

**Agendum
Oakland University
Board of Trustees Formal Session
October 16, 2026**

TREASURER'S REPORT

1. Division and Department: Finance and Administration, Budget and Financial Planning, Treasury Management, Controller's Office, and Facilities Management

2. General Fund Budget Performance: Oakland University's (University) final FY2026 enrollment, measured by student credit hours, was .7% above prior year actuals and 2.6% above budget. Financial aid distributions were slightly above budget, General Fund expenditures for the year were within budget and there were no major spending variances in any division or unit. Monthly State Appropriation payments of \$6,870,390 were received in accordance with the State of Michigan's Public Act 15 of 2025. The FY2026 General Fund Budget ended in a balanced position.

For FY2027, student credit hours for the combined Summer II and Fall terms are down 2.7% as compared to budget, Financial Aid distributions are running at or near budget, resulting in a negative net tuition variance to date. In accordance with the state of Michigan's Public Act 25 of 2026, the University will receive monthly one-time supplemental allocations of \$300,600 as well as monthly base state Appropriation payments of \$6,639,673, which will begin in October. Planning is underway to address the revenue shortfall resulting from lower than budgeted enrollment, including the use of the one-time appropriations, contingency funds, cost containment measures, and budget reserves. Overall, General Fund expenditures are within budget and historical spending patterns for early in the fiscal year, with no major spending variance in any division or unit.

A monthly budget monitoring process managed by the Budget and Financial Planning Office helps ensure budget management accountability.

3. Investment Performance: A summary of the results of the University's working capital and endowment investment activities are presented in the *Cash and Investments Report, August 31, 2026 and 2025* (Attachment A).

Investment performance associated with the working capital pool for the month of August, 2026 was positive and in line with the monthly benchmark. Performance for the quarter ended June 30, 2026 was also positive with actual results exceeding the quarterly benchmark by 18 basis points.

The University's endowment pool generated a strong positive investment return of 8.6% for the quarter ended June 30, 2026. While the return was below the overall benchmark, relative underperformance was broadly distributed across the endowment's equity allocations rather than concentrated within any single investment segment. The August 31, 2026 endowment balance of \$195.5 million was \$21.3 million higher than the August 31, 2025 balance.

**Treasurer's Report
Oakland University
Board of Trustees Formal Session
October 16, 2026
Page 2**

Data from the NACUBO/Commonfund FY2025 annual endowment survey revealed that the University's endowment portfolio exceeded the average investment performance for similar sized university endowments for all time periods (one-, three-, five-, ten-, fifteen-, twenty-, and twenty-five-years).

Liquidity of both the working capital and endowment investments remains strong. The University's investments are being managed according to the Board's policies. The University's investment advisors continue to adhere to a long-term investment strategy that focuses on outperforming identified benchmarks over time.

4. Debt Management: The *Capital Debt Report, August 31, 2026* (Attachment B) shows the University's amount of outstanding principal, unamortized premiums, rate of interest, weighted average cost of capital, type of debt, annual debt service, maturity, purpose of each debt issuance, and information about the University's swap arrangement. The University's debt, which has a weighted average cost of capital of 3.66%, is being managed according to the Board's policies and approvals.

5. Construction Report: The *Construction Report, August 31, 2026* (Attachment C) includes budget information, source of funding, forecasted final costs, and comments for all ongoing capital projects over \$1,000,000, as required by Board policy. All projects have been properly approved and are within budget.

6. University Reviews/Approvals: The Treasurer's Report and attachments were prepared by the Budget and Financial Planning, Treasury Management, Controller, and Facilities Management Departments, and reviewed by the Senior Vice President for Finance and Administration and Treasurer to the Board, Chief of Staff and Secretary to the Board, and President.

7. Recommendation:

RESOLVED, that the Board of Trustees accepts the Treasurer's Report.

