

Miami University
A Component Unit of the State of Ohio
Butler County

**Independent Auditor's Report and
Financial Statements**

For The Year Ended June 30, 2024



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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 Forvis Mazars, LLP, for the audit period July 1, 2023 through June 30, 2024. 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.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

December 27, 2024

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Independent Auditor's Report

Board of Trustees
Miami University
Oxford, Ohio

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Miami University (University), collectively a component unit of the State of Ohio, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Miami University, as of June 30, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the June 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. 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 11, 2024, 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 that report is solely 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 the effectiveness of the University's internal control over financial reporting or on compliance. That 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.

Forvis Mazars, LLP

Cincinnati, Ohio
October 11, 2024

Miami University
A Component Unit of the State of Ohio
Management's Discussion and Analysis
June 30, 2024

Introduction

The following discussion and analysis provides an overview of the financial position and activities of Miami University (the University or Miami) for the year ended June 30, 2024. This discussion should be read in conjunction with the accompanying financial statements and footnotes.

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

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

Financial Highlights

Overall, the University's financial position improved at June 30, 2024. Total assets increased 2.7 percent in fiscal year 2024 to \$2.74 billion compared to \$2.67 billion in fiscal year 2023. Liabilities decreased 10.2 percent and totaled \$1.0 million compared to \$1.1 million in fiscal year 2023. Significant financial events during fiscal year 2024 were:

- The University's fall 2023 cohort consisted of 3,926 first-year resident undergraduate students. Under the Miami Tuition Promise program, the incoming cohort of first-year, first-time undergraduate resident students at the Oxford campus has a guaranteed tuition amount due each year of their full-time enrollment for the four years of the guarantee. Total undergraduate enrollment decreased 1.7 percent to 20,036 students for fall 2023 compared to 20,384 total undergraduate students in the fall 2022 class. Graduate enrollment for fall 2023 decreased to a total of 2,169 compared to 2,260 graduate students in the fall 2023 class.
- For the fall 2023 cohort, the University continued its shift from emphasizing test score measures such as an average ACT and using "test optional admissions" instead. The University's commitment to increase selectivity, diversity, and maintain quality with strong academic credentials in enrollment goals was evidenced by a GPA average of 3.87 for the fall 2023 class. The profile of the incoming class for fall 2023 consisted of 37.1 percent non-resident and 14.5 percent students of color. The fall 2023 categories of transfer students and relocation students increased by 56 students. The Hamilton campus' incoming class size decreased from 467 students from fall 2022 to 431 for fall 2023. The Middletown campus' first-time incoming students decreased from 164 students in fall 2022 to 144 students for the fall 2023 class.

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- The investment portfolios experienced solid results. For the fiscal year ended June 30, 2024, operational investments (excluding operating cash) earned 10.7 percent, building upon the previous year's 6.3 percent gain. The pooled investment fund, which includes the University and Foundation endowments, posted an estimated gain of 12.7 percent (pending receipt of most of the private capital valuations for the last quarter), improving upon the 8.8 percent gain in the previous year. Aggressive interest rate increases by central banks around the world appear to have finally begun to tame inflation. Global capital markets have been eagerly anticipating interest rate cuts, which led to robust returns for the past year in most asset classes. U.S. equity returns, however, were not widely spread across economic sectors, with just a handful of the largest technology oriented companies accounting for most of the return. The U.S. Treasury yield curve has been inverted for an extended period, with yields for maturities inside of one year significantly higher than longer maturities. This posture has historically been a strong predictor of a coming recession. Markets will continue to look for evidence of equilibrium between inflation and economic growth, which should also allow central banks to lower rates.

Statement of Net Position

The Statement of Net Position presents the assets, liabilities, deferred outflows/inflows of resources, and net position of the University as of the end of the fiscal year. The difference between total assets and deferred outflows and total liabilities and deferred inflows, or net position, is one indicator of the overall strength of the institution. Also, the increase or decrease in total net position indicates whether the financial position of the institution is improving or declining.

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Management's Discussion and Analysis
June 30, 2024

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

| | (Dollars in Thousands) | | |
|--|------------------------|---------------------|---------------------|
| | 2024 | 2023 | 2022 |
| Assets | | | |
| Current assets | \$ 1,019,179 | \$ 961,606 | \$ 977,011 |
| Capital assets, subscription assets, and lease assets | 1,377,349 | 1,383,638 | 1,334,944 |
| Long-term investments | 305,465 | 278,379 | 261,704 |
| Other assets | 38,633 | 45,861 | 60,589 |
| Total assets | 2,740,626 | 2,669,484 | 2,634,248 |
| Deferred Outflows of Resources | | | |
| | 76,687 | 111,289 | 53,931 |
| Total assets and deferred outflows of resources | \$ 2,817,313 | \$ 2,780,773 | \$ 2,688,179 |
| Liabilities: | | | |
| Current liabilities | \$ 108,136 | \$ 134,698 | \$ 122,250 |
| Noncurrent liabilities | 847,591 | 929,856 | 784,030 |
| Total liabilities | 955,727 | 1,064,554 | 906,280 |
| Deferred Inflows of Resources | | | |
| | 67,990 | 66,797 | 223,116 |
| Net Position: | | | |
| Net investment in capital assets | 782,031 | 747,628 | 716,592 |
| Restricted – nonexpendable | 119,947 | 109,457 | 105,803 |
| Restricted – expendable | 151,720 | 136,332 | 118,344 |
| Unrestricted – allocated | 724,710 | 640,781 | 607,316 |
| Unrestricted – unallocated | 15,188 | 15,224 | 10,728 |
| Total net position | 1,793,596 | 1,649,422 | 1,558,783 |
| Total liabilities, deferred inflows of resources and net position | \$ 2,817,313 | \$ 2,780,773 | \$ 2,688,179 |

Total assets of the University increased 2.7 percent or \$71.1 million in fiscal year 2024. This increase was primarily a result of an increase in investments. Detail of the increase in investments is provided in the Financial Highlights section of this report.

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Management's Discussion and Analysis
June 30, 2024

Total liabilities decreased 10.2 percent or \$108.8 million in fiscal year 2024. This decrease was primarily the result of a decrease in accounts payable of \$21.7 million and the net bonds payable of \$45.6 million. There was also a decrease in the net pension and net OPEB liability of \$35.2 million. Details of the net pension liability and net OPEB liability are disclosed in Note 9 and 11, respectively.

Statement of Revenues, Expenses and Changes in Net Position

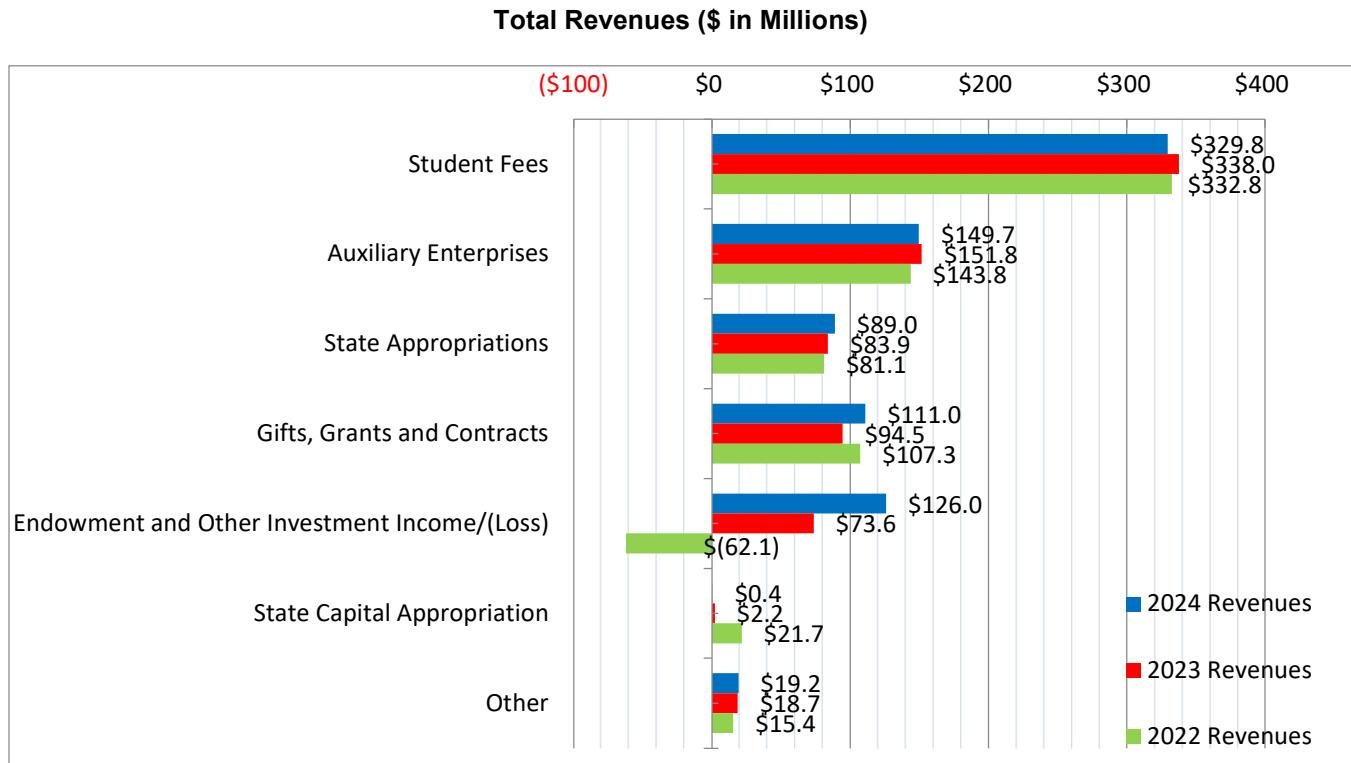
The Statement of Revenues, Expenses, and Changes in Net Position presents the University's results of activities for the fiscal year. The revenues and expenses are generally reported as either operating or non-operating. Operating revenues are generated by providing goods and services to customers and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

In fiscal year 2024, total revenues of the institution from all sources were approximately \$825.1 million, which represents a \$62.5 million or 8.2 percent increase from the prior year. Approximately 65.0 percent of revenues were classified as operating, and 35.0 percent was classified as non-operating or other revenues.

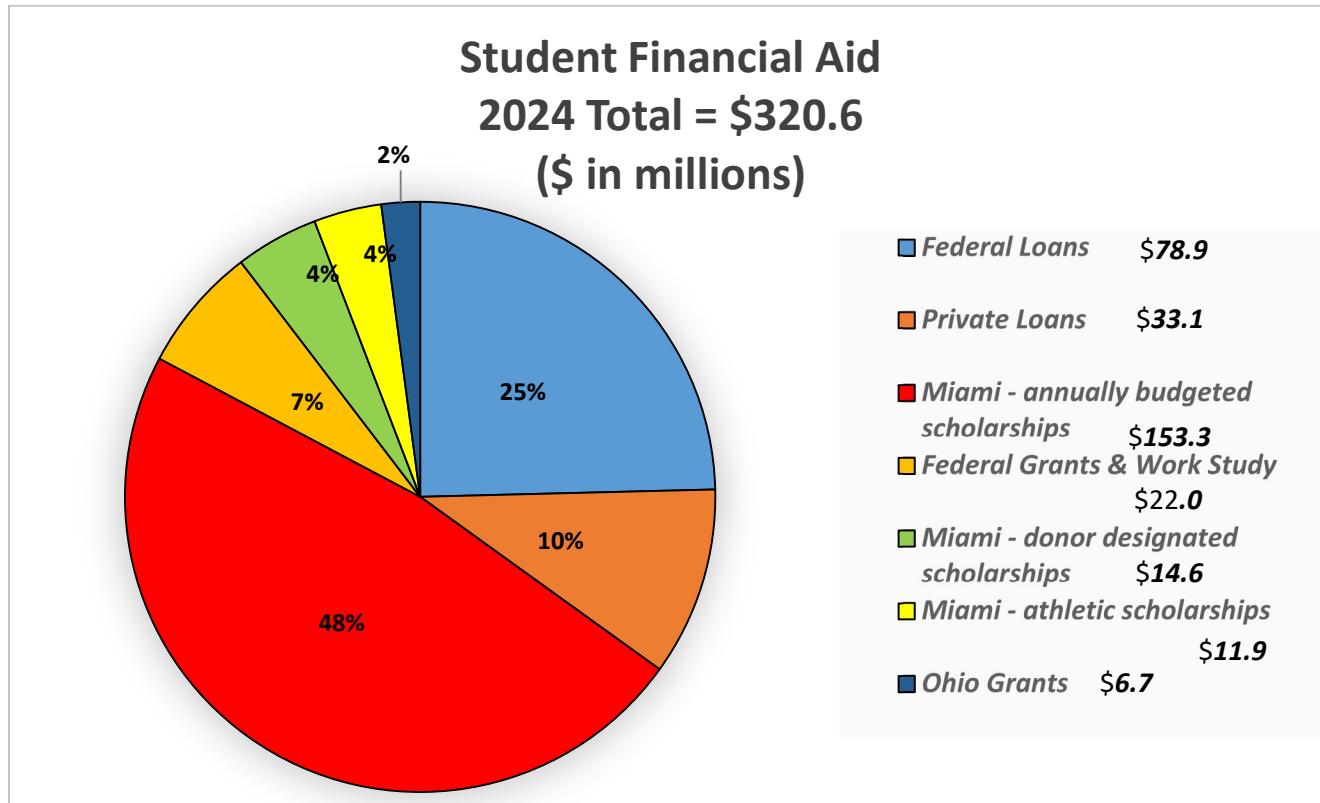
| | (Dollars in Thousands) | | |
|-------------------------------|------------------------|------------------|------------------|
| | 2024 | 2023 | 2022 |
| Operating revenues | \$ 536,041 | \$ 537,490 | \$ 515,830 |
| Non-operating revenues | 281,838 | 220,914 | 90,947 |
| Other revenues | 7,247 | 4,249 | 25,258 |
| Total revenues | 825,126 | 762,653 | 632,035 |
| Operating expenses | (661,795) | (650,100) | (593,635) |
| Non-operating expenses | (19,157) | (21,914) | (25,185) |
| Total expenses | (680,952) | (672,014) | (618,820) |
| Change in net position | \$ 144,174 | \$ 90,639 | \$ 13,215 |

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Management's Discussion and Analysis
June 30, 2024

The University revenue base is shown in the accompanying chart. Student tuition and fees make up the largest percentage of revenues at 40.0 percent. Auxiliary enterprises such as residence and dining halls, several student recreational facilities, and the bookstore account for the second highest amount at 18.1 percent to the total. Gifts, grants, and contracts represent 13.4 percent. State appropriations are 10.8 percent and State capital appropriations are less than 1 percent of the total. Net endowment and investment income represented 15.3 percent of the total.



The University continues to expand the scholarship packages for in-state and out-of-state students in order to recognize student achievement and to continue making a high-quality education more affordable for parents and students. In fiscal year 2024, Miami-funded financial aid increased by \$3.1 million or 1.8 percent. In total, financial aid awards were \$320.6 million.



Capital Assets and Debt Administration

During fiscal year 2024, the University completed and capitalized several projects. These projects were funded by a combination of bond proceeds, state capital appropriations, gifts and local funding. Major projects capitalized in 2024 include renovation projects to Armstrong Student Center, Emerson Hall, Farmer School of Business, Ogden Hall, Old Manse, South Chiller Plant and Tappan Hall. The new Richard McVey Data Science building was also completed and capitalized.

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

The University's bond rating remained the same in fiscal years 2024 and 2023 with a rating of Aa3 from Moody's Investors Services and a rating of AA from Fitch Ratings.

On June 5, 2024, the University issued \$74,025 in General Receipts Revenue Bonds (2024A) with an interest rate of 5.00 percent and maturities from 2025 to 2040. The proceeds of the Series 2024A Bonds were used to refund the Miami University Series 2014 General Receipts Revenue and Refunding Bonds on September 1, 2024.

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

Economic Factors That Will Affect the Future

Over the past seven decades, leading up to 2020, higher education had only experienced growing demand for its academic programs and services. Even during periods of declining high school graduation numbers, enrollments continued to grow as participation rates rose for both undergraduate and graduate programs. While the cost of higher education since the late 1970s has risen much faster than inflation, rising tuition had almost no impact on demand for most colleges and universities. The strong return on investment from a degree helped to contribute to the constant growth in tuition revenue prior to 2020.

The economic outlook for Miami University and much of higher education today could not be more different. Brought on by the pandemic, rising inflation and concerns about the return on investment from a degree, prospective students and their families are far more price sensitive today and growing numbers of high school graduates are choosing alternative career paths following high school. These very different market factors have caused most universities to increase their tuition discounting. This new financial outlook for higher education is expected to become even more difficult and competitive as fewer high school graduates begin occurring in the fall of 2026 and continue through the next decade, especially in Ohio, Illinois, and Connecticut, where Miami has historically recruited most of its students.

Shrinking demographics and declining participation rates are not the only issues impacting demand for higher education today. The lingering effects of the pandemic in many international countries, especially China, and the changing attitude in this country toward immigration are also negatively affecting the number of international students who are choosing to enroll in American universities today. Prior to the pandemic, international enrollments at American universities, even when the overall enrollment number was small, comprised a significant percentage of many university's tuition revenue. To replace the revenue lost primarily from declining Chinese enrollments, often requires schools to enroll two or even three more students, further exasperating the growing competition for students and driving discount rates even higher.

