



**Western Oregon University Board of Trustees:  
Finance & Administration Committee (FAC)**

**Meeting No. 43**

**Feb 10, 2026 | 1:00-5:00 pm**

**To Observe This Meeting [Click Here](#) | By Phone: 1-253-215-8782**

**AGENDA**

**I. CALL-TO-MEETING AND ROLL CALL**

**II. COMMITTEE CHAIR'S WELCOME**

**III. CONSENT AGENDA (1:00-1:10 pm)**

- 1) [Approval of the November 4, 2025, Meeting Minutes](#)

**IV. REPORTS & ACTION ITEMS**

- 1) [FY 2025 Financial Statements Audit](#) (1:10-1:50 pm)

- a) [Financial Statements Highlights](#) (Shadron Lehman)  
b) [Eide Bailly Presentation](#)

- 2) Accept [FY2026 Management Report \(as of December 31, 2025\)](#)

*Camarie Moreno, Director of Budget & Planning* (1:50-2:35 pm)

- a) Update on Budget Dashboard

- 3) [Approval of Heritage Hall Building Roof Resolution](#) (2:35-2:45 pm)

*Kwabena Boakye, Vice President for Finance & Administration*

**V. BREAK (2:45-3:00 pm)**

**VI. REPORT AND DISCUSSION ITEMS**

- 1) [University Budget Advisory Committee](#) (UBAC) (3:00-3:15 pm)

*Tri-Chairs: Zach Hammerle, Kristin Nxumalo*

- 2) [University Technology Advisory Committee](#) (UTAC) (3:15-3:30 pm)

*Tri-Chairs: Chelle Batchelor, Amy Clark, Thomas Litterer*

- 3) [Vice President for Finance & Administration Report](#) (3:30-4:15 pm)

*Kwabena Boakye*



a) [Campus Safety & Operations Update](#)

*Rebecca Chiles, Assistant VP for Campus Safety & Operations*

b) [University Computing Solutions Update](#)

*Thomas Litterer, CIO and Director of University Computing Solutions*

c) [Cash Flow Projections](#)

*Kristal Hughes, Associate Controller for Accounting & Business Services*

4) [Finance and Administration Committee Charter Review Update](#) (4:15-4:25 pm)

5) Format and timing of future meetings (4:25-4:35 pm)

**VII. FEBRUARY 25, 2026 BOARD MEETING PREPARATION (4:35-4:45 pm)**

**VIII. UPDATES AND AROUND-THE-TABLE (4:45-4:55 pm)**

**IX. ADJOURNMENT**



## **Finance & Administration Committee (FAC), Fiscal Year Ended June 30, 2025 Financial Statements Audit**

[Western Oregon University's annual financial report](#) for the fiscal year ended June 30, 2023 was prepared by the University's staff.

The public accounting firm, Eide Bailly LLP ("Auditor"), has audited the financial report and has issued an unmodified opinion, i.e., in their opinion the financial statements present fairly, in all material respects, the financial position of the University.

### **STAFF RECOMMENDATION:**

It is recommended that the Western Oregon University Finance and Administration Committee recommend to the Board of Trustees to accept the University's fiscal year 2025 audit of financial statements.

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### **Board of Trustees**

345 Monmouth Ave. N. | Monmouth, OR 97361 | 503-838-8888 | [wou.edu/board](http://wou.edu/board) | [board@wou.edu](mailto:board@wou.edu)

## **Finance & Administration Committee (FAC), Fiscal Year Ended June 30, 2025**

### **Financial Statements Highlights**

#### Annual Financial Report (in thousands)

- Total Net Position increased by \$12,357
  - Net Investment in Capital Assets increased by \$13,842
    - Major additions and renovations:
      - Welcome Center improvements \$657
      - Student Success Center \$6,644
      - Steam Pipe \$6,704
      - WOU Salem – OTD \$465
      - New PE Building \$723
    - Depreciation and amortization \$7,796
    - Reduction of debt associated with capital assets \$3,256
  - Restricted Expendable Net Position increased by \$736
  - Unrestricted Net Position decreased by \$2,221
    - Related to University operations \$2,576 decrease
    - Quasi-Endowment increased \$256
    - PERS changes in performance, census and estimated earnings resulted in a year-end accrual of the net pension liability which increased unrestricted net position \$68
    - OPEB changes in performance, census and estimated earnings resulted in a year-end accrual of the net OPEB liability which increased unrestricted net position \$31
- Statement of Revenues, Expenses, and Changes in Net Position
  - Operating Revenues decreased \$1,245
    - Decrease in federal, state, and local grants \$1,469
  - Operating Expenses increased \$1,785
    - Increase in Compensation and Benefits \$3,052
    - Decrease in Services and Supplies \$3,570
    - Increase in Scholarships and Fellowships \$1,619
    - Increase in Depreciation and Amortization Expense \$576
    - Other Expenses increased by \$108
  - Non-operating Revenues decreased by \$1,669
    - State Appropriations increased \$107
    - Federal and State Grants and Contracts increased \$1,757
    - State-funded capital projects decreased Capital Grants by \$3,568
- Statement of Cash Flows
  - Cash position increased by \$18,706
    - Investments decreased \$22,044



- **Current Ratio**

The current ratio measures WOU's liquidity serving as an indicator of the ability to meet current obligations. This simple calculation matches the institution's short-term assets with liabilities expected to come due during the same period.

Generally accepted standards for this ratio indicate a 2:1 coverage as being desirable.

The numerator is total current assets; the denominator is total current liabilities. Both numbers come directly from the Statement of Net Position.

	<u>FY25</u>	<u>FY24</u>	<u>FY23</u>	<u>FY22</u>	<u>FY21</u>	<u>FY20</u>
<b>Current Ratio</b>	<b>2.454</b>	<b>1.045</b>	<b>1.106</b>	<b>1.643</b>	<b>1.851</b>	<b>1.883</b>



# WESTERN OREGON UNIVERSITY

2025 AUDIT RESULTS



# AUDIT PROCESS

- What happens during an audit?
  - Single Audit
    - Begin process in Spring 2025
    - Risk-based audit approach
    - Make determination as to which federal programs will perform single audits over
    - Wrap up testing during year end fieldwork
  - Financial Statement Audit
    - Begin process in Spring 2025
    - Risk-based audit approach
    - Testing
      - Involves confirmation, sampling, analytics, and substantiation
    - Assessment of testing and reporting

# SINGLE AUDIT

- Programs performed single audit testing over:
  - Student Financial Assistance Cluster
  - TRIO Cluster
  - Child Care and Development Block Grant
- Results
  - Finalizing with management due to delay in issuance of final compliance supplement end of November 2025

# FINANCIAL STATEMENT AUDIT

- Significant Estimates
  - Allowance for doubtful accounts
  - Pension
  - OPEB
  - Compensated Absences
- Significant transactions in the current year
  - Implementation of GASB 101, *Compensated Absences*
- Unmodified Opinion on Financial Statements (Pgs. 5-8)
- Unmodified Opinion on Internal Control over Financial Reporting (Will be included with compliance report)
- No adjustments in the current year
- Passed Adjustments in the current year
  - Reconcile cash and investments to general ledger from support - \$221k
  - True up year end payroll accrual to subsequent payments \$248k
  - True up compensated absences liability as of June 30, 2024, for payrates in effect as of June 30, 2024 - \$391k

# Thank you

Kristin Diggs, Partner  
kdiggs@eidebailly.com

[eidebailly.com](http://eidebailly.com)

**Western Oregon University**  
**P6 YTD Actual to Actual Variance**

(Unaudited, non-GAAP, for management purposes only)  
(in thousands)

**As of December 31, 2025**  
**For the Fiscal Year Ended June 30, 2026**

	P6 FY25 Actuals	P6 FY25 Realization/ Burn Rate %	P6 FY26 Actuals	P6 FY26 % of Budget	Variance Actuals          %		Note
Education & General Fund							
Revenues							
Tuition	22,985		23,585		600		
Online Course Fees	2,152		1,930		(222)		
Other Fees	1,139		1,094		(44)		
Less: Fee Remissions	(3,325)		(3,890)		(566)		
Net Student Fees & Tuition	22,951	69.93%	22,719	69.09%	(232)	-0.84%	
Government Resources & Allocations	20,888	59.89%	21,004	60.00%	116	0.11%	
Gift Grants and Contracts	910	41.80%	938	49.34%	28	7.55%	
Other Revenue	1,393	43.40%	1,532	47.13%	139	3.73%	
Total Revenues	46,142	63.13%	46,192	63.24%	51	0.11%	
Expenses							
Personnel	26,155	43.83%	26,991	44.00%	(836)	0.17%	
Service & Supplies	4,625	57.23%	5,294	51.28%	(669)	-5.95%	
Total Expenses	30,780	45.43%	32,285	45.05%	(1,505)	-0.38%	
Net Revenues less Expenses	15,362		13,907		(1,455)		

**Western Oregon University**  
**P6 YTD Actual to Actual Variance**

(Unaudited, non-GAAP, for management purposes only)  
(in thousands)

**As of December 31, 2025**  
**For the Fiscal Year Ended June 30, 2026**

	P6 FY25 Actuals	P6 FY25 Realization/ Burn Rate %	P6 FY26 Actuals	P6 FY26 % of Budget	Variance Actuals      %		Note
<b>Auxiliary Enterprises Funds</b>							
<b>Revenues</b>							
Enrollment Fees	3,964	66.99%	3,906	68.23%	(57)	1.24%	FY25 includes \$217K of campus rec bldg fees FY25 excludes \$4.229M of room & board income
Sales and Services	4,426	35.61%	9,169	76.54%	4,743	40.93%	
Other Revenue	1,401	49.92%	1,493	50.89%	92	0.97%	
<b>Total Revenues</b>	<b>9,791</b>	<b>46.29%</b>	<b>14,568</b>	<b>70.59%</b>	<b>4,777</b>	<b>24.30%</b>	
<b>Expenses</b>							
Personnel	5,611	48.10%	6,267	48.61%	(656)	0.51%	
Service & Supplies	6,405	48.58%	6,310	53.29%	95	4.71%	
<b>Total Expenses</b>	<b>12,016</b>	<b>48.35%</b>	<b>12,577</b>	<b>50.85%</b>	<b>(561)</b>	<b>2.50%</b>	
<b>Net Revenues less Expenses</b>	<b>(2,226)</b>		<b>1,991</b>		<b>4,217</b>		
<b>Designated Operations, Service Departments, Clearing Funds</b>							
<b>Revenues</b>							
Enrollment Fees	22	57.73%	0	0.18%	(22)	-57.54%	\$158K clearing fund timing difference.
Sales and Services	71	49.43%	50	40.67%	(20)	-8.76%	
Other Revenue	1,091	51.80%	953	46.30%	(138)	-5.50%	
<b>Total Revenues</b>	<b>1,184</b>	<b>51.75%</b>	<b>1,004</b>	<b>44.99%</b>	<b>(180)</b>	<b>-6.76%</b>	
<b>Expenses</b>							
Personnel	422	72.46%	417	37.81%	6	-34.65%	
Service & Supplies	469	42.69%	839	74.37%	(370)	31.68%	
<b>Total Expenses</b>	<b>892</b>	<b>53.00%</b>	<b>1,256</b>	<b>56.30%</b>	<b>(364)</b>	<b>3.29%</b>	
<b>Net Revenues less Expenses</b>	<b>292</b>		<b>(252)</b>		<b>(544)</b>		



**Western Oregon University**  
**FY26 Projected Year-End**  
(Unaudited, non-GAAP, for management purposes only)  
(in thousands)

**As of December 31, 2025**  
**For the Fiscal Year Ended June 30, 2026**

	<b>FY25 Year-End Actuals</b>	<b>FY26 Projected Year-End</b>	<b>FY26 Adjusted Budget</b>	<b>Variance FY26 Projected Year-End to Budget</b>	<b>Note</b>
<b>Education &amp; General Fund</b>					
Student Fees & Tuition (net of remissions)	32,822	32,663	32,884	(221)	
Government Resources & Allocations	34,877	35,042	35,007	36	
Gift Grants and Contracts	2,176	2,243	1,900	343	
Other Revenue	3,210	3,137	3,250	(113)	
<b>Total Revenues</b>	<b>73,085</b>	<b>73,086</b>	<b>73,040</b>	<b>45</b>	
Personnel	59,675	62,342	61,346	(996)	
Service & Supplies	8,081	10,304	10,324	21	
<b>Total Expenses</b>	<b>67,756</b>	<b>72,646</b>	<b>71,671</b>	<b>(975)</b>	
Net Transfers	7,276	5,624	5,501	(122)	
<b>Total Expenses and Transfers</b>	<b>75,032</b>	<b>78,269</b>	<b>77,172</b>	<b>(1,097)</b>	Projection based on transfer schedule.
<b>Net Revenues less Expenses</b>	<b>(1,947)</b>	<b>(5,183)</b>	<b>(4,132)</b>	<b>(1,052)</b>	
<b>Fund Balance at the Beginning of the Year</b>	<b>13,754</b>	<b>13,590</b>			
<b>Additions/Deductions to Fund Balance</b>	<b>1,783</b>	<b>5</b>			
<b>Fund Balance at the End of the Year</b>	<b>13,590</b>	<b>8,411</b>			
<b>Fund Balance as a Percentage of Revenues</b>	<b>18.60%</b>	<b>11.51%</b>			

**Western Oregon University**  
**FY26 Projected Year-End**  
(Unaudited, non-GAAP, for management purposes only)  
(in thousands)

**As of December 31, 2025**  
**For the Fiscal Year Ended June 30, 2026**

	<b>FY25 Year-End Actuals</b>	<b>FY26 Projected Year-End</b>	<b>FY26 Adjusted Budget</b>	<b>Variance FY26 Projected Year-End to Budget</b>	<b>Note</b>
<b>Auxiliary Enterprises Funds</b>					
Enrollment Fees	5,916	5,819	5,725	94	
Sales and Services	12,429	12,867	11,979	888	
Other Revenue	2,807	2,991	2,934	57	
<b>Total Revenues</b>	<b>21,152</b>	<b>21,677</b>	<b>20,638</b>	<b>1,039</b>	
Personnel	11,667	13,030	12,893	(138)	
Service & Supplies	13,183	12,488	11,840	(648)	
<b>Total Expenses</b>	<b>24,851</b>	<b>25,518</b>	<b>24,733</b>	<b>(786)</b>	
Net Transfers	(5,986)	(2,957)	(3,606)	(649)	Projection based on transfer schedule.
<b>Total Expenses and Transfers</b>	<b>18,865</b>	<b>22,562</b>	<b>21,126</b>	<b>(1,435)</b>	
<b>Net Revenues less Expenses</b>	<b>2,287</b>	<b>(885)</b>	<b>(488)</b>	<b>(397)</b>	
<b>Additions/Deductions to Fund Balance</b>	<b>(1,366)</b>	<b>2,482</b>			
<b>Fund Balance at the Beginning of the Year</b>	<b>7,082</b>	<b>8,003</b>			
<b>Fund Balance at the End of the Year</b>	<b>8,003</b>	<b>9,601</b>			
<b>Fund Balance as a Percentage of Revenues</b>	<b>37.84%</b>	<b>44.29%</b>			
<b>Designated Operations, Service Departments, Clearing Funds</b>					
Enrollment Fees	38	0	48	(48)	
Sales and Services	144	102	124	(22)	
Other Revenue	2,106	1,998	2,059	(61)	
<b>Total Revenues</b>	<b>2,287</b>	<b>2,100</b>	<b>2,231</b>	<b>(131)</b>	
Personnel	583	834	1,103	269	
Service & Supplies	1,100	1,966	1,128	(837)	
<b>Total Expenses</b>	<b>1,683</b>	<b>2,799</b>	<b>2,231</b>	<b>(568)</b>	
Net Transfers	74	0	-	(0)	Projection based on transfer schedule.
<b>Total Expenses and Transfers</b>	<b>1,757</b>	<b>2,800</b>	<b>2,231</b>	<b>(569)</b>	
<b>Net Revenues less Expenses</b>	<b>531</b>	<b>(700)</b>	<b>-</b>	<b>(700)</b>	
<b>Additions/Deductions to Fund Balance</b>	<b>(249)</b>	<b>(179)</b>			
<b>Fund Balance at the Beginning of the Year</b>	<b>2,692</b>	<b>2,974</b>			
<b>Fund Balance at the End of the Year</b>	<b>2,974</b>	<b>2,096</b>			
<b>Fund Balance as a Percentage of Revenues</b>	<b>130.03%</b>	<b>99.78%</b>			

**Western Oregon University**  
**Transfers Schedule - Projected FY26**  
(Unaudited, non-GAAP, for management purposes only)

	E&G			Auxiliary	Des Ops - Serv Dept.	Plant fund	Other	Total
<b>Transfers In E&amp;G</b>				(a)			(f)	
<b>Actual</b>				25,100			635	25,735
<b>Upcoming</b>				35,140			3,454	38,594
<b>Transfers Out E&amp;G</b>				(b)	(c)	(d)	(e)	(f)
<b>Actual</b>				-	-	2,414	120,000	-
<b>Upcoming</b>				5,385,895	150,000	-	29,752	-
<b>Transfers In AUX</b>	(b)	(c)	(d)			(g)	(h)	
<b>Actual</b>	-	-	2,414			63,521	10,931	76,866
<b>Upcoming</b>	5,385,895	150,000	-			-	-	5,535,895
<b>Transfers Out AUX</b>	(a)					(g)	(h)	
<b>Actual</b>	25,100					639,049	29,075	693,224
<b>Upcoming</b>	35,140					-	1,927,642	1,962,782
<b>Transfers In DO, SD</b>								
<b>Actual</b>								-
<b>Upcoming</b>								-
<b>Transfers Out DO, SD</b>							(i)	
<b>Actual</b>							431	431
<b>Upcoming</b>							-	-

Type	Description
(a)	Parking support of public safety
(b)	Athletic operations support
(c)	Child Development Center support
(d)	Destination Western support for SHCC staff
(e)	Small-Scale Energy Loan Program debt service
(f)	Miscellaneous (endowment matches, cost shares, etc.)
(g)	Auxiliary transfers to/from building/equipment reserves
(h)	Misc. auxiliary transfers, including debt payments for Housing and Recreation Center Building Fee
(i)	Misc. designated operations and service departments transfers

## **Finance & Administration Committee (FAC), February 10, 2026**

### **FY2026 Management Report**

#### **Period 6 YTD Actual to Actual Variance:**

This report provides six months of actual revenue and expense activity (as of December 31, 2025) as compared to the same period in prior fiscal year.

#### **Education & General Fund:**

##### **Revenues:**

Net tuition and fees for Period 6 are \$232K less than the prior year. Gross tuition revenues are \$600K more than the prior year. The difference is due to a combination of tuition increases (~5% across all categories) and enrollment changes (down 2.8% UG and down 6.8% GR, for an overall FTE decrease of 3.2% in Fall 2025, and down 1.3% UG and down 11.7% GR, for an overall FTE decrease of 2.5% in Winter 2026, respective to the same terms prior year). Online course fee revenue is a decrease of \$222K due to a combination of the enrollment decline as well as decreased online course offerings. Fee remissions are an increase of \$566K.

Government resources & allocations have increased by \$116K. For the 2025-27 biennium, the state funded the Public University Support Fund (PUSF) at \$1.069B. 49% of PUSF will be distributed in year 1 (FY26) and allocated among the public universities according to the Student Success and Completion Model (SSCM). The \$21.004M received so far reflects the first two quarters distribution of SSCM (60% of the total for FY26) and Engineering Technology Sustaining Funds (ETSF). Also of note, FY25 includes \$190K of Small Energy Loan Program (SELP) funds, while FY26 does not; WOU still receives the funds, but as part of the banner optimization we have moved the revenue (and correlated expense) to a debt service fund.

