fund (Net of Sub-Mgr and Strategic Fees)** | **707.817** | **100.0%** | **(2.0)** | **(1.0)** | **(1.0)** | **10.3** | **23.0** | **9.8** | **-** | **-** | **9.8** | **-** | **30-Sep-18** |
| *Total Combined Portfolio Policy Benchmark* | | | *(2.4)* | *(1.1)* | *(1.1)* | *8.5* | *20.2* | *10.2* | *9.7* | *8.4* | *10.2* | *7.1* | |
| *Total Combined Portfolio Policy Benchmark (Net of Fees)* | | | *(2.4)* | *(1.1)* | *(1.1)* | *8.3* | *20.0* | *10.0* | *-* | *-* | *10.0* | *-* | |

Reporting Update
Item 2

To: Finance and Audit Committee

From: Terry Moore, Interim Chief Audit Officer

Subject: **Internal Audit & Consulting Services -** Reporting Update

Date: November 12, 2021

Since last reported in September 2021, there is one new high-risk open audit issue. This issue arose from the outsourced vulnerability assessment, and management is in process of addressing the identified vulnerabilities. The other two high-risk issues arose from the 2020 Audit of Residency Reclassification and the 2020 Audit of University Purchasing Cards. Progress is being made on each issue and IACS will continue to follow up during the year. The attached summary provides more information.

**Audit Issue Status**

| Risk Level | Open audit issues 09/02/2021 | Added | Closed | Open audit issues 11/12/2021 |
|---|---|---|---|---|
| High | 2 | 1 | 0 | 3 |

Attachment

# Open Internal Audit Issues

| Line | Audit Name And Date | Date Opened | Date Due | Risk Level | Division | Recommendation | Responsible Person | Management Response and Status and Percentage of Completion |
|---|---|---|---|---|---|---|---|---|
| 1 | **178.1** - Audit of Residency Reclassification - 6/2020 | 06/03/2020 | 06/30/2021 | High | Enrollment Mgt & SS | IACS recommends One Stop Services implement procedures for reclassifying non-resident students as Ohio residents for tuition purposes in accordance with Ohio Administrative Code 3333-1-10 section (F)(4). Due to the significant financial impact, additional procedures should be added to require secondary, higher level review and approval prior to reclassifying a student as a resident in Banner. | Jerrad Harrison, Assistant Director of One Stop Services | IACS completed a follow-up audit 7/2021. Beginning with the Fall 2021 semester, One Stop Services implemented procedures for reclassifying non-resident students in accordance with Ohio Administrative Code 3333-1-10 section (F)(4), including requiring secondary, higher level review and approval. Given the recent implementation, this issue remains open and IACS will continue to follow up. 90% |
| 2 | **160.1** - Audit of University Purchasing Cards - 12/2020 | 12/02/2020 | 08/31/2021 | High | Finance & Business Services | Strengthen oversight of material P-Card expenditures and address areas of noncompliance.<br><br>a. To strengthen internal control and monitor compliance with the University's P-Card Policy and Travel Policy, IACS recommends centralized review and approval of both 1) Business P-Card reports that should capture expenses other than travel and 2) Travel and Expense reports. A minimum dollar threshold should be established to ensure efforts are focused on material transaction amounts. Historical expense report data should be analyzed to determine the threshold amount. If desired, random sampling may be done on amounts below the threshold.<br><br>b. As a preventive control, IACS recommends controlling purchases of specific commodities where possible by restricting the related Merchant Category Codes (MCC). If the MCC cannot be restricted as a preventive control, an information campaign should be executed to communicate correct purchasing methods for commodity specific and on-campus purchases. Items that are not permitted on P-Cards should be communicated as a reminder. | Irena Chushak, Director of Payroll and Payables | In a 10/2021 status update, management reported that the FBS IT team has assigned a Sr. Technology Product Manager to the project to modify the workflow of reports in the Chrome River system to enable Accounts Payable to review both types of expense reports. In addition, Accounts Payable has refined their interim process by using the Emburse reporting functionality built into the Chrome River system to select a more targeted sample of Business P-Card reports to review monthly. This issue remains open, and IACS will continue to follow up. 70% |
| 3 | **207.1** - Outsourced Vulnerability Assessment - 9/2021 | 09/08/2021 | 08/01/2022 | High | IT Services | CBTS finalized written reports of their findings from internal and external penetration tests assessment in September 2021. The reports identified a number of weaknesses and vulnerabilities that could expose the University to risk of compromise. Vulnerabilities were categorized as high, medium, or low and specific recommendations made to address the identified risks. IACS recommends IT Services Security, Compliance, and Risk Management take appropriate actions to address CBTS's recommendations and resolve the identified vulnerabilities. | John Virden, Asst VP for Security, Compliance and Risk Mgt and CISO | Management concurred stating, "IT Services agrees with the recommendation given and will review, assess, and prioritize mitigation implementation addressing CBTS findings following a information security risk matrix. Actions will be completed by August 1st, 2022." 5% |