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Management's Discussion and Analysis
June 30, 2024

These negative economic factors are affecting Miami University today and are expected to continue to impact it for the foreseeable future. Miami had already begun to prepare for much of this change when it adopted a new strategic plan, Miami Rise, back in June 2019. Under that strategic plan Miami introduced new market driven academic programs, eliminated or reduced a number of degree programs and opened two new academic buildings, the McVey Data Sciences building and a new clinical health building to accommodate growing demand for nursing and other health programs and data and computer science. Miami also undertook as part of its strategic plan the implementation of a new enterprise system, Workday, to transform its finance, human resource and student service operations.

While the Miami Rise strategic plan was influential in Miami weathering the negative financial impacts that followed the pandemic, Miami's President and its Board of Trustees are concerned that it is still not adapting fast enough to the rapidly changing demographic and economic factors affecting higher education today. This led the Board of Trustees to commission a new strategic planning process in the fall of 2023. Consistent with the expectation that Miami will need to be even bolder and adapt more quickly in the future, Bain & Co. was selected to assist in the development of the new strategic plan.

Following almost an eight-month Bain engagement, Miami is finalizing 10 major strategic initiatives that are expected to be adopted later this year by its Board of Trustees. In addition to these strategic initiatives, Bain also assisted the administration in identifying several strategies for improving operational efficiency and provided some further refinements to the new enrollment and marketing plans that were initially implemented in the 22-23 academic year. Implementation of the additional efficiencies and enrollment strategies have begun and are expected to positively impact fiscal year 2026.

At the same time Miami is facing a rapidly changing higher education marketplace, Ohio continues to only modestly improve its appropriations to higher education after making large cuts in the prior two decades. Modest increases continue even as revenues from higher employment levels and the Federal stimulus have risen. The core state appropriation for higher education only increased by 1% in each year of the current biennial budget but Miami's appropriation is up \$7 million to \$90.1 million in fiscal year 2025 or 8.4% for the two-year biennium due to its out performance on Ohio's performance-based funding model. Just as Miami must compete more effectively in a more competitive student marketplace, it must continue to respond to Ohio's priorities if it is to secure an ever increasing share of Ohio's modest appropriations for higher education.

The most immediate economic factor that will impact Miami University for the next four years is its trend in first time, undergraduate student enrollment. On the first day of classes for fall 2024, Miami University's main campus enrolled a first-time student cohort of 4,216 students up from 3,923 in fall 2023. The tuition revenue from the new cohort, after discounts, is estimated to be up about 15% from the prior fall. Total enrollment on the first day of classes for the main campus rose from 18,799 to 19,004. Overall, first day enrollment at the University grew from 22,586 to 22,880. Increased enrollments and a falling discount rate reflect the positive impact of the Miami Rise initiatives on student recruitment. This is especially evident since many universities are facing declining enrollments for fall 2024 due to the FAFSA problems in Washington.

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

Miami University
A Component Unit of the State of Ohio
Statement of Net Position
June 30, 2024
(With Comparative Totals for June 30, 2023)
(Dollars in Thousands)

| | Miami University | | University Foundation | |
|--|-------------------------|---------------------|------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ 128,957 | \$ 141,467 | \$ 11,097 | \$ 27,474 |
| Investments | 832,156 | 744,236 | - | - |
| Accounts, pledges and notes receivable, net | 32,026 | 63,175 | 7,488 | 7,770 |
| Inventories | 1,556 | 1,757 | - | - |
| Prepaid expenses | 24,484 | 10,971 | - | - |
| Total current assets | <u>1,019,179</u> | <u>961,606</u> | <u>18,585</u> | <u>35,244</u> |
| Noncurrent Assets | | | | |
| Restricted cash and cash equivalents | - | 5,219 | 15,788 | 13,838 |
| Investments | 305,465 | 278,379 | 805,735 | 712,897 |
| Pledges and notes receivable, net | 19,170 | 21,684 | 9,659 | 19,664 |
| Net pension asset | 2,171 | 1,619 | - | - |
| Net OPEB asset | 17,292 | 17,339 | - | - |
| Nondepreciable capital assets | 59,854 | 111,873 | - | - |
| Depreciable capital assets, net | 1,310,473 | 1,262,098 | - | - |
| Subscription assets, net | 4,457 | 7,405 | - | - |
| Lease assets, net | 2,565 | 2,262 | - | - |
| Total noncurrent assets | <u>1,721,447</u> | <u>1,707,878</u> | <u>831,182</u> | <u>746,399</u> |
| Total assets | <u>2,740,626</u> | <u>2,669,484</u> | <u>849,767</u> | <u>781,643</u> |
| Deferred Outflows of Resources | | | | |
| Deferred loss on debt refunding | - | 169 | - | - |
| Pensions | 70,016 | 98,726 | - | - |
| OPEB | 6,671 | 12,394 | - | - |
| Total deferred outflows of resources | <u>76,687</u> | <u>111,289</u> | <u>-</u> | <u>-</u> |
| Total assets and deferred outflows of resources | <u>\$ 2,817,313</u> | <u>\$ 2,780,773</u> | <u>\$ 849,767</u> | <u>\$ 781,643</u> |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts payable | \$ 27,973 | \$ 49,638 | \$ 34 | \$ 25,413 |
| Accrued salaries and wages | 16,122 | 16,505 | - | - |
| Accrued compensated absences | 1,834 | 1,830 | - | - |
| Unearned revenue | 14,488 | 13,997 | - | - |
| Deposits | 10,126 | 10,212 | - | - |
| Current portion of long-term debt | 35,234 | 39,761 | - | - |
| Current portion of subscription liabilities | 2,059 | 2,455 | - | - |
| Other current liabilities | 300 | 300 | 448 | 504 |
| Total current liabilities | <u>108,136</u> | <u>134,698</u> | <u>482</u> | <u>25,917</u> |
| Noncurrent Liabilities | | | | |
| Accrued compensated absences | 18,786 | 16,619 | - | - |
| Bonds payable, net | 536,285 | 583,286 | - | - |
| Subscription liabilities | 2,271 | 4,350 | - | - |
| Lease liability | 2,082 | 1,795 | - | - |
| Notes payable | - | 760 | - | - |
| Federal Perkins loan program | 387 | 78 | - | - |
| Net pension liability | 287,780 | 319,246 | - | - |
| Net OPEB liability | - | 3,722 | - | - |
| Other noncurrent liabilities | - | - | 308,605 | 281,892 |
| Total noncurrent liabilities | <u>847,591</u> | <u>929,856</u> | <u>308,605</u> | <u>281,892</u> |
| Total liabilities | <u>955,727</u> | <u>1,064,554</u> | <u>309,087</u> | <u>307,809</u> |
| Deferred Inflows of Resources | | | | |
| Deferred gains on debt refunding | 18,101 | 10,418 | - | - |
| Beneficial interest in perpetual trust | 1,819 | 2,260 | - | - |
| Pensions | 28,708 | 30,654 | - | - |
| OPEB | 13,068 | 16,760 | - | - |
| Leases | 6,294 | 6,705 | - | - |
| Total deferred inflows of resources | <u>67,990</u> | <u>66,797</u> | <u>-</u> | <u>-</u> |
| Net Position | | | | |
| Net investment in capital assets | 782,031 | 747,628 | - | - |
| Restricted: | | | | |
| Nonexpendable | 119,947 | 109,457 | 341,183 | 309,878 |
| Expendable | 151,720 | 136,332 | 194,559 | 159,498 |
| Unrestricted | 739,898 | 656,005 | 4,938 | 4,458 |
| Total net position | <u>1,793,596</u> | <u>1,649,422</u> | <u>540,680</u> | <u>473,834</u> |
| Total liabilities, deferred inflows and net position | <u>\$ 2,817,313</u> | <u>\$ 2,780,773</u> | <u>\$ 849,767</u> | <u>\$ 781,643</u> |

Miami University
A Component Unit of the State of Ohio
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)
(Dollars in Thousands)

| | Miami University | | University Foundation | |
|---|---------------------|---------------------|-----------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operating Revenues | | | | |
| Tuition, fees, and other student charges | \$ 498,082 | \$ 500,746 | \$ - | \$ - |
| Less allowance for student scholarships | (168,290) | (162,790) | - | - |
| Net tuition, fees, and other student charges | <u>329,792</u> | <u>337,956</u> | <u>-</u> | <u>-</u> |
| Sales and services of auxiliary enterprises | 155,974 | 157,655 | - | - |
| Less allowance for student scholarships | (6,267) | (5,849) | - | - |
| Net sales and services of auxiliary enterprises | <u>149,707</u> | <u>151,806</u> | <u>-</u> | <u>-</u> |
| Federal grants | 25,937 | 21,803 | - | - |
| Gifts | - | - | 1,591 | 4,208 |
| Sales and services of educational activities | 2,089 | 1,813 | - | - |
| Private grants | 4,656 | 4,234 | - | - |
| State grants | 8,728 | 6,279 | - | - |
| Local grants | 172 | 528 | - | - |
| Other | 14,960 | 13,071 | - | - |
| Total operating revenues | <u>536,041</u> | <u>537,490</u> | <u>1,591</u> | <u>4,208</u> |
| Operating Expenses | | | | |
| Education and general: | | | | |
| Instruction and departmental research | 191,350 | 192,822 | - | - |
| Separately budgeted research | 17,340 | 17,030 | - | - |
| Public service | 7,966 | 13,923 | - | - |
| Academic support | 57,652 | 57,638 | - | - |
| Student services | 35,110 | 33,761 | - | - |
| Institutional support | 89,485 | 76,633 | - | - |
| Operation and maintenance of plant | 31,364 | 31,983 | - | - |
| Scholarships and fellowships | 35,793 | 34,811 | - | - |
| Auxiliary enterprises | 119,065 | 114,724 | - | - |
| Depreciation and amortization | 79,564 | 76,909 | - | - |
| Pension and other postemployment benefit | (6,896) | (8,490) | - | - |
| Other | 4,002 | 8,356 | 5,322 | 4,591 |
| Total operating expenses | <u>661,795</u> | <u>650,100</u> | <u>5,322</u> | <u>4,591</u> |
| Net operating (loss) income | <u>(125,754)</u> | <u>(112,610)</u> | <u>(3,731)</u> | <u>(383)</u> |
| Nonoperating Revenues (Expenses) | | | | |
| State appropriations | 89,015 | 83,932 | - | - |
| Gifts, including those from the University Foundation | 42,721 | 40,260 | - | - |
| Federal grants | 20,228 | 17,218 | - | - |
| Net investment gain, net of investment expense of \$3,190 for the University and \$4,937 for the Foundation in FY 24 \$4,341 for the University and \$2,022 for the Foundation in FY 23 | 123,788 | 73,125 | 59,400 | 33,758 |
| State grants | 3,890 | 2,567 | - | - |
| Interest on debt | (19,157) | (21,914) | - | - |
| Payments to Miami University | - | - | (24,094) | (20,635) |
| Other non-operating revenues | 2,196 | 3,812 | 1,440 | 851 |
| Net non-operating revenues (expenses) | <u>262,681</u> | <u>199,000</u> | <u>36,746</u> | <u>13,974</u> |
| Income Before Other Revenues, Expenses, Gains or Losses | <u>136,927</u> | <u>86,390</u> | <u>33,015</u> | <u>13,591</u> |
| Other Revenues, Expenses, Gains or Losses: | | | | |
| State capital appropriation | 424 | 2,155 | - | - |
| Capital grants and gifts | 4,626 | 1,607 | - | - |
| Additions to permanent endowments | 2,197 | 487 | 33,831 | 21,705 |
| Total other revenues, expenses, gains or losses | <u>7,247</u> | <u>4,249</u> | <u>33,831</u> | <u>21,705</u> |
| Change in Net Position | <u>144,174</u> | <u>90,639</u> | <u>66,846</u> | <u>35,296</u> |
| Net Position at Beginning of Year | <u>1,649,422</u> | <u>1,558,783</u> | <u>473,834</u> | <u>438,538</u> |
| Net Position at End of Year | <u>\$ 1,793,596</u> | <u>\$ 1,649,422</u> | <u>\$ 540,680</u> | <u>\$ 473,834</u> |

Miami University
A Component Unit of the State of Ohio
Statement of Cash Flows
Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)
(Dollars in Thousands)

| | 2024 | 2023 |
|---|-------------------|-------------------|
| Cash Flows From Operating Activities | | |
| Tuition, fees, and other student charges | \$ 499,489 | \$ 499,308 |
| Sales and services of auxiliary enterprises | 157,756 | 156,939 |
| Contracts | 42,061 | 33,976 |
| Other operating receipts | 16,743 | 13,321 |
| Payments for employee compensation and benefits | (375,745) | (376,648) |
| Payments to vendors for services and materials | (201,581) | (161,264) |
| Student scholarships | (210,350) | (203,450) |
| Loans issued to students and employees | (36) | (1,009) |
| Collection of loans from students and employees | 827 | 1,701 |
| Net cash flows used in operating activities | <u>(70,836)</u> | <u>(37,126)</u> |
| Cash Flows From Noncapital Financing Activities | | |
| State appropriations | 89,015 | 83,932 |
| Grants for noncapital purposes | 24,034 | 20,118 |
| Gifts | 67,336 | 38,427 |
| Net cash flows provided by noncapital financing activities | <u>180,385</u> | <u>142,477</u> |
| Cash Flows From Capital and Related Financing Activities | | |
| Grants for capital purposes | 795 | (482) |
| Other capital and related receipts | 12,675 | 1,829 |
| Proceeds from debt obligations | 82,521 | - |
| Payments to construct, renovate, or purchase capital assets | (77,030) | (114,323) |
| Principal paid on outstanding debt | (123,640) | (42,373) |
| Interest paid on outstanding debt | (36,116) | (27,323) |
| Net cash flows used in capital and related financing activities | <u>(140,795)</u> | <u>(182,672)</u> |
| Cash Flows From Investing Activities | | |
| Proceeds from sale of investments | 290,047 | 325,687 |
| Purchases of investments | (290,733) | (261,573) |
| Endowment fees | (1,328) | (1,677) |
| Interest and dividends on investments | 15,531 | 10,136 |
| Net cash flows provided by investing activities | <u>13,517</u> | <u>72,573</u> |
| Net Change in Cash and Cash Equivalents | (17,729) | (4,748) |
| Cash and Cash Equivalents, Beginning of Year | 146,686 | 151,434 |
| Cash and Cash Equivalents, End of Year | \$ 128,957 | \$ 146,686 |

Miami University
A Component Unit of the State of Ohio
Statement of Cash Flows
Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)
(Dollars in Thousands)

(Continued)

| | 2024 | 2023 |
|---|--------------------|--------------------|
| Reconciliation of Operating Loss to Net Cash Flows Used in Operating Activities | | |
| Operating loss | \$ (125,754) | \$ (112,610) |
| Adjustments to reconcile net operating loss to net cash flows used in operating activities: | | |
| Depreciation and amortization expense | 79,564 | 76,909 |
| Net loss on retirements of capital assets | 368 | 1,226 |
| Accounts receivable bad debt adjustments | 118 | 129 |
| Adjustments to reconcile change in net position to net cash used in operating activities | | |
| Accounts receivable | 5,281 | (1,664) |
| Inventories | 200 | 907 |
| Prepaid expenses | (15,239) | (3,463) |
| Notes receivable | 613 | 479 |
| Net pension asset | (552) | 1,057 |
| Net OPEB asset | 47 | 15,569 |
| Deferred outflows of pension resources | 28,710 | (46,383) |
| Deferred outflows of OPEB resources | 5,723 | (10,986) |
| Accounts payable | (11,181) | 11,834 |
| Accrued salaries and wages | (383) | 126 |
| Accrued compensated absences | 2,170 | 19 |
| Unearned revenue and deposits | 405 | (399) |
| Federal Perkins loans | 309 | (512) |
| Net pension liability | (31,466) | 182,378 |
| Net OPEB liability | (3,722) | 3,722 |
| Deferred inflows leases | (410) | (1,617) |
| Deferred inflows of pension resources | (1,946) | (132,527) |
| Deferred inflows of OPEB resources | (3,691) | (21,320) |
| Net cash flows used in operating activities | <u>\$ (70,836)</u> | <u>\$ (37,126)</u> |

Supplemental Disclosures of Noncash Information

| | | |
|---|----------|-----------|
| Capital assets included in accounts payable | \$ 9,109 | \$ 17,972 |
| Capital assets acquired by gifts in kind | 3,831 | 2,165 |
| Unrealized gains/losses from investments | 95,379 | 54,347 |
| Subscription assets and liabilities additions | 143 | 2,482 |
| Lease assets and liabilities additions | 937 | 273 |
| State capital appropriations | 565 | 1,938 |

Note 1. Summary of Significant Accounting Policies

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

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

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

Basis for Presentation

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

Recent and Pending Accounting Pronouncements

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

Effective July 1, 2023, the University adopted GASB issued Statement No. 100, *Accounting Changes and Error Corrections-An Amendment of GASB No. 62*. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. There was no impact on the University's financial statements due to the adoption of Statement No. 100.

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In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The University has not yet determined the impact this statement will have on the financial statements.

Cash and Cash Equivalents

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

Investments

Investments that are market traded are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The value of holdings of commingled or non-publicly traded funds is based on the funds' net asset value as supplied by the investment manager. Investments in real estate are recorded at estimated fair value.

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

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

Accounts, Pledges and Notes Receivable

Accounts receivable: Accounts receivable primarily include tuition and fee charges to students and charges for auxiliary enterprise services provided to students, faculty and staff. Accounts receivable are recorded net of an allowance for uncollectible accounts. The allowance for doubtful accounts is determined based on management's judgment of potential uncollectible amounts, based on historical experience, analysis of the aging of payment schedules, type of receivable, and other known facts and circumstances.

