



FINANCE AND BUDGET

August 9, 2024

2024-25 INTERNAL AUDIT WORK PLAN

REQUEST:

Approval of the 2024-2025 Internal Audit work plan (attached).

FACTS:

The Western Kentucky University Office of Internal Audit is responsible for preparing a fiscal year work plan, which is approved by the Finance & Budget Committee on an annual basis. The fiscal year 2025 work plan has been drafted and includes tasks such as risk-based audits, required projects, and management requests. Internal Audit considers the risk assessment performed with the President's Cabinet members when determining projects to include in the work plan.

BUDGETARY IMPLICATIONS:

Sufficient funds are budgeted within the Office of Internal Audit to complete the proposed plan.

RECOMMENDATION:

President Timothy C. Caboni recommends approval of the 2024-25 internal audit work plan.

MOTION:

Approve the 2024-25 internal audit work plan.

Work Plan
July 1, 2024 - June 30, 2025

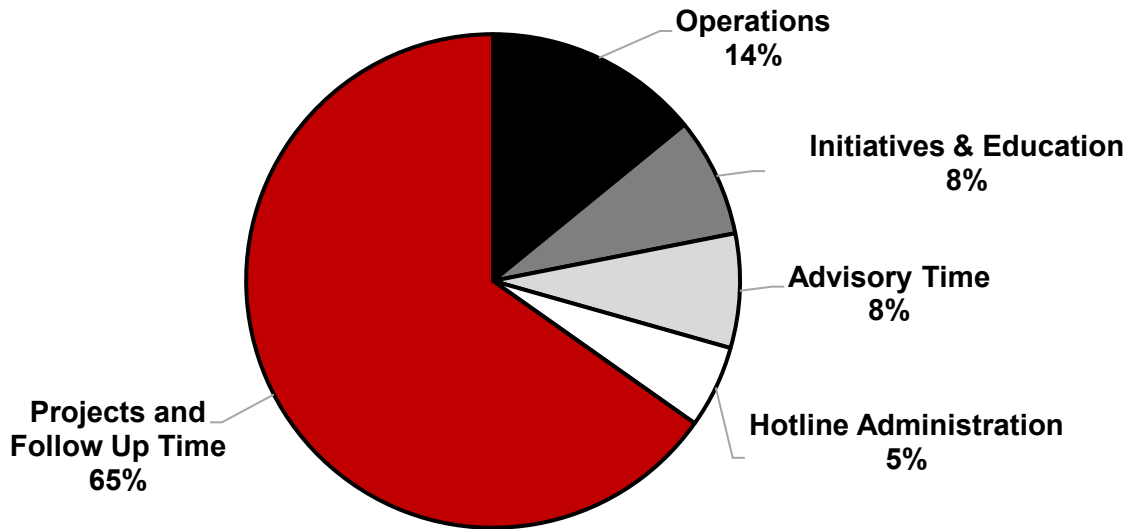
Type	Name of Project	Preliminary Audit Objective/Scope	Type	Division
Risk-based projects	College of Education and Behavioral Sciences**	Review of business processes. Schools expected to be audited on a rotating basis.	Assurance	Academic Affairs
	Undergraduate Academic Advising	Review effectiveness of undergraduate academic advising processes.	Assurance	Enrollment and Student Experience
	Gordon Ford College of Business Academic Program Evaluations	Partner with Gordon Ford personnel to explore available data and identify key metrics for evaluating the efficiency of academic operations.	Advisory	Academic Affairs
	Strategic Plan Metrics	Evaluate WKU Strategic Plan Metrics for completeness and alignment with strategic plan.	Assurance	Strategy, Operations, and Finance
Required projects	President's Travel and Entertainment Expenses	Evaluate President's travel expenses and non-payroll reimbursements for compliance with employment agreement and university policies.	Compliance	Office of President
	Special License Plates Reconciliation	Verify that funds from the Special License Plates Program were adequately documented and reconciled to comply with the program's guidelines.	Compliance	Strategy, Operations, and Finance
Management Requests	Payroll Processes	Coordinate with payroll personnel to obtain a basic understanding of payroll processes and note any opportunities for improved efficiencies.	Advisory	Strategy, Operations, and Finance
	To be determined	Time reserved to perform investigations resulting from hotline reports and/or respond to management/Board of Regent requests during the year.	Contingent	Contingent

Type	Name of Project	Preliminary Audit Objective/Scope	Type	Division
Backup projects*	RAMP Budget Model Governance	Review RAMP Budget Model policies, procedures, and governing documents. Assess for adequacy of design and determine if controls are operating as intended.	Assurance	Office of President
	Risk Assessment - Minors on Campus	Survey campus units to estimate the number of minors and minor programs, making note of high risk activities involving minors (e.g., one on one interactions, overnight stays, transporting minors).	Advisory	Office of President
	Emergency preparedness and response**	Review emergency plans and communication of those plans to campus leaders.	Assurance	Strategy, Operations, and Finance

*Backup projects are considered when contingent time is not needed for unplanned investigations or management requests during the year.

