

Treasury and Debt Management

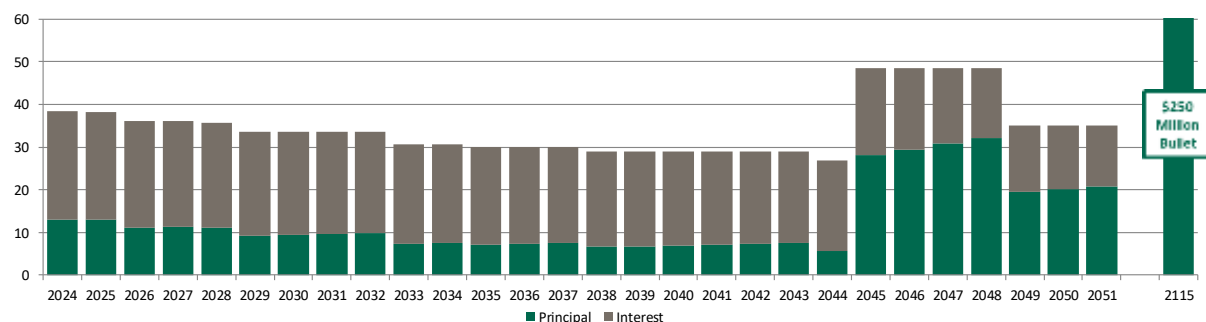
Debt Portfolio & Debt Service

The University strategically issues debt to finance our facility and infrastructure investments. As of June 30, 2023, the University and Ohio University Foundation have \$613.6M of outstanding debt (excluding leases and financed purchase obligations).

Our long-term debt is issued in the form of tax-exempt and taxable bonds which are repayable over the term with annual or bullet principal payments and annual interest payments.

The following schedules detail our current outstanding debt and debt service as of June 30, 2023:

OHIO UNIVERSITY DEBT PORTFOLIO AS OF JUNE 30, 2023						
Series	Tax Status	Coupon Type	Outstanding Par	Next Call Date	Final Maturity Date	Use of Proceeds
OHIO UNIVERSITY - GENERAL RECEIPTS DEBT						
OAQDA - Series 2012A	Tax-Exempt	Fixed Rate	1,600,629	Non-Callable	12/1/2023	Capital Projects
OAQDA - Series 2012B	Taxable	Fixed Rate	8,500,000	Non-Callable	12/1/2027	Capital Projects
Series 2014	Taxable	Fixed Rate	250,000,000	Make Whole Call	12/1/2114	Capital Projects
Series 2017A	Tax-Exempt	Fixed Rate	140,695,000	6/1/2027	12/1/2047	Capital Projects; Refunding (2006AB/2008A)
Series 2020	Taxable	Fixed Rate	212,845,000	12/1/2029	12/1/2050	Capital Projects; Refunding (2012/2013)
TOTAL			613,640,629			

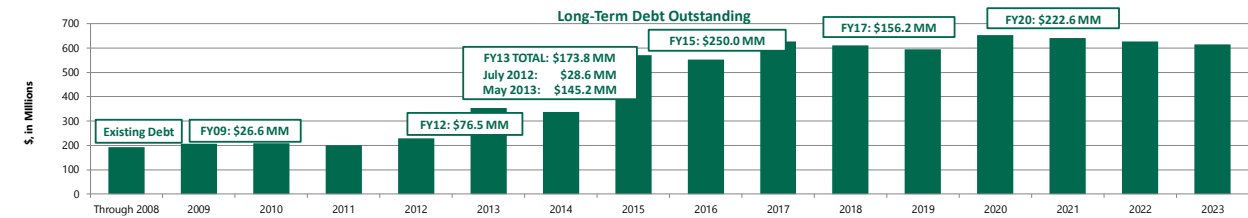


(1) Excludes leases and financed purchase obligations

The University's debt portfolio is currently 100% fixed (interest rates are fixed at the point of issuance for defined periods versus variable which fluctuates against interest rate indices). The University's cost of borrowing is determined by both market factors and the University's bond rating. In December 2023, Moody's affirmed the University's Aa3 rating with a 'stable' outlook. Also in December 2023, S&P affirmed the University's A+ rating and revised the outlook to 'stable'. These ratings are reassessed annually by each rating agency as well as prior to each new issuance.