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

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

Inventories

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

Miami University
A Component Unit of the State of Ohio
Notes to Financial Statements
June 30, 2024
(Dollars in Thousands)

Capital Assets

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

Capital, Lease, and Subscription Asset Impairment

The University evaluates capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital and lease asset has occurred. If a capital, lease, or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss. No asset impairment was recognized during the year ended June 30, 2024.

Leases

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

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

Subscription Assets

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

Miami University
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Notes to Financial Statements
June 30, 2024
(Dollars in Thousands)

Unearned Revenue

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Operating and Non-Operating Revenue

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

Allowance for Student Scholarships

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

Miami University
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Notes to Financial Statements
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(Dollars in Thousands)

Bond Premiums, Discounts and Issuance Costs

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

Deferred Outflows/Inflows Of Resources

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

Compensated Absences

Full-time unclassified staff earn vacation at rates of 18 to 22 days per year, based on the terms of their employment contract, with a maximum accrual of 52 days. Classified employees earn vacation at rates up to 25 days per year, based on years of service and hours reported, with a maximum accrual equivalent to the amount earned in three years. Upon retirement, termination, or death, the employee is compensated at the final rate of pay for unused vacation up to a maximum of 40 days. Faculty do not accrue vacation benefits.

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

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(Dollars in Thousands)

Net Position

Net position is divided into three major categories. The first category, net investment in capital assets includes property, plant and equipment, lease assets and subscription assets, net of accumulated depreciation and amortization and net of lease liabilities, subscription liabilities, capital-related debt and capital-related deferred outflows and inflows of resources. Capital-related debt is offset by unspent bond proceeds, if any. The second major category is restricted net position. This category contains assets that are owned by the institution (offset by liabilities payable from those assets, if any), but the use or purpose of the funds is restricted by an external source or entity. The corpus of the nonexpendable restricted assets is available for investment purposes only. The expendable restricted assets may be expended by the institution, but must be spent only for the purpose as determined by a donor or external entity. The expendable restricted assets include \$19,463 related to the net pension and OPEB assets. The income generated from the nonexpendable restricted investments and the expendable restricted funds may be used for student loans, scholarships and fellowships, instruction, research, and other needs to support the operation of the University. The third category is unrestricted net position and is separated into two types: allocated and unallocated. Allocated unrestricted assets are available to the institution, but are allocated for a specific purpose within the institution by University policy, management, or the governing board. The allocated unrestricted net position was \$724,710 as of June 30, 2024, and is to be used for loans, scholarships, investments and capital projects. Unallocated unrestricted net positions are available to be used for any lawful purpose of the institution. Generally, it is the University's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted resources are available.

Tax Status

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

Estimates

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

Note 2. Cash, Cash Equivalents and Investments

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

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

Miami University
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Cash and Cash Equivalents

At year-end, the carrying amount of the University's cash and cash equivalents was \$128,957. Cash and cash equivalents consist primarily of cash in banks, money market accounts and the State Treasury Asset Reserve of Ohio (STAR Ohio) that include short-term, highly liquid investments readily convertible to cash, with an original maturity of three months or less. STAR Ohio is a statewide fund managed by the State Treasurer of Ohio with the carrying amount of the assets reported at amortized cost. There are no limitations or restrictions on any STAR Ohio participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given to STAR Ohio 24 hours in advance of all deposits and withdrawals exceeding \$25,000.

At June 30, 2024, \$23,246 of cash and cash equivalents was covered by federal depository insurance; \$67,705 was covered by collateral held by third-party trustees pursuant to Paragraph 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions; and the remaining \$38,006 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, 2024 are presented below, categorized by investment type and credit quality rating. Credit quality ratings provide information about the investments' credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Beginning in fiscal year 2019, management of the University's investments has been delegated by the Board to an external investment firm. The external investment firm has discretion to manage the University's investments within the framework of the investment policy statement. The University's formal investment policy does not specifically address interest rate risk, credit risk, custodial credit risk, or concentration risk, though these risks are monitored and managed by the external investment firm as part of their management and due diligence process. The external investment firm has implemented a combination of internally and externally managed investment vehicles, including separate accounts, limited partnerships, and commingled funds. The University's investment management policy establishes guidelines for average credit quality ratings in the portfolios. Investments in Tier II of the policy include U.S. Treasury and government agency securities generally with an average weighted maturity of between zero and two years for the baseline allocation. Investments in Tier III of the policy include diversified global equity and fixed income securities, along with absolute return strategies. Moody's Investors Services and Fitch Ratings have assigned AAA credit ratings to U.S. Treasury obligations. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The University's investments are held in trust by a custodian in the University's name. The University has credit risk associated with counterparty nonperformance. However, credit risk associated with exchange-traded contracts are typically perceived to be less because exchanges typically provide clearinghouse arrangements in which the collective credit of the managers of the exchange is pledged to support the financial integrity of the exchange. Margins, which may be subject to loss in the event of a default, are generally required in exchange trading and further mitigate credit risk. All of the future contracts held by the University at June 30, 2024 were exchange traded contracts.

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The credit ratings of investments in debt securities are based on Moody's investor services and are summarized as follows as of June 30, 2024:

| Investment Type | Fair Value | Not Applicable | AAA | AA, A, and BBB | Below BBB |
|---|--------------------------|--------------------|--------------------------|--------------------|--------------------|
| U.S. Treasury bonds | \$ 21,183 | \$ - | \$ 21,183 | \$ - | \$ - |
| U.S. Treasury notes | 272,352 | - | 272,352 | - | - |
| U.S. Treasury inflation protection securities | <u>34,894</u> | <u>-</u> | <u>34,894</u> | <u>-</u> | <u>-</u> |
| Total investments | <u><u>\$ 328,429</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 328,429</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

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, 2024 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 | \$ 21,183 | \$ 1,660 | \$ 2,952 | \$ - | \$ 16,571 |
| U.S. Treasury notes | 272,352 | 112,864 | 122,306 | 37,182 | - |
| U.S. Treasury inflation protection securities | <u>34,894</u> | <u>-</u> | <u>23,878</u> | <u>11,016</u> | <u>-</u> |
| Total bonds | <u><u>\$ 328,429</u></u> | <u><u>\$ 114,524</u></u> | <u><u>\$ 149,136</u></u> | <u><u>\$ 48,198</u></u> | <u><u>\$ 16,571</u></u> |

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Fair Value of Financial Instruments

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

- Level 1:** Quoted prices in active markets for identical assets as of the report date. The quoted market prices are from those securities traded on an active exchange such as the New York Stock Exchange, NASDAQ or an active over-the-counter market.
- Level 2:** Significant other observable inputs including prices quoted in active markets for similar assets.
- Level 3:** Inputs that are unobservable including the University's own assumptions in determining the fair value of investments.

If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The following table presents the investments by fair value hierarchy as of June 30, 2024:

| | Level 1 | Level 2 | Level 3 | Total |
|---|------------------|-------------------|-------------------|-------------------|
| Investment assets: | | | | |
| U.S. Treasury bonds | \$ - | \$ 21,183 | \$ - | \$ 21,183 |
| U.S. Treasury notes | - | 272,352 | - | 272,352 |
| U.S. Treasury inflation protection securities | - | 34,894 | - | 34,894 |
| Common and preferred stocks | 1,055 | - | 133 | 1,188 |
| Exchanged traded funds | 21,632 | - | - | 21,632 |
| Other | - | - | 279 | 279 |
| Miami University Foundation investment pool | - | - | 304,130 | 304,130 |
| | \$ 22,687 | \$ 328,429 | \$ 304,542 | \$ 655,658 |

Funds reported at fair value based on net asset value per share:

| | | | |
|--|--|--|--------------|
| Non-publicly traded funds | | | |
| Cintrifuse Syndicate Fund II, LLC ^(a) | | | \$ 1,073 |
| Ellington Strategic Mortgage Fund, L.P. ^(b) | | | 19,161 |
| GoldenTree High Yield Value Fund Offshore (Strategic), Ltd. ^(c) | | | 18,435 |
| Harrison Street Core Property Fund, L.P. ^(d) | | | 1,565 |
| KKR Global Credit Opportunities Fund (Overseas) L.P. ^(e) | | | 9,594 |
| Morgan Stanley Prime Property Fund, LLC ^(f) | | | 4,827 |
| PRISA LP ^(d) | | | 3,703 |
| Strategic Developed Markets ex-U.S. Equity Trust ^(g) | | | 100,380 |
| Strategic Emerging Markets Equity Trust ^(h) | | | 37,809 |
| Strategic Global Equity Trust ⁽ⁱ⁾ | | | 43,805 |
| Strategic U.S. Equity Trust ^(j) | | | 103,457 |
| Hedge funds | | | |
| Strategic SPC Alpha Segregated Portfolio ^(k) | | | 137,737 |
| Waterfall Eden Fund, Ltd. ^(l) | | | 417 |
| | | | |
| Total investment assets | | | \$ 1,137,621 |

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The redemption frequency, if eligible, ranges from monthly to quarterly for the various funds reported at fair value based on net asset value per share at June 30, 2024, with a redemption notice period, if applicable, ranging from 15 days to 90 days. As of June 30, 2024, the University has commitments to limited partnerships of approximately \$74 that have not yet been funded.

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

- (a) This fund primarily includes investments in limited partnerships focused on venture capital. This fund is generally illiquid, and it does not offer access to redemptions during the life of the partnership. Capital is periodically called, invested, and then returned over time. Typically, these partnerships have a life exceeding ten years and may take up to twenty years before they have fully returned contributed capital.
- (b) The Fund primarily invests in mortgage related securities, including inverse floaters, pools of mortgage loans made by banks, savings and loan institutions and other lenders, collateralized mortgage obligations, real estate mortgage investment conduits, stripped mortgage-related securities and other mortgage-related securities.
- (c) The Fund primarily invests in public and private high-yield non-investment grade and non-rated debt securities on a long-only basis to achieve superior return.
- (d) This fund is an open-ended commingled fund that invests in commercial real estate.
- (e) This fund primarily invests in debt securities such as bank loans and high yield bonds with below investment grade credit ratings.
- (f) This fund is a real estate investment trust.
- (g) This fund generally invests in long positions in publicly traded equity securities focusing in developed economies outside of the United States including Western Europe and Asia, as well as futures and options in such securities and certain stock indices.
- (h) Securities focusing in markets outside of the United States and Western Europe, including Asia and Latin America as well as Eastern Europe, Africa and the less developed Mediterranean economies.
- (i) This fund generally invests in long positions in global publicly traded equity securities as well as futures and options on such securities and certain stock indices.
- (j) This fund generally invests in long positions in domestic publicly traded equity securities as well as futures and options in such securities and certain stock indices.
- (k) This fund generally invests in hedge funds that invest in both long and short positions in publicly traded equity and debt securities on a global basis. Most debt securities are sub-investment grade and may be hard to price due to thin trading volumes. The various strategies collectively target a market neutral position.
- (l) This fund primarily includes investments in hedge funds that invest in both long and short positions in publicly traded equity and debt securities on a global basis. This investment is being redeemed as underlying liquidity restrictions permit.

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All of the University's investments in publicly traded securities are subject to market risk. As a result, a significant downturn in the securities markets could adversely affect the market value of University assets. Investments include globally oriented strategies that include exposure to non-U.S. equity and debt securities. While providing a potential diversification benefit, such international investments are exposed to foreign currency risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. At June 30, 2024, the University had no exposure to foreign currency risk. All direct investments and investment vehicles in the portfolios are denominated in U.S. dollars. The University's investments that are exposed to concentration risk consist of its holdings in Strategic Developed Markets ex-U.S. Equity Trust fund, Strategic SPC Alpha Segregated Portfolio fund and Strategic U.S. Equity Trust fund which represent 8.8 percent, 12.1 percent and 9.1 percent of the total investment assets at June 30, 2024, respectively. Exposure to individual diversified commingled funds does exceed five percent of investments. Commingled funds held by the University include a wide range of investments, including hedge funds. The University's objective for investing in these hedge funds is to provide stable, absolute returns that are uncorrelated to fluctuations in the stock and bond markets. Specific investments are also reviewed and aggregated, as available from each fund manager, on a regular basis to ensure that the portfolio does not maintain unwarranted concentration risks with respect to any single factor or security at the fund manager's level, asset class level and portfolio level.

Endowment Funds

The Foundation manages the Foundation and University endowment and quasi-endowment funds in a single investment pool (Pooled Fund). The University's investments are maintained as a separate fund in the financial system of the Foundation and receive a proportionate share of the Pooled Fund's activity. The Foundation owns the assets of the Pooled Fund; the University has an interest in the Pooled Fund. The Foundation's Pooled Fund is not registered with the Securities and Exchange Commission as an investment company. The Foundation's Board of Directors appoints an Investment Committee, which is responsible for oversight of the Pooled Fund in accordance with Foundation policies. University investments include \$304,130 managed by the Foundation as of June 30, 2024. The assets held on behalf of the University are included in other noncurrent liabilities on the Statement of Net Position of the Foundation. The fair value of the University's position in the Pooled Fund is based on the University's proportional share of the Pooled Fund, which is marked-to-market at year-end. Note 12 provides additional information on the Foundation and the Pooled Fund.

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

The University employs a total return policy which defines the total amount of dividends, interest and realized gains to be distributed from the endowment assets. The policy distributes four percent of the average of the previous twelve quarterly market values as of March 31st of each fiscal year. The authorized spending amount was \$10,820 in 2024. In accordance with donors' stipulations, a portion of the earnings was returned to endowment principal and the balance of \$9,014 was distributed for expenditure for 2024. Donor restricted endowments with insufficient accumulated earnings made a partial distribution.

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Note 3. Accounts, Pledges and Notes Receivable, Net

The accounts, pledges and notes receivable as of June 30, 2024 are summarized as follows:

| | |
|--|------------------|
| Accounts receivable | |
| Student receivables | \$ 9,177 |
| Grants and contracts | 8,532 |
| Lease receivable | 6,512 |
| Other receivables | 6,791 |
| Total accounts receivable | 31,012 |
| Less allowances for doubtful accounts | (1,250) |
| Net accounts receivable | <u>29,762</u> |
| Pledges receivable | |
| Pledges receivable | 19,572 |
| Less discount and allowance for doubtful pledges | (959) |
| Net pledges receivable | <u>18,613</u> |
| Notes receivable: | |
| Federal loan programs | 686 |
| University loan programs | 3,158 |
| Total notes receivable | 3,844 |
| Less allowance for doubtful notes | (1,023) |
| Net notes receivable | <u>2,821</u> |
| Total | <u>\$ 51,196</u> |

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Note 4. Capital Assets and Subscription Assets

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

| | Beginning Balance | Additions | Disposals | Transfers | Ending Balance |
|--|------------------------------|-------------------|------------------|------------------|---------------------------|
| Capital assets: | | | | | |
| Land | \$ 6,025 | \$ 440 | \$ - | \$ - | \$ 6,465 |
| Collections of works of art and historical treasures | 11,826 | 560 | - | - | 12,386 |
| Construction in progress | 94,022 | 47,721 | - | (100,740) | 41,003 |
| Total nondepreciable capital assets | 111,873 | 48,721 | - | (100,740) | 59,854 |
| Land improvements | 75,917 | 1,446 | - | - | 77,363 |
| Buildings | 1,885,782 | 16,052 | (144) | 100,740 | 2,002,430 |
| Infrastructure | 209,462 | 743 | - | - | 210,205 |
| Machinery and equipment | 84,032 | 5,232 | (9,175) | - | 80,089 |
| Library books and publications | 77,381 | 333 | - | - | 77,714 |
| Vehicles | 5,786 | 37 | (373) | - | 5,450 |
| Intangible assets | 12,158 | - | (1,314) | - | 10,844 |
| Total depreciable capital assets | 2,350,518 | 23,843 | (11,006) | 100,740 | 2,464,095 |
| Total capital assets | 2,462,391 | 72,564 | (11,006) | - | 2,523,949 |
| Less accumulated depreciation: | | | | | |
| Buildings | 789,787 | 60,026 | (30) | - | 849,783 |
| Infrastructure | 115,362 | 7,112 | - | - | 122,474 |
| Land improvements | 34,278 | 2,607 | - | - | 36,885 |
| Machinery and equipment | 70,039 | 4,509 | (9,138) | - | 65,410 |
| Library books and publications | 61,720 | 1,552 | - | - | 63,272 |
| Vehicles | 5,164 | 215 | (373) | - | 5,006 |
| Intangible assets | 12,070 | 36 | (1,314) | - | 10,792 |
| Total accumulated depreciation | 1,088,420 | 76,057 | (10,855) | - | 1,153,622 |
| Total capital assets, net | \$ 1,373,971 | \$ (3,493) | \$ (151) | \$ - | \$ 1,370,327 |

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Subscription asset activity for the year ended June 30, 2024 was:

| | Beginning Balance | Additions | Disposals | Ending Balance |
|-------------------------------|------------------------------|-------------------|------------------|---------------------------|
| Subscription IT asset | \$ 9,845 | \$ 143 | \$ (1,191) | \$ 8,797 |
| Less accumulated amortization | | | | |
| Subscription IT asset | 2,440 | 2,881 | (981) | 4,340 |
| Subscription assets, net | <u>\$ 7,405</u> | <u>\$ (2,738)</u> | <u>\$ (210)</u> | <u>\$ 4,457</u> |

Note 5. Long-Term Liabilities

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

| | Beginning Balance | Additions | Reductions | Ending Balance | Current Portion |
|---|------------------------------|------------------|-------------------|---------------------------|----------------------------|
| Indebtedness and subscription liabilities | | | | | |
| Bonds payable | \$ 541,405 | \$ 74,025 | \$ 119,659 | \$ 495,771 | \$ 33,885 |
| Lease liability | 2,336 | 937 | 601 | 2,672 | 590 |
| Notes payable | 1,519 | - | 760 | 759 | 759 |
| Subscription liabilities | 6,805 | 143 | 2,618 | 4,330 | 2,059 |
| Premiums | 80,341 | 8,496 | 14,438 | 74,399 | - |
| Total indebtedness and subscription liabilities | <u>632,406</u> | <u>83,601</u> | <u>138,076</u> | <u>577,931</u> | <u>37,293</u> |
| Other liabilities: | | | | | |
| Compensated absences | 18,449 | 12,073 | 9,902 | 20,620 | 1,834 |
| Federal Perkins loans | 378 | 615 | 306 | 687 | 300 |
| Total other liabilities | <u>18,827</u> | <u>12,688</u> | <u>10,208</u> | <u>21,307</u> | <u>2,134</u> |
| Total | <u>\$ 651,233</u> | <u>\$ 96,289</u> | <u>\$ 148,284</u> | <u>\$ 599,238</u> | <u>\$ 39,427</u> |

Miami University's General Receipts Revenue Bonds (Series 2010A, 2014, 2017, 2020A, 2021A, 2022A and 2024A) relate to the multi-phase effort to renovate all campus student housing and dining facilities as well as general educational facilities, and contain subjective acceleration clauses. In the event of default, the Trustee, upon the written request of the bondholders of not less than 25 percent (in aggregate) principal amount of the obligations outstanding, shall declare the principal of all obligations with accrued interest thereon, to be immediately due and payable on the announced accelerated maturity date.