Gift grants and contracts revenue has increased by \$28K from prior year. Other revenues have increased by \$139K from the prior year.

Overall, total revenues are \$46.192M, \$51K more than the prior year.

##### **Expenses:**

Personnel expenses are \$836K more than the prior period and reflect variations in faculty/staff from the prior year. Faculty salaries reflect an ~6.06% COLA (varies by individual). Unclassified staff received a 3% COLA effective November 1, 2025. Classified staff received 3.5% effective June 1, 2025 and an additional 3% effective November 1, 2025, as well as individual step increases. The health benefit component of Other Payroll Expenses (OPE) has also increased from prior year by 12.5% (from \$1,600/month per eligible individual to \$1,800/month).

Services and supplies expenses are \$669K more than the prior year. Major contributions to this variance include an increase in spending of \$316K in Admissions (primarily due to a timing difference with EAB), a \$348K decline in Janitorial internal sales reimbursement (in FY25 Facilities paid the personnel cost of day custodians and were reimbursed via internal sale by Housing, in FY26 Housing is paying the personnel cost of day custodians directly, so no internal sale reimbursement is necessary), and \$91K increase in New Student and Family Programs (primarily due to NSFP paying for the room and board for Destination Western participants, whereas in prior year that was covered by the last of their grant funding).

Overall, total expenses are \$32.285M, \$1.505M more than the prior year.

Net Revenues less Expenses:

Net revenues less expenses have decreased by \$1.455M compared to prior year.

#### Auxiliary Enterprises:

Auxiliary Enterprises is comprised of Athletics, University Housing, Campus Dining, Parking, Bookstore, Student Health & Counseling Center (SHCC), Child Development Center (CDC), Incidental Fee, and other minor operations.

Revenues:

Enrollment Fees have decreased by \$57K. In the past, auxiliary enrollment fees have included campus recreation building fee revenue (\$42 per term for Monmouth campus students, resulting in ~\$217K of revenue in FY25 P6; ~\$335K total in FY25; ~\$210K in FY26 P6). As part of the Banner optimization process, with there being a dedicated resource for a specific debt, the revenue (and associated debt payment) have been moved out from auxiliary and to a debt service fund. Accounting for the change, enrollment fees have effectively increased by \$159K. Although enrollment has declined ~3.2% from Fall 2024 to Fall 2025, the decrease is offset by increases in the health service fee from \$175 to \$183 per term (or for students not enrolled on the Monmouth campus, \$130 to \$136), and incidental fee from \$415 to \$435 per term (or \$210 to \$220 for students not enrolled on the Monmouth campus). As a result, health service fee revenue is up \$45K and incidental fee revenue is up \$113K from the prior period.

Sales and Services are up \$4.743M from the prior year. Historically, when room and board were assessed the revenue went to an unearned income (liability) account, and then on a monthly basis was distributed to housing/dining. Effective Spring 2025, room and board revenues immediately deposit to the respective housing/dining revenue account. While this causes a timing discrepancy when comparing this year to last, going forward it will make the accounting process more efficient (and align with how tuition/fees work for the education & general fund). FY25 P6 actuals excluded ~\$4.229M of room & board (that were recorded as an unearned revenue at the time). Accounting

for these timing differences, sales and services are effectively up \$514K. This increase is primarily in Housing & Dining and is due to a combination of more students living on campus (981 Fall 2025 compared to 917 Fall 2024), and increased revenue from rate increases (3-5% for Housing, 2.5% for Dining).

Other Revenue increased by \$92K, primarily in Housing/Dining. Altogether, auxiliary revenue totals \$14.568M and has increased \$4.777M from the prior year. Accounting for the change in revenue recognition and campus recreation building fees, auxiliary revenues have effectively increased by \$765K.

#### Expenses:

Personnel expenses are \$656K more than the prior year, primarily in housing due to changing the way day custodians are paid (in FY25 this expense was included as S&S for Housing, now custodians are paid directly via Housing and there is no related S&S payment to facilities), as well as the rising salary and benefit costs described above. Service & Supplies are \$95K less than the prior year. The savings from no longer paying for custodians via S&S (~\$348K) are offset by ~\$170K of rising food costs in Dining for inflation/increased students living on campus and ~\$110K related to the mark-downs and clean-up of bookstore inventory related to outsourcing. Altogether, auxiliary expenses total \$12.577M, an increase of \$561K from the prior year.

#### Net Revenues less Expenses:

Net revenues less expenses total \$1.991M and have increased by \$4.217M compared to prior year. Accounting for the timing differences described, net revenues less expenses have effectively increased by \$204K from prior year.

#### Designated Operations, Service Departments, Clearing Funds:

Designated Operations, Service Departments, and Clearing Funds is comprised primarily of Telecommunications and Oregon Council of Presidents. The Clearing Fund is cleared on a quarterly basis.

Enrollment Fee and Sales and Services Revenues are comparable to prior year. Other Revenue is down \$138K, however \$158K of this is related to clearing fund balances. Accounting for this, other revenues are effectively up \$20K.

Personnel Expenses are comparable to prior year. Service & Supplies expenses are up \$370K, with \$73K of the increase in Oregon Council of Presidents, and \$271K in Telecommunications.

### **FY26 Projected Year-End:**

This report provides year-end projections. The projected year-end methodology is a combination of actual revenues and expenses for the first six months of operations and projections for the remaining six months of FY26. Projections for periods seven through twelve are based on the actual FY25 realization/burn rates for period six, which are applied to FY26 revenues and expenses.

### **Education & General Fund:**

#### **Revenues:**

Total revenues are projected to be \$73.086M, \$45K more than the FY26 adjusted budget. Altogether, net student fees & tuition are projected to be \$221K less than the adjusted budget. This is primarily due to fee remissions projected to be over the budget of \$5.9M. Government resources and allocation are projected at \$35.042M, \$36K more than the adjusted budget as a result of the true-up. Gifts, grants, and contracts are projected at \$2.243M, \$343K more than the adjusted budget. Other revenues are projected to be \$3.137M, \$113K less than the adjusted budgeted amount.

#### **Expenses:**

Total expenses are projected to be \$72.646M, \$975K more than the FY26 adjusted budget. Personnel is projected to be \$62.342M, \$996K more than the budget; \$2M of staff salvage savings were incorporated into the FY26 adjusted budget. The projected overage is due to a combination of not realizing vacancy staff savings and overages in faculty spending. Service and supplies are projected to be \$10.304M, \$21K less than the adjusted budget.

#### **Transfer Schedule:**

A projected transfer schedule is attached to provide details for the projected transfers in and out. This includes a transfer out of \$5.386M to Athletics. The projected overage of \$122K is primarily due to transactions related to moving debt service out of general fund.

#### **Net Revenues less Expenses and Transfers:**

Net revenues less expenses and transfers are projected to be a loss of \$5.183M versus the FY26 adjusted budget of a loss of \$4.132M. Projected year-end fund balance is \$8.411M, or 11.51% of projected revenues.

### **Auxiliary Enterprises:**

#### **Revenues:**

Total revenues are projected to be \$21.677M, \$1.039M more than the adjusted budget. Enrollment fees are projected to be \$5.819M, \$94K more than the budget. Sales and

services are projected to be \$12.867M, \$888K more than budgeted, primarily due to the increase of students living on campus. Other revenues are projected to be \$2.991M, \$57K more than the adjusted budget.

Expenses:

Total expenses are projected to be \$25.518M, \$786K more than the budget. Personnel is projected to be \$13.030M, \$138K more than the adjusted budget. Service and supplies are projected to be \$12.488M, \$648K more than the adjusted budget.

Transfer Schedule:

A projected transfer schedule is attached to provide details for the projected transfers in and out. The projected overage of \$649K is primarily due to banner optimization efforts where we have moved \$639K of funds to capital reserves.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$885K compared to the FY26 adjusted budget loss of \$488K. Additions/Deductions to Fund Balance include depreciation and entries related to moving the debt for campus recreation to a debt service fund. This results in a projected year-end fund balance of \$9.601M.

Designated Operations, Service Departments, Clearing Funds:

Revenues:

Total revenues are projected to be \$2.1M, \$131K less than the budget.

Expenses:

Total expenses are projected to be \$2.799M, \$568K more than the budget.

Net Revenues less Expenses and Transfers:

Net revenues less expenses and transfers are projected to be a loss of \$700K compared to the FY26 net zero budget.

STAFF RECOMMENDATION:

It is recommended that the Western Oregon University Finance and Administration Committee accept the FY26 Projected Year-End Report and the overall Management Report as of December 31, 2025.





## **Finance & Administration Committee (FAC), Resolution: Approval for Financing to Replace Heritage Hall Roof:**

Heritage Hall's initial construction was completed in 1989. Although the roof was intended to have a useful life of 50 years, the University has had to patch it multiple times and is currently experiencing a catastrophic failure at only 36 years of use. The facility is causing severe water intrusion that, if allowed to continue, threatens the building's structural integrity and the students' health and safety. It is the opinion of the university-hired experts who inspected the roof that it has reached the end of its serviceable life and must be replaced immediately.

The University has solicited bids from roofing contractors to determine the cost of replacing the roof, and the lowest bid submitted is \$3.1 million. Senior leadership is pursuing two options for financing the cost of the roof replacement: (i) private financing provided by NCL Government Capital, a business specializing in financing government projects, and (ii) emergency capital funding facilitated by the Higher Education Coordinating Commission (HECC). Both options would require the University to pay back the loan over time. University Housing has developed a plan to pay back the loan over time using housing fees collected by on-campus students. The following resolution and the attached exhibits will provide you with information on each option.

The Board Statement on Delegation of Authority requires approval by the Western Oregon University Board of Trustees for any transaction or project for which the total anticipated costs or value exceeds \$1,000,000. Therefore, we need board approval to move forward with either option.

### **STAFF RECOMMENDATION:**

Staff recommends that the Western Oregon University Finance and Administration Committee recommends to the Board of Trustees to approve the Resolution for Financing to Replace Heritage Hall Roof as written in the docket.

---

### **Board of Trustees**



## Board of Trustees of Western Oregon University

### Resolution: Approval for Financing to Replace Heritage Hall Roof

Whereas, Heritage Hall is a residence hall located on the campus of Western Oregon University ("WOU") that provides housing to students;

Whereas, Heritage Hall's initial construction was completed in 1989, and the roof of the building has been patched on multiple occasions but never replaced;

Whereas, although the roof was intended to have a useful life of 50 years, the roof is experiencing catastrophic failure at 36 years old;

Whereas, the roof's failure is resulting in severe water intrusion that, if allowed to continue, threatens the structural integrity of the building as well as the health and safety of student residents;

Whereas, in the opinion of experts hired by WOU to inspect the roof, the roof has reached the end of its serviceable life and must be immediately replaced;

Whereas, WOU has solicited bids from roofing contractors to determine the cost of replacing the roof, and the lowest bid submitted sets the cost at \$3.1 million;

Whereas, WOU's senior leadership team is pursuing two options for financing the cost of the roof replacement: (i) private financing provided by NCL Government Capital, a business specializing in financing government projects; and (ii) emergency capital funding facilitated by the Higher Education Coordinating Commission ("HECC");

Whereas, the proposed terms of financing initially offered by NCL Government Capital in December of 2025 are attached to this resolution as Exhibit A;

Whereas, if WOU is provided emergency capital funding via the HECC, WOU anticipates that the funding will be in the form of bond proceeds that WOU will be required to repay pursuant to Article XI-F(1) of the Oregon Constitution;

Whereas, WOU's application materials for emergency capital funding are attached to this resolution as Exhibit B;



Whereas, any obligation to repay the funds required for this project will be funded by a portion of the fees charged to students for on-campus housing; and

Whereas, the Board Statement on Delegation of Authority requires approval by WOU's Board of Trustees for any transaction or project for which the total anticipated cost or value exceeds \$1,000,000;

NOW THEREFORE, the Board of Trustees of Western Oregon University hereby authorizes and ratifies:

- 1) A budget of \$3,100,000 for the Heritage Hall roof capital project as articulated in materials attached to this resolution as Exhibit B;
- 2) The President and his designee(s) to take all actions necessary and proper to execute the aforementioned capital project, including entering into any and all agreements necessary to obtain financing, to hire a contractor, and to perform any other act necessary to complete the capital project; and
- 3) All actions taken by WOU up to and through passage of this resolution in furtherance of the aforementioned capital project.

VOTE:

DATE:

Recorded by the Secretary of the Board of Trustees:

Resolution: Heritage Hall Roof Capital Project (Authorization)

February \_\_, 2026



EXHIBIT A

NCL Government Capital

December 2025 Proposed Financing Terms

December 11, 2025

Western Oregon University  
345 Monmouth Ave. N  
Monmouth, OR 97361

**Re: Tax Exempt Municipal Lease Proposal**

Dear Sir or Madam:

Lease Servicing Center, Inc. dba NCL Government Capital ("NCL") is pleased to propose the following Tax Exempt Municipal Lease transaction as outlined below. Under this transaction WOU, would enter into a Tax Exempt Municipal lease agreement with NCL for the purpose of acquiring Roof Replacement. This transaction is subject to formal review and approval by both Lessor and Lessee.

<b>LESSEE:</b>	Western Oregon University
<b>LESSOR:</b>	Lease Servicing Center, Inc. dba NCL Government Capital
<b>EQUIPMENT:</b>	Roof Replacement
<b>EQUIPMENT COST:</b>	\$3,100,000.00
<b>DOWN PAYMENT / TRADE-IN:</b>	\$0.00
<b>AMOUNT FINANCED:</b>	\$3,100,000.00
<b>FUNDING DATE:</b>	January 1, 2026
<b>DEFERRAL DAYS:</b>	365
<b>FIRST PAYMENT DUE:</b>	January 1, 2027
<b>TERM:</b>	<b>20 Years</b>
<b>ANNUAL LEASE PAYMENTS:</b>	\$248,752.02
<b>INTEREST RATE:</b>	5.00%
<b>BALLON PAYMENT:</b>	\$0.00

**PRICING:** The payments outlined above are locked, providing this proposal is accepted by the Lessee and the transaction closes/funds prior to January 31, 2026. After these days, the final payments shall be adjusted commensurately with market rates in effect at the time of funding and shall be fixed for the entire lease term.

**DOCUMENTATION FEE:** \$500 paid to Lessor at closing

**DOCUMENTATION:** Lessor shall provide all of the documentation necessary to close this transaction. This documentation shall be governed by the laws of the State of Lessee.

**TITLE / INSURANCE:** Lessee shall retain title to the equipment during the lease term. Lessor shall be granted a perfected security interest in the equipment and the Lessee shall keep the equipment free from any/all liens or encumbrances during the term. Lessee shall provide adequate loss and liability insurance coverage, naming Lessor as additional insured and loss-payee.

**TAX STATUS:** This transaction must be designated as Tax-Exempt under Section 103 of the IRS code of 1986 as amended.

**SOURCEWELL CONTRACT:** NCL has been competitively bid and awarded a contract through Sourcewell (Formally NJPA).  
**#092424-NCL** NCL's Sourcewell Contract # is: **092424-NCL**.

We appreciate this opportunity to offer an NCL Financing Solution. Please do not hesitate to contact me if you have any questions at (320) 763-7600. Acceptance of this proposal is required prior to credit underwriting by NCL. Upon acceptance of this proposal, please scan and e-mail to my attention. Thank you again.

Sincerely,

Katie Vangsness – (320) 763-7600  
katiev@nclgovcap.com

#### ACCEPTANCE

As a duly authorized agent of Western Oregon University, I hereby accept the proposal as outlined above and intend to close this financing with NCL, subject to final approval.

ACCEPTED: \_\_\_\_\_ DATE: \_\_\_\_\_

NAME: \_\_\_\_\_ TITLE: \_\_\_\_\_

PHONE: \_\_\_\_\_

WE ARE PROVIDING THE INFORMATION CONTAINED HEREIN FOR INFORMATIONAL PURPOSES ONLY IN CONNECTION WITH POTENTIAL ARMS-LENGTH COMMERCIAL BANKING TRANSACTIONS. IN PROVIDING THIS INFORMATION, WE ARE ACTING FOR OUR OWN INTEREST AND HAVE FINANCIAL AND OTHER INTEREST THAT DIFFER FROM YOURS. WE ARE NOT ACTING AS A MUNICIPAL ADVISOR OR FINANCIAL ADVISOR TO YOU, AND HAVE NO FIDUCIARY DUTY TO YOUR OR ANY OTHER PERSON PURSUANT TO SECTION 15B OF THE SECURITIES EXCHANGE ACT OF 1934. THE INFORMATION CONTAINED IN THIS DOCUMENT IS NOT INTENDED TO BE AND SHOULD NOT BE CONSTRUED AS "ADVICE" WITHIN THE MEANING OF SECTION 15B OF THE SECURITIES ACT OF 1934 AND THE MUNICIPAL ADVISOR RULES OF THE SEC. WE ARE NOT RECOMMENDING THAT YOU TAKE AN ACTION WITH RESPECT TO THE INFORMATION CONTAINED HEREIN. BEFORE ACTING ON THIS INFORMATION, YOU SHOULD DISCUSS IT WITH YOUR OWN FINANCIAL AND/OR MUNICIPAL, LEGAL, ACCOUNTING, TAX AND OTHER ADVISORS AS YOU DEEM APPROPRIATE. IF YOU WOULD LIKE A MUNICIPAL ADVISOR THAT HAS LEGAL FIDUCIARY DUTIES TO YOU, THEN YOU ARE FREE TO ENGAGE A MUNICIPAL ADVISOR TO SERVE IN THAT CAPACITY.



EXHIBIT B

WOU Application Materials

For Emergency Capital Funding



January 16, 2026

Katie Bannikov, Capital Analyst  
Legislative Fiscal Office  
Oregon State Capitol  
900 Court Street NE  
Salem, OR 97301

Re: EMERGENCY Capital Funding Request for Student Housing Roof Replacement - Heritage Hall at Western Oregon University

Dear Katie Bannikov:

Western Oregon University is requesting EMERGENCY capital funding in the amount of \$3.1 million for immediate roof replacement for Heritage Hall, a crucial student housing facility. Enclosed is the Capital Project Information Form. Heritage Hall was built in 1989 and still operates as a critical housing facility with its original roofing system. It has a bed capacity of 412 with occupancy rates of approximately 88.1% and 80.8%, respectively, for fall 2025 and winter 2026. Western prefer incoming first-time freshmen to live on campus to properly orient and adapt them to campus life to ensure their retention and success as university students. Heritage Hall is essentially designated as part of freshman housing. Over the years, University Housing has persisted in building a reserve fund for unforeseen eventualities. Unfortunately, the reserve fund was depleted during the COVID period. Current balance of the reserve fund is barely \$459,353.

The Heritage roofing system was built to have a 50-year useful life. However, due to unforeseen circumstances, the roof has experienced catastrophic failure, resulting in severe water intrusion that compromises the structural integrity of the building, posing significant health and safety risks to the approximately 333 winter 2026 student residents, and threatening the displacement of the incoming fall 2026 first-time freshman class if the roof is not immediately replaced.

Western has exhausted all temporary patching and repair efforts. As described by the expert opinion in the enclosed Roof Condition Report, the roof has reached the end of its serviceable life, the panels are unstable and failing at the seams and flashings, the eaves detail are inadequately secured, and additional patching and repair efforts will prove ineffective due to the failure of previous patch works to fix the roofing leak problems and the current rapid deterioration and interior damage. In effect, standard maintenance schedules and additional patch work are insufficient. Therefore, immediate action is required to replace the roof to prevent injury to students from the risk of roof collapse during heavy winds to ensure continued safe student occupancy, and to prevent irreparable interior damage and University Housing disruptions by closing down and taking offline the 412 Heritage Hall bed capacity.





The funds requested will be used for the immediate replacement of the Heritage Hall roof in accordance with the enclosed Garland/DBS Roofing Material and Services proposal, including the following scope of work.

