

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

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

For information only.

Attachment

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

Average
Cost of
Debt
4.2%

Internal Lending Program Quarterly Report

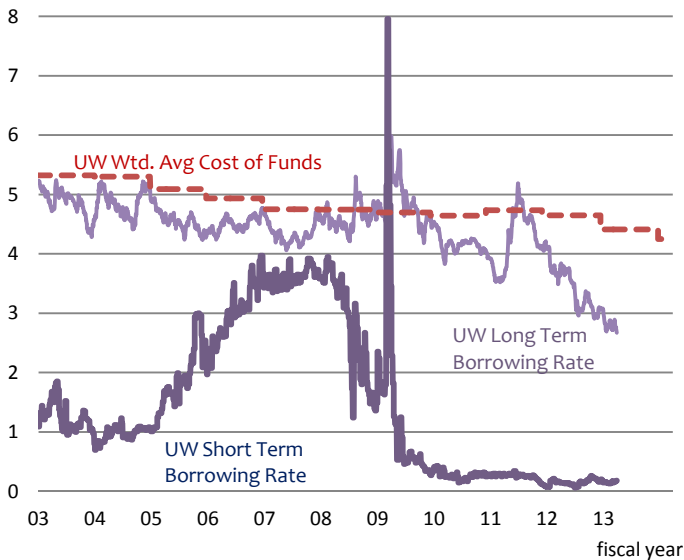
Quarter Ended September 30, 2012

(dollars in millions)

Internal
Lending
Rate
5.5%

Interest Rates

Uncertainty about the speed of the economic recovery in the US and concern about the global economy has kept interest rates extremely low. The supply of new issuance has been modest. If the UW issued 30-year tax-exempt bonds at the end of the first quarter, the overall interest rate would be between 2.8% and 3.2%.



External Borrowing

The University issued \$50 million in commercial paper as interim financing until the 2012C bond are issued in November 2012. The \$50 million commercial paper issued in FY13 will be repaid with 2012C bond proceeds.

| Type of Debt | Issued FY13 | Total Outstanding | Wtd. Avg Rate | Wtd. Avg Maturity (yrs) |
|---------------------|-------------|-------------------|---------------|-------------------------|
| Commercial Paper | \$50 | \$75 | 0.2% | 0.17 |
| Variable Rate | 0 | 0 | n/a | n/a |
| Fixed Rate | 0 | 1,117 | 3.9% | 16.3 |
| ILP Total | 50 | 1,192 | 3.7% | 15.2 |
| Non-ILP Debt | 1 | 922 | 4.7% | 14.3 |
| Total Debt | \$51 | \$2,114 | 4.2% | 14.8 |

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

Internal Lending

In the first quarter, \$80 million in loans were made including Husky Stadium Renovation (\$27 million), Housing & Dining projects (\$25 million), HUB Renovation (\$16 million), and UWMC Expansion, Phase 1 (\$8 million).

| | By Mission | | | Total |
|-------------------------|-------------|--------------|--------------|----------------|
| | Education | Research | Service | |
| Beginning Bal Jul-12 | \$88 | \$128 | \$920 | \$1,136 |
| Additions | 1 | 1 | 80 | 82 |
| Reductions | (1) | (3) | (7) | (11) |
| Year to Date Activity | 0 | (2) | 73 | 71 |
| Total Receivable | \$88 | \$126 | \$993 | \$1,207 |

Cash Position

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

| | |
|------------------------------|---------------|
| Beginning Balance Jul-12 | \$148.1 |
| Internal Debt Service | 22.8 |
| External Debt Service | (19.5) |
| Net Debt Proceeds | (54.9) |
| Expenses | (0.1) |
| Ending Balance Sep-12 | \$96.4 |

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 | 55% |
| ECC Renovation | Jul-09 | 15 | 14 | 1 | 63% |
| Housing Phase 1 | May-09 | 151 | 150 | 1 | 95% |
| Housing Phase 2 - excludes site 30W | Jun-12^ | 195 | 189 | 6 | 31% |
| Housing Phase 3 | Jun-12 | 133 | 133 | 0 | 1% |
| HUB Renovation | Jul-09 | 119 | 113 | 6 | 88% |
| Husky Stadium Renovation | Nov-10 | 251 | 228 | 23 | 40% |
| Husky Stadium Renovation Increase | Jun-11 | 11 | 11 | 0 | 0% |
| Molecular Engineering | Jun-09 | 76 | 18 | 58 | 95% |
| Tacoma Phase 3 | May-10 | 54 | 5 | 49 | 90% |
| UWMC Expansion Phase 1 | Feb-08 | 166 | 156 | 10 | 91% |
| UWMC Expansion Phase 1 Increase | Jan-10 | 45 | 0 | 45 | 96% |
| Total | | \$1,220 | \$1,019 | \$201 | 60% |

*approved under delegated authority, ^original approval 2/11, authority decreased 6/12.

Funding Forecast for Approved Projects - by Source