**Carried forward from FY2024 Work Plan

FY2025 Work Plan Time by Type*



*Excludes holidays and vacation/sick time

HENRY HARDIN CHERRY HALL ASSET PRESERVATION

REQUEST:

Seeking approval to increase asset preservation scope of work from \$30M up to \$75M. This project will preserve, renovate, and modernize Henry Hardin Cherry Hall.

FACTS:

After the completion of the feasibility study, it was determined that the original \$30M authorization was not sufficient to complete the desired scope of work to preserve, renovate, and modernize Henry Hardin Cherry Hall.

Henry Hardin Cherry Hall, a 105,268 square foot, 3 floor facility originally constructed in 1937 is a historic building now 85 years old and is iconic to the top of the hill.

This project to renew the facility is needed to address major infrastructure upgrades, and extensive interior and exterior work. This project is a multi-phase, multi-year project that will involve various types of improvements in the existing buildings including modifications to spaces, equipment or building systems, and materials, including fire safety-exits, emergency lighting, detectors and alarm systems, and sprinklers, asbestos and lead paint abatement, air duct system cleaning, and lighting improvements. Accommodations will also be made to address ADA accessibility to better serving our students, faculty, staff, and visitors.

Source of Funds are being provided by the following Asset Preservation Pool Funds enacted budgets of the Commonwealth (22 RS, HB 1) and (24 RS, HB 6).

Included in the 2022-2024 budget bill (22 RS, HB 1) is language, specifying institutional matching requirements for accessing allocated Asset Preservation Pool funds: each project for comprehensive institutions shall be matched at 15 percent from funds provided by each comprehensive institution.

Included in the 2024-2026 budget bill (24 RS, HB 6) is language, specifying institutional matching requirements for accessing allocated Asset Preservation Pool funds:

- each project for research institutions shall be matched at 25 percent from funds provided by each research institution (p. 199), and
- **no match is required for comprehensive institutions or Kentucky Community and Technical College System institutions.**

BUDGETARY IMPLICATIONS:

No impact on existing M/O budget and expenses

RECOMMENDATION:

President Timothy C. Caboni recommends that the Board of Regents Approve to preserve, renovate, and modernize Henry Hardin Cherry Hall.

MOTION:

Move that the Board approve to preserve, renovate, and modernize Henry Hardin Cherry Hall funding authorization from \$30M to up to \$75M utilizing both Asset Preservation Fund sources enacted budgets of the commonwealth (22 RS, HB 1) and (24 RS, HB 6).

**ASSET PRESERVATION POOL CAPITAL PROJECT
(VARIOUS PROJECTS)**

REQUEST:

Seeking approval for the initiation of various capital projects to preserve, renovate, modernize, and maintain the following facilities.

FACTS:

In the 2022-2024 Budget of the Commonwealth (22 RS, HB 1), the Kentucky General Assembly authorized \$68,080,000 in General Fund supported bond funds for Western Kentucky University. Included in the enacted 2022-2024 budget bill (HB 1) is language, specifying institutional matching requirements of 15% to access the Asset Preservation Pool funds. Total matching funds required by WKU are \$10,212,000. Total funds available are \$78,292,000.

In 2024-2026, the General Assembly made another major investment in renovation and renewal of existing postsecondary education facilities. The enacted *2024-2026 Budget of the Commonwealth* (24 RS, HB 6) authorized Asset Preservation Pool to provide funding “for individual asset preservation, renovation, and maintenance projects, (HB 6, p. 199), and “for fixed asset pedestrian and student parking areas, and for the razing of university-owned buildings” (SB 91, p. 17).

WKU’s allocation of AP funds totals \$57,162,000 over the next biennium with a no match requirement to access the funds.

Combined, both enacted AP Pool resources (22 RS HB 1 & 24 RS HB 6) total \$135,454,000 that will be utilized to complete these projects.

Project Approval

Regardless of funding source, campus governing board approval is required for all projects funded from the Asset Preservation Pool that meet or exceed an anticipated scope of \$1.0 million for construction and \$200,000 for an item of equipment.

