

# Annual ILP Report

## As of 12/31/2023

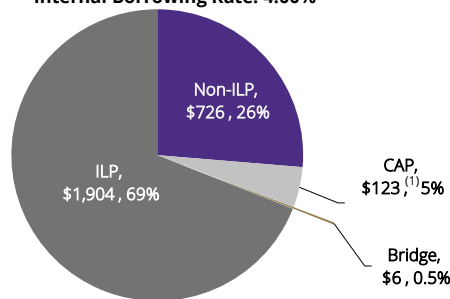
(dollars in millions)

<sup>(1)</sup> Does not reflect 2024 bond issuance

- The current ILP rate is 4.00%, which is estimated to be below the University's current external borrowing rate of 4.41%. Borrowing at external rates higher than the ILP rate lowers ILP sufficiency.
- \$145 million of project expenses were funded in FY23 for the Health Sciences Education Building, Destination One, UWM Small Works Budgets, Founders Hall, and Finance Transformation (non-ILP). As of December 31, 2023, \$27.8 million of project expenses have been funded in FY24 for Destination One, FY24 UWM Small Works Budget, UWMC - ML Membrane Repair, and Student Activities Fee IMA Pool.
- In September 2023, the Board approved the renewal of the FAST program in the amount of \$40 million through 2028. No additional loans have been approved to date.

### Internal Debt Summary

**Total Outstanding Balance: \$2.76 billion**  
**Internal Borrowing Rate: 4.00%**



#### ILP (including CAP and Bridge)

- The Internal Lending Program (ILP) outstanding balance as of December 31, 2023 totaled \$2.03 billion. This total includes the Capital Assets Pool Program and Bridge Program.
- The ILP currently consists of 75 individual loans.
- Loans are funded through a combination of external debt and internal reserves (see Other Lending Programs).
- UWMC - ML OR Expansion began funding in FY24.

#### Non-ILP

Non-ILP debt includes (but is not limited to):

- South Lake Union (\$266 million)
- Finance Transformation (\$143 million)
- FHCC Promissory Note (\$123 million)
- MoIE Interdisciplinary Academic Building (\$54 million)

### Capital Assets Pool (CAP)

Invested Funds (IF) Balance (as of December 31, 2023)	\$2,861.1
Target Allocation (10%)	\$286.1
Current Outstanding CAP Balance <sup>(1)(2)(3)</sup>	\$129.1
<b>Allocation Remaining</b>	<b>\$157.0</b>

<sup>(1)</sup> Internal (due to the ILP) and external (due to the IF) CAP balances may differ slightly due to timing differences.

<sup>(2)</sup> Includes capitalized interest and financing fees

<sup>(3)</sup> The Bridge Program is funded by CAP

- 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 June 30, 2023.
- The Invested Funds balance includes the short- and intermediate-pools, a portion of the long-term pool, and the University's cash account.
- CAP Loans are managed through the ILP.

### ILP Borrowers

Department	Loan Balance	Compliance as of 6/30/23	Risk Assessment <sup>(1)</sup>
Housing and Food Services	\$620.4	Yes	Low Risk
Central <sup>(2)</sup>	\$476.7	N/A	N/A
UWM - Select Units <sup>(3)</sup>	\$523.5	N/A	High Risk
Intercollegiate Athletics <sup>(3)</sup>	\$244.4	N/A	High Risk
Student Life	\$115.3	Yes	Low Risk
UW Tacoma <sup>(4)</sup>	\$31.6	Yes	Medium Risk
UW Bothell	\$21.3	Yes	Low Risk

**Total as of 12/31/23: \$2,033.1**

<sup>(1)</sup> Risk assessment as detailed and defined in the Semi-Annual Unit Performance Reports.

<sup>(2)</sup> Central loans are not subject to loan covenants.

<sup>(3)</sup> Board has approved financial covenant waiver for UWM and ICA through FY24. Covenant requirements will begin as of FY25 measurement date.

<sup>(4)</sup> UW Tacoma will submit materials needed to complete the Agreed Upon Procedures, conducted by Internal Audit, no later than March 11th. This work is required to meet ongoing ILP continuing disclosure requirements.

Low Risk Medium Risk High Risk

### Other Lending Programs

Program Name	Total Capacity	Committed Capacity	Remaining Capacity
Bridge Program <sup>(1)</sup>	\$60.0	\$19.2	\$40.8
FAST Program 2014	\$12.0	\$8.6	N/A
FAST Program 2017	\$30.0	\$28.5	N/A
FAST Program 2020	\$40.0	\$11.7	N/A
FAST Program 2023 <sup>(2)</sup>	\$40.0	\$0.0	\$40.0
FASTer	\$10.0	\$2.1	\$7.9
Line of Credit	\$100.0	\$0.0	\$100.0
UHAP <sup>(3)</sup>	\$3.0	\$4.4	(\$1.4)

<sup>(1)</sup> The Bridge Program provides funding to manage timing differences between gift and project cash flows. Approved Bridge projects include: ICA High Performance Basketball Center, CoEng Interdisciplinary Building, and Founders Hall. Bridge is funded using balances in the CAP program.

<sup>(2)</sup> Financing Assets in the Short Term (FAST) provides short-term borrowing at market-based rates.

<sup>(3)</sup> University Housing Assistance Program (UHAP) is a down payment assistance program for faculty seeking homes. Negative remaining capacity reflects timing differences between loan offers extended and closing of loans. Balances as of December 31, 2023.