Miami University

Financial Report
June 30, 2015

Board of Trustees
Miami University
107 Roudebush Hall
Oxford, Ohio 45056

We have reviewed the *Independent Auditor's Report* of Miami University, Butler County, prepared by RSM US LLP, for the audit period July 1, 2014 through June 30, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Miami University is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

January 12, 2016

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McGladrey

Independent Auditor's Report

President and Board of Trustees of Miami University
Oxford, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Miami University (the University), a component unit of the State of Ohio, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, based on our audit, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in Note 7 of the financial statements, the University restated net position at June 30, 2014 by $281,300,663. The restatement was required to be made for the implementation of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.*

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3–8 as well as required supplementary data for certain retirement plan data on pages 36-37 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. 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the University's basic financial statements. The accompanying schedule of expenditures of federal awards as required by *Office of Management and Budget Circular A-133*, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2015 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting 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 over financial reporting and compliance.

McGladrey LLP

Cleveland, Ohio
October 15, 2015

Introduction

The following discussion and analysis provides an overview of the financial position and activities of Miami University for the year ended June 30, 2015. This discussion should be read in conjunction with the accompanying financial statements and footnotes.

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

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

Financial Highlights

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

Overall the University's financial position improved at June 30, 2015. Total assets rose 4.2 percent from $1.90 to $1.98 billion. Liabilities increased $236.3 million and totaled $1.01 billion. Significant financial events during fiscal year 2015 were:

- The University implemented a 2.0 percent tuition increase for resident and non-resident undergraduate students on all campuses.
- The fall 2014 first-year enrollment was 3,635 on the Oxford campus, which represented a 0.7 percent increase over the previous year, as well as surpassing the institutional goal of 3,600 students. The academic credentials of the incoming freshmen class include an improved average ACT score, increasing from 27.5 to 27.6, as well as 34.0 percent of the incoming freshman class having graduated in the top 10 percent of their high school class. Non-resident first-year enrollment was 43.9 percent as compared to 39.5 percent for the fall 2013 class. There was a 5.8 percent decrease in transfer students but an increase of 2.6 percent in relocation students. International student enrollment comprises 8.9 percent of the fall 2014 class. The first-year class enrollment on the Hamilton campus decreased by 49 students, while the Middletown campus first-year class enrollment increased by 10 students.
- The investment portfolios were challenged during the fiscal year. Operational investments recorded a return of 1.6 percent, down from 5.2 percent achieved in the previous year. Near zero short term interest rates and the anticipation of tighter monetary policy from the Federal Reserve continued to provide imposing barriers to higher returns. The combined University and Foundation endowment pools reported estimated returns of 1.5 percent, down from 14.4 percent in the previous year. Results were hampered by an increase in volatility and the steep decline in energy and other commodity prices, triggered in part by the economic slowdown in China and other emerging economies.
- For fiscal year 2015, the University increased salaries by 2.5 percent. General fund salary and benefit expense on all three campuses increased by $12.2 million to $236.3 million, which was $15.9 million below the adopted budget. Although a hiring freeze is not in affect, requests to add new positions or fill previously vacant positions are carefully scrutinized.
- As noted above, the liabilities increased $236.3 million with the primary reason being a result of the University implementing GASB 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27*, which required the University to record their proportionate share of the net pension liabilities for the State Teachers Retirement System of Ohio (STRS Ohio) and the Ohio Public Employees Retirement System of Ohio (OPERS), resulting in a net pension liability of $254.7 million at June 30, 2015.

Financial Highlights (Continued)

Statement of Net Position

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

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

Assets	
Current assets	$ 749,862,579
Capital assets, net	1,048,208,385
Long-term investments	174,444,558
Other assets	11,635,530
Total assets	$ 1,984,151,052
Deferred Outflows of Resources	$ 19,803,662
Liabilities	
Current liabilities	$ 101,336,993
Noncurrent liabilities	909,140,240
Total liabilities	$ 1,010,477,233
Deferred Inflows of Resources	$ 42,116,636
Net Position	
Investment in capital assets	$ 564,091,473
Restricted – nonexpendable	94,117,310
Restricted – expendable	82,437,918
Unrestricted – allocated	196,344,051
Unrestricted – unallocated	14,370,093
Total net position	$ 951,360,845

Total assets of the institution increased 4.7 percent or $88.7 million in fiscal year 2015. This increase was the result of an increase in capital assets and current investments combined with a decrease in cash and cash equivalents in the amount of $121.9 million, or 54.9 percent. Details of the $104.6 million or 11.1 percent increase in capital assets are provided in the Capital Assets and Debt Administration section of this report.

Total liabilities of the institution increased $236.3 million, or 30.5 percent, and is primarily the result of implementing GASB Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement 27,* which required the University to record their proportionate share of the net pension liabilities for the State Teachers Retirement System of Ohio (STRS Ohio) and the Ohio Public Employees Retirement System of Ohio (OPERS). Other current and noncurrent liabilities remained relatively unchanged. Overall, net position increased by $112.1 million.

Financial Highlights (Continued)

Statement of Revenues, Expenses and Changes in Net Position

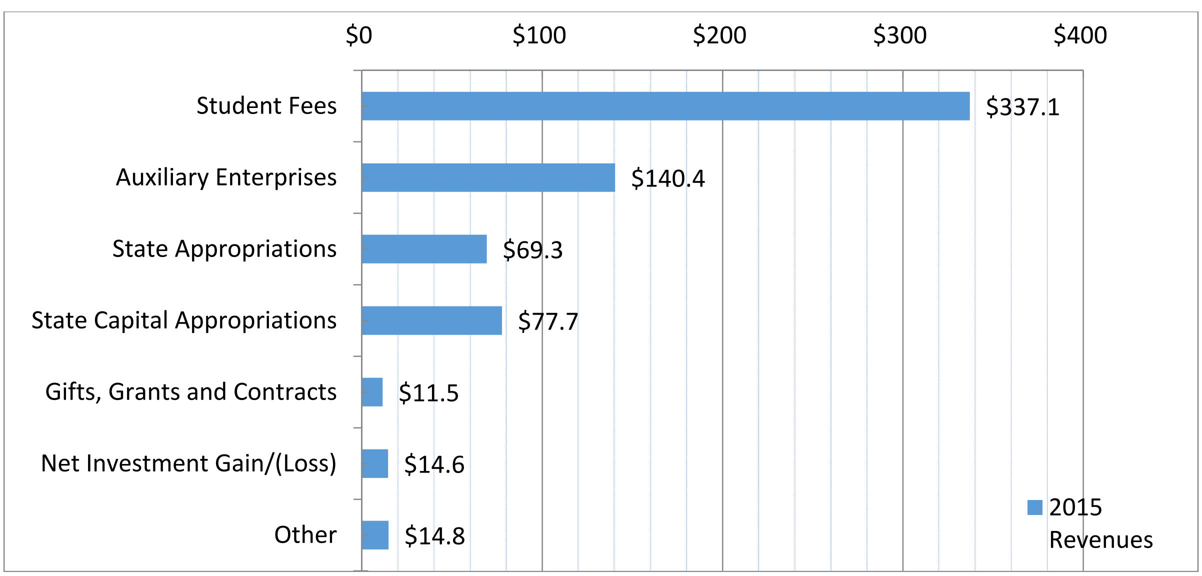
The Statement of Revenues, Expenses, and Changes in Net Position presents the University's results of operations for the fiscal year. The revenues and expenses are generally reported as either operating or non-operating. Operating revenues are generated by providing goods and services to customers and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

In fiscal year 2015, total revenues of the institution from all sources were approximately $665.3 million, which represents a $4.33 million or 0.6 percent decrease from the prior year. Approximately 75.8 percent of revenues were classified as operating, and 20.0 percent were classified as non-operating revenues.

Operating revenues	$ 504,453,710
Non-operating revenues	133,306,086
Other revenues	27,505,429
Total revenues	665,265,225
Operating expenses	(524,868,419)
Non-operating expenses	(28,324,275)
Total expenses	(553,192,694)
Change in net position	$ 112,072,531

The University revenue base is shown in the accompanying chart. Student tuition and fees make up the largest percentage of revenues at slightly more than 51.0 percent, while auxiliary enterprises such as residence and dining halls, several student recreational facilities, and the bookstore account for the second highest amount at 21.0 percent. Gifts, grants, and contracts represent 2.0 percent, as does endowment and investment income due to factors that were previously discussed. State appropriations are 10.0 percent of the total and State capital appropriations are 12.0 percent.

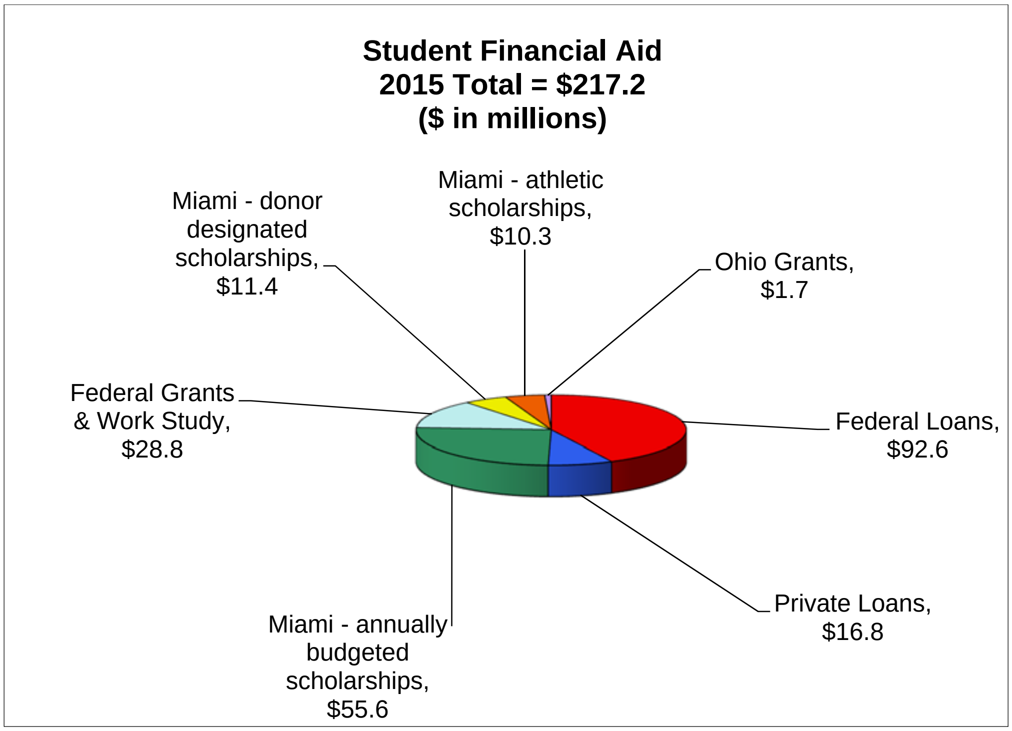
Total Revenues ($ in Millions)



Financial Highlights (Continued)

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

The University continues to expand the merit scholarship packages for in-state and out-of-state students in order to recognize student achievement and to continue to make a high quality education more affordable for parents and students. In fiscal year 2015, Miami-funded financial aid increased by $8.4 million or 12.2 percent. In total, financial aid awards were $217.2 million.



Statement of Cash Flows

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

Net cash provided by operating activities	$ 15,399,378
Net cash provided by noncapital financing activities	122,426,491
Net cash used in capital and related financing activities	(172,198,658)
Net cash used in investing activities	(87,579,064)
Net decrease in cash and cash equivalents	(121,951,853)
Cash and Cash Equivalents	
Beginning of year	222,217,793
End of year	$ 100,265,940

Financial Highlights (Continued)

Statement of Cash Flows (Continued)

The net $121.9 million decrease in the fiscal year 2015 cash and cash equivalents balance primarily relates to the utilization of bond proceeds for the construction and renovation of capital assets.

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

Capital Assets and Debt Administration

During fiscal year 2015, the University completed and capitalized several projects. These projects were funded by a combination of bond proceeds, state capital appropriations, gifts, and local funding. The bond proceeds were generated from the 2010A Series General Receipts and the 2011 Series General Receipts Revenue Bonds totaling $86.6 million. Major projects capitalized in 2015 include renovation projects at Beechwoods Hall, Hillcrest Hall, Stonebridge Hall, Kreger Hall, the Yager Indoor Practice Facility, Millett Hall, Phelps Hall, and Johnston Hall. See Note 4 for additional information concerning capital assets and accumulated depreciation.

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

On July 30, 2015, the University issued $52,335,000 of Series 2015 General Receipts and Refunding Bonds through a direct bank purchase process. The proceeds of the Series 2015 Bonds will be used to refund the Miami University Series 2005 General Receipts and Refunding Bonds.

Economic Factors That Will Affect the Future

Similar to the national conversation, affordability and efficiency are the most talked about issues confronting higher education in Ohio. Over the last decade Ohio is the only state in the nation where four year public universities have held increases in tuition below inflation, but Ohio's public universities continue to have the twelfth highest average cost for in-state tuition and mandatory fees. In order to make further progress in improving affordability, the Ohio General Assembly in June 2015 legislated that resident tuition and mandatory fees are to be frozen at the fall 2014 amount for fall 2015 and fall 2016. To help offset the lost tuition revenue, the state appropriation was increased by 4.7 percent for fiscal year 2016 and 4.0 percent for fiscal year 2017.

Political efforts aimed at improving affordability and efficiency did not end there, as legislation was also passed requiring all of Ohio's public colleges and universities to develop strategies for enabling students to lower their cost of attendance by at least 5 percent. A task force was appointed by Governor Kasich to identify recommendations for operating Ohio's colleges and universities more efficiently and directing the resulting savings to improving student affordability or services that improve the likelihood that students will graduate on-time or early.

In response to these directives, Miami University appointed an advisory committee on affordability and efficiency to provide ideas and recommendations to the Governor's task force and to develop the Miami University plan for providing its students the opportunity to lower their cost of attendance by the stated 5 percent goal. Given the increased focus on affordability, Miami University has also developed a guaranteed tuition proposal that is expected to be considered by its Board of Trustees during fiscal year 2016.

Financial Highlights (Continued)

Economic Factors That Will Affect the Future (Continued)

Recognizing the ongoing significance of these issues, the University intends to form a standing committee devoted to affordability and efficiency to assist in identifying further improvements beyond these initial efforts. This committee is expected to pattern its work after the Strategic Priorities task force that developed a five year plan for new revenue strategies and improved operating efficiency in 2010 that led to over $47 million in improvement through fiscal year 2015.