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Note 6. Indebtedness

During the year ended June 30, 2024 the University issued \$74,025 in General Receipts Revenue Bonds (2024A) with an interest rate of 5.00 percent and maturities from 2025 to 2040. The proceeds were used to refund the Miami University General Receipts Bonds, Series 2014, which were callable on September 1, 2024. The net change in cash flows related to the refunding was approximately \$7,670 and the net present value savings was approximately \$6,247. In 2024, the University defeased the Series 2014 bonds by placing the proceeds from Series 2024A into an escrow to provide for future debt service. The outstanding balance of the bonds was \$74,025 as of June 30, 2024.

The June 5, 2024 bond refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of \$8,584 as well as the reacquisition price of \$159 from the bond refunding General Receipts Revenue Bonds Series 2020A. The unamortized difference of the \$8,540 at June 30, 2024 is reported in the accompanying financial statements as deferred inflow of resources and is being amortized through the year 2040.

During the year ended June 30, 2022, the University issued \$47,935 in General Receipts Revenue Bonds (2022A) with an interest rate of 5.00 percent and maturities from 2022 to 2035. The proceeds were used to refund a portion of the Miami University General Receipts Bonds, Series 2012, which were callable on September 1, 2022. The net change in cash flows related to the refunding was approximately \$7,128 and the net present values savings was approximately \$6,451. In 2022, the University defeased the Series 2012 bonds by placing the proceeds from Series 2022A bonds into an escrow to provide for future debt service. The outstanding balance of the bonds was \$42,435 as of June 30, 2024.

The June 7, 2022 bond refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of \$6,182 as well as the reacquisition price of \$263 from the bond refunding General Receipts Revenue Bonds Series 2020A. The unamortized difference of \$4,988 at June 30, 2024 is reported in the accompanying financial statements as deferred inflow of resources and is being amortized through the year 2035.

During the year ended June 30, 2021, the University issued \$75,930 in General Receipts Revenue Bonds (2021A) with an interest rate of 5.00 percent and maturities from 2022 to 2036. The proceeds were used to refund the Miami University General Receipts Bonds, Series 2011, which were callable on September 1, 2021. The net change in cash flows related to the refunding was approximately \$26,169 and the net present value savings was approximately \$23,205. In 2021, the University defeased the Series 2011 bonds by placing the proceeds from the Series 2021A bonds into an escrow to provide for future debt service. The outstanding balance of the bonds was \$62,185 as of June 30, 2024.

The June 9, 2021 bond refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of \$5,430. The unamortized difference of \$4,384 at June 30, 2024 is reported in the accompanying financial statements as a deferred inflow of resources and is being amortized through the year 2037.

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

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During the year ended June 30, 2017, the University issued \$154,635 in General Receipts Revenue Bonds with interest rates ranging from 2.00 percent to 4.00 percent and maturities from 2017 to 2042. A part of the proceeds was used to refund a portion of the remaining Miami University General Receipts Bonds, Series 2007. The net change in cash flows related to the refunding was approximately \$5,800 and the net present value savings was approximately \$5,000. In 2017, the University defeased a portion of the Series 2007 bonds by placing some of the proceeds from the Series 2017 bonds into an escrow account to provide for future debt service. The outstanding balance of bonds was \$108,446 as of June 30, 2024.

The February 14, 2017 bond refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of \$599. The unamortized difference of \$190 at June 30, 2024, is reported in the accompanying financial statements as a deferred inflow of resources and is being amortized through the year 2028.

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

During the year ended June 30, 2014, the University issued \$135,035 in General Receipts Revenue Bonds with interest rates ranging from 3.50 percent to 5.00 percent and maturities from 2015 to 2025.

During the year ended June 30, 2011, the University issued \$125,000 in General Receipts Revenue Bonds consisting of \$105,445 Series 2010A (Federally Taxable Build America Bonds—Direct Payment) and \$19,555 Series 2010B (Tax-Exempt Bonds). Interest rates range from 6.54 percent to 6.77 percent for the Series 2010A bonds and 5.00 percent for the Series 2010B bonds. Maturities range from 2017 to 2036 for the Series 2010A bonds with a final payment in 2017 for the Series 2010B bonds. The Series 2010 bond proceeds were used to provide funding for the first phase of planned improvements to student housing and dining facilities and the first phase of construction of the Armstrong Student Center.

The proceeds of the 2024A issuance was to refund the 2014 issuance. The proceeds of the 2022A issuance was to refund the 2012 issuance. The proceeds of the 2021A issuance was to refund the 2011 issuance, which was primarily used to refund the 2003 issuance. The proceeds from the 2020A issuance refunded the mandatory sinking fund for both the 2012 and 2014 issuances, in addition to financing the cost of certain facilities on the main campus of the University, including a health sciences building and a digital innovation multidisciplinary building. The proceeds from the 2017, 2014 and 2012 issuances have been and will continue to be used to fund the multi-phase effort to renovate all campus student housing and dining facilities as well as to retire outstanding indebtedness of the University for more favorable borrowing terms as described in the proceeding paragraphs. The 2015 issuance was to refinance the 2005 issuance that was used to fund the campus student housing and dining facilities as well as the Farmer School of Business and infrastructure projects. The 2010A issuance was used to fund the Armstrong Student Center as well as campus student housing and dining facilities.

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

The University incurred total interest costs of \$19,157 for the year ended June 30, 2024.

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The maturity dates, interest rates, and outstanding principal balances as of June 30, 2024 are as follows:

| | Maturity Dates | Interest Rates | Outstanding Debt |
|-------------------------------|---------------------------|---------------------------|-----------------------------|
| Bonds payable | | | |
| Series 2024A general receipts | 2025 - 2040 | 5.00% | \$ 74,025 |
| Series 2022A general receipts | 2025 - 2035 | 5.00% | 42,435 |
| Series 2021A general receipts | 2025 - 2036 | 5.00% | 62,185 |
| Series 2020A general receipts | 2025 - 2046 | 4.00% - 5.00% | 121,545 |
| Series 2017 general receipts | 2025 - 2042 | 4.00% - 5.00% | 108,446 |
| Series 2015 general receipts | 2025 | 1.88% | 5,615 |
| Series 2014 general receipts | 2025 | 3.50% - 5.00% | 5,655 |
| Series 2010A general receipts | 2025 - 2036 | 6.54% - 6.77% | <u>75,865</u> |
| Total bonds payable | | | 495,771 |
| Bond premiums | | | <u>74,399</u> |
| | | | |
| Total bonds payable, net | | | <u>\$ 570,170</u> |

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

| | Principal | Interest | Total |
|-------------|-------------------|-------------------|-------------------|
| 2025 | \$ 33,885 | \$ 23,899 | \$ 57,784 |
| 2026 | 29,295 | 22,375 | 51,670 |
| 2027 | 30,790 | 20,761 | 51,551 |
| 2028 | 25,935 | 19,333 | 45,268 |
| 2029 | 26,015 | 17,937 | 43,952 |
| 2030 - 2034 | 150,856 | 66,283 | 217,139 |
| 2035 - 2039 | 129,450 | 26,984 | 156,434 |
| 2040 - 2044 | 56,565 | 6,470 | 63,035 |
| 2045 - 2046 | <u>12,980</u> | <u>351</u> | <u>13,331</u> |
| | | | |
| Total | <u>\$ 495,771</u> | <u>\$ 204,393</u> | <u>\$ 700,164</u> |

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The University has \$759 in interest-free notes payable obligations that have varying maturity dates through 2025. The scheduled maturities of these obligations as of June 30, 2024 are:

| | | |
|------|----|-----|
| 2025 | \$ | 759 |
|------|----|-----|

Note 7. Leases

Lessor

The University leases space on towers to cellular companies and office space to external parties. In accordance with GASB 87, the University records leases receivable and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The University recognized deferred inflows of resources of lease revenue of \$1,391 and interest income of \$113 for the year ended June 30, 2024. Below is a schedule of future payments that are included in the measurement of the lease receivable:

| | Principal | Interest | Total |
|--------------|------------------|-----------------|-----------------|
| 2025 | \$ 1,445 | \$ 119 | \$ 1,564 |
| 2026 | 1,464 | 86 | 1,550 |
| 2027 | 1,481 | 56 | 1,537 |
| 2028 | 1,322 | 26 | 1,348 |
| 2029-2030 | 800 | 21 | 821 |
| Total | \$ 6,512 | \$ 308 | \$ 6,820 |

Lessee

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

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As of June 30, 2024, the total amount of right-to-use lease assets by major class, and the related accumulated amortization, disclosed separately from other capital assets is as follows:

| | Beginning Balance | Additions | Disposals | Ending Balance |
|---|------------------------------|------------------|------------------|---------------------------|
| Lease assets being amortized: | | | | |
| Buildings | \$ 1,708 | \$ 272 | \$ (207) | \$ 1,773 |
| Machinery and equipment | 1,181 | 617 | (557) | 1,241 |
| Vehicles | 568 | 47 | (69) | 546 |
| Total leased assets being amortized | 3,457 | 936 | (833) | 3,560 |
| Less accumulated amortization: | | | | |
| Buildings | 454 | 224 | (207) | 471 |
| Machinery and equipment | 533 | 270 | (551) | 252 |
| Vehicles | 208 | 132 | (68) | 272 |
| Total accumulated amortization | 1,195 | 626 | (826) | 995 |
| Total, net of accumulated amortization | \$ 2,262 | \$ 310 | \$ (7) | \$ 2,565 |

Included in facilities is a building that the University subleases. The lease and sublease of the facility are accounted for as two separate transactions as both a lessee and a lessor. The right-to-use asset, net of amortization, and the lease liability as of June 30, 2024 were \$1,072 and \$1,162, respectively. At June 30, 2024, the University reported a lease receivable and deferred inflow of resources of \$1,162 and \$1,072, respectively.

As of June 30, 2024, the principal and interest requirements to maturity for the lease liability is as follows:

| | Principal | Interest | Total |
|------------------|------------------|-----------------|-----------------|
| 2025 | \$ 590 | \$ 66 | \$ 656 |
| 2026 | 575 | 46 | 621 |
| 2027 | 529 | 26 | 555 |
| 2028 | 217 | 14 | 231 |
| 2029-2034 | 761 | 20 | 781 |
| Total | \$ 2,672 | \$ 172 | \$ 2,844 |

Note 8. Subscription Liabilities

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

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During the year ended June 30, 2024, the University recognized \$162 of subscription expense for variable payments not previously included in the measurement of the subscription liability.

The following is a schedule by year of payments under the SBITAs as of June 30, 2024:

| | Principal | Interest | Total |
|------|------------------|-----------------|-----------------|
| 2025 | \$ 2,059 | \$ 103 | \$ 2,162 |
| 2026 | 1,278 | 45 | 1,323 |
| 2027 | 993 | 5 | 998 |
| | \$ 4,330 | \$ 153 | \$ 4,483 |

Note 9. Pension Plans

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

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

Defined Benefit Plans

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

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

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Benefits Provided

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

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

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

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

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

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

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

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

Contribution Requirements

The STRS Plan employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate and member contribution rate is 14.0 percent of covered payroll (for both pension and OPEB and the Plan determines how much to allocate to OPEB each year). For STRS Ohio, the University contributed \$10,209 for the year ended June 30, 2024.

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OPERS plan contributions are established under Chapter 145 of the Ohio Revised Code, as amended by Substitute Senate Bill 343 in 2012. During calendar years 2020 and 2019 and forward, employees covered by the OPERS system were required by state statute to contribute 10.0 percent of their salary to the plan. The University was required to contribute 14.0 percent of covered payroll, and the Plans determine how much to allocate to OPEB each year. Law enforcement employees who are a part of the OPERS law enforcement division contribute 13.0 percent of their salary to the plan for the calendar year. For these employees, the University was required to contribute 18.1 percent of covered payroll for the same years. The member contribution rate for all other employees and the University's contribution rate remained unchanged. The University contributed \$15,282 for the year ended June 30, 2024. For 2024, no portion of employer contributions to OPERS were allocated to health care (OPEB) for members in the Traditional Plan.

The payroll for employees covered by STRS Ohio for the year ended June 30, 2024 was \$72,924. The payroll for employees covered by OPERS for the year ended June 30, 2024 was \$108,549.

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

At June 30, 2024, the University reported a liability of \$287,780 for its proportionate share of the net pension liability for the OPERS Traditional plan and the STRS Ohio plan, in the amounts of \$154,728 and \$133,052, respectively. The net pension liability was measured as of December 31, 2023 for the OPERS traditional plan and June 30, 2023 for the STRS Ohio plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the same date for each plan. The amount used to allocate the net pension liability, deferred inflows/outflows and pension expense was based on the contributions during the measurement period which was determined by the OPERS Traditional plan and STRS Ohio plan to be a reliable approximation of long-term contribution effort to the two plans. At the measurement date, the University's proportion was .591005 percent for OPERS Traditional, which was an increase of .014213 from its proportion measured as of December 31, 2022 and .617844 percent for STRS Ohio, which was a decrease of .051793 from its proportion measured as of June 30, 2022.

At June 30, 2024, the University reported an asset of \$2,171 for its proportionate share of the net pension asset for the OPERS Combined plan. The net pension asset was measured as of December 31, 2023. The method used to calculate the net pension asset was determined by an actuarial valuation as of that date. The amount used to allocate the net pension asset, deferred inflows/outflows and pension expense was based on the contributions during the measurement period which was determined by the OPERS Combined plan and to be a reliable approximation of long term contribution effort to the plan. At the measurement date, the University's proportion was .706406 percent for OPERS Combined plan, which was an increase of .019543 from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the University recognized pension income of approximately \$5,254 consisting of pension expense of approximately \$2,806 for the OPERS Traditional plan, pension income of \$256 for the OPERS Combined plan, and pension income of \$7,804 for the OPERS Combined plan.

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At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | STRS Ohio | OPERS | Total |
|--|------------------|------------------|------------------|
| Deferred outflows of resources | | | |
| Differences between expected and actual actuarial experience | \$ 4,851 | \$ 2,617 | \$ 7,468 |
| Changes in assumptions | 10,958 | 81 | 11,039 |
| Net difference between projected and actual earnings on pension plan investments | - | 31,584 | 31,584 |
| Changes in proportion and differences between University contributions and proportionate share of contributions | - | 2,499 | 2,499 |
| University contributions subsequent to the measurement date | 10,209 | 7,217 | 17,426 |
| Total | \$ 26,018 | \$ 43,998 | \$ 70,016 |
| Deferred inflows of resources | | | |
| Differences between expected and actual actuarial experience | \$ 295 | \$ 215 | \$ 510 |
| Changes in assumptions | 8,248 | - | 8,248 |
| Net difference between projected and actual earnings on pension plan investments | 399 | - | 399 |
| Changes in proportion and differences between University contributions and proportionate share of contributions | 16,869 | 2,682 | 19,551 |
| Total | \$ 25,811 | \$ 2,897 | \$ 28,708 |

Deferred inflows and outflows of resources related to the net difference between projected and actual earnings on pension plan investments are amortized over five years. The remaining deferred inflows and outflows of resources are amortized over the average remaining service lives of the active and inactive participants in the plan. Deferred outflows of resources includes \$17,426 for the year ended June 30, 2024, for University contributions subsequent to the measurement dates of the Plans and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

| | STRS Ohio | OPERS | Total |
|----------------------------|--------------------|------------------|------------------|
| Year ended June 30: | | | |
| 2025 | \$ (7,686) | \$ 8,509 | \$ 823 |
| 2026 | (10,494) | 10,434 | (60) |
| 2027 | 11,024 | 19,683 | 30,707 |
| 2028 | (2,846) | (4,742) | (7,588) |
| 2029 | - | 14 | 14 |
| Thereafter | - | (14) | (14) |
| | \$ (10,002) | \$ 33,884 | \$ 23,882 |

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Actuarial Assumptions Used for the Year-Ended June 30, 2024

For STRS Ohio, the total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

For OPERS, the total pension liability/asset in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| OPERS | Traditional Pension Plan | Combined Plan |
|---|---|---|
| Wage Inflation | 2.75 percent | 2.75 percent |
| Projected salary increases | 2.75 percent to 10.75 percent (includes wage inflation at 2.75 percent to 8.25 percent (includes wage inflation at 2.75 percent)) | 2.75 percent to 10.75 percent (includes wage inflation at 2.75 percent to 8.25 percent (includes wage inflation at 2.75 percent)) |
| Investment rate of return and discount rate | 6.90 percent | 6.90 percent |
| Cost-of-living adjustments (COLA) | Pre January 7, 2013 retirees: 3.00 percent simple Post January 7, 2013 retirees: 2.30 percent simple through 2024, then 2.05 percent simple | Pre January 7, 2013 retirees: 3.00 percent simple Post January 7, 2013 retirees: 2.30 percent simple through 2024, then 2.05 percent simple |

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

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

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Experience Studies: STRS actuarial assumption used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. OPERS actuarial assumptions used in the December 31, 2022 valuation are based on the results of an actual experience study for the period January 1, 2016 through December 31, 2020.

