



**THE OHIO STATE UNIVERSITY**

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# FY2019 Internal Bank Update

## Office of Financial Services

**Jake Wozniak, University Treasurer**  
Finance Committee | August 29, 2019



## Internal Bank Function

- **Overview:** The Office of Financial Services (OFS) manages cash, investments, and debt for the university, and serves as a “bank” to university departments by taking deposits, issuing debt, investing operating funds and administering loans. The internal bank coordinates these activities and provides a consolidated view of the associated assets, liabilities, revenues and expenses.
  - Sources include external (bond issuances and leases) and internal (cash).
  - Allocates scarce financial resources, managing risk and creating long-term unrestricted resources.
  - Leverages institutional borrowing and cash flow timing to address capital needs for departments and affiliates.
  
- **Guidelines:** Internal bank loans & capital equipment leases must adhere to the provisions stated in the University Debt Policy.
  
- **Governance:** Oversight is provided by the Internal Bank Executive Committee with representation from the Office of Financial Services and Business & Finance with input from the Financial Planning and Analysis office.
  
- **Capital Planning Process:** Internal Bank Loans are identified as a funding source for projects during the University’s capital planning process.

### Loan Statistics (as of June 30, 2019)

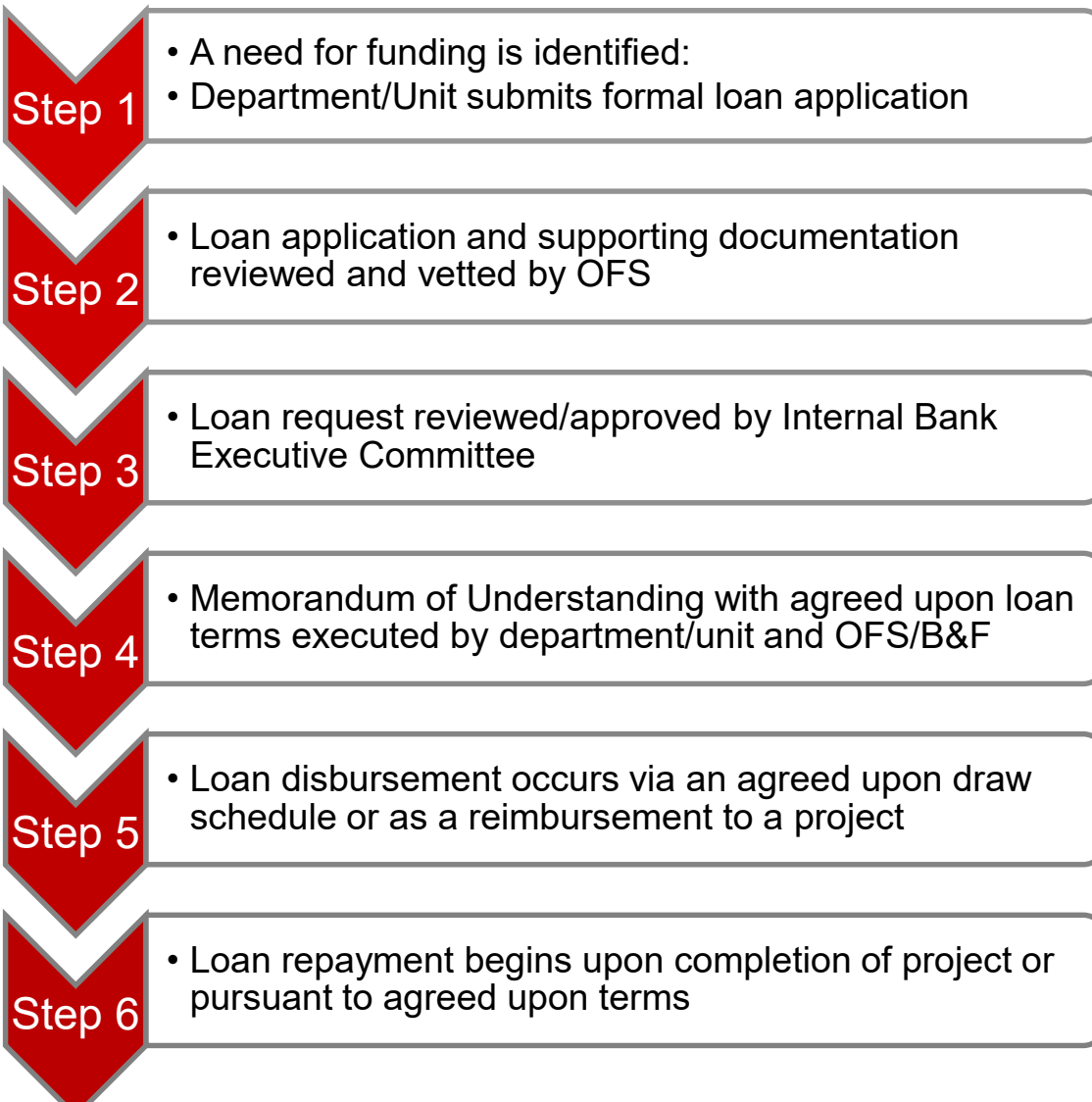
Loan Summary	Number	Amount
<b>Total Loans Outstanding</b>	<b>147</b>	<b>\$2.60B</b>
<b>Loans in Repayment</b>	<b>131</b>	<b>\$2.42B</b>
<b>Wtd. Average Cost Capital</b>	<b>4.37%</b>	
<b>Wtd. Average Life</b>	<b>15.07 Years</b>	

