Treasurer's Report
Oakland University
Board of Trustees Formal Session
April 11, 2025

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 2025), measured by student credit hours, was up 1.3% to prior year actuals and 3% above budget. Financial aid distributions are running slightly above budget, which will be offset by reserves. Expenditures for the year showed no major spending variances in any division or unit. In accordance with the State of Michigan's Public Act 120 of 2024, the university is receiving monthly State Appropriation payments of $6,731,561 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, February 28, 2025 and February 29, 2024* (Attachment A).

Investment performance associated with the working capital pool for the month of February, 2025 was positive and favorable to the monthly benchmark by 9 basis points. Performance for the quarter ended December 31, 2024 was positive and in line with the overall benchmark for the period.

The University's endowment pool performance for the quarter ended December 31, 2024 was negative and fell short of the overall benchmark by 67 basis points. The February 28, 2025 endowment balance of $162.9 million was $14.1 million higher than the February 29, 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 the one-, five-, ten-, fifteen-, twenty-, and twenty-five-year time periods. Exhibit 1 details the University's Endowment performance compared to the average performance of the NACUBO/Commonfund peer institutions and also against other Michigan universities that participated in the endowment survey.

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, February 28, 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.

5. Construction Report: The *Construction Report, February 28, 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, February 28, 2025 and February 29, 2024
   Exhibit 1 - Endowment Survey Review for FY2024
B. Capital Debt Report, February 28, 2025
C. Construction Report, February 28, 2025

Submitted to the President
on Mar 21, 2025 __________________, 2025 by

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

Recommended on April 11 ___________, 2025
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

Attachment A

Oakland University
Cash and Investments Report
February 28, 2025 and February 29, 2024

	Fair Market Value February 29, 2024	Fair Market Value February 28, 2025	Strategic Allocation 2/28/2025	Total Return Month Ending February 28, 2025	Benchmark Month Ending February 28, 2025	Total Return Qtr. Ending December 31, 2024	Benchmark Qtr. Ending December 31, 2024
Working Capital [1]							
Equity Funds	$ 74,786,543	$ 81,970,330	24.06%	-1.36%	-1.30%	2.44%	2.41%
Fixed Income Funds	203,651,805	178,193,381	52.31%	1.37%	1.17%	-0.98%	-0.98%
Cash and Cash Equivalents	34,164,250	80,481,414	23.63%	0.18%	0.18%	0.72%	0.73%
Working Capital Pool Total	$ 312,602,598	$ 340,645,125	100.00%	0.43%	0.34%	0.24%	0.23%
Endowment [2]							
Equity Funds	112,436,642	115,164,679	70.69%			0.27%	1.33%
Fixed Income Funds	21,473,780	26,285,326	16.13%			-2.49%	-2.74%
Hedge Funds	3,528,800	4,600,718	2.82%			2.84%	0.33%
Real Assets	19,760	1,969	0.00%			0.00%	0.00%
Private Debt	-	2,107,823	1.29%			1.63%	1.63%
Private Equity [3]	10,007,103	13,295,982	8.16%			0.23%	0.23%
Cash	1,348,971	1,465,849	0.90%			2.15%	1.19%
Endowment Pool Total	$ 148,815,056	$ 162,922,346	100.00%			-0.12%	0.55%

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 havin

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: HFRX Equity Hedge , BoA-ML High Yield II (Relative Weighted)
For Endowment Real Assets: Lipper Glb 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
February 28, 2025