While efficiency and affordability are dominating the external discussion about higher education, enrollment continues to be a strategic priority at the University. The fall 2015 first-year enrollment is approximately 3,800 on the Oxford campus, which surpassed the goal of 3,550 students. This is the largest incoming class in Miami's history and is approximately 80 students above the previous year. For the third consecutive year, the academic quality of the incoming class improved with average ACT scores increasing from 27.6 to 28. Non-resident first-year enrollment is 45.0 percent as compared to 43.4 percent for the fall 2014 class.

First-year enrollments at the Hamilton campus and the Middletown campus decreased by 9.6 percent and 9.7 percent, respectively. New academic program offerings and improved enrollment strategies are in development for the regional campuses in response to the negative enrollment trend facing many less selective campuses in Ohio and around the nation.

For fiscal year 2016, the University's state share of instruction is budgeted to increase by approximately $4.9 million or 8.7 percent for the Oxford campus and decrease by $80,000 or 0.7 percent for the regional campuses. The overall change for Miami University is an increase of $4.8 million or 7.1 percent or about 3.4 percent more than the statewide increase in the appropriation.

The University kicked off its Graduating Champions campaign in April, 2015. This fundraising campaign is focused on increasing scholarship support and improving athletic facilities, to realize the vision for "what Miami Athletics can and should be" in the words of David Saylor, Director of Intercollegiate Athletics. The University also continued the Miami Promise Scholarship campaign, launched in 2014 with a $100 million goal over five years.

Finally, in May 2015, Dr. David Hodge announced that his tenure as president of Miami University would come to an end in July 2016 after ten years. A presidential search process was immediately initiated by the Board of Trustees and is expected to culminate in the appointment a highly qualified leader for the University by the summer of 2016.

Higher education continues to experience a high degree of change and transformation. Technology is transforming the learning environment and new models of education are continually being developed and marketed. Public accountability, the cost of tuition and student debt are dominating the conversation about higher education both nationally and in Ohio. With the completion of the Miami 2020 Strategic Plan, together with a strong commitment toward improving operating efficiencies and a dedicated and committed faculty and staff, Miami University remains well positioned to overcome these challenges and to take advantage of the opportunities that come with the change facing higher education.

Miami University

Statement of Net Position
June 30, 2015

	Miami University	University Foundation
Assets		
Current Assets		
Cash and cash equivalents (includes bond proceeds of $35.4 million)	$ 100,265,940	$ 32,642,953
Investments	591,269,861	-
Accounts, pledges and notes receivable, net	50,450,366	11,115,039
Inventories	3,300,278	-
Prepaid expenses and deferred charges	4,576,134	-
Total current assets	749,862,579	43,757,992
Noncurrent Assets		
Restricted cash and cash equivalents	-	2,910,569
Investments	174,444,558	446,145,617
Pledges and notes receivable, net	11,385,011	29,116,132
Net pension asset	250,519	-
Nondepreciable capital assets	132,113,966	-
Depreciable capital assets, net	916,094,419	-
Total noncurrent assets	1,234,288,473	478,172,318
Total assets	$ 1,984,151,052	$ 521,930,310
Deferred Outflows of Resources		
Deferred loss on refunding	214,575	-
Pensions (Note 7)	19,589,087	-
Total deferred outflows of resources	$ 19,803,662	$ -
Liabilities		
Current Liabilities		
Accounts payable	$ 35,351,593	$ 16,201,846
Accrued salaries and wages	15,501,467	-
Accrued compensated absences	1,492,386	-
Unearned revenue	10,912,157	-
Deposits	10,721,326	-
Long-term debt - current portion	27,358,064	-
Other current liabilities	-	635,373
Total current liabilities	101,336,993	16,837,219
Noncurrent Liabilities		
Accrued compensated absences	17,061,788	-
Bonds payable	628,373,926	-
Capital leases payable	2,403,000	-
Federal Perkins loan program	6,552,992	-
Net pension liability	254,748,534	-
Other noncurrent liabilities	-	182,946,264
Total noncurrent liabilities	909,140,240	182,946,264
Total liabilities	$ 1,010,477,233	$ 199,783,483
Deferred Inflows of Resources		
Deferred gains on refunding	870,615	-
Pensions (Note 7)	41,246,021	-
Total deferred inflows of resources	$ 42,116,636	$ -
Net Position		
Investment in capital assets	$ 564,091,473	$ -
Restricted:		
Nonexpendable	94,117,310	187,600,989
Expendable	82,437,918	133,829,531
Unrestricted	210,714,144	716,307
Total net position	$ 951,360,845	$ 322,146,827

See Notes to Financial Statements.

Miami University

Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2015

	Miami University	University Foundation
Operating Revenues		
Tuition, fees, and other student charges	$ 416,605,293	$ -
Less allowance for student scholarships	(79,552,497)	-
Net tuition, fees, and other student charges	337,052,796	-
Sales and services of auxiliary enterprises	145,843,355	-
Less allowance for student scholarships	(5,451,244)	-
Net sales and services of auxiliary enterprises	140,392,111	-
Federal contracts	11,520,909	
Gifts	-	17,735,567
Sales and services of educational activities	1,888,479	-
Private contracts	2,425,950	-
State contracts	727,481	-
Local contracts	204,709	-
Other	10,241,275	-
Total operating revenues	504,453,710	17,735,567
Operating Expenses		
Education and General		
Instruction and departmental research	178,334,980	-
Separately budgeted research	13,789,283	-
Public service	3,607,350	-
Academic support	54,723,216	-
Student services	23,217,533	-
Institutional support	44,214,921	-
Operation and maintenance of plant	32,876,467	-
Scholarships and fellowships	19,283,546	-
Auxiliary enterprises	107,586,374	-
Depreciation	43,292,502	-
Other	3,942,247	-
Total operating expenses	524,868,419	-
Net operating (loss) income	(20,414,709)	17,735,567
Non-Operating Revenues (Expenses)		
State appropriations	69,284,263	-
Gifts, including those from the University Foundation	28,866,651	-
Federal grants	20,684,821	-
Net investment income, net of investment expense of $2,407,107 for the University and $3,317,961 for the Foundation in FY15	10,680,607	1,869,822
State grants	1,151,262	-
Interest on debt	(28,324,275)	-
Payments to Miami University	-	(25,407,833)
Other non-operating revenues	2,638,482	(250,018)
Net non-operating revenues (expenses)	104,981,811	(23,788,029)
Income (loss) before other revenues, expenses, and gains or losses	84,567,102	(6,052,462)
Other Revenues, Expenses, Gains or Losses		
State capital appropriation	14,558,787	-
Capital grants and gifts	12,115,252	-
Additions to permanent endowments	831,390	11,744,736
Total other revenues, expenses, gains, or losses	27,505,429	11,744,736
Change in net position	112,072,531	5,692,274
Total net position at beginning of year, as restated (Note 7)	839,288,314	316,454,553
Total net position at end of year	$ 951,360,845	$ 322,146,827

See Notes to Financial Statements.

Miami University

Statement of Cash Flows
Year Ended June 30, 2015

Cash Flows From Operating Activities	
Tuition, fees, and other student charges	$ 415,534,846
Sales and services of auxiliary enterprises	147,880,719
Contracts	12,131,811
Other operating receipts	12,016,528
Payments for employee compensation and benefits	(324,092,263)
Payments to vendors for services and materials	(143,782,452)
Student scholarships	(104,288,947)
Loans issued to students and employees	(1,972,947)
Collection of loans from students and employees	1,972,083
Net cash flows provided by operating activities	15,399,378
Cash Flows From Noncapital Financing Activities	
State share of instruction funds	71,653,709
Grants for noncapital purposes	21,836,083
Gifts	28,936,699
Net cash flows provided by noncapital financing activities	122,426,491
Cash Flows From Capital and Related Financing Activities	
State capital appropriation	12,127,296
Grants for capital purposes	11,204,235
Other capital and related receipts	514,976
Payments to construct, renovate, or purchase capital assets	(144,313,371)
Principal paid on outstanding debt	(21,398,801)
Interest paid on outstanding debt	(30,332,993)
Net cash flows used in capital and related financing activities	(172,198,658)
Cash Flows From Investing Activities	
Proceeds from sale of investments	147,525,086
Purchases of investments	(247,369,631)
Endowment income	136,535
Other investment income	12,128,946
Net cash flows used in investing activities	(87,579,064)
Net decrease in cash and cash equivalents	(121,951,853)
Cash and cash equivalents	
Beginning	222,217,793
Ending	$ 100,265,940

(Continued)

Miami University

Statement of Cash Flows (Continued)
Year Ended June 30, 2015

Reconciliation of Operating Loss to Net Cash Flows Used in Operating Activities	
Operating loss	$ (20,414,709)
Adjustments to reconcile net operating loss to net cash provided by operating activities:	
Depreciation expense	43,292,502
Net gain on disposal of capital assets	36,973
Accounts receivable bad debt adjustments	208,966
Adjustments to reconcile change in net position to net cash provided by operating activities:	
Accounts receivable	(3,806,397)
Inventories	842,416
Prepaid expenses and deferred charges	(281,925)
Notes receivable	(18,622)
Net pension asset	(40,300)
Deferred outflows of pension resources	(19,589,086)
Accounts payable	(3,225,889)
Accrued salaries and wages	1,044,397
Compensated absences	1,440,312
Unearned revenue and deposits	1,349,598
Federal Perkins loans	77,468
Net pension liability	(19,435,778)
Deferred inflows of pension resources	33,919,452
Net cash flows provided by operating activities	$ 15,399,378
Supplemental Disclosure of NonCash Information:	
Property and equipment included in accounts payable	$ 17,399,945
Property and equipment acquired by gifts in kind	$ 911,018

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

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

The Governmental Accounting Standards Boards (GASB) Statement No. 39 sets forth criteria to determine whether certain organizations for which the University is not financially accountable should be reported as component units based on the nature and significance of their relationship with the University. The Miami University Foundation (the Foundation), which is a separate not-for-profit foundation, meets this criteria due to the significance of their operational or financial relationships with the University. Note 10 provides additional information on the Foundation. Certain disclosures concerning the Foundation are not included because it has been audited separately for the year ended June 30, 2015 and reports have been issued under separate cover.

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

Basis for presentation: The financial statements of the University have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when the related liability has been incurred. For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities as defined by GASB Statement No. 34 and 35.

Recent and pending accounting pronouncements: Effective July 1, 2014, the University adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*—an amendment of GASB Statement No. 27. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement resulted from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The adoption of this statement, further detailed in Note 7, required a restatement of prior year net position to conform to the 2015 presentation.

Effective July 1, 2014, the University adopted GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The Statement is effective for periods beginning after December 15, 2013. There has been no impact to the University financial statements due to the adoption of Statement No. 69.

Effective July 1, 2014, the University adopted GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The objective of this Statement is address contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit plan after the measurement date of the government's beginning net pension liability. The impact of the adoption of Statement No. 71 has been reflected in Note 7.

Note 1. Summary of Significant Accounting Policies (Continued)

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements, including but not limited to, proving guidance for determining fair value measurements for financial reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for periods beginning after June 15, 2015. The University has not yet determined the impact this Statement will have on the financial statements.

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria. This Statement is effective for periods beginning with the University's year ending June 30, 2016, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for the University beginning with its year ended June 30, 2017. The University feels this Statement will not have an impact on the financial statements.

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployments benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2016. The University feels this Statement will not have an impact on the financial statements.

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

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement supersedes GASB Statement No. 55 and reduces the existing hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within the source of authoritative GAAP. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015. The University believes this Statement will not have an impact on the financial statements.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) the reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. For financial reporting purposes, tax abatement is defined as resulting from an agreement between a government and an individual or entity in which the government promised to forgo tax revenues and the individual or entity subsequently take specific action to contribute to the economic development or other benefits of the government. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The University believes this Statement will not have an 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.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Inventories: The University bookstore inventories are stated at the lower of first-in, first-out cost or net realizable value. The supply room inventories are stated at the weighted average value. All other inventories, including the Culinary Support Center and Goggin Ice Center, are stated at the last price paid value.

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

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

Pensions: For purposes of measuring the net pension liability or assets, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about the fiduciary net position of the Ohio Public Employees Retirement System (OPERS) Traditional and Combined Plans as well as the State Teachers Retirement System of Ohio (STRS Ohio) (collectively referred to as "the 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 Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Note 1. Summary of Significant Accounting Policies (Continued)

Bond premiums, discounts and issuance costs: Bond premiums and discounts costs are deferred and amortized over the life of the bonds using the straight line 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 inflows of resources are an acquisition of net positions by the University that is applicable to a future reporting period.

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.

Net positions: Net positions are divided into three major categories. The first category, investment in capital assets, which does not include unspent bond proceeds, reports the institution's net equity in property, plant, and equipment. The second major category is restricted net position. This category contains assets that are owned by the institution, but the use or purpose of the funds is restricted by an external source or entity. The corpus of the nonexpendable restricted assets is available for investment purposes only. The expendable restricted assets may be expended by the institution, but must be spent only for the purpose as determined by a donor or external entity. The income generated from the nonexpendable restricted investments and the expendable restricted funds may be used for student loans, scholarships and fellowships, instruction, research, and other needs to support the operation of the University. The third category is unrestricted net position and is separated into two types: allocated and unallocated. Allocated unrestricted assets are available to the institution, but are allocated for a specific purpose within the institution by University policy, management, or the governing board. The allocated unrestricted net assets were $196,344,051 as of June 30, 2015. Unallocated unrestricted net assets are available to be used for any lawful purpose of the institution.

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

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

Subsequent events: The University has evaluated events occurring between the end of our most recent fiscal year and October 15, 2015, the date the financial statements were issued.

Note 2. Cash and Investments

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

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

Cash and cash equivalents: At year-end, the carrying amount of the University's cash and cash equivalents was approximately $100.3 million in 2015. Cash and cash equivalents consists primarily of cash in banks, money market accounts and the State Treasury Reserve of Ohio (STAR Ohio) that include short-term, highly liquid investments readily convertible to cash, with an original maturity of three months or less. STAR Ohio, a 2a7 – like pooled fund, is a statewide fund managed by the State Treasurer of Ohio.