Recent Loan Activity	Number	Amount
<b>Funded in FY2019</b>	<b>14</b>	<b>\$185.4MM</b>
<b>Near Term Requests FY2020</b>	<b>12</b>	<b>\$319.3MM</b>



# Internal Bank Overview

## Loan Process



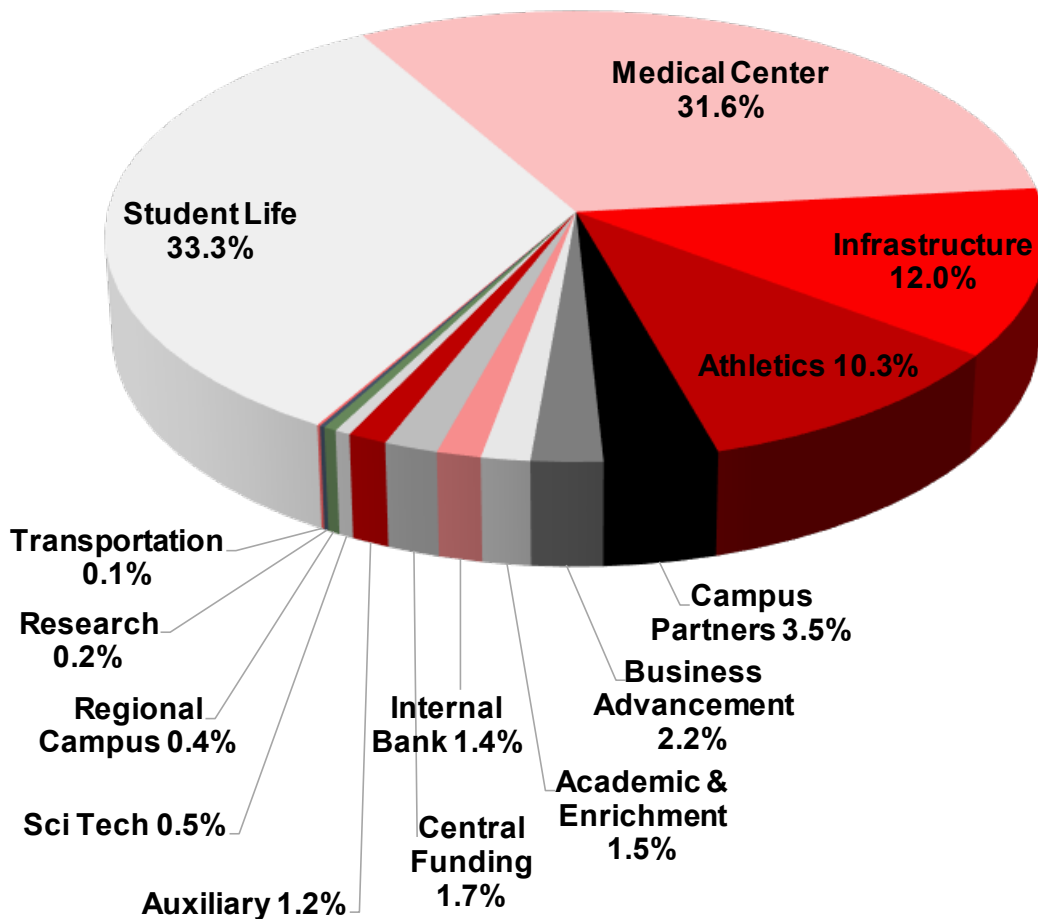
## Current Borrowing Rates/Terms

<b>Capital Projects - Internal Bank Loan</b>	
1 to 5 year term	4.50%
Over 5 years and up to 10 years	5.00%
Greater than 10 years	5.25%