	Amount	Rate of Interest	Interest Type	Est. FY 25 Prin. + Int.	Expires	Bond Rating	Purpose	Underwriter
Outstanding Bonds:								
2008 General Revenue Refunding Bonds	29,705,000 [1]	3.373%	Variable/Hedged	3,215,633	2031	Aa2	AVN, Pawley, OC Exp., Elec. Upgr., Park. Deck I (Ref. 2001)	Lehman
2013B General Revenue Refunding Bonds	4,360,000	2.995%	Fixed	2,301,162	2026	A1	Recreation and Athletics Center (Ref. 2004 / 1995)	5/3rd, BOAML
2016 General Revenue Bonds	98,355,000	3.656%	Fixed	7,474,500	2047	A1	Hillcrest, Oakland Center, Other Capital Projects	Citigroup, PNC,
2019 General Revenue Bonds	73,725,000	3.307%	Fixed	5,208,750	2050	A1	South Foundation, Varner, Dodge, Wilson, Research	BOAML, PNC
2022A General Revenue Refunding Bonds	30,495,000	3.469%	Fixed	2,002,500	2042	A1	Engineering Center (Ref. 2012)	BOA Securities
2022B General Revenue Refunding Bonds	42,485,000	3.956%	Fixed	3,368,500	2042	A1	Oakview, Parking Deck II, Upper Play Fields (Ref. 2013A)	BOA Securities
2024A General Revenue Refunding Bonds	17,780,000	3.670%	Fixed	1,795,463	2039	A1	HHB, Infrastructure Projects (Ref. 2014)	SWS
Subtotal Outstanding Bonds	$ 296,905,000			$ 25,366,508				
Other Capital Debt:								
2005 ESA II Loan	$ 3,494,707	3.785%	Fixed	$ 1,302,687	2027		Energy Services Agreement II	
2014 Central Heating Co-Gen	9,331,667	3.880%	Fixed	1,401,750	2031	A1	Combined Heat and Power Co-Generation System	
Subtotal Other Capital Debt	$ 12,826,373			$ 2,704,437				
Total Bonds and Other Capital Debt	$ 309,731,373	3.568% [2]		$ 28,070,945				
Total Unamortized Bond Premiums	$ 37,092,858							

[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.

	Counterparty	Current Notional Amount	Termination Present Value	Expires	Counterparty Rating	Purpose/Comment
Debt-Based Derivative:						
Interest Rate Swap - Synthetically Fix 2008 Bonds	Dexia	29,705,000	$ (842,033)	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.

