VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Internal Lending Program Quarterly Report – Quarter Ended June 30, 2013

For information only.

*Attachment*
Internal Lending Program Quarterly Report – Quarter Ended June 30, 2013

Average Borrowing Rate 4.1%

# Internal Lending Program Quarterly Report

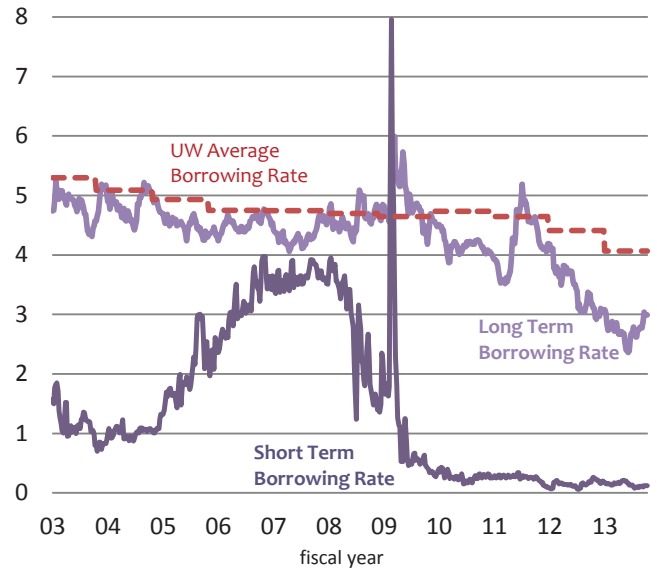
Quarter Ended June 30, 2013

(dollars in millions)

Internal Lending Rate 5.5%

## Interest Rates

***Speculation that the Federal Reserve will begin to pull back from quantitative easing has led to a sharp rise in interest rates that began in mid-June and continued through the summer. Since June 17, 2013, long term interest rates have increased nearly 1%. The UW issued tax-exempt bonds in August at an overall rate of 4.47%.***




## External Borrowing

***FY13 issuance includes $300 million for 2012C General Revenue Bonds issued in November 2012. In August 2013, the UW issued $146.4 million in bonds with an overall rate of 4.47%.***

| Type of Debt | Issued FY13 | Total Outstanding | Avg Rate | Wtd. Avg Maturity (yrs) |
|---|---|---|---|---|
| Commercial Paper | $0 | $25 | 0.2% | 0.26 |
| Variable Rate | 0 | 0 | n/a | n/a |
| Fixed Rate | 287 | 1,370 | 3.6% | 16.9 |
| **ILP Total** | **287** | **1,395** | **3.6%** | **16.6** |
| **Non-ILP Debt** | **53** | **944** | **4.8%** | **12.8** |
| **Total Debt** | **$340** | **$2,339** | **4.1%** | **15.4** |

Total outstanding excludes original issue premium of $125M.
Non-ILP outstanding includes $428 million for Valley & NW Hospital debt.

## Internal Lending

***The large increase in internal lending for the Service mission is mainly due to Husky Stadium renovation ($154 million), Housing & Dining projects ($124 million), HUB renovation ($43 million), and UWMC expansion Phase 1 ($27 million).***

| | By Mission | | | |
|---|---|---|---|---|
| | Education | Research | Service | Total |
| Beginning Bal Jul-12 | $88 | $128 | $920 | **$1,136** |
| Additions | 10 | 1 | 357 | **368** |
| Reductions | (19) | (10) | (47) | **(76)** |
| Year to Date Activity | **(9)** | (9) | 310 | **292** |
| **Total Receivable** | **$79** | **$119** | **$1,230** | **$1,428** |

## Committed Capital Reserves

***Ending balance of $124.9 million includes debt proceeds from 2012C General Revenue Bonds and funds for repayment of future debt. These funds must be used for capital projects or debt repayment.***