Approximately $0.5 million of cash and cash equivalents was covered by federal depository insurance; $53.6 million was covered by collateral held by third-party trustees pursuant to paragraph 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions; and the remainder was not collateralized or insured, leaving it exposed to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the University may not be able to recover its deposits or collateral securities. The University maintains active relationships with multiple cash equivalent accounts to reduce its exposure to custodial credit risk at any single institution.

Investments: Investments held by the University at June 30, 2015 are presented below, categorized by investment type and credit quality rating. Credit quality ratings provide information about the investments' credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University's investment management procedures establish guidelines for average credit quality ratings in the portfolios. Moody's Investors Services and Fitch Ratings have assigned AAA credit ratings to U.S. Treasury obligations. On August 6, 2011, Standard & Poor's lowered its credit rating on long-term U.S. Treasury related debt obligations from AAA to AA+.

The investments as of June 30, 2015 are summarized as follows:

Investment Type	Fair Value	Not Rated	AAA	AA, A, and BBB	Below BBB
U.S. Treasury bonds	$ 64,988,673	$ -	$ 64,988,673	$ -	$ -
U.S. Agency bonds	98,755,662	-	98,755,662	-	-
Strips	2,666,342	-	2,666,342	-	-
Government-backed bonds	74,964,393	-	74,964,393	-	-
Corporate bonds	23,077,473	-	-	23,077,473	-
Municipal bonds	2,830,923	-	-	2,830,923	-
International bonds	492,562	-	-	492,562	-
Common and preferred stocks	575,736	575,736	-	-	-
Commingled funds	497,051,776	431,255,444	20,910,842	33,425,296	11,460,194
Real estate and other	310,879	310,879	-	-	-
Total investments	$ 765,714,419	$ 432,142,059	$ 262,285,912	$ 59,826,254	$ 11,460,194

Note 2. Cash and Investments (Continued)

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

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

Bond investments by length of maturity as of June 30, 2015 are summarized as follows:

Investment Type	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years
U.S. Treasury bonds	$ 64,988,673	$ 4,923,673	$ 53,462,876	$ 5,593,317	$ 1,008,807
U.S. Agency bonds	98,755,662	34,885,707	62,818,331	661,039	390,585
Strips	2,666,342	-	2,666,342	-	-
Government-backed bonds	74,964,393	28,128	73,508,292	1,337,382	90,591
Corporate bonds	23,077,473	1,064,565	13,120,060	8,504,529	388,319
Municipal bonds	2,830,923	101,368	982,557	680,364	1,066,634
International bonds	492,562	-	-	492,562	-
Commingled bond funds	65,796,331	3,453,266	31,075,492	24,922,130	6,345,443
Total bonds	$ 333,572,359	$ 44,456,707	$ 237,633,950	$ 42,191,323	$ 9,290,379

All of the University's investments in publicly traded securities are subject to market risk. As a result, a significant downturn in the securities markets could adversely affect the market value of University assets. Investments include approximately $151.0 million as of June 30, 2015, managed by global managers, and such international investments are exposed to foreign currency risk. The University's investments that are exposed to concentration risk consist of securities issued by the U.S. Treasury and other agencies or instrumentalities of the U.S. government which represents 31.0% of investments. No other single issuer represents more than 5% of investments. Commingled bond funds held by the University include a wide range of investments, including hedge funds. The University's objective for investing in these hedge funds is to provide stable, absolute returns that are uncorrelated to fluctuations in the stock and bond markets.

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

Endowment funds: The Miami University Foundation (Foundation) manages the Foundation and University endowment and quasi-endowment funds in a single investment pool (Pooled Fund). The University investment is maintained as a separate fund on the financial system of the Foundation and receives a proportionate share of the Pooled Fund's activity. The Foundation owns the assets of the Pooled Fund; the University has an interest in the Pooled Fund, which is considered an external investment pool to the University. 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 $173.6 million managed by the Foundation as of June 30, 2015. The fair value of the University's position in the Pooled Fund is based on the University's proportional share of the Pooled Fund, which is marked-to-market annually. Note 10 provides additional information on the Foundation and the Pooled Fund.

Note 2. Cash and Investments (Continued)

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

The University employs a total return policy which defines the total amount of dividends, interest and realized gains to be distributed from the endowment assets. The University Board has approved an endowment spending policy whereby distributions in accordance with donor restrictions are calculated according to a formula which gives a 30% weight to market value and a 70% weight to inflation. Annually the University establishes a spending formula that defines the total amount of dividends, interest and realized gains to be distributed from the endowment assets to other funds. The authorized spending amount was $8,588,113 in 2015. In accordance with donors' stipulations, a portion of the earnings was returned to endowment principal and the balance of $8,226,822 was distributed for expenditure for 2015. Donor restricted endowments with insufficient accumulated earnings did not make a current year distribution.

Note 3. Accounts, Pledges and Notes Receivable

The accounts, pledges and notes receivable as of June 30, 2015 are summarized as follows:

Accounts Receivable	
Student receivables	$ 11,358,366
University Foundation	16,025,647
State capital appropriations	9,402,804
Grants and contracts	3,916,343
Other receivables	2,453,317
Total accounts receivable	43,156,477
Less allowances for doubtful accounts	(1,285,000)
Net accounts receivable	$ 41,871,477
Pledges Receivable	
Pledges receivable	$ 10,937,933
Less allowance for doubtful pledges	(564,167)
Net pledges receivable	$ 10,373,766
Notes Receivable	
Federal loan programs	$ 6,958,467
University loan programs	4,497,667
Total notes receivable	11,456,134
Less allowance for doubtful notes	(1,866,000)
Net notes receivable	9,590,134
Total	$ 61,835,377

Note 4. Capital Assets

The capital assets and accumulated depreciation as of June 30, 2015 are summarized as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets				
Land	$ 5,792,226	$ -	$ -	$ 5,792,226
Collections of works of art and historical treasures	8,162,939	767,270	-	8,930,209
Construction in progress	108,689,382	133,075,629	124,373,480	117,391,531
Total nondepreciable capital assets	122,644,547	133,842,899	124,373,480	132,113,966
Land improvements	40,796,480	2,103,276	-	42,899,756
Buildings	1,008,030,154	127,946,096	254,359	1,135,721,891
Infrastructure	144,679,451	3,916,261	-	148,595,712
Machinery and equipment	106,355,711	2,762,982	12,466,022	96,652,671
Library books and publications	67,629,889	1,325,881		68,955,770
Vehicles	8,496,199	367,978	489,695	8,374,482
Intangible assets	16,946,161	-	-	16,946,161
Total depreciable capital assets	1,392,934,045	138,422,474	13,210,076	1,518,146,443
Total capital assets	1,515,578,592	272,265,373	137,583,556	1,650,260,409
Less accumulated depreciation:				
Buildings	380,487,155	29,720,416	217,386	409,990,185
Infrastructure	59,208,614	5,347,779	-	64,556,393
Land improvements	13,940,005	1,444,764	-	15,384,769
Machinery and equipment	51,101,848	3,714,013	12,466,022	42,349,839
Library books and publications	44,381,095	2,159,624	-	46,540,719
Vehicles	6,664,130	375,447	489,695	6,549,882
Intangible assets	16,149,778	530,459	-	16,680,237
Total accumulated depreciation	571,932,625	43,292,502	13,173,103	602,052,024
Total capital assets, net	$ 943,645,967	$ 228,972,871	$ 124,410,453	$ 1,048,208,385

Note 5. Long-Term Liabilities

The long-term liabilities as of June 30, 2015 are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and Leases Payable					
Bonds payable	$ 641,065,000	$ -	$ 21,280,000	$ 619,785,000	$ 25,195,000
Capital leases payable	2,640,600	-	118,800	2,521,800	118,800
Premiums	37,872,454	-	2,044,264	35,828,190	2,044,264
Total bonds and leases payable	681,578,054	-	23,443,064	658,134,990	27,358,064
Other Liabilities					
Compensated absences	17,113,862	9,478,750	8,038,438	18,554,174	1,492,386
Federal Perkins loans	6,475,524	345,879	268,411	6,552,992	-
Total other liabilities	23,589,386	9,824,629	8,306,849	25,107,166	1,492,386
Total	$ 705,167,440	$ 9,824,629	$ 31,749,913	$ 683,242,156	$ 28,850,450

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

Note 6. Indebtedness

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

During the year ended June 30, 2014, the University issued $135,035,000 in General Receipts Revenue Bonds with interest rates ranging from 3.00 percent to 5.00 percent and maturities from 2015 to 2040. The proceeds are being used to provide continued funding for the multi-phase effort to renovate all campus student housing and dining facilities.

During the year ended June 30, 2013, the University issued $116,065,000 in General Receipts Revenue Bonds with interest rates ranging from 3.00 percent to 5.00 percent and maturities from 2015 to 2038. The proceeds are being used to provide continued funding for the multi-phase effort to renovate all campus student housing and dining facilities.

During the year ended June 30, 2012, the University issued $148,775,000 in General Receipts Revenue Bonds with interest rates ranging from 2.00 percent to 5.00 percent and maturities from 2012 to 2036. The proceeds are being used to provide continued funding for the multi-phase effort to renovate all campus student housing and dining facilities. A part of the proceeds were also used to refund a portion of the remaining Miami University General Receipts Bonds, Series 2003. The net change in cash flows related to the refunding was approximately $2.1 million and the net present value savings was approximately $1.6 million. In fiscal year 2012, the University defeased a portion of the Series 2003 bonds by placing some of the proceeds from the Series 2011 bonds into an escrow account to provide for all future debt service. The outstanding balance of defeased bonds was $28,755,000 as of June 30, 2015.

The December 21, 2011 bond refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of $1,209,192. The unamortized difference of $870,615 at June 30, 2015, is reported in the accompanying financial statements as a deferred inflow of resources and is being amortized through the year 2024.

During the year ended June 30, 2011, the University issued $125,000,000 in General Receipts Revenue Bonds consisting of $105,445,000 Series 2010A (Federally Taxable Build America Bonds – Direct Payment) and $19,555,000 Series 2010B (Tax-Exempt Bonds). Interest rates range from 4.81 percent to 6.77 percent for the Series 2010A bonds and from 2.00 percent to 5.00 percent for the Series 2010B bonds. Maturities range from 2017 to 2035 for the Series 2010A bonds and from 2011 to 2016 for the Series 2010B bonds. The Series 2010 bond proceeds were used to provide funding for the first phase of planned improvements to student housing and dining facilities and the first phase of construction of the Armstrong Student Center.

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

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

During the year ended June 30, 2005, the University issued $98,455,000 in General Receipts Revenue and Refunding Bonds with interest rates ranging from 3.00 percent to 5.00 percent and maturities from 2006 to 2025. The proceeds were used to refund a portion of the remaining Miami University General Receipts Bonds, Series 1998 and for the funding of additional capital assets. In 2005, the University defeased a portion of the Series 1998 bonds by placing some of the proceeds from the Series 2005 bonds into an escrow account to provide for all future debt service. The outstanding balance of defeased bonds was $6,880,000 as of June 30, 2015.

Note 6. Indebtedness (Continued)

The March 1, 2005 bond refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $863,535. The unamortized difference of $214,575 at June 30, 2015, is reported in the accompanying financial statements as a deferred outflow of resources and is being amortized through the year 2019.

The University incurred total interest costs of $28,305,013 as of June 30, 2015. The interest costs that were capitalized were $1,374,692 as of June 30, 2015.

The maturity dates, interest rates, and outstanding principal balances as of June 30, 2015 are as follows:

	Maturity Dates	Interest Rates	Outstanding Debt
Bonds Payable			
Series 2014 general receipts	2016 – 2040	3.00% - 5.00%	$ 135,035,000
Series 2012 general receipts	2015 – 2038	3.00% - 5.00%	112,815,000
Series 2011 general receipts	2015 – 2037	2.00% - 5.00%	137,850,000
Series 2010A general receipts	2018 – 2036	4.81% - 6.77%	105,445,000
Series 2010B general receipts	2015 – 2017	2.00% - 5.00%	7,150,000
Series 2007 general receipts	2015 – 2027	3.25% - 5.25%	63,525,000
Series 2005 general receipts	2015 – 2025	3.63% – 5.00%	57,965,000
Total bonds payable			619,785,000
Bond premiums			35,828,190
Total bonds payable, net			$ 655,613,190

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

	Principal	Interest	Total
2016	$ 25,195,000	$ 29,391,860	$ 54,586,860
2017	26,295,000	28,325,210	54,620,210
2018	27,345,000	27,161,998	54,506,998
2019	29,310,000	25,854,918	55,164,918
2020	29,755,000	24,471,727	54,226,727
2021-2025	164,775,000	98,656,324	263,431,324
2026-2030	116,225,000	62,825,377	179,050,377
2031-2035	121,155,000	42,643,982	163,798,982
2036-2041	79,730,000	5,803,050	85,533,050
Total	$ 619,785,000	$ 345,134,446	$ 964,919,446

See Note 14 for details relating to borrowings and retirements of bond obligations subsequent to year-end.

Note 6. Indebtedness (Continued)

The University has $2,251,800 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, 2015, are:

2016	$ 194,020
2017	194,586
2018	194,768
2019	194,583
2020	194,091
2021-2025	969,872
2026-2030	962,842
2031-2032	384,038
Total minimum lease payments	3,288,800
Less amount representing interest	(767,000)
Net minimum lease payments	$ 2,521,800

Buildings and computer equipment are financed with capital leases. The carrying amount related to these capital leases as of June 30, 2015 are $2,611,440 for buildings.

Note 7. Net Pension Liability

For the year ended June 30, 2015, Miami University implemented the provisions of GASB's Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27,* and *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.* Among other changes, these Statements changed the manner in which governments account for their proportionate share of the net pension liability and deferred outflows of resources relating to contributions made by government employers. As a result of implementing these Statements, Miami University was required to restate net position to the earliest period presented. The effect of the restatement on net position is as follows:

	2014
Net position as previously reported, June 30	$ 1,120,588,977
Adjustment for net pension liability and deferred outflows of resources	(281,300,663)
Net position as restated, June 30	$ 839,288,314

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

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

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

Note 7. Net Pension Liability (Continued)

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

Contribution rates for STRS Ohio are established by the State Teachers Retirement Board, not to exceed statutory maximum rates of 14 percent for members and 14 percent for employers. Contribution rates for fiscal year 2014 were 11 percent for employees and 14 percent for employers. For the fiscal years ended June 30, 2014, and June 30, 2013, the Retirement Board allocated employer contributions equal to 1.0 percent of covered payroll to post-employment health care (Note 9).