8. Attachments / Exhibits:

- A. Cash and Investments Report, August 31, 2026 and 2025
- B. Capital Debt Report, August 31, 2026
- C. Construction Report, August 31, 2026

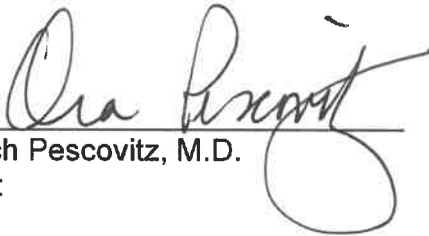
**Treasurer's Report
Oakland University
Board of Trustees Formal Session
October 16, 2026
Page 3**

Submitted to the President
on Oct 6, 2026, 2026 by



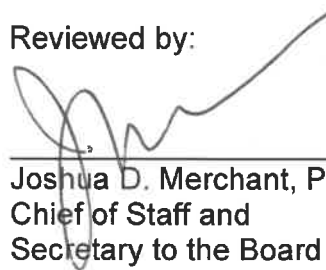
Stephen W. Mackey
Senior Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Recommended on 10/6, 2026
to the Board of Trustees for Approval



Ora Hirsch Pescovitz, M.D.
President

Reviewed by:



Joshua D. Merchant, Ph.D.
Chief of Staff and
Secretary to the Board of Trustees

Oakland University
Cash and Investments Report
August 31, 2026 and 2025

	Fair Market Value August 31, 2025	Fair Market Value August 31, 2026	Strategic Allocation 8/31/2026	Total Return Month Ending August 31, 2026	Benchmark Month Ending August 31, 2026	Total Return Qtr. Ending June 30, 2026	Benchmark Qtr. Ending June 30, 2026
Working Capital ⁽¹⁾							
Equity Funds	\$ 80,106,176	\$ 79,900,638	21.81%	2.71%	2.72%	15.15%	15.20%
Fixed Income Funds	176,836,997	182,643,770	49.86%	0.34%	0.29%	0.78%	0.48%
Cash and Cash Equivalents	91,735,172	103,784,856	28.33%	0.11%	0.11%	0.23%	0.24%
Working Capital Pool Total	\$ 348,678,344	\$ 366,329,264	100.00%	0.79%	0.77%	4.35%	4.17%
Endowment ⁽²⁾							
Equity Funds	122,520,968	140,479,459	71.87%			11.55%	15.75%
Fixed Income Funds	26,987,528	30,354,438	15.53%			1.02%	0.85%
Hedge Funds	5,439,353	5,770,413	2.95%			11.72%	10.30%
Real Assets	2,348	2,474	0.00%			0.00%	0.00%
Private Credit	2,194,733	2,326,622	1.19%			2.14%	2.14%
Private Equity ⁽³⁾	13,436,486	14,966,960	7.68%			1.26%	1.26%
Cash	3,554,351	1,557,743	0.80%			0.80%	0.92%
Endowment Pool Total	\$ 174,135,768	\$ 195,458,108	100.00%			8.60%	11.89%

Comments:

The working capital pool is higher than the previous year and reflects the net impact of investment income, tuition revenue, and operating expenses.

The endowment pool is higher than the previous year and reflects the net impact of investment income, spending distributions and new gifts.

Returns listed are actual for the reporting period. Cash accounts are earning 2-5%, annually.

⁽¹⁾ The Commonfund serves as the advisor for the University's Working Capital pool.

⁽²⁾ UBS serves as the advisor for the University's Endowment pool.

⁽³⁾ Private Equity performance is not benchmarked, therefore, the benchmark comparison is set to actual. Investments for private equities are in various of stages funding with more than half of committed capital having already been provided.
n/a not available.

Benchmarks for Investments are:

For Equities: S&P 500 (Relative Weighted)

For Fixed Income: BoA Merrill Lynch 1-3 Year Treasury Index, Barclays Capital US Aggregate Bond Index (Relative Weighted)

For Cash and Cash Equivalents: BoA Merrill Lynch 0-3 Month Treasury Bill Index

For Endowment Equities: Russell 2000, Russell 2000 Growth, Russell Mid Cap Growth, Russell Midcap Value, Russell 1000 Growth, Russell 1000 Value, S&P 500, MSCI EAFE Free, MSCI ACWI xUS,

MSCI World Smidcap, MSCI - Emerging Markets (Relative Weighted)

For Endowment Fixed Income: Barclays Government Credit Index, Barclays Agg Bond, BoA-ML High Yield Master II, Barclays Bloomberg US Tips (Relative Weighted)

For Endowment Hedge Funds: HFRX Equity Hedge, BoA-ML High Yield II (Relative Weighted)

For Endowment Real Assets: Lipper Glb Nat Res

Returns are reported net of fees, benchmarks are shown gross. All returns and benchmarks represent weighted average calculations based on month end balances.