- Remove the existing coping cap and metal flashings
- Install new coverboard on the trough/gutter using mechanical fasteners
- Install Self-Adhesive base IV and High-Performance Rubber torch base in the gutters, and parapet wall
- Install retrofit framing system, new fail protection system and additional roof hatches
- Install 18.75" 24ga. R-Mer shield standing seam metal roofing assembly
- Install Garland R-Mer edge coping cap

Failure to approve this emergency capital fund request will result in the closure of Heritage Hall, taking offline 412 of 1,176 bed capacity, which is approximately 35% of the student housing capacity at Western Oregon University. Failure to approve will also threaten the displacement of the incoming fall 2026 first-time freshman class, a situation that will compel Western to house the students at neighboring hotels at exorbitant costs, disrupting the students' university experience that could impact their retention and success in higher education. In addition, the continued interior damage from water leaks can result in the potential loss of a vital university asset. Western values the safety, campus life experience and success of our students, and urge approval of this request to resolve the current Heritage Hall roof situation and restore safe, habitable student housing.

If you have any questions about this request, feel free to contact [boakyek@wou.edu](mailto:boakyek@wou.edu).

Sincerely,

Jesse Peters, Ph.D.  
President

Enclosures 3

cc: Jim Pinkard, Postsecondary Finance & Capital Director, HECC  
Rhonda Nelson, Capital Finance Manager, DAS  
Terry Rogers, Capital Analyst, HECC  
Bruce Johnson, Lead Capital Analyst, HECC

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# 2025-27 CAPITAL FUNDING REQUEST

## PROJECT INFORMATION FORM



Legislative Fiscal Office  
900 Court St. NE, H-178  
Salem, OR 97301

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### INSTRUCTIONS

This form is used to capture information related to capital project requests submitted to the Joint Committee on Ways and Means Capital Construction Subcommittee and must be submitted by a legislative member. For the 2026 session, each member is limited to the submission of two forms.

The recipient organization section should include information for the the organization that is proposed to received and administer funding, including the entity's legally registered name, tax identification number, and contact information.

The project information section is used to draft the legal language for legislatively directed funding. Please ensure the project information is accurate and complete to reflect the intended use of proceeds.

The project timeline should include what, if any, work has been completed for the project and remaining steps and permits necessary to begin construction.

The project budget section should include the estimated total project cost, amount requested, and source of remaining matching funds. If the project matching funds are already secured, please check the box. Recipients are responsible for securing sufficient matching funds to support project costs, including contingencies and inflationary factors.

---

### OTHER INFORMATION

Grants financed through the issuance of bonds are not available until bonds are sold. Multiple factors impact the timing of sales; however, many sales often occur during the last six months of the biennium (Oregon's biennial budget begins on July 1 of odd-numbered years and runs through June 30 of the next odd-numbered year). Significant decreases in revenues or changes in financial conditions subsequent to authorization may also delay or prevent the issuance of bonds, which means that the approved projects or grants would also be delayed or not funded.

Public works projects, including any project that uses \$750,000 or more of public funds for constructing, reconstructing, painting or performing a major renovation on a road, highway, building, structure or improvement of any type, may be subject prevailing wage requirements. Grant recipients must comply with prevailing wage rate laws and should consult the Oregon Bureau of Labor and Industries to determine whether a project is subject to prevailing wage.

**Please return the completed form and any supporting documentation to:**

Katie Bannikov, Principal Legislative (Bonding) Analyst  
[LFO.CapitalProjectRequests@oregonlegislature.gov](mailto:LFO.CapitalProjectRequests@oregonlegislature.gov)

**SPONSORING MEMBER INFORMATION**

Member Name \_\_\_\_\_ District \_\_\_\_\_

Member Signature

*Deb Patterson***CONTACT INFORMATION FOR RECIPIENT ORGANIZATION**

Organization Legal Name \_\_\_\_\_

Organization Type \_\_\_\_\_ Federal Tax ID Number \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Contact Person \_\_\_\_\_

Contact Phone \_\_\_\_\_ Contact Email \_\_\_\_\_

**PROJECT INFORMATION**

Project Title \_\_\_\_\_

Project Type\* Other

\*If other, enter project type \_\_\_\_\_

If Housing enter # of units \_\_\_\_\_

Is this project under a DEQ Mutual Agreement and Order (MAO)? ☐Does this project address life, safety, or compliance issues? ☐

If yes, please describe how \_\_\_\_\_

Project Description

Deferred Maintenance or New Construction? Deferred Maintenance

Project Location \_\_\_\_\_

House District \_\_\_\_\_ Senate District \_\_\_\_\_

Project Timeline - please describe the project's readiness, including feasibility study and planning completed, any remaining permits, approvals, or other steps that must be completed prior to beginning.)

When will construction begin? ☐ Estimated project completion? ☐

## PROJECT BUDGET

### Estimated Project Cost

Construction/Renovation

Site Improvements

Land Acquisition

Architectural and Engineering Fees

Equipment

Contingencies

Other Costs (specify) \_\_\_\_\_

Other Costs (specify) \_\_\_\_\_

**Estimated Total Project Costs**


**Amount Requested** \_\_\_\_\_ **Percent of Total Project Cost** 0%

Type of Funding Requested Unknown

### Matching Funds

**Secured**

Locals Funds (source) \_\_\_\_\_

State Funds (source) \_\_\_\_\_

Federal Funds (source) \_\_\_\_\_

Local Government Increased Rates or Levies\*

Private/Other Grants

Donations/Gifts

Other Revenues/Financing (source) \_\_\_\_\_

**Total Matching Funds**

	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>

\*Have you maximized local funding? Not Applicable

If you attempted a levy and it failed, provide the ballot measure information and results. If you are planning a levy, when do you anticipate it on a ballot?

--

Is project funding included in any proposed legislation? **No**

If yes, please list the bill number(s): \_\_\_\_\_



Overview



Roof Section

Metal/Gutter

Sq. Ft.

39,000







# Inspection Report

## Overview



Western Oregon  
UNIVERSITY

Heritage Hall

THE GARLAND COMPANY INC.  
3800 E 91<sup>ST</sup> ST. | CLEVELAND, OH 44105-2197  
PHONE (216)641-7500 | FAX (216)641-0633



Western Oregon University

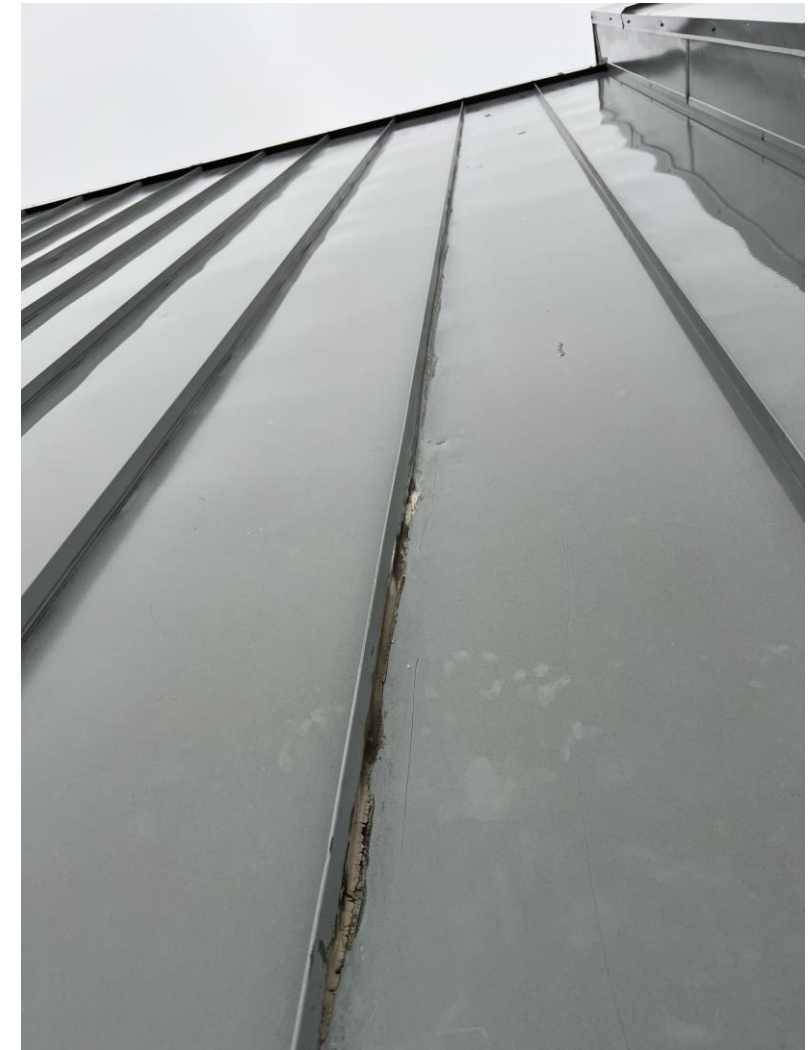
January 2024  
Travis Cox  
503-522-7626



Panel is unstable; evidence of previous repairs made to stop leaks on the rib/seams



Roof hatch detail improperly flashed; previous repairs were made; as they leaked asphalt was used



Field overview of panels; roof has leaked along the ridge, seams, eave, and gutter





Eave detail; previous repairs were made on the EPDM (pictured on the right)



Eave detail inadequately secured (not addressed in 2015)



Panels are failing at the seams and flashings





Component:	Rating:
Field:	3/10
Perimeter	3/10
Drainage	9/10
Penetrations	3/10
Overall	3/10

The Garland Difference

1. *Specification preparation*
2. *Engineering Services*  
ASCE 7-10 wind uplift calculations and drainage calculations
3. *Qualified contractors to bid on the project*
4. *Pre-Bid meeting; job walk*
5. *Bid analysis*
6. *2-3 days per week on site job monitoring*
7. *On-line job progress reports*
8. *Assistance with job close out*
9. *Responsible for engineering/design, material performance, and local labor*
10. *A 30 year NDL, non-prorated, roof warranty (new roofs) or 5-20 year roof warranty on restorations*

Roof Section	Action Year	Scope of Work	Warranty	Budget
	2024	Retrofit Standing Seam	30 NDL	\$1.2m-1.4m
	2024	Replace Standing Seam	30 NDL	\$1.5m-\$1.7m



### 30 YR OPTION- Standing Seam Retrofit

R-Mer Span is a structural standing seam roof system. R-Mer Span consists of a unique profile containing mesas throughout the panel to minimize “oil canning.” The 2 3/8” high vertical seam makes R-Mer Span aesthetically pleasing and also the ideal roof system to withstand the most severe weather conditions. The heavy-duty continuous clip allows for unlimited expansion and contraction.

- Remove existing gutter assembly/membrane
- Trim existing eave panels
- Install roof-hugger retrofit framing
- Install R-Mer Span Assembly over framing system
- Install Green-Weld internal gutter assembly



### 30-Year OPTION: Standing Seam (tear-off)

R-Mer Span is a structural standing seam roof system. R-Mer Span consists of a unique profile containing mesas throughout the panel to minimize “oil canning.” The 2 3/8” high vertical seam makes R-Mer Span aesthetically pleasing and also the ideal roof system to withstand the most severe weather conditions. The heavy-duty continuous clip allows for unlimited expansion and contraction.

- Remove existing gutter assembly/membrane
- Remove existing panels
- Install R-Mer Span Assembly over metal deck
- Install Green-Weld internal gutter assembly





Recommendation  
Summary



Western Oregon  
UNIVERSITY

Heritage Hall

Heritage Hall  
Re: Roof Condition/Solutions

This letter will serve as my formal recommendation for roofing work at Heritage Hall.

Existing condition:

This condition report and analysis is based on the 2021 site-survey, 2013 inspection, 2015 repairs, and historical data provided by the college. The metal roof has had many leaks dating back to our initial report in 2013 and has continued issues. This is largely due to the type of roof panel given the site-specific conditions the building and environment present. In essence, this panel has low stability and an inability to be waterproof given the panel design. The pitch, or slope, of the roof have prevented more severe and consistent interior water damage. In a recent water test, where the goal was to identify three persistent leaks, two of the leaks are occurring on the ribs/seam of the panel. Typically, the majority of leaks on metal roofs occur at penetrations or directional changes, which this had historic evidence of this happening too, but given the root cause of these leaks it is my determination that this roof needs to be replaced.

Solution:

Based on the existing condition, historical repairs and work, and the colleges account of the roof it is my recommendation to replace this roof immediately. Our initial report in 2013 recommended at retrofit/overbuild for 2022. Almost on queue, this roof has reached the end of its serviceable life. Making repairs to standing seam metal roofs is difficult given the nature of the details and assembly. Although they may be effective for a winter, there is no long-term fix outside of replacement in this circumstance. The gutter of this roof was restored to preserve the existing rubber and has continued to prevent major interior water damage. However, the panel transition from the eave to the internal gutter is poorly designed and is currently leaking. Both options will require high performance materials and industry leading installers to flash the internal gutter and detail the penetrations properly. Based on the existing condition, historical leaks, previous reports, and the disruption to the student housing it is my recommendation to take action in 2024 to prevent future interior water damage.

Best Regards  
  
Travis Cox  
503-522-7626

THE GARLAND COMPANY INC.  
3800 E 91<sup>ST</sup> ST. | CLEVELAND, OH 44105-2197  
PHONE (216)641-7500 | FAX (216)641-0633



Western Oregon University

January 2024  
Travis Cox  
503-522-7626

Not to scale – contractor  
responsible for field  
measurements





**Garland/DBS, Inc.**  
**3800 East 91<sup>st</sup> Street**  
**Cleveland, OH 44105**  
**Phone: (800) 762-8225**  
**Fax: (216) 883-2055**



## **ROOFING MATERIAL AND SERVICES PROPOSAL**

**Western Oregon University**  
**Heritage Hall**  
**875 Stadium Dr N**  
**Monmouth, OR 97361**

**Date Submitted: 11/17/2025**  
**Proposal #: 25-OR-250971**  
**MICPA # PW1925**

**Oregon General Contractor License #: 192939**

Purchase orders to be made out to: Garland/DBS, Inc.

**Please Note:** The following budget/estimate is being provided according to the pricing established under the Master Intergovernmental Cooperative Purchasing Agreement (MICPA) with Racine County, WI and OMNIA Partners, Public Sector (U.S. Communities). The line item pricing breakdown from Attachment C: Bid Form should be viewed as the maximum price an agency will be charged under the agreement. Garland/DBS, Inc. administered an informal competitive process for obtaining quotes for the project with the hopes of providing a lower market-adjusted price whenever possible.

### **Scope of Work:**

1. Contractor is responsible for providing external roof access and equipment necessary to complete the work.
2. Contractor is responsible for the purchase of the permit.
3. Contractor is responsible for following all local, state, and federal building code. Contractor is responsible for following all OSHA guidelines.
4. Remove the existing coping cap and metal flashings on all locations and properly dispose of.
5. Remove the existing trough/gutter membrane and properly dispose of. Trim existing panels back as necessary in a uniform manner.
6. Furnish and install new coverboard on the trough/gutter using mechanical fasteners.
7. Furnish and install SA Base IV and HPR Torchbase in the gutters and parapet wall. Furnish and install KEE NF HP using WB adhesive. Head weld all seams and follow Garland standard details.
8. Furnish and install additional roof hatches as shown on drawings
9. Furnish and install new fall protection system as specified and shown on the drawings.
10. Furnish and install retrofit framing system IntelliFrame directly over the existing standing seam metal panel assembly.
11. Install 18.75" 24ga. R-Mer shield standing seam metal roofing assembly following all details, installation guidelines, and shop drawings.
12. Install Garland R-Mer edge coping cap at all locations

13. Remove all tools, equipment, debris, and associated materials leaving the jobsite in a clean and orderly manner.
14. Contractor to issue 2-year workmanship warranty.
15. Garland to issue 30-year NDL warranty.

**Proposal Price Based Upon Market Experience:**

**\$ 3,098,666**

**Garland/DBS Price Based Upon Local Market Competition:**

<b>Pioneer Sheet Metal</b>	<b>\$ 3,098,666</b>
RCI Sheet Metal	\$ 4,901,080
Pacific Tech	\$ 6,328,931

Potential issues that could arise during the construction phase of the project will be addressed via unit pricing for additional work beyond the scope of the specifications. This could range anywhere from wet insulation, to the replacement of deteriorated wood nailers.

Please Note – The construction industry is experiencing unprecedented global pricing and availability pressures for many key building components. Specifically, the roofing industry is currently experiencing long lead times and significant price increases with roofing insulation and roofing fasteners. Therefore, this proposal can only be held for 30 days. DBS greatly values your business, and we are working diligently with our long-term suppliers to minimize price increases and project delays which could effect your project. Thank you for your understanding and cooperation.

**Clarifications/Exclusions:**

1. Permits are excluded. If permits are required this will be addressed via change order.
2. Plumbing, Mechanical, Electrical work is excluded.
3. Masonry work is included to which it obtains to the scope of work.
4. Interior Temporary protection is excluded.
5. Prevailing Wages are included.
6. Any work not exclusively described in the above proposal scope of work is excluded.

If you have any questions regarding this proposal, please do not hesitate to call me at my number listed below.

Respectfully Submitted,

*Nathan Parker*

Nathan Parker  
Garland/DBS, Inc.  
(216) 302-3791

**DEB PATTERSON  
STATE SENATOR/SENADORA ESTATAL  
DISTRICT 10/DISTRITO 10**



**OREGON STATE SENATE/SENADO DEL ESTADO DE OREGON**

Katie Bannikov  
Legislative Fiscal Office  
900 Court St NE, H-178  
Salem, OR 97301

January 20, 2026

Dear Ms. Bannikov

I am writing to express my strong support for the emergency funding request of \$3.1 million for the replacement of the roof at Heritage Residential Hall at Western Oregon University.

Heritage Residential Hall is a vital student housing facility that serves students from across the Mid-Willamette Valley and beyond. The deteriorating condition of the roof poses an immediate risk to the building's integrity and to the safety and well-being of the students who reside there. This request represents an urgent need to preserve a state asset and avoid the far greater costs of deferred maintenance.

Western Oregon University serves a significant population of first-generation, rural students and is the first four-year public university in Oregon to have the Hispanic-Serving Institution designation. Safe and affordable on-campus housing is essential to student persistence and completion.

This project is not an enhancement or expansion, but a necessary repair to ensure continued safe occupancy. Failure to address the roof replacement promptly could result in catastrophic failure, leading to significant water intrusion, mold, and student displacement—outcomes that would disrupt academic success for students and impose additional financial burdens on both the institution and the state.

I respectfully urge approval of this emergency funding request. Timely action will protect students, preserve public infrastructure, and demonstrate the Legislature's continued commitment to Oregon's public universities.

Thank you for your consideration.

Sincerely,

Senator Deb Patterson  
Senate District 10



OREGON HOUSE OF REPRESENTATIVES

Katie Bannikov  
Legislative Fiscal Office  
900 Court St NE, H-178  
Salem, OR 97301

January 20, 2026

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Thank you for your consideration.

Sincerely,

Representative Paul L Evans

House District 20

Oregon House of Representatives

January 19, 2026

Ms. Katie Bannikov  
Legislative Fiscal Office  
900 Court Street NE, H-178  
Salem, OR 97301

Dear Ms. Bannikov,

I write in my capacity as president of a fellow public university in Oregon to express my support for Western Oregon University's request for emergency funding of \$3.1 million to replace the roof at Heritage Residential Hall.

As president of Oregon's Polytechnic University, I am keenly aware of the essential role that safe, reliable student housing plays in student success and institutional stability—particularly at regional universities that serve a high proportion of first-generation and rural students. For many, if not all of these students, on-campus housing is not simply a convenience but a prerequisite for enrollment and persistence.

