Recent Events

- If the University issued today, its estimated borrowing cost would be 3.71%\(^{(1)}\). Long-term rates remain low and stable.
- There are four upcoming issuances (including reissuances) of commercial paper totaling $126 million. The new commercial paper issuance is funding project expenditures for Housing Phase 4a, Life Sciences, and an interim financing for the Burke Museum.
- The University is expected to issue long-term fixed-rate debt for previously approved projects in early 2018, which will largely be used to pay off commercial paper.
- Refinancing of outstanding debt is becoming more attractive. Refunding of Series 2011 currently generates savings in today’s dollars of $12.7 million.
- Recently approved FAST program funded a 5-year $1.57 million loan for IT equipment at a rate of 1.81%.

Estimated Future Funding

FY 2018-2022 (in millions)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized Projects 2018 Issuance(^{(A)})</td>
<td>$120</td>
</tr>
<tr>
<td>Authorized Projects 2019 Issuance(^{(A)})</td>
<td>$100</td>
</tr>
<tr>
<td>Estimated Additional Capacity from Debt</td>
<td>-</td>
</tr>
<tr>
<td>Estimated Additional Capacity from CAP(^{(B)})</td>
<td>$106</td>
</tr>
<tr>
<td><strong>Total Funding over next 5 Years</strong></td>
<td><strong>$326</strong></td>
</tr>
</tbody>
</table>

(A) Authorized projects include Housing and Dining Phase 4a and Life Sciences.
(B) 10% of the Invested Funds (IF), less remaining Capital Assets Pool (CAP) loans as of 6/30/2017.

- 5-year project capacity is estimated annually. The 2017 projection indicates $106 million of new project capacity, generated entirely from the CAP.
- The limitation on additional borrowing is driven by projected net operating losses, as expenses are projected to grow faster than revenues.
- Additional capacity from the CAP is recalculated as the value of the IF changes and principal owed to the CAP is repaid.
- Short-term equipment financing has minimal impact on project capacity.

External Debt Portfolio - $2,358 Million

- The University has $2,358 million of external debt outstanding. This is lower than the previous report (balance of $2,370 million as of 5/31/2017) due to $14 million of principal payments and a $1.57 million FAST loan.
- The University will pay $29 million in principal during the month of July.
- Weighted average cost of debt: 3.45%.
- Portfolio Composition: 97% fixed rate; 3% variable rate. CP will be issued to support authorized project expenditures beginning in August 2017. This CP will be paid off with long-term debt in early 2018.
- $142 million in internal funding provided by the CAP is excluded from the external debt portfolio.

Annual Debt Service\(^{(2)}\)

- Maximum Annual Debt Service: $207M\(^{(2)}\)