Oakland University
Capital Debt Report August 31, 2026

Attachment B

	Principal Remaining	Rate of Interest	Interest Type	Est. FY 27 Prin. + Int.	Expires	Bond Rating	Purpose	Underwriter
Outstanding Bonds:								
2008 General Revenue Refunding Bonds	27,450,000 ⁽¹⁾	3.373%	Variable/Hedged	5,843,667	2031	Aa2	AVN, Pawley, OC Exp., Elec. Upgr., Park, Deck I (Ref. 2001)	Lehman
2019 General Revenue Bonds	72,225,000	3.307%	Fixed	5,181,250	2050	A1	South Foundation, Varner, Dodge, Wilson, Research	BOAML, PNC
2022A General Revenue Refunding Bonds	30,015,000	3.469%	Fixed	2,010,750	2042	A1	Engineering Center (Ref. 2012)	BOA Securities
2022B General Revenue Refunding Bonds	41,230,000	3.957%	Fixed	2,966,500	2043	A1	Oakview, Parking Deck II, Upper Play Fields (Ref. 2013A)	BOA Securities
2024A General Revenue Refunding Bonds	16,875,000	3.668%	Fixed	1,798,750	2039	A1	HHB, Infrastructure Projects (Ref. 2014 / 2009)	SWS
2026A General Revenue Refunding Bonds	86,830,000	3.948%	Fixed	5,366,485	2047	A1	Hillcrest, Oakland Center, Other Capital Projects (Ref. 2016)	BOA, SWS
Subtotal Outstanding Bonds	<u>\$ 274,625,000</u>			<u>\$ 23,167,401</u>				
Other Capital Debt:								
2005 ESA II Loan	\$ 1,691,217	3.785%	Fixed	\$ 1,302,687	2028		Energy Services Agreement II	
2014 Central Heating Co-Gen	7,766,667	3.880%	Fixed	1,618,500	2030	A1	Combined Heat and Power Co-Generation System	
Subtotal Other Capital Debt	<u>\$ 9,457,884</u>			<u>\$ 2,921,187</u>				
Total Bonds and Other Capital Debt	<u>\$ 284,082,884</u>	<u>3.661%</u> ⁽²⁾		<u>\$ 26,088,589</u>				
Total Unamortized Bond Premiums	\$ 31,217,035							

⁽¹⁾ The 3.373% interest rate is the synthetic fixed rate paid to the swap counterparty. The variable rate resets weekly and is hedged with a SOFR based rate.

⁽²⁾ Weighted Average Cost of Capital excludes debt service costs such as letter of credit, remarketing, trustee and rating agency fees.

Debt covenant compliance:

The University has a general revenue covenant in most of its borrowing agreements.

These covenants are consistent in all University debt agreements and commit the University to maintain "General Revenues" to exceed the sum of twice the annual debt service on senior debt and one times annual debt service on subordinate debt each fiscal year. The University is in compliance with its debt service covenant ratio requirements.

	Counterparty	Current Notional Amount	Termination Present Value	Counterparty Rating	Purpose/Comment
Debt-Based Derivative:					
Interest Rate Swap - Synthetically Fix 2008 Bonds	Dexia	27,450,000	(343,748)	Baa3	The termination value is based on current variable interest rates.

The Interest Rate Swap fixes the interest rate paid to the counterparty on the 2008 bond issue at 3.373% for the life of the bond issue (and the swap agreement).

The Termination Present Value is dynamic, changing daily depending on interest rates and eventually becoming zero at the end of the swap agreement.

Bond Ratings:

The rating on the variable rate bonds reflects the current rating of the letter of credit provider, JP Morgan Chase Bank.

The rating on the fixed rate bonds reflects the University's underlying credit rating at the time the bonds were issued.

Oakland University's underlying credit rating, according to Moody's Investors Service's Global Rating Scale, is A1 - Stable.

