

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Internal Lending Program Quarterly Report for the Quarter Ended December 30, 2010

For information only.

Attachment

Internal Lending Program Quarterly Report, Quarter Ended December 30, 2010

Average
Cost of
Debt
4.2%

Internal Lending Program Quarterly Report

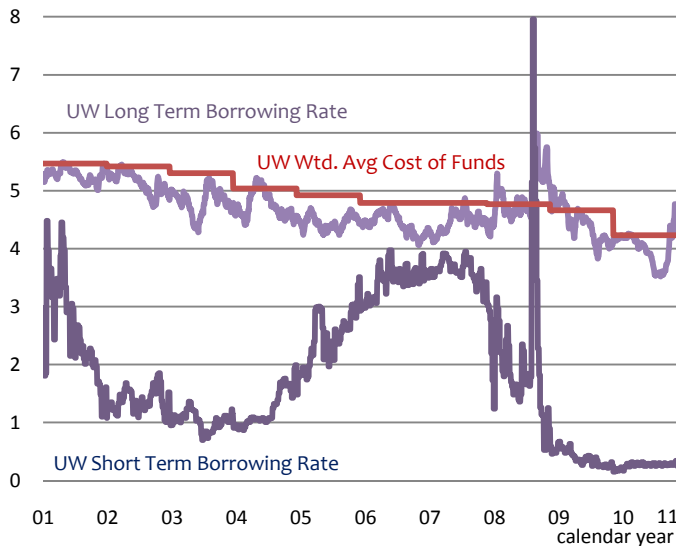
Quarter Ended December 31, 2010

(dollars in millions)

Internal
Lending
Rate
5.5%

Interest Rates

The slightly improved outlook for the US economy prompted an increase in long-term interest rates of about 1.25% over the past 3 months. If the UW issued tax-exempt bonds today, the overall rate would be about 5%.



External Borrowing

The University (through a non-profit) issued \$165m in long-term debt for the South Lake Union Phase 3 project. That issuance is included in non-ILP debt.

Debt Issued to Fund ILP	Issued FY11	Total Outstanding	Wtd. Avg Rate	Wtd. Avg Maturity (yrs)
Commercial Paper	0	30	0.3%	0.09
Variable Rate	0	0	n/a	n/a
Fixed Rate	117	714	4.2%	17.2
ILP Total	117	744	4.0%	16.5
Non-ILP Debt	213	617	4.4%	14.9
Total Debt	330	1,361	4.2%	15.7

Note: Used \$155m of \$308m General Revenue authorization for FY 2011.

Internal Lending

Amounts owed to the program totaled \$649M as of 7/1/2010. In the first half of FY2011, units borrowed \$82M and repaid \$16M. The largest borrower during this period was UWMC with \$25M for the Phase 1 Expansion.

	By Mission			Total
	Education	Research	Service	
Beginning Bal Jul-10	108	111	430	649
Additions	12	7	63	82
Reductions	(3)	(4)	(9)	(16)
Annual Activity	9	3	54	66
Total Receivable	117	114	484	715

Cash Position

The ending balance includes debt proceeds from the issuance in October 2010. It is expected these proceeds will last through March 2011.

Beginning Balance Jul-10	\$48.6
Internal Debt Service	33.0
External Debt Service	(21.1)
Net Debt Proceeds	(9.1)
Expenses	(0.2)
Ending Balance Dec-10	\$51.2

Approved Funding - by Project and Source

Project Name	Date Approved	Total Budget	Debt	Cash	Spent to Date (all sources)
UWMC Expansion	Feb-08	170	160	10	49%
AAALAC Projects	Mar-08	28	25	3	94%
Pediatric Dentistry	Mar-08	17	11	6	93%
Tower Improvements	Mar-08	13	13	0	100%
J-Wing	Jul-08	24	16	8	49%
PACCAR Business School	Jul-08	95	30	65	93%
AAALAC Budget Increase	Nov-08	7	7	0	37%
Housing Phase 1	May-09	164	164	0	21%
Molecular Engineering - ICR only	Jun-09	25	20	5	20%
HUB Renovation	Jul-09	128	117	11	14%
ECC Renovation	Jul-09	16	15	1	9%
Hall Health Renovation	Jul-09	11	8	3	29%
UWMC, Phase 1 Increase	Jan-10	34	0	34	0%
Husky Stadium Renovation	Nov-10	260	250	10	0%
Total		992	836	156	31%

Funding Forecast for Approved Projects - by Source