The roof failure at Heritage Residential Hall represents a time-sensitive facilities issue with clear implications for student safety, building integrity, and continuity of housing operations. Left unaddressed, conditions of this nature can quickly escalate, resulting in water damage, mold, loss of usable capacity, and ultimately much higher remediation costs.

For a regional public university, a project of this scale is a substantial capital obligation. Costs of this magnitude cannot reasonably be absorbed within operating budgets that are already tightly constrained and dedicated primarily to instructional delivery, student support, and basic campus operations. Emergency funding in this instance provides a practical and responsible way to address a critical need while protecting both students and a significant state asset.

From the perspective of a peer institutional leader, this request reflects sound stewardship and appropriate timing. Addressing the issue now will help avoid more disruptive and costly outcomes in future biennia and allow Western Oregon University to continue providing safe, stable housing for its students.

Thank you for your consideration and for your continued support of Oregon's public universities.

Sincerely,



**Nagi G. Naganathan, Ph.D., ASME Fellow**  
President



Katie Bannikov  
Legislative Fiscal Office  
900 Court St NE, H-178  
Salem, OR 97301

January 20, 2026

Dear Ms. Bannikov,

I write in my capacity as President of a regional public university in Oregon to express my strong support for the emergency funding request in the amount of \$3.1 million for the replacement of the roof at Heritage Residential Hall at Western Oregon University.

As a president of an Oregon public university, I understand firsthand the critical importance of maintaining safe, functional, and reliable residential facilities for our students. Student housing is foundational to student success, retention, and well-being—particularly at regional institutions that serve large numbers of first-generation, rural, and place-bound students who depend on affordable on-campus housing.

The condition of the roof at Heritage Residential Hall represents an urgent facilities issue that requires immediate attention. Deferred maintenance of this nature poses real risks, including water intrusion, structural degradation, mold, and potential displacement of students. These outcomes would not only disrupt students' academic progress but would also significantly increase future repair costs and strain already limited institutional resources.

Emergency funding for this project is a prudent and responsible investment. Addressing the issue now will preserve a critical state asset, protect student safety, and avoid more costly remediation in future biennia. From my perspective as a peer institutional leader, this request reflects sound facilities management and responsible stewardship of public resources.



Oregon's regional public universities play an essential role in educating the state's workforce, supporting local economies, and expanding access to higher education. Ensuring that our campuses remain safe and operational is fundamental to fulfilling that mission. I respectfully urge your support for this emergency funding request so that Western Oregon University may continue to provide safe and stable housing for its students.

Thank you for your consideration and for your continued support of Oregon's public universities.

Sincerely,

A handwritten signature in blue ink, reading "Kelly A. Ryan" with a stylized flourish at the end.

Kelly A. Ryan, Ph.D.  
President  
Eastern Oregon University

## TO: Winter 2026 Report - UBAC Report

WESTERN OREGON UNIVERSITY BOARD OF TRUSTEES  
COMMITTEE - FAC

FROM: UNIVERSITY BUDGET ADVISORY COMMITTEE FINANCE

RE: UBAC REPORT Winter 2026

*For this term, the UBAC committee has met:*

January 15th

*For this term, the UBAC committee will meet:*

February 5th

UBAC Town Hall February 18th

February 19th

## WOU Core Values

### **Centering Students -**

- Items considered by this committee are consistently reviewed under a model of centering students. The process for budgetary review and advice are focused around students and sustainability.
- We have begun to have regular attendance from our student rep: and see an uptick in ASWOU wanting to get financial information to students. ASWOU has run a comprehensive survey on student understanding of the budget system. We will share results at our next meeting on Feb. 5th

### **Fostering Accessibility -**

- Consistently, UBAC has sought to foster accessibility in past and present by fostering representation across campus; UBAC continues to search for unrepresented bodies to fill roles according to the committee's model.
- We regularly report to the University Council.
- The committee met with the president directly to discuss options for soliciting additional feedback from staff and faculty on this year's budget challenges. Information provided by the president and past VPSA education will allow us to

## TO: Winter 2026 Report - UBAC Report

continue to search for the best practice to get usable survey data from faculty and staff.

### **Valuing Community -**

- Items considered are consistently reviewed under a model of community both of WOU, local and state priorities according to the members and constituents.
- Town halls will continue to be hosted by UBAC members to help share budget information across campus and this Winter we have moved to collaborate with Enrollment and Student Success to maximize reach and participation.
- UBAC town halls may have a specific focus in future as the committee has considered narrowing each town hall to highlight specific areas.
- We are training our UBAC membership to be a representative body, emphasizing to them understanding who they represent on the committee, encouraging them to solicit feedback, promoting these conversations in our meetings, and then circling back and closing the loop.
- We have selected a new tri-chair.

## WOU Institutional Goals

### **Institutional Sustainability -**

- We have been working with VPFA and understand the current budget for Winter term from Fall term and have reviewed the latest period update.
- Last term we asked both Athletics and Academic Affairs to provide general budget information and analytics on over spent areas.
  - Athletics seemed to provide practical information with special attention to the complex nature of properly assessing cost to benefit formulas.
  - Academic Affairs also provided a variety of practical information highlighting the difficulty in finding a formula that would best serve cost to benefit in programs/classes.
  - UBAC has long heard these items and have suggested accurate cost benefit analysis would be productive in consideration to the unique mission and vision of WOU.
- We have been updated on State budget potential cuts and have established an open ask to members to support lobby day and other efforts led by the Executive Director of Governmental Relations. As of Feb. 4 at 7:00pm we have not heard of any action or decisions that have been finalized at the state level as a committee.

### **Student Success -**

- In continuing working with ASWOU student representation more closely now than in the past. Tri-chair Zach Hammerle continues an ASWOU UBAC partnership.

## 70: Winter 2026 Report - UBAC Report

- UBAC is student centered and will continue to advocate for responsible student focused budget goals and priorities.
- ASWOU collaborated with members to bring a unique survey to students on budget and will deliver a report to UBAC on Feb. 5th highlighting student understanding of the budget process.
- Tri-Chair and other members of the UBAC committee plan to attend the ASWOU town hall Feb. 19th.

### **Transformational Diversity -**

- We are looking forward to ongoing conversations about planning for consistent budget town halls, hosted by UBAC so that we are able to reach more people on campus, and solicit more diverse information.
- Special attention has been given to how the future Budget Town halls will be framed and areas to focus.

### **Community Strength -**

- We believe our Campus Wide information sharing will build trust and relationships through budget goals.
- UBAC continues to center conversations around community strength and constantly is looking at ways to take feedback and provide a line of communication that can reach staff and faculty.

# February 10, 2026 Board Report

The University Technology Advisory Committee (UTAC) met on December 9th, 2025 and February 4th, 2026.

## Data Governance

*Strategic Plan Alignments: Institutional Sustainability, Student Success*

The UTAC Tri-chairs began a process that will ultimately lead to the establishment of a data governance structure at WOU. After two meetings with the Data Integrity Group, the tri-chairs developed a Request for Quotations for a consultant to facilitate the development of this structure. Proposals were due on January 15th and were reviewed between January 16th - 23rd. Due to the large number of excellent proposals, interviews with six finalists will be conducted between January 26th - February 6th.

The selected consultant will facilitate an engagement to meet the following goals:

1. **Shared Understanding:** Build a comprehensive, shared understanding of the WOU data ecosystem and related stakeholder roles.
2. **Formal Structure:** Develop the charge, membership, and initial one-year work plan for the ongoing Data Governance Committee (DGC).
3. **Core Deliverable:** Produce a formal Data Governance Committee Charter.

The development of a more robust data governance structure will ensure that WOU's valuable data assets are reliable, accessible, usable and secure.

## Software Procurement

*Strategic Plan Alignment: Institutional Sustainability*

In alignment with the WOU strategic plan and the UTAC charge, the committee has set a goal of ensuring that the software the university purchases is 1) accessible, 2) non-duplicative, and 3) secure. The December 9th, 2025 UTAC meeting included a presentation about a software RFP process that is underway to identify the best software to meet the university's room scheduling needs. This particular software purchase serves as a valuable case study to use as UTAC develops a recommended procurement process for new software.

At the February 4th, 2026 meeting, University Computing Solutions will present a procurement process model for the committee's consideration. Outcomes from that meeting will be reported at the April 7, 2026 Finance and Administration Committee meeting.

## Digital Accessibility

Implementing digital accessibility not only benefits individuals with disabilities but also enhances the overall user experience, potentially increasing engagement and satisfaction across all

faculty, staff, students and community members. Our entire WOU community is responsible for ensuring the digital content they create meets the ADA's Web Content Accessibility Guidelines by April 2026.

Our university-wide goal is to ensure that all digital content created, posted, or sent by WOU is accessible to everyone, aligning with the WCAG 2.1 AA standard. To support this goal, WOU is providing both training opportunities and online resources to help employees develop the necessary skills and conceptual understanding.

Watch WOU's [intro to digital accessibility video](#)!

WOU is providing both [training opportunities](#) and [online resources](#) to help employees develop the necessary skills and conceptual understanding.

## **Finance and Administration Committee (FAC), February 10, 2026, Vice President for Finance and Administration (VPFA) Report**

Efforts are ongoing to implement transformative financial and administrative initiatives to support WOU's financial well-being. To have a focused roadmap for achieving goals of the initiatives, a Finance and Administration (F&A) Strategic Plan has been developed aligning the goals with the WOU Strategic Plan. This VPFA report provides updates on F&A activities and accomplishments. Included as supplements are 1) FY2025 Financial Sustainability Analysis, 2) revised 5-Year Sustainability Plan, 3) FY2026 Q1 Investment report, and 4) an extract from the most recent Schedule of Deferred Maintenance submitted to the Higher Education Coordinating Commission.

### **Institutional Sustainability**

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**Goal:** Enhance the financial stability and sustainability of the institution through strategic financial planning, responsible resource allocation, and innovative revenue-generation initiatives, ensuring long-term resilience and success.

### **Activities & Accomplishments**

1. Prepared Financial Sustainability Analysis Report covering FY2021-25, which assessed the condition of Board fund balance, financial ratios, and Institutional Viability Metric.
2. Created a Budget Process Handbook and shared with the campus community by posting it on the website for easy access.
3. Established the FY27 Budget Development Timeline and FY27 Budget Commitments & Obligations worksheet and shared with budget authorities.
4. Generated monthly budget status reports for budget authorities to check the progress of their budgets.
5. Prepared quarterly management reports providing visibility into budget progress.
6. Achieved 23% Banner Optimization ROI to date, reaching 1,148 hrs. of savings/year.
7. Transitioned from WolfWeb to SS9 and now have active pages available in Experience.
8. Achieved Cybersecurity control score of 63/100, which exceeded the FY26 goal of 60.
9. The entire tuition table has been re-written and scheduled to go into production in Summer 2026.

## **Student Success**

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**Goal:** Enhance degree completion rates for undergraduate, graduate, and transfer students, through strategic initiatives focused on academic support, streamlined pathways, and the necessary services that ensure timely and successful attainment of their educational goals.

### **Activities & Accomplishments**

1. The Transact payment system was successfully launched in December. Students are now able to pay their bills online and email their account information to their parents.
2. The Student Revolving Charge Agreement has been re-worded into more student-friendly language and renamed Student Financial Agreement, and moved from WOU Portal into the Transact system, creating a more streamlined and efficient signing process for students.
3. Reached out to students as Transact and SS9 became available, communicating the upcoming changes through targeted emails and posters across campus.
4. Improved technology system access for students through the deployment of Ellucian Experience as a WolfWeb replacement, modernizing from Banner 8 to Banner 9 Self Service. Services available through Experience continue to grow.
5. IT helpdesk closed 1090 tickets last quarter with a satisfaction survey rating of 4.7 out of 5. Past 31 days resolution time by priority: High - 0.3 days for 45 tickets, Medium - 1.1 days for 282 tickets, and Low - 12.8 days for 8 tickets.
6. Updated Classroom technology in CH101, RWE205, and APSC102 Music lab. The 13 old iMacs removed from the lab will be made available to athletic coaches. Todd 347 classroom computers were moved to Bellamy 236 at Dean's request saving \$15k.

## **Transformational Diversity**

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**Goal:** Foster an inclusive educational, living, and work environment at Western Oregon University, ensuring that students and employees feel a profound sense of belonging and have abundant opportunities for growth and success.

### **Activities & Accomplishments**

1. ADA Sidewalk upgrades completed in September 2025.
2. DAS is included on committees for new construction or major renovation.
3. Lighting survey was completed in November 2025 with student leaders. Many of the issues identified through the survey were addressed.



## **Community Strength**

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**Goal:** Cultivate and maintain a culture at Western Oregon University that embraces collaboration, connection, and communication as we build meaningful partnerships with internal and external communities, while enriching the educational experience of our students.

### **Activities & Accomplishments**

1. Held a Budget Managers Workshop on 1/23/26 with over 40 attendees.
2. Held two listening sessions after the antagonistic event in Fall 2025.
3. Completed Clery compliance reporting in a timely manner in accordance with target.
4. Held separate training for senior leadership, student counselors, financial aid staff, and other student-facing departments to ensure they had the knowledge and tools needed to assist students during the Transact implementation.
5. Held self-defense and CPR training in Fall 2025.
6. Held pandemic exercise in October 2025 with community partners.
7. Held training session focused on travel document oversight and proper form completion which was attended by 13 employees.
8. Held training session focused on Purchasing document oversight and proper form completion which was attended by 17 employees.
9. As the ability to use WolfWeb for invoice approvals sunset in December 2025, training sessions were held in November and December focusing on transitioning from WolfWeb approvals to Banner approvals. These sessions targeted all invoice approvers.

## Western Oregon University

### FY2025 Financial Sustainability Analysis

The following financial sustainability analysis examines data from WOU's independently audited financial statements, and unaudited data for operating budget, student enrollment, retention, and graduation. The analysis evaluates the Board's fund balance target measured by Education & General (E&G) fund balance as a percentage of budget revenues. Also, the analysis evaluates WOU's institutional sustainability goal in its Strategic Plan as measured by Composite Financial Index (CFI). Additionally, the analysis evaluates WOU's Institutional Viability Metric (IVM). IVM is the best practice financial sustainability measure established by EY-Parthenon to assess viability of Higher Ed institutions using metrics including financial position, market demand, and student outcomes. Key highlights of WOU's actual financial sustainability measures are summarized in the table below.

Measures & Metrics	FY2021	FY2022	FY2023	FY2024	FY2024 Restated	FY2025
Board Fund Balance <b>Target - 10-12%</b>	15.1%	20.2%	20.3%	18.7%	18.7%	18.6%
Composite Financial Index With Pension Add Back <b>Industry Target - 3.0</b>	1.39 3.10	0.34 1.00	0.42 1.44	2.30 3.43	1.20 2.22	1.18 2.24
Primary Reserve Ratio With Pension Add Back <b>Industry Target – 0.4</b>	0.13 0.42	0.13 0.36	0.14 0.36	0.13 0.37	0.06 0.28	0.08 0.31
Net Operating Revenue Ratio With Pension Add Back <b>Industry Target – 0.02</b>	(0.01) 0.02	0.00 (0.02)	(0.07) (0.07)	(0.03) (0.01)	(0.10) (0.08)	(0.04) (0.03)
Return on Net Assets Ratio With Pension Add Back <b>Industry Target – 0.06</b>	0.09 0.10	(0.02) (0.03)	0.02 0.01	0.20 0.17	0.13 0.11	0.11 0.10
Viability Ration With Pension Add Back <b>Industry Target – 0.0125</b>	0.27 0.85	0.30 0.87	0.36 0.95	0.39 1.06	0.20 0.87	0.26 1.00
Institutional Viability Metric <b>Industry Target – 2.3</b>		1.8	1.7	2.1	2.1	2.1

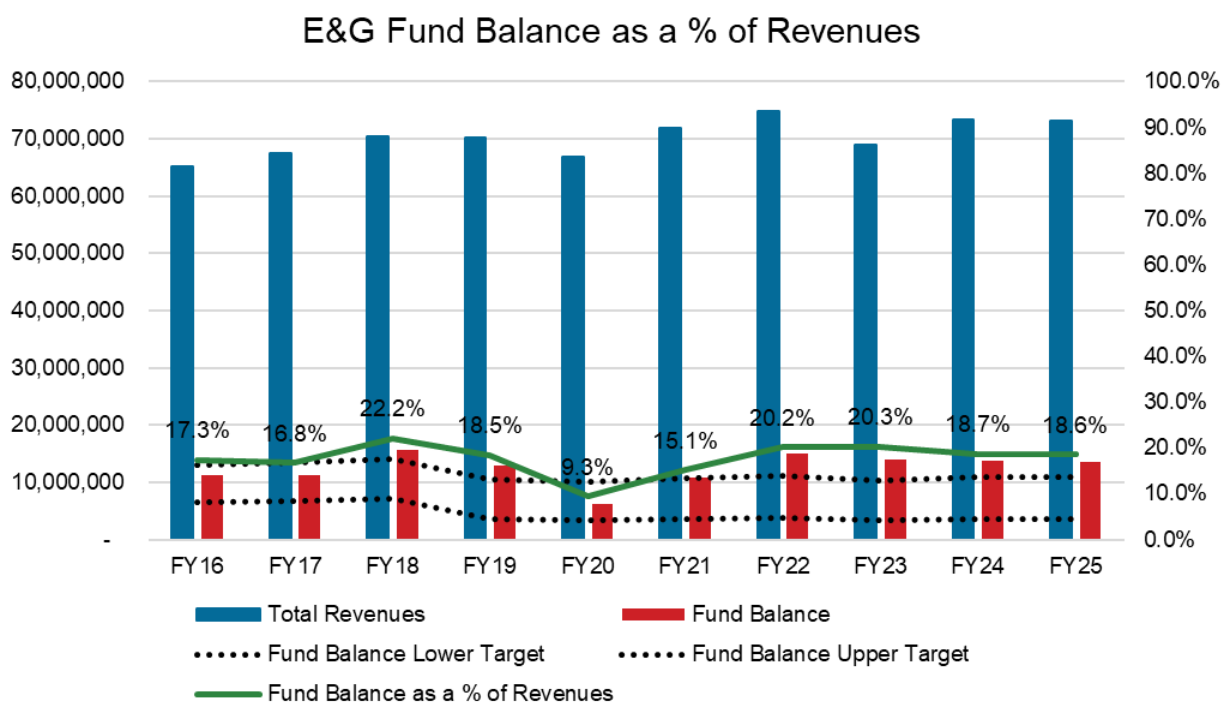
These financial sustainability measures, viewed together and trended over time, provide information regarding the overall financial health of WOU. The measures are industry standard and provide an overview of the strength of the university's resource sufficiency

and flexibility, operating results, financial asset performance, debt management and viability. It should be noted that in FY2025, WOU adopted GASB Statement 101, *Compensated Absences*. As a result, WOU restated the FY2024 compensated absence liability from \$2,685,000 to \$11,006,000. For comparison purposes, both the original FY2024 (prior to implementation of GASB 101) as well as the restated FY2024 (reflecting implementation of GASB 101) financial ratios are included.

### Board of Trustees Fund Balance Target

As set in the Board Statement on Education & General Fund Balance Standards, the Board requires WOU to develop budgets that target an ending Education & General fund balance of 10-12% of annual budget operating revenues. The Board requires the VPFA to provide advice when projected or actual target falls below 5% or rises above 15%. Prior to June 12, 2019, the Board target was 15% with a range of 10-20%. Figure 1 shows Education & General Fund Balance as a Percentage of Revenues for FY2016 to FY2025.

**Figure 1**



### Trend Analysis:

E&G Fund Balance took a significant dip in FY2020 due to declining enrollment and impacts of the COVID-19 pandemic. The E&G Fund balance recovered in FY2021 with the influx of HEERF grants and expense reductions. Since FY2022, the E&G fund balance trends above the Board required upper target level, although gradually decreasing due to deficit spending.