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

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

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

| Asset Class | STRS Ohio | | OPERS | |
|--|-------------------|--|-------------------|--|
| | Target Allocation | Long-Term Expected Real Rate of Return | Target Allocation | Long-Term Expected Real Rate of Return |
| Domestic equities | 26.00 % | 6.60 % | 21.00 % | 4.27 % |
| International equities | 22.00 | 6.80 | 20.00 | 5.16 |
| Alternative investments/Private equity | 19.00 | 7.38 | 15.00 | 7.52 |
| Fixed income | 22.00 | 1.75 | 24.00 | 2.85 |
| Real estate | 10.00 | 5.75 | 13.00 | 4.46 |
| Risk parity | | | 2.00 | 4.38 |
| Other | 1.00 | 1.00 | 5.00 | 3.46 |
| Total | 100.00 % | | 100.00 % | |

Discount Rate: The discount rate used to measure the total pension liability was 7.00 percent for STRS as of the measurement date (June 30, 2023). The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2023.

The discount rate used to measure the total pension liability (asset) was 6.90 percent for OPERS as of the measurement date (December 31, 2023). The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

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

| | Current | | |
|--------------------------|--------------------------------------|--|--------------------------------------|
| | 1% Decrease (6.00%) | Discount Rate (7.00%) | 1% Increase (8.00%) |
| STRS Ohio | \$ 204,605 | \$ 133,052 | \$ 72,538 |
| | | | |
| | 1% Decrease (5.90%) | Current Discount Rate (6.90%) | 1% Increase (7.90%) |
| OPERS - Traditional Plan | \$ 243,583 | \$ 154,728 | \$ 80,826 |
| OPERS - Combined Plan | (1,314) | (2,171) | (2,847) |

Note 10. Defined Contribution Retirement Plans

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

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in STRS Ohio or OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of seven private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. The required contribution was 2.91 percent for STRS Ohio and 2.24 percent for OPERS of covered payroll for the year ended June 30, 2024. The employer also contributes what would have been the employer's contribution under STRS Ohio or OPERS, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with vesting after one year. The pension expense for the ARP was \$8,749 for the year ended June 30, 2024.

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

The payroll for employees electing the alternative retirement program for the year ended June 30, 2024 was approximately \$79,238.

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

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

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

OPEB Plans

STRS Ohio is a cost-sharing multiple employer statewide retirement plan. STRS Ohio provides access to health care coverage for eligible retirees who participated in the Defined Benefit or Combined Plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and reimbursement of a portion of the monthly Medicare Part B premiums. Pursuant to the ORC, the State Teachers Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by the plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Benefit recipients contributed \$110.8 million or 29% of the total health care costs in fiscal 2023 (excluding deductibles, coinsurance and copayments).

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage. For the year ended June 30, 2023, STRS Ohio received \$110.5 million in Medicare Part D government reimbursements.

The ORC permits, but does not require, OPERS to offer post-employment health care coverage. Authority to establish and amend health care coverage is provided in Chapter 145 of the ORC. The ORC allows a portion of the employers' contributions to be used to fund health care coverage. The health care portion of the employer contribution rate for the Traditional Pension Plan and Combined Plan is comparable, as the same coverage options are provided to participants in both plans. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-eligible retirees could select supplemental coverage, and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees includes hospitalization, medical expenses and prescription drugs. The System determines the amount, if any, of the associated health care costs that will be absorbed by the System and attempts to control costs by using managed care, case management, and other programs. Additional details on health care coverage can be found in the Plan Statement in the OPERS 2023 Annual Comprehensive Financial Report.

The OPERS funding policy provides for periodic member and employer contributions at rates established by the Board, subject to limits set in statute. With assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. All contribution rates were within the limits authorized by the ORC. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was zero for 2023.

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

The payroll for employees covered by STRS Ohio for the year ended June 30, 2024 was approximately \$72,924. The payroll for employees covered by OPERS for the year ended June 30, 2024 was approximately \$108,549. There were no employer contributions made to fund post-employment benefits for the year ended June 30, 2024.

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

At June 30, 2024, the University reported an asset of \$5,276 for its proportionate share of the net OPEB liability for the OPERS plan. The net OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. The amount used to allocate the net OPEB liability, deferred inflows/outflows and OPEB expense was based on the total employer (pension and OPEB) contributions during the measurement period which was determined by the OPERS plan to be a reliable approximation of long-term contribution effort to the plan. At the measurement date, the University's proportion was .584526 percent for OPERS, which was a decrease of .005743 from its proportion measured as of December 31, 2022.

At June 30, 2024, the University reported an asset of \$12,016 for its proportionate share of the net OPEB asset for the STRS Ohio plan. The net OPEB asset was measured as of June 30, 2023 for the STRS Ohio plan. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date for the plan. The amount used to allocate the net OPEB asset, deferred inflows/outflows and OPEB expense was based on the total employer (pension and OPEB) contributions during the measurement period which was determined by the STRS Ohio plan to be a reliable approximation of long-term contribution effort to the plan. At the measurement date, the University's proportion was .617844 percent for STRS Ohio, which was a decrease of .051792 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the University recognized OPEB income of approximately \$1,642 consisting of OPEB income of approximately \$951 for the OPERS plan and \$691 for the STRS Ohio plan.

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

| | STRS Ohio | OPERS | Total |
|---|------------------|-----------------|------------------|
| Deferred outflows of resources: | | | |
| Differences between expected and actual actuarial experience | \$ 19 | \$ - | \$ 19 |
| Net difference between projected and actual earnings | | | |
| on OPEB plan investments | 22 | 3,168 | 3,190 |
| Changes in assumptions | 1,770 | 1,358 | 3,128 |
| Changes in proportion and differences between University contributions and proportionate share of contributions | 248 | 86 | 334 |
| Total | \$ 2,059 | \$ 4,612 | \$ 6,671 |
| Deferred inflows of resources: | | | |
| Differences between expected and actual actuarial experience | \$ 1,833 | \$ 751 | \$ 2,584 |
| Net difference between projected and actual earnings | | | |
| on OPEB plan investments | 7,928 | 2,267 | 10,195 |
| Changes in assumptions | 71 | 218 | 289 |
| Total | \$ 9,832 | \$ 3,236 | \$ 13,068 |

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

| | STRS Ohio | OPERS | Total |
|----------------------------|-------------------|-----------------|-------------------|
| Year ended June 30: | | | |
| 2025 | \$ (3,520) | \$ (189) | \$ (3,709) |
| 2026 | (1,593) | 165 | (1,428) |
| 2027 | (586) | 2,455 | 1,869 |
| 2028 | (803) | (1,055) | (1,858) |
| 2029 | (726) | - | (726) |
| Thereafter | (545) | - | (545) |
| | \$ (7,773) | \$ 1,376 | \$ (6,397) |

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For STRS Ohio, the total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

STRS Ohio

| | |
|-----------------------------|---|
| Projected salary increases | Varies by service from 2.5% to 8.5% |
| Projected payroll increases | 3.00 percent |
| Investment rate of return | 7.00 percent, net of investment expenses, including inflation |
| Discount rate | 7.00 percent |
| Health care cost trends | |
| Medical | |
| Pre-Medicare | 7.50 percent initial, 4.14 percent ultimate |
| Medicare | (10.94) percent initial, 4.14 percent ultimate |
| Prescription Drug | |
| Pre-Medicare | (11.95) percent initial, 4.14 percent ultimate |
| Medicare | 1.33 percent initial, 4.14 percent ultimate |

For OPERS, the total OPEB liability at the December 31, 2023 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

OPERS

| | |
|----------------------------|---|
| Single discount rate | 5.70 percent |
| Investment rate of return | 6.00 percent |
| Municipal bond rate | 3.77 percent |
| Wage inflation | 2.75 percent |
| Projected salary increases | 2.75 percent to 10.75 percent (includes wage inflation) |
| Health care cost trends | 5.5 percent initial, 3.50 percent ultimate in 2038 |

Actuarial Assumptions Used For The Year-Ended June 30, 2024

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

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

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Experience Studies: STRS actuarial assumptions used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. OPERS actuarial assumptions used in the December 31, 2022 valuation are based on the results of an actuarial experience study for the period 2016 through 2020.

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

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

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

| Asset Class | STRS Ohio | | OPERS | |
|-------------------------|-------------------|--|-------------------|--|
| | Target Allocation | Long-Term Expected Real Rate of Return | Target Allocation | Long-Term Expected Real Rate of Return |
| Domestic equities | 26.00 | % | 6.60 | % |
| International equities | 22.00 | | 6.80 | |
| Alternative investments | 19.00 | | 7.38 | |
| Fixed income | 22.00 | | 1.75 | |
| Real estate | 10.00 | | 5.75 | |
| REITs | | | | 5.00 |
| Other | 1.00 | | 1.00 | 5.00 |
| Total | 100.00 | % | 100.00 | % |

Discount Rate: For STRS Ohio the discount rate used to measure the total OPEB asset at the measurement date was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB asset as of June 30, 2023.

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For OPERS, a single discount rate of 5.70% was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

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

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|-----------|--------------------------------|--|--------------------------------|
| STRS Ohio | \$ (10,170) | \$ (12,016) | \$ (13,624) |
| <hr/> | | | |
| | 1% Decrease (4.70%) | Current Discount Rate (5.70%) | 1% Increase (6.70%) |
| OPERS | \$ 2,899 | \$ (5,276) | \$ (12,047) |

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

| | 1% Decrease | Current Health Care Cost Trend Rate | 1% Increase |
|-----------|--------------------|--|--------------------|
| STRS Ohio | \$ (13,699) | \$ (12,016) | \$ (9,990) |
| OPERS | \$ (5,495) | \$ (5,276) | \$ (5,027) |

OPEB Plan Fiduciary Net Position:

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

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Note 12. Discretely Presented Component Unit

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

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

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

Summary financial information for the Foundation as of June 30, 2024, the date of its most recent audited financial report, is as follows:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|-----------------------------------|---------------------------------------|------------------------------------|--------------|
| Net assets at end of year | \$ 4,938 | \$ 535,742 | \$ 540,680 |
| Change in net assets for the year | 480 | 66,366 | 66,846 |
| Distributions to Miami University | 24,094 | - | 24,094 |

Cash and Cash Equivalents

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

Investments

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

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

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

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

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

Long-Term Investments

Investments held by the Foundation as of June 30, 2024 were:

| | Fair Value |
|--|--------------------------|
| Investment description: | |
| Pooled Investment Fund (PIF): | |
| Strategic Investment Management, LLC funds | \$ 370,144 |
| Various private capital investments | 181,193 |
| Hedge funds | 151,090 |
| Government bonds | 66,327 |
| Global credit funds | 20,860 |
| Public equities | 5 |
| Other | 1,318 |
| Split-interest funds: | |
| Charitable remainder trusts | 11,363 |
| Charitable gift annuities | 1,170 |
| Pooled income funds | <u>485</u> |
| Total | 803,955 |
| Cash value of life insurance | <u>1,780</u> |
| | <u><u>\$ 805,735</u></u> |

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The Foundation maintains a diversified investment portfolio for the Pooled Investment Fund (PIF) intended to reduce market risk, credit risk, and interest rate risk with a strategy designed to take advantage of market inefficiencies. Beginning in fiscal year 2019, management of the PIF was delegated by the Board of the Foundation to an external investment firm, Strategic Investment Management, LLC. The external investment firm has discretion to manage the PIF within the framework of the investment policy statement. Additionally, the external investment firm has implemented a combination of internally and externally managed investment vehicles, including separate accounts, limited partnerships, and commingled funds. The Foundation's investment portfolio also includes publicly traded securities and the underlying holdings for certain non-publicly traded funds includes publicly traded securities. As a result, a significant downturn in the securities markets could adversely affect the market value of Foundation assets. As of June 30, 2024, the Foundation has made commitments to limited partnerships of approximately \$163,038 that have not yet been funded, some of which management expects may not be called by the partnerships due to the life-cycle of the respective partnerships.

Fair Value Measurements

The Foundation uses fair value measurements to record the fair value of certain assets and liabilities and to determine fair value disclosures. Financial assets and liabilities recorded on the Statement of Financial Position are categorized based on the inputs and valuation techniques as follows:

- Level 1** – Quoted prices that are available in active markets as of the report date. The quoted market prices are from those securities traded on an active exchange such as the New York Stock Exchange, NASDAQ or an active over-the-counter market.
- Level 2** – Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the report date.
- Level 3** – Inputs that are unobservable including the Foundation's own assumptions in determining the fair value of investments or liabilities.

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

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

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The following table presents the fair value hierarchy for the balances of the assets and liabilities of the Foundation measured at fair value on a recurring basis as of June 30, 2024:

| | Level 1 | Level 2 | Level 3 | Total |
|---|------------------|------------------|-----------------|-------------------|
| Investment assets: | | | | |
| Public equities | \$ 5 | \$ - | \$ - | \$ 5 |
| Government bonds | - | 66,327 | - | 66,327 |
| Other | 1,073 | 19 | 225 | 1,317 |
| Split-interest funds: | | | | |
| Charitable remainder trusts | 11,364 | - | - | 11,364 |
| Charitable gift annuities | 1,170 | - | - | 1,170 |
| Pooled income funds | 485 | - | - | 485 |
| | <u>\$ 14,097</u> | <u>\$ 66,346</u> | <u>\$ 225</u> | <u>\$ 80,668</u> |
| Funds reported at fair value based on net asset value: (a) | | | | |
| Non-publicly traded funds: | | | | |
| Strategic Developed Markets ex-US Equity Trust | | | | 85,210 |
| Strategic Emerging Markets Equity Trust | | | | 36,805 |
| Strategic Global Equity Trust | | | | 48,069 |
| Strategic U.S. Equity Trust | | | | 200,060 |
| Strategic SPC Alpha Segregated Portfolio | | | | 147,701 |
| Various other non-publicly traded funds | | | | 24,249 |
| Various private capital investments | | | | 181,193 |
| Total non-publicly traded funds reported at fair value based on net asset value | | | | <u>723,287</u> |
| Total investment assets | | | | <u>\$ 803,955</u> |
| Investment liabilities: | | | | |
| Split-interest funds: | | | | |
| Charitable remainder trusts | \$ - | \$ - | \$ 2,236 | \$ 2,236 |
| Charitable gift annuities | - | - | 871 | 871 |
| Pooled income funds | - | - | 10 | 10 |
| Total investment liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,117</u> | <u>\$ 3,117</u> |

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

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The following table sets forth the significant terms of the agreements with non-publicly traded funds reported at fair value based on net asset value at June 30, 2024:

| | Fair Value | Unfunded Commitments | Redemption Frequency (if Currently Eligible) | Redemption Notice Period |
|---|-------------------|----------------------|--|--------------------------|
| Strategic Investment Management, LLC funds | | | | |
| Strategic Developed Markets ex-US Equity Trust ^(a) | \$ 85,210 | \$ - | monthly | 30 days |
| Strategic Emerging Markets Equity Trust ^(b) | 36,805 | - | monthly | 30 days |
| Strategic Global Equity Trust ^(c) | 48,069 | - | monthly | 30 days |
| Strategic U.S. Equity Trust ^(d) | 200,060 | - | monthly | 30 days |
| Strategic SPC Alpha Segregated Portfolio ^(e) | 147,701 | - | quarterly | 90 days |
| Various other non-publicly traded funds ^(f) | 24,249 | - | monthly/quarterly | 15-365 days |
| Various private capital investments ^(g) | | | | |
| Private equity | 112,469 | 142,285 | illiquid | not applicable |
| Private debt | 23,295 | 7,686 | illiquid | not applicable |
| Private natural resources | 19,901 | 2,249 | illiquid | not applicable |
| Private real estate | 25,528 | 10,796 | illiquid | not applicable |
| Total | <u>\$ 723,287</u> | <u>\$ 163,016</u> | | |

- (a) This fund generally invests in long positions in publicly traded equity securities focusing in developed economies outside of the United States including Western Europe and Asia, as well as futures and options in such securities and certain stock indices.
- (b) This fund generally invests in long positions in a diversified equity portfolio of publicly traded securities focusing in markets outside of the United States and Western Europe, including Asia and Latin America as well as Eastern Europe, Africa and the less developed Mediterranean economies.
- (c) This fund generally invests in long positions in global publicly traded equity securities as well as futures and options on such securities and certain stock indices.
- (d) This fund generally invests in long positions in domestic publicly traded equity securities as well as futures and options in such securities and certain stock indices.
- (e) This fund generally invests in hedge funds that invest in both long and short positions in publicly traded equity and debt securities on a global basis. Most debt securities are sub-investment grade and may be hard to price due to thin trading volumes. The various strategies collectively target a market neutral position.
- (f) This class includes primarily investments in public and private debt securities on a global basis with sub-investment grade credit ratings, such as bank loans and high yield bonds.
- (g) This class includes primarily investments in limited partnerships. These funds are illiquid that, in general, do not offer access to redemptions during the life of the partnership. Capital is periodically called, invested, and then returned over time. Typically, these partnerships have a life exceeding ten years and may take up to twenty years before they have fully returned called capital.

