

**Treasurer's Report
Oakland University
Board of Trustees Formal Session
February 13, 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) actual year-to-date enrollment (through Winter 2026), measured by student credit hours, are .9% greater than prior year actuals and 3% above budget. Financial Aid distributions are running slightly above budget, which will offset some of the anticipated positive revenue variance. A review of General Fund expenditures for the year showed no major spending variance in any division or unit. In accordance with the state of Michigan's Public Act 15 of 2025, the University is receiving monthly state Appropriation payments of \$6,870,390, which began in October.

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 is presented in the *Cash and Investments Report, December 31, 2025 and 2024* (Attachment A).

Investment performance associated with the working capital pool for the month of December, 2025 was positive and consistent with benchmark, off just three basis points. Performance for the quarter ended December 31, 2025 was positive with actual results exceeding the quarterly benchmark by 5 basis points.

The University's endowment pool performance for the quarter ended December 31, 2025 was positive but fell slightly short of the overall benchmark by 10 basis points. The December 31, 2025 endowment balance of \$180.4 million was \$21.7 million higher than the December 31, 2024 balance.

Data from the NACUBO/Commonfund FY2024 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-, 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

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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, December 31, 2025* (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 3.57%, is being managed according to the Board's policies and approvals.

Work is currently underway to pursue the refunding of the University's Series 2008 and 2016 bonds. Anticipated closing of one of both of these transactions is expected by the end of March.

5. **Construction Report:** The *Construction Report, December 31, 2025* (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.

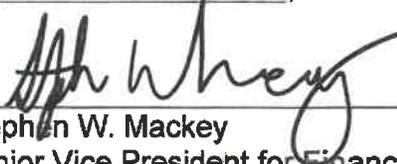
6. **University Reviews / Approvals:** The Treasurer's Report and attachments were prepared by the Budget and Financial Planning, Treasury Management, Controller, and Facilities Management Departments, and reviewed by the Senior Vice President for Finance and Administration and Treasurer to the Board, 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, December 31, 2025 and 2024
B. Capital Debt Report, December 31, 2025
C. Construction Report, December 31, 2025

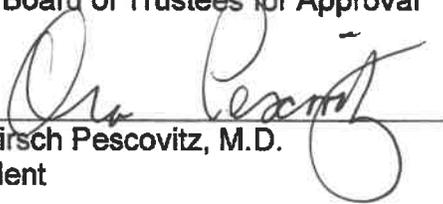
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Submitted to the President
on 2 February, 2026 by



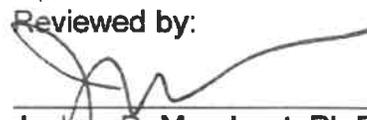
Stephen W. Mackey
Senior Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Recommended on 10 Feb, 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
December 31, 2025 and 2024

Attachment A

	Fair Market Value		Strategic Allocation 12/31/2025	Total Return		Benchmark		Total Return		Benchmark	
	December 31, 2024	December 31, 2025		Month Ending December 31, 2025	Month Ending December 31, 2025	Qtr. Ending December 31, 2025	Qtr. Ending December 31, 2025				
Working Capital ⁽¹⁾											
Equity Funds	\$ 66,282,376	\$ 80,652,688	20.57%	0.03%	0.06%	2.61%	2.65%				
Fixed Income Funds	159,924,390	194,764,230	49.67%	0.13%	0.17%	1.22%	1.11%				
Cash and Cash Equivalents	100,691,089	116,729,076	29.77%	0.10%	0.11%	0.32%	0.32%				
Working Capital Pool Total	\$ 326,897,855	\$ 392,145,994	100.00%	0.10%	0.13%	1.24%	1.19%				
Endowment ⁽²⁾											
Equity Funds	112,887,998	127,937,300	70.90%			1.95%	2.08%				
Fixed Income Funds	25,658,534	29,375,556	16.28%			1.13%	0.91%				
Hedge Funds	4,330,706	5,678,491	3.15%			0.74%	1.65%				
Real Assets	1,876	2,630	0.00%			0.00%	0.00%				
Private Credit ⁽³⁾	2,067,888	2,247,780	1.25%			1.93%	1.93%				
Private Equity ⁽³⁾	13,515,312	13,502,284	7.48%			0.50%	0.27%				
Cash	270,066	1,690,872	0.94%			1.15%	1.01%				
Endowment Pool Total	\$ 158,732,379	\$ 180,434,913	100.00%			1.63%	1.73%				

