VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Internal Lending Program Quarterly Report – Quarter Ended December 31, 2012

For information only.

Attachment
Internal Lending Program Quarterly Report – Quarter Ended December 31, 2012

Average Borrowing Rate
4.1%

Internal Lending Program Quarterly Report

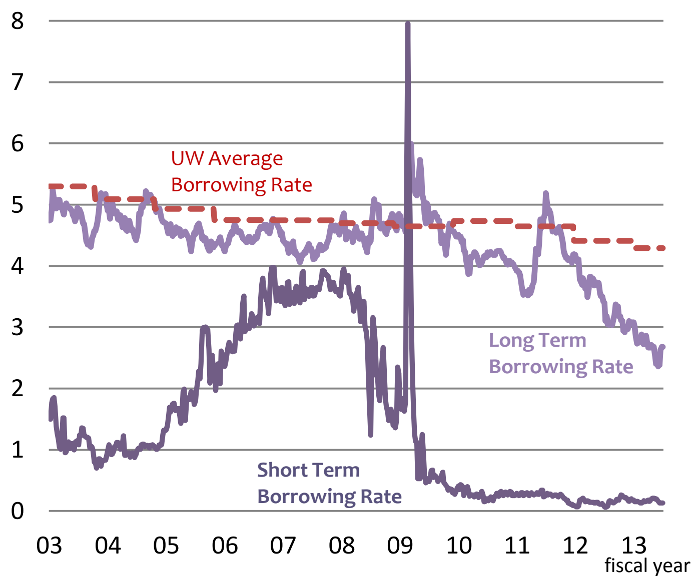
Quarter Ended December 31, 2012

(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 borrowed $300 million with the 2012C General Revenue Bonds. The overall interest rate was 3.02%. The bonds will be used to fund Bothell Phase 3, Husky Stadium and student housing projects among others.

Type of Debt	Issued FY13	Total Outstanding	Avg Rate	Wtd. Avg Maturity (yrs)
Commercial Paper	$0	$25	0.2%	0.10
Variable Rate	0	0	n/a	n/a
Fixed Rate	273	1,382	3.7%	17.3
ILP Total	**273**	**1,407**	**3.6%**	**17.0**
Non-ILP Debt	**28**	**939**	**4.8%**	**14.4**
Total Debt	**$301**	**$2,346**	**4.1%**	**15.9**

Total outstanding excludes original issue premium of $122M
Non-ILP outstanding includes $438 million for Valley & NW Hospital debt.

Internal Lending

In the first half of FY2013, $184 million in loans were made including Husky Stadium renovation ($74 million), Housing & Dining projects ($57 million), HUB renovation ($22 million), and UWMC expansion Phase 1 ($16 million).

	By Mission			
	Education	Research	Service	Total
Beginning Bal Jul-12	$88	$128	$920	**$1,136**
Additions	7	1	176	**184**
Reductions	(3)	(6)	(14)	**(23)**
Year to Date Activity	4	(5)	162	**161**
Total Receivable	**$92**	**$123**	**$1,082**	**$1,297**

Committed Capital Reserves

Ending balance of $254 million primarily includes debt proceeds from 2012C General Revenue Bonds. These funds must be used for approved capital projects.