<b>Equipment Leases</b>	
1 to 3 year term	2.50%
Over 3 years and up to 5 years	2.75%
Over 5 years and up to 7 years	3.00%
Greater than 7 years	3.25%



# Internal Bank Overview



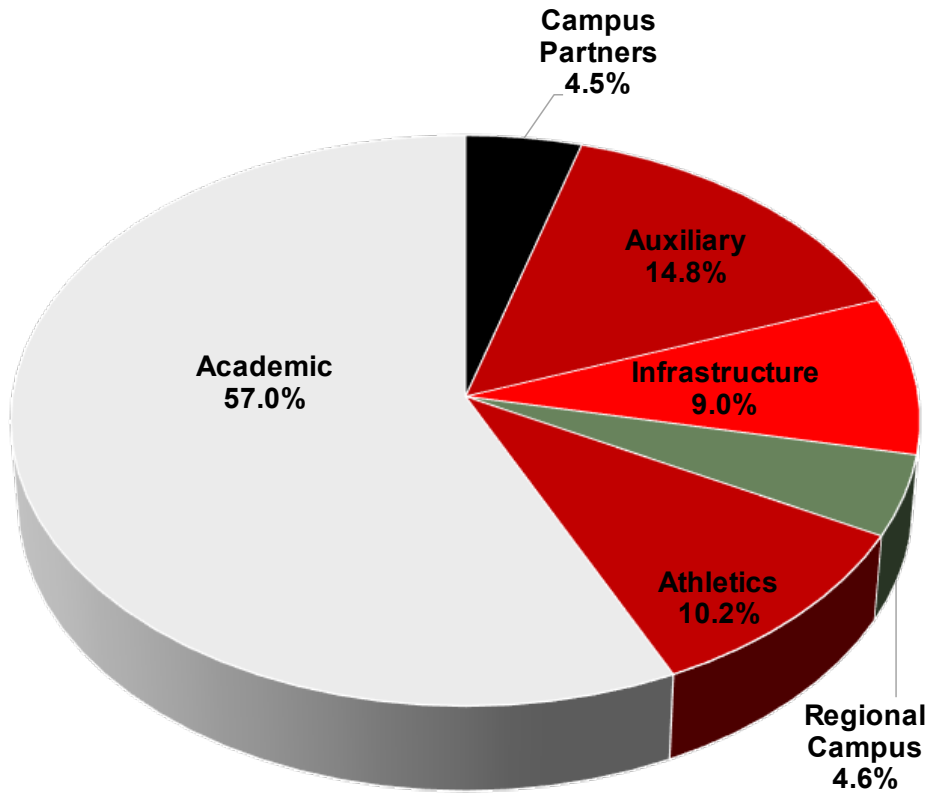
as of 6/30/2019

Funding Source	Loans in Repayment (MM)
Bonds	2,397.6
Capital Equipment Leases	29.8
<b>Total</b>	<b>\$2,427.4</b>

Borrowing Unit/ Obligor	Loans in Repayment (MM)
Student Life	809.5
Medical Center	767.0
Infrastructure	291.5
Athletics	250.7
Campus Partners	86.1
Business Advancement	54.0
Academic & Enrichment	36.9
Internal Bank	33.5
Central Funding	40.7
Auxiliary	29.6
Sci Tech	11.9
Regional Campus	9.8
Research	3.7
Transportation	2.4
<b>Total</b>	<b>\$2,427.4</b>



# Projects Funded in Fiscal 2019



Borrowing Unit/Obligor	Amount (MM)
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### Athletics

Ty Tucker Tennis Center*	18.9
	<b>18.9</b>

### Infrastructure

Cannon Drive Replacement - Phase II (Design)	6.6
Oval Tunnel Repairs	3.8
Water Meter Upgrades	6.2
	<b>16.6</b>