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
 - 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: HFEX Equity Hedge, BOA-ML High Yield II (Relative Weighted)
 - For Endowment Real Assets: Lipper GIB Nat Res
 - For Endowment Cash: US T-Bill (90 Day)
- 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 December 31, 2025

Attachment B

	Principal Remaining	Rate of Interest	Interest Type	Est. FY 26 Prin. + Int.	Expires	Bond Rating	Purpose	Underwriter
Outstanding Bonds:								
2008 General Revenue Refunding Bonds	29,705,000	3.373%	Variable/Hedged	3,143,375	2031	Aa2	AVN, Pawley, OC Exp., Elec. Upgr., Park. Deck I (Ref. 2001)	Lehman
2013B General Revenue Refunding Bonds	2,220,000	2.995%	Fixed	2,303,694	2026	A1	Recreation and Athletics Center (Ref. 2004 / 1995)	5/3rd, BOAML
2016 General Revenue Bonds	98,365,000	3.656%	Fixed	7,472,750	2047	A1	Hillcrest, Oakland Center, Other Capital Projects	Citigroup, PNC, BOAML, PNC
2019 General Revenue Bonds	73,725,000	3.307%	Fixed	5,186,260	2050	A1	South Foundation, Varner, Dodge, Wilson, Research	BOA Securities
2022A General Revenue Refunding Bonds	30,495,000	3.469%	Fixed	2,004,750	2042	A1	Engineering Center (Ref. 2012)	BOA Securities
2022B General Revenue Refunding Bonds	42,485,000	3.956%	Fixed	3,379,250	2042	A1	Oakview, Parking Deck II, Upper Play Fields (Ref. 2013A)	BOA Securities
2024A General Revenue Refunding Bonds	17,780,000	3.670%	Fixed	1,794,000	2039	A1	HHB, Infrastructure Projects (Ref. 2014)	SWS
Subtotal Outstanding Bonds	<u>\$ 294,765,000</u>			<u>\$ 25,284,069</u>				
Other Capital Debt:								
2005 ESA II Loan	\$ 2,505,402	3.785%	Fixed	\$ 1,302,687	2027		Energy Services Agreement II	
2014 Central Heating Co-Gen	8,500,000	3.880%	Fixed	1,511,500	2031	A1	Combined Heat and Power Co-Generation System	
Subtotal Other Capital Debt	<u>\$ 11,005,402</u>			<u>\$ 2,814,188</u>				
Total Bonds and Other Capital Debt	<u>\$ 305,770,402</u>	<u>3.571%</u> ⁽²⁾		<u>\$ 28,098,257</u>				
Total Unamortized Bond Premiums	\$ 34,101,432							

⁽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 many of its borrowing agreements including bonded debt and other capital debt. 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.

Debt-Based Derivative:	Counterparty	Current		Termination Present Value	Expires	Counterparty Rating	Purpose/Comment
		Notional Amount	Amount				
Interest Rate Swap - Synthetically Fix 2008 Bonds	Dexia	29,705,000	(872,699)	2031	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
December 31, 2025**

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	6/30/2024	\$ 44,775,000	\$ 1,100,248	\$ 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 2026	Yes	6/30/2022	\$ 25,000,000	\$ 23,836,544	\$ 25,000,000	\$ 11,000,000 - #24355 Pandemic Reserve Fund \$ 10,178,800 - #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 Approved: Projected Completion Date: September 2026	Yes	6/30/2026	\$ 17,000,000	\$ -	\$ 17,000,000	\$ 17,000,000 - #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: April 2026	Yes	6/30/2022	\$ 11,800,000	\$ 10,472,324	\$ 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 complete, closeout in progress Board of Trustees Approved: September 11, 2023 Projected Completion Date: December 2025	Yes	6/30/2022	\$ 5,500,000	\$ 4,178,490	\$ 5,500,000	\$ 2,500,000 - #24557 MBH Welc 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: November 2025	Yes	6/30/2024	\$ 5,000,000	\$ 4,913,060	\$ 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 complete Board of Trustees Approved: Projected Completion Date: December 2025	Yes	6/30/2026	\$ 5,000,000	\$ 840,532	\$ 5,000,000	\$ 5,000,000 - #24348 Investment Income Res