### **Current Year Analysis:**

The E&G fund balance currently has a strong position, ending FY2025 at \$13.59 million, or 18.6% of revenues. However, the FY2026 Adjusted budget includes projected deficit spending of \$4.1 million.

### **Composite Financial Index (CFI)**

WOU's Strategic Plan includes institutional sustainability goal measured in part by the Composite Financial Index. CFI provides an overall assessment of the University's financial health. It is computed by calculating the values of the four core ratios: Primary Reserve Ratio, Viability Ratio, Return on Net Assets Ratio, and Net Operating Revenues Ratio. These ratios are converted to a strength factor along a common scale, with strength factors capped at 10 and floored at -4. The strength factors are multiplied by specific weighting factors, with heavier emphasis on Balance Sheet driven ratios. The resulting four weighted factors are totaled to compute the single CFI score, ranging from -4 to 10. A lower CFI score indicates financial considerations need to be made, while a higher CFI score reflects a more stable financial environment.

Figure 2 shows the Composite Financial Index score strength factors from 2023 to 2025 plotted along a schema graph, which displays the four core ratios strength factors, creating a picture of the financial assessment of WOU. Balance sheet-oriented ratios are on the vertical axis, while income statement-oriented ratios are on the horizontal axis. Strength factors are capped at -4 and 10. The industry standard is a balance schema with at least CFI index score strength value of 3 for each of the four core ratios.

**Figure 2**

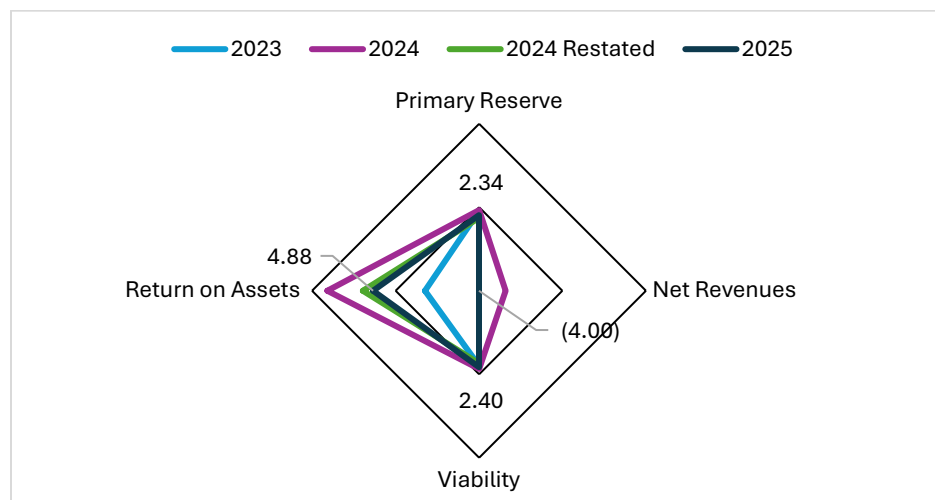
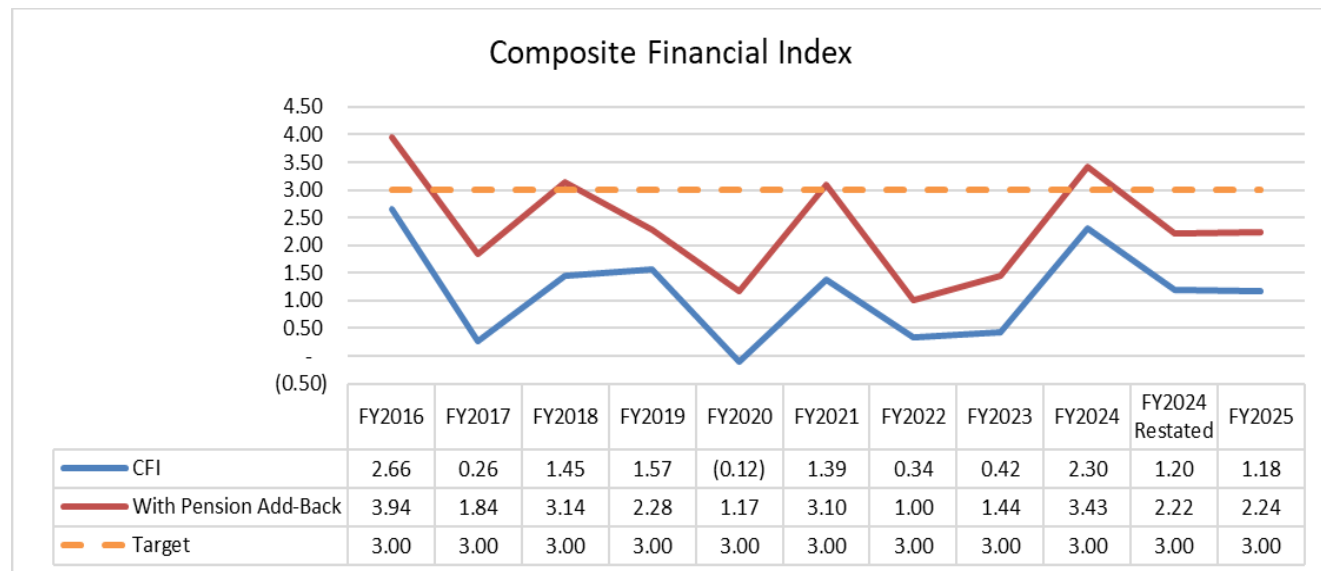


Figure 3 shows WOU's Composite Financial Index score for the period FY2016 to FY2025.

**Figure 3**



### **Trend Analysis:**

WOU nears the target strength value for the balance sheet-oriented ratios, reflecting a history of financial prudence. WOU exceeds one target strength value for the income statement-oriented ratios, but falls short of the other, signifying the volatility of the operating revenue and expenses situation. Regarding the CFI index, WOU's score has been volatile over the last 9 years, on an upward trend since FY2022.

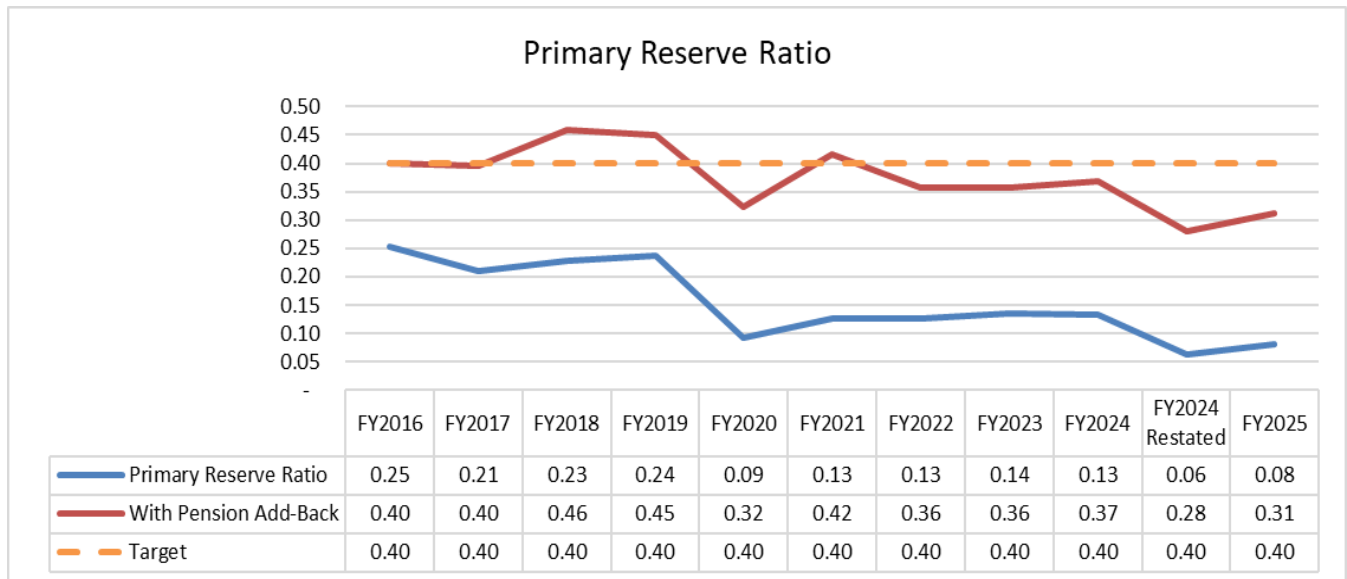
### **Current Year Analysis:**

WOU's FY2025 CFI score when compared to the Restated FY2024 is relatively stable. With pension add-back, the FY2025 CFI index is 2.24, falling short of the industry target of 3.0. According to measures in the WOU Strategic Plan, a CFI index of 0 to 3 means Reengineer, implying the need to improve efficiency, reduce costs, and strengthen the overall institutional fiscal well-being.

### **Primary Reserve Ratio**

Primary Reserve Ratio is a financial stability measure showing adequacy of expendable reserves to carry out the University mission without additional net assets from operations. It is computed by dividing expendable resources by total expenses. Figure 4 shows Primary Reserve Ratio with pension/Other Post-Employment Benefits (OPEB) liability impact and without pension/OPEB liability impact for FY2016 to FY2025.

**Figure 4**



**Trend Analysis:**

With pension/OPEB liability add back, primary reserve ratio was relatively stable and above the industry target of 0.4 until FY2020, when declining enrollment and the COVID pandemic marked a stark decline. In FY2021, with the influx of HEERF grants, the University's reserves rebounded but fell slightly in FY2022 as the HEERF grants were depleted and enrollment continued declining. From FY2022 through FY2024, with pension add-back, the University has been building back expendable net assets to achieve a recovering trend toward nearing the industry target of 0.4.

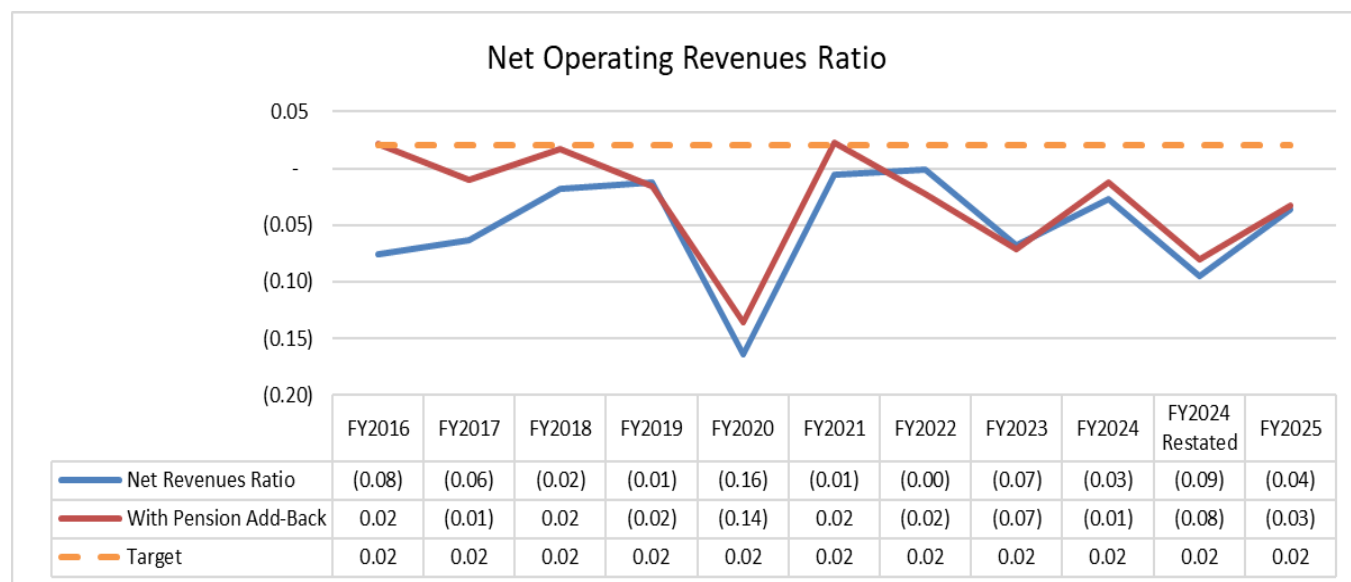
**Current Year Analysis:**

Primary Reserve Ratio provides a snapshot of financial strength and flexibility by indicating how long the University could function using its expendable reserves without relying on additional net assets generated by operations. A ratio of 0.40 or 40% is the industry standard desirable to give the University the flexibility to support its mission. The implication of 40% is that the University would have the ability to cover about 5 months of expenses (40% of 12 months). With the impact on net position from implementing GASB 101, the University saw a slight decline toward achieving the desirable target of 40%. With the University's work to stabilize enrollment as well as reducing the budget to contain expenses, the primary reserve ratio is expected to stabilize and continue the positive trend.

## Net Operating Revenues Ratio

Net Operating Revenues Ratio is a measure of how surpluses and deficits from activities affect financial viability over time to carry out the University mission. It is computed by dividing unrestricted net income (loss) by total unrestricted income or revenues. Figure 5 shows the Net Operating Revenues Ratio for FY2016 to FY2025.

**Figure 5**



### **Trend Analysis:**

The Net Operating Revenues ratio is essentially trending negatively due to deficit financing of the operating budget. With pension add-back, the trend turned positive in FY2021, reaching the industry target of 2%. This was achieved through lost revenue claims on HEERF grants that neutralized the effect of enrollment decline. However, since the depletion of HEERF grants, the negative trend has continued.

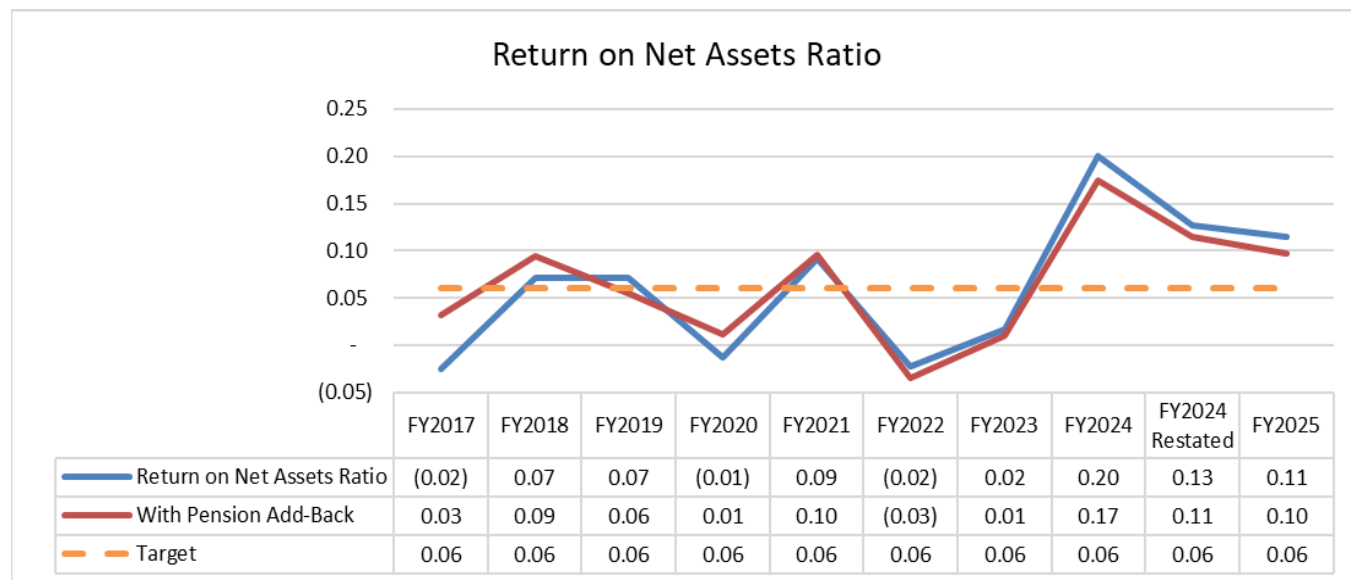
### **Current Year Analysis:**

The negative ratio trend continued in FY2025. The desirable target is a positive ratio. A positive ratio indicates that the University experienced an operating surplus for the year. A negative ratio indicates a deficit for the year. Increasing revenue from operating activities, such as tuition and grants/contracts, and executing austerity measures to rationalize expenses to align with available revenue would improve net income and the University's unrestricted net position.

## Return on Net Assets Ratio

Return on Net Assets Ratio measures economic returns, that is, the increase or decrease in total net assets showing financial viability over time to carry out the University mission. It is computed by dividing change in net assets by total net assets. Figure 6 shows Return on Net Assets Ratio from FY2017-FY2025.

**Figure 6**



**Note:** FY2016 includes a significant influx of net assets due to the Oregon University System disbanding, so it is excluded as an outlier.

### Trend Analysis:

WOU's Return on Net Assets Ratio has a volatile trend. With pension add-back, the trend bottomed out in FY2022 and trended positively to its peak in FY2024 due to state capital funds for construction projects.

### Current Year Analysis:

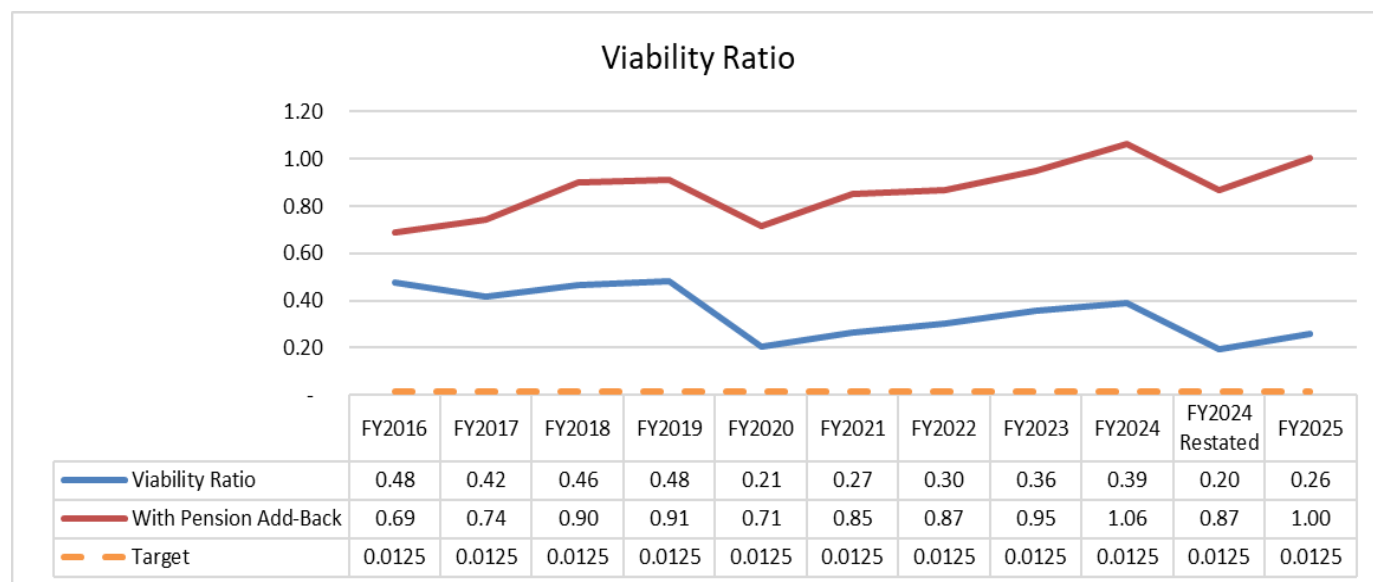
WOU's Return on Net Assets trended negatively from FY2024 to FY2025, but at 0.10 with pension add-back, still exceeds the industry target of 0.06.



## Viability Ratio

Viability Ratio measures availability of expendable net assets to cover debt as of the fiscal year end data, showing financial viability over time to carry out the University mission. It is computed by dividing expendable resources by long-term debt. Figure 7 shows the Viability Ratio for FY2016 to FY2025.