During calendar year 2014, employees covered by the OPERS system were required by state statute to contribute 10.0 percent of their salary to the plan. The University was required to contribute 14.0 percent of covered payroll. Law enforcement employees who are a part of the OPERS law enforcement division contribute 13.0 percent of their salary to the plan. For these employees, the University was required to contribute 18.1 percent of covered payroll. Effective January 1, 2013, the member contribution rate for law enforcement members increased to 13.0 percent. The member contribution rate for all other employees and the University's contribution rate remained unchanged. The portion of employer contributions to OPERS allocated to health care for members in the Traditional Plan was 2.0 percent from January 1 through December 31, 2014 (Note 9). Effective January 1, 2015, the portion of employer contributions allocated to health care remained at 2.0 percent.

The payroll for employees covered by STRS Ohio for the year ended June 30, 2015, was approximately $67,064,000. The payroll for employees covered by OPERS for the year ended June 30, 2015, was approximately $86,845,000.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2015, the University reported a liability of $254,748,534 for its proportionate share of the net pension liability for the OPERS Traditional plan and the STRS Ohio plan, in the amounts of $79,877,382 and $174,871,152, respectively. The net pension liability was measured as of December 31, 2014 for the OPERS traditional plan and June 30, 2014 for the STRS Ohio plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date for each plan. The amount used to allocate the net pension liability, deferred inflows/outflows and pension expense was based on the contributions during the measurement period which was determined by the OPERS Traditional plan and STRS Ohio plan to be a reliable approximation of long term contribution effort to the two plans. At the measurement date, the University's proportion was 0.662272 percent for OPERS Traditional and 0.71894026 percent for STRS Ohio.

At June 30, 2015, the University reported an asset of $250,519 for its proportionate share of the net pension asset for the OPERS Combined plan. The net pension asset was measured as of December 31, 2014. The total pension liability 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 liability, 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 0.650661 percent for OPERS Combined plan.

For the year ended June 30, 2015, the University recognized net negative pension expense of $5,145,797 consisting of negative pension expenses of $4,389,877 for the OPERS Traditional plan, $637,869 for the STRS Ohio plan and $118,051 for the OPERS Combined plan, respectively.

Note 7. Net Pension Liability (Continued)

At June 30, 2015, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience – OPERS Traditional and Combined	$ -	$ 1,479,732
Differences between expected and actual actuarial experience – STRS Ohio	1,683,515	-
Net difference between projected and actual earnings on pension plan investments – OPERS Traditional and Combined	4,277,306	-
Net difference between projected and actual earnings on pension plan investments – STRS Ohio	-	32,351,826
Changes in proportion and differences between University contributions and proportionate share of contributions – OPERS Traditional and Combined	783	7,414,463
University contributions subsequent to the measurement date – OPERS Traditional and Combined	4,910,727	-
University contributions subsequent to the measurement date – STRS Ohio	8,716,756	-
Total	$ 19,589,087	$ 41,246,021

Deferred outflows of resources includes $13,627,483 of University contributions subsequent to the measurement dates of the Plans and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	STRS Ohio	OPERS Traditional	OPERS Combined	Total
Year ended June 30:				
2016	$ (7,667,078)	$ 418,022	$ (5,269)	$ (7,254,325)
2017	(7,667,078)	418,022	(5,269)	(7,254,325)
2018	(7,667,078)	957,181	(5,269)	(6,715,166)
2019	(7,667,078)	1,065,504	(5,269)	(6,606,843)
2020	-	-	(5,269)	(5,269)
Thereafter	-	-	(30,985)	(30,985)

Note 7. Net Pension Liability (Continued)

Actuarial assumptions – STRS Ohio

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates: Rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Experience studies: Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

Investment return assumptions: The 10 year expected real rate of return on pension plan investments was determined by STRS Ohio's investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and long term expected real rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

Discount rate: The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

Note 7. Net Pension Liability (Continued)

Pension plan fiduciary net position – STRS Ohio: STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

Actuarial assumptions – OPERS Traditional and Combined Plans

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented below.

Valuation date	December 31, 2014
Experience study	5 year period ended December 31, 2010
Actuarial cost method	Individual entry age
Investment rate of return	8.00%
Wage inflation	3.75%
Projected salary increases	4.25% - 10.05% (includes wage inflation at 3.75%)
Cost of living adjustments	3.00% simple

Mortality rates - Mortality rates are the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used, set forward two years. For females, 100% of the disabled female mortality rates were used. The discount rate used to measure the total pension liability was 8.0% for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Note 7. Net Pension Liability (Continued)

Investment return assumptions - The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outline in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	23.00 %	23.31 %
Domestic equities	19.90	5.84
Real estate	10.00	4.25
Private equity	10.00	9.25
International equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	

The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are 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 asset allocation percentage, adjusted for inflation. OPERS manages investments in four investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan, and the VEBA Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio.

Pension plan fiduciary net position – OPERS Traditional and Combined: Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report; Additional information supporting the preparation of the Schedules of Collective Pension Amounts and Employer Allocations (including the disclosure of the net pension liability/(asset), required supplementary information on the net pension liability/(asset), and the unmodified audit opinion on the combined financial statements) is located in OPERS 2014 CAFR. This CAFR is available at www.opers.org or by contacting OPERS at: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

Note 7. Net Pension Liability (Continued)

Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate: The following table presents the University's proportionate share of the net pension liability calculated using the current period discount rate assumption, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	University's Proportionate Share
STRS Ohio	0.72%
OPERS - Traditional	0.66%
OPERS - Combined	0.65%

	Net Pension Liability Calculated					
	Current Period Discount Rate Assumption		One-Percentage Point Lower Assumption		One-Percentage Point Higer Assumption	
STRS Ohio	7.75%	$ 174,871,152	6.75%	$ 250,347	8.75%	$ 111,043,882
OPERS - Traditional	8.00%	79,877,382	7.00%	146,951,492	9.00%	23,384,818
OPERS - Combined	8.00%	(250,519)	7.00%	32,533	9.00%	(474,983)
		$ 254,498,015		$ 147,234,372		$ 133,953,717

Note 8. Retirement Plans

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

The payroll for employees electing the alternative retirement program for the year ended June 30, 2015 was approximately $63,346,000.

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

OPERS also offers a combined plan. This is a cost-sharing, multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit. OPERS also provides retirement, disability, survivor, and postretirement health care benefits to qualified members. The portion of employer contributions to OPERS allocated to health care for members in the Combined Plan was 2.0 percent from January 1 through December 31, 2014 and remained at 2.0 percent effective January 1, 2015 (Note 9).

Note 8. Retirement Plans (Continued)

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

	Employer Contribution		
	STRS Ohio	OPERS	Alternative Programs
2015	$ 9,388,961	$ 12,227,238	$ 6,861,634
2014	8,850,145	12,333,960	6,330,661
2013	8,718,108	11,981,743	6,283,457

Note 9. Other Postemployment Benefits

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

OPERS health care benefits are advance-funded on an actuarially determined basis. The amount of employer contributions made to fund post-employment benefits for the year ended June 30, 2015 , were approximately $1,746,000.

Note 10. Related Organization

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

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

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

Summary financial information for the Foundation as of June 30, 2015, the date of its most recent audited financial report, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at end of year	$ 716,307	$ 133,829,531	$ 187,600,989	$ 322,146,827
Change in net assets for the year	(309,467)	(5,852,823)	11,854,564	5,692,274
Distributions to Miami University	25,407,833	-	-	25,407,833

Note 10. Related Organization (Continued)

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

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

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

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

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.

Note 10. Related Organization (Continued)

Long-term investments: Investments held by the Foundation as of June 30, 2015 were:

	Fair Value
Investment Description	
Domestic public equities	$ 31,122,745
Global public equities	136,020,546
International public equities	10,257,373
Domestic public fixed income	2,490,323
Global public fixed income	26,807,206
Hedge funds	143,933,946
Limited partnerships and non-public equities	79,309,360
Split-Interest Funds	
Charitable remainder trusts	10,154,938
Charitable gift annuities	3,275,443
Pooled income funds	552,028
Total	$ 443,923,908

The Foundation maintains a diversified investment portfolio for the Pooled Funds, intended to reduce market risk, credit risk, and interest rate risk with a strategy designed to take advantage of market inefficiencies. The Foundation's investment objectives are guided by its asset allocation policy and are achieved in partnership with external investment managers operating through a variety of investment vehicles including separate accounts, limited partnerships, and commingled funds. The Foundation's investment portfolio includes publicly traded securities. As a result, a significant downturn in the securities markets could adversely affect the market value of Foundation assets. As of June 30, 2015, the Foundation has made commitments to limited partnerships of approximately $21.1 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 partnership.

The 2015 dividend and interest income of $2,435,996, as reported in the Statement of Activities, is net of fees from external investment managers totaling $345,225.

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

Pledges receivable: As of June 30, 2015, contributors to the Foundation have made unconditional pledges totaling $43,411,061 with 17 pledges accounting for over 50 percent of that total. Net pledges receivable have been discounted using interest rates to a net present value of $40,948,848 at June 30, 2015. Discount rates ranged from 1.20 percent to 6.00 percent. Management has set up an allowance for uncollectible pledges of $1,198,980 at June 30, 2015. All pledges have been classified as temporarily restricted net assets since they will either expire or be fulfilled within a specified time or donor imposed stipulations.

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

Note 10. Related Organization (Continued)

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

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

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

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

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported as unrestricted net assets until such time as the fair value equals or exceeds historical value; such deficiencies were $47,736 as of June 30, 2015. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of permanently restricted contributions.

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

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

Note 11. Commitments

At June 30, 2015, the University is committed to future contractual obligations for capital expenditures of approximately $124 million. These commitments are being funded from the following sources:

Contractual Obligations	
Approved state appropriations not expended	$ 17,077,851
University funds and bond proceeds	106,949,238
Total	$ 124,027,089

Note 12. Risk Management

The University's employee health insurance program is a self-insured plan. Administration of the plan is provided by Humana Inc. through December 31, 2014 (with a run-out period extending through December 31, 2015). United Medical Resources, a United Healthcare company, began administration of the plan January 1, 2015. 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 $2,056,600 is included in the accrued salaries and wages as of June 30, 2015. The change in the total liability for actual and estimated claims is summarized below:

Liability at beginning of year	$ 2,440,852
Claims incurred	27,109,201
Claims paid	(26,834,919)
Decrease in estimated claims incurred but not reported	(52,500)
Liability at end of year	$ 2,662,634

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

The University participates in a consortium with all other Ohio state-assisted universities (excluding The Ohio State University) for the acquisition of commercial property and liability insurance. The name of the consortium is the IUC-Insurance Consortium. The commercial property program's loss limit is $1.0 billion and the general/auto liability loss limit is $50 million. The property insurance program has been in place for 20 years during which time Miami University has had one material loss above the insurance policy deductible of $350,000. The property pool deductible for individual universities is $100,000. The liability program has been in place for 15 years during which time Miami University has had three losses above the pool deductible. The current self-insured retention for the liability program is $10 million. The educator's legal liability loss limit is $25 million. The University also participates with the other consortium universities for the purchase of commercial insurance for other risks. Over the past six years, settlement amounts related to insured risks have not exceeded the University's coverage amounts.

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. Subsequent Events

On July 30, 2015, Miami University issued $52,335,000 of Series 2015 General Receipts and Refunding Bonds through a direct bank purchase process. The bonds carry a 1.88% coupon and mature between 9/1/2016 – 9/1/2024. All of the proceeds of the Series 2015 Bonds will be used to refund the Miami University Series 2005 General Receipts and Refunding Bonds.

On September 1, 2015, Miami University called all outstanding Series 2005 General receipts and Refunding Bonds at par. Par value of the called bonds was $52,220,000.

Supplementary Information

Miami University

Retirement Plan Data
Year Ended June 30, 2015

	STRS Ohio	OPERS Traditional	OPERS Combined
University's proportion of the net pension liability (asset)	0.72%	0.66%	0.65%
University's proportionate share of the net pension liability (asset)	$ 174,871,152	$ 79,877,382	$ (250,519)
University's covered-employee payroll	67,064,006	80,131,382	2,327,431
University's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	260.76%	99.68%	10.76%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	86.45%	114.83%

Miami University

Retirement Plan Data
Year Ended June 30, 2015
(In Thousands)

	STRS Ohio				
	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2006	$ 9,539	$ 9,539	$ -	$ 68,135	14.0%
2007	9,597	9,597	-	68,552	14.0%
2008	9,478	9,478	-	67,702	14.0%
2009	9,587	9,587	-	68,482	14.0%
2010	9,271	9,271	-	66,222	14.0%
2011	9,062	9,062	-	64,727	14.0%
2012	8,825	8,825	-	63,038	14.0%
2013	8,718	8,718	-	62,272	14.0%
2014	8,850	8,850	-	63,215	14.0%
2015	9,389	9,389	-	67,064	14.0%

	OPERS Traditional and Combined				
	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2006	$ 11,303	$ 11,303	$ -	$ 86,551	13.1%
2007	11,882	11,882	-	86,585	13.7%
2008	13,004	13,004	-	93,251	13.9%
2009	13,480	13,480	-	95,880	14.1%
2010	12,304	12,304	-	87,443	14.1%
2011	11,842	11,842	-	84,585	14.0%
2012	11,863	11,863	-	84,266	14.1%
2013	11,982	11,982	-	85,101	14.1%
2014	12,334	12,334	-	87,598	14.1%
2015	12,227	12,227	-	86,845	14.1%