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Pledges Receivable

As of June 30, 2024, contributors to the Foundation have made unconditional pledges totaling \$17,520, with one pledge accounting for over 23 percent of that total. Net pledges receivable have been discounted using rates commensurate with the risks involved to a net present value of \$16,706 at June 30, 2024. Discount rates ranged from 0.6 percent to 4.60 percent. Management has set up an allowance for uncollectible pledges of \$728 at June 30, 2024. All pledges have been classified as restricted expendable net positions since they will be fulfilled within a specified period of time or meet donor-imposed stipulations.

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

Split-Interest Agreements

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

Endowment

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

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

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in restricted-expendable net positions. As of June 30, 2024, there were no deficiencies of this nature.

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Note 13. Commitments

At June 30, 2024, the University is committed to future contractual obligations for capital expenditures of approximately \$55,404. These commitments are being funded from the following sources:

Contractual obligations:

| | |
|--|------------------|
| Approved state appropriations not expended | \$ 572 |
| University funds and bond proceeds | <u>54,832</u> |
| Total | \$ 55,404 |

Note 14. Risk Management

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

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 \$2,191 is included in the accrued salaries and wages as of June 30, 2024. The change in the total liability for actual and estimated claims is summarized below:

| | |
|--|-----------------|
| Liability at beginning of year | \$ 2,397 |
| Claims incurred | 44,716 |
| Claims paid | (44,703) |
| Change in estimated claims incurred but not reported | <u>(219)</u> |
| Liability at end of year | \$ 2,191 |

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

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

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The “All-Risk” Property program, which has been in place for 31 years, has a loss limit of \$1,000,000 shared between all IUC-RMIC members. The Casualty program, which has been in place for 26 years and includes general liability, automobile liability and educator’s legal liability, now has a dedicated loss limit of \$50,000.

In both coverages, the University’s base deductible is \$100 with a few other deductibles applying to catastrophic property losses (namely flood and earthquake). The first layer of coverage is the Consortium’s self-insurance pool whereby all members fund this layer per the agreed-to contribution and allocation methodology. For “All-Risk” Property, the next \$900 of any covered claim is paid from the property self-insurance pool. For Casualty, the next \$1,400 of a covered claim is paid from the casualty self-insurance pool. To date, the University has had three (3) property claims and five (5) casualty claims that have exceeded the base deductible and has either been paid by the self-insurance pool or a combination of the pool and insurance. Currently, there are a few claims reserved in excess of the University’s base deductible.

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

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

Note 15. Contingencies

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

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

Required Supplementary Information

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Pension Plan Data
Years Ended June 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015
(In Thousands)

| | STRS Ohio | OPERS Traditional | OPERS Combined |
|--|--------------|----------------------|-------------------|
| For the Year Ended June 30, 2024 | | | |
| University's proportion of the net pension liability (asset) | 0.617844% | 0.591005% | 0.706406% |
| University's proportionate share of the net pension liability (asset) | \$ 133,052 | \$ 154,728 | \$ (2,171) |
| University's covered payroll | 73,036 | 91,999 | 3,066 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 182.17% | 168.18% | -70.81% |
| Plan fiduciary net position as a percentage of the total pension liability | 80.00% | 79.01% | 144.55% |
| For the Year Ended June 30, 2023 | | | |
| University's proportion of the net pension liability (asset) | 0.669637% | 0.576792% | 0.686863% |
| University's proportionate share of the net pension liability (asset) | \$ 148,861 | \$ 170,385 | \$ (1,619) |
| University's covered payroll | 72,120 | 89,401 | 2,947 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 206.41% | 190.59% | -54.94% |
| Plan fiduciary net position as a percentage of the total pension liability | 78.90% | 75.74% | 137.14% |
| For the Year Ended June 30, 2022 | | | |
| University's proportion of the net pension liability (asset) | 0.671086% | 0.586913% | 0.679262% |
| University's proportionate share of the net pension liability (asset) | \$ 85,804 | \$ 51,064 | \$ (2,676) |
| University's covered payroll | 68,234 | 85,678 | 2,794 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 125.75% | 59.60% | -95.78% |
| Plan fiduciary net position as a percentage of the total pension liability | 87.80% | 92.62% | 169.88% |
| For the Year Ended June 30, 2021 | | | |
| University's proportion of the net pension liability (asset) | 0.758928% | 0.621864% | 0.711364% |
| University's proportionate share of the net pension liability (asset) | \$ 183,634 | \$ 92,084 | \$ (2,053) |
| University's covered payroll | 76,683 | 87,736 | 2,861 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 239.47% | 104.96% | -71.76% |
| Plan fiduciary net position as a percentage of the total pension liability | 75.50% | 86.88% | 157.67% |
| For the Year Ended June 30, 2020 | | | |
| University's proportion of the net pension liability (asset) | 0.770956% | 0.704723% | 0.818105% |
| University's proportionate share of the net pension liability (asset) | \$ 170,492 | \$ 139,294 | \$ (1,706) |
| University's covered payroll | 76,102 | 92,433 | 3,014 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 224.03% | 150.70% | -56.60% |
| Plan fiduciary net position as a percentage of the total pension liability | 77.40% | 82.17% | 145.28% |

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Pension Plan Data
Years Ended June 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015
(In Thousands)

(Continued)

| | STRS Ohio | OPERS Traditional | OPERS Combined |
|--|----------------------|------------------------------|---------------------------|
| For the Year Ended June 30, 2019 | | | |
| University's proportion of the net pension liability (asset) | 0.776608% | 0.611989% | 0.674437% |
| University's proportionate share of the net pension liability (asset) | \$ 170,759 | \$ 167,611 | \$ (755) |
| University's covered payroll | 74,262 | 91,878 | 2,996 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 229.94% | 182.43% | -25.20% |
| Plan fiduciary net position as a percentage of the total pension liability | 77.30% | 74.70% | 126.64% |
| For the Year Ended June 30, 2018 | | | |
| University's proportion of the net pension liability (asset) | 0.772173% | 0.663383% | 0.684872% |
| University's proportionate share of the net pension liability (asset) | \$ 183,431 | \$ 104,072 | \$ (932) |
| University's covered payroll | 71,889 | 87,917 | 2,867 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 255.16% | 118.38% | -32.51% |
| Plan fiduciary net position as a percentage of the total pension liability | 75.30% | 84.66% | 137.28% |
| For the Year Ended June 30, 2017 | | | |
| University's proportion of the net pension liability (asset) | 0.762848% | 0.664940% | 0.665441% |
| University's proportionate share of the net pension liability (asset) | \$ 255,348 | \$ 150,997 | \$ (370) |
| University's covered payroll | 67,967 | 84,296 | 2,749 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 375.69% | 179.13% | -13.46% |
| Plan fiduciary net position as a percentage of the total pension liability | 66.80% | 77.25% | 116.55% |
| For the Year Ended June 30, 2016 | | | |
| University's proportion of the net pension liability (asset) | 0.750872% | 0.651198% | 0.664254% |
| University's proportionate share of the net pension liability (asset) | \$ 207,519 | \$ 112,796 | \$ (323) |
| University's covered payroll | 67,064 | 80,840 | 2,636 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 309.43% | 139.53% | -12.25% |
| Plan fiduciary net position as a percentage of the total pension liability | 72.10% | 81.08% | 116.90% |
| For the Year Ended June 30, 2015 | | | |
| University's proportion of the net pension liability (asset) | 0.718940% | 0.662272% | 0.650661% |
| University's proportionate share of the net pension liability (asset) | \$ 174,871 | \$ 79,877 | \$ (251) |
| University's covered payroll | 63,215 | 80,662 | 2,630 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 276.63% | 99.03% | -9.54% |
| Plan fiduciary net position as a percentage of the total pension liability | 74.70% | 86.45% | 114.83% |

Miami University
A Component Unit of the State of Ohio
Pension Plan Data
Last Ten Fiscal Years Ended June 30, 2024
(In Thousands)

(Continued)

| STRS Ohio | | | | | | | |
|------------------|--|---|---|-------------------------------------|---|-------|--|
| | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | University's Covered Payroll | Contributions as a Percentage of Covered Payroll | | |
| 2015 | \$ 8,718 | \$ 8,718 | \$ - | \$ 67,064 | | 13.0% | |
| 2016 | 9,516 | 9,516 | - | 67,969 | | 14.0% | |
| 2017 | 10,064 | 10,064 | - | 71,889 | | 14.0% | |
| 2018 | 10,397 | 10,397 | - | 74,262 | | 14.0% | |
| 2019 | 10,654 | 10,654 | - | 76,102 | | 14.0% | |
| 2020 | 10,736 | 10,736 | - | 76,683 | | 14.0% | |
| 2021 | 9,553 | 9,553 | - | 68,234 | | 14.0% | |
| 2022 | 10,097 | 10,097 | - | 72,120 | | 14.0% | |
| 2023 | 10,225 | 10,225 | - | 73,036 | | 14.0% | |
| 2024 | 10,209 | 10,209 | - | 72,924 | | 14.0% | |

| OPERS Traditional, Combined and Member-Directed | | | | | | | |
|--|--|---|---|-------------------------------------|---|-------|--|
| | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | University's Covered Payroll | Contributions as a Percentage of Covered Payroll | | |
| 2015 | \$ 10,925 | \$ 10,925 | \$ - | \$ 86,845 | | 12.6% | |
| 2016 | 10,877 | 10,877 | - | 90,034 | | 12.1% | |
| 2017 | 11,778 | 11,778 | - | 93,543 | | 12.6% | |
| 2018 | 13,180 | 13,180 | - | 96,874 | | 13.6% | |
| 2019 | 14,046 | 14,046 | - | 99,651 | | 14.1% | |
| 2020 | 14,261 | 14,261 | - | 101,097 | | 14.1% | |
| 2021 | 13,032 | 13,032 | - | 92,496 | | 14.1% | |
| 2022 | 13,316 | 13,316 | - | 94,477 | | 14.1% | |
| 2023 | 14,462 | 14,462 | - | 102,408 | | 14.1% | |
| 2024 | 15,282 | 15,282 | - | 108,549 | | 14.1% | |

Miami University
A Component Unit of the State of Ohio
OPEB Plan Data
Years Ended June 30, 2024, 2023, 2022, 2021, 2020, 2019 and 2018
(In Thousands)

| | | STRS Ohio | OPERS |
|---|-------------|------------------|--------------|
| For the Year Ended June 30, 2024 | | | |
| University's proportion of the net OPEB (asset) liability | | 0.617844% | 0.584526% |
| University's proportionate share of the net OPEB (asset) liability | \$ (12,016) | \$ (5,276) | |
| University's covered payroll | | 72,924 | 108,549 |
| University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll | | -16.48% | -4.86% |
| Plan fiduciary net position as a percentage of the total OPEB (assets) liability | | 168.50% | 107.76% |
| For the Year Ended June 30, 2023 | | | |
| University's proportion of the net OPEB (asset) liability | | 0.669637% | 0.590269% |
| University's proportionate share of the net OPEB (asset) liability | \$ (17,339) | \$ 3,722 | |
| University's covered payroll | | 73,036 | 102,408 |
| University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll | | -23.74% | 3.63% |
| Plan fiduciary net position as a percentage of the total OPEB (assets) liability | | 230.70% | 94.80% |
| For the Year Ended June 30, 2022 | | | |
| University's proportion of the net OPEB (asset) liability | | 0.671086% | 0.598901% |
| University's proportionate share of the net OPEB (asset) liability | \$ (14,149) | \$ (18,759) | |
| University's covered payroll | | 72,120 | 94,477 |
| University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll | | -19.62% | -19.86% |
| Plan fiduciary net position as a percentage of the total OPEB (assets) liability | | 174.73% | 128.23% |
| For the Year Ended June 30, 2021 | | | |
| University's proportion of the net OPEB (asset) liability | | 0.758928% | 0.633933% |
| University's proportionate share of the net OPEB (asset) liability | \$ (13,338) | \$ (11,294) | |
| University's covered payroll | | 68,234 | 92,496 |
| University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll | | -19.55% | -12.21% |
| Plan fiduciary net position as a percentage of the total OPEB (assets) liability | | 182.13% | 115.57% |
| For the Year Ended June 30, 2020 | | | |
| University's proportion of the net OPEB (asset) liability | | 0.770956% | 0.719379% |
| University's proportionate share of the net OPEB (asset) liability | \$ (12,762) | \$ 99,365 | |
| University's covered payroll | | 76,683 | 101,097 |
| University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll | | -16.64% | 98.29% |
| Plan fiduciary net position as a percentage of the total OPEB (assets) liability | | 174.74% | 47.80% |
| For the Year Ended June 30, 2019 | | | |
| University's proportion of the net OPEB (asset) liability | | 0.776608% | 0.622400% |
| University's proportionate share of the net OPEB (asset) liability | \$ (12,479) | \$ 81,146 | |
| University's covered payroll | | 76,102 | 99,651 |
| University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll | | -16.40% | 81.43% |
| Plan fiduciary net position as a percentage of the total OPEB (assets) liability | | 176.00% | 46.33% |
| For the Year Ended June 30, 2018 | | | |
| University's proportion of the net OPEB liability | | 0.772173% | 0.672220% |
| University's proportionate share of the net OPEB liability | \$ 30,127 | \$ 72,999 | |
| University's covered payroll | | 74,262 | 96,874 |
| University's proportionate share of the net OPEB liability as a percentage of its covered payroll | | 40.57% | 75.35% |
| Plan fiduciary net position as a percentage of the total OPEB liability | | 47.10% | 54.14% |

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

Miami University
A Component Unit of the State of Ohio
OPEB Plan Data
Last Ten Fiscal Years Ended June 30, 2024
(In Thousands)

(Continued)

| | STRS Ohio | | | | | Contributions as a Percentage of Covered Payroll |
|------|---|--|--|------------------------------------|--|--|
| | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | University's Covered Payroll | | |
| 2015 | \$ 671 | \$ 671 | \$ - | \$ 67,064 | | 1.0% |
| 2016 | - | - | - | 67,969 | | 0.0% |
| 2017 | - | - | - | 71,889 | | 0.0% |
| 2018 | - | - | - | 74,262 | | 0.0% |
| 2019 | - | - | - | 76,102 | | 0.0% |
| 2020 | - | - | - | 76,683 | | 0.0% |
| 2021 | - | - | - | 68,234 | | 0.0% |
| 2022 | - | - | - | 72,120 | | 0.0% |
| 2023 | - | - | - | 73,036 | | 0.0% |
| 2024 | - | - | - | 72,924 | | 0.0% |

| | OPERS Traditional, Combined and Member-Directed | | | | | Contributions as a Percentage of Covered Payroll |
|------|---|--|--|------------------------------------|--|--|
| | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | University's Covered Payroll | | |
| 2015 | \$ 1,302 | \$ 1,302 | \$ - | \$ 86,845 | | 1.5% |
| 2016 | 1,801 | 1,801 | - | 90,034 | | 2.0% |
| 2017 | 1,403 | 1,403 | - | 93,543 | | 1.5% |
| 2018 | 474 | 474 | - | 96,874 | | 0.5% |
| 2019 | - | - | - | 99,651 | | 0.0% |
| 2020 | - | - | - | 99,365 | | 0.0% |
| 2021 | - | - | - | 92,496 | | 0.0% |
| 2022 | - | - | - | 94,477 | | 0.0% |
| 2023 | - | - | - | 102,408 | | 0.0% |
| 2024 | - | - | - | 108,549 | | 0.0% |

Miami University
A Component Unit of the State of Ohio
Notes to Required Supplementary Information
Year Ended June 30, 2024

Changes in assumptions (Pension): The Retirement Boards of OPERS and STRS made no changes to the actuarial assumptions in 2023. The discount rate and investment rate of return for OPERS and STRS remained the same at 6.90 percent and 7.00 percent, respectively. The wage inflation rate remained the same at 2.75 percent and 3.00 percent, respectively, for OPERS and STRS.