### Academic

Arts District	25.0
Postle Hall	33.5
Biomedical & Materials Engineering Complex	19.1
Instructional Science Building Renovations	25.0
Optometry - Fry Hall Enabling	1.0
Optometry - Interdisciplinary Clinic	2.0
	<b>105.6</b>

### Auxiliary

WOSU	15.0
TRC Smart Center	12.5
	<b>27.5</b>

### Regional Campus

Newark - Science & Technology Building	8.5
	<b>8.5</b>

### Campus Partners

Campus Partners - 15th & High Infrastructure	8.3
	<b>8.3</b>

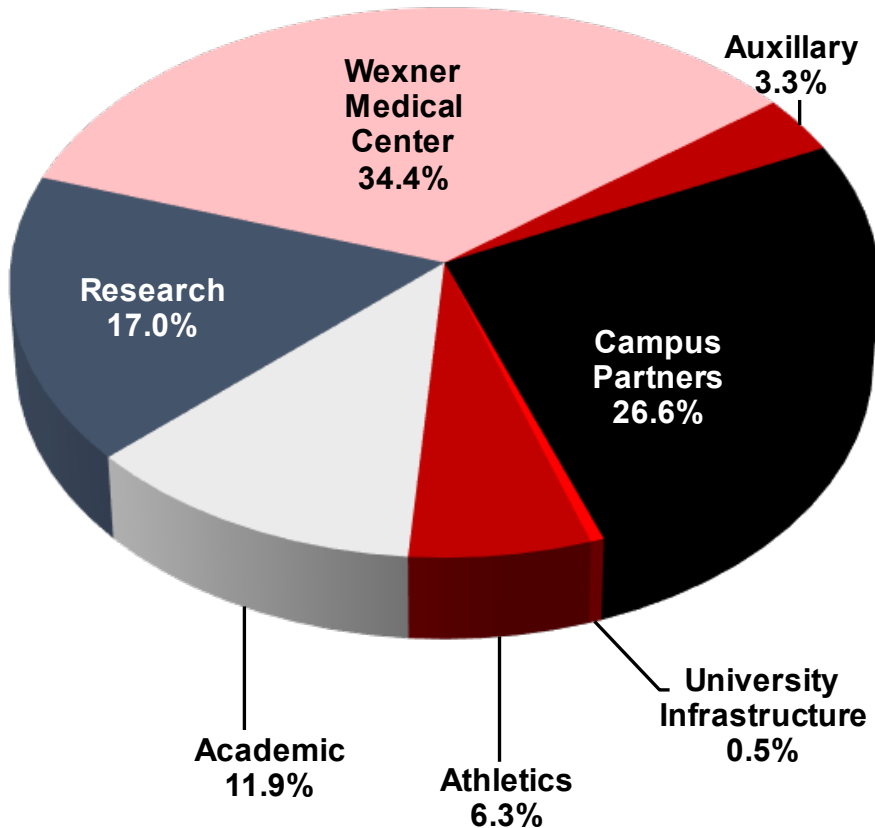
**Total** **185.4**

\*Gap Financing – Fundraising Pledges

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# Near Term Requests Fiscal 2020



Borrowing Unit/Obligor	Amount (MM)
<b>Academic</b>	
FAES Controlled Food Environment Production	25.2
Newton Hall Expansion	6.0
Library Book Depository	7.0
	<b>38.2</b>
<b>Research</b>	
Interdisciplinary Research Building	54.0
Mass Spectrometer	0.3
	<b>54.3</b>
<b>Campus Partners</b>	
15th & High Development Buildings A+B1	85.0
	<b>85.0</b>
<b>Athletics</b>	
Lacrosse Stadium*	20.0
Golf Course Equipment	0.2
	<b>20.2</b>
<b>University Infrastructure</b>	
University Infrastructure	1.5
	<b>1.5</b>
<b>Auxillary</b>	
OCIO Equipment Purchase - (Servers)	6.0
OSU Airport Knowlton Terminal	4.7
	<b>10.7</b>
<b>Wexner Medical Center</b>	
West Campus Ambulatory	110.0
	<b>110.0</b>
<b>Total</b>	<b>\$ 319.9</b>

\*Gap Financing – Fundraising Pledges