

FY2022 Internal Bank Update

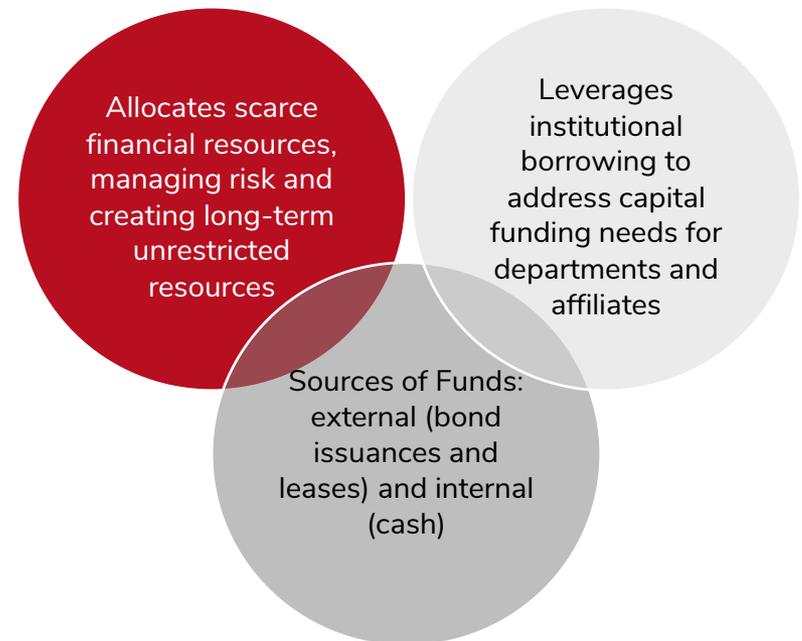
Office of Financial Services

Jake Wozniak, University Treasurer
Finance & Investment Committee | August 18, 2022

Internal Bank Overview

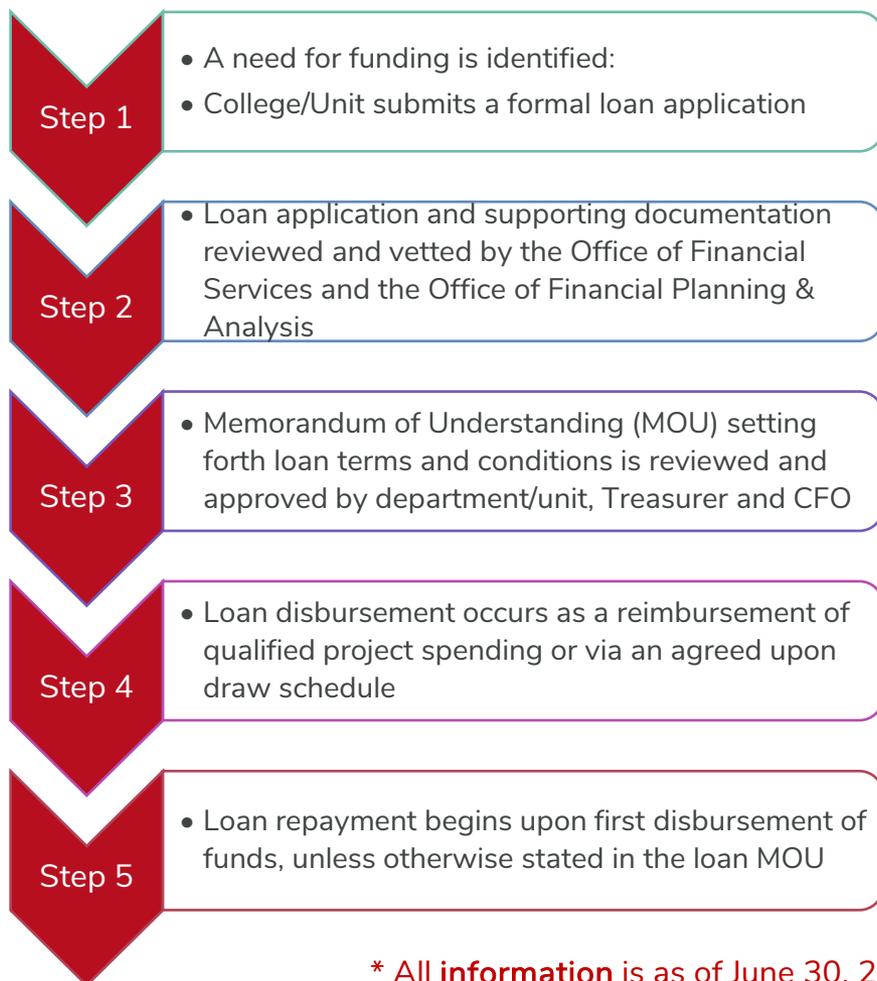
The Office of Financial Services (OFS) manages cash, investments, and debt for the University and serves as a “bank” to university departments by taking deposits, investing operating funds, issuing debt and administering loans. The internal bank coordinates these activities and provides a consolidated view of the associated assets, liabilities, revenues and expenses.