Individual Authorization Amounts

- **Renovation of Kentucky Museum - Increase scope of work from \$1M up to \$2M**
 - After working with the Kentucky Museum staff and THP, Inc., there is a need to address the exterior of the facility to protect the asset
- **Renovation Jody Richards Hall - Increase scope of work from \$2M up to \$2.3M**
 - Project has been bid and seeking an increase in authorization for reimbursement of funds
- **High Voltage Underground (Phase XIV) – up to \$3.0M**
 - Upgrade our remaining legacy 4,160-volt to 12,470-volt system eliminating the remaining 4,160 Substation on campus
- **Glasgow Projects for preservation, renovation and maintenance – up to \$2.5M**
 - Replacement of Closed Loop Cooling Towers – Est. \$725K
 - Various Mechanical Replacements – Est. \$585K
 - Replacement of Water Source Heat Pumps (22 years old) – Est. \$650K
 - Replacement of Lighting – Est. \$125K
- **Roof Project South Campus (sections 4 & 5 plus canopies) – up to \$1.3M**
 - Roof project will protect the plant with a warranty for 20 years
- **Gary Ransdell Hall Renovation – Increase scope of work from \$900K to up to \$1.2M**
 - Life Safety Improvement to replace existing fire shutter door that has failed
- **Replacing Chillers/Towers Engineering & Biological Sciences Building - up to \$1.5M**
- **Modernizing Wetherby Administration HVAC System – up to \$1.7M**
 - Replacement of all VAV units
 - Modernization of Infrastructure utilizing BACNet communications
- **Data Center Upgrades in Jody Richards Hall – up to \$1.5M**
- **Innovation Campus (CRD) Roofing Renewal – up to \$5M**
 - Based upon a completed thermal imaging report and estimated cost per sections to replace failed sections to protect the plant
- **Innovation Campus (CRD) HVAC System Replacements – up to \$2M**
- **College High Hall Renovation – up to \$2M**
 - Evaluate the existing building mechanical system and infrastructure with the goal of reducing the noise from the learning environment
- **FAC Roof Refurbishment – up to \$1.3M**
 - Renewal of upper (main) roof extending service life 20 years
- **AA1 (annex) roof refurbishment – up to \$1.0M**
 - Renewal of the Annex Roofs extending service life by 20 years
- **Preserve Parking Structure #1, #2, and #3 – up to \$3.0M**
 - Based upon THP, Inc Condition Review – Probable Construction Cost of Work

The total of the above listed projects is \$27,400,000.

BUDGETARY IMPLICATIONS:

No impact on existing M/O budget and expenses

RECOMMENDATION:

President Timothy C. Caboni recommends that the Board of Regents Approve the Asset Preservation Capital Projects as listed.

MOTION:

Move that the Board approve the Asset Preservation Capital Projects as listed.

CONSTRUCT PRESS BOX & HILLTOPPER FIELDHOUSE

REQUEST:

Respectfully request your approval for an additional \$18,434,300 in agency bond authorization for the construction of the Press Box and Hilltopper Fieldhouse project.

FACTS:

In June 2022, the WKU BOR authorized the issuance and sale of general receipts obligation in aggregate principal amount not to exceed \$52.0M with the intent to renovate the Press Box and construct Hilltopper Fieldhouse.

During the design phase, it was determined that the renovation of the existing press box was not our best option and that a new press box could be constructed within the existing Smith West stadium, as a new floor level built above the existing Harbaugh Club. This project is under construction and will be opened before our 1st opening football game scheduled for September 7th, 2024.

The 120,000-square-foot Hilltopper Fieldhouse will be home to the WKU Forensics and E-Sports programs, as well as provide practice and training space for the Big Red Marching Band and Hilltopper Athletics. The facility is being built on the land that currently is home to the football practice field, in between Houchens Industries-L.T. Smith Stadium and Nick Denes Field. This project has a completion date of Fall 2025.

Higher education institutions in Kentucky have seen increased costs in approved construction projects due to several factors. These factors include inflation, supply chain disruptions, labor shortages, and increased demand for construction materials.

The increase in construction costs for higher education projects can vary, but recent trends show significant year-over-year increases due to the factors mentioned earlier. Here's a general overview of the typical cost increases:

1. **Material Costs:** Construction material prices have surged, with some materials like lumber experiencing increases of over 50% at certain points. Other materials like steel and concrete have also seen substantial price hikes, generally ranging from 10% to 30%.
2. **Labor Costs:** Labor costs have risen due to shortages and increased demand, with average wage increases in the construction sector ranging from 5% to 10%.
3. **Overall Construction Costs:** Industry reports indicate that overall construction costs have increased by approximately 5% to 15% annually. For specific sectors like higher

education, this could be on the higher end of the spectrum due to the complexity and scale of such projects.

The design team and construction manager have worked diligently to ensure that the new Press Box and Hilltopper Fieldhouse projects are being built as efficiently as possible. This funding is critical to advancing our ongoing initiatives and fulfilling our commitment to enhancing the infrastructure and facilities that support our students, faculty, and staff. The requested bond authorization will enable us to proceed

BUDGETARY IMPLICATIONS:

Based upon actual building costs tracked over the past few years, this facility's operational cost is estimated at \$3.25 per gross square foot or \$440,000 annually.