December 2021

# Enrollment Update

## Finance and Audit
## Board of Trustees

# Application Deadline Changes

- Fall 2019: Miami introduced Early Action I (Nov. 1) and II (Dec. 1) deadlines.
  - Honors College deadline was Nov.1
- Fall 2021: Due to COVID, Miami had one early action deadline of Dec. 1
- Fall 2022: Miami reintroduced Early Action I and Early Action II
  - Honors College deadline of Dec. 1
- Thus, we expect applications to build to December 1

# Fall 2022 Applications

*Residency*

| | 2019 | 2020 | 2021 | 2022 | Δ 2020 to 2022 | Δ 2021 to 2022 |
|---|---|---|---|---|---|---|
| Non-Resident | 10,352 | 10,924 | 8,428 | 10,602 | -2.9% | 25.8% |
| Domestic Non-Resident | 9,678 | 10,148 | 7,948 | 9,783 | -3.6% | 23.1% |
| International | 674 | 776 | 480 | 819 | 5.5% | 70.6% |
| Ohio Resident | 9,324 | 9,854 | 6,338 | 11,228 | 13.9% | 77.2% |
| **Grand Total** | **19,676** | **20,778** | **14,766** | **21,830** | **5.1%** | **47.8%** |

Data as of November 11

# Fall 2022 Applications

*Academic Division*

| | 2019 | 2020 | 2021 | 2022 | Δ 2020 to 2022 | Δ 2021 to 2022 |
|---|---|---|---|---|---|---|
| CAS | 7,855 | 8,513 | 5,881 | 8,392 | -1.4% | 42.7% |
| FSB | 5,567 | 5,721 | 4,321 | 6,411 | 12.1% | 48.4% |
| CEC | 2,730 | 2,706 | 1,686 | 2,705 | 0.0% | 60.4% |
| EHS | 1,789 | 1,776 | 1,472 | 2,059 | 15.9% | 39.9% |
| CCA | 845 | 1,044 | 642 | 1,116 | 6.9% | 73.8% |
| CLAAS | 890 | 1,018 | 764 | 1,147 | 12.7% | 50.1% |
| **Grand Total** | **19,676** | **20,778** | **14,766** | **21,830** | **5.1%** | **47.8%** |

Data as of November 11

# Fall 2022 Applications

## *Selected States*

| | 2019 | 2020 | 2021 | 2022 | Δ 2020 to 2022 | Δ 2021 to 2022 |
|---|---|---|---|---|---|---|
| Ohio | 9,324 | 9,854 | 6,338 | 11,228 | 13.9% | 77.2% |
| Illinois | 2,690 | 2,777 | 2,208 | 2,690 | -3.1% | 21.8% |
| Indiana | 873 | 883 | 825 | 998 | 13.0% | 21.0% |
| Michigan | 821 | 771 | 733 | 862 | 11.8% | 17.6% |
| Pennsylvania | 443 | 512 | 359 | 491 | -4.1% | 36.8% |
| Kentucky | 356 | 383 | 292 | 365 | -4.7% | 25.0% |
| West Virginia | 14 | 14 | 10 | 19 | 35.7% | 90.0% |
| **Subtotal** | **14,521** | **15,194** | **10,765** | **16,653** | **9.6%** | **54.7%** |

Due to deadline changes last year, we are monitoring application trends compared to Fall 2020 until December 1. Students are applying to institutions closer to home this year. Applications are up in Ohio and most contiguous states, with declines on both coasts and slightly in Chicago.