**Figure 7**



### **Trend Analysis:**

For FY2016 to FY2024, the Viability Ratio trended positively, well above the industry target of 0.0125. This illustrates the University has sufficient expendable net assets to satisfy debt obligations. The majority of WOU's debt obligations are Article XI-F bonds payable to the state of Oregon. Generally, WOU's capital projects are funded by XI-Q or XI-G bonds, which are paid for by the state and not included in WOU's long-term debt, therefore contributing to the strong viability ratio.

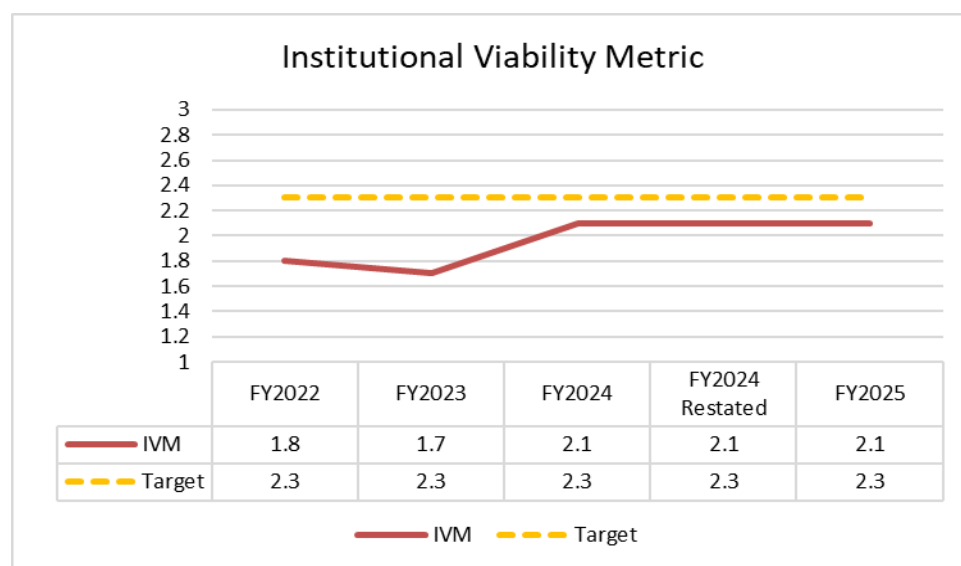
### **Current Year Analysis:**

FY2025's viability ratio of 0.26 continues the positive trend and exceeds the industry target. For many of the XI-F bond obligations, WOU has dedicated revenue streams to service the obligations. Parking and Housing/Dining both pay their XI-F debt out of auxiliary operations. While overall viability ratio is strong, some of the dedicated revenue streams are not generating sufficient fee revenues due to declining enrollment.

## EY-Parthenon Institutional Viability Metric (IVM)

The EY-Parthenon Institutional Viability Metric (IVM) incorporates measures of financial position, market demand, and student outcomes to give institutional leaders a dynamic view of their institutional health in time to take strategic and operational action. The IVM uses six weighted metrics to assess and score an institution's viability risk: 1) profit margin (25%), 2) reserve ratio (25%), 3) total enrollment compound annual growth rate (CAGR) over the past five years (20%), 4) net tuition and fees per FTE CAGR over the past five years (15%), 5) six-year Bachelor's graduation rate (10%), and 6) full-time retention rate (5%). Indicators are scored 1 to 3 utilizing [EY-Parthenon's online tool](#) and then weighted to generate an overall IVM score. Thus, an institution can receive a maximum score of 3 or a minimum score of 1. An institution is "At risk" if it receives an overall IVM score of less than or equal to 2. An institution is placed in the "Monitor" category if it receives an overall IVM score between 2 and 2.3. An institution is considered "Stable" if it receives an overall IVM score above 2.3. Figure 8 shows WOU's Institutional Viability Metric Score for FY2022-FY2025.

**Figure 8**



### **Analysis:**

In FY2022 and FY2023, WOU's IVM score was below 2 and therefore considered at risk by the model. However, in FY2024 and FY2025, WOU's IVM score improved above 2, moving from "at risk" status to "Monitor", implying the need to continue working towards increasing revenues and reducing or containing expenses, to achieve a sustained stable financial viability.

**Western Oregon University**

5 Year Projection

Education &amp; General Fund

	FY25	FY26	FY27	FY28	FY29	FY30
<b>Assumptions - Increase/(Decrease)</b>						
Tuition Rate			3.00%	3.00%	3.00%	3.00%
Enrollment			0.57%	0.96%	1.02%	0.29%
State Funding			3.70%	1.00%	1.00%	1.00%
Faculty Salaries			3.00%	3.00%	3.00%	3.00%
Unclassified Salaries			3.00%	3.00%	3.00%	3.00%
Classified Salaries			10.00%	5.00%	5.00%	5.00%
Health OPE			3.00%	3.00%	3.00%	3.00%
Retirement OPE			0.00%	0.00%	0.00%	0.00%
S&S			3.00%	3.00%	3.00%	3.00%
Reductions			-3.20%	-3.20%	0.00%	0.00%
<b>Projection</b>						
Tuition	38,016,998	38,783,842	40,174,255	41,778,155	43,470,453	44,905,827
Remissions	(5,195,175)	(5,900,000)	(6,111,517)	(6,355,511)	(6,612,952)	(6,831,308)
State	34,877,074	35,006,510	36,301,751	36,664,768	37,031,416	37,401,730
Gift Grants	2,176,005	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
Investment	2,454,589	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Other Rev	<u>755,393</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
Total Revenues	73,084,884	73,040,352	75,514,489	77,237,413	79,038,917	80,626,249
Faculty	16,387,915	16,011,636	16,491,985	16,986,745	17,496,347	18,021,237
Unclass	11,587,136	11,668,859	12,018,925	12,379,493	12,750,877	13,133,404
Unclass Pay	1,457,394	1,278,964	1,317,333	1,356,853	1,397,558	1,439,485
Class	6,698,881	6,789,460	7,468,406	7,841,826	8,233,918	8,645,613
Class Pay	372,238	257,599	283,359	297,527	312,403	328,023
Student	1,549,598	1,451,072	1,451,072	1,451,072	1,451,072	1,451,072
Health OPE	8,084,410	10,011,146	10,311,480	10,620,825	10,939,450	11,267,633
Retirement OPE	8,324,994	10,716,557	11,166,730	11,533,633	11,913,760	12,307,620
Other OPE	<u>5,211,943</u>	<u>3,161,021</u>	<u>3,293,807</u>	<u>3,402,031</u>	<u>3,514,155</u>	<u>3,630,331</u>
Total Payroll	59,674,509	61,346,314	63,803,097	65,870,003	68,009,541	70,224,419
S&S	12,286,210	12,937,098	13,325,211	13,724,967	14,136,716	14,560,818
Internal Sales	(4,204,872)	(3,190,720)	(3,190,720)	(3,190,720)	(3,190,720)	(3,190,720)
Transfers	<u>7,275,776</u>	<u>5,501,318</u>	<u>5,666,358</u>	<u>5,836,348</u>	<u>6,011,439</u>	<u>6,191,782</u>
Total Expenses & Transfers	75,031,623	76,594,010	79,603,945	82,240,599	84,966,976	87,786,299
Reductions		-	(2,547,326)	(5,179,025)	(5,179,025)	(5,179,025)
Total Expenses & Transfers		76,594,010	77,056,619	77,061,573	79,787,950	82,607,273
Net Recurring	(1,946,739)	(3,553,658)	(1,542,130)	175,840	(749,033)	(1,981,024)
One-Time	-	(578,110)	-	-	-	-
<b>Net</b>	<b>(1,946,739)</b>	<b>(4,131,768)</b>	<b>(1,542,130)</b>	<b>175,840</b>	<b>(749,033)</b>	<b>(1,981,024)</b>
Beginning Fund Balance	13,753,975	13,590,136	9,458,368	7,916,238	8,092,078	7,343,044
Additions/(Deductions)	<u>1,782,900</u>	-	-	-	-	-
Ending Fund Balance	13,590,136	9,458,368	7,916,238	8,092,078	7,343,044	5,362,020
Fund Balance as a % of Revenues	18.60%	12.95%	10.48%	10.48%	9.29%	6.65%
Quasi Endowment Balance	3,097,756	3,223,963	3,355,313	3,492,013	3,634,283	3,782,350
Ending Fund Balance w/ Quasi	16,687,892	12,682,331	11,271,550	11,584,091	10,977,328	9,144,369
Fund Balance w/ Quasi as a %	22.83%	17.36%	14.93%	15.00%	13.89%	11.34%

## FY2026 Q1 Investment Report

### BACKGROUND

The Western Oregon University (university) investment report for the first quarter (Q1) of FY2026 is presented in the following sections:

- **FY2026 Q1 Western Oregon University Investment Report** – This section includes a report on the investments of the operating and endowment assets of the university. This report reflects the university's operating assets that are invested in short and intermediate-term fixed income funds and the university's quasi-endowment investments managed by the Oregon State Treasury.
- **FY2026 Q1 Market Commentary** – This section provides a general discussion of the investment markets and related performance data for the fourth quarter of FY2025 (i.e., July 1 – September 30, 2025).

### FY2026 Q1 WESTERN OREGON UNIVERSITY INVESTMENT REPORT

The schedule of Western Oregon University's investments is shown in the investment summary below.

#### Western Oregon University Operating Assets

The Oregon Short Term Fund (OSTF) increased 1.2% for the quarter, outperforming its benchmark by 10 basis points. The Public University Fund Core Bond Fund (PUF) increased 1.9% for the quarter, exceeding its benchmark by 40 basis points. The PUF's investment yield was 1.1% for the quarter. As of September 30, 2025, WOU had \$25.2 million on deposit in the OSTF and \$4.5 million invested in the PUF.

Relative performance in the PUF was driven by corporate bonds and securitized bonds, as spreads (coupon variance to a similarly dated Treasury bond) continued to tighten. The Oregon State Treasury investment officers are maintaining a high quality bias in the portfolio with over 60% of the portfolio allocated to on-the-run Treasuries. On-the-run Treasuries are recently issued securities compared to Treasuries trading in the secondary markets.

#### Western Oregon University Quasi-Endowment Fund

The WOU Quasi-Endowment Fund (Fund) increased 3.6% for the quarter, outperforming its benchmark by 20 basis points. The Fund ended the quarter with a balance of \$3.2 million.

The Fund's assets were allocated to a global equity index strategy (BlackRock All-Country World Index – 32.4%), a fixed-income strategy (JP Morgan Active Fund – 33.9%) and the remaining assets were invested in the Oregon Short Term Fund 33.7%.

For the three months ending September 30, 2025, the Blackrock All-Country World Index rose 7.8%, outperforming its benchmark by 10 basis points. The JP Morgan Active Bond Fund rose 2.2%, outperforming its benchmark by 20 basis points.

**Western Oregon University**  
**Investment Summary**  
**as of September 30, 2025**  
(Net of Fees)

	Quarter Ended 9/30/2025	Current Fiscal YTD	Prior Fiscal YTD	3 Yr Avg	5 Yr Avg	10 Yr Avg	Market Value	Actual Asset Allocation <sup>1</sup>	Policy Allocation Target
<b>WOU Operating Assets</b>									
Oregon Short - Term Fund	1.2%	1.2%	1.3%	4.5%	3.0%	2.3%	\$ 25,247,097	84.8%	N/A
Benchmark - 91 day T-Bill	1.1%	1.1%	1.4%	4.8%	3.0%	2.1%			
PUF Core Bond Fund	1.9%	1.9%	4.0%	5.6%	1.7%	N/A	4,540,517	15.2%	N/A
Benchmark - Bloomberg Barclays Intermediate U.S. Gov't./Credit Index <sup>2</sup>	1.5%	1.5%	4.2%	5.2%	0.8%	2.1%			
Investment Yield <sup>3</sup>	1.1%	1.1%	1.1%	4.4%	3.8%	N/A			
<b>Total Operating Assets</b>							<u>\$ 29,787,614</u>	<u>100.0%</u>	
<b>WOU Endowment Assets</b>									
BlackRock ACWI IMI B	7.8%	7.8%	6.9%	22.6%	13.4%	N/A	\$ 1,038,051	32.4%	30.0%
Benchmark - MSCI ACWI IMI Net	7.7%	7.7%	6.8%	22.5%	13.3%	11.6%			
JP Morgan Active Bond Fund <sup>4</sup>	2.2%	2.2%	N/A	N/A	N/A	N/A	1,088,194	33.9%	35.0%
Benchmark - Bloomberg Barclays Aggregate Index	2.0%	2.0%	5.2%	4.9%	-0.4%	1.8%			
Cash	1.2%	1.2%	1.3%	4.5%	3.0%	N/A	1,081,447	33.7%	35.0%
Benchmark - 91 day T-Bill	1.1%	1.1%	1.4%	4.8%	3.0%	2.1%			
<b>Total Endowment Assets</b>	3.6%	3.6%	6.0%	13.3%	6.3%	N/A	<u>\$ 3,207,692</u>	<u>100.0%</u>	
Policy Benchmark <sup>5</sup>	3.4%	3.4%	5.9%	12.9%	6.4%	N/A			

<sup>1</sup> University operating investment allocations based upon liquidity needs as determined by rolling 12-month cash flow forecasts.

Operating assets in excess of liquidity requirements are available for investment in the PUF Core Bond Fund and other long-term investments.

<sup>2</sup> 100% Bloomberg Barclays Intermediate U.S. Gov't./Credit Index as of February 1, 2021. From April 1, 2017 to January 31, 2021, the benchmark was 75% Bloomberg Barclay's Aggregate 3-5 Years Index, 25% Bloomberg Barclay's Aggregate 5-7 Years Index.

<sup>3</sup> The reported investment yields for the quarter and fiscal year-to-date represent earned yields for the period and are not annualized rates.

<sup>4</sup> The Western Asset Core Bond Fund was liquidated in December 2024 and replaced with the JP Morgan Active Bond Fund in April 2025.

<sup>5</sup> Policy Benchmark Composition: 30% Morgan Stanley Capital Indices All-Country World Investable Market Index Net , 35% Bloomberg Barclays Aggregate Bond Index, 35% 91 day T-Bill. From March 1, 2019 to May 1, 2025 the benchmark was 55% Morgan Stanley Capital Indices All-Country World Investable Market Index Net, 40% Bloomberg Barclays Aggregate Bond Index, 5% 91 day T-bill.  
Note: Outlined returns underperformed their benchmark.

# Oregon Short Term Fund

September 30, 2025

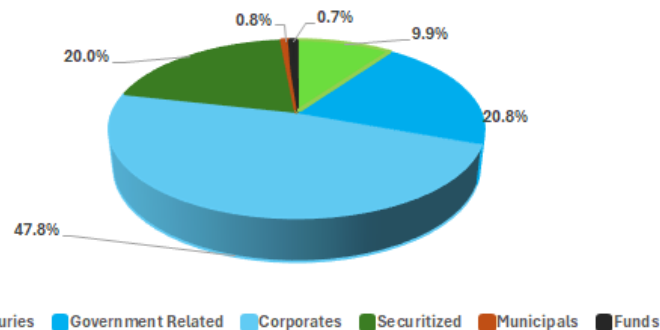
## Portfolio Characteristics

Net Asset Value 9/30/2025	\$ 32,882,307,380
Weighted Average Credit Quality	AA
Rate Paid (%)	4.6%
Weighted Average Maturity (days)	70 days
Duration (years)	0.17
Spread Duration (years)	0.88

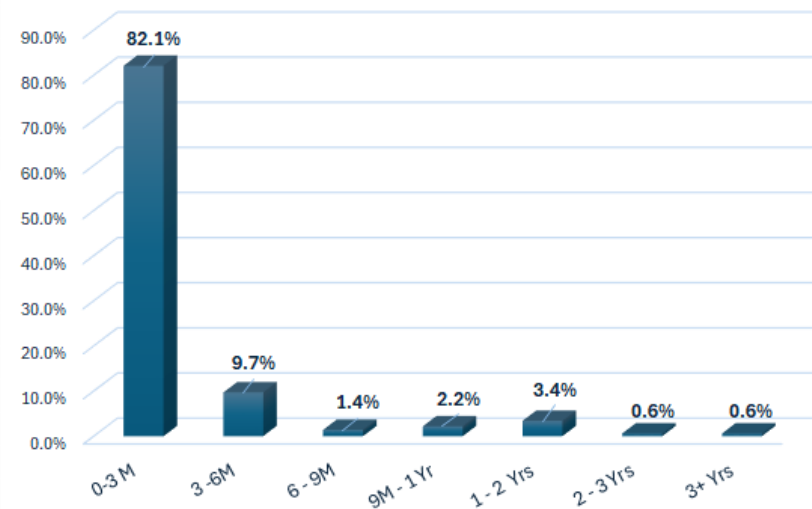
## Top 10 Issuers

United States Treasury	9.8%
Federal Farm Credit Banks	5.2%
Canada Pension Plan Investment Board Capital Incorporated	4.5%
American Honda Finance Corporation	2.2%
The Toronto-Dominion Bank	1.9%
Royal Bank of Canada	1.9%
Caterpillar Financial Services	1.9%
CDP Financial Incorporated	1.8%
Toyota Motor Credit Corporation	1.8%
New York Life Global Funding	1.8%
<b>Total</b>	<b>32.8%</b>

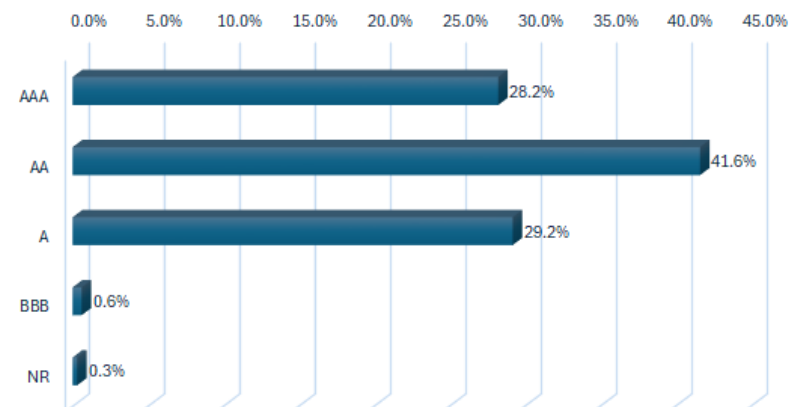
## Sector Allocations



## Maturity Breakdown



## Credit Quality Distribution



Source: Oregon State Treasury

# Core Bond Fund

September 30, 2025

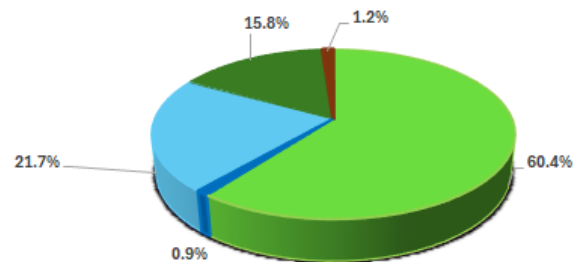
## Portfolio Characteristics

Market Value 9/30/2025	\$ 252,587,178
Weighted Average Credit Quality	AA-
Book Yield (%)	4.91%
Weighted Average Maturity (years)	4.52
Duration (years)	3.82
Spread Duration (rate)	1.46