RECOMMENDATION:

President Timothy C. Caboni recommends that the Board of Regents Approve an additional \$18,434,300 in agency bond authorization for the construction of the Press Box and Hilltopper Fieldhouse project.

MOTION:

Move that the Board approves an additional \$18,434,300 in agency bond authorization for the construction of the Press Box and Hilltopper Fieldhouse project.

CONSTRUCT NEW GORDON FORD COLLEGE OF BUSINESS

REQUEST:

Respectfully request your approval for the \$25.0M agency bond authorization enacted in the executive branch budget 24 RS HB 6 for the New Gordon Ford College of Business.

FACTS:

The 2022 General Assembly in Frankfort concluded with the passage of House Bill 1 (HB1), the executive branch biennial budget. This budget marked a significant investment in postsecondary education, the largest in over a decade, including \$74.4 million allocated to Western Kentucky University (WKU) for the construction of a new Gordon Ford College of Business (GFCB) building.

While the \$74.4 million in project funding would typically suffice for quality construction, higher education institutions in Kentucky have faced escalating costs due to inflation, supply chain disruptions, labor shortages, and increased demand for construction materials. These factors have significantly impacted on the budget and planning for the GFCB building project.

To address these challenges, the enacted 2024-2026 Budget of the Commonwealth (24 RS, HB 6) reauthorized \$74.4 million in bond funds and added \$25.0 million in agency bonds authorization to complete the construction of the GFCB building. Despite the University's design team, and construction manager's diligent efforts to reduce the overall project cost, the original plan for a 144,000 square foot building was right sized to a total of 115,000 gross square feet across three stories. However, even with this reduction of 30,000 square feet, the project still faces a total estimated cost of \$99.4 million due to economic factors.

BUDGETARY IMPLICATIONS:

Based upon actual building cost tracked over the past few years, this facility operational cost is being estimated at \$3.17 per gross square foot or \$456,480 annually.

RECOMMENDATION:

President Timothy C. Caboni recommends that the Board of Regents Approve the \$25.0M Agency Bond authorization to complete the New Gordon Ford College of Business.

MOTION:

Move that the Board approve the \$25.0M Agency Bond authorization to for the New Gordon Ford College of Business.

Western Kentucky University General Receipts Bonds

REQUEST:

Approve the Resolution providing for the authorization, issuance, and sale of general receipts obligations and refunding obligations in an aggregate principal amount not to exceed \$81,355,000.

FACTS:

This obligation has multiple purposes.

New Agency Bonds

- Construct new Gordon Ford College of Business building – \$25,000,000
- Update and renovate the pressbox at Houchens Smith Stadium, and construct Hilltopper Fieldhouse – \$18,434,300

Bond Refunding

The University can achieve debt savings so long as the interest rates on borrowing are lower than at the time of the initial borrowing.

- On June 6, 2012, the University issued Western Kentucky University General Receipts Bonds, Series 2012A. Proceeds generated from the bond issue were used for Downing Student Union renovations – \$16,730,000
- On October 29, 2013, the University issued Western Kentucky University General Receipts Bonds, Series 2013A. Proceeds generated from the bond issue were used to construct the Honors College/International Center and to complete Downing Student Union renovations – \$19,205,000

The resolution allows President Caboni and Executive Vice President Howarth the ability to execute the bond refunding agreements that are determined to be economically feasible, with the advice of the Financial Advisor and bond counsel, based on the following:

- The resolution shall remain effective for a one-year period beginning the date of the approved resolution.
- Any refunding should produce a minimum net present value savings of five percent (5%), in accordance with the university's Comprehensive Debt Policy.
- If the obligations are not issued by the university within one year of the date of adoption of the resolution, the obligations must be reauthorized by the Board of Regents by separate resolution or renewal of this resolution.

BUDGETARY IMPLICATIONS:

The new agency bonds are expected to add approximately \$3.3 million annually in principal and interest payments to the existing debt service budget.

RECOMMENDATION:

President Timothy C. Caboni recommends that the Board of Regents approve the Resolution providing for the authorization, issuance, and sale of general receipts obligations and refunding obligations in an aggregate principal amount not to exceed \$81,355,000.

MOTION:

Approve the Resolution providing for the authorization, issuance, and sale of general receipts obligations and refunding obligations in an aggregate principal amount not to exceed \$81,355,000.

SERIES RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF GENERAL RECEIPTS OBLIGATIONS AND GENERAL RECEIPTS REFUNDING OBLIGATIONS OF WESTERN KENTUCKY UNIVERSITY, IN ONE OR MORE SERIES, PURSUANT TO THE TRUST AGREEMENT DATED AS OF DECEMBER 1, 2006; AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS RELATED TO THE OBLIGATIONS.

