

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities

Internal Lending Program Quarterly Report for the Quarter Ended March 31, 2011

For information only.

*Attachment*

Internal Lending Program Quarterly Report, Quarter Ended March 31, 2011

Average  
Cost of  
Debt  
4.4%

# Internal Lending Program Quarterly Report

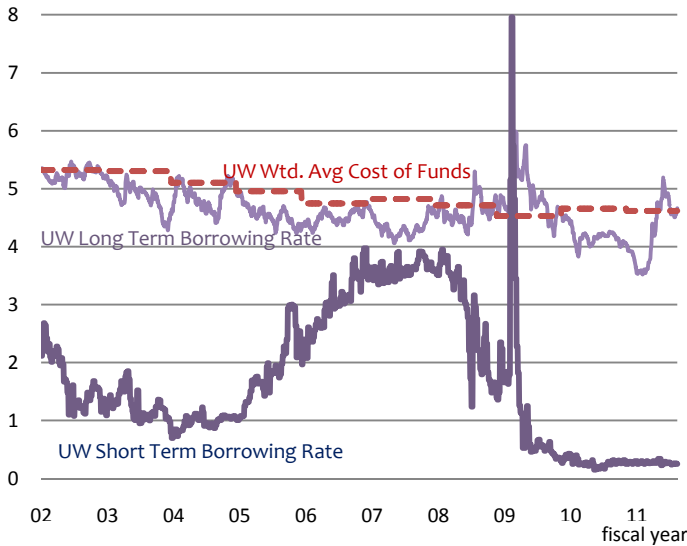
Quarter Ended March 31, 2011

(dollars in millions)

Internal  
Lending  
Rate  
5.5%

## Interest Rates

A lack of supply in the municipal bond market has helped interest rates remain low. If the UW issued long term tax-exempt bonds today, the overall rate would be about 4.6%.



## External Borrowing

The next General Revenue Bond issuance is scheduled for July 2011. Additionally, NW Hospital debt is now included in the portfolio shown below, adding about \$90 million in total outstanding obligations.

Debt Issued to Fund ILP	Issued FY11	Total Outstanding	Wtd. Avg Rate	Wtd. Avg Maturity (yrs)
Commercial Paper	75	105	0.3%	0.15
Variable Rate	0	0	n/a	n/a
Fixed Rate	120	703	4.5%	17.2
<b>ILP Total</b>	<b>195</b>	<b>808</b>	<b>3.9%</b>	<b>14.9</b>
<b>Non-ILP Debt</b>	<b>214</b>	<b>681</b>	<b>5.0%</b>	<b>14.2</b>
<b>Total Debt</b>	<b>409</b>	<b>1,489</b>	<b>4.4%</b>	<b>14.6</b>

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. Through March 2011, units borrowed \$131M and repaid \$23M. The largest borrower during this period was UWMC with \$45M for the Phase 1 Expansion.

	By Mission			Total
	Education	Research	Service	
Beginning Bal Jul-10	108	111	430	649
Additions	12	9	110	131
Reductions	(5)	(7)	(11)	(23)
Annual Activity	7	2	99	108
<b>Total Receivable</b>	<b>115</b>	<b>113</b>	<b>529</b>	<b>757</b>

## Cash Position

The University issued \$75 million in commercial paper in March 2011 to fund cash flows through the end of the fiscal year.

Beginning Balance Jul-10	\$48.6
Internal Debt Service	48.5
External Debt Service	(32.6)
Net Debt Proceeds	45.9
Expenses	(0.4)
<b>Ending Balance Mar-11</b>	<b>\$110.0</b>

## 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	59%
AAALAC Projects	Mar-08	28	25	3	94%
Pediatric Dentistry	Mar-08	17	11	6	98%
Tower Improvements	Mar-08	13	13	0	96%
J-Wing	Jul-08	24	16	8	67%
PACCAR Business School	Jul-08	95	30	65	94%
AAALAC Budget Increase	Nov-08	7	7	0	38%
Housing Phase 1	May-09	164	164	0	30%
Molecular Engineering - ICR only	Jun-09	25	20	5	20%
HUB Renovation	Jul-09	128	117	11	21%
ECC Renovation	Jul-09	16	15	1	10%
Hall Health Renovation	Jul-09	11	8	3	51%
UWMC, Phase 1 Increase	Jan-10	34	0	34	8%
Husky Stadium Renovation	Nov-10	260	250	10	0%
Housing Phase 2	Feb-11	286	286	0	0%
UW Bothell Acquisition	Feb-11	13	13	0	0%
<b>Total</b>		<b>1,291</b>	<b>1,135</b>	<b>156</b>	<b>28%</b>

## Funding Forecast for Approved Projects - by Source