The following table and graph provide a summary of fiscal year 2012 to 2023 debt issuances and uses:

Series	Original Par (\$, in Millions)	FY Issued	New Money	Use of Proceeds
2012	76.5	2012	61%	New Money (\$50.6 million of Proceeds): To develop an extension campus in Columbus, OH, including the expansion of the Heritage College of Osetopathic Medicine, for renovations to multiple academic facilities, for infrastructure improvements including chilled water expansion, and for additional upgrades to existing IT network. Refunding (\$32.3 million of Proceeds): Proceeds were used to refund portions of the 2003 and 2004 Bonds. The 2003 Bonds were originally issued to refund 2003 Bond Anticipation Notes (BANs) and 1993 Bonds. The 2003 BANs were used to construct the University Center, Avonics Engineering Center, a lecture hall and the Pickerington Center. The 1993 Bonds were used to construct the Charles J. Ping Student Recreation Center and refund the 1972, 1977 and 1978 Bonds. The 2004 Bonds were issued to construct the University Center, purchase an aircraft, update two energy systems and construct the Lausche Heating Plant.
2012 A/B	28.6	2013	100%	New Money (\$28.6 million of Proceeds): To finance the costs of air quality facilities in order to promote purposes of ORC, Chapter 3706.
2013	145.2	2013	76%	New Money (\$123.3 million of Proceeds): To develop an extension campus in Columbus, OH, including the expansion of the Heritage College of Osetopathic Medicine, for renovations to multiple academic buildings, for construction of a new Indoor Multi-Purpose Facility, and to complete the Housing Development Phase I. Refunding (\$37.9 million of Proceeds): Proceeds were used to refund the 2001 Bonds and remaining 2004 Bonds. The 2001 Bonds were used to construct an Innovation Center, construct an HR and training center on West Union Street, acquire the Athena Theater, renovate Peden Stadium, purchase an aircraft, construct a new airport terminal, upgrade infrastructure and renovate or construct multiple academic and housing facilities. The 2004 Bonds were issued to construct the University Center, purchase an aircraft, update two energy systems and construct the Lausche Heating Plant.
2014	250.0	2015	100%	New Money (\$250 million of Proceeds): To pay a portion of the costs of new construction and upgrades of University's capital facilities, including capital expenditures for deferred maintenance and energy infrastructure projects.
2017A	156.2	2017	75%	New Money (\$125.8 million of Proceeds): To pay a portion of the costs of new construction and upgrades to academic buildings, student housing and student dining facilities, including, but not limited to, the McCracken Hall renovation and addition, Grover Center expansion, Alden Library renovation, Clippingier Renovation Phase I, Engineering Research/Consolidation and expansion, Facilities/RMS/Administrative relocation, HCOM Athens, Ellis Hall upgrades, Tanaka Hall, Luchs Hall, Sowle Hall, Carr Hall and Jefferson Hall. Refunding (\$41.2 million of Proceeds): Proceeds were used to current refund remaining 2006A and 2006B Bonds and advance refund a portion of 2008A Bonds. The 2006A Bonds were used to advance refund Series 1999 Bonds. The 1999 Bonds were used to modernize the air conditioning system on the Athens Campus, make improvements to recreational facilities, expand a child care center, renovate and expand the Grover Center, support construction on regional campuses, and construct the West State Street Laboratory Facility. The 2006B Bonds were used to construct a new residence hall, develop a Student Information System (SIS), provide audio visual equipment for the University Center, update energy control systems and finance the design costs for a new College of Communications Building and Integrated Learning and Research Center. The 2008A Bonds were used to acquire, renovate and furnish the HDL Center and refund Series 2008 Bond Anticipation Notes.
2020	222.6	2020	27%	New Money (\$60.3 million of Proceeds): To pay a portion of the costs of acquisition, construction, renovation, rehabilitation, improvements and upgrades to academic buildings, student housing and student dining facilities, including, but not limited to, the following buildings: Chemistry Building (Clippingier Phases 2 and 3), Heritage College of Osteopathic Medicine at Athens, Russ Opportunity Center, and space relocations for 29 Park Place & Carriage House. Refunding (\$162.3 million of Proceeds): Proceeds were used to advance refund a portion of Series 2012 and 2013 bonds which were used for the purposes described above.

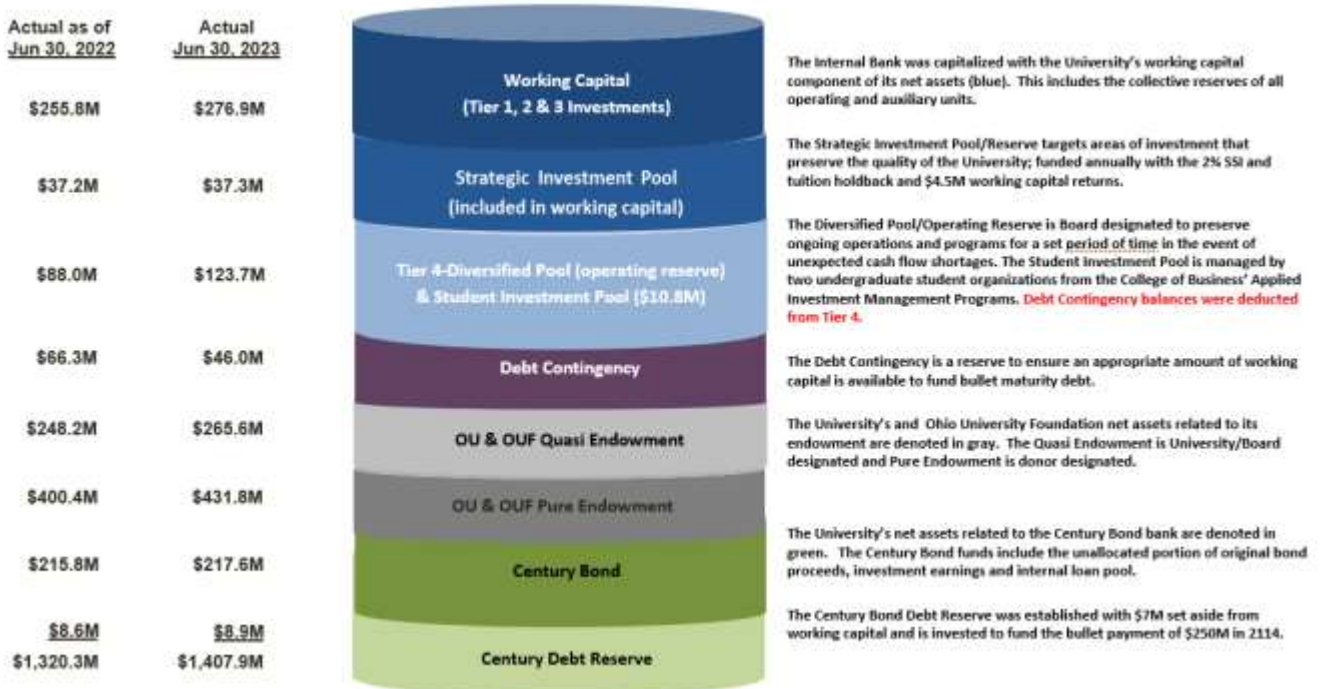


(1) All proceeds include cost of issuance and underwriter's discount.

Internal Bank

The Treasury Management Office began developing and implementing an Internal Bank structure in fiscal year 2015 utilizing the University's cash and investments per the graph below. The endowment values include Ohio University Foundation.

Cash and Investments (\$1,407.9M)



The Internal Bank structure currently has two distinct banks or funding models as follows:

- 1) **Internal Bank model:** funded with working capital reserves, operating surpluses, bond proceeds, internal loan repayments, and investment earnings;
- 2) **Century Bond Bank model:** funded with Century Bond proceeds, investment earnings, and internal loan repayments.

The Internal Bank funding model decouples the University's external and internal debt portfolios so that the interest rates paid by internal units are no longer dependent on market conditions at time of issuance. Instead, the University sets the interest rate based on the blended average cost of the institution's overall debt portfolio which makes the interest paid on debt equitable across the University. Additionally, the model creates predictability in capital costs and working capital returns for budgeting and forecasting. Ultimately funds may be recycled internally to reduce the amount of future debt needs.

Internal Bank Model

The Internal Bank's primary use of funds will be for the University's Capital Improvement Plan (CIP) with the exception of deferred maintenance and energy infrastructure projects which will be funded primarily from the Century Bond bank.

In December 2014, Capital Cities was engaged to provide short-term investment advisory services for the working capital investments of both the University and Foundation. At the October 2015 Board of Trustees meeting, the updated Cash and Pooled Investments (Non-Endowment Funds) Investment Policy Statement ("IPS") and new tiered investment structure were approved. The IPS governs the University's operating funds/working capital.

Pursuant to a detailed review of the University's cash flow needs, risk tolerance, return objectives, and investment environment among other considerations, the new investment structure was developed and includes four liquidity tiers as follows:

- **Tier 1:** Assets provide for short-term (less than one year) cash flow needs.
- **Tier 2:** Assets serve as the Contingency Account (reserves to replenish Tier I if necessary) and to fund the University's Capital Improvement Plan.
- **Tier 3:** Assets are comprised of the residual balance of the Non-Endowment Funds after both Tier I and II cash targets have been met. Tier III (and IV if necessary) provides Tiers I & II with emergency liquidity while also seeking to maximize risk-adjusted returns.
- **Tier 4:** Assets are comprised of the diversified pool, which is a unitized portion of the University's Long-Term Endowment Investment Pool, and the Ohio University Student Investment Program funds. Management of the assets in this tier has been delegated by the University to The Ohio University Foundation.

The Internal Bank utilizes the Tier 1, 2 & 3 assets that are not reserved for other purposes. Tier 4 includes the long-term working capital funds that are set aside as an operating reserve and the student investment program.

Century Bond Bank Model

The Century Bond Bank was created to fund energy infrastructure and deferred maintenance projects in order to reduce the deferred maintenance backlog and establish a framework to move to a funded depreciation model, continuously managing deferred maintenance needs over the next century.

Proceeds of the bonds will be used to make a series of internal loans for Energy Infrastructure Projects and Clippinger Phase I (approx. \$90.0M), and deferred maintenance projects (approx. \$160.0M in \$10.0M annual tranches). The deferred maintenance projects will include facilities projects that enable optimization or reduction of University physical space.

The Century Bond bank inflows consist of Century Bond proceeds, investment earnings, and repayment of internal loan principal and interest. The outflows consist of external debt service and internal loans issued.

Of the \$247.3M net proceeds (net of \$2.2M discount and \$0.5M issuance costs), the University invested \$97.3M in highly liquid, safe investments. As of June 30, 2021, these funds have been spent. The balance of the proceeds (initially \$150.0M) is managed by the Foundation Investments Committee. Hirtle & Callaghan, the Foundation's former Chief Investment Officer, worked with the University to put together guidelines related to the long-term investment of the \$150.0M. In November 2019 the OUF board approved the Fund Evaluation Group (FEG) to replace Hirtle. The June 30, 2023 market value of the long-term investments is \$217.6M.

The University set aside \$7M from working capital to establish a century bond debt reserve fund. The debt reserve fund is invested 50% in a conservative portfolio and 50% in the University's long-term portfolio so that it may be ultimately used to repay the total outstanding principal in one hundred years. Rebalancing between the portfolios will occur over time in order to protect the principal needed to repay the full principal amount and one year's interest at maturity. This was structured in conformance with the Guiding Principles approved by the BOT. The June 30, 2023 market value of the debt reserve fund is \$8.9M.

Internal Loans

Internal loans may be approved for major equipment purchases, remodeling or new construction projects and other approved uses. The Treasury Office has developed internal loan guidelines that define appropriate loan usage, terms, interest rates, and structure. Internal loans are issued according to these guidelines and are administered by Treasury Management.

Internal Bank Loans

The interest rate charged on internal loans is based on the blended cost of capital, including administrative and operating fees. The rate is variable over the life of the loan but will be predetermined and fixed on the first day of each calendar year (January) for the following fiscal year (July 1 to June 30).

Following is a roll forward of existing, restructured, and new (based on active projects) loans from July 1, 2023, to June 30, 2024:

Internal Loans		Bond Series /	Date of	Loan	7/1/2023	FY24	FY24	6/30/2024	Department	
Department Name	Name of Account/Project	Funding Source	Loan	End Date	Loan Balance	Principal	Interest	Loan Balance	Totals	
Arts and Sciences	W State St Lab - A & S	Series 2006A	7/1/2011	6/30/2025	76,929	37,564	2,762	39,365	39,365	
Athletics	Track & Turf Fields	Series 2006A	7/1/2011	6/30/2025	431,878	210,882	15,506	220,996	220,996	
Campus Recreation	Recreation Facility	Series 2006A	7/1/2011	6/30/2025	319,910	156,209	11,486	163,701	163,701	
Central Pool	Athena Theatre	Series 2001	7/1/2013	6/30/2027	550,000	130,000	24,836	420,000		
	Alden Library Renovations	Series 2017A	7/1/2017	7/1/2047	948,868	21,412	44,694	927,456		
	Admin Reloc-Alden	Working Capital	8/21/2017	9/1/2047	77,891	1,748	3,679	76,143		
	Admin Reloc-Ridges13,14,18 Reno	Series 2017A	7/1/2018	7/1/2048	13,612,034	286,828	641,513	13,325,205		
	Admin Reloc-Ridges 20 Demo & Parking	Working Capital	7/1/2018	7/1/2038	2,554,772	52,931	120,418	2,501,842		
	Central Classroom C-Suite Reno	Series 2017A	5/1/2018	5/1/2048	454,059	9,732	21,396	444,327		
	Child Care Center - LL Inc.	Series 2006A	7/1/2012	6/30/2026	359,899	175,735	12,921	184,164		
	Child Care Center - VPFA	Series 2006A	7/1/2012	6/30/2026	31,991	15,621	1,149	16,370		
	Chemistry Building Phase I	Series 2017A	6/1/2019	6/1/2049	16,801,786	336,619	792,148	16,465,168		
	Clipping Phase I	Series 2017A (swap w CBCL)	6/30/2020	6/30/2050	909,264	17,051	42,889	892,213		
	Clipping Phase II	Series 2017A (swap w CBCL)	9/1/2020	9/1/2050	1,312,756	24,218	61,929	1,288,538		
	Clipping Phase II	Series 2020 (swap with State)	9/1/2020	9/1/2050	4,828,229	84,847	227,844	4,743,382		
	Clipping Phase III	Series 2020	12/1/2021	1/1/2052	18,153,205	304,062	856,914	17,849,143		
	Ellis Hall Renovations	Series 2017A	9/30/2017	9/30/2047	1,833,579	41,377	86,365	1,792,202		
	Facility Site Improvements - HCOM	Series 2017A	10/1/2018	10/1/2048	2,033,224	42,125	95,835	1,991,099		
	College of Communication Phase 2	Series 2013	7/1/2013	6/30/2044	8,935,000	255,000	424,275	8,680,000		
	Schoonover Project	Series 2012	7/1/2011	6/30/2043	13,034,897	412,849	578,023	12,622,048		
	HCOM Utilities Phase I - ROC	Series 2017A	9/1/2018	9/1/2048	827,541	17,438	39,001	810,103		
	Indoor Multi-Purpose Facility	Working Capital	6/5/2013	6/1/2044	2,045,024	58,317	96,110	1,986,707		
	31 S. Court Street Purchase-Central	Working Capital	7/1/2017	7/1/2047	4,752,605	107,248	223,857	4,645,357		
	Lindley Hall Upfit	Series 2013	7/1/2013	6/30/2044	1,860,000	55,000	88,325	1,805,000		
	Safety Projects	Series 2012	7/1/2011	6/30/2043	740,000	25,000	32,269	715,000		
	Six-Year CIP Planning Fund	Series 2012	7/1/2011	6/30/2043	18,984	513	826	18,471		
	Tupper Hall Upfit	Series 2013	7/1/2013	6/30/2044	5,210,000	150,000	247,300	5,060,000		
	WUSOC Legal Services Relocation	Series 2012	7/1/2011	6/30/2043	158,598	5,358	6,916	153,240		
	31 South Court Street Relocations	Series 2012	7/1/2011	6/30/2043	2,838,437	95,893	123,774	2,742,544		
	Bromley Academic Relocations	Series 2012	7/1/2011	6/30/2043	1,357,604	45,865	59,200	1,311,739		
	Chilled Water Loop	Series 2006A	7/1/2011	6/30/2025	1,791,496	874,771	64,320	916,726		
	Chilled Water Project	Series 2012	7/1/2011	6/30/2043	4,445,000	140,000	197,044	4,305,000		
	Confr Ctr the Ridges	Series 2006A	7/1/2011	6/30/2025	546,607	266,903	19,625	279,704		
	Ohio Air Quality Develop Auth(2012A)	Series 2012A	7/1/2012	6/30/2024	1,600,629	1,600,629	14,326	-		
	Ohio Air Quality Develop Auth(2012B)	Series 2012B	7/1/2012	6/30/2028	8,500,000	377,774	307,511	8,122,226		
	Russ Research Opp Ctr (RROC)	Series 2020	6/1/2021	6/1/2051	26,327,483	462,654	1,242,395	25,864,829		
	Stores/Receiving Demo	Series 2006A	7/1/2011	6/30/2025	52,785	25,774	1,895	27,011		
	Track & Turf Fields - VPF&A	Series 2006A	7/1/2011	6/30/2025	19,994	9,763	718	10,231		
	HDL Ctr Purchase Non-Tax (2008A)	Series 2008A	7/1/2011	6/30/2034	5,530,000	390,000	261,353	5,140,000		
	Innov Ctr 1 (Finance)	Series 2001	7/1/2013	6/30/2027	396,636	94,838	16,838	301,798		
	McCracken Hall Renovation	Series 2013/Series 2017	4/1/2015	1/1/2045	17,675,038	468,051	831,309	17,206,987		
	Motor Pool Facility	Series 2001	7/1/2013	6/30/2027	110,240	25,000	4,999	85,240		
	Space Reloc-29 PP & Carriage	Series 2020	10/1/2018	10/1/2038	1,953,444	87,535	91,245	1,865,910		
	W State St Lab - Jepson	Series 2006A	7/1/2011	6/30/2025	107,744	52,610	3,868	55,134		
	W State St Lab - LL Income	Series 2006A	7/1/2011	6/30/2025	499,951	244,121	17,950	255,830		
	WUSOC Southeast Wing Demolition	Series 2012	7/1/2011	6/30/2043	33,622	1,136	1,466	32,486	167,936,571	
Housing & Res Life	S. Grm Resi Hall (new)	Series 2006B	7/1/2011	6/30/2037	13,810,000	720,000	627,800	13,090,000		
	Housing Development Phase I	Series 2013/Series 2017	4/1/2004	4/1/2044	82,735,572	2,348,793	3,899,170	80,386,779		
	31 S. Court Street Purchase	Working Capital	7/1/2017	7/1/2047	2,448,311	55,249	115,320	2,393,063		
	4 University Terrace Purchase	Working Capital	9/1/2017	9/1/2047	1,800,230	40,624	84,794	1,759,606		
	Jefferson Hall Renovation	Series 2017A	4/1/2016	4/1/2046	22,563,982	555,914	1,061,984	22,008,068	119,637,515	
Lancaster	OUL Brasse Nursing Ph II	Gift Advance	7/1/2022	1/1/2024	95,000	95,000	4,513	-		
College of Medicine	OUHCOM - Cleveland	Construction loan	7/1/2017	7/1/2026	7,470,529	1,737,501	324,205	5,733,027		
	OUHCOM - Athens	Series 2017A/Series 2020	3/1/2019	9/1/2025	16,415,001	3,916,988	650,187	12,498,013	18,231,040	
Education	McCracken Hall Renovation	Gift advance-interest	7/1/2016	6/1/2026	-	-	475,000	-		
Engineering	Multiphase Tech Corrosion Center	Gift Bridge	6/1/2015	4/1/2025	383,102	187,029	14,899	196,073		
	ARC FY15 Operating Deficit	Working Capital	7/1/2015	6/30/2025	732,000	275,500	-	456,500		
	ARC Integrated Learning Research	Working Capital	7/2/2015	6/30/2041	2,813,795	105,446	133,655	2,708,349	3,360,922	
Real Estate Office	Dublin -IEC	Working Capital	9/1/2015	4/1/2030	200,389	24,735	9,082	175,653	175,653	
Transportation &	Baker Univ Center-Parking Garage	Series 2004	7/1/2013	6/30/2032	738,687	67,409	32,591	671,278		
Parking Services	Charter Bus 1 - 5 year loan	Working Capital	10/1/2022	10/1/2027	501,527	102,428	22,016	399,099		
	Charter Bus 2 - 10 year Loan	Working Capital	10/1/2022	10/1/2032	529,145	45,196	24,337	483,949	1,554,326	
VP of Research	Innov Ctr 1 (Research)	Series 2001	7/1/2013	6/30/2027	272,524	65,162	11,569	207,362	207,362	
VP of Student Affairs	Baker University Center	Series 2004	7/1/2013	6/30/2032	21,706,313	1,982,591	958,534	19,723,722	19,723,722	
					Total	351,875,738	20,624,565	16,510,683	331,251,173	
							Total P&I	37,135,247		

Century Bond Loans

Century Bond loans will be issued to Central Budget, with principal and interest recovered through the funded depreciation model as described above. The interest rate charged on the internal loans from the Century Bond program is 5.59%, which equates to the fixed rate on the Century Bonds. An internal loan investment pool will be used for internal loan principal and interest payments in order to separate this activity from the original proceeds and provide for recycling of the bond funds to reduce the amount of future debt and fund the ongoing deferred maintenance program.

Following is a roll forward of Century Bond loans from July 1, 2023 to June 30, 2024:

Department Name	Name of Account/Project	Original Loan	Interest			7/1/2023		FY24	FY24	6/30/2024
			Rate	Date of Loan	Ends	Loan Balance	Additions	Principal	Interest	Loan Balance
Internal Loans:										
Central Finance	Deferred Maintenance-FY15	\$ 10,000,000	5.59%	12/01/14	6/1/24	\$ 1,265,658	\$ -	\$ 1,265,658	\$ 53,306	\$ (0)
Central Finance	EIP-1st Installment	30,000,000	5.59%	12/01/14	6/1/44	25,441,153	-	660,604	1,413,056	24,780,549
Central Finance	Deferred Maintenance-FY16	10,000,000	5.59%	12/01/15	6/1/25	2,463,425	-	1,197,767	121,197	1,265,658
Central Finance	EIP-2nd Installment	30,000,000	5.59%	12/01/15	6/1/45	26,066,322	-	625,169	1,448,491	25,441,153
Central Finance	Deferred Maintenance-FY17	10,000,000	5.59%	12/01/16	6/1/26	3,596,943	-	1,133,518	185,447	2,463,425
Central Finance	EIP-3rd Installment	19,000,000	5.59%	12/01/16	6/1/46	16,883,373	-	374,702	938,616	16,508,671
Central Finance	EIP-Clippinger Phase I	11,000,000	5.59%	12/01/16	6/1/46	9,774,584	-	216,932	543,409	9,557,652
Central Finance	Deferred Maintenance-FY18	10,000,000	5.59%	12/01/17	6/1/27	4,669,658	-	1,072,715	246,249	3,596,943
Central Finance	Deferred Maintenance-FY19	10,000,000	5.59%	12/01/18	6/1/28	5,684,832	-	1,015,174	303,791	4,669,658
Central Finance	Deferred Maintenance-FY20	10,000,000	5.59%	12/01/19	6/1/29	6,645,551	-	960,719	358,245	5,684,832
Central Finance	Deferred Maintenance-FY21	Interest Only	5.59%	12/01/20	6/1/30	-	-	-	-	-
Central Finance	Deferred Maintenance-FY22	10,000,000	5.59%	12/01/21	6/1/31	8,415,152	-	860,416	458,548	7,554,736
Central Finance	Deferred Maintenance-FY23	10,000,000	5.59%	12/01/22	6/1/32	9,229,415	-	814,263	504,702	8,415,152
Central Finance	Deferred Maintenance-FY23	10,000,000	5.59%	12/01/22	6/1/42	9,718,308	-	297,658	539,151	9,420,650
Central Finance	Deferred Maintenance-FY24	10,000,000	5.59%	12/01/23	6/1/33	-	10,000,000	770,585	548,379	9,229,415
Total		\$ 190,000,000				129,854,374	10,000,000	11,265,880	7,662,587	128,588,494
								Total P&I	18,928,467	