

Semi-Annual ILP Report

As of 12/31/17
(dollars in millions)

- On February 15th, the University issued \$102 million of long-term fixed-rate bonds at 3.67% to fund ILP projects. This issuance generated \$120 million in proceeds which will be used to (a) pay off \$90 million of commercial paper, and (b) fund \$30 million of project draws for HFS Phase 4a and Life Sciences. Additional long-term debt was issued to pay off \$42 million in commercial paper for HR Payroll (excluded from the ILP)
- The Treasury Office monitors the financial performance and covenant compliance of borrowers on a semi-annual or annual basis
- \$141 million of project cash flows were funded between 6/30/2017 and 12/31/2017 for Life Sciences, HFS Phase 4a, and HFS Phase 3. These cash flows were funded from the 2016 General Revenue Bonds and commercial paper
- UW Medicine has begun implementation of the FIT plan, which was approved by the Board of Regents in November

ILP Activity Summary FY2017

2017 Beginning Balance ⁽¹⁾	\$166
Plus: Net Bond Proceeds	252
Less: Project Funding	(177)
Subtotal: Net Proceeds	75
Plus: Internal Loan Payments	148
Less: External Debt Service	(163)
Subtotal: Net Payments	(15)
Plus: Investment Earnings	7
Less: Administrative Expenses	(2)
Less: Credit Support Fee	(2)
Subtotal: Other	3
Net Activity	63
2017 Ending Balance	\$230 ⁽²⁾

(1) Revised to match FY2016 audited balances
(2) Reflects accrual basis of accounting, does not represent available cash balances.
Totals may not foot due to rounding

ILP Borrowers

Department	Loan Balance	In Compliance ⁽¹⁾	Trending
Housing and Food Services	\$ 628	Yes	●
Central	476	N/A	N/A
UW Medicine Clinical ⁽²⁾	402	N/A	↑
Intercollegiate Athletics ⁽³⁾	246	Yes	↑
Student Life	139	Yes	●
UW Tacoma	36	Yes	●
UW Bothell	31	Yes	●
School of Dentistry ⁽⁴⁾	10	N/A	↓
Total at 12/31/17	\$ 1,969 ⁽⁵⁾		

(1) As of most recent measurement date (6/30/17)
(2) Financial covenants were suspended through 6/30/19
(3) Meeting Financial Stability Plan reserve covenant, coverage covenant suspended
(4) School of Dentistry under governance of the Provost
(5) Only reflects outstanding debt within the ILP (e.g. excludes South Lake Union)

■ In compliance ↑ Trending Up
■ Not in compliance ↓ Trending Down
○ Stable

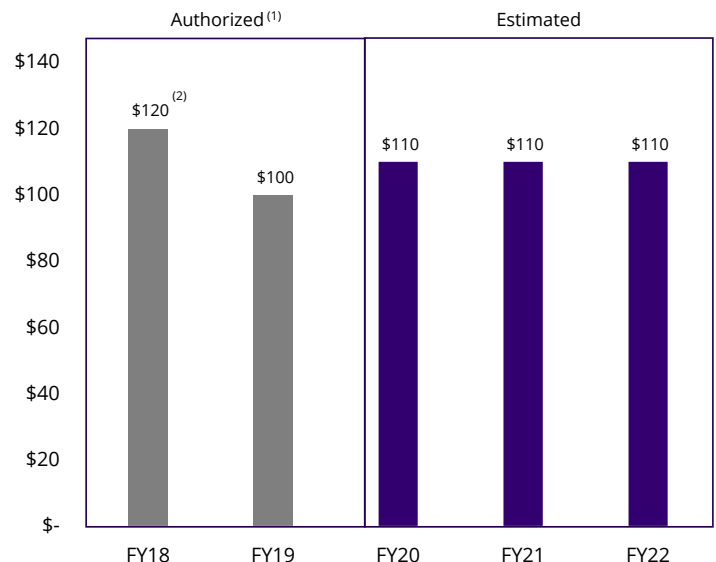
Capital Assets Pool (CAP)

- The CAP may be used for capital projects with amortizations up to 30 years
- Capacity is recalculated as the value of the Invested Funds changes and principal is repaid. Target allocation is 10% of the Invested Funds balance, less outstanding CAP loans as of 12/31/2017
- Funds are borrowed through the ILP

Invested Funds Balance ⁽¹⁾	\$2,518
<i>(as of 12/31/2017)</i>	
Target Allocation (10%)	252
Current Outstanding CAP Balance	(138)
Allocation Remaining	\$114

(1) Includes CAP balance of \$138 million

5-Year Borrowing Plan



(1) Authorized projects include HFS Phase 4a and Life Sciences
(2) Represents bonds issued on 2/15/18. Excludes \$42 million in HR Payroll refunding