

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Internal Lending Program Quarterly Report for the Quarter Ended June 30, 2012

For information only.

Attachment

Internal Lending Program Quarterly Report, Quarter Ended June 30, 2012

Average
Cost of
Debt
4.2%

Internal Lending Program Quarterly Report

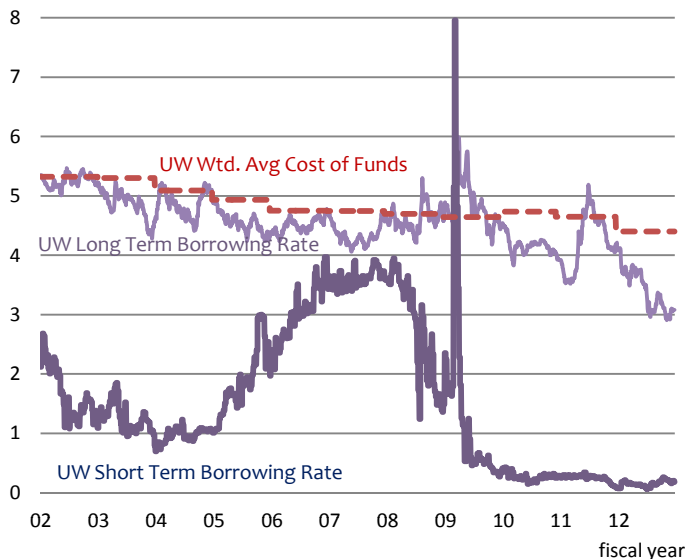
Quarter Ended June 30, 2012

(dollars in millions)

Internal
Lending
Rate
5.5%

Interest Rates

The market remains in a low but volatile interest rate environment as uncertainty in Europe has investors looking for safe investments. If the UW issued long-term tax-exempt bonds today, the overall rate would be between 3.0 and 3.25%.



External Borrowing

The University borrowed \$268 million in March 2012 at an all-in rate of 3.67%. The proceeds were used to pay off \$75 million in commercial paper issued earlier in the fiscal year, refund \$62 million in existing debt and provide capital funding for authorized projects.

Type of Debt	Issued FY12	Total Outstanding	Wtd. Avg Rate	Wtd. Avg Maturity (yrs)
Commercial Paper	75	25	0.2%	0.34
Variable Rate	0	0	n/a	n/a
Fixed Rate	503	1,126	3.9%	16.36
ILP Total	578	1,151	3.8%	16.02
Non-ILP Debt	48	921	4.7%	14.61
Total Debt	626	2,072	4.2%	15.39

Non-ILP outstanding includes \$438 million for Valley & NW Hospital debt.

Internal Lending

The large increase in internal lending for the Service mission is mainly due to converting \$108 million of non-ILP debt to ILP debt, Housing & Dining projects (\$104 million), HUB Renovation (\$50 million), and Husky Stadium Renovation (\$52 million).

	By Mission			Total
	Education	Research	Service	
Beginning Bal Jul-11	113	111	609	833
Additions	10	28	335	373
Reductions	(17)	(11)	(21)	(49)
Annual Activity	(7)	17	314	324
Total Receivable	106	128	923	1,157

Cash Position

Net debt proceeds reflect the debt issuances less project funding for the fiscal year to date.

Beginning Balance Jul-11	\$51.2
Internal Debt Service	94.4
External Debt Service	(66.5)
Net Debt Proceeds	69.7
Expenses	(0.3)
Ending Balance Jun-12	\$148.5

Funding Status for Approved Projects - by Project and Source

Project Name	Date Approved	Current Budget	ILP	Non-ILP	Spent to Date (all sources)
Bothell Sports Field	Jun-11*	4	2	2	0%
ECC Renovation	Jul-09	15	14	1	45%
Housing Phase 1	May-09	151	150	1	94%
Housing Phase 2 - excludes site 30W	Feb-11	195	189	6	19%
Housing Phase 3	Jun-12	133	133	0	1%
HUB Renovation	Jul-09	119	113	6	76%
Husky Stadium Renovation	Nov-10	251	228	23	30%
Husky Stadium Renovation Increase	Jun-11	11	11	0	0%
Molecular Engineering	Jun-09	76	18	58	94%
Tacoma Phase 3	May-10	54	5	49	87%
UWMC Expansion Phase 1	Feb-08	166	156	10	86%
UWMC Expansion Phase 1 Increase	Jan-10	45	0	45	84%
Total		1,220	1,019	201	53%

*approved under delegated authority.

Funding Forecast for Approved Projects - by Source