Changes in assumptions (OPEB): The Retirement Board of OPERS approved two changes to the actuarial assumptions in 2023: The discount rate was increased from 5.22 percent to 5.70 percent and the municipal bond rate was decreased from 4.05 percent to 3.77 percent. The Retirement Board of STRS approved three changes to the actuarial assumptions in 2023 regarding the health care cost trends: The medical Medicare rate was increased from -68.78 percent to -10.94 percent. The prescription drug pre-Medicare rate was decreased from 9.0 percent to -11.95 percent and the prescription drug Medicare rate was increased from -5.47 percent to 1.33 percent

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

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

Uniform Guidance Audit Requirements

Miami University
A Component Unit of the State of Ohio
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Identifier | Provided to Subrecipients | Total Federal Expenditures |
|---|---|--------------------------------|------------------------------|----------------------------------|
| STUDENT FINANCIAL ASSISTANCE CLUSTER | | | | |
| U.S. Department of Education Direct Programs: | | | | |
| College Work Study Program Federal Funds | 84.033 | | \$ - | \$ 846,156 |
| TEACH Grant Program | 84.379 | | - | 899,187 |
| Federal PELL Grant Program | 84.063 | | - | 16,746,556 |
| Supplemental Educational Opportunity Grant Program | 84.007 | | - | 802,970 |
| Federal Perkins Loan Program: | 84.038 | | | |
| Loans outstanding at the beginning of the year | | | - | 2,673,327 |
| Federal Direct Student Loan Program | 84.268 | | - | <u>78,913,123</u> |
| Total Student Financial Assistance Cluster | | | - | <u>100,881,319</u> |
| Total U.S. Department of Education | | | - | <u>100,881,319</u> |
| RESEARCH & DEVELOPMENT CLUSTER | | | | |
| U.S. Department of Agriculture: | | | | |
| Pass-Through Programs: | | | | |
| SUNY: Soil Nutrient Limitation Of Northern Hardwood Forest Productivity: Mechanisms Contributing To University of Buffalo: Regulatory Element Discovery in Sequenced Insect Species | 10.310 | 550-1154559-84681 R1177604 | - - - | (1,050) 7,836 <u>6,786</u> |
| Total U.S. Department of Agriculture | | | | |
| U.S. Department of Commerce: | | | | |
| Pass-Through Programs: | | | | |
| NCSU: Home Power System for Pandemic Resiliency | 11.619 | 2022-0444-04 | <u>50,903</u> | <u>150,038</u> |
| U.S. Department of Defense: | | | | |
| Velocity-sorting And Stochastic Resonances In Cold Atom Optical Lattices: Path Toward Efficient Nano-Design of Robust and Responsive Protein-Polymer Bioconjugates Guided by Magnetic Resonance | 12.431 | W911NF2110120 W911NF2310114 | - - 15,836 | 89,910 137,422 15,836 |
| Nanoscopy Imaging Of Corrosion Nucleation At Single Sites | 12.910 | W911NF2010304 | - | 184,727 |
| On Site Installation Evaluation Research Director | 12.XXX | G03742 | <u>15,836</u> | <u>427,895</u> |
| Total U.S. Department of Defense Direct Programs | | | | |
| Pass-Through Programs: | | | | |
| Ohio TechNet Defense Industrial Base (DIB) STEM Consortium | 12.006 | 46569/HQ000342220007 | - | 15,982 |
| Univ of FL: Deep Learning Navigation Applications with Synthetic Aperture Radar Data | 12.800 | SUB00002604-4 | - | 31,859 |
| Montana State Univ- Cornell Univ: Synthesis, characterization and delivery of immune stimulating mate | 12.910 | G03824 | - | 3,457 |
| DEC: Machine Learning for EW Environment Prediction | 12.XXX | J061 PO#10476 | - | 9,286 |
| DARPA ShadAIE Phase 1 | 12.XXX | G03673 | - | 112,250 |
| ISSI: Research and Development of Advanced Propulsion-Driven Technologies: Reverse Thrust Capab | 12.XXX | SB20296 | - | 14,000 |
| Total U.S. Department of Defense Pass-Through Programs | | | | <u>186,834</u> |
| Total U.S. Department of Defense | | | <u>15,836</u> | <u>614,729</u> |
| U.S. Department of the Interior: | | | | |
| Species Boundaries of Hyalella Amphipods in the Great Basin and Surrounding Regions | 15.247 | L22AC00681 | - | 72,816 |
| Identifying an emerging Lake Whitefish restoration barrier in the Great Lakes: habitat-mediated exposur | 15.608 | F22AP02900-00 | - | 80,241 |
| Developing a Genomic Approach to Determining Parentage in Lampsilis Strebkeri | 15.657 | F21AC02347-00 | - | 33,191 |
| Investigating Acess and Barrires to use of the San Diego Emergency App for ShakeAlert Through a M | 15.807 | G23AP00162-00 | - | 29,462 |
| Texas Hornshell, Popenaias Popeii, in the Black River - Field and Laboratory Studies of Sublethal Ther | 15.808 | G21AC10588-00 | - | 4,052 |
| Acid Precipitation Monitoring Site OH 09 | 15.808 | 140G0121P0023 | - | 758 |
| Evaluating how Changing Climate And Water Clarity Can Affect Restoration Of Native Coregonines In Mi | 15.808 | G21AC10726-00 | - | 42,089 |
| Total U.S. Department of the Interior Direct Programs | | | | <u>262,609</u> |
| Pass-Through Programs: | | | | |
| Conservation Genetic Assessment of Smooth Greensnakes (Ophiodrys Vernalis) in Ohio | 15.634 | G03916 | - | 45,994 |
| Evaluating the Relationship between Variable Winter/spring Conditions and Cyanobacteria DYNamics i | 15.805 | GR133742-SPC-1000012549 | - | 32,869 |
| Kentucky Waterways Alliance: Dating Mussel Shells From Historical Or Prehistoric Muskrat Middens | 15.XXX | G03521 | - | 167 |
| Total U.S. Department of the Interior Pass-Through Programs | | | | <u>79,030</u> |
| Total U.S. Department of the Interior | | | | <u>341,639</u> |

**Miami University
A Component Unit of the State of Ohio
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

(Continued)

Miami University
A Component Unit of the State of Ohio
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

(Continued)

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Identifier | Provided to Subrecipients | Total Federal Expenditures |
|--|---|----------------------------|------------------------------|-------------------------------|
| Pass-Through Programs: | | | | |
| OSU: Enhancing Laser Based Ion Sources with High Data Rate Techniques | 47.049 | SPC-1000005298 | \$ - | \$ 7,350 |
| OU: Frameworks: Bayesian Analysis of Nuclear Dynamics | 47.070 | UT21727 | - | 76,534 |
| Cary Institute of Ecosystem Studies: LTER: Long-Term Ecological Research at the Hubbard Brook Expe | 47.074 | 3340/200201865 | - | 65,943 |
| University at Buffalo: Evaluation of Biology with X-Ray Lasers | 47.074 | R01092122 | - | 40,838 |
| University of Colorado: Boulder: LTER: Ecosystem Response to Amplified Landscape Connectivity in the | 47.074 | 1000861768 | - | 11,133 |
| University of Michigan: Using Natural History Museum Collections to Document the Occurrence Throug | 47.074 | 3003198912 | - | (5,779) |
| Univ of MO: WTG: Diffusion of Research on Supporting Mathematics Achievement for Youth with Disat | 47.075 | C00080622-1 | - | 8,542 |
| MSU: ADVANCE Partnership: STEM Intersectional Equity in Departments (SIEDS): A Partnership for Inv | 47.076 | RC115437MU | - | 6,905 |
| ONU: Ohio Northern University NOYCE Scholars Program | 47.076 | 2GF038 | - | 13,153 |
| OSU: NSF-LSAMP Ohio Alliance - 2018-23-Kiper | 47.076 | SPC-1000004411 GR121330 | - | 63,700 |
| OU: Evaluation of Ohio University NOYCE Scholars Program | 47.076 | OU 31738 | - | 14,704 |
| Penn State Univ: Evaluation of Scaffolding Science Learning and Teaching in Middle School Classroom | 47.076 | S001020-NSF | - | 22,546 |
| Purdue University: Building and Broadening Understanding of Engineering Practices Among Elementary | 47.076 | 10001070-009 | - | 11,192 |
| RAND Corp: Evaluation of NSF IUSE Institutional and Community Transformation | 47.076 | P000009093-2 | - | 20,203 |
| Youngstown: Evaluation of ISAC: Involve Students with ASD in Computing | 47.076 | 211526-21-01 | - | 9,846 |
| University of Colorado: LTER: MCM6 - The roles of legacy and ecological connectivity in a polar desert | 47.078 | 1564366 | - | 32,444 |
| Total National Science Foundation Pass-Through Programs | | | - | 399,254 |
| Total National Science Foundation | | | 2,797 | 3,686,832 |
| Environmental Protection Agency: | | | | |
| UV-LED Photocatalytic Fuel Vapor Emissions Control for Automobiles | 66.516 | 84001601 | - | 3,935 |
| Pass-Through Programs: | | | | |
| Amec Foster Wheeler: Operation of the US EPA Dry Deposition Network Station at Miami University | 66.XXX | C012506260 | - | 647 |
| Total Environmental Protection Agency | | | - | 4,582 |
| U.S. Department of Energy: | | | | |
| Dissipative Assembly of Carboxylic Acid Anhydrides for Nonequilibrium Systems Chemistry | 81.049 | DE-SC018645 | - | 316,898 |
| Regulation of Sustained Cyclic Electron Flow (CEF) in the Photopsychrophile Chlamydomonas sp. UW(| 81.049 | DE-SC0019138 | - | 82,279 |
| Total U.S. Department of Energy Direct Programs | | | - | 399,177 |
| Pass-Through Programs: | | | | |
| UNLV: Diamond-based Spectroelectrochemical Sensors for Fundamental Understanding of Radioactive | 81.049 | G03902 | - | 39,372 |
| UNLV: Electrochemical Removal of Contaminants from Water and Soil | 81.121 | G04052 | - | 24,358 |
| Total U.S. Department of Energy Pass-Through Programs | | | - | 63,730 |
| Total U.S. Department of Energy | | | - | 462,907 |
| U.S. Department of Education: | | | | |
| Miami University Mental Health Service Professional Workforce Development Project | 84.184 | S184X230156-23A | - | 581,493 |
| Miami University Mental Health Service Professional Workforce Development Project | 84.184 | S184X230156-23A | - | 27,259 |
| Evaluation PELEAI Fight! | 84.365 | T0365Z210145 - 22 | - | 19,257 |
| Total U.S. Department of Education Direct Programs | | | - | 628,009 |
| Pass-Through Programs: | | | | |
| ODHE-UC-WSU: I Educate Montgomery County | 84.027 | 671622-1 | - | - |
| ODE: Evaluation of the School Climate Transformation Grant, Phase II | 84.184 | EDU20240076 | - | 16,377 |
| UMBC: Basic Skills and Problem-Solving Skills in Technology-Rich Environments in the STEM-Related | 84.305 | DOED0002-02 | - | 40,230 |
| Univ of MI: Improving the Educational Outcomes of Students in Sub-Baccalaureate Postsecondary Insti | 84.305 | SUBK00011922 - 3 | - | 36,716 |
| Total U.S. Department of Education Pass-Through Programs | | | - | 93,323 |
| Total U.S. Department of Education | | | - | 721,332 |
| U.S. Department of Health & Human Services: | | | | |
| Improving Social Communication Assessment of Adolescents at Risk for Communication Disorders | 93.173 | 1R15DC020521 | - | 130,605 |
| Analysis Of Subcortical Networks That Promote Aversion-Resistant Alcohol Drinking | 93.273 | 1R15AA027915-01A1 | - | 69,650 |
| Sex-Specific Effects Of Infant Trauma On Adult Alcohol Drinking: Role Of Amygdala Intercalated Neuro | 93.273 | 1R21AA028602 | - | 52,586 |
| The Development of Beam-Offset Optical Coherence Tomography | 93.286 | R21EB033993 | - | 31,513 |
| Exploiting Cancer Metabolism and Drug Efflux with Bystander-Assisted Immunotherapy | 93.395 | R01CA234115 | - | 366,059 |
| Estrogenic Protection Against Colorectal Cancer Development in Obesity | 93.396 | R15CA274480 | - | 105,608 |
| Accessible Routing Using Smart Crowd-Sensed Surface Classification for Wheelchair Users | 93.433 | 90IFDV0024-01-01 | 106,366 | 161,750 |
| Development of an Automatic Real-Time Personalized Non-Invasive Localization of the Site of Origin of | 93.837 | R15HL167222 | - | 30,856 |
| Sustained Regulation of Hypothalamus-Pituitary-Ovary Hormones with Tissue-Engineered Ovarian Con | 93.846 | R01AR081340 | 157,109 | 336,312 |
| Modulation of Network Feedback Shifts the Locus of Rhytm Generation | 93.853 | 1R15NS128619 | - | 136,973 |
| Tsc1 Regulation of Purkinje Neuron Excitability | 93.853 | 1R15NS125560 | - | 79,358 |
| Mycoplasma Pneumoniae P1 Adhesin: Association With The Attachment Organelle | 93.855 | R03AI151866 | - | 4,790 |
| Causes and Consequences of Virulence Factor Attenuation in Mycoplasma Pneumoniae Bio Films | 93.855 | RA183099 | - | 62,494 |
| FCRL 1 in B Cell activation and differentiation | 93.855 | RA174170 | - | 137,049 |
| Machine Learning Approach for finding novel metallo-b-lactamase inhibitors | 93.859 | R15GM134454 | - | 127,147 |
| Biophysical Studies Of Twin Arginine Transport Component Membrane Insertion | 93.859 | 1R15GM137251 | - | 75,280 |

Miami University
A Component Unit of the State of Ohio
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

(Continued)

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Identifier | Provided to Subrecipients | Total Federal Expenditures |
|---|---|----------------------------|------------------------------|-------------------------------|
| Polymer-Lipid Particles Investigated by Magnetic Resonance Spectroscopy | 93.859 | RGM144907 | \$ - | \$ 203,787 |
| Elucidating the Mechanistic Details of the Grp94 Molecular Chaperone through an Integrated Computational Spectroscopic Studies of Membrane Proteins | 93.859 | R35GM146963 | - | 328,316 |
| EPR Spectroscopic Studies of Membrane Proteins | 93.859 | 1R35GM126935 | - | 112,737 |
| EPR Spectroscopic Studies of Membrane Proteins | 93.859 | R35GM126935 | - | 109,078 |
| Triage Mechanisms for Directing Protein Refolding and Degradation | 93.859 | R35GM128595 | - | 6,606 |
| Function and Pathway outcomes of Dynamic Protein Structures | 93.859 | RGM128595B | - | 221,782 |
| Determining The Role of DNA Methylation In The Tissue-Specific Expression Of The Na,K-ATPase-Na | 93.865 | R15HD101985 | - | 67,500 |
| Mechanisms of Cardiomyocyte-Extracellular Matrix Interactions in Cardiogenesis | 93.865 | 1R15HD106256-01 | - | 88,282 |
| The Use of Virtual Manipulations to Assess Fall Risk and the Mechanisms of Postural Instability that Occur | 93.866 | R03AG067054 | - | 77,299 |
| Inflammation is a driver of newt lens regeneration | 93.867 | REY033916 | - | 165,471 |
| A Roadmap to Uncover RPE Plasticity | 93.867 | REY034980 | - | 375,429 |
| Upon Solving the Secrets for Lens Transdifferentiation | 93.867 | R01EY035325 | - | 24,195 |
| Regulation of the Lens Transcriptome and Chromatin Architecture by FOXE3 | 93.867 | 1R21EY033471 | - | 72,800 |
| In Vivo Imaging of Newt Lens Regeneration: Novel Molecular, Cellular and Functional Insights | 93.867 | R21EY031865 | - | 111,908 |
| Suicide Simulation at the Data Analytics Branch of the Center for Injury Prevention and Control | 93.XXX | 20IP-A0002009427 | - | 7,668 |
| Total U.S. Department Health & Human Services Direct Programs | | | 263,475 | 3,880,888 |
| Pass-Through Programs: | | | | |
| USAging: Information and Planning: Understanding the Capacity of the Aging Network | 93.048 | 90PPUC0002 | - | 71,934 |
| AMDA: Improving Adult Immunization Rates for COVID-19, Influenza, and Routine Adult Vaccinations through the Use of Biologics | 93.083 | CDC-RFA-IP21-2111 | - | 29,717 |
| Texas A & M University: Biologics As Mediators Of Transactional Influences On Anxiety Risk I | 93.242 | M2002998 | - | 184,573 |
| BCFCFC-BCESC: Epidemiologist/Evaluator for Butler County's Strategic Prevention Framework - Part I | 93.243 | G03299 | - | 1,033 |
| Fairfield Prevention Coalition: Evaluation of The Sober Truth on Preventing Underage Drinking (STOP) | 93.243 | G03598 | - | 164 |
| ESCNEO: Evaluation for project titled "Building Comprehensive School Mental Health Systems of Care | 93.243 | H79SM087186 | - | 61,852 |
| ODH: Campus Wastewater Monitoring Miami University Campus | 93.323 | 51389 | - | 80,519 |
| BRIA: Expansion of Dementia-Capable Communities Within Urban and Rural Settings in Ohio Using Evidence-Based Practices | 93.470 | G03476 | - | 28,854 |
| DHHS: ODM: OSU: Survey of Home Care Agencies in Ohio | 93.778 | SPC-1000012970 GR134817 | - | 18,755 |
| ODM: OSU: Evaluation of Ohio's MyCare Demonstration: Phase 2 | 93.778 | SPC-1000012063/GR132321 | - | 110,495 |
| ODM: OSU: Survey of Home Care Agencies in Ohio | 93.778 | SPC-1000012965 GR134855 | - | 69,241 |
| ODM: OSU: Analyzing Results of Ohio's Medicaid Assessment Survey | 93.778 | SPC-1000012477 GR133840 | - | 12,908 |
| SAMSHA-ODMHAS: Evaluation of Enhancing Ohio's Model for Implementing and Sustaining | 93.788 | 720854-0924-00 | - | 217,663 |
| ODA: OSU: ONE ACCORD (Offering Novel Educational resources through the Aging Caregiving Collaboration) | 93.791 | SPC-1000011803/GR130712 | - | 46,393 |
| Fairfield Prevention Coalition: Evaluation of The Comprehensive Addiction and Recovery Act (CARA) grant | 93.799 | G03656 | - | 164 |
| University of California: Obesity Stigma and Health Behavior: An Experimental Approach | 93.837 | 0875 G ZA 169 | - | 15,267 |
| Cincinnati Childrens Hosp Medical Center: WE ENGAGE | 93.859 | 304842 | - | (2,421) |
| Ohio University: A Comparison of Treatment Strategies for Recovery of Oral Function Following a Prorhetic | 93.865 | UT22564 | - | 9,279 |
| Ohio University: Age-related neuronal regulation of the thermogenesis and lipid metabolism | 93.866 | UT22374 | - | 17,189 |
| University of North Carolina at Chapel Hill: Protein Quality Control In Age-Related Diseases | 93.866 | 5116940 | - | 55,189 |
| UTMB: Nursing Homes' Bans on Visits During the COVID-19 Pandemic: Effectiveness and Consequences | 93.866 | 23-86530-01 | - | 61,520 |
| Brown: Partnering with Providers to Understand IPPI Outcomes of Interest for PLWD | 93.866 | 00002099 | 799 | 841 |
| Brown University: Testing the Feasibility of the Individualized Positive Psychosocial Intervention | 93.866 | 00002257 | 35,944 | 201,618 |
| Advancing Coordination of Home- and Community-based Services for the AD/ADRD Population | 93.866 | 13712SC | - | 11,796 |
| Staffing Characteristics and Injury-Related Emergency Department Use Among Assisted Living Residents | 93.866 | 00001907 | - | 2,340 |
| McCullough-Hyde Memorial Hospital Foundation: Rural Communities Opioid Response Program | 93.912 | 7 G28RH48994-01-00 | - | 169,929 |
| Challenges In Beta-Lactamase Mediated Resistance | 93.XXX | RES514058 | - | 20,098 |
| Mathematica: Nationwide Survey of Native Language Status | 93.XXX | 51966S003 | - | 15,000 |
| RTI International: National Alzheimer's and Dementia Resource Center 2024-2026 | 93.XXX | 57-312-0214780-67527L | - | 4,142 |
| Total U.S. Department Health & Human Services Pass-Through Programs | | | 36,743 | 1,516,052 |
| Total U.S. Department Health & Human Services | | | 300,218 | 5,396,940 |
| Total Research & Development Cluster | | | 369,754 | 12,022,353 |