WHEREAS, Western Kentucky University (the “University”), a public body corporate and an educational institution and agency of the Commonwealth of Kentucky, by (i) the General Bond Resolution adopted by the Board of Regents (the “Board”) of the University on November 2, 2006 (the “General Bond Resolution”), and (ii) the Trust Agreement dated as of December 1, 2006, by and between the University and U.S. Bank Trust Company, National Association, as successor-in-interest to U.S. Bank National Association, as successor trustee (as the same may be supplemented from time to time, the “Trust Agreement”), has provided for the issuance from time to time of Obligations (as defined in the Trust Agreement) of the University, secured by a pledge of the General Receipts (as defined in the Trust Agreement) of the University, with each such issue to be authorized by a Series Resolution, as defined in and required by the Trust Agreement; and

WHEREAS, as provided by Sections 162.340 through 162.380, inclusive, of the Kentucky Revised Statutes, Chapter 56 of the Kentucky Revised Statutes, and Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes (collectively, the “Act”), the University is authorized to issue obligations to pay all or a portion of the costs of financing or refinancing educational buildings, and to secure such obligations by a pledge of and lien on all or such part of the revenues and receipts of the University; and

WHEREAS, as provided by H.B. 1 of the 2022 Regular Session of the General Assembly of the Commonwealth of Kentucky (the “Kentucky General Assembly”), as enacted and vetoed in part, and as reauthorized by H.B. 6 of the 2024 Regular Session of the Kentucky General Assembly, as enacted and vetoed in part, the University is authorized to issue bonds to finance up to \$25,000,000 of the costs of a capital project described therein as “Construct New Gordon Ford College of Business” (the “College of Business Project”); and

WHEREAS, as provided by H.B. 352 of the 2020 Regular Session of the Kentucky General Assembly, as enacted and vetoed in part, and as reauthorized by H.B. 1 of the 2022 Regular Session of the Kentucky General Assembly, as enacted and vetoed in part, and as additionally reauthorized by H.B. 6 of the 2024 Regular Session of the Kentucky General Assembly, as enacted and vetoed in part, the University is authorized to issue bonds to finance up to \$8,434,300 of the costs of a capital project described therein as “Construct, Renovate, and Improve Athletics Facilities” (the “Athletic Facilities Project” and, together with the College of Business Project, the “Projects”); and

WHEREAS, the University intends to seek an additional \$10,000,000 appropriation for the Athletic Facilities Project during the 2025 Regular Session of the Kentucky General Assembly (the “Additional Budget Authorization”); and

WHEREAS, in accordance with the General Bond Resolution and certain Series Resolutions heretofore adopted by the Board, the University has previously issued, and there are now outstanding, various series of its General Receipts Bonds under the Trust Agreement, including the (i) Western Kentucky University General Receipts Bonds, 2012 Series A dated June 6, 2012 (the “Series 2012A Obligations”), currently outstanding in an aggregate principal amount of \$16,730,000, the proceeds of which financed a portion of the costs of the acquisition, construction, installation, and equipping of the Renovate Downing University Center Project, and (ii) Western Kentucky University General Receipts Bonds, 2013 Series A dated October 29, 2013 (the “Series 2013A Obligations” and, together with the Series 2012A Obligations, the “Prior Obligations”), currently outstanding in an aggregate principal amount of \$19,205,000, the proceeds of which financed (a) all or a portion of the costs of the acquisition, construction, installation, and equipping of the Honors College Facility Project, and (b) an additional portion of the costs of the acquisition, construction, installation, and equipping of the Renovate Downing University Center Project; and

WHEREAS, in order to achieve debt service savings, the Board has determined, so long as the prevailing interest rates in the municipal bond market at the time of sale of the Obligations hereby authorized are favorable, to refund all or a portion of the Prior Obligations so that the Prior Obligations will no longer be outstanding under the Trust Agreement; and

WHEREAS, in order to (i) finance a portion of the costs of the Projects, and (ii) refund all or a portion of the Prior Obligations, the Board desires to provide for the issuance and sale of Western Kentucky University General Receipts Bonds and General Receipts Refunding Bonds, in one or more series, and to provide for other matters in connection therewith, all by the adoption of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF WESTERN KENTUCKY UNIVERSITY, AS FOLLOWS:

Section 1. Definitions and Interpretations. All words and terms defined in Section 1 of the Trust Agreement and all interpretations of such words and terms provided therein shall have the same meanings, respectively, and shall be subject to the same interpretations provided therein, where used in this Resolution, unless the context or use clearly indicates a different meaning or intent, except that (a) this Resolution may be referred to as the “Series 2024 Bond Resolution,” (b) the Obligations authorized by this Resolution are referred to herein (and in the Supplemental Trust Agreements hereby authorized) as the “Obligations,” and (c) the terms “hereof,” “hereby,” “herein,” and “hereunder,” and any similar terms, shall mean this Resolution.

