

Annual ILP Report

As of 12/31/2024

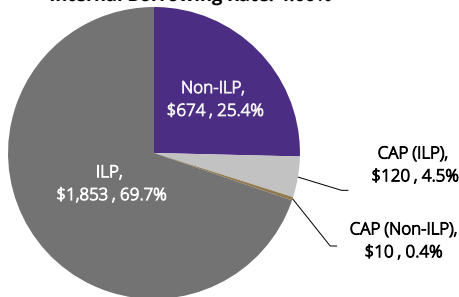
(dollars in millions)

⁽¹⁾ Does not reflect 2025 bond issuance

- The current ILP rate is 4.00%, which is estimated to be below the University's current external borrowing rate of 4.51%, as of February 27, 2025. Borrowing at external rates higher than the ILP rate lowers ILP sufficiency.
- In FY24, \$66 million in project expenses were funded for Destination One, Health Sciences Education Building, SAF IMA Pool, FY24 UWM Small Works Budget, UWMC ML Membrane Repair, UWMC ML OR Expansion, UWMC ML Roof & Chiller Replacement, and UWMC NW Digestive Health Clinic and Endoscopy Center.
- YTD FY25 (through December 31, 2024), \$15.3 million of project expenses have been funded for Destination One, FY25 UWM Small Works Budget, UWMC ML Membrane Repair, UWMC ML OR Expansion, UWMC ML Roof & Chiller Replacement, and UWMC NW Digestive Health Clinic & Endoscopy Center.
- In June 2024, the Board approved the expansion of the CAP program to fund non-ILP operating support loans for eligible internal borrowers. The Board approved a \$14.6 million loan for ICA under this program to support its FY25 operations. As of December 31, 2024, \$9.8 million has been drawn.
- Since June 2024, the University approved FAST loans for UW IT and Fleet Services for \$4.1 million and \$1.9 million, respectively.
- As of December 31, 2024, the following loans matured, or were prepaid: Suzzallo FAST 2014, 2020 Fleet Services FAST, and Transportation Services 2004 Parking Projects.

Internal Debt Summary

Total Outstanding Balance: \$2.66 billion
Internal Borrowing Rate: 4.00%



ILP (including CAP and Bridge)

- The Internal Lending Program (ILP) outstanding balance as of December 31, 2024 totaled \$1.97 billion. This total includes the Capital Assets Pool Program and Bridge Program.
- The ILP currently consists of 70 individual loans.
- Loans are funded through a combination of external debt and internal reserves (see Other Lending Programs).

Non-ILP

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

- South Lake Union (\$252 million)
- Finance Transformation (\$127 million)
- FHCC Promissory Note (\$110 million)
- MoIE Interdisciplinary Academic Building (\$54 million)

Capital Assets Pool (CAP)

Invested Funds (IF) Balance (as of December 31, 2024)	\$3,072.7
Target Allocation (10%)	\$307.3
Current Outstanding CAP Balance - ILP ⁽¹⁾	\$119.9
Current Outstanding CAP Balance - Operating Support	\$9.8
Allocation Remaining	\$177.6
Subtotal: Remaining Allocation for University Capital Projects (ILP & Bridge)	\$95.1
Subtotal: Remaining Allocation Operating Support loans (Non-ILP)	\$82.4

⁽¹⁾ Reflects balance due from units to the ILP. This amount differs slightly from amount due to the IF, resulting from timing differences and the inclusion of capitalized interest and financing fees for unit loans.

- CAP capacity is recalculated quarterly 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 December 31, 2024.
- The Invested Funds balance includes the short- and intermediate-pools, a portion of the long-term pool, and the University's cash account.

ILP Borrowers

Department	Loan Balance	Compliance as of 6/30/24	Risk Assessment ⁽¹⁾
Housing and Food Services	\$566.5	Yes	Low Risk
Central ⁽²⁾	\$445.3	N/A	N/A
UWM - Select Units ⁽³⁾	\$556.5	N/A	Medium Risk
Intercollegiate Athletics ⁽³⁾	\$244.4	N/A	High Risk
Student Life	\$109.0	Yes	Low Risk
UW Tacoma	\$30.7	Yes	Low Risk
UW Bothell	\$20.1	Yes	Low Risk
Total as of 12/31/24:	\$1,972.6		

⁽¹⁾ Risk assessment as detailed in the Semi-Annual Unit Performance Reports as of June 30, 2024.

⁽²⁾ Central loans are not subject to loan covenants.

⁽³⁾ The Board approved financial covenant waivers for UWM and ICA through FY25. Covenant requirements will begin as of the FY26 measurement date.

Low Risk Medium Risk High Risk

Other Lending Programs

Program Name	Total Capacity	Committed Capacity	Remaining Capacity
Bridge Program ⁽¹⁾	\$60.0	\$20.2	\$39.8
FAST Program 2014 ⁽²⁾	\$12.0	\$8.6	N/A
FAST Program 2017 ⁽²⁾	\$30.0	\$28.5	N/A
FAST Program 2020 ⁽²⁾	\$40.0	\$11.7	N/A
FAST Program 2023 ⁽²⁾	\$40.0	\$6.0	\$34.0
FASTER	\$10.0	\$1.7	\$8.3
Line of Credit	\$100.0	\$0.0	\$100.0
UHAP ⁽³⁾	\$3.1	\$4.4	(\$1.3)

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

⁽²⁾ Financing Assets in the Short Term (FAST) is a non-revolving program that provides short-term borrowing at market-based rates. The currently active program is FAST 2023. All other FAST programs have expired, however, still have outstanding balances.

⁽³⁾ University Housing Assistance Program (UHAP) is a down payment assistance program for faculty. Negative remaining capacity reflects timing differences between loan offers extended and closing of loans. Balances as of December 31, 2024.