- **Policy:** Internal bank loans and capital equipment leases must adhere to the principles set forth in Sections III. and V. of the University’s Debt Policy.
- **Governance:** Oversight is provided by the Office of Financial Services and Financial Planning & Analysis.
- **Scope:** Internal Bank loans address three purposes:
 - Capital project financing (1-30 years).
 - Equipment leases (1-10 years).
 - Capital project cash flow ‘gap’ loans (1-5 years).
- **Capital Planning Process:** Internal Bank loans are identified as a funding source for projects during the University’s capital planning process.
- **Rates:** Updated quarterly, each loan/lease rate is based on the term, asset life, and prevailing market conditions. Current loan/lease rates range from 2.50% to 4.50%.



Internal Bank Process and Loan Portfolio*

Loan Process

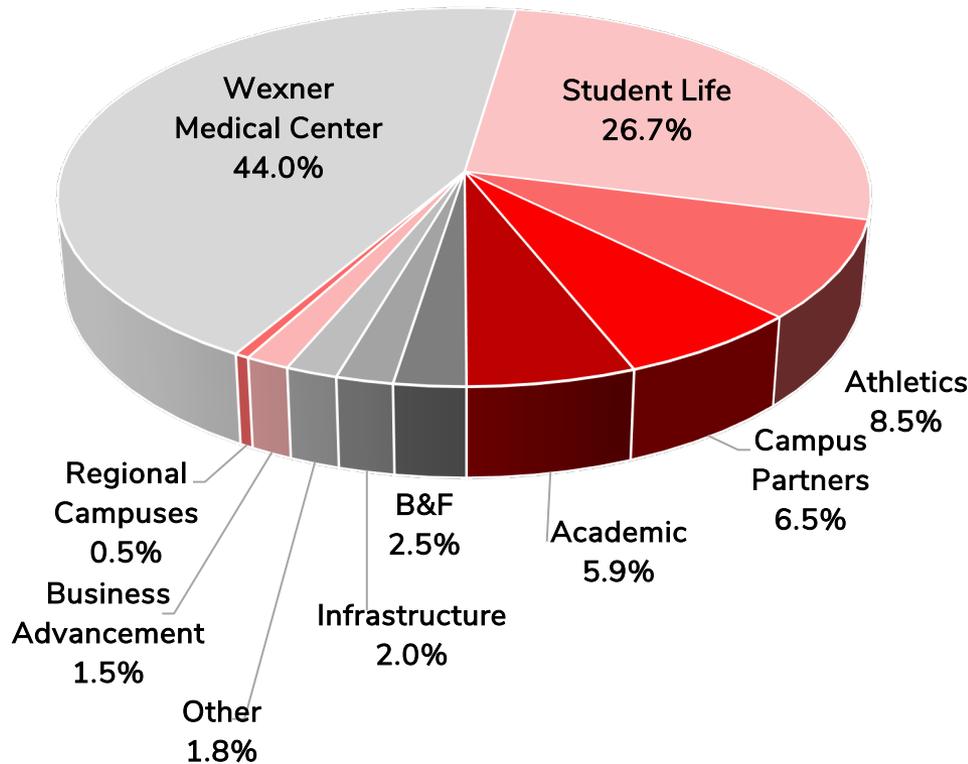


Loan Statistics

Loan Summary	Number	Amount
Loans Outstanding	153	\$2.81B
Loans in Repayment	143	\$2.66B
Weighted Avg Loan Rate	4.01%	
Average Remaining Life	19.6 Years	

* All information is as of June 30, 2022, unless otherwise stated.

