



Presentation for Investors

W University of Washington



October 26th , 2016

BACKGROUND AND RECENT HIGHLIGHTS

- > Founded in 1861, the University is the largest of six State-funded four-year institutions of higher education in the State of Washington
 - Over 50,000 full-time equivalent students across campuses in Seattle, Tacoma and Bothell
 - Accredited by the Northwest Commission on Colleges and Universities and is a member of the Association of American Universities
 - Provides baccalaureate, masters, doctoral and professional degree programs through 16 colleges and schools
- > The University operates UW Medicine, an integrated health system that owns or operates multiple medical centers, hospitals, and clinics as well as UW Physicians, UW School of Medicine and Airlift Northwest
- > In recent years, tuition revenue has grown as State appropriations have declined
 - However, in FY16/17, the State Legislature reduced tuition for resident undergraduate students and increased appropriations to offset the reductions
- > Enrollment demand – in-state, nationally, and internationally – has been consistently strong
 - Freshman applications for Autumn 2016 were the highest in the University's history



FACILITIES AND CAMPUS LIFE

- > Largest campus is in Seattle, with additional campuses in Tacoma and Bothell
 - All three campuses are located in the Puget Sound region, the most populous area in the State and one of the fastest growing regions in the nation
- > 22 million square feet of University-owned and University-leased facilities



- > Located right next to the new Husky Stadium, Sound Transit's University of Washington Station provides easy regional access to campus, UW Medical Center, other Husky athletic sites and surrounding neighborhoods
- > Degree programs include arts and sciences, built environments, business, dentistry, education, educational outreach, engineering, environment, information, law, medicine, nursing, pharmacy, public affairs, public health, and social work
 - 530 degree options across 294 programs
- > The University has a broad-based NCAA Division I intercollegiate athletics program and is a member of the Pac-12 conference



UNIVERSITY OF WASHINGTON ENROLLMENT AND DEMAND

- > Nearly 56,000 students currently enrolled
- > Approximately 70 percent of undergraduate and graduate students were in-State residents
- > Undergraduate location:
 - Seattle campus: 78%
 - Bothell campus: 12%
 - Tacoma campus: 10%
- > Selectivity metrics (2015):
 - Mean GPA: 3.70
 - Mean Combined SAT Scores: 1210
 - 92% undergraduate retention rate from freshman to sophomore year

	Autumn Quarter ⁽¹⁾					
	2011	2012	2013	2014	2015	2016 ⁽²⁾
University FTE						
Undergraduate	33,827	34,402	35,737	37,025	37,975	N/A
Graduate	12,820	13,049	13,557	13,751	14,154	N/A
Professional	<u>3,932</u>	<u>3,949</u>	<u>4,086</u>	<u>4,081</u>	<u>3,834</u>	<u>N/A</u>
Total FTE Enrollment	50,579	51,400	53,380	54,857	55,963	N/A
Student and Enrollment						
<i>Undergraduate Freshmen</i>						
Applicants	27,469	29,723	33,857	35,382	41,257	48,453
Acceptances	16,799 ⁽⁴⁾	18,328 ⁽⁴⁾	19,560	20,510	23,183	23,752
Enrolled	6,671 ⁽⁴⁾	7,039 ⁽⁴⁾	7,210 ⁽⁴⁾	7,341 ⁽⁴⁾	7,943 ⁽⁴⁾	N/A
<i>Undergraduate Transfers</i>						
Applicants	8,277	8,415	8,809	9,480	9,819	9,498
Acceptances	4,250	4,448	4,705	4,826	4,747	4,622
Enrolled	3,046	3,084	3,252	3,308	3,123	N/A
<i>Graduate</i>						
Applicants	24,692	26,350	27,381	29,851	32,248	32,562
Acceptances	7,493	8,106	8,980	9,106	9,693	9,703
Enrolled	3,720	3,643	4,383	4,389	4,717	N/A
<i>Professional⁽³⁾</i>						
Applicants	8,698	9,527	10,110	10,511	12,388	N/A
Acceptances	1,059	1,116	1,195	1,269	1,291	N/A
Matriculants	1,979	1,999	2,000	2,006	2,009	N/A

(1) Unless otherwise noted, all figures include Seattle, Tacoma, and Bothell campuses

(2) Preliminary; 2016 Autumn enrollment data will not be available until later in October 2016

(3) Includes Pharmacy, Dentistry, Law, and Medical schools

(4) Restated to include only first time, first year freshmen

Source: The University



UNIVERSITY OF WASHINGTON TUITION AND FEES (\$ FULL ACADEMIC YEAR)