Section 2. Authority. This Resolution is adopted pursuant to the authority conferred by the General Bond Resolution, the Trust Agreement, and the Act.

Section 3. Authorization, Designation, and Purpose of Obligations. It is hereby declared to be necessary to, and the Board shall, issue, sell, and deliver, as provided and authorized herein, one or more series of General Receipts Bonds and General Receipts Refunding Bonds (collectively, the “Obligations”) in the principal amount or the respective principal amounts required to accomplish the financing of the Projects and the refunding of all or a portion of the Prior Obligations. The Obligations shall be issued as General Receipts Bonds or General Receipts Refunding Bonds, as applicable, and shall be issued in a maximum aggregate principal amount of \$71,355,000; provided, however, if the University obtains the Additional Budget Authorization for the Athletic Facilities Project, the maximum aggregate principal amount of the Obligations shall be increased in an amount equal to

110% of the amount of the Additional Budget Authorization obtained. The Obligations shall be designated as “Western Kentucky University General Receipts Bonds, 202_ Series ___” and shall bear such further series designation as the Fiscal Officer (as defined in the Trust Agreement) of the University deems appropriate; provided, however, that if the Obligations are issued in more than one series, (a) any series issued solely for the purpose of refunding any of the Prior Obligations shall be designated as “Western Kentucky University General Receipts Refunding Bonds, 202_ Series ___,” and (b) each series shall be assigned a sequential series designation in the order of their issuance (e.g., “2024 Series A,” “2024 Series B,” etc.). If any of the Obligations are issued after calendar year 2024, the series designation assigned to such Obligations may be adjusted to reflect the calendar year and their order of issuance. The Obligations shall collectively be issued for the purposes of (i) financing the costs of the Projects, (ii) currently refunding all or a portion of the Prior Obligations, (iii) paying the costs of credit enhancement for the Obligations, if any, and (iv) paying the costs of issuance of the Obligations. The proceeds received from the sale of the Obligations shall be deposited and allocated as provided in Section 6 hereof.

Section 4. Terms and Provisions Applicable to the Obligations.

(a) Form, Numbering, and Designation. The Obligations (i) shall be issued in the form of fully registered Obligations, as approved by the Fiscal Officer of the University, (ii) shall be numbered from R-1 upwards, within each series, and (iii) shall bear the applicable designations prescribed by Section 3 hereof, or such other designations as the Fiscal Officer deems appropriate.

(b) Denominations and Dates. The Obligations shall be issued in such denominations as are requested by the successful bidder therefor, in integral multiples of \$5,000. The Obligations shall be dated the date or dates determined by the Fiscal Officer.

(c) Interest. The Obligations shall bear interest from their respective dated date or dates, payable on the dates approved by the Fiscal Officer, commencing on the date or dates approved by the Fiscal Officer, at the rate or rates per annum determined in accordance with Section 5 hereof.

(d) Maturities. The Obligations shall mature on the dates, in the years, and in the principal amounts set forth in the maturity schedules approved by the Fiscal Officer, as provided by Section 5 hereof. The Obligations may be issued in installments (with each such installment being a part of the Obligations authorized herein), with maturity dates approved by the Fiscal Officer; provided that the Obligations shall have a final maturity that is no later than (i) with respect to any Obligations issued to finance the costs of the Projects, twenty years after the date such Obligations are issued, or (ii) with respect to any Obligations issued to refund any of the Prior Obligations, the last day of the fiscal year in which the Prior Obligations to be refunded are scheduled to mature.

(e) Redemption. The Obligations shall be subject to optional and mandatory redemption on the dates and upon the terms approved by the Fiscal Officer, with the advice of Robert W. Baird & Co. Incorporated, as Independent Registered Municipal Advisor to the University (the “Municipal Advisor”), and set forth in the respective Supplemental Trust Agreements executed in connection with such Obligations. If less than all of the outstanding Obligations are called for redemption at one time, the Obligations shall be called in the order of the maturities and series as directed by the Fiscal Officer. If less than all outstanding Obligations of a single maturity are called for redemption, the selection of such Obligations or portions of the Obligations of such maturity to be redeemed shall be made by lot,

in the manner provided in the Trust Agreement. Notice of the call for redemption of any Obligations shall be given in the manner provided in the Trust Agreement.

(f) Credit Enhancement. Any of the Obligations may, at the option of the Fiscal Officer, be secured by municipal bond insurance or by any other similar instrument issued by a financial or insurance institution acceptable to the Fiscal Officer.