Miami University

OMB Circular A-133 Requirements

Miami University

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
Student Financial Assistance Cluster			
U.S. Department of Education:			
Supplemental Educational Opportunites Grant Program	84.007	P007A143315	$ 794,069
College Work Study Program	84.033	P033A143315	540,035
Federal Pell Grant Program	84.063	P063P140342	17,775,588
Federal Perkins Loan Program	84.038		7,918,369
Federal Direct Student Loan Program	84.268		91,594,429
TEACH Grant Program	84.379	P379T090342	1,757,800
Total U.S. Department of Education			120,380,290
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER			120,380,290
Research and Development Cluster			
U.S. Department of Commerce:			
2014 Summer Undergraduate Research Fellowship in Physics	11.609	70NANB14H170	3,235
Summer Undergraduate Research Fellowship Gaithersburg	11.62	70NANB15H140	25,626
Total U.S. Department of Commerce Pass-Through Programs			28,861
Pass-Through Programs From:			
Stratus Consulting: Assessment of Ecological Impacts of the BP Deep Horizon Oil Spill	11.XXX	S087-OC-1553	9,105
Total U.S. Department of Commerce			37,966
Department of Defense:			
Acquisition of a TGA and DSC for Education and Research	12.XXX	W911NF-13-1-0325	402
Gram-Negative Bacterial Wound Infections	12.42	W81XWH-12-2-0035	236,894
Total Department of Defense Direct Programs			237,296
Pass-Through Programs From:			
OSURF: Collaborative Research and Development Program on Navigation and Time-Keeping with AFRL/RYRN	12.XXX	RF01346970-4	145,338
UTC: 2014/2015 Aerospace Propulsion Outreach Program	12.XXX	SB20159	14,706
UTC: Multidisciplinary Optimization for Active Aeroelastic Control	12.XXX	14-S2605-04-C25	44,472
KeraNetics, LLC: Phase II SBIR - Flowable Keratin Biomaterials for Improving Infection Control and Wound Healing	12.XXX	W81XWH-12-C-0004	42,629
RevMedx, Inc.: Material Characterization for X-Stat Wound Dressing	12.XXX	--	737
Shaw Environmental: The Influence of Plant-Microbe Interactions on the Mobility and Bioavailability of Arsenic in Soil	12.XXX	570951 OP	39,052
Ohio Aerospace Institute: Miami University Engineering Capstone: Engine Air Particle Separator	12.8		2,405
University of Dayton Research Institute: Development of Damage Models for Composite Structures	12.8	RSC12024	9,392
Total Department of Defense Pass-Through Programs			298,731
Total Department of Defense			536,027
National Security Agency:			
Summer Undergraduate Mathematical Sciences Research Institute 2015	12.901	H98230-15-1-0174	45,683
U.S. Department of the Interior:			
Support of Field Studies on Rare Plants and Animals	15.65	F15AC00202	4,652
Conservation Genetics of the Spectaclecase (Cumberlandia Monodonta)	15.657	F12AP00581	5,878
Discerning and Characterizing Induced Seismicity in Texas Using Multistation Template Matching	15.807	G15AP00089	819
Continued Operation of the NTN Precopitaion Collection Station in Oxford, OH	15.808	G11PX00205	4,921
Total U.S. Department of the Interior Direct Programs			16,270
Pass-Through Programs From:			
Franklin & Marshall College: Projecting Native and Managed Bees on the Prairie Pothole Landscape	15.808	13-002-MUO	6,987
Total U.S. Department of the Interior			23,257
U.S. Department of Labor:			
Pass-Through Programs From:			
Ohio's Aging Workforce: A Resource to Improve Economic Growth	17.235	FFY2014 SCSEP	8,942
ODA: Ohio's Aging Workforce and Older Adults and Transportation Resources in Appalachia Ohio: Enhancing or Impairing Oppportunities for Job Training and Employment?	17.235	SCSEP-2015	6,045
Total U.S. Department of Labor			14,987
U.S. Department of Transportation:			
Pass-Through Programs froM:			
Ohio Department of Public Safety: Ohio Highway Traffic Safety Evaluation and Action Planning FFY14	20.6	GG-2014-9-00-00-00321-00	142,607
Ohio Dept. of Public Safety: Ohio Traffic Safety Grant FFY15: Seat Belt Use/Alcohol Impaired Driving Media Campaign Surveys	20.6	GG-2015-9-00-00-00351-00	123,643
Ohio Department of Public Safety: Ohio Traffic Safety Grant FFY15: Seat Belt Use Observations	20.616	GG-2015-9-00-00-00344-00	175,628
Total U.S. Department of Transportation			441,878
National Aeronautics & Space Administration:			
Pass-Through Programs From:			
University of Mississippi: Novel Explorations into the Interactions Between Light and Gravity Sensing in Plants	43.001	--	4,725
National Endowment for the Arts:			
myaamia eehkwaasikonki peepankihsaapiikahkia: Myaamia Ribbonwork Project (MRP)	45.024	14-5500-7032	7,867
National Endowment for Humanities:			
Inokaatawaakani: Illinois (MIA) Dictionary Project	47.075	PD-50017-12	45,754
Pass-Through Programs From:			
Arizona Humanities Council: Apache Scouts	45.129	GG06-5902-2013	2,266
Total National Endowment for Humanities			48,020

(Continued)

Miami University

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
National Science Foundation: The Face of Humanity: Configural Face Processing and Dehumanization			
Polarization Quantum Beat Spectroscopy in Diatomic Molecules	47.049	PHY-1309571	$ 44,375
Probing Enzyme Motions During Catalysis	47.049	CHE-1151658	101,847
Collaborative Research: A Multi-Proxy Approach to Early Miocene Community, Landscape, and Climate Reconstruction, Ethiopian Plateau	47.049	EAR-1052478	269
Summer Undergraduate Mathematical Sciences Research Institute (SUMSRI)	47.049	DMS-1303171	90,244
Approximation Properties of C*-algebras	47.049	DMS-1262106	12,284
On Three Different Manifestations of Instability of Fronts in Parabolic and Partially Parabolic Systems	47.049	DMS-1311313	20,639
O-Phenylenes: Controlled Folding and Directed Oxidative Planarization	47.049	CHE-1306437	141,635
External Problems for Sparse Hypergraphs and Graphs	47.049	DMS-1400249	39,967
Large Cardinals and Small Sets	47.049	DMS-1201494	27,545
Conference on the Work of W. Hugh Woodin	47.049	1516781	15,315
Investigating Membrane Proteins with Magnetic Resonance Spectroscopy	47.049	CHE-1011909	(249)
Investigating Membrane Proteins with Magnetic Resonance Spectroscopy	47.049	CHE-1305664	137,096
Summer Undergraduate Research Experiences in Chemistry and Biochemistry	47.049	CHE-1004875	40,416
CAREER: Phylogenetic Diversity of Protist Populations and their Functional Roles in Dry Valley Lake Microbial Loop	47.049	ANT-1056396	96,645
Algebraic K-theory of Infinite Groups With Torsion II	47.049	DMS-1207712	28,319
Integrated Paramagnetic Resonance of High Spin Cobalt(II) Systems	47.049	CHE-1152755	38,814
CAREER; Enamine-Metal Lewis Acid Bifunctional Catalysts for Asymmetric Organic Transformations	47.049	CHE1056420	40,425
Electrocatalysis on Structure Controlled Metal Nanocrystals: Unraveling Particle Structure-Catalytic Activity Relationships	47.049	CHE-1156425	47,809
Collaborative Research: Nitrate Reduction by Redox-Modified Fe-Bearing Clay Minerals	47.05	EAR-1148039	57,997
Collaborative Research: Deep Megathrustconditions From Comparing Seismicity Rates and Source With Tremor, Slow Slip, and the Mw 7.4 Ometapec Earthquake	47.05	EAR-1246944	55,117
NSF Postdoctoral Fellowship Host Allowance for Harmony Colella	47.05	EAR1144871	3,427
Acquisition of an Inductively Coupled Plasma- Optical Emission Spectrometer for Geological and Environmental Applications	47.05	EAR-1028789	1,849
Collaborative Research: ACACIA: Ancient Climate and the Authigenic Clay Index of Aridity	47.05	EAR-1349509	1,404
Collaborative Research: Winter Survival Mechanisms and Adaptive Genetic Variation in an Antarctic Insect	47.05	PLR-1341385	4,630
Coprecipitation of Pb and As in Apatite and Applications to Environmental Remediation	47.05	EAR-0952298	55,301
Development of a Tender-Energy Microspectroscopy and Imaging User Facility for Earth Sciences at NSLS and NSLS-II	47.05	EAR1128753	1,000
Identifying Crustal and Mantle Processes in the Central Trans-Mexican Volcanic Belt	47.05	EAR-1019798	106,711
Links Between Magma Source Characteristics, Shallow Plumbing, and Eruptive Styles in Mafic Intraplate Volcanic Fields (Lunar Crater Volcanic Field, Nevada)	47.05	EAR1016042	16,351
Correlative Study of Metal Atoms and Ion Concentrations	47.05	AGS-1243133-002	35,817
Realistic Navigation in the Third Dimension Using Low Cost, Portable, Wearable Immersive Virtual Environment Systems	47.07	115 1423112	31,731
HCC: Medium: Collaborative Research: Low Cost, Portable, Multi-User, Immersive Virtual Environment Systems for Education and Training in Worlds of Unlimited Size	47.07	HS-0964324	3,157
CPATH II: Incorporating Communication Outcomes into the Computer Science Curriculum	47.07	CCF-0939122	22,660
Evaluation of Collaborative Research MU CPATH II; Incorporating communication Outcomes into the Computer Science Curriculum	47.07	939122	21,253
REU Site: Ecology in Human-Dominated Landscapes	47.074	1460518	2,552
Theta Modulation of Hippocampal Ensembles across Subregions	47.074	IOS-1121969	86,796
Functional Consequences of Modulation of CPG Feedback to Descending Projection Neurons	47.074	IOS-1153417	63,957
Research Dissertation: Living on the Edge: How Landcover and Landscape Connectivity Interact to Determine Species Range	47.074	DEB-1406814	11,259
URM: ASSURE - Achieving Success in Science through Undergraduate Research Experiences	47.074	DBI-0731634	3,903
Mechanisms of Physiological Mechanisms in Anuran Adaptation to Extreme Cold	47.074	IOS-1022788	151,059
Collaborative Research: Winter Climate Change in a Northern Hardwood Forest	47.074	DEB-0949301	(2,043)
Collaborative Research: Nutrient Co-limitation in Young and Mature Hardwood Forests	47.074	DEB-0949317	77,242
ABI Innovation: Analysis of Operon Evolution Using an Event-Driven Approach	47.074	DBI-1146960	135,246
Exploring the Generality of Light, Nutrient and Predator Constraints on Food Chain Efficiency	47.074	DEB-0949500	8,077
CAREER: The de novo Discovery of Transposable Elements for the Study of Neutral Substitution Rate Variations in Plant Genomes	47.074	DBI-0953215	71,267
A Regional Hub for the EON's at Lacawac Sanctuary	47.074	DBI-1318747	278,386
Mechanisms of Rapid and Winter Cold-Hardening in Insects	47.074	IOS-0840772	109,767
Collaborative Research: CPSF30 at the Convergence of Cellular Signaling and RNA Processing	47.074	IOS-1353223	12,792
REU Site: Ecology in Human-Dominated Landscapes	47.074	DBI-1156703	153,313
Planning Grant: Developing a plan for a Watershed Education and Research Center	47.074	DBI-0935452	7,648
Control of Lipid Metabolism and Muscle Hypertrophy by PPARs in Gray Catbird Annual Life Cycle	47.074	IOS-1257455	202,924
Molecular Mechanisms Contributing Evolutionary Morphological Diversity	47.074	IOS-0950964	47,385
LTREB Renewal: Response of a Reservoir Ecosystem to Declining Subsides of Nutrients and Detritus	47.074	DEB-1255159	100,448
Dissertation Research: Causes and Consequences of Cyanobacterial Dominance and Toxin Production	47.074	DEB-1110536	7,600
RAPID: Assessing Sentinal Responses of Lake Ecosystems to the Rim Wildfire	47.074	DEB-1360066	36,761
Breath of Life Archival Institute for Indigenous Languages	47.075	BCS-1360675	128,221
Collaborative Research: Social Exclusion as a Determinant of Individuation and Stereotyping	47.075	BCS-1323349	35,861
The Motivated Origins of the Cross Race Effect	47.075	BCS-0951463	4,955
National Science Foundation: The Face of Humanity: Configural Face Processing and Dehumanization	47.075	BCS-1423765	66,614
Response Dynamics in Decision Making	47.075	SES-1260882	62,401
Short Term Dynamics in Changing Environments: A Geospatial Analysis of Seasonal Forest Response and Extractive Resource Entitlements at Mt. Kaigau, Kenya	47.075	BCS-1061407	55,253
Missing Links Problems and Participation in Collective Decisions	47.075	SES-1124367	75,003
Chemistry Education Research Doctoral Scholars Program	47.076	DRL-0733642	(1,844)
Developing Assessments for Core Chemistry Concepts: Measuring Student Understanding of Multiple External Representations through Cluster Analysis	47.076	DUE-1432466	14,478
Electronics and Computing Service Scholars	47.076	DUE-1355513	(731)
Electronics and Computing Service Scholars	47.076	DUE-1355513	6,366
Collaborative: TUES: Software Defined Radio Laboratory Platform for Enhancing Undergraduate Communication and Networking Curricula	47.076	DUE-1323105	28,977
Staying in STEM: Examining Communal Goal Congruity Processes in the Retention of Women	47.076	HRD-1232364	134,686
Collaborative Research: Transforming Web-based Courseware into a Full Statics Course that Informs Interactive-Collaborative Classroom Activities	47.076	DUE-0918956	11,078
Development and Integration of Computational and Experimental Activity Based Studios...	47.076	DUE-1044698	320
Saving Species	47.076	DRL-1010938	351,880
National Science Foundation Graduate Research Fellowships	47.076	DGE-1144472	158,507

(Continued)