Data as of November 11

# Fall 2022 Applications

*West and East Coasts*

| | 2019 | 2020 | 2021 | 2022 | Δ 2020 to 2022 | Δ 2021 to 2022 |
|---|---|---|---|---|---|---|
| Maryland | 313 | 375 | 255 | 315 | -16.0% | 23.5% |
| California | 382 | 428 | 241 | 299 | -30.1% | 24.1% |
| Connecticut | 383 | 472 | 258 | 286 | -39.4% | 10.9% |
| New Jersey | 380 | 361 | 256 | 284 | -21.3% | 10.9% |
| Massachusetts | 336 | 321 | 219 | 281 | -12.5% | 28.3% |
| Virginia | 227 | 278 | 167 | 217 | -21.9% | 29.9% |
| **Subtotal** | **2,021** | **2,235** | **1,396** | **1,682** | -24.7% | **20.5%** |

Data as of November 11

# Fall 2022 Applications

*Top Countries*

| | 2019 | 2020 | 2021 | 2022 | Δ 2020 to 2022 | Δ 2021 to 2022 |
|---|---|---|---|---|---|---|
| Vietnam | 118 | 255 | 135 | 126 | -50.6% | -6.7% |
| India | 60 | 64 | 46 | 113 | 76.6% | 145.7% |
| China | 365 | 251 | 61 | 71 | -71.7% | 16.4% |
| Bangladesh | 3 | 9 | 12 | 68 | 655.6% | 466.7% |
| Nigeria | 10 | 30 | 35 | 55 | 83.3% | 57.1% |
| Ghana | 6 | 14 | 13 | 31 | 121.4% | 138.5% |
| Brazil | 2 | 2 | 10 | 25 | 1150.0% | 150.0% |
| Pakistan | 4 | 10 | 14 | 23 | 130.0% | 64.3% |
| Uzbekistan | 1 | | 3 | 21 | -- | 600.0% |
| Nepal | 7 | 10 | 15 | 21 | 110.0% | 40.0% |

Data as of November 11

# Fall 2022 Applications

*Demographic Factors*

| | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Applications | 19,676 | 20,778 | 14,766 | 21,830 |
| GPA | 3.84 | 3.87 | 3.87 | 3.94 |
| Curriculum Strength | 14.6 | 14.7 | 14.3 | 14.5 |
| % Non-Resident | 52.6% | 52.6% | 57.1% | 48.5% |
| % Student of Color | 17.2% | 17.4% | 15.7% | 18.2% |
| % First Generation | 14.0% | 14.0% | 12.1% | 17.5% |

Data as of November 11

# Lean Project Update
## as of 11/01/2021

| MU-Lean Project Status Totals | | | | | Completed Projects | | | |
|---|---|---|---|---|---|---|---|---|
| Division | Active | Completed | Future | Total | **Cost Avoidance** | **Cost Reduction** | **Revenue Generated** | **Total** |
| Finance and Business Services | 113 | 1687 | 11 | 1811 | $52,558,255 | $32,970,404 | $9,840,946 | $95,369,605 |
| President | 3 | 9 | 0 | 12 | $530,371 | $233,500 | $1,015 | $764,886 |
| Advancement | 6 | 30 | 0 | 36 | $167,203 | $226,290 | $4,223,000 | $4,616,493 |
| Enrollment | 7 | 47 | 0 | 54 | $508,854 | $37,323 | $37,705 | $583,882 |
| Student Life | 5 | 4 | 0 | 9 | $53,434 | $0 | $0 | $53,434 |
| Information Technology Services | 1 | 17 | 0 | 18 | $437,033 | $0 | $4,180 | $441,213 |
| Academic Affairs | 4 | 30 | 0 | 34 | $2,455,098 | $0 | $402,116 | $2,857,214 |
| **Lean Project Total - MU** | 139 | 1824 | 11 | 1,974 | $56,710,248 | $33,467,517 | $14,508,962 | $104,686,727 |