(g) Execution. The Obligations shall be executed in the manner provided in the Trust Agreement.

(h) Payment. The principal of and premium, if any, and interest on the Obligations shall be payable by check or draft, as provided in the Trust Agreement.

Section 5. Sale of the Obligations; Award Certificate. The Obligations shall be offered publicly for sale upon the basis of competitive bids at such time as the Fiscal Officer, with the advice of the Municipal Advisor to the University, shall designate.

The Fiscal Officer is hereby authorized and directed to cause an appropriate form of a Notice of Bond Sale with respect to each series of the Obligations to be published via a nationally recognized electronic bidding system under and in accordance with the meaning and provisions of Section 424.360 of the Kentucky Revised Statutes. Each Notice of Bond Sale shall be published at least once, not less than seven nor more than twenty-one days before the scheduled date of sale of the related series of Obligations.

The forms of the Notice of Bond Sale, the Official Terms and Conditions of Bond Sale, the Official Bid Form, and the Official Statement (collectively, the "Offering Documents") prepared by Dinsmore & Shohl LLP, as bond counsel for the University ("Bond Counsel"), with respect to each series of the Obligations shall be approved by the Municipal Advisor, the Fiscal Officer, and General Counsel to the University.

All prospective bidders shall be advised that the fee of the Municipal Advisor for its services rendered in connection with the sale of the Obligations is contingent upon the issuance and delivery thereof.

On the date and at the hour designated in the related Offering Documents for the submission and consideration of bids for the purchase of a series of the Obligations, all of the bids received shall be reviewed as provided in such Offering Documents. If more than one bid conforms, in all respects, to the particular terms and conditions prescribed in such Offering Documents, then all such bids shall be compared, and the Fiscal Officer, with the advice of the Municipal Advisor, is hereby authorized to accept the best bid, as measured in terms of the lowest interest cost to the University, calculated in the manner set forth in the Official Terms and Conditions of Bond Sale for such series of Obligations. Calculations shall be performed as necessary to determine the exact principal amount of a particular series of the Obligations that are required to be issued in order to pay the budgeted costs of all or a portion of the Projects, including the reimbursement of any costs related thereto, or to refund all or a portion of the Prior Obligations (if such refunding is determined to be economically feasible), as the case may be, and, in any case, to pay the costs of credit enhancement for such Obligations, if any, and to pay the costs of issuance of such Obligations.

The method of sale, final principal amount, interest rate or rates, and maturities of each series of Obligations shall be established in an Award Certificate to be executed in the name and on behalf of the University by the Fiscal Officer, as prescribed in the Trust Agreement and the related Offering Documents; provided, however, that the principal amount of all series of Obligations awarded by the Fiscal Officer hereunder may not exceed, in the aggregate, the maximum aggregate principal amount of the Obligations authorized by Section 3 hereof.

Section 6. Allocation of the Proceeds of the Obligations. The proceeds received from the sale of each series of Obligations, and any other lawfully available funds of the University, shall be (a) received and receipted for by the Fiscal Officer, and (b) deposited and allocated as set forth in the related Supplemental Trust Agreement approved by this Resolution.

Section 7. Covenants with Respect to the Internal Revenue Code. The Board hereby finds and determines that all of the proceeds of the Obligations will be used as provided in Section 6 hereof. The Board hereby covenants, for and on behalf of the University, that unless it is determined by the Fiscal Officer, with the advice of Bond Counsel, that compliance with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), cannot be accomplished for a particular installment of the Obligations, the Board will restrict the use of the proceeds of the Obligations in the manner and to the extent, and will take such other actions, as may be necessary, in light of reasonable expectations at the time of issuance of the Obligations, to ensure the Obligations (a) will not constitute obligations the interest on which is subject to federal income taxation, and (b) will not be considered “arbitrage bonds” under Section 103(b)(2) and Section 148 of the Code and the regulations issued thereunder. The Fiscal Officer and any other officer of the University having responsibility in connection with the issuance of any Obligations are hereby authorized and directed to execute a certificate with respect to such Obligations, setting forth all of the facts, estimates, and reasonable expectations pertinent under Section 103(b)(2) and Section 148 of the Code, which certificate shall be included in the transcript of proceedings for such Obligations. The Fiscal Officer is hereby further authorized and directed to create a Rebate Account (which, at the discretion of the Fiscal Officer, shall be held by either the University or the Trustee), if the Fiscal Officer determines a Rebate Account is necessary to ensure the University complies with the rules regarding “rebate” set forth in the Code, as such rules apply to the Obligations.