Oakland University
CONSTRUCTION REPORT
 December 31, 2025

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
8	RAC - Chiller replacement Fund Number: 71103 Status: Construction phase - In progress Board of Trustees Approved: February 7, 2025 Projected Completion Date: April 2026	Yes	12/31/2024 \$ 2,900,000	\$ 1,918,081	\$ 2,900,000	\$ 2,900,000 - #24350 Capital Projects Supplement
9	RAOC - Turf Replacement Fund Number: 71081 Status: Construction phase - in progress Projected Completion Date: May 2026	Yes	6/30/2025 \$ 2,485,500	\$ 2,247,777	\$ 2,485,500	\$ 2,485,500 - #70213 Campus Recreation Capital Reserve
10	ODH - Chiller Replacement Fund Number: 71112 Status: Construction phase to begin February 2026 Projected Completion Date: August 2026	Yes	12/31/2025 \$ 2,400,000	\$ 45,339	\$ 2,400,000	\$ 1,600,000 - #22400 PPAP IA New Programs \$ 800,000 - #24350 Capital Projects Supplement
11	HHB-SON Sim Lab Expansion Fund Number: 70014 Status: Construction complete, closeout in progress Board of Trustees Approved: February 2, 2024 Projected Completion Date: December 2025	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
12	OWC - Program Support Improvements Fund Number: 71078 Status: Construction phase - In progress Projected Completion Date: April 2026	Yes	12/31/2024 \$ 1,400,000	\$ 1,009,108	\$ 1,400,000	\$ 1,400,000 - #24350 Capital Projects Supplement
13	RIC Large Chamber Buildout Fund Number: 71113 Status: Design phase - In progress Projected Completion Date: January 2027	Yes	6/30/2026 \$ 1,300,000	\$ 3,738	\$ 1,300,000	\$ 1,300,000 - #24558 Large Chamber Buildout Fund
14	DH-Auxiliary Services Fund Number: 71107 Status: Construction phase - In progress Projected Completion Date: April 2026	Yes	6/30/2026 \$ 1,253,697	\$ 59,756	\$ 1,253,697	\$ 1,253,697 - #24350 Capital Projects Supplement
15	GC - Golf Course Bunkers Fund Number: 71076 Status: Construction complete, closeout in progress Projected Completion Date: November 2025	Yes	6/30/2026 \$ 1,210,000	\$ 1,192,058	\$ 1,210,000	\$ 860,000 - #44274 R&S Sharf Golf Course Maintenance \$ 350,000 - #44256 Katke-Cousins G.C. - Maintenance

Oakland University
CONSTRUCTION REPORT
 December 31, 2025

Item	Projects In Progress - over \$1,000,000	JCOS		Current Project Budget	Actual Expenditures to Date	Forecast of Final Cost	Source of Funding
		Approval/Notification Required					
16	VAR-Black Box Infrastructure Imprv Fund Number: 71067 Status: Construction phase - In progress Projected Completion Date: April 2026	Yes	6/30/2026	\$ 1,135,900	\$ 600,280	\$ 1,135,900	\$ 1,117,400 - #4384 Mgmt-Administrative \$ 18,500 - #24350 Capital Projects Supplement
17	2024 Campus Master Plan Fund Number: 71074 Status: Construction phase - In progress Projected Completion Date: January 2026	No	NA	\$ 1,106,010	\$ 1,032,330	\$ 1,106,010	\$ 1,106,010 - #24350 Capital Projects Supplement
TOTAL PROJECTS IN PROGRESS				\$ 130,766,107	\$ 54,636,163	\$ 130,766,107	

Notes:

- A. Revised 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.