* no longer track Procurement realized as a separate category

| MU-Lean Project Changes since 09-01-21 report | | | | | Newly Completed Projects since 09-01-21 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* | 8 | 21 | 0 | 29 | $113,328 | $635,177 | $131,370 | $879,875 |
| 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 | 0 | 0 | 0 | 0 | $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 | 7 | 22 | 0 | 29 | $113,328 | $635,177 | $131,370 | $879,875 |

# Advancement Report

## Tom Herbert, J.D.

Senior Vice President, University Advancement

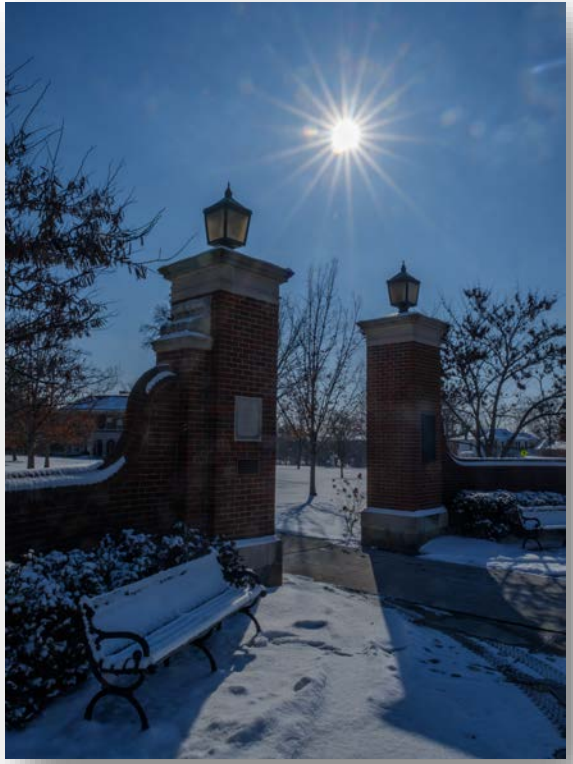
President, Miami University Foundation

MIAMI UNIVERSITY

# Topics for Today

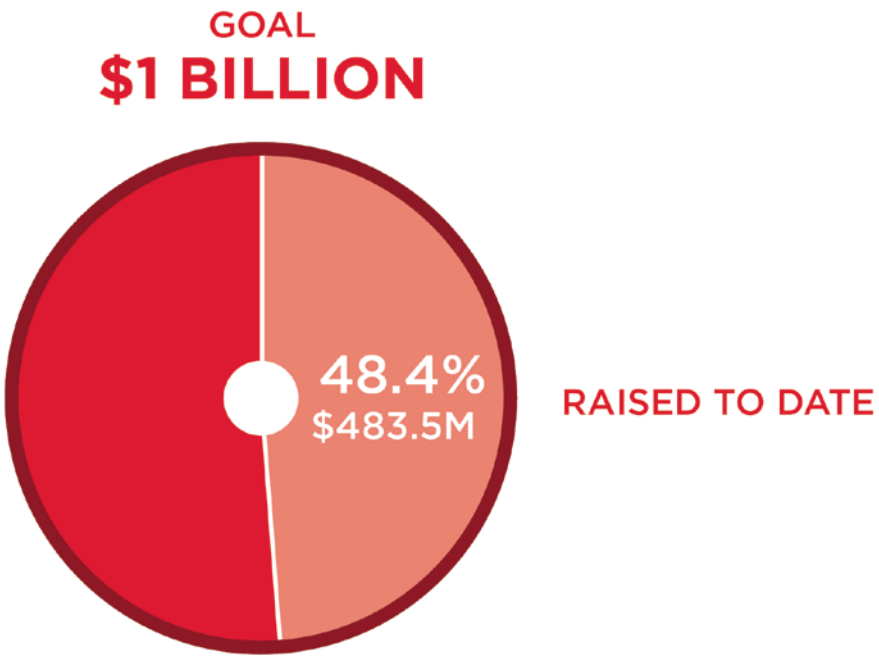


- ***$1B Campaign Progress***
- **FY'22 Results to Date**
- **Foundation Strategic Plan**