## Top 10 Issuers

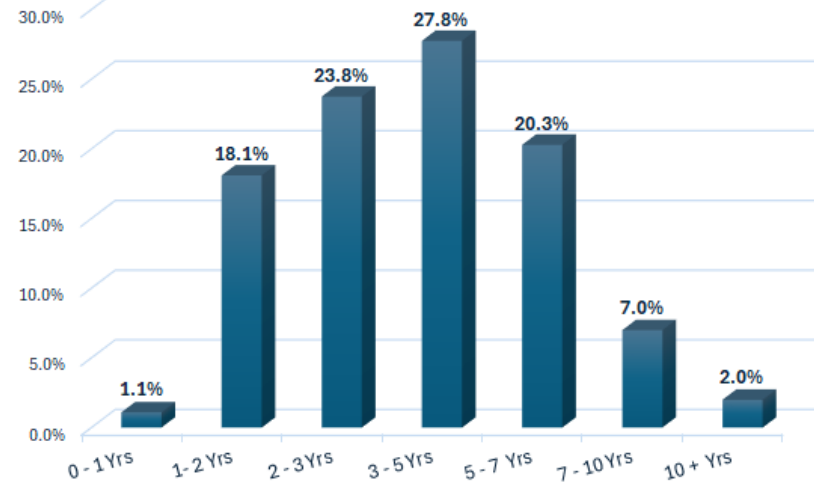
United States Treasury	60.9%
Federal Home Loan Mortgage Corporation	3.9%
Wheels Fleet Lease Funding LLC 25-1	3.9%
Fideicomiso Fibro Uno	2.9%
Federal National Mortgage Association	2.1%
Oregon State Treasury	2.1%
Rexford Industrial Realty Incorporated	1.9%
Spirit Airlines Class A Pass Thru Certificate	1.6%
Fideicomiso Irrevocable F/00939	1.5%
DT Midstream Incorporated	1.4%
<b>Total</b>	<b>82.1%</b>

## Sector Allocations

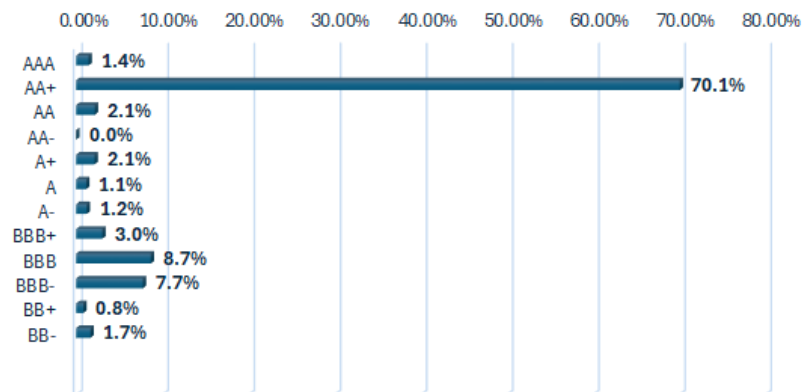


Treasuries Government Related Corporates Securitized Cash Securities

## Maturity Breakdown



## Credit Quality Distribution



Source: Oregon State Treasury



## **FY2026 Q1**

### **MARKET COMMENTARY**

*(Prepared by Meketa Investment Group, consultants to the Oregon Investment Council)*

#### **Report on Investments – as of September 30, 2025**

##### **Economic and Market Update**

In the third calendar quarter of 2025, most stock and bond markets delivered positive returns, benefiting from renewed interest rate cuts from the Federal Reserve, continued strong artificial intelligence (AI) demand and investment, and overall solid corporate earnings.

- U.S. stocks enjoyed a broad rally in the third calendar quarter with the S&P 500 gaining 8.1%. Large cap stocks trailed small cap stocks in a reversal of the prior trend with mixed results across market capitalizations for growth and value.
- Non-U.S. developed market stocks (Morgan Stanley Capital Indices (MSCI) Europe Australasia Far-East (EAFE)) lagged U.S. stocks in the third calendar quarter with gains of +4.8% with value outperforming growth.
- Emerging market stocks beat developed market stocks in the third calendar quarter with the MSCI emerging market index gaining +10.6% and up a leading 27.5% calendar year-to-date; Chinese stocks drove the emerging market index higher with the MSCI China index returning 20.7% in the quarter and 41.6% calendar year-to-date.
- In general, bond markets performed well in the third calendar quarter supported by softer labor data and largely dovish central banks, with high yield bonds and long-dated Treasuries both returning 2.5% for the quarter, slightly outperforming the broad U.S. bond market (+2.0%) and Treasury Inflation Protected Securities (TIPS) (+2.1%).
- Chair Powell's comments from Jackson Hole buoyed market expectations for more rate cuts this year. In addition to continued public pressure on Chair Powell, the Administration also signaled that it would investigate Federal Open Market Committee (FOMC) member Lisa Cook adding to market concerns about future Federal Reserve (Fed) independence.
- Key questions going forward include how the Fed will manage interest rates given competing pressures on its dual mandate of inflation and employment, will tariff pressures eventually show up in inflation, can earnings growth remain resilient in the U.S., will the recent rotation into small cap stocks continue, and how will China's economy and relations with the U.S. track.

## Market Returns<sup>1</sup> September 30, 2025

	Month	Quarter	YTD	1-Year	3-Year	5-Year	7-Year	10-Year
S&P 500	3.7%	8.1%	14.8%	17.6%	24.9%	16.5%	14.5%	15.3%
MSCI EAFE-ND	1.9%	4.8%	25.1%	15.0%	21.7%	11.2%	7.7%	8.2%
MSCI EM-ND	7.2%	10.6%	27.5%	17.3%	18.2%	7.0%	6.2%	8.0%
MSCI China-ND	9.8%	20.7%	41.6%	30.8%	19.5%	0.4%	3.9%	6.8%
Bloomberg US Aggregate	1.1%	2.0%	6.1%	2.9%	4.9%	-0.4%	2.1%	1.8%
Bloomberg US TIPS	0.4%	2.1%	6.9%	3.8%	4.9%	1.4%	3.4%	3.0%
Bloomberg US Corporate High Yield	0.8%	2.5%	7.2%	7.4%	11.1%	5.5%	5.3%	6.2%
ICE BofAML US 3-Month Treasury Bill	0.3%	1.1%	3.2%	4.4%	4.8%	3.0%	2.6%	2.1%
ICE BofAML 1-3 Year US Treasury	0.3%	1.1%	3.9%	3.9%	4.3%	1.6%	2.3%	1.7%
ICE BofAML 10+ Year US Treasury	3.0%	2.5%	5.9%	-3.1%	0.7%	-7.4%	-0.2%	0.0%

<sup>1</sup>Source: Oregon State Treasury

**U.S. Equities:** U.S. stocks increased sharply during the third calendar quarter as the Fed lowered interest rates, corporate earnings came in above expectations, and economic growth surprised to the upside. The enthusiasm surrounding AI helped push the indices higher, as well.

Small cap stocks, represented by the Russell 2000 Index, outperformed both mid and large cap stocks during the quarter. The small cap index's higher weighting to biopharma stocks contributed to the outperformance as well as the overall strength of the economy and expectations for lower rates given their generally higher leverage.

Value stocks outperformed growth stocks during the quarter (except in the large cap space). The outperformance of large technology and consumer discretionary stocks drove this dynamic.

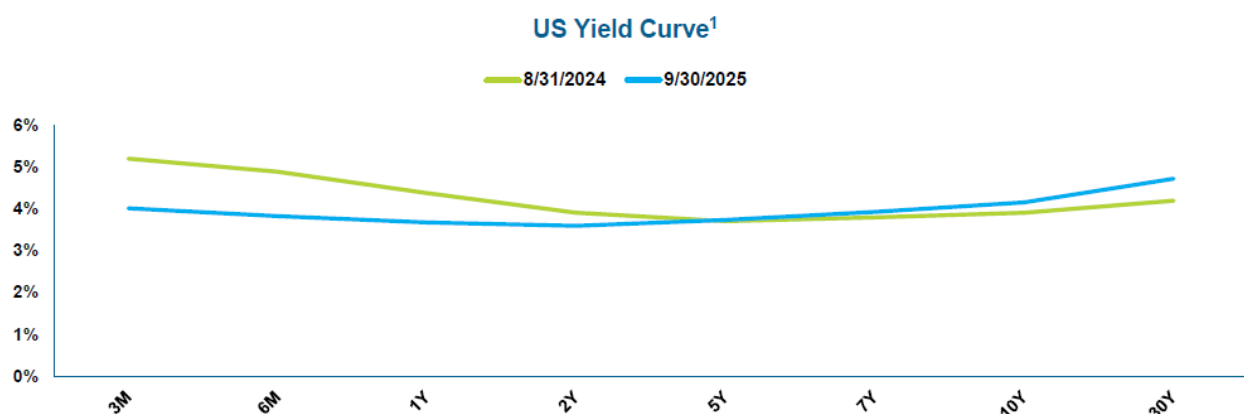
**Foreign Equity:** Developed markets posted solid gains in the third calendar quarter, driven by easing monetary policy, strong corporate earnings, and AI-related enthusiasm. Eurozone equities, while positive, were the laggards of the quarter, with losses in Germany and political instability in France somewhat balanced by strong performance from financials and stable inflation. The United Kingdom saw solid performance supported by strong bank earnings and resilient consumer demand despite rising debt. Japan was a top performer, benefiting from a weaker yen, strong tech exports, and favorable political shifts.

Emerging markets outperformed developed peers in the third calendar quarter, aided by easing trade tensions and strong tech performance. China led the way with a significant 20.7% return for the quarter, benefitting from domestic chipmaker support, accelerating AI spending, and optimism surrounding policies to reduce unproductive competition. Tech enthusiasm benefited other Asian markets, particularly Taiwan and Korea. Brazil lagged, due largely to political uncertainty. India saw losses, with the recent imposition of very punitive tariffs by the U.S. weighing heavily on performance.

U.S. stock valuations increased in the third calendar quarter, finishing September with a cyclically adjusted price to earnings (P/E) ratio of 39.4. This level is well above their long-run average of 28.4. Given strong results this year in non-U.S. developed stocks, valuations have moved slightly above their long-run P/E ratio (22.1 versus 21.0). As emerging market stocks lead the way in 2025 their valuations are now also trading at levels above their long-run average (18.5 versus 16.7).

**Fixed Income:** The U.S. yield curve shifted lower on expected monetary policy easing in the coming quarters and strong risk appetite by investors provided positive performance for credit

indexes. In this environment, the broad U.S. bond market (Bloomberg Aggregate) returned 2.0% with longer dated U.S. Treasuries performing slightly better (2.5%). Longer and short-dated TIPS gained 2.1% and 1.6%, respectively, as inflation risks remained elevated. Positive risk sentiment supported emerging market debt (+2.8%) and high yield (+2.5%). Year-to-date performance in emerging markets solidly exceeded other fixed income indices, and the broad U.S. stock market.

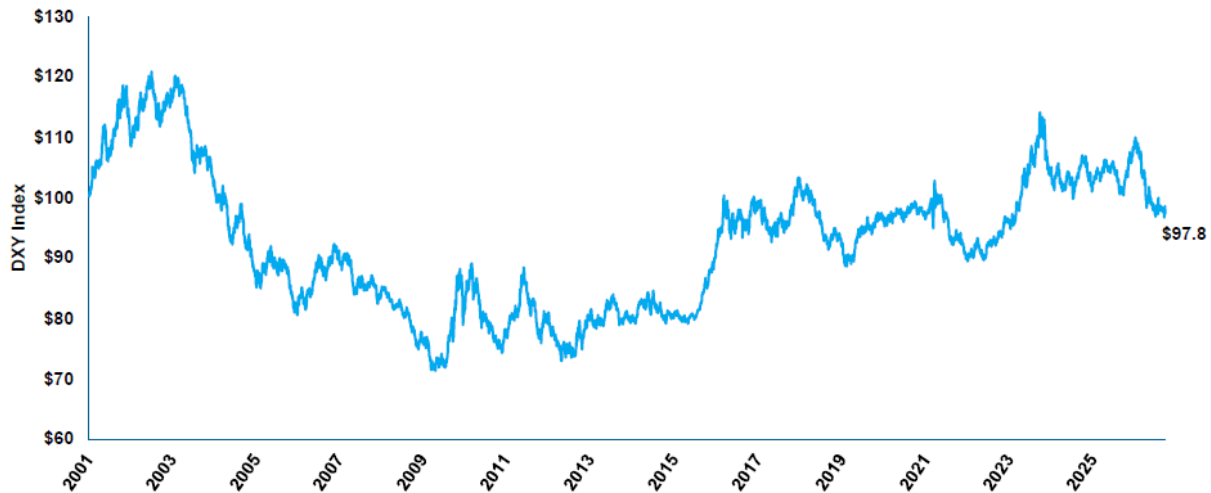


<sup>1</sup> Source: Bloomberg. Data is as of September 30, 2025.

A rate cut by the Fed, with more expected weakness in the labor market, and no signs yet of tariffs significantly influencing inflation drove rates lower across the yield curve in the third calendar quarter. The policy sensitive 2-year nominal Treasury yield was volatile during the quarter but overall fell from 3.72% to 3.61% given the anticipation of additional interest rate cuts by the Fed. The 10-year nominal Treasury yield was also volatile and declined from 4.23% to 4.15% for the quarter, while the 30-year nominal Treasury yield fell slightly from 4.78% to 4.73%.

The recent government shutdown has caused a delay in the release of government economic reports like the consumer price index from the Bureau of Labor Statistics. This has led to investors increasing use of other models and private data to assess the economy. Bloomberg's real-time inflation models have recently trended up to levels still above the Fed's average target of 2.0%. Market and survey-based measures of inflation show a divergence between short-term (higher) and long-term (lower) expectations for how inflation will track. This dynamic is likely driven by the anticipation that tariff related price increases have still not shown up in the numbers.

### US Dollar vs. Broad Currencies<sup>1</sup>



<sup>1</sup> Source: Bloomberg. Data as of September 30, 2025

The U.S. dollar hit near-historic highs in January of 2025 but since then its value has declined by ~11%. The U.S. dollar stabilized in the third calendar quarter on the easing of trade war concerns. Typically, higher interest rates support the U.S. dollar but recent concerns over changing U.S. administration policies and slowing growth have weighed on the value of the U.S. dollar.

### Summary-Key Trends:

- According to the International Monetary Fund's October's World Economic Outlook, the global economy will decelerate from 3.2% in 2025 to 3.1% in 2026. The U.S. is expected to modestly accelerate economic growth in 2026 to 2.1% from 2.0% in 2025. The euro area will slow slightly from 1.2% in 2025 to 1.1% in 2026. China's economy is expected to slow from 4.8% in 2025 to just 4.2% in 2026.
- Despite the recent pause in negotiations related to tariffs, many questions remain including how they will ultimately impact inflation. Overall, higher tariff levels and continued uncertainty could weigh on growth while increasing prices. Inflation levels and potential developments with tariffs combined with a weakening labor market will complicate the Fed's rate cutting path. A lengthy government shutdown and a lack of official economic reports could create further complications for the Fed and others to assess the health of the economy.
- Some signs of stress have started to emerge on the U.S. consumer, with growing weakness in the jobs market and sentiment weakening since the start of the year. Consumers are particularly concerned about losing their jobs and the potential for higher prices. Overall, risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to an even weaker job market. The recent resumption of collecting and reporting delinquent student loans could be a further headwind to consumption.
- U.S. equities have fully recovered from substantial losses experienced during the first week of April and have reached new highs. A relatively strong second calendar quarter earnings season, renewed AI optimism, and prospects of future rate cuts from the Fed

all helped drive stocks higher. How earnings track from here, particularly for the large AI related companies that make up a significant portion of indexes, will be key going forward.

- Trade tensions between the U.S. and China will remain an important focus as well as the overall health of China's economy. With the recent flare up in rhetoric, China has deepened its restrictions on exporting rare earth and critical minerals required in the manufacturing of many high-tech items. In response, the U.S. threatened across the board tariffs up to 100% on Chinese goods. Upcoming negotiations between the two sides will be important to watch. How China manages its slowing economy, and deflationary pressures will also be important.

# WESTERN OREGON UNIVERSITY

## DEFERRED MAINTENANCE NEEDS

#	BUILDING NAME	GSF	YEAR	AGE	ESTIMATE	DEFERRED MAINTENANCE DESCRIPTION	LAST RENOVATION
1	ADMINISTRATION	30535	1936	89	\$ 21,781,781	Seismic, ADA, Code, HVAC, Electrical, Roof	
2	ADVISING	7188	1963	62	\$ 145,000	HVAC	2007
3	ACADEMIC PROGRAMS & SUPPORT CENTER	43484	1951	74	\$ 6,874,002	HVAC, Windows, Roof, ADA, Electrical	2002
4	CAMPBELL HALL	30978	1871	154	\$ 4,416,224	Roof, ADA, Lighting, Windows	1899
5	CHILD DEVELOPMENT CENTER	6728	1994	31	\$ 551,072	HVAC, Plumbing	2018
6	CHILLER	970	1971	54	\$ 150,854	Replacement piping	
7	DEVOLDER FAMILY SCIENCE	22375	2013	12	\$ 1,767,449	HVAC and fume hoods	2013
8	GENTLE HOUSE	3854	1914	111	\$ 473,153	Roof, ADA, Lighting, Windows	
9	HAMERSLY LIBRARY	80238	2000	25	\$ 8,572,070	Roof, Windows, Electrical, ADA	
10	HEALTH & WELLNESS CENTER	32405	2010	15	\$ 650,520	HVAC	
11	HUMANITIES AND SOC SCIENCE	38748	1964	61	\$ 2,644,783	ADA, Code,	2005
12	INSTRUCTIONAL TECHNOLOGY CENTER	28623	1910	115	\$ 400,000	ADA access ramp	2019
13	INSTRUCTIONAL TECHNOLOGY CENTER	7348	1948	77	\$ 4,217,752	HVAC, ADA, structural, code, electrical	
14	INSTRUCTIONAL TECHNOLOGY CENTER	6542	1958	67	\$ 3,107,450	HVAC, ADA, structural, code, electrical	
15	JENSEN HOUSE	3736	1910	115	\$ 255,004	Roof, ADA, Lighting, Windows	
16	MAASKE HALL	22620	1955	70	\$ 4,824,846	Asbestos, Structural, Code, Electrical, HVAC, ADA	
17	MAPLE HALL	4603	1913	112	\$ 885,094	ADA, Code	
18	MATH AND NURSING	24712	1988	37	\$ 1,530,113	ADA	
19	NATURAL SCIENCES BLDG	47109	1969	56	\$ 650,000	Chiller	2021
20	WOLVES ATHLETIC CENTER	62468	1971	54	\$ 11,930,913	ADA, Roof, Electrical, HVAC, Code	
21	RUTH LAUTERNBACH HALL	29424	1936	89	\$ 13,016,729	Seismic, ADA, Code, HVAC, Electrical, Roof	2010
22	PHYSICAL PLANT	32071	1960	65	\$ 2,518,427	Roof, ADA,	1969
23	PHYSICAL PLANT STORAGE	3876	1999	26	\$ 140,351	Roof	2005
24	RICE AUDITORIUM	27667	1976	49	\$ 8,017,897	ADA, Code, Structural	
25	RICHARD WOODCOCK EDUCATION CENTER	53314	2016	9	\$ 320,000	HVAC	
26	SMITH MUSIC HALL	14315	1958	67	\$ 7,441,750	HVAC, Code, ADA	
27	STADIUM	11090	1980	45	\$ 2,324,678	ADA, Code	
28	SWINDEL HALL	5390	1922	103	\$ 75,052	Roof	
29	TERRY HOUSE	2040	1925	100	\$ 139,242	Roof, ADA	
30	THE COTTAGE	5568	1917	108	\$ 6,058,365	Seismic, ADA, Code, HVAC, Electrical, Plumbing	
31	TODD HALL	37706	1912	113	\$ 25,954,384	Seismic, Roof, Windows, ADA, Code, HVAC	2005
32	WATSON HOUSE	2057	1910	115	\$ 140,403	Roof	
33	WELCOME CENTER	65155	1996	29	\$ 3,250,000	Finish 2nd floor, Code, ADA, HVAC	2019
34	WERNER UNIVERSITY CENTER	81326	1959	66	\$ 1,536,000	Chiller	1990
35	WEST HOUSE	6166	1924	101	\$ 997,784	ADA, HVAC	2010
36	WOU SALEM	37150	1925	100	\$ 16,072,160	Seismic, HVAC, ADA, Code	1996
	TOTAL				\$ 163,831,302		

## **Finance and Administration Committee (FAC), February 10<sup>th</sup>, 2026**

### **Campus Safety and Operations Report**

This Campus Safety and Operations report provides brief updates on campus safety, major capital projects, and capital improvement and renewal projects.