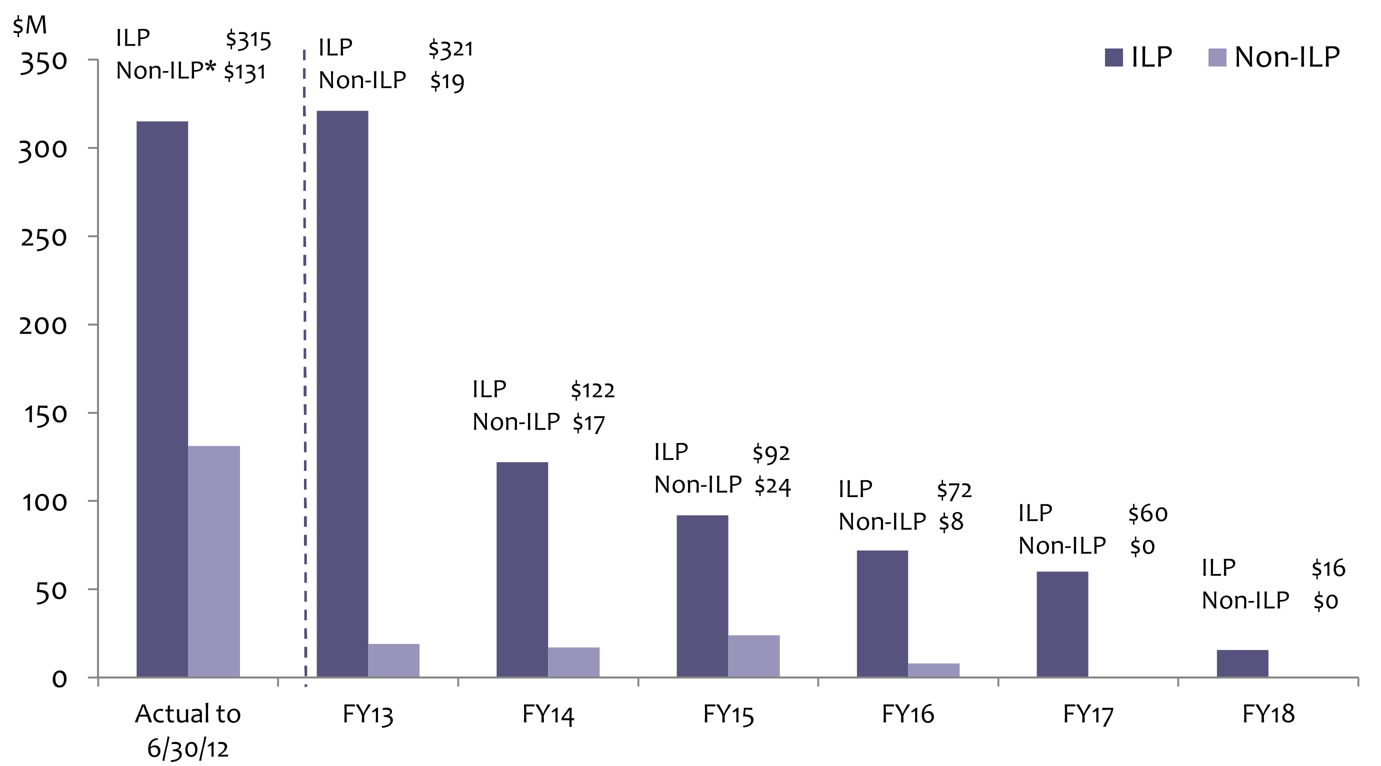
Beginning Balance Jul-12	$148.1
Internal Debt Service	38.4
External Debt Service	(34.8)
Net Debt Proceeds	103.2
Expenses	(0.4)
Ending Balance Dec-12	**$254.5**

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	85%
ECC Renovation	Jul-09	15	14	1	77%
Housing Phase 2 - excludes site 30W	Jun-12^	195	189	6	46%
Housing Phase 3	Jun-12	133	133	0	1%
HUB Renovation	Jul-09	119	113	6	93%
Husky Stadium Renovation	Nov-10	249	226	23	60%
Husky Stadium Renovation Increase	Jun-11	11	11	0	0%
Tacoma Phase 3	May-10	54	5	49	98%
UWMC Expansion Phase 1	Feb-08	166	156	10	96%
UWMC Expansion Phase 1 Increase	Jan-10	45	0	45	96%
UWMC Expansion Phase 2	Nov-12	186	136	50	0%
Husky Ballpark	Nov-12	20	13	7	24%
Total		**$1,197**	**$998**	**$199**	**63%**

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

Funding Forecast for Approved Projects - by Source



*Excludes Washington Biomedical Research Facilities debt issued for SLU 3.1 ($165M par)