- > The University received \$949 million in student tuition and fees in FY16
- > In addition to the tuition and fees listed in the chart to the right, average room and board costs for existing double housing is \$11,036 for the 2016 academic year
- > The University maintains tuition-setting authority for all categories of students with the exception of resident undergraduates

	Fall Quarter ⁽¹⁾				
	2012	2013	2014	2015	2016
Undergraduate Resident ⁽²⁾	\$12,383	\$12,397	\$12,394	\$11,839	\$10,752
Undergraduate Non-Resident	29,938	31,971	33,513	34,143	34,791
Graduate Resident	14,698	15,666	16,683	16,665	16,653
Graduate Non-Resident	27,318	28,119	28,926	28,909	28,896
Professional School Resident (Min) ⁽³⁾	24,018	26,325	26,496	28,362	29,577
Professional School Resident (Max) ⁽³⁾	32,948	36,150	39,654	43,494	46,875
Professional School Non-Resident (Min) ⁽³⁾	40,158	42,126	44,175	44,124	44,112
Professional School Non-Resident (Max) ⁽³⁾	57,198	59,175	61,206	66,483	71,703

⁽¹⁾ Includes Seattle, Tacoma, and Bothell campuses.

⁽²⁾ The University reduced resident undergraduate tuition as part of an agreement with the Legislature that resulted in increased State appropriations. See "Other University Financial Information—State Funding."

⁽³⁾ Includes Pharmacy, Dentistry, Law, and Medical schools and the Master of Business Administration program; figures shown represent the range from lowest to highest tuition and fees among these professional schools.

Source: The University.

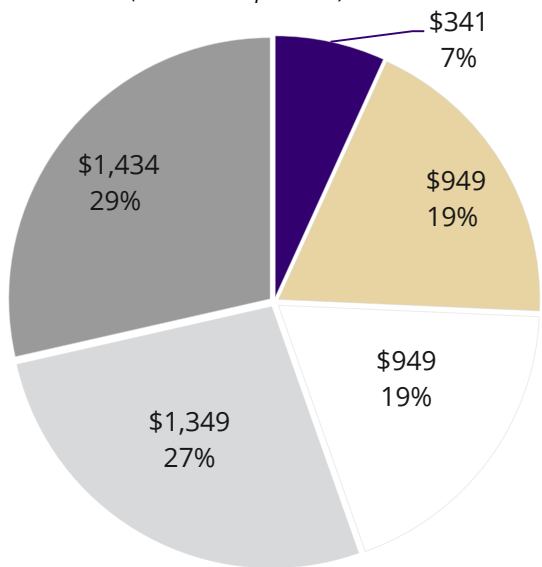
- > For FY15 and FY16, the Legislature reduced tuition for resident undergraduate students and increased appropriations to the University
 - Beginning with 2017-2018 academic year, the University may increase resident undergraduate tuition by no more than the average annual percentage growth rate in the median hourly wage for Washington for the previous 14 years
- > State appropriations for 2013-15 biennium increased 20% over previous biennium
 - State appropriations for 2015-17 biennium are currently budgeted to exceed previous biennium by 24%



UNIVERSITY REVENUES/ OPERATING EXPENSES (FY16)

Revenues: \$5.021 billion⁽¹⁾

(\$ Millions in pie chart)

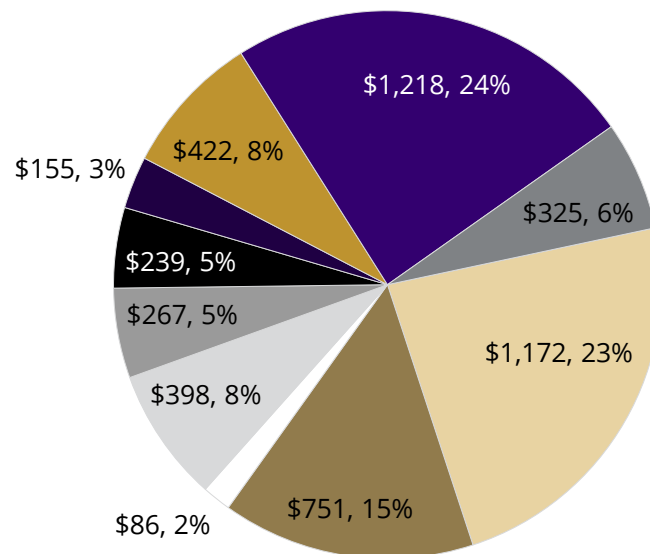


- State Funding
- Tuition and Fees
- Patient Services
- Other (2)
- Grants and Contracts

(1) Preliminary and Unaudited; subject to change
 (2) "Other" revenue includes auxiliary revenue, gifts and investment income

Operating Expenses: \$5.034 billion⁽¹⁾

(\$ Millions in pie chart)



- Instruction
- Research
- Academic support
- Other(2)
- Institutional support
- Operation & Maintenance of plant
- Scholarships & Fellowships
- Auxiliary
- Depreciation/Amortization
- Medical Related

(1) Preliminary and Unaudited; subject to change. Total does not foot to 100% due to rounding
 (2) Includes student services and public service



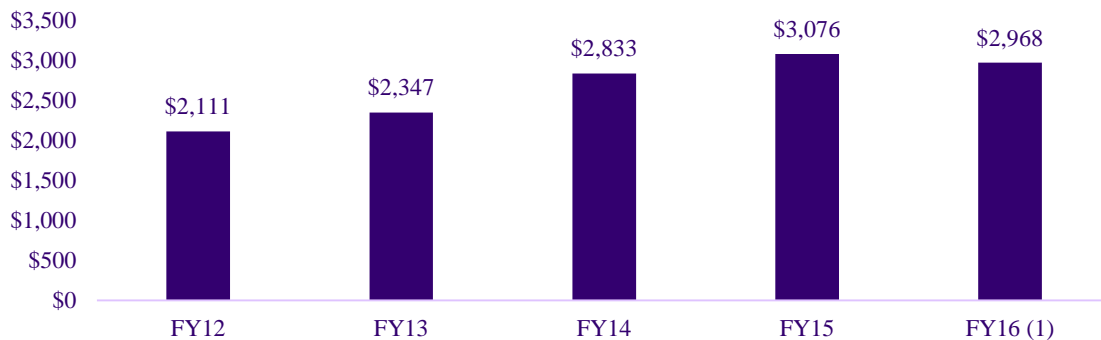
INVESTED FUNDS AND CONSOLIDATED ENDOWMENT FUND

Fundraising Highlights

- > The University receives significant private (non-governmental) support
- > In FY16, the University received \$542.4 million in total private support from 143,828 donors
 - Private gifts: \$249 million; private grants: \$293 million
- > The University expects to formally announce its third comprehensive capital campaign later this year
 - The campaign will likely extend through FY20

- > The total value of the University's operating fund investments (currently referred to as the University's "Invested Funds"), preliminary as of June 30, 2016 was \$2.35 billion
- > The Invested Funds Pool currently consists of four pools:
 - **Cash (24%*) and Liquidity (40%*) Pools:** Invested primarily in short-term and intermediate-term, high quality, fixed-income securities to meet day-to-day obligations
 - **Diversified Investment Pool (31%*):** Holds CEF (see below) units that are intended to enhance the overall portfolio return
 - **Capital Assets Pool ("CAP") (5%*):** Allows funds to be spent on capital projects
- > The Consolidated Endowment Fund ("CEF") preliminary total value as of June 30, 2016 was \$2.97 billion (5.6% annualized return for the 10 years ended June 30, 2016)
- > Quarterly endowment distributions to programs approximately 4% (plus 1% admin fee)

Consolidated Endowment Fund Market Value
(\$ in millions)



(*) As of June 30, 2016

(1) Preliminary and unaudited; subject to change

- > UW Medicine is an integrated system which has multiple components, including:
- Harborview Medical Center
 - Northwest Hospital & Medical Center
 - Valley Medical Center
 - UW Medical Center
 - UW Neighborhood Clinics
 - UW Physicians
 - UW School of Medicine
 - Airlift Northwest



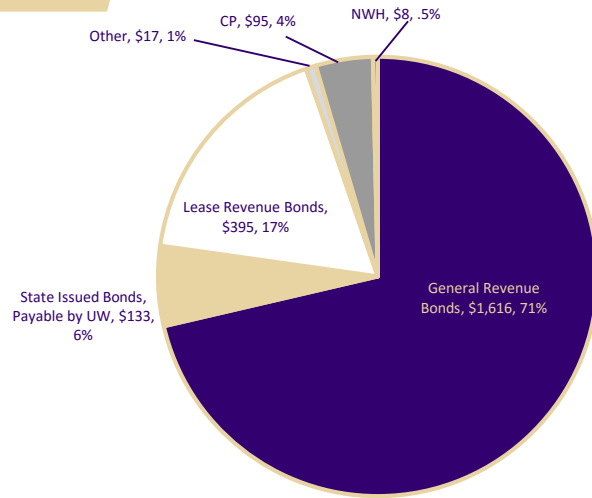
UW Medical Center, Northwest and Valley Financial Information ⁽¹⁾ Fiscal Years 2012 - 2016					
	2012	2013	2014	2015	2016 ⁽²⁾
UW Medical Center					
Total Operating Revenue	\$877,548	\$920,705	\$967,651	\$1,083,584	\$1,135,625
Net Income	36,026	5,798	14,096	26,745	(27,679)
Valley					
Total Operating Revenue	\$436,407	\$451,012	\$474,195	\$518,532	\$550,343
Net Income	(5,899)	(16,385)	6,149	15,617	11,481
Northwest					
Total Operating Revenue	\$300,089	\$327,807	\$324,342	\$357,054	\$372,751
Net Income	(2,700)	9,284	(4,755)	(5,283)	(4,512)
Combined					
Total Operating Revenue	\$1,614,044	\$1,699,524	\$1,766,188	\$1,959,170	\$2,058,719
Net Income	27,427	(1,303)	15,490	37,079	(20,710)

⁽¹⁾ Only UW Medical Center revenues are included in General Revenues for the University. In thousands
⁽²⁾ Preliminary and unaudited; subject to change.
Source: The University.

UW Medical Center, Northwest and Valley Patient Activity Statistics Fiscal Years 2012 - 2016					
	2012	2013	2014	2015	2016 ⁽¹⁾
UW Medical Center					
Admissions	17,915	17,728	18,033	18,092	18,362
Outpatient Visits	300,487	284,870	291,375	302,038	320,037
Emergency Visits	23,487	22,977	25,338	26,465	26,555
Valley					
Admissions	16,842	17,477	16,693	17,174	17,518
Outpatient Visits	344,947	362,274	403,169	471,780	499,814
Emergency Visits	75,586	74,202	73,763	81,250	83,067
Northwest					
Admissions	9,127	9,974	9,211	9,934	10,060
Outpatient Visits	193,992	195,978	193,387	195,031	197,132
Emergency Visits	33,832	33,942	34,276	36,159	35,068
Combined					
Admissions	43,884	45,179	43,937	45,200	45,940
Outpatient Visits	839,426	843,122	887,931	968,849	1,016,983
Emergency Visits	132,905	131,121	133,377	143,874	144,690

⁽¹⁾ Fiscal Year 2016 figures are preliminary and unaudited; subject to change
Source: The University

DEBT ISSUANCE BY TYPE



Outstanding Debt by Type as of 9/30/2016: \$2,266 billion^(*)

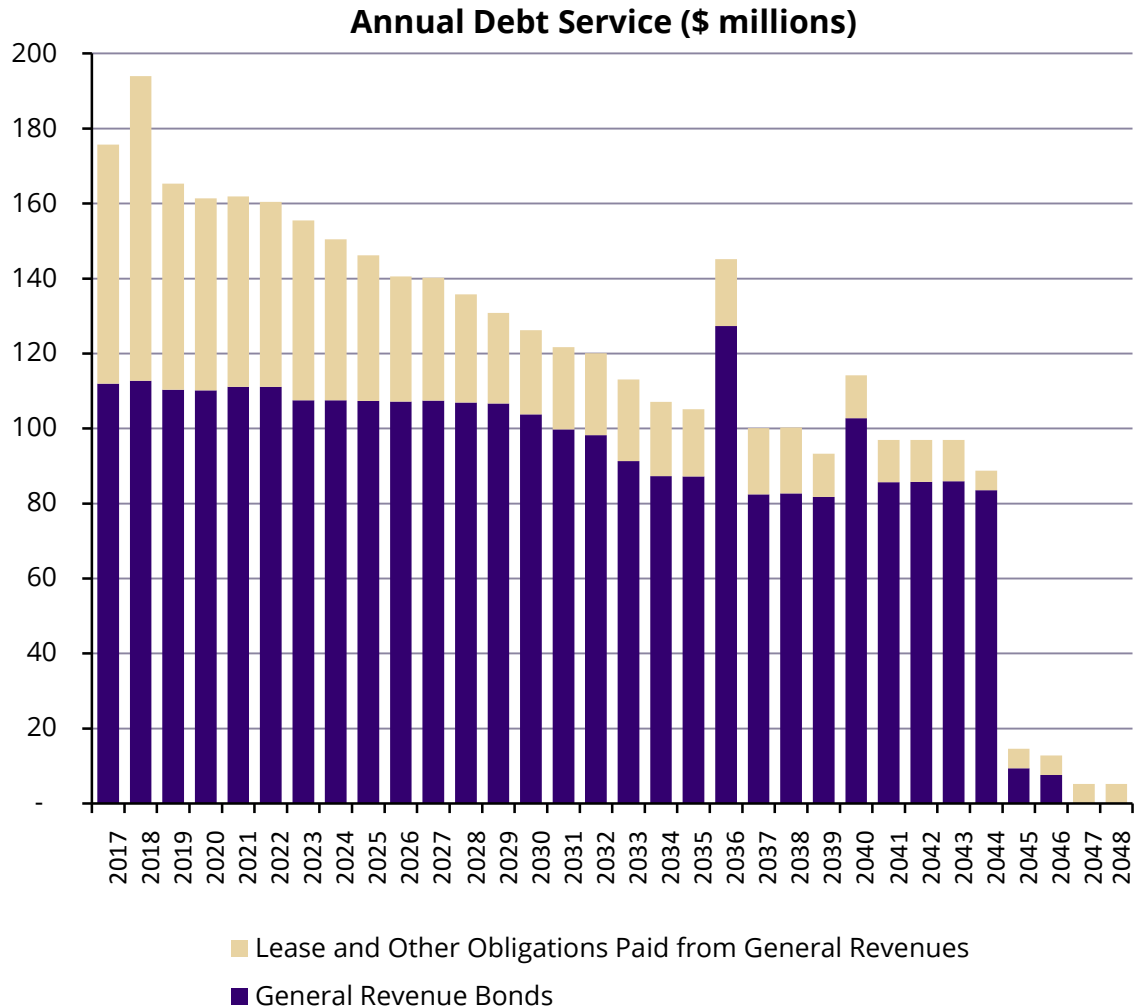
Revenue Bonds		Lease Revenue Bonds		Commercial Paper	
Series Name	Outstanding Par	Series Name	Outstanding Par	Series Name	Outstanding Par
2008 GRB	46,915,000	2010B LR WBRF 3 - BABS	135,370,000	CP2016 07/15/2016 - \$25M	25,000,000
2009A GRB Taxable BABS	75,835,000	2013 LR WBRP (R-2004A LR WBRP)	24,630,000	CP2016 07/20/2016 - \$45M	45,000,000
2009B GRB Taxable BABS	77,710,000	2014A LR WBRP (R-2005E & 2006J LR WBRP)	103,715,000	CP2016 10/06/2016 - \$25M	25,000,000
2010A GRB	11,965,000	2015A LR WBRP 3.2	107,615,000		
2010B GRB Taxable	144,740,000	2015B LR WBRP 3.2	24,455,000		
2011A GRB	180,725,000				
2012A GRB	230,520,000				
2012B GRB Taxable	21,090,000				
2012C GRB	283,960,000				
2013 GRB	137,575,000				
2015A GRB	166,415,000				
2015B GRB Taxable	46,410,000				
2015C GRB	159,160,000				
2015D GRB Taxable	33,705,000				
	1,616,725,000		395,785,000		95,000,000

* Does not include Valley LTGO or Revenue debt



LONG TERM DEBT SERVICE SCHEDULE

- > The University's most significant General Revenue obligations include:
 - General Revenue bonds, including the Series 2016A-B Bonds, and Commercial Paper Notes
 - Leases and other contractual obligations
- > Total University Outstanding Obligations: \$2.259 billion (as of October 2, 2016)



() See important footnotes related to the University's Annual Debt Service on page 13 of the Preliminary Official Statement*



WHERE AND WHEN TO FIND INFORMATION

Bond Holders Report

- Where: <http://f2.washington.edu/treasury/bondholders/other-investor-material>
- When: January 31st to EMMA

Gifts

- Where: <https://www.washington.edu/giving/recognition/rtc/>
- When: November

Research Awards

- Where: <http://www.washington.edu/research/index.php?page=orStats>
- When: January

UW Medicine

- Where: Uwmedicine.org & <http://www.washington.edu/regents/>
- When: November

Board of Regents: <http://www.washington.edu/regents/>

- | | |
|---------------------------|---------------|
| – Debt Capital Plan | Spring |
| – Debt Management: | May |
| – Debt Capacity: | June |
| – Bond Resolution: | July |
| – Projects | As approved |
| – Semi- Annual ILP Report | March/October |
| – Monthly Debt Report | Monthly |

* Does not include Valley LTGO or Revenue debt

