

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

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

This will be an oral report for information only.

Attachment

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

Average
Cost of
Debt
4.3%

Internal Lending Program Quarterly Report

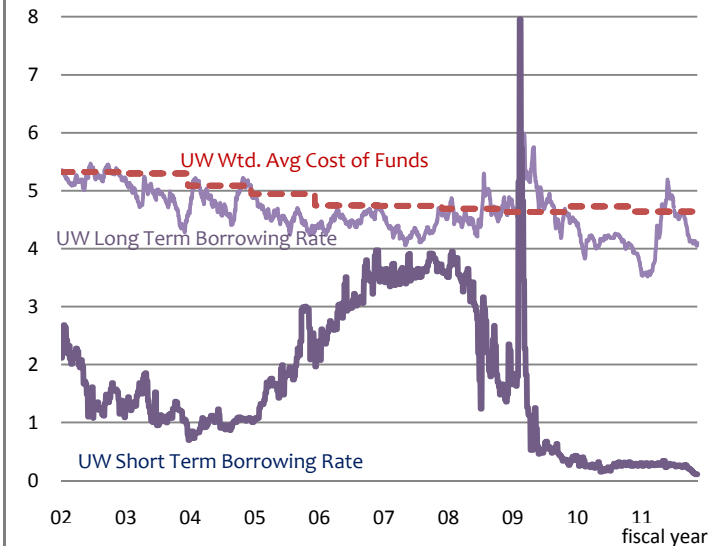
Quarter Ended June 30, 2011

(dollars in millions)

Internal
Lending
Rate
5.5%

Interest Rates

Short & mid-term interest rates remain low. Uncertainty surrounding the global markets is causing volatility in the municipal market. If the UW issued long term tax-exempt bonds today, the overall rate would be about 4.4%.



External Borrowing

The University borrowed \$211 million in July 2011 at 3.88% to be reflected in 2012 borrowing amounts. The proceeds will be used to refund four leased buildings for \$74 million, refinance \$75 million in commercial paper to long-term & fund future projects.

Debt Issued to Fund ILP	Issued FY11	Total Outstanding	Wtd. Avg Rate	Wtd. Avg Maturity (yrs)
Commercial Paper	95	125	0.2%	0.04
Variable Rate	0	0	n/a	n/a
Fixed Rate	146	708	4.5%	17.0
ILP Total	241	833	3.8%	14.4
Non-ILP Debt	238	707	5.0%	14.0
Total Debt	479	1,540	4.3%	14.2

Note: Used \$304m of \$308m General Revenue authorization.

Internal Lending

Amounts owed to the program totaled \$649M as of 7/1/2010. Through June 2011, units borrowed \$219M and repaid \$35M. The largest borrower during this period was UWMC with \$60M for the Phase 1 Expansion.

	By Mission			Total
	Education	Research	Service	
Beginning Bal Jul-10	108	111	430	649
Additions	12	12	195	219
Reductions	(7)	(12)	(16)	(35)
Annual Activity	5	0	179	184
Total Receivable	113	111	609	833

Cash Position

The balance was offset by outflows in July 2011 totaling \$25 million.

Beginning Balance Jul-10	\$48.6
Internal Debt Service	68.2
External Debt Service	(49.1)
Net Debt Proceeds	(16.1)
Expenses	(0.4)
Ending Balance Jun-11	\$51.2

Approved Funding - by Project and Source

Project Name	Date Approved	Total Budget	ILP	Equity	Spent to Date (all sources)
UWMC Expansion	Feb-08	170	160	10	68%
AAALAC Projects	Mar-08	28	25	3	94%
J-Wing	Jul-08	24	16	8	80%
PACCAR Business School	Jul-08	95	30	65	94%
AAALAC Budget Increase	Nov-08	7	7	0	39%
Housing Phase 1	May-09	164	164	0	46%
Molecular Engineering - ICR only	Jun-09	25	20	5	20%
HUB Renovation	Jul-09	128	117	11	29%
ECC Renovation	Jul-09	16	15	1	10%
Hall Health Renovation	Jul-09	11	8	3	65%
UWMC, Phase 1 Increase	Jan-10	45	0	45	6%
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	1%
UW Bothell Acquisition	Feb-11	13	13	0	85%
Bothell Sports Field	Jun-11*	4	2	2	0%
Total		1,330	1,119	211	33%

*approved under delegated authority

Funding Forecast for Approved Projects - by Source