# $1B Campaign Progress






*As of November 19, 2021*

# $1B Campaign Totals by Initiative



| Initiative | FR Total to Date |
|---|---|
| Scholarships | $193.5M |
| Academic Support<br>(Programs, research, faculty development) | $181.4M |
| Capital Projects | $68.4M |
| Unrestricted - University | $13.0M |
| Unrestricted - Colleges | $13.1M |
| Undesignated | $12.8M |
| Technology and Equipment | $1.4M |

*As of November 19, 2021*

# $1B Campaign Progress Report

December 9, 2021

| | Gifts | Pledges | Total | Present Value |
|---|---|---|---|---|
| **Bequests** | | 182,357,041.14 | 182,357,041.14 | 98,369,215.25 |
| **Cash** | | | | |
| cash, checks, credit cards, EFT | 74,301,387.12 | 128,843,429.54 | 203,144,816.66 | |
| stocks, securities | 7,777,827.69 | 356,614.79 | 8,134,442.48 | |
| payroll deduction | 374,815.29 | 269,499.91 | 644,315.20 | |
| matching gifts | 1,681,777.44 | - | 1,681,777.44 | |
| realized bequests | 14,989,411.53 | - | 14,989,411.53 | |
| other campaign commitments | - | 28,953,469.64 | 28,953,469.64 | |
| **Planned Gifts** | | | | |
| insurance premium | 231,912.92 | 1,533,323.48 | 1,765,236.40 | |
| lead trusts | 2,000.00 | 1,035,848.00 | 1,037,848.00 | |
| externally managed | 242,806.04 | 4,580,000.00 | 4,822,806.04 | 3,219,060.00 |
| charitable gift annuities | 287,955.91 | - | 287,955.91 | 187,955.91 |
| charitable remainder trusts | 3,781,028.21 | 2,500,000.00 | 6,281,028.21 | 1,362,618.32 |
| **Grants** | 23,976,794.90 | - | 23,976,794.90 | |
| **Gifts in Kind** | 5,561,808.73 | - | 5,561,808.73 | |
| **Real Estate** | - | - | - | |
| **Membership Dues** | 16,860.22 | - | 16,860.22 | |
| **SUB TOTAL** | 133,226,386.00 | 350,429,226.50 | **483,655,612.50** | |
| | | | | |
| *(manual adjustments/post 10-year pledges)* | | | *(141,800)* | |
| **REPORTED TOTAL** | | | **$483,513,812.50** | |

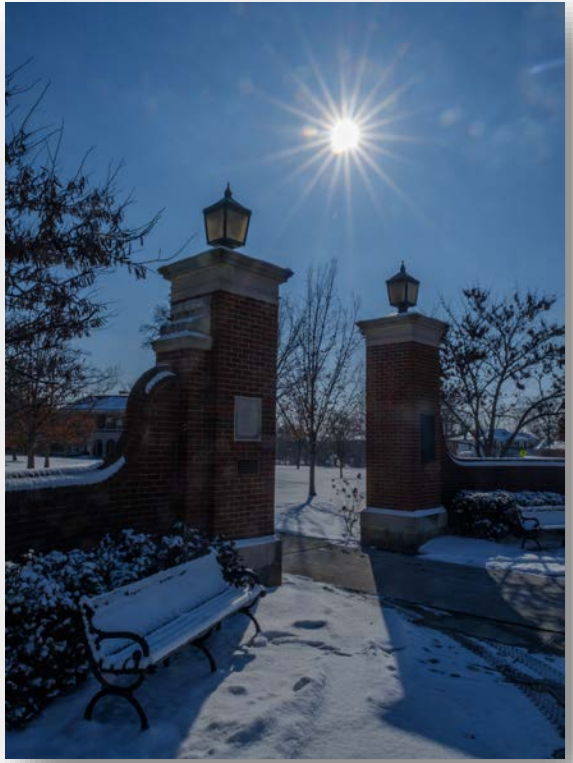
Includes CASE counting exceptions of $56,929,227 (11.8% of campaign total)