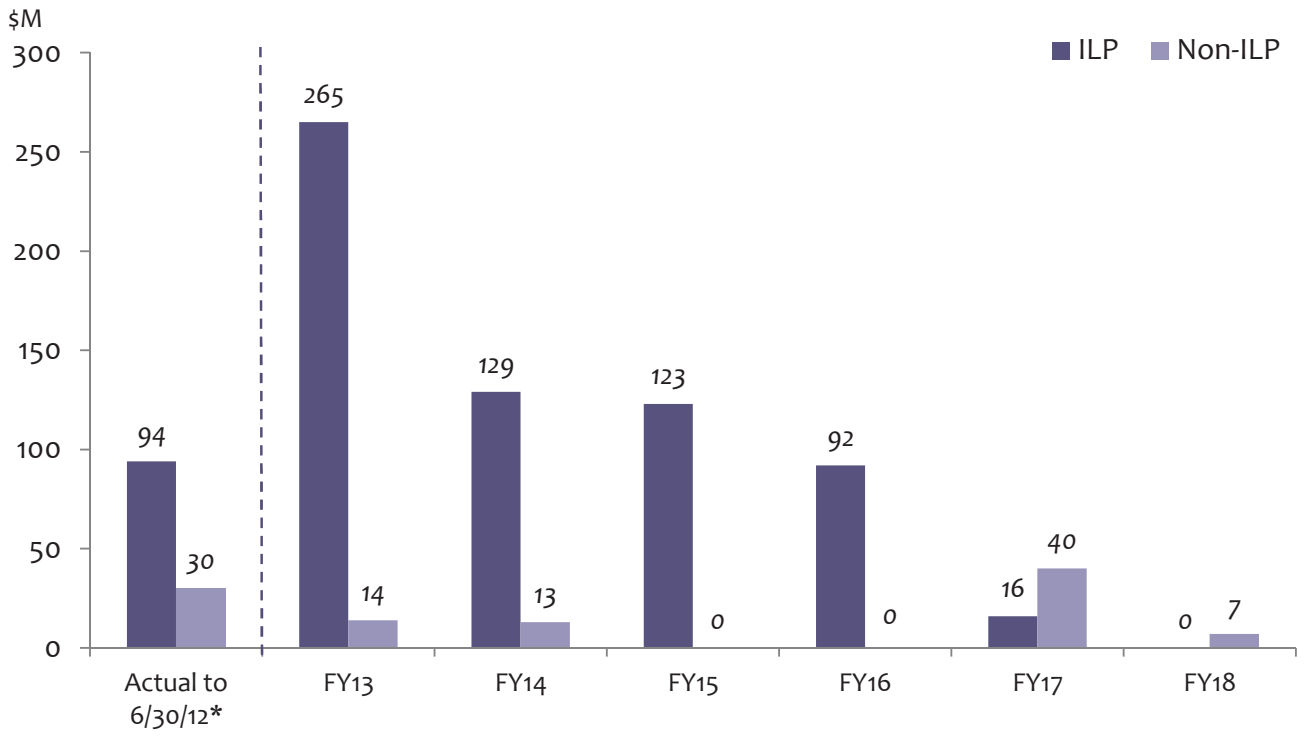
| | |
|---|---|
| Beginning Balance Jul-12 | $148.1 |
| Internal Debt Service | 115.6 |
| External Debt Service | (67.0) |
| Net Debt Proceeds | (71.1) |
| Expenses | (0.8) |
| **Ending Balance Jun-13** | **$124.8** |

## Funding Status for Approved Projects - by Project and Source

| Project Name | Date Approved | Current Budget | ILP | Non-ILP | Spent to Date (all sources) |
|---|---|---|---|---|---|
| ECC Renovation | Jul-09 | 15 | 14 | 1 | 96% |
| Housing Phase 2 - excludes site 30W | Jun-12* | 197 | 192 | 5 | 77% |
| Housing Phase 3 | Jun-12 | 130 | 129 | 1 | 2% |
| Husky Stadium Renovation | Nov-10 | 250 | 222 | 28 | 91% |
| Husky Stadium Renovation Increase | Jun-11 | 25 | 14 | 11 | 7% |
| UWMC Expansion Phase 2 | Nov-12 | 186 | 135 | 51 | 2% |
| Husky Ballpark | Nov-12 | 20 | 13 | 7 | 28% |
| **Total** | | **$823** | **$719** | **$104** | **64%** |

*original approval Feb-11, authority decreased Jun-12
UWMC Expansion, Phase 1 ($210M) and the HUB Renovation ($118M) completed as of June 2013 and no longer shown.

## Funding Forecast for Approved Projects - by Source




* Actuals exclude funding for completed projects.