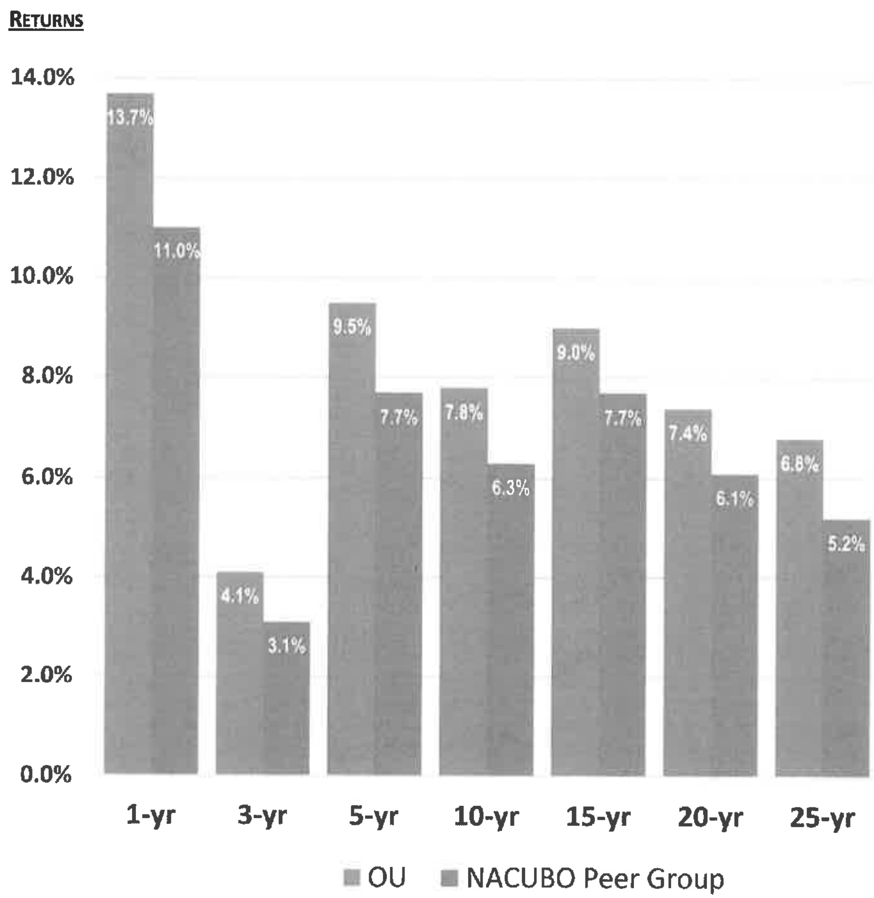
Exhibit 1

Endowment Survey Review for FY2024

(NACUBO / Commonfund) *

OAKLAND UNIVERSITY

OU Compared to NACUBO Peer Group **

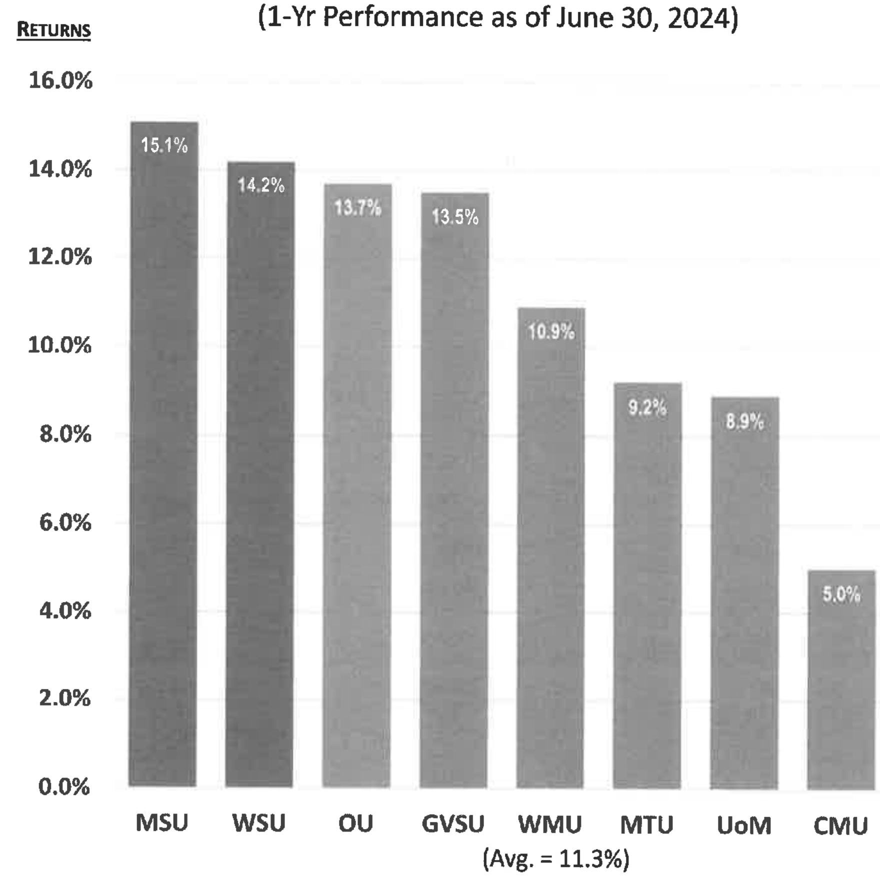


* A Total of 658 U.S. Colleges, Universities, and Affiliated Foundations participated in the Survey

** NACUBO Peer Group defined as Universities with Endowment sizes between $100 and $250 million

OU Compared to Michigan Universities ***

(1-Yr Performance as of June 30, 2024)



