

VII. STANDING COMMITTEES

B. Finance, Audit & Facilities Committee

Internal Lending Program Quarterly Report for Quarter Ended December 31, 2009

For information only.

*Attachment*

Internal Lending Program Quarterly Report for Quarter Ended December 31, 2009

Average  
Cost of  
Debt  
4.6%

# Internal Lending Program Quarterly Report

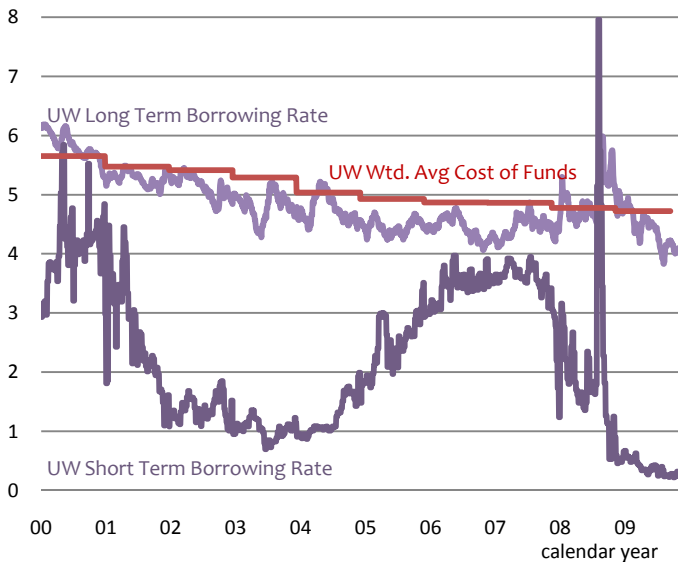
Quarter Ended December 31, 2009

(dollars in millions)

Internal  
Lending  
Rate  
5.5%

## Interest Rates

President Obama has proposed making the Build America Bonds program permanent with some modifications in his 2011 budget. This would allow the UW to continue to issue taxable bonds and receive a 28% refund from the government after 2010.



## External Borrowing

The UW issued \$78 million of Build America Bonds in December 2009 at a record low of 3.63% for long term debt. In total, the UW has issued about \$155 million in BABs with an average rate of 3.8%

Debt Issued to Fund ILP	Issued FY10	Total Outstanding	Wtd. Avg Rate	Wtd. Avg Maturity (yrs)
Commercial Paper	0	30	0.2%	0.02
Variable Rate	0	0	n/a	n/a
Fixed Rate	78	687	4.3%	16.1
<b>ILP Total</b>	<b>78</b>	<b>717</b>	<b>4.3%</b>	<b>16.1</b>
<b>Non-ILP Debt</b>	<b>0</b>	<b>369</b>	<b>5.1%</b>	<b>12.9</b>
<b>Total Debt</b>	<b>78</b>	<b>1,086</b>	<b>4.6%</b>	<b>15.0</b>

Note: Used \$78 of \$150M authorization for FY2010.

## Internal Lending

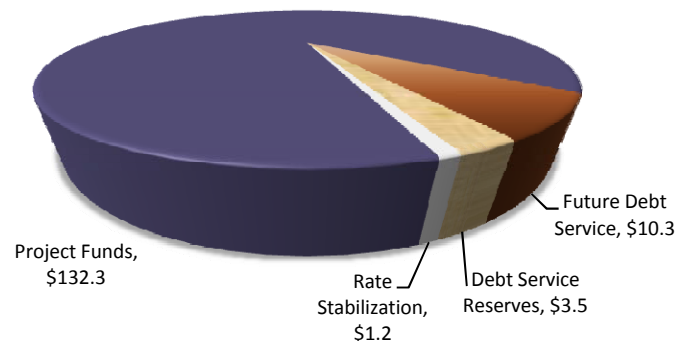
No new projects were approved in the quarter ending December 2009. UWMC Expansion Phase 1 and AAALAC projects continue to be the most active and account for about 80% of the capital expenditures funded in FY10 from internal loans.

	As of 6/30/09	FY10	Total
<b>Approved Project Budget</b>			
Internal Loans	502	140	642
Cash	97	49	146
<b>Total Approved Budget</b>	<b>599</b>	<b>189</b>	<b>788</b>
<b>Capital Expenditures Funded to Date</b>			
Internal Loans	19	40	59
Cash	43	22	65
<b>Total Funded to Date</b>	<b>62</b>	<b>62</b>	<b>124</b>

## Cash Position

The pace of funding internal loans has increased. The ILP expects to use up the proceeds from the December 2009 issue in the next 9 to 12 months.

Beginning Balance Jul-09	\$120.4
Internal Debt Service	\$28.0
External Debt Service	(\$23.5)
Net Debt Proceeds	\$22.5
Expenses	(\$0.1)
<b>Ending Balance Dec-09</b>	<b>\$147.3</b>



Ending Balance Composition

## Internal Lending Program - Approved Funding

Project Name	Date Approved	Debt	Cash	Total Approved Budget	Spent to Date (all sources)
UWMC Expansion	Feb-08	160	10	170	21%
AAALAC Projects	Mar-08	25	3	28	79%
Pediatric Dentistry	Mar-08	12	6	18	17%
Tower Improvements	Mar-08	13	0	13	89%
J-Wing	Jul-08	16	8	24	4%
PACCAR Business School	Jul-08	30	65	95	34%
AAALAC Budget Increase	Nov-08	7	0	7	0%
Housing Phase 1	May-09	164	0	164	5%
Alumni Association TI's	May-09*	2	0	2	29%
Molecular Engineering	Jun-09	74	5	79	12%
HUB Renovation	Jul-09	117	11	128	2%
ECC Renovation	Jul-09	15	1	16	5%
Hall Health Renovation	Jul-09	8	3	11	5%
<b>Total</b>		<b>643</b>	<b>112</b>	<b>755</b>	<b>16%</b>

\* Note: approved under delegated authority.

## Project Funding By Source - Actual and Projected