*As of November 19, 2021*

# Topics for Today

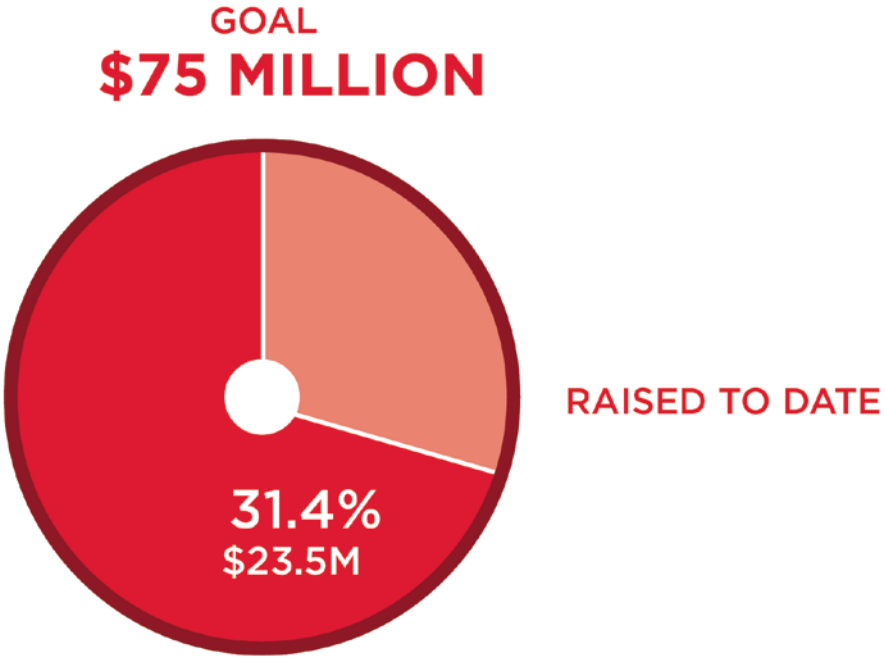


- **$1B Campaign Progress**
- ***FY'22 Results to Date***
- **Foundation Strategic Plan**



# FY’22 Fundraising to Date






*As of November 19, 2021*

# FY'22 Fundraising



| | Gifts | Pledges | Total | Present Value |
|---|---|---|---|---|
| **Bequests** | | 3,385,000.00 | 3,385,000.00 | 2,687,475.75 |
| **Cash** | | | | |
| cash, checks, credit cards, EFT | 5,458,953.67 | 2,766,626.38 | 8,225,580.05 | |
| stocks, securities | 365,698.08 | - | 365,698.08 | |
| payroll deduction | 18,907.12 | 12,095.00 | 31,002.12 | |
| matching gifts | 104,770.41 | - | 104,770.41 | |
| realized bequests | 1,207,519.95 | - | 1,207,519.95 | |
| other camp commitments | - | 8,320,000.00 | 8,320,000.00 | |
| **Planned Gifts** | | | | |
| insurance premium | 983.50 | - | 983.50 | |
| lead trusts | - | - | - | |
| externally managed | 18,011.50 | - | 18,011.50 | |
| charitable gift annuities | - | - | - | |
| charitable remainder trusts | - | - | - | - |
| **Grants** | 1,484,548.93 | - | 1,484,548.93 | |
| **Gifts in Kind** | 409,093.80 | - | 409,093.80 | |
| **Real Estate** | - | - | - | |
| **Other** | - | - | - | |
| **SUB TOTAL** | 9,068,486.96 | 14,483,721.38 | **23,552,208.34** | |
| | | | | |
| | | | | |
| **REPORTED TOTAL** | | | **$ 23,552,208.34** | |

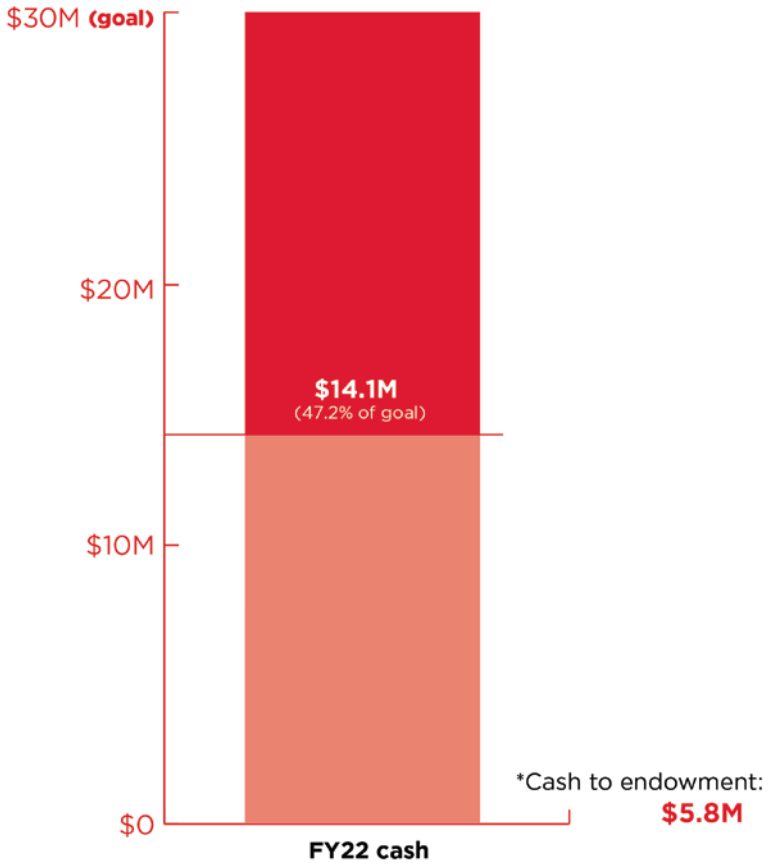
Includes CASE counting exceptions of $8,330,000 (35.4% of FY total)



*As of November 19, 2021*

# FY'22 Cash Received to Date



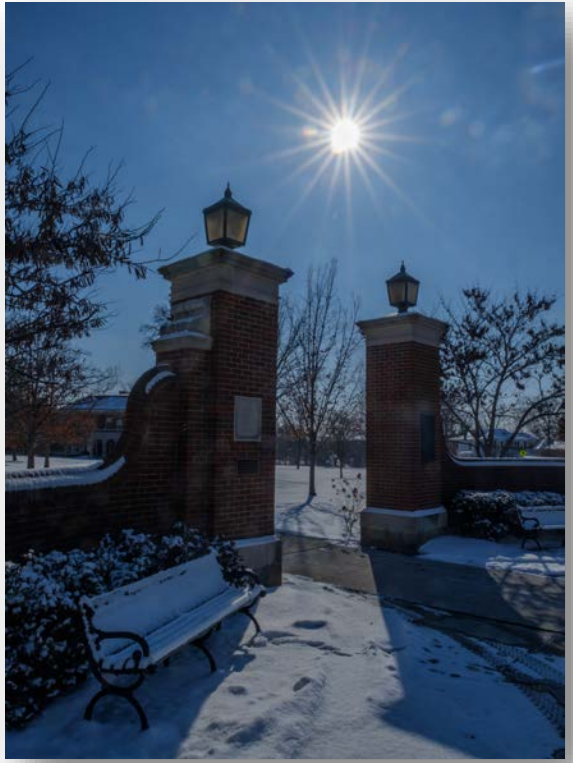



*As of November 19, 2021*

# Topics for Today



- **$1B Campaign Progress**
- **FY’22 Results to Date**
- ***Foundation Strategic Plan***

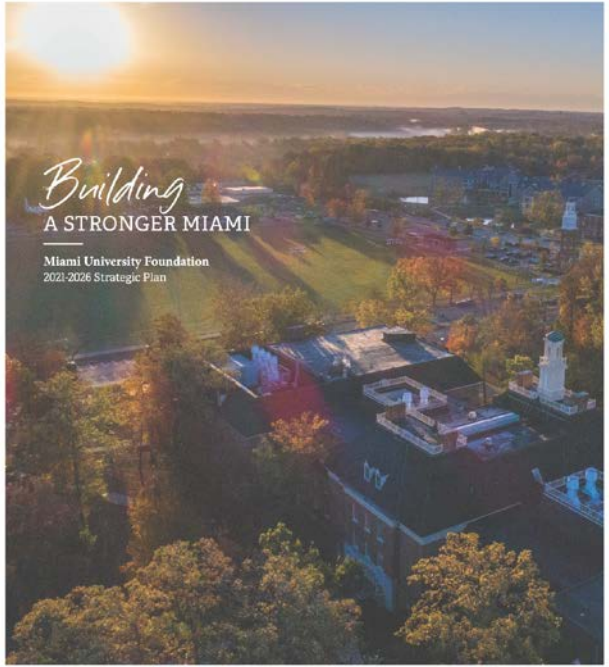


# Mission Statement

The mission of the Miami University Foundation is to support Miami University's educational and research activities, as well as its vibrant student life including arts, athletics and co-curricular endeavors. The Foundation Board does so through the identification and solicitation of philanthropic support and effective oversight of the management and stewardship of the Miami University endowment.

# Vision

The vision of the Miami University Foundation is to be a catalyst for Miami University's future through the Foundation's activities to grow the University's endowment and to be recognized as a model for performance, engagement, accountability, stewardship and commitment to excellence.




MIAMI UNIVERSITY

# Strategic Plan Progress Highlights



## Support University fundraising efforts (G2-5)

- Helped raise money to support Emergency Needs Fund in response to pandemic
- Foundation Board members took the lead – 100% participation

## Provide support to new personnel to make them effective fundraisers – especially new Deans (G2-7)

- Created alumni/donor visibility for new deans Beena Sukumaran and Jenny Darroch, including:
  - A virtual LGS Town Hall event facilitated by Tom
  - Kay Geiger introduced them to Women Leaders of Cincinnati; assisted by Foundation Board Members
- Helped Deans grow their networks

## Recruit Foundation Board members who will bring more diversity to the Board (G3-4)

- ***Nichole Prescott '00:*** Assistant Vice Chancellor for Academic Affairs, University of Texas, Austin System
- ***Zain Hader '02:*** Vice President, Head of Treasury Capital Markets, Charles Schwab & Co. Inc.
- ***Stephanie Byrd '81***: CEO, Central & Southern Ohio Region, American Red Cross

# Strategic Plan Progress Highlights



**Bring new board members more quickly up to speed (G3-5)**

- New board members received orientation and mentors
- Added informal education sessions to maintain connections between board meetings
- Two education sessions completed – Randi Thomas and Dr. David Creamer

**Engage and enhance stakeholder relationships with the University, not only as contributors of funds but also as contributors of time and talent. (G3-3)**

- Aggressive recruiting of new advisory board members across the institution has begun
- Building foundation and pipeline for development of campaign volunteer boards

# Strategic Plan Progress Highlights



## Expand demonstration of impact to potential and current donors (G3-9)

- Improved donor reports, and expanded stewardship ThankView videos

## Ensure compliance with all laws, regulations, guidelines and best practices (G4-5)

- Worked with foundation counsel and collaborated with other state universities to ensure state auditor had an understanding of the impact of requiring open meetings act compliance for state university foundations.
- Created compelling case and received agreement to exempt state university foundations from open meetings regulation compliance.

# Thank you!