Internal Bank Loan Portfolio



Internal Bank Funding	Outstanding Balance (\$M)*
Loans	2,807.3
Equipment Leases	21.9
Total	\$ 2,829.2

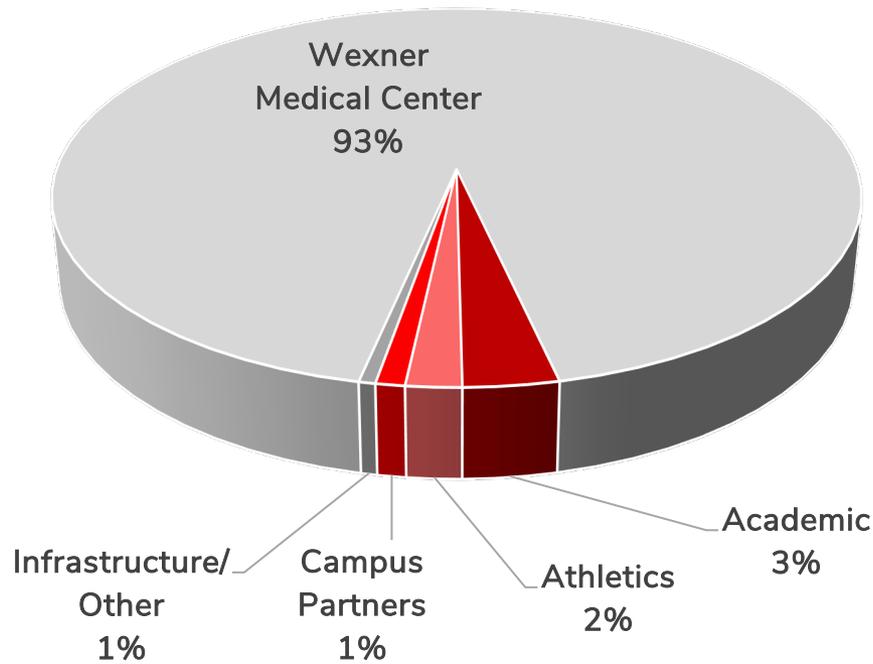
Borrowing Unit/Obligor	Outstanding Balance (\$M)*
Wexner Medical Center	1,247.8
Student Life	758.8
Athletics	241.1
Campus Partners	184.1
Academic	167.8
B&F	62.8
Infrastructure	56.8
Business Advancement	43.8
Other	39.4
Regional Campuses	14.5
Airport	12.3
Total	\$ 2,829.2

Internal Bank FY 2022 Developments

- In FY 2022, the Internal Bank executed 8 new loans totaling \$768M and disbursed \$321M of funds to 22 projects. The New Inpatient Hospital Tower accounted for the majority of the new loan amount.
- Internal Bank loan rates were lowered by 25-50 basis points in FY22 to reflect lower prevailing market interest rates at that time. It is anticipated that rates will increase in FY23 to reflect the new higher rate environment.
- Annual rating agency updates in November presented the University's FY 2021 financial results and strategic position.
 - Rating agencies affirmed the University's Aa1/AA/AA ratings with a positive credit outlook from Fitch Ratings.
- The University issued \$600M of debt at an interest rate of 2.46% over 30 years generating total proceeds of \$715M to fund a portion of the new Inpatient Hospital Tower.

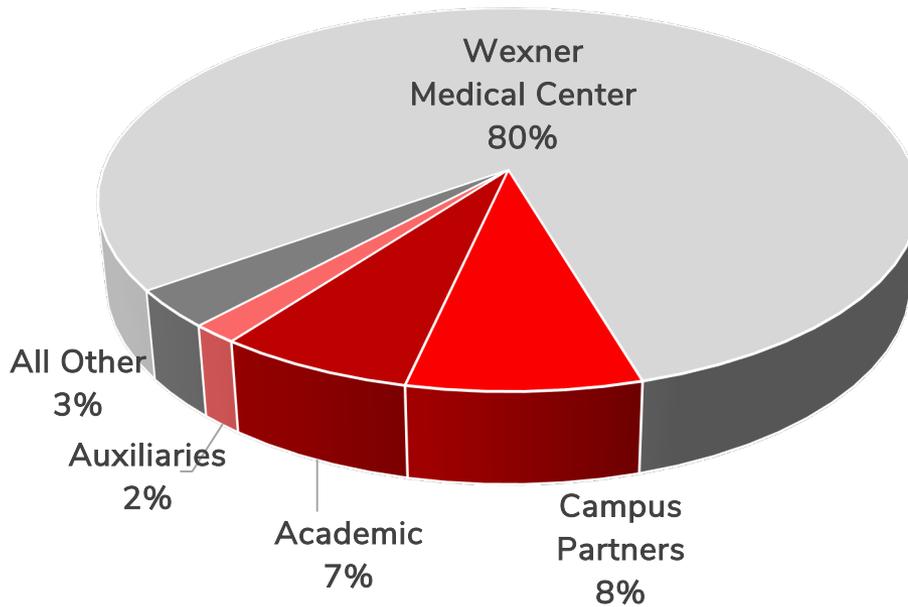
FY 2022 Loan Activity	Number	Amount
New Loans	8	\$768M
Disbursements	22	\$321M

