

VII. STANDING COMMITTEE**B. Finance, Audit and Facilities Committee****Internal Lending Program Quarterly Report**

For information only.

Average
Annual Cost
of Debt
4.8%

Internal Lending Program Quarterly Report

Quarter Ended September 30, 2008

Internal
Lending
Rate
5.5%

Virtually all municipal bond issues have been delayed until liquidity returns to the market.

Investor demand for both long and short term municipal debt fell drastically as investors moved funds into federal government securities. Commercial paper market is still suffering from a lack of liquidity. Very little commercial paper is being currently issued.

As insitutional investors retreat to the sidelines, retail investors represent a larger share of the few transactions that are being completed.

Over the last three weeks, both short and long term interest rates have experienced significant volatility. If the UW were able to borrow today, the all-in interest rate would be about 5.5%.

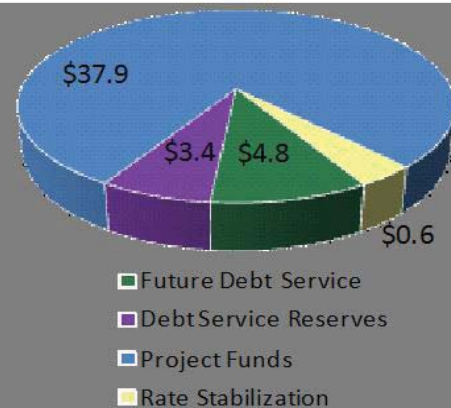
(dollars in millions)

Interest Rates



Cash Position

Beginning Balance	\$ 42.9
Internal Payments	12.5
External Debt Service	(7.5)
Expenses	(1.2)
End Balance	\$ 46.7



External Borrowing

Debt Issued To Fund ILP	Issued FY 09	Total Outstanding	Wtd. Avg. Rate	Wtd. Avg. Maturity (yrs)
Commercial Paper	\$ 7	\$ 10	1.6%	0.2
Variable Rate	0	0	n/a	n/a
Fixed Rate	0	561	4.7%	14.1
TOTAL	\$ 7	\$ 571	4.6%	13.8
Non - ILP Debt	0	392	5.1%	13.1
TOTAL DEBT	\$ 7	\$ 963	4.8%	13.5
NOTE: FY09 Authorized Debt Remaining \$90M of \$100M				

Internal Lending

	Cumulative to 6/30/2008	FY 09 to date	Total
Approved Funding			
Internal Loans	\$ 242	\$ 16	\$ 258
Cash	100	8	107
Total Project Budget	\$342	\$24	\$365

Funded to Date			
Internal Loans	\$ 5	\$ 5	\$ 10
Cash	13	3	17
Total Funded to Date	\$18	\$8	\$27

Internal Lending Program - Approved Funding

Project Name	Date Authorized	Debt	Cash	Total Project Budget
4545 ESCO	Feb-08 *	4	0	4
West Campus Garage	Oct-07	3	15	18
UWMC Expansion	Feb-08	156	10	166
Pediatric Dentistry	Mar-08	11	6	17
Tower Improvements	Mar-08	13	0	13
AAALAC Projects	Mar-08	25	3	28
PACCAR Business School	Jul-08	30	65	95
J-Wing	Sep-08	16	8	24
Total		258	107	365

* NOTE: Approved under delegated authority.

Project Funding By Source