*** EMU, FSU, LSSU, NMU, SVSU did not participate in the survey or chose not to have their results made public

Attachment C

Oakland University
CONSTRUCTION REPORT
2/28/2025

Item	Projects in Progress - over $1,000,000	JCOS Approval/Notification Required		Project Budget	Actual Expenditures to Date	Forecast of Final Cost	Source of Funding
1	**VAR-2019 Renovation** Fund Number: 70023 Status: Complete; Closeout in progress Board of Trustees Approved: December 7, 2020 Projected Completion Date: April 2024	Yes	12/31/2020	$ 45,000,000	$ 44,972,997	$ 45,000,000	$ 45,000,000 - #70046 2019 General Revenue Bonds
2	**SFH Renovation and Expansion** Fund Number: 70009 Status: Complete; Closeout in progress Board of Trustees Approved: April 8, 2019, February 7, 2022 Projected Completion Date: December 2024	Yes	6/30/2019	$ 44,200,000	$ 43,257,453	$ 44,200,000	$ 30,000,000 - State of MI Capital Outlay Appropriation $ 10,000,000 - #70046 2019 General Revenue Bonds $ 4,200,000 - #24350 Capital Projects Supplement
3	**Oakland West Center (OWC)** Fund Number: 71025 Status: Construction in progress Board of Trustees Approved: April 14, 2022 Projected Completion Date: December 2025	Yes	6/30/2022	$ 25,000,000	$ 21,399,379	$ 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
4	**OU Research Facility** Fund Number: 70058 Status: CLOSED Board of Trustees Approved: June 21, 2021 Projected Completion Date: November 2023	Yes	12/31/2020	$ 20,315,800	$ 19,674,718	$ 19,674,718	$ 11,790,800 - #24350 Capital Projects Supplement - Renovation $ 4,809,200 - #70046 2019 General Revenue Bonds - Renovation $ 3,715,800 - #70046 2019 General Revenue Bonds - Purchase
5	**ODH - OUWBSOM Renovation** Fund Number: 71017 Status: Construction in progress Board of Trustees Approved: June 13, 2022, April 12, 2024 Projected Completion Date: December 2025	Yes	6/30/2022	$ 11,800,000	$ 8,284,152	$ 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
6	**MBH Visitor Center/Event Venues** Fund Number: 70078 Status: Construction in progress Board of Trustees Approved: February 7, 2022 Projected Completion Date: June 2025	Yes	6/30/2022	$ 5,500,000	$ 4,078,855	$ 5,500,000	$ 2,500,000 - #24557 MBH Welc Ctr & Tent Venue Financing $ 3,000,000 - #70203 MBE Maintenance Reserve & MBH Donations
7	**OWC - Athletics Training Facility** Fund Number: 71065 Status: Construction phase - In progress Board of Trustees Approved: September 11, 2023 Projected Completion Date: May 2025	Yes	6/30/2024	$ 5,000,000	$ 2,484,957	$ 5,000,000	$ 5,000,000 - #24354 Student Athlete Development Center Reserve
8	**Science Complex Renovation** Fund Number: 71077 Status: Planning phase - In progress Board of Trustees Approved: September 11, 2023 Capital Outlay Request Projected Completion Date: July 2028	Yes	6/30/2024	$ 2,500,000	$ 164,826	$ 2,500,000	$ 2,500,000 - #24350 Capital Projects Supplement

Attachment C

Oakland University
CONSTRUCTION REPORT
2/28/2025

Item	Projects in Progress - over $1,000,000	JCOS Approval/Notification Required		Project Budget	Actual Expenditures to Date	Forecast of Final Cost	Source of Funding
9	**RAC - Chiller replacement** Fund Number: 71103 Status: Construction phase - In progress Board of Trustees Approved: February 7, 2025 Projected Completion Date: August 2025	Yes	12/31/2024	$ 2,900,000	$ -	$ 2,900,000	$ 2,900,000 - #24350 Capital Projects Supplement
10	**HHB-SON Sim Lab Expansion** Fund Number: 70014 Status: Construction phase - In progress Board of Trustees Approved: February 2, 2024 Projected Completion Date: October 2024	Yes	12/31/2024	$ 1,500,000	$ 913,079	$ 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
11	**OWC - Program Support Improvements** Fund Number: 71078 Status: Construction phase - In progress Projected Completion Date: June 2025	Yes	12/31/2024	$ 1,400,000	$ 526,442	$ 1,400,000	$ 1,400,000 - #24350 Capital Projects Supplement
12	**2024 Campus Master Plan** Fund Number: 71074 Status:In progress Projected Completion Date: TBD	No	NA	$ 1,106,010	$ 784,528	$ 1,106,010	$ 1,106,010 - #24350 Capital Projects Supplement
	TOTAL PROJECTS IN PROGRESS			$ 166,221,810	$ 146,541,386	$ 165,580,728	

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.