Oakland University
CONSTRUCTION REPORT
August 31, 2026

Attachment C

Item	Projects in Progress - over \$1,000,000	JCOS Approval/Notification Required	Current Project Budget	Actual Expenditures to Date	Forecast of Final Cost	Source of Funding
1	Science Complex Renovation Fund Number: 71077 Status: Planning phase - In progress Board of Trustees Approved: May 7, 2025 Projected Completion Date: July 2028	Yes	\$ 44,775,000	\$ 1,987,361	\$ 44,775,000	\$ 30,000,000 - State of MI Capital Outlay Appropriation \$ 11,152,587 - #24350 Capital Projects Supplement \$ 2,450,400 - OUWBSM \$ 850,000 - Provost/SOM/Central Fund \$ 322,013 - College of Arts and Sciences
2	Oakland West Center (OWC) Fund Number: 71025 Status: Construction phase - In progress Board of Trustees Approved: April 14, 2022 Projected Completion Date: April 2027	Yes	\$ 25,000,000	\$ 23,945,920	\$ 25,000,000	\$ 11,000,000 - #24355 Pandemic Reserve Fund \$ 10,178,600 - #24350 Capital Projects Supplement Fund \$ 3,800,000 - #31524 Corewell Nursing Infrastructure Fund \$ 21,400 - #30382 OU Cares Gift Fund
3	HTHW System Redundancy Project Fund Number: 71129 Status: Design phase - In progress Board of Trustees Acknowledgment: February 13, 2026 Projected Completion Date: January 2027	Yes	\$ 25,200,000	\$ 7,149,783	\$ 25,200,000	\$ 25,200,000 - #24348 Investment Income Res
4	ODH - OUWBSOM Renovation Fund Number: 71017 Status: Construction phase - In progress Board of Trustees Approved: June 13, 2022, April 12, 2024 Projected Completion Date: January 2027	Yes	\$ 11,800,000	\$ 11,466,587	\$ 11,800,000	\$ 9,700,000 - #22484 OUWBSM Dean's Discretionary Fund \$ 1,450,000 - #22400 OUWBSM PPAP IA New Programs \$ 650,000 - #14200 OUWBSM Office of the Dean
5	MBH Visitor Center/Event Venues Fund Number: 70078 Status: Construction phase - In progress Board of Trustees Approved: September 11, 2023 Projected Completion Date: December 2026	Yes	\$ 5,585,721	\$ 4,251,112	\$ 5,585,721	\$ 2,585,721 - #24557 MBH Weic Ctr & Tent Venue Financing \$ 3,000,000 - #70203 MBE Maintenance Reserve & MBH Donations
6	OWC - Athletics Training Facility Fund Number: 71065 Status: Construction complete, closeout in progress Board of Trustees Approved: September 11, 2023 Projected Completion Date: May 2027	Yes	\$ 5,000,000	\$ 4,966,181	\$ 5,000,000	\$ 5,000,000 - #24354 Student Athlete Development Center Reserve
7	CHP Tunnel HTHW Loop 4-1 Repair Fund Number: 71125 Status: Construction phase - In progress Board of Trustees Acknowledgment: February 13, 2026 Projected Completion Date: December 2026	Yes	\$ 5,000,000	\$ 4,606,516	\$ 5,000,000	\$ 5,000,000 - #24348 Investment Income Res
8	Campus Access Contrl & Secrtly Upgrd Fund Number: 71141 Status: Design phase - in progress	Yes	\$ 2,917,988	\$ -	\$ 2,917,988	\$ 2,917,988 - #24350 Capital Projects Supplement