INSTRUCTIONAL

National Park Service:

| | | | |
|---|--------|--------------------|---------|
| Pass-Through Programs: | | | |
| 2023 NWP/National Park Service Resource Development Grant - Write Out | 15.954 | 92-OH01-NPS2023-RD | - 3,500 |

National Endowment for Humanities:

| | | | |
|--|--------|---------------|----------|
| Comfort Sounds | 45.160 | FZ-292519-23 | - 32,499 |
| Patriarch Tikhon and the Orthodox Church in Revolutionary Russia | 45.160 | FEL-289492-23 | - 10,000 |
| Total National Endowment for Humanities Direct Programs | | | - 42,499 |

Pass-Through Programs:

| | | | |
|--|--------|--------|----------|
| New Masks Now: Artists Innovating Masquerade in Contemporary West Africa | 45.164 | G04004 | - 14,188 |
| Total National Endowment for Humanities | | | - 56,687 |

Miami University
A Component Unit of the State of Ohio
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

(Continued)

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Identifier | Provided to Subrecipients | Total Federal Expenditures |
|--|---|----------------------------|------------------------------|-------------------------------|
| U.S. Department of Education: | | | | |
| Enhancing Cultural Competence And Integrating International Perspectives In The Redesign Of Global TRIO 2020 | 84.021 | P021A210022 | \$ - | \$ 25,572 |
| Miami Regionals Upward Bound | 84.042 | P042A201498 | - | 329,420 |
| Miami University: CCAMPIS Subsidies for Low-Income Student-Parents | 84.047 | P047A221263 | - | 330,494 |
| PELEA! Fight! | 84.335 | P335A220082 | - | 205,975 |
| Total U.S. Department of Education Direct Programs | 84.365 | T365Z210145 - 22 | 11,060 | 515,479 |
| | | | <u>11,060</u> | <u>1,406,940</u> |
| Pass-Through Programs: | | | | |
| ODHE-UC-WSU: Equity in Education: A Collaborative Partnership for BIPOC Student Success | 84.027 | 671777-1 | - | 10,715 |
| ODHE-UC: Reading in the Content Areas | 84.323 | 015332-00002 | - | 34,855 |
| AIR: NWP: 2023 National Writing Project Coach, Teach, Write Grant | 84.411 | 92-OH01-2023AIR | - | 12,600 |
| NWP: 2022-2023 NWP Network Support Grant - NWP New Sites | 84.411 | 92-OH01-2022I3NETWORK | - | 22,500 |
| Miami University Regionals Regional Education Partnership | 84.425 | EDUFAR21 | - | 122,601 |
| ARPA-ED-ODHE: MU TEACH: A GYO Pipeline for Southwest Ohio | 84.425 | 062984 | - | 119,916 |
| ED-ODE: Miami University Learning Lab: A New Tutoring Hub | 84.425 | 062984 STATEWIDE TUTORING | 3,641 | 355,610 |
| Evaluation of Miami University Learning Lab: A New Tutoring Hub | 84.425 | 062984 STATEWIDE TUTORING | - | 35,558 |
| ODHE-WSU: Dayton-Area Educator Shortage Collaborative | 84.425 | 671525-1 | - | 61,309 |
| ODHE-WSU: Dayton-Area Educator Shortage Collaborative | 84.425 | 671525-1 | - | (14,913) |
| Total U.S Department of Education Pass-Through Programs | | | <u>3,641</u> | <u>760,751</u> |
| Total U.S. Department of Education | | | <u>14,701</u> | <u>2,167,691</u> |
| U.S. Department of Health & Human Services | | | | |
| Pass-Through Programs: | | | | |
| Cincinnati Children's Hospital Medical Center: LEND-CCHMC-Green (22-23) | 93.110 | G03677 | - | 2 |
| Cincinnati Children's Hospital Medical Center: DHHS-CCHMC, LEND, 23-24, Green | 93.110 | G03867 | - | 9,981 |
| Cincinnati Children's Hospital Medical Center: Center ADHD-CCHMC-Green (22-23) | 93.242 | G03680 | - | 293 |
| Cincinnati Children's Hospital Medical Center: NIH-CCHMC, ADHD, 23-24 Green | 93.242 | 3100854162 | - | 19,000 |
| University of Cincinnati: NIH_UC Psychiatry Traineeship-Green (2022-23) | 93.242 | G03691 | - | 421 |
| ODJFS: UPP-University Partnership Program at Miami | 93.645 | G-0223-06-0977-1 | - | 110,420 |
| Total U.S. Department of Health & Human Services | | | <u>-</u> | <u>140,117</u> |
| Total Instructional | | | <u>14,701</u> | <u>2,367,996</u> |
| PUBLIC SERVICE | | | | |
| U.S. Department of Labor: | | | | |
| Pass-Through Programs: | | | | |
| ODJFS: SW OH Broadband/5G Regional Node | 17.277 | G-2425-15-0344 | <u>2,569</u> | <u>144,037</u> |
| U.S. Department of State: | | | | |
| Pass-Through Programs: | | | | |
| Institute for Training and Development: USDOS-ITD Albarran | 19.009 | WHI14-2023 | - | 184,005 |
| USDOS: USDOS-ITD Albarran | 19.009 | WHI15-2024 | <u>-</u> | <u>13,048</u> |
| Total U.S. Department of State | | | <u>-</u> | <u>197,053</u> |
| National Highway Traffic Safety Administration: | | | | |
| Pass-Through Programs: | | | | |
| OVI Countywide Task Force | 20.XXX | G03117 | <u>-</u> | <u>5,252</u> |
| U.S. Department of the Treasury | | | | |
| Pass-Through Programs: | | | | |
| ODMHAS-PAA: Ohio Cares Act Funding through Prevention Action Alliance | 21.019 | OCI CARES ACT G03461 | - | 1,530 |
| Establishment of the Butler County Advanced Manufacturing Training, Education and Workforce Development | 21.027 | 24-04-000608 | - | 10,000,000 |
| ODPS: OEMA: First Responders Grant - Wellness, Retention and Resiliency | 21.027 | AFRR-209-RET | - | 104,000 |
| ARPA: USDOT: ODPS: First Responders Grant - Wellness, Retention and Resiliency | 21.027 | AFRR-209-HIR | <u>-</u> | <u>326,388</u> |
| Total U.S. Department of the Treasury | | | <u>-</u> | <u>10,431,918</u> |
| National Endowment for Humanities: | | | | |
| Pass-Through Programs: | | | | |
| Preservation Assessment for the Audio/Visual Collections of the Walter Houghurst Special Collections | 45.149 | PG-287806-22 | - | 10,000 |
| Muslims in America's Midwest: An Educator's Guide to Past and Present | 45.163 | ES-288153-22 | <u>-</u> | <u>142,918</u> |
| Total National Endowment for Humanities | | | <u>-</u> | <u>152,918</u> |
| Institute of Museum and Library Services: | | | | |
| Pass-Through Programs: | | | | |
| SLO:LSTA Conservation Grant 2022: Conservation for the Classroom | 45.310 | L-25-23 | <u>-</u> | <u>4,999</u> |
| SLO: LSTA Conservation Grant: Conservation for the Classroom | 45.310 | L-25-24 | <u>-</u> | <u>4,999</u> |
| Total Institute of Museum and Library Services | | | <u>-</u> | <u>9,998</u> |

Miami University
A Component Unit of the State of Ohio
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

(Continued)

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Identifier | Provided to Subrecipients | Total Federal Expenditures |
|---|---|----------------------------|------------------------------|-------------------------------|
| U.S. Small Business Administration: | | | | |
| Pass-Through Programs: | | | | |
| ODSA: Butler County SBDC at Miami | 59.037 | OSBG-23-311 | \$ - | \$ 237,882 |
| ODSA: Ohio SBDC at Miami Regionals | 59.037 | OSBG-24-311 | <u>-</u> | <u>180,825</u> |
| Total U.S. Small Business Administration | | | <u>-</u> | <u>418,707</u> |
| U.S. Department of Health & Human Services | | | | |
| Suicide Prevention Program | 93.243 | 1H79SM086293-01 | <u>10,350</u> | <u>33,454</u> |
| Pass-Through Programs: | | | | |
| ODMHAS: Ohio's Project AWARE (Advancing Wellness And Resiliency in Education) | 93.243 | 2300557 | - | 320,160 |
| ODMHAS: Ohio's Project AWARE (Advancing Wellness And Resiliency in Education) | 93.243 | G03983 | - | 271,008 |
| ODMHAS: Ohio's Project AWARE Advancing Wellness And Resiliency in Education | 93.243 | 2300557 | - | 80,451 |
| ODMHAS: Ohio's Project AWARE (Advancing Wellness And Resiliency in Education) | 93.243 | 2400707 | - | 37,118 |
| BCMHARS: HRSA Rural Communities Opioid Response Implementation Grant | 93.912 | BCMHARS-HRSA-SUB-1 | - | 65,533 |
| ODMHAS: MyOhioWellness: A Statewide Early Intervention Initiative | 93.959 | 240889 | <u>-</u> | <u>242,003</u> |
| Total U.S. Department of Health & Human Services Pass-Through Programs | | | <u>-</u> | <u>1,016,273</u> |
| Total U.S. Department of Health & Human Services | | | <u>10,350</u> | <u>1,049,727</u> |
| AmeriCorps: | | | | |
| Pass-Through Programs: | | | | |
| ServeOhio: Service+ at Miami Regionals Continuation | 94.006 | 22FXC-1502-24-OC151 | - | 356,114 |
| Serve Ohio: Evaluation of Service+ at Miami Regionals Continuation | 94.006 | 22FXC-1502-24-OC151 | - | 7,555 |
| Service+ at Miami Regionals | 94.006 | 22FXC-1502-23-OC-151 | - | 28,688 |
| ServeOhio: ServicePlus at Miami Regionals | 94.006 | 22FXC-1502-23-OC-151 | - | 5,035 |
| MVP Miami VISTA Program | 94.013 | 23VSCOH003 | <u>-</u> | <u>66,196</u> |
| Total AmeriCorps | | | <u>-</u> | <u>463,588</u> |
| Total Public Service | | | <u>12,919</u> | <u>12,873,199</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 397,374 | \$ 128,144,865 |

Miami University
A Component Unit of the State of Ohio
Notes to Schedule of Expenditures of Federal Awards
June 30, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Miami University (the University) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The University has elected not to exercise its option to use the 10-percent de minimis indirect cost rate due to the fact that the University has an existing approved indirect cost rate.

Note 4. Federal Perkins Loan Program

The Federal Perkins Loan Program listed subsequently is administered directly by the University and balances and transaction relating to this program are included in the University's financial statements. There were no loans made during the current year. The balances of loans outstanding at June 30, 2024 consist of:

| Program Name | Outstanding Balance at July 1, 2023 | New Loans Issued | Repayments of Student Loans | Outstanding Balance at June 30, 2024 |
|------------------------------|--|-------------------------|------------------------------------|---|
| Federal Perkins Loan Program | \$ 2,673,327 | \$ - | \$ (267,633) | \$ 2,405,694 |

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Trustees
Miami University
Oxford, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the business-type activities and discretely presented component unit of Miami University (University), collectively a component unit of the State of Ohio, as of and for the year ended June 30, 2024, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 11, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Forvis Mazars, LLP

Cincinnati, Ohio
October 11, 2024

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

Independent Auditor's Report

Board of Trustees
Miami University
Oxford, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Miami University's (University) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2024. 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.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The University is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The University's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on 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 a 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 “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

Cincinnati, Ohio
October 11, 2024

Miami University
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

(Check each description that applies)

Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified? Yes None reported

Material weakness(es) identified? Yes No

3. Noncompliance material to the financial statements noted? Yes No

Federal Awards

4. Internal control over major federal awards programs:

Significant deficiency(ies) identified? Yes None reported

Material weakness(es) identified? Yes No

5. Type of auditor’s report issued on compliance for major federal program(s):

Unmodified Qualified Adverse Disclaimer

6. Any audit findings disclosed that are required to be reported by
2 CFR 200.516(a)?

Yes No

7. Identification of major federal programs:

| Assistance Listing Number(s) | Name of Federal Program or Cluster |
|---|---|
| 84.007, 84.033, 84.038, 84.063, 84.268, 84.379 | Student Financial Assistance Cluster |
| Various | Research and Development Cluster |
| 21.027 | Coronavirus State and Local Fiscal Recovery Funds |

Miami University
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

(Continued)

8. Dollar threshold used to distinguish between Type A and Type B programs: \$817,907.

9. Auditee qualified as a low-risk auditee? Yes No

Section II – Financial Statement Findings

| Reference Number | Finding |
|-------------------------|----------------------------|
| | No matters are reportable. |

Section III – Federal Award Findings and Questioned Costs

| Reference Number | Finding |
|-------------------------|--|
| 2024-001 | <p><i>Information on the federal program</i> – Research and Development cluster, various assistance listing numbers</p> <p><i>Criteria or specific requirement</i> – Procurement</p> <p><i>Condition</i> – The University's procurement policies were not followed by the Office of Research and Innovation for consulting services or contractors paid under external grants.</p> <p><i>Questioned costs</i> – Unknown</p> <p><i>Context</i> – The Office of Research and Innovation was operating under the understanding that they were exempt from following the University's standard procurement policies. The exemption was communicated by the University's former General Counsel.</p> <p><i>Effect</i> – Expenditures within the Research and Development cluster that were above the \$10,000 threshold for procurement procedures, as set by the University's procurement policies, did not go through the appropriate quotation or competitive bidding process.</p> <p><i>Cause</i> – The exemption from the University's former General Counsel should not have been granted to the Office of Research and Innovation as it directly violates the University's policies, which in turn violates the Uniform Guidance standards for procurement.</p> <p><i>Identification as a repeat finding, if applicable</i> – No</p> <p><i>Recommendation</i> – We recommend the Office of Research and Innovation follow the University's current procurement policies or develop procurement practices under Federal awards that are in compliance with Uniform Guidance procurement standards.</p> |

| Reference Number | Finding |
|-------------------------|--|
| | <p>Views of responsible officials and planned corrective actions – The Vice President for Research and Innovation will work with the Vice President for Finance and Business Services and the Director of Procurement who reports to this vice president to bring procurement practices under federal awards into compliance with the Uniform Guidance Procurement Standards 2 CFR 200.320. In doing so, the following is to be undertaken:</p> <ol style="list-style-type: none">1. Undertake review by external firm with expertise in determination of alignment of University procurement policies and procedures to those required by Uniform Guidance.2. Implement required elements following that review. Prior to the implementation of the recommendations by the consultant, the university's procurement policies, which conform to the Uniform Guidance standards, will be enforced.3. Develop and implement adequate training for impacted University employees, including, but not limited to, principal investigators, department support staff, and oversight offices (e.g., Grants & Contracts Office).4. In conjunction with the Office of the General Counsel, the Office of Academic Personnel, and Human Resources, revise the independent contractor policies to remove the exemption that "<i>personal services paid by external grants do not need bids regardless of the amount of payment.</i>" |

Miami University
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2024

| Reference Number | Summary of Finding | Status |
|-----------------------------|----------------------------|---------------|
| | No matters are reportable. | |

OHIO AUDITOR OF STATE KEITH FABER



MIAMI UNIVERSITY

BUTLER COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/9/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov