

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Internal Lending Program Quarterly Report for the Quarter Ended September 30, 2011

For information only.

Attachment

Internal Lending Program Quarterly Report, Quarter Ended September 30, 2011

Average
Cost of
Debt
4.3%

Internal Lending Program Quarterly Report

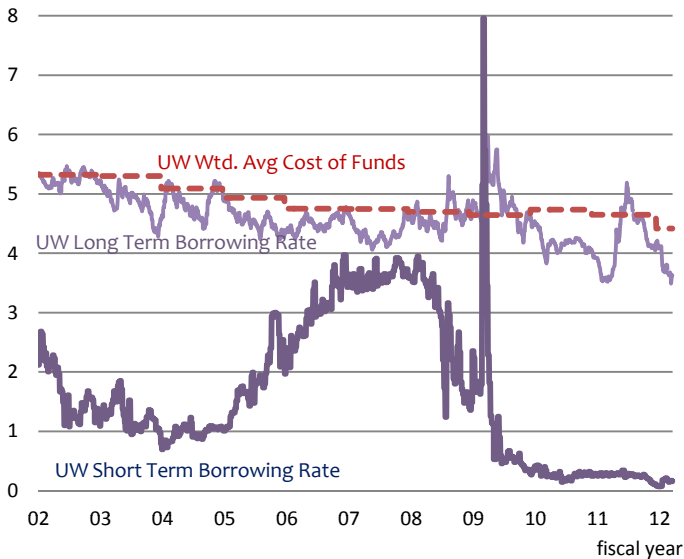
Quarter Ended September 30, 2011

(dollars in millions)

Internal
Lending
Rate
5.5%

Interest Rates

Short & mid-term interest rates remain low despite the return of tax exempt supply to the municipal market. Uncertainty surrounding the global markets continues to cause volatility. If the UW issued long term tax-exempt bonds today, the overall rate would be about 4.0%.



External Borrowing

The University borrowed \$211 million in July 2011 at 3.88%. Of the total ILP debt issued this quarter, the remaining \$11 million was related to refundings of State of Washington issued debt.

Debt Issued to Fund ILP	Issued FY12	Total Outstanding	Wtd. Avg Rate	Wtd. Avg Maturity (yrs)
Commercial Paper	0	50	0.2%	0.09
Variable Rate	0	0	n/a	n/a
Fixed Rate	222	861	4.1%	16.4
ILP Total	222	911	3.9%	15.5
Non-ILP Debt	0	616	4.8%	14.2
Total Debt	222	1,527	4.3%	15.0

Note: Used \$0m of \$290m General Revenue authorization.

Internal Lending

In the first quarter, the large increase in internal lending for the service mission is due to converting \$81 million of non-ILP debt to ILP debt.

	By Mission			Total
	Education	Research	Service	
Beginning Bal Jul-11	113	111	609	833
Additions	0	1	117	118
Reductions	(2)	(3)	(5)	(10)
Annual Activity	(2)	(2)	112	108
Total Receivable	111	109	721	941

Cash Position

The large increase is due to project proceeds from the 2011A General Revenue Bond issuance.

Beginning Balance Jul-10	\$51.2
Internal Debt Service	18.3
External Debt Service	(6.3)
Net Debt Proceeds	74.1
Expenses	0.1
Ending Balance Jun-11	\$137.4

Approved Funding - by Project and Source

Project Name	Date Approved	Total Budget	ILP	Other	Spent to Date (all sources)
UWMC Expansion	Feb-08	170	160	10	73%
AAALAC Projects	Mar-08	28	25	3	94%
J-Wing	Jul-08	24	16	8	82%
AAALAC Budget Increase	Nov-08	7	7	0	38%
Housing Phase 1	May-09	164	164	0	55%
Molecular Engineering - ICR only	Jun-09	25	20	5	20%
HUB Renovation	Jul-09	128	117	11	36%
ECC Renovation	Jul-09	16	15	1	13%
Hall Health Renovation	Jul-09	11	8	3	73%
UWMC, Phase 1 Increase	Jan-10	45	0	45	53%
Tacoma Phase 3 - ILP only	May-10	54	6	48	68%
Husky Stadium Renovation	Nov-10	260	250	10	2%
Housing Phase 2	Feb-11	286	286	0	3%
UW Bothell Acquisition	Feb-11	13	13	0	85%
Bothell Sports Field	Jun-11*	4	2	2	0%
Total		1,235	1,089	146	33%

*approved under delegated authority; dropped PACCAR Business School as of Sep-11

Funding Forecast for Approved Projects - by Source