Oakland University
CONSTRUCTION REPORT
August 31, 2026

Attachment C

Item	Projects in Progress - over \$1,000,000	JCOS Approval/Notification Required	Current Project Budget	Actual Expenditures to Date	Forecast of Final Cost	Source of Funding
Board of Trustees Approved: 8/13/2026 Projected Completion Date: May 2031						
9	RAC - Chiller replacement Fund Number: 71103 Status: Construction phase - In progress Board of Trustees Approved: February 7, 2025 Projected Completion Date: December 2026	Yes	12/31/2024 \$ 2,900,000	\$ 2,313,461	\$ 2,900,000	\$ 2,900,000 - #24350 Capital Projects Supplement
10	RAOC - Turf Replacement Fund Number: 71081 Status: Construction complete, closeout in progress Projected Completion Date: December 2026	Yes	6/30/2025 \$ 2,485,500	\$ 2,423,095	\$ 2,485,500	\$ 2,485,500 - #70213 Campus Recreation Capital Reserve
11	Hamlin Hall Refresh Fund Number: 71132 Status: Construction phase - In progress Projected Completion Date: September 2026	Yes	6/30/2026 \$ 2,091,959	\$ 1,071,588	\$ 2,091,959	\$ 2,091,959 - #24559 Housing Fund Deficit Financing
12	ODH - Chiller Replacement Fund Number: 71112 Status: Construction phase - In progress Projected Completion Date: December 2026	Yes	12/31/2025 \$ 2,400,000	\$ 733,133	\$ 2,400,000	\$ 1,600,000 - #22400 PPAP IA New Programs \$ 800,000 - #24350 Capital Projects Supplement
13	HHB-SON Sim Lab Expansion Fund Number: 70014 Status: CLOSED Board of Trustees Approved: February 2, 2024 Projected Completion Date: July 2026	Yes	12/31/2024 \$ 1,500,000	\$ 1,186,498	\$ 1,500,000	\$ 277,068 - #10998 SON Tuition Differential \$ 6,000 - #17447 ADV Major Gifts-SON \$ 119,399 - #12170 Office of the Dean School of Nursing \$ 312,232 - #38094 SON Student Laboratory Gift Fund \$ 250,834 - #30291 SON-Oberhauser Lab Gift \$ 534,467 - #31524 SON-CHNSP-Infrastructure Support
14	OWC - Program Support Improvements Fund Number: 71078 Status: Construction complete, closeout in progress Projected Completion Date: November 2026	Yes	12/31/2024 \$ 1,400,000	\$ 1,073,446	\$ 1,400,000	\$ 1,400,000 - #24350 Capital Projects Supplement
15	RIC Large Chamber Buildout Fund Number: 71113 Status: Design phase - In progress Projected Completion Date: January 2027	Yes	6/30/2025 \$ 3,500,000	\$ 83,498	\$ 3,500,000	\$ 3,500,000 - #24558 Large Chamber Buildout Fund
16	DH-Auxiliary Services Fund Number: 71107 Status: Construction phase - In progress Projected Completion Date: January 2028	Yes	6/30/2026 \$ 1,253,697	\$ 1,037,062	\$ 1,253,697	\$ 1,253,697 - #24350 Capital Projects Supplement

Oakland University
CONSTRUCTION REPORT
August 31, 2026

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Item	Projects in Progress - over \$1,000,000	JCOS Approval/Notification Required	Current Project Budget	Actual Expenditures to Date	Forecast of Final Cost	Source of Funding
17	VAR-Black Box Infrastructure Imprv Fund Number: 71067 Status: Construction phase - In progress Projected Completion Date: November 2026	Yes	\$ 1,135,900	\$ 1,010,348	\$ 1,135,900	\$ 1,117,400 - #43841 Mbnf-Administrative \$ 18,500 - #24350 Capital Projects Supplement
18	2024 Campus Master Plan Fund Number: 71074 Status: Construction phase - In progress Projected Completion Date: November 2026	No	\$ 1,106,010	\$ 1,032,330	\$ 1,106,010	\$ 1,106,010 - #24350 Capital Projects Supplement
19	P-29-Parking Structure Repairs Fund Number: 71074 Status: Construction phase - In progress Projected Completion Date: November 2026	No	\$ 1,030,000	\$ 552,445	\$ 1,030,000	\$ 1,030,000 - #24810 Plant Renewal Supplement
TOTAL PROJECTS IN PROGRESS			\$ 146,081,775	\$ 70,890,364	\$ 146,081,775	

Notes:

- A. Current Project Budget equals the Original Budget plus all approved changes to the budget.
- B. Projects are added to the report when a funding source has been identified, a plant fund is authorized for the project, and the project is proceeding.
- C. The project status will be reported as CLOSED when the Actual Expenditures to Date equals the Forecast of Final Costs, work order system ties to Banner, and no additional expenditures or work are anticipated on the project.
- D. A project whose status has been reported as CLOSED to the Board will be removed from the report for the next Board meeting.