Miami University

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
National Science Foundation: The Face of Humanity: Configural Face Processing and Dehumanization (Continued)			
Evaluation of Further Development and Testing of the Target Inquiry Model for Middle and High School Science Teacher Professional Development	47.076	DRL-1118749	$ 56,951
Evaluation of Electronics and Computing Service Scholars	47.076	DUE-1355513	405
Collaborative Research: Further Development and Testing of the Target Inquiry Model for Middle and High	47.076	DRL-1118749	185,139
ARRA CAREER: Implementing Inquiry-Based Approaches in Geoscience Education and Research	47.082	EAR-0847688	43,465
ARRA Rationale Capture for High-Assurance Systems	47.082	CCF-0844638	12,276
NSF Salary Support for Dong's Appointment at NSF June 2014 Through May 2015	47.XXX	EAR-1447162	123,492
Total National Science Foundation Direct Programs			4,461,892
Pass-Through Programs From:			
Ohio University: Digitization TCN: Collaborative Research: Digitizing Fossils to Enable New Syntheses in Biogeography	47.05	UT17548	1,326
University of Southern California: Development of a Novel In-Situ Method to Image Microbe-Mineral Associations	47.05	36817855	34,881
Michigan State University: Evaluation of CS10K- Leading the Way to CS10K: Assessing a Just-in-Time Professional Development Approach for Teacher Knowledge Growth in Computer Science	47.07	RC104385MU	15,070
Cornell Univ.: Long-term Ecological Research at the Hubbard Brook Experimental Forest	47.074	61468-9520	38,082
New York Botanical Garden: Digitization TCN: Collaborative Research: Tritrophic Databasing Initiative	47.074	NYBG-1115104-01-MU	2,507
Digitization TCN: The Macrofungi Collection Consortium: Unlocking Biodiversity Resource for Understanding Biotic Interactions, Nutrient Cycling and Human Affairs	47.074	NYBG-1206197-08-MIAMIU	6,456
University at Buffalo: Evaluation of Biology with X-Ray Lasers	47.074	R950223	55,937
University of Illinois: GEPR: The Origin of Dioecy and the Evolution of Sex Chromosomes in Caricaceae	47.074	2009-03499-01	17,078
University of Michigan: Using Natural History Museum Collections to Document the Occurrence Through Space and Time of Aquatic Non-Indigenous Fish, Mollusks, Algae, and Plants Threatening North America's Great Lakes	47.074	3003198912	4,504
Columbus State Community College: Next Generation Multi-Craft Manufacturing Support Technician Evaluation 2014-17	47.076		6,116
Kent State University: Evaluation of Kent State University NOYCE Scholars Program	47.076	402005-MU	7,179
Michigan State Univ: Evaluation of MSU ADAPP ADVANCE	47.076	61-2340OEAC	46,430
Ohio State University: Ohio LSAMP Corsortium	47.076	60042097-MU	19,557
Sinclair Community College:The High School STEM Teacher Synergistic Institute	47.076	1003048	15,424
UC: Evaluation of Leadership, Empowerment, and Advancement for STEM Women Faculty (LEAF) at Univ Cincinnati	47.076	8259	49,112
University of Buffalo: Evaluation of Targeted MSP: The University at Buffalo/Buffalo Public Schools (UB/BPS) Interdisciplinary Science and Engineering Partnership	47.076	R748928	106,730
University of Nevada Las Vegas: PIRE: Toward a Holistic and Global Understanding of Hot Springs Ecosystems: A US-China based International Collaboration	47.079	11-707D-E	145,806
Total National Science Foundation Pass-Through Programs			572,195
Total National Science Foundation			5,034,087
U.S. Environmental Protection Agency			
Using Sand and Moringa Oleifera Protein for a Sustainable Water Filter	66.516	SU-83550901-0	2,726
Pass-Through Programs From:			
AMEC: Operation of the US EPA National Dry Deposition Network Station at Miami University	66.XXX	--	2,043
Total U.S. Environmental Protection Agency			4,769
U.S. Department of Energy:			
ARRA Thylakoid Assembly and folded Protein Transport by the Tat Pathway	81.049	DE-SC0003914	(8,674)
Thylakoid Assembly and Folded Protein Transport by the Tat Pathway	81.049	DE-SC0003914 NON-ARRA	139,862
Magnetic Nanoscale Physics	81.049	DE-FG02-86ER45281	146
Donor-Acceptor Extended Porphyrins for Solar Energy Conversion	81.049	DE-SC0010800	268,233
Total U.S. Department of Energy			399,567
Pass-Through Programs From:			
Pennsylvania State University: Reactivity of Iron-bearing Phyllosilicates with Uranium and Chromium through Redox Transition Zone	81.049	4229-MU-DOE-5333	45,460
Total U.S. Department of Energy			445,027
U.S. Department of Education:			
Pass-Through Programs From:			
University of Minnesota: Regional Campuses Participation in Retention Study	84.051	226273	283
Ohio Department of Education: Positive Transformations for Ohio Schools: Building Statewide Positive Supports	84.184	--	88,436
Ohio Department of Education: Positive Transformations for Ohio Schools: Building Statewide Positive Supports	84.184	--	1,662
OBOR:Evaluation of iDiscovery: Sustaining Professional Development Through Web-Based Learning Communities-FY14	84.366		928
OBOR: Evaluation of iDiscovery- Professional Development Through Web-Based Learning Communities	84.366	13-23	22,463
OSU: Evaluation of Collaborative Applications of Mathematics Pedagogy	84.366		9,828
OSU: Evaluation of Collaborative Applications of Mathematics Pedagogy	84.366	14-30	247
ED: OBOR: Evaluation of Classroom Teachers Embracing Common Core	84.366		21,408
ODE: Cross-Project Evaluation of Ohio Mathematics and Science Partnership (OMSP) Program	84.366	CSP902913-1	165,532
OBOR: Evaluation of Enhanced Chemistry Learning through Instrument Access and Personalized Secondary Educator Training	84.367B		4,261
ARRA ODE:Evaluation of Ohio Resident Program (REP) Race to the Top (RttT)	84.395	CSP905812	64,335
USED-ODE:Evaluation of Ohio Education Reserch Center(OERC) Race to the Top (RttP)	84.395	60035141-MU	26,762
ODE:Ohio Department of Education: Race to the Top	84.395	--	38,693
Total U.S. Department of Education			444,838

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
U.S. Department of Health & Human Services:			
Government Sponsored GA in Statistics	93.XXX	214-2014-M-59691	$ 18,095
Statistical Methods Research for Characterization and Analysis of Dose-response Relationships	93.XXX	13IPA1313326	9,299
Biopsychosocial Model of Emotion Processes Determining the Role of Overcontrolling Parenting in the Stability of Inhibited Temperament	93.XXX	13IPA1313325	23,993
Prediction Error in Contextual Fear Memory Reconsolidation	93.242	1R15MH100689-01	169,501
CBM: A Novel Intervention for Alcohol Dependence and Social Anxiety	93.273	1 R21AA021151-01A1	172,943
Fighting with Food: Battling Chemical Toxicity with Good Nutrition	93.389	1R25RR032208-01	154,232
Evaluation of Fighting with Food: Battling Chemical Toxicity with Good Nutrition	93.389	8R250D011090-05	9,076
Nuclear Organization During Adenovirus Infection	93.393	1R15 CA82111-01	57,689
Metabonomics Studies of Human Diseases	93.394	1R15CA152985-01A1	(3,491)
Can Optical Spectrometry Predict Early Treatment Response in Solid Tumors?	93.395	7R00CA140783-05	101,123
Keratin Hydrogel Matrix for Tunable Growth Factor Delivery in Bone Regeneration	93.846	5R01AR061391-04	235,877
Lipid Overload and Skeletal Muscle Energetics	93.847	1R15DK085497-01A1	20,830
Sex-Specific Roles of Brain-Derived Neurotrophic Factor	93.847	1R15DK090823-01	27,997
Gliding Motility and Cytadherence in Mycoplasma Penetrans	93.855	1R15AI073994-01A1	72,479
EPR Structural Studies of KCNE1/KCNQ1	93.859	1 R01GM108026-01	312,582
Glial Remodeling in Drosophila: Proliferation, Membrane Outgrowth and Nerve Ensheathment	93.865	1R15HD071799-01	59,614
Investigation of ER Alpha Expression on Male Behavior Under Field Conditions	93.865	1R15HD075222-01A1	53,301
A Biopsychosocial Model of Emotion Processes Determining the Role of Overcontrolling Parenting in the Stability of Inhibited Temperament	93.865	1R15HD07615801	109,693
Epigenetic Regulation of Lens Fiber Cell Differentiation: The Role of DNA Methylation	93.867	EY022210-01	5,403
The Role of FGF Receptors in Lens Development	93.867	2R01EY012995-11A1	31,148
Retinal Pigmented Epithelium Reprogramming and Retina Regeneration	93.867	1R21EY023925-01	172,917
Total U.S. Department of Health & Human Services Direct Programs			1,814,301
Pass-Through Programs From:			
ODA: A Caregiver Respite for the State of Ohio: Implementation and Evaluation	93.048	90AA0001/01	60,052
National Association of Area Agencies on Aging: Information and Planning: Understanding the Capacity of the Aging Network	93.048	--	64,825
The Lewin Group: Process Evaluation of Older Americans Act Title III-E National Family Caregiver Support Program	93.052	TLG-12-068-5176.18.01	71,614
Infection Control Healthcare Worker Training to Prepare for Potential Ebola Cases in the US.	93.069	2002458239	24,447
ODE: Evaluation of Making Ohio AWARE: Building Statewide Mental Health First Aid Capacity	93.243	62984	25,532
UC: Intervention to Mitigate Bullying and Its Consequences against Nursing Students	93.262	8285	600
Wright State University: Effects of Virtual Reality Simulation on Worker Emergency Evacuation of Neonates	93.266	P0034939	39,689
YWCA Hamilton:Keeping Females on Course for US	93.29	--	115,697
University of Sourthern California: An Integrative Computational and Bioengineered Tissue Model of Metastasis	93.396	45391782	14,476
Ohio Department of Medicaid: Measuring Ohio's Progress in Achieving a Balanced System of Long-Term Services and Supports	93.791	G-1415-07-0346	159,678
Texas BioMedical Research Institute: Genetics of Bone Structure and Metabolism	93.846	09-4195.004	1,116
Rutgers University: Structural Genomics of Eukaryotic Domain Families	93.859	4139	218,840
Developing Metallo-Beta-Lactamase Inhibitors	93.859	UTA15-000329	52,824
Cincinnati Children's Medical Center: Children's Wade TBI Traineeship 13-14 Green	93.865	--	15,237
Cincinnati Children's Medical Hospital:Novel Genetic and Salivary Glycan Biomarkers for Risk of NEC in ELBW Infants	93.865	1061950	(1,201)
Univ. of Nebraska Lincoln: Sexual Revictimization: Emotional and Psychosocial Mediators	93.865	24-0523-0082-002	106,138
Duke University: Understanding US Regional Health & Mortality Disparities: A Life Course Approach	93.866	15-NIH-1027	29,434
Princeton University: Regional and International Differences in Health and Longevity at Older Ages	93.866	1988	(14,051)
South Texas Diabetes and Obesity Institute: Genetic Epidemiology of Ocular Health and Disease	93.867	R01 EY024384-01	2,680
Texas Biomedical Research Institute: Genetic Determinants of Ocular Disease	93.867	14-04471.003	92,998
University of Dayton Research Center: Expression of Stem Cell Pluripotency Factors in Mouse Lens by Transgenesis	93.867	RSC13013	21,500
Total U.S. Department of Health & Human Services Pass-Through Programs			1,102,125
Total U.S. Department of Health & Human Services			2,916,426
Total Research and Development Center Cluster			10,005,557
INSTRUCTIONAL			
U.S. Department of State:			
Pass-Through Programs From:			
Institute of International Education: Fullbright Social Entrepreneurship Seminar for Afghan Students	19.XXX	--	(701)
2015 Fulbright Afghanistan Reentry and Social Entrepreneurship Seminar	19.4	--	72,302
Total U.S. Department of State			71,601
National Endowment for Humanities:			
Pass-Through Programs From:			
American Library Association:Let's Talk About It: Muslim Journeys	45.164	2237	2,479
National Science Foundation:			
Rotating Program Officer (Fernandes, Joyce J.)	47.XXX	DBI-1249171	19,092
Type 2 Collaborative Project: Integrating Testing into Advanced CS/IT Courses Supported by a Cyberlearning Environment	47.076	DUE-122441	25,475
Total National Science Foundation			44,567
U.S. Department of Education:			
Miami University Three Campus Child Care Centers	84.335	P335A100269	28,926
Miami University: CCAMPIS Scholarships for Low Income Undergraduate Students on Three Campuses	84.335	P335A140227	48,317
Total U.S. Department of Education Direct Programs			77,243
Pass-Through Programs From:			
Hamilton City Schools: Voices of America	84.215	312120	3,052
Preble County Educational Service Center: Hometown American History: As goes Ohio so goes the Nation	84.215	--	3,243
OBOR iDiscovery: Professional Development Through Web-Based Learning Communities	84.366	24-Dec	(5,512)
OBOR: iDiscovery- Professional Development Through Web-Based Learning Communities	84.366	13-23	216,071
OBOR: iDiscovery: Sustaining Professional Development Through Web-Based Learning Communities-FY14	84.366		13,418
ODE: Developing Ownership and Vision: Empowering Teachers As Instructional Leaders	84.366	EDU01-0000012181	77,507
Science Content, Inquiry, Communication, and Argumentation	84.366	62992	30,611
Ohio Dept. of Education: Developing Ownership and Vision: Empowering Teachers As Instructional Leaders	84.366	EDU01-0000013709	239,227
National Writing Project: National Writing Project Title II SEED Grant Program	84.367	92-OH01-SEED2012	(4,030)
National Writing Project: Agreement # BRimer-SEED2014	84.367	BRIMER-SEED2014	13,308
National Writing Project: Ohio Writing Project Teacher Leadership Development	84.367	92-OH01-SEED2012	11,600
Total U.S. Department of Education Pass-Through Programs			598,495
Total U.S. Department of Education			675,738
Total Instructional			794,385

(Continued)

Miami University

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
PUBLIC SERVICE			
U.S. Geological Survey:			
Pass-Through Programs From:			
AmericaView: Ohio View Annual RCA to AmericaView	15.815	AV13-OH01	$ 47,646
U.S. Department of State:			
Pass-Through Programs From:			
Participatory Democracy, Rights and Responsibilities of Citizenship: A Civic Engagement Institute for the 2013 Study of the US for Student Leaders	19.009	S-ECAGD-13CA-0107	251,548
Veterans Affairs Medical Center:			
Technical Writing for the Veterans Administration Center for Applied Systems Engineering	27.011	--	2,300
Technical Writing for the Veterans Administration Center for Applied Systems Engineering	27.011	--	2,300
Total Veterans Affairs Medical Center			4,600
National Endowment for the Arts:			
Pass-Through Programs From:			
LA Theatre Works-In the Heat of the Night	45.025	FY15-165	3,800
National Endowment for Humanities:			
Orientation for the Mississippi Freedom Project: An Interactive Quest for Social Justice	45.169	HD-51918-14	22,301
Pass-Through Programs From:			
Ohio Humanities Council: Finding Freedom Project	45.129	GR_14-003_00	747
Changing America	45.164	--	1,700
American Library Association: Let's Talk About It: Muslim's Journey's Middletown	45.164	--	621
Gilder Lehrman Institute of American History: Created Equal Middletown	45.164	--	601
Total National Endowment for Humanities Pass-Through Program			3,669
Total National Endowment for Humanities			25,970
Department of Health & Human Services:			
Miami Suicide Awareness and Prevention Program	93.243	1U79SM060473-01	93,426
Pass-Through Programs From:			
Ohio Department of Education:Making Ohio AWARE: Building Statewide Mental Health First Aid Capacity	93.243	--	200,933
ODMHAS: Miami University Bacchus Student Engagement Initiative	93.959	99-8040-HEDUC-P-15-9726	3,814
Total Department of Health & Human Services Pass-Through Program			204,747
Total Department of Health & Human Services			298,173
Total Public Service			631,737
Total Federal Expenditures			$ 131,811,969

See Notes to Schedule of Expenditures of Federal Awards.

Miami University

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Note 1. Basis of Presentation

The supplementary schedule of expenditures of federal (and state) awards is presented on the accrual basis of accounting. Amounts presented are total federal expenditures for each program. Catalog of Federal Domestic Assistance (CFDA) numbers are presented for those programs for which numbers are available.

Note 2. Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in OMB Circular A-21, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented when available.

Note 3. Pass-Through Awards

The University receives certain federal awards from pass-through awards from the State of Ohio. The amounts received are commingled by the State with other funds and cannot be separately identified. The total amount of such pass-through awards is included on the schedule of expenditures of federal awards.

Note 4. Subrecipients

Of the federal expenditures presented in the schedule of expenditures of federal awards, the University provided federal awards to subrecipients as follows:

Federal Program Title	Federal CFDA #	Amount Provided
Biological Sciences	47.074	$ 377,030
Social, Behavioral, and Economic Sciences	47.075	44,970
Education and Human Resources	47.076	42,307
Trans-NSF Recovery Act Research Support	47.082	8,881
Safe and Drug-Free Schools and Communities_National Programs	84.184	15,428
Mathematics and Science Partnerships	84.366	128,264
Race to the Top (RttT)	84.395	16,441
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	55,700
Alcohol Research Programs	93.273	138,332
National Center for Research Resources	93.389	34,417
Cancer Treatment Research	93.395	40,187
Arthritis, Musculosskeletal and Skin Diseases Research	93.846	38,509
Child Health and Human Development Extramural Research	93.865	30,950
Total		$ 971,416

Note 5. Federal Perkins Loan Program

Outstanding loans at June 30, 2015 under the Federal Perkins Loan Program were $6,881,775. New Federal Perkins Loans of $1,036,594 were advanced to students in 2015. Administrative and collection costs for the Federal Perkins Loan Program were $62,948 in 2015.

Note 6. Federal Direct Student Loans

The University also participates in the Federal Direct Student Loan Program, which includes subsidized and unsubsidized Federal Stafford Loans "Stafford" and Federal PLUS Loans "PLUS". New loans processed for students during the year ended June 30, 2015, were as follows:

Federal Direct Student Loan Program	
Stafford:	
Subsidized	$ 27,014,577
Unsubsidized	37,796,709
GLPS	282,690
PLUS	26,500,453

McGladrey

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
Oxford, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2015, which collectively comprise the University's basic financial statements and the and the related notes to the financial statements, and have issued our report thereon dated October 15, 2015. Our report also includes a reference to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.* See Emphasis of Matter paragraph on page 2.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 determination of financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGladrey LLP

Cleveland, Ohio
October 15, 2015

McGladrey

Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

President and Board of Trustees of Miami University
Oxford, Ohio

Report on Compliance for Each Major Federal Programs

We have audited Miami University's (the University) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the University's major federal programs for the year ended June 30, 2015. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Programs

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal programs and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

McGladrey LLP

Cleveland, Ohio
October 15, 2015

Miami University

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified Opinion			
Internal control over financial reporting:				
• Material weakness(es) identified?		Yes	X	No
• Significant deficiency(ies) identified?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:				
• Material weakness(es) identified?		Yes	X	No
• Significant deficiency(ies) identified?		Yes	X	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified Opinion			
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?		Yes	X	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
Various	Student Financial Aid Cluster
Various	Research and Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 342,950			
Auditee qualified as a low risk auditee?	X	Yes		No

II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

(A) Internal Control

None reported.

(B) Compliance Findings

None reported.

III. Findings and Questioned Costs for Federal Awards

(A) Internal Control

None reported.

(B) Compliance Findings

None reported.

Miami University

Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2015

No matters were reported.

Miami University

Independent Accountant's Report on Applying
Agreed-Upon Procedures Performed on the
Intercollegiate Athletics Department as required by
NCAA Constitution 3.2.4.15

June 30, 2015

RSM

RSM US LLP

Independent Accountant's Report

Dr. David C. Hodge, President
Miami University
Oxford, Ohio

We have performed the procedures enumerated below, which were agreed to by Miami University (the University), solely to assist in evaluating whether the accompanying Statement of Revenues and Expenses of the Intercollegiate Athletics Department of the University (the Department) is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15 for the year ended June 30, 2015. Miami University's management is responsible for the Statement of Revenues and Expenses (Statement) and the Statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Agreed-Upon Procedures Related to the Statement of Revenues and Expenses

The procedures that we performed and our findings are as follows:

A. We obtained the Department's Statement of Revenues and Expenses (the Statement) for the year ended June 30, 2015, as prepared by management and included herein as Exhibit A. We computed, without exception, the mathematical accuracy of the Statement. We compared the individual line items in the "Total" column to the respective amounts recorded in the Department general ledger for the year ended June 30, 2015 and found them to be in agreement. If a specific reporting category was less than 0.5% of the total revenue, no procedures were performed for that specific category.

   No exceptions were noted as a result of applying these procedures.

B. We obtained a variance analysis prepared by the management of the Department. We compared each major revenue account over 10% of the total revenues to prior period amounts and budget estimates. We obtained and documented an understanding of any variations over the less of $1,000,000 or 10% which are as follows:

   Direct institutional support – favorable variance as compared to the 2015 budgeted amount due to endowments from financial aid nearly doubling what was originally budgeted by University management.

   No exceptions were noted as a result of applying this procedure. No procedures were performed with respect to management's explanations of the variance.

Agreed-Upon Procedures Related to Revenues

Ticket Sales

1. We compared tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported by the University in the Statement and the related attendance figures and recalculated totals.

   No exceptions were noted as a result of applying these procedures.

Student Fees

2. We compared student fees reported in the Statement for the year ended June 30, 2015 to student enrollment information and recalculated totals.

   No exceptions were noted as a result of applying these procedures.

3. We obtained the University's methodology for allocating student fees to intercollegiate athletics departments and recalculated the totals based on this methodology.

   No exceptions were noted as a result of applying these procedures.

4. If the athletics department is reporting that an allocation of student fees should be countable as generated revenue, recalculated the total of their methodology for supporting that they are able to count each sport. Agree the calculation to supporting documents such as seat manifests, ticket sales reports and student fee totals.

   This step is not applicable to the University as there is no allocation of student fees countable as generated revenue.

Direct State or Other Governmental Support

5. We noted, through inquiry of the Department, that the Department did not receive any direct state of other governmental support for the year ended June 30, 2015.

Direct Institutional Support

6. We obtained from the Department a listing of all direct institutional support received from the University during the year ended June 30, 2015. We then selected and compared, on a judgmental basis, five direct institutional support items recorded in the general ledger and inspected the institutional authorizations and approved fund transfer requests and recalculated totals.

   No exceptions were noted as a result of applying these procedures.

Transfers Back to Institution

7. This specific reporting category is less than 0.5% of the total revenue, therefore no procedures were performed.

Indirect Institutional Support

8. We obtained from the Department a listing of all indirect facilities and administration support provided by the University during the year ended June 30, 2015, and selected and agreed, on a judgmental test basis, one indirect facilities and administrations support with institutional authorizations and invoice payments on behalf of the Department and recalculated totals.

   No exceptions were noted as a result of applying these procedures.

Guarantees

9-10. We obtained from the Department a listing of the guarantees during the year ended June 30, 2015, and judgmentally selected and obtained the supporting documentation (receipts, agreements, checks, bank statements) for three items provided by the Department pertaining to revenues derived from guaranteed revenue, and compared the revenue in the contract to the related revenues in the University's general ledger. We also compared the revenue recorded in the general ledger to the copies of checks received by the University and found them to be in agreement.

No exceptions were noted as a result of applying these procedures.

Contributions

11. We scanned the Department general ledger for the year ended June 30, 2015 to identify any individual Department contribution that represented more than 10% of the total contributions revenue of $1,655,531. We noted one individual contribution that exceeded 10%, or $165,553, of the contributions revenue included in the Statement for the year ended June 30, 2015. For this item, we agreed the amount recorded to supporting documentation (donor letter, check, bank statement) for the contribution. We compared the total revenues from “contributions” per the Statement to the respective account in the general ledger for the year ended June 30, 2015 and found them to be in agreement.

No exceptions were noted as a result of applying these procedures.

In-Kind

12. This specific reporting category is less than 0.5% of the total revenue, therefore, no procedures were performed.

Compensation and Benefits by a Third-Party

13-14. We noted, through inquiry of the Department, that the Department did not receive any compensation and benefits provided by a third-party for the year ended June 30, 2015.

Media Rights

15-16. We noted, through inquiry of the Department, that the Department did not receive any media rights (broadcast, television, radio) for the year ended June 30, 2015.

NCAA Distributions

17. We obtained from the Department a listing of all NCAA distributions and selected, on a judgmental test basis, two receipts provided by management related to NCAA distributions during the year ended June 30, 2015 and compared the related revenues to the University's general ledger and recalculated totals.

No exceptions were noted as a result of applying these procedures.

Conference Distributions

18. We obtained from the Department a listing of all conference distributions and selected, on a judgmental test basis, one receipt provided by management related to conference distributions during the year ended June 30, 2015 and compared the related revenues to the University's general ledger.

No exceptions were noted as a result of applying these procedures.

Conference Distributions (continued)

19. We compared and agreed the related revenues to the University's general ledger and the Statement and recalculated totals.

    No exceptions were noted as a result of applying these procedures.

Program Sales, Concessions, Novelty Sales and Parking

20. We obtained supporting schedules from the Department for each of the following operating revenue line items: Program Sales, Concessions, Novelty Sales and Parking. We selected on a judgmental test basis, five amounts reported as revenue from among these categories and compared each revenue amount selected to supporting documentation provided by the Department, which included a copy of a deposit ticket and bank statement.

    No exceptions were noted as a result of applying these procedures.

Royalties, Licensing, Advertisements and Sponsorships

21-22. We obtained from the Department a listing of all royalties, licensing, advertisements and sponsorship revenue and selected, on a judgmental test basis, one licensing agreement provided by the Department related to the University's participation in revenues from royalties, licensing, advertisements and sponsorships during the year ended June 30, 2015. For the agreement selected, we read the agreement for the related terms and conditions and agreed the amount reported in the general ledger to the agreement.

    No exceptions were noted as a result of applying these procedures.

Sports Camp Revenues

23-24. We judgmentally inspected one sports camp contract between the University and person(s) conducting University sports-camp for the year ended June 30, 2015 and obtained an understanding of the University's methodology for recording revenues from the sports-camps. We obtained a schedule of participants and selected a sample of individual camp participant cash receipts from the schedule of sports-camp participants and agreed each selection to the University's general ledger, and the Statement and recalculated totals.

    No exceptions were noted as a result of applying these procedures.

Athletics Restricted Endowment and Investment Income

25-26. We judgmentally selected five athletic restricted endowment funds to gain an understanding of the relevant terms and conditions for the donor agreements. We compared the allocations of the athletics restricted endowment and investment income from the Department records to the calculations performed by the Treasury Services office. We obtained the Treasury Services Office's allocation calculations for the period ended June 30, 2015, recalculated the allocation for the five judgmentally selected endowment funds, and agreed the amounts to the University's general ledger.

    No exceptions were noted as a result of applying these procedures.

Other

27. We obtained from the Department a listing of all other revenue earned during the year ended June 30, 2015, and selected, on a judgmental test basis, one other revenue amount and compared the amount selected to supporting documentation provided by the Department, which included a copy of a deposit ticket and check and found them to be in agreement with the transaction reported in the general ledger.

    No exceptions were noted as a result of applying these procedures.

Agreed-Upon Procedures Related to Expenses

C. We obtained a variance analysis prepared by the management of the Department. We compared each major expense account over 10% of the total expenses to prior period amounts and budget estimates. We obtained and documented an understanding of any variations over the less of $1,000,000 or 10%.

There were no variances noted that met the threshold noted above. No exceptions were noted as a result of applying this procedure.

Athletic Student Aid

28-31. We obtained a listing of student athletes who received financial assistance during the year ended June 30, 2015 from management. Management used the NCAA's Compliance Assistant (CA) software to prepare the athletic aid detail. We judgmentally selected 10% of the total student athletes from the listing. We obtained a detail of each selected student's account and the financial aid award letter. We compared the amount of aid per the award letter, net of adjustments to aid, to the amount of aid per the student's account and found them to be in agreement. We compared each student selected and agreed their information was reported accurately in the NCAA's CA software. We also compared the total "athletic student aid" per the Statement to the respective account in the general ledger for the year ended June 30, 2015, and found them to be in agreement.

No exceptions were noted as a result of applying these procedures.

Guarantees

32-33. We obtained from the Department a listing of the guarantees during the year ended June 30, 2015 and judgmentally selected five contractual guarantee payments. For each of these guaranteed payments, we compared the guarantee expense in the general ledger detail to amounts specified in the contracts, and found them to be in agreement. We compared the expenses to the copies of checks paid by the Department, and found them to be in agreement. We also compared the total expenses for guarantees per the Statement to the respective account in the general ledger for the year ended June 30, 2015, and found them to be in agreement.

No exceptions were noted as a result of applying these procedures.