Section 8. Supplemental Trust Agreements. The Chair of the Board is hereby authorized and directed to execute and deliver to the Trustee, in the name and on behalf of the University, under and in accordance with the Trust Agreement, a separate Supplemental Trust Agreement in connection with the issuance of each series of the Obligations, in substantially the prescribed form, with any such changes therein not substantially adverse to the University as may be permitted by the Act and the Trust Agreement and as shall be approved on behalf of the University by the Chair of the Board. The approval of any changes to any Supplemental Trust Agreement hereby authorized, and the fact that such changes are not substantially adverse to the University, shall be conclusively evidenced by the execution of such Supplemental Trust Agreement by the Chair of the Board.

Section 9. Preliminary Official Statements and Final Official Statements. The Chair of the Board is hereby authorized and directed to execute and deliver, in the name and on behalf of the University, a Preliminary Official Statement and an Official Statement in connection with each series of Obligations, for the purpose of making available to potential investors the information contained therein, which describe the interest rates and other terms to be borne by and the price to be paid for the related Obligations and such other information concerning the University and such Obligations

as may be deemed necessary by the Chair of the Board, with the advice of the Fiscal Officer and the Municipal Advisor. The Chair of the Board and the Fiscal Officer are each hereby authorized to deem such Preliminary Official Statements and Official Statements “near final” and “final” for purposes of Rule 15c2-12, as amended and interpreted from time to time, promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”).

Section 10. Compliance with Rule 15c2-12. The Board hereby agrees to comply with the provisions of the Rule. In order to comply with the Rule, the Board hereby authorizes and approves the execution and delivery of a separate Continuing Disclosure Agreement in connection with each series of the Obligations issued hereunder, in the usual and customary form, with such modifications and additions as may be approved by the officer of the University executing the same. The Chair of the Board and the Fiscal Officer are each hereby authorized and directed to execute and deliver such Continuing Disclosure Agreements in the name and on behalf of the University.

Section 11. Escrow Trust Agreements. The Chair of the Board and the Fiscal Officer are each hereby authorized, if the refunding of all or any portion of the Prior Obligations is determined to be economically feasible, to execute, acknowledge, and deliver to the Trustee, in the name and on behalf of the University, one or more Escrow Trust Agreements relating to the defeasance of all or a portion of the Prior Obligations under the Trust Agreement, in the usual and customary form, with any such changes therein as may be permitted by the Act or required by the Trust Agreement, and approved by the officer of the University executing the same. The approval of the final form of each Escrow Trust Agreement hereby authorized shall be conclusively evidenced by the execution thereof by the officer of the University executing the same.

Section 12. Open Meetings. The Board hereby finds and determines that all formal action with respect to the adoption of this Resolution were taken in open meetings of the Board and that all deliberations of the Board and of its committees, if any, which resulted in such formal actions, were taken in meetings open to the public, in full compliance with all applicable legal requirements.

Section 13. Further Authorization. The proper and appropriate officers of the Board and the University, to the extent authorized by law, are each hereby authorized to execute and deliver the closing certificates, if any, relating to each series of the Obligations issued hereunder, with any such modifications thereto as may be required by the respective purchasers of each series of the Obligations and approved by Bond Counsel, in addition to any other documents, certificates, and statements as may be so required and approved in connection with the issuance, sale, and delivery of each series of the Obligations.

Section 14. Conflicts. All resolutions of the Board, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, are hereby repealed.

Section 15. Filing with the Trustee. As required by the Trust Agreement, the Board shall cause a certified copy of this Resolution to be filed with the Trustee before the issuance of any of the Obligations.

Section 16. Effective Date. This Resolution shall take effect from and after its passage, as provided by law, and shall remain in effect for one year after the date of passage. If the Obligations are not issued by the University within one year of the date of the adoption of this Resolution, then

the Obligations must be reauthorized by the Board by the adoption of a separate resolution or by the renewal of this Resolution to be issued by the University.

[Signature page to follow]

SIGNATURE PAGE TO SERIES RESOLUTION

Adopted August 9, 2024.

Chair, Board of Regents
Western Kentucky University

Attest:

Secretary, Board of Regents
Western Kentucky University

CERTIFICATION

The undersigned, as the Secretary of the Board of Regents of Western Kentucky University, Bowling Green, Kentucky, hereby certifies (a) that the foregoing is a true, complete, and correct copy of a Resolution duly adopted by the Board of Regents of the University at a meeting of the Board of Regents duly held on August 9, 2024, as recorded in the official Minute Book of the Board of Regents in my custody and under my control, (b) that such meeting was held in accordance with all applicable requirements of Kentucky law, including, particularly, Sections 61.800 to 61.850, inclusive, of the Kentucky Revised Statutes, (c) that a quorum was present at such meeting, and (d) that the Resolution is of record in the office of the Board of Regents and has not been modified, amended, or rescinded, and is in full force and effect, as of the date hereof.

WITNESS my signature this August 9, 2024.

Secretary, Board of Regents
Western Kentucky University