FY 2022 New Loan Commitments



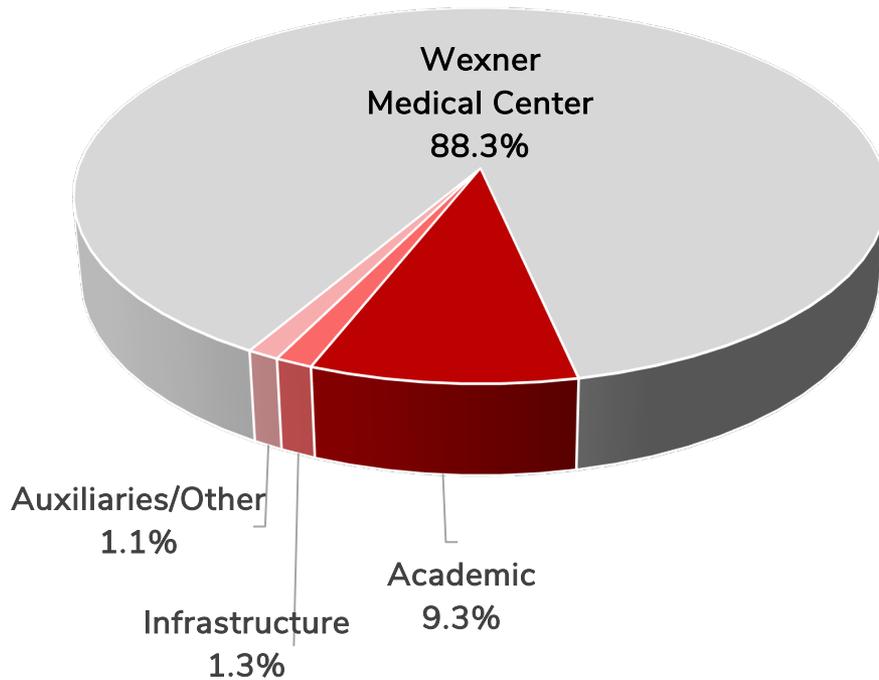
Borrowing Unit/Obligor	Amount (\$M)
Wexner Medical Center	
Inpatient Hospital Tower	715.4
Academic	
Engineering - BMEC Phase 2	23.5
Univeristy Libraries - Book Depository Ph. 3	2.0
	25.5
Athletics	
Lacrosse Stadium Cash Flow 'Gap' Loan	14.9
Campus Partners	
Event Center Fit-Out	7.8
Infrastructure	
Tunnel Top Roof Replacement	3.0
Herrick Drive Rebuild Phase 2	1.0
	4.0
Loans/Leases Under \$1 Million	
	0.4
Total \$	768.0

FY 2022 Loan Disbursements



Borrowing Unit/Obligor	Amount (\$M)
Wexner Medical Center	
Inpatient Hospital Tower	258.0
Campus Partners	
University Square Building South	19.0
University Square Building North	5.6
University Square Infrastructure Improvements	0.7
University Square Event Center Fit-Out	0.3
	25.6
Academic	
Controlled Environment Food Prod Res Complex	10.5
Instructional Sci Buildings Def Maintenance	5.0
Postle Partial Replacement	3.3
BMEC Phase 1	2.7
	21.5
Auxiliaries	
TRC SMART Center Expansion Project LOC	2.9
WOSU HQ Equipment	2.0
TRC SMART Center Phase 1	0.3
	5.2
All Other	
Infrastructure	5.5
Student Life	2.3
Athletics	1.3
Regional Campuses	1.2
	10.3
Total \$	320.6

Anticipated Loan Requests



Borrowing Unit/Obligor	Amount (\$M)
Wexner Medical Center	
Inpatient Hospital Tower	270.0
Academic	
CFAES - Multi-Species Animal Learning Center	15.2
A&S - Biological Science Building Upgrades	10.0
CON - Heminger Hall Cash Flow Loan	3.1
	28.3
Infrastructure	
Tunnel System Project	4.0
Auxiliaries	
TRC Revolving Line of Credit	3.3
Total \$	301.6