Coaching Salaries, Benefits and Bonuses paid by the University and Related Entities

34–37. We obtained a listing of University coaches employed at the University during the year ended June 30, 2015. From this list, we judgmentally selected a total of five coaches (that included football, and men's and women's basketball coaches) and compared the recorded salary expense in their respective payroll accounts to their contracts and found them to be in agreement.

We also compared the total expenses for coaching salaries, benefits and bonuses paid by the University and related entities per the Statement to the respective account in the general ledger for the year ended June 30, 2015, and found them to be in agreement. For items tested, we noted no payments made by related entities or third parties.

No exceptions were noted as a result of applying these procedures.

Coaching Other Compensation and Benefits Paid by a Third-Party

38–40. We noted, through inquiry of the Department, that the Department did not receive any compensation and benefits provided by a third-party for the year ended June 30, 2015.

Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities

41-42. We selected a sample of support staff/administrative personnel employed by the University for the year ended June 30, 2015. We obtained and inspected the reporting period summary payroll register for each selection. We compared and agreed related summary payroll registers to the related support staff, administrative salaries, benefits and bonuses paid by the University and related entities expense recorded by the University in the statement during the reporting period and recalculated totals.

No exceptions were noted as a result of applying these procedures.

Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party

43-44. We noted, through inquiry of the Department, that the Department did not receive any support staff/administrative other compensation and benefits paid by a third-party for the year ended June 30, 2015.

Severance Payments

45. We obtained the general ledger detailing severance payments for the year ended June 30, 2015. We selected all individuals who received a severance payment during the year ended June 30, 2015, and compared the payments to the severance agreements and copies of checks, and found them to be in agreement. We also compared the total expenses for severance payments per the Statement to the respective account in the general ledger for the year ended June 30, 2015, and found them to be in agreement.

No exceptions were noted as a result of applying these procedures.

Recruiting

46-48. We obtained and read the written documentation from the Department outlining the University's expense policies as they relate to recruiting expenses. We also obtained and read a copy of the NCAA recruiting expense policies. Based on the procedures performed and discussions with the University's management, we noted that the University's expense policies as they relate to recruiting expenses were consistent with the respective NCAA guidelines.

We also compared the total expenses for recruiting per the Statement to the respective accounts in the general ledger for the year ended June 30, 2015, and found them to be in agreement.

No exceptions were noted as a result of applying these procedures.

Team Travel

49-51. We obtained and read the written documentation from the Department outlining the University's athletics travel expense policies. We also obtained and read a copy of the NCAA travel expense policies. Based on the procedures performed and discussions with the University's management, we noted that the University's athletics travel expense policies were consistent with the respective NCAA guidelines.

We also compared the total expenses for team travel per the Statement to the respective accounts in the general ledger for the year ended June 30, 2015, and found them to be in agreement.

No exceptions were noted as a result of applying these procedures.

Equipment, Uniforms, and Supplies

52. We obtained the general ledger detail of equipment, uniforms and supplies and compared to the total expenses reported on the Statement. We selected a sample of equipment, uniforms and supplies expenditure transactions to validate the existence of the transaction and accuracy of recording and recalculated totals.

    No exceptions were noted as a result of applying these procedures.

Game Expenses

53. We obtained the general ledger detail of game expenses and compared to the total expenses reported on the Statement. We selected a sample of game expenses expenditure transactions to validate the existence of the transaction and accuracy of recording and recalculated totals.

    No exceptions were noted as a result of applying these procedures.

Fundraising, Marketing and Promotion

54. This specific reporting category is less than 0.5% of the total revenue, therefore, no procedures were performed.

Sports Camp Expenses

55. We obtained the general ledger detail of sports camp expenses and compared to the total expenses reported on the Statement. We selected a sample of sports camp expenditure transactions to validate the existence of the transaction and accuracy of recording and recalculated totals.

    No exceptions were noted as a result of applying these procedures.

Spirit Groups

56. This specific reporting category is less than 0.5% of the total revenue, therefore, no procedures were performed.

Athletic Facility Debt Service, Leases and Rental Fees

57-58. We noted, through inquiry of the Department, that the Department did not receive any athletic facility debt service, leases and rental fees for the year ended June 30, 2015.

Direct Overhead and Administrative Expenses

59. We obtained the general ledger detail of direct overhead and administrative expenses and compared to the total expenses reported on the Statement. We selected a sample of direct overhead and administrative expenditure transactions to validate the existence of the transaction and accuracy of recording and recalculated totals.

    No exceptions were noted as a result of applying these procedures.

Indirect Institutional Support

60. Reference number 8 above as this item was tested without exception with Indirect Institutional Support revenue.

Medical Expenses and Medical Insurance

61. We obtained the general ledger detail of medical expenses and medical insurance and compared to the total expenses reported on the Statement. We selected a sample of medical expenses and medical insurance expenditure transactions to validate the existence of the transaction and accuracy of recording and recalculated totals.

    No exceptions were noted as a result of applying these procedures.

Memberships and Dues

62. We obtained the general ledger detail of memberships and dues and compared to the total expenses reported on the Statement. We selected a sample of memberships and dues expenditure transactions to validate the existence of the transaction and accuracy of recording and recalculated totals.

    No exceptions were noted as a result of applying these procedures.

Other Operating Expenses and Transfers

63. We obtained the general ledger detail of other operating expenses and transfers and compared to the total expenses reported on the Statement. We selected a sample of other operating expense and transfer expenditure transactions to validate the existence of the transaction and accuracy of recording and recalculated totals.

    No exceptions were noted as a result of applying these procedures.

Additional Minimum Agreed-Upon Procedures

D. Compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the institution. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the institution. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the squad lists, inquire about the discrepancy and report the justification in the AUP report.

    No exceptions were noted as a result of applying these procedures.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the Statement. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of members of the audit committee, board of trustees, administration of the University, or an authorized representative of the NCAA, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Cleveland, Ohio
November 30, 2015

Miami University **Exhibit A**

Intercollegiate Athletics Department
Statement of Revenues and Expenses
Year Ended June 30, 2015

	Men's Basketball	Men's Football	Men's Ice Hockey	Women's Basketball	Other Sports	Non-Program Specific	**2015 Total**
Revenues							
Operating Revenues							
Ticket sales	$ 143,303	$ 382,070	$ 664,312	$ 7,335	$ 6,728	$ 30,479	**$ 1,234,227**
Student fees	1,638,978	4,904,999	1,505,372	1,259,827	6,649,290	149,499	**16,107,965**
Direct state or other governmental support	-	-	-	-	-	-	**-**
Direct institutional support	126,013	1,410,809	383,992	22,976	2,171,676	1,017,133	**5,132,599**
Less: transfers back to institution	-	-	-	-	-	(56,027)	**(56,027)**
Indirect institutional support	-	-	-	-	-	2,673,356	**2,673,356**
Guarantees	100,781	1,111,650	-	35,000	16,200	-	**1,263,631**
Contributions	45,980	101,647	95,467	7,180	329,081	1,076,176	**1,655,531**
In-kind	-	-	1,189	-	80	3,150	**4,419**
Compensation and benefits provided by a third-party	-	-	-	-	-	-	**-**
Media rights	-	-	-	-	-	-	**-**
NCAA distributions	-	-	-	-	-	1,156,152	**1,156,152**
Conference distributions	131,925	-	-	-	-	950,000	**1,081,925**
Program sales, concessions, novelty sales and parking	12,093	80,583	9,900	-	702	70,123	**173,401**
Royalties, licensing, advertisements and sponsorships	-	-	-	-	-	691,833	**691,833**
Sports camp revenues	-	-	-	-	-	1,082,829	**1,082,829**
Athletics restricted endowment and investment income	2,030	13,073	147	261	4,450	206,797	**226,758**
Other operating revenue	-	4,349	14,330	8,864	87,390	575,928	**690,861**
Operating revenue	2,201,103	8,009,180	2,674,709	1,341,443	9,265,597	9,627,428	**33,119,460**
Expenses							
Operating Expenses							
Athletic student aid	534,990	3,355,568	744,902	375,642	4,427,439	-	**9,438,541**
Guarantees	299,500	475,000	3,000	3,500	5,664	-	**786,664**
Coaching salaries, benefits, and bonuses paid by the University and related entities	709,101	1,897,914	859,806	487,907	2,099,112	-	**6,053,840**
Coaching other compensation and benefits paid by a third-party	-	-	-	-	-	-	**-**
Support staff/administrative salaries, benefits, and bonuses paid by the University and related entities	104,532	258,208	134,609	91,297	99,079	3,742,484	**4,430,209**
Support staff/administrative other compensation and benefits paid by a third-party	-	-	-	-	-	-	**-**
Severance payments	-	111,694	-	-	-	-	**111,694**
Recruiting	65,175	138,217	26,587	27,701	73,245	35,222	**366,147**
Team travel	139,186	443,498	335,695	129,906	1,147,985	26,685	**2,222,955**
Equipment, uniforms and supplies	55,097	344,805	141,819	29,642	364,305	226,837	**1,162,505**
Game expenses	185,850	477,701	312,800	102,898	242,959	161,553	**1,483,761**
Fundraising, marketing and promotion	770	897	1,556	1,428	12,637	134,120	**151,408**
Sports camp expenses	-	-	-	-	-	889,715	**889,715**
Spirit groups	-	-	-	-	-	59,983	**59,983**
Athletic facilities debt service, leases and rental fees	-	-	-	-	-	-	**-**
Direct overhead and administrative expenses	2,882	16,006	749	386	22,520	110,014	**152,557**
Indirect institutional support	-	-	-	-	-	2,673,356	**2,673,356**
Medical expenses and medical insurance	6,310	76,574	11,356	12,716	93,438	198,007	**398,401**
Memberships and dues	6,553	1,510	3,528	2,843	18,115	254,597	**287,146**
Other operating expenses and transfers to institution	91,157	411,588	98,302	75,577	659,099	751,781	**2,087,504**
Operating expenses	2,201,103	8,009,180	2,674,709	1,341,443	9,265,597	9,264,354	**32,756,386**
Excess of revenues over expenses	$ -	$ -	$ -	$ -	$ -	$ 363,074	**$ 363,074**

See Notes to Statement of Revenues and Expenses.

1. Basis of Presentation

The accompanying Statement of Revenues and Expenses of the Intercollegiate Athletics Department of Miami University (the Statement) has been prepared in accordance with accounting principles generally accepted in the United States of America and the NCAA Agreed-Upon Procedures guidelines. The purpose of the Statement is to present a summary of revenues and expenses of the Intercollegiate Athletics Department of Miami University (the Department) for the year ended June 30, 2015 on the accrual basis. Revenues are recorded when earned. Expenses are recorded in the period in which the related liability is incurred. Because the Statement presents only a selected portion of the activities of Miami University (the University), it is not intended to and does not present the financial position, changes in financial position or revenues and expenses for the year then ended for the University as a whole.

The amounts in the accompanying Statement were obtained from the University's trial balance, which is maintained on an accrual basis. All revenues and expenditures directly related to various sports were disclosed as such, except compensation and benefits paid by third parties, which were not applicable. The University records depreciation on physical plant and equipment; however, depreciation is not part of the statement of revenues and expenditures.

2. Other Sports

Other sports include men's baseball, men's golf, men's swimming, men's track and cross country, women's field hockey, women's soccer, women's softball, women's swimming, women's tennis, women's track and cross country, women's volleyball, and women's skating.

3. Contributions

Contribution revenue included in the statement of revenues and expenditures represent contributions given to the University's Intercollegiate Athletics Department based on donors' instructions.

There was one individual contributions made that comprised more than 10 percent of the total contributions revenue related to Intercollegiate Athletics for the year ended June 30, 2015.

4. Other Forms of Compensation

The value of volunteer assistant coaching services, according to NCAA financial audit guidelines, should be reported as contributions and as salary expenditures. The University estimates that the value of volunteer assistant coaching services is not material to the statement of revenues and expenditures and, therefore, is not reflected in the Statement.

5. Capital Assets

Land, buildings, and equipment are recorded at cost at date of acquisition or market value at date of donation in the case of gifts. Land and collections of works of art and historical treasures are capitalized but not depreciated. Any collection that is not capitalized is charged to operations at the time of purchase. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives are 50 years for buildings; 25 years for infrastructure, library books, and land improvements; 20 years for improvements to buildings; and 5 to 7 years for equipment, vehicles, and furniture. The University's capitalization threshold is the lower of 5 percent of the original building cost or $100,000 for building renovations and $5,000 for all other capitalized items. The University does not segregate athletics-related assets from other assets held by the University and therefore depreciation expense is not reflected in the statement of revenues and expenditures.

5. Capital Assets (Continued)

The current year capitalized additions and deletions to facilities during the year ended June 30, 2015 are as follows:

	Additions	Deletions
Athletic related capital asset balance	$ -	$ -
University's total capital asset balance	139,189,744	13,210,076

The total estimated book values of capital assets, net of depreciation, of the University as of the year ended June 30, 2015 are as follows:

	Estimated Book Value
Athletic related capital asset balance	78,445,807
University's total capital asset balance	1,039,278,176

6. Intercollegiate Athletics-Related Debt

The annual debt service and debt outstanding (including principal and interest) for the University for the year ended June 30, 2015 are as follows:

	Estimated Annual Debt Service	Debt Outstanding
Athletic related facilities	$ 2,647,296	$ 18,480,335
University's total	54,342,840	658,791,030

The repayment schedule for all outstanding intercollegiate athletics debt maintained by the University during the year ended June 30, 2015 is as follows:

	Series 2005 Bonds		Series 2011 Bonds		Series 2015		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 1,455,000	$ 742,538	$ 122,629	$ 55,738	$ -	$ 271,392	$ 1,577,629	$ 1,069,668
2017	-	-	127,290	51,158	1,981,500	264,126	2,108,790	315,284
2018	-	-	132,184	44,880	2,020,500	226,263	2,152,684	271,143
2019	-	-	139,176	37,993	2,059,500	187,666	2,198,676	225,659
2020	-	-	146,168	30,756	1,533,000	157,196	1,679,168	187,952
Thereafter	-	-	657,387	47,688	8,106,000	335,937	8,763,387	383,625
Total	$ 1,455,000	$ 742,538	$ 1,324,834	$ 268,213	$ 15,700,500	$ 1,442,580	$ 18,480,334	$ 2,453,331

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MIAMI UNIVERSITY

BUTLER COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 26, 2016