#### **Campus Safety**

Campus Public Safety (CPS) continues the task of staying alert to potential security threats. CPS engages and collaborates with area safety and security service providers to support its work. CPS also stays on top of parking enforcement ensuring orderliness on campus streets and in the campus parking lots. CPS provides preventive training, such as active shooter, self-defense, CPR, emergency evacuation and tabletop exercises to the campus community. CPS tracks regulatory campus safety events for reporting. The most current reporting can be found at this link

<https://wou.edu/safety/clery-act/annual-security-and-fire-safety-report/>

WOU Emergency Management hosted a Pandemic Exercise with community partners Polk County Public Health, Marion County Public Health, and Salem Health in October 2025. Our students received a free flu shot while the Emergency Management teams worked through a pandemic scenario.

On December 3, 2025, a group of antagonizers came to campus with the intent of provoking the WOU community. A group of five individuals arrived on the WOU campus around 1:00 p.m. and attempted to interview individuals near the Werner University Center. Some members of the group conducted interviews with students on controversial topics, while others videotaped individuals and their reactions while shouting statements intended to provoke a response.

The group remained on campus for approximately four and a half hours. Throughout the incident, Campus Public Safety (CPS) remained in contact with the Monmouth Police Department (MPD). MPD advised CPS that they would not respond, as the activity appeared to be an expression of speech protected under the law. MPD also indicated they were monitoring the event via the group's live stream.

The following day, MPD requested a meeting to debrief the situation. Director of Campus Public Safety, Mike Hanson, met with Chief Haines, Lieutenant Olifason, and Sergeant Smith. MPD discussed their internal process, which included consultation with legal counsel and communication with senior officials at the Salem Police Department. Based on this guidance, MPD determined they would not respond unless the situation became physical or began to disrupt traffic.



Several weeks later, President Peters, Craig Ashford, Evan Source, and Mike Hanson met with the Monmouth Police Chief, City Attorney, Mayor, and City Manager. During this meeting, they reviewed the events of December 3 and discussed potential policy updates that would allow the university to request individuals leave campus due to disruptive behavior and enable the MPD to take appropriate action to remove individuals when warranted.

Since the incident, Mike Hanson and Craig Ashford conducted two listening sessions with the campus community. They have also met with WOUFT faculty union, Staff Senate, and ASWOU. Mike, Craig, and others continue to work on an updated Freedom of Expression policy.

### **Major Capital Projects**

There are currently 3 major capital projects. The status of the projects is the following.

1. Student Success Center – Expected closeout is March 2026. Remaining ongoing work is for ADA sidewalks, lighting, and terrace roof.
2. Steam Line – Expected closeout is fall 2026. Project is essentially complete, except for a drainage issue, which the contractor is working on.
3. Data Center – Task Committee in preliminary planning, including Data Center site visitations. Obtained DAS approval for declaration of intent to pre-finance the project as necessary prior to bond sales.

<b>Projects</b>	<b>Cost</b>	<b>Funding Left</b>	<b>Expected Completion</b>
Student Success Center (ADA, 1% art, terrace roof)	\$22 million	\$131,857	March 2026
Steam Line (installation of additional pumps))	\$16.5 million	\$126,000	Fall 2026
Data Center	\$13.2 million		

### **Capital Improvement and Renewal (CIR) Projects**

Capital Improvement and Renewal funding is provided by the state to the seven public universities, including Western Oregon University, to address deferred maintenance, code compliance, safety issues, and ADA accessibility improvements for campus facilities. CIR funded projects do not involve acquisition of buildings, structures, or land, classroom or lab modernization, or improvements to auxiliary facilities.

For the FY2023 CIR funds expiring in March 2026, \$3.78 million was allocated to WOU and \$345,526 is remaining. CIR allocation for FY2025 is \$5.15 million. Recently completed projects include Bellamy Hall air duct smoke detector replacement and Administration Building 1<sup>st</sup> floor fiber upgrade. Energy efficient lighting has recently been installed in Administration Building and will soon be installed in Wolves Athletic Center, Maaske Hall 1<sup>st</sup> floor and parts of Facilities Services. We have also selected a vendor to build new signs for our renamed buildings. Status of some ongoing CIR projects are below.

<b>CIR Project</b>	<b>Projected Cost</b>	<b>Expected Completion</b>
Campus Signage	\$55,000	Winter 2026
Roofs- Admin, Campbell, Jensen, Watson-c, Terry-c, Gentle	\$725,000	2026
Admin 1 <sup>st</sup> Floor remodel	\$150,000	Winter 2026
Forensics lab-Maaske	\$375,000	Summer 2026
Hazmat Shed	\$75,000	Summer 2026
Maaske Hall IT upgrade	\$70,000	Spring 2026
Sewer correction and restroom renovation at Facilities Services	\$100,000	Spring 2026
Hamersly Fire System	\$176,000	Winter 2026
WOU Salem Fire System	\$21,000	Winter 2026

Future projects consideration includes Cottage remodel, Todd elevator, ADA door access.

# University Computing Solutions (UCS) report for the FAC Subcommittee meeting on February 4, 2026

UCS's mission statement is to enable the Western Oregon University Community through resilient technical services and empowering computing solutions.

Since the last FAC meeting, UCS completed end of the year activities, including:

- Removal of Banner 8 Self Service, also known as WolfWeb, as Ellucian ended all support and services for that version.
- Full implementation of Banner 9 Self Service, which is now accessible through Ellucian Experience.
- Replacement of accounts payable functionality with the new TransAct software solution.
- Moving and upgrading computer labs and classroom technology in preparation for the Winter term.

In the next upcoming quarter, USC plans to:

- Continue adding new “cards” to Ellucian Experience, replacing old Portal functionality.
- Partner with Accounts Payable to expand the use of Transact.
- Implement the new computer account management system, Okta, for optional usage on 3/3.

Along with the rest of campus, UCS is reviewing contracts and required spending to more accurately budget spending for fiscal year 27. UCS is exploring centralizing budgets and services for printing and software purchases in order to reduce overhead and prevent redundant purchases across campus. One budget concern is that computer prices increased by 20% in January due to high demand for memory for AI. UCS purchased desktop computers for classroom instructor stations before the increase but the price increases will impact computer replacements in FY27.

The Banner Optimization projects for Accounts Receivable, Financial Aid, HR, Student and Experience are approaching 50% complete. The Finance project has been defined; the consulting budget to standardize Banner Finance is forecasted to be more than all other Banner Optimization budgets combined. Even with these expenses, Banner Optimization is still well within the available Sustainability Fund provided by the state for this optimization work.

## Monthly Cash Flow and Accrual Forecast

		July 2025	August 2025	September 2025	October 2025	November 2025	December 2025	January 2026	February 2026	March 2026	April 2026	May 2026	June 2026	
Actual														
Estimates														
Starting Cash and investment FY2026 (June 30, 2025)														
\$ 31,167,277														
Beginning Cash Estimate	\$	31,167,277	31,810,744	27,172,040	29,839,331	41,039,649	34,644,953	24,412,774	38,000,000	27,216,484	33,185,087	39,768,793	33,091,858	
	Adjusted Beginning Cash and investment Balance (Actual)													
		31,167,277	29,410,833	27,172,040	28,604,295	36,313,875	31,691,955	26,458,980	-	-	-	-	-	
Inflows														
Monthly Revenue Estimates		10,362,363	9,154,049	23,461,024	15,701,897	9,435,887	13,956,225	25,880,939	5,342,785	24,003,365	12,020,105	4,525,488	11,552,317	
Estimated Cash Impacts GL Accrual Activity		(1,774,950)	(2,229,750)	1,495,907	7,703,725	(4,631,177)	(5,212,020)	9,963,333	(5,155,534)	513,885	3,814,657	(1,915,988)	(4,826,251)	
Total Revenue and GL Inflows		8,587,413	6,924,298	24,956,931	23,405,622	4,804,710	8,744,205	35,844,272	187,252	24,517,250	15,834,762	2,609,499	6,726,066	
Outflows														
Monthly Labor Estimates		4,767,950	5,252,887	5,114,176	7,487,371	7,779,224	7,638,134	7,860,342	8,029,129	7,983,952	7,943,735	8,176,209	8,743,800	
Monthly Expense Estimates		3,175,997	2,480,963	13,304,110	4,717,933	3,420,182	11,338,249	4,273,492	2,941,639	10,564,695	1,307,321	1,110,225	1,715,179	
Monthly Debt Estimates		-	-	-	-	-	-	663,286	-	-	-	-	-	
Total Operating Ledger Outflows	\$	7,943,947	7,733,850	18,418,286	12,205,304	11,199,406	18,976,383	12,797,120	10,970,768	18,548,647	9,251,056	9,286,434	10,458,979	
Net Flows		643,466	(809,551)	6,538,645	11,200,318	(6,394,696)	(10,232,179)	23,047,152	(10,783,516)	5,968,603	6,583,706	(6,676,934)	(3,732,913)	
Ending Cash Estimate														
Actual Ending Cash Balance (Banner)	\$	31,810,744	31,001,192	33,710,685	41,039,649	34,644,953	24,412,774	38,000,000	27,216,484	33,185,087	39,768,793	33,091,858	29,358,945	
Actual Less Forecast		(2,399,911)	(3,829,152)	(5,106,390)	(4,725,774)	(2,952,998)	2,046,206	(38,000,000)	(27,216,484)	(33,185,087)	(39,768,793)	(33,091,858)	(29,358,945)	
% Deviation from Original Forecast		-7.54%	-12.35%	-15.15%	-11.52%	-8.52%	8.38%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	
30 Day Cash Outflow Requirement		7,943,947	7,733,850	18,418,286	12,205,304	11,199,406	18,976,383	12,797,120	10,970,768	18,548,647	9,251,056	9,286,434	10,458,979	
Excess/(Shortfall) over 30 Day Outflow Requirement	\$	23,223,330	\$ 21,676,983	\$ 8,753,754	\$ 16,398,991	\$ 25,114,469	\$ 12,715,572	\$ 13,661,860	\$ (10,970,768)	\$ (18,548,647)	\$ (9,251,056)	\$ (9,286,434)	\$ (10,458,979)	
60 Day Cash Outflow		15,677,796	26,152,136	30,623,590	23,404,710	30,175,789	31,773,503	23,767,888	29,519,415	27,799,703	18,537,490	19,745,413	10,458,979	
Excess/(Shortfall) over 60 Day Outflow	\$	15,489,481	\$ 3,258,697	\$ (3,451,550)	\$ 5,199,584	\$ 6,138,085	\$ (81,548)	\$ 2,691,092	\$ (29,519,415)	\$ (27,799,703)	\$ (18,537,490)	\$ (19,745,413)	\$ (10,458,979)	
Forecast for Steamline Project Expenses, \$1.324M in FY26														
Student Success Center				65,000	187,000	1,324,000								
OT Salem Project ~ 1.3M I to finish by Oct (moved into CIR MISC			52,000	8,000	159,157									
CIR 2023A-Xi-Q (project list missing significant project amts so this is the total left available														
Natural Science Chiller Install				141,788										
Drainage front of Physical Plant				15,000										
HVAC Controllers				56,500										
Campbell 111 Lights				12,000										
Hammersley Chiller				14,500										
Jensen Roof				52,203										
Watson Roof				28,265										
Terry Roof				47,948										
Gentle Roof				86,788										
Hammersly Roof				841,351										
ADA Sidewalks				33,000										
Hazardmat Shed				75,000										
Admin 106 Renovation				22,000										
Admin President Area				5,000										
ADA Door Access				100,000										
Sewer Connection				100,000										
Campbell Lights				12,000										
New PE Water Line				7,500										
Welcome Center HVAC				30,000										
1st Floor Admin				50,000										
Forensic Lab Maaske				80,000										
HVAC Passkey				6,000										
Rice Heating/Cooling				7,000										
Admin VPSA Remodel				100,000										
Misc CIR Projects/Placeholder				20,000										
CIR 2025A-Xi-Q ~5.1 mill over biennium				20,000										
CIR projects				66,500	83,500	242,288	1,215,712	50,000	310,000	20,000	20,000	175,000	100,000	20,000

## Cash Flow Narrative FY26

### Executive Summary:

- **Beginning cash balance July 1, 2025 was \$31,167,277**
- **Cash Balance as of December 31, 2025 was \$26,458,980**
- **Projected ending cash balance as of June 30, 2026 is \$29,358,945**

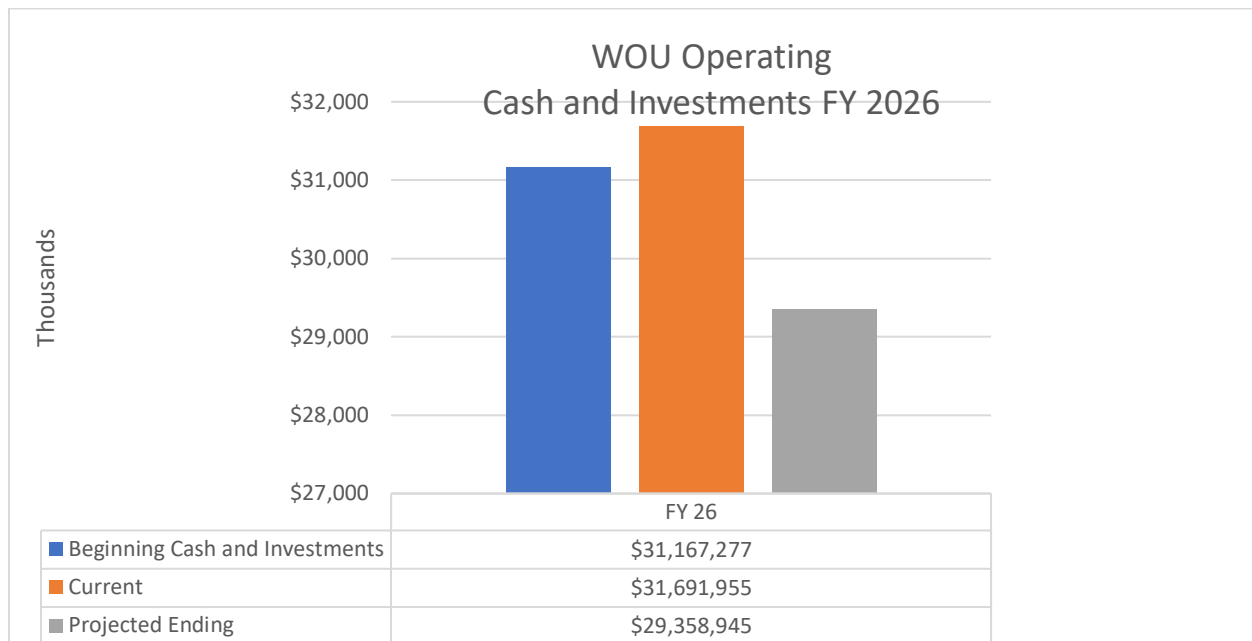
The statement of cash flows enables users of the financial statements to determine how well an entity's income generates cash and to predict the potential of an entity to generate cash in the future. The purpose of the cash flow forecast is to present cash inflows and outflows for a reporting period to the reader of the report. Cash flows are not readily apparent when just reviewing the income statement, especially when that document is created under the accrual basis of accounting. Accrual accounting requires that certain non-cash revenue and expense items be included in the income statement, potentially in substantial amounts.

We began FY2026 with a cash & investment balance of \$31.17MM.

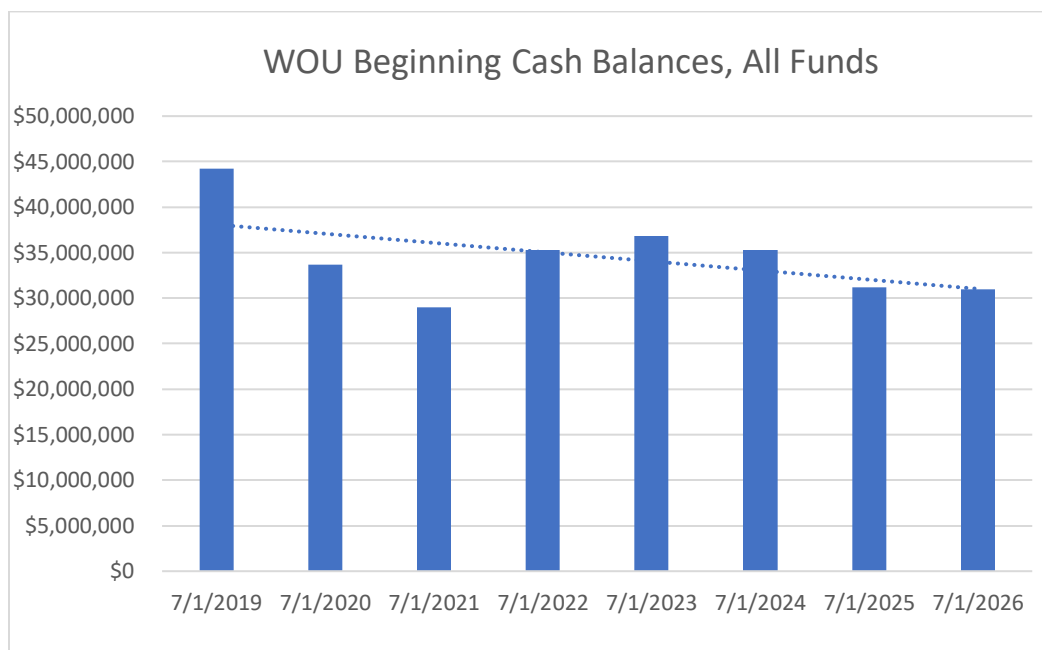
You will note this does not have a one-to-one relationship with the Management Report, this is due to two reasons. The Management Report looks at individual fund activity for Education & General, Auxiliaries, and Designated Operations & Service funds; while these funds are the main funds for the University, other funds exist as well (such as Capital, Grant and Agency funds). The Cash Flow forecast incorporates all cash & investments for the University other than the cash balance related to Perkins loans (\$674,917 as mandated) and the quasi endowment. Additionally, the Management Report shows accounting activity using accrual-based accounting. Accrual accounting creates timing differences between income statement accounts (revenues & expenses as shown on the Management Report) and cash. A revenue transaction may be recorded in a different fiscal year than the year the cash related to that revenue is received. One purpose of the statement of cash flows is that users of the financial statements can see the amount of cash inflows and outflows during a year in addition to the amount of revenue and expense shown on the income statement.

For FY2026, the cash flow projection is based on actuals through December, then several assumptions including an enrollment decrease of 3% overall for the year, the Board approved tuition increases, and a 2% increase in services & supplies (S&S). The Steam Line Project is included but noted below the cash flow since are restricted dollars and cannot be used for operations and projected to be all expensed by October 2025. Salary increases and Other Payroll Expenses (OPE) rate increases have been included as of what we understand currently. The cash flow projection shows a \$1.8MM decrease.

We will continue to monitor and adjust monthly. Current financial conditions continue to put pressure on cash flow.



Data is based upon the accounting system information. Actual cash and investments on deposit at 07/01/26 is projected as \$29,358,945.



Note: The positive amounts in 2021-2023 are primarily related to the Federal stimulus funding received.