New Issue
Book-Entry Only
Not Bank Qualified

Moody's Rating: Aa1
S&P Global Rating: AA+
***See* "OTHER BOND INFORMATION—Ratings"**

In the opinion of Bond Counsel, under existing law and subject to certain qualifications described herein, interest on the Bonds is excludable from gross income for federal income tax purposes. In addition, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds may affect the federal alternative minimum tax applicable to certain corporations. See "TAX MATTERS."

UNIVERSITY OF WASHINGTON
$61,020,000
General Revenue Refunding Bonds, 2025C

Dated: Delivery Date (as defined below) **Due: As shown on inside cover**

The University of Washington (the "University") is issuing its General Revenue Refunding Bonds, 2025C (the "Bonds") as fully-registered securities, in denominations of $5,000 or integral multiples thereof within a maturity. The Depository Trust Company, New York, New York ("DTC") will act as initial securities depository for the Bonds, with the Bonds registered in the name of Cede & Co. as DTC's nominee. Under DTC's book-entry-only transfer system, purchasers ("Beneficial Owners") will purchase Bonds through DTC's broker-dealer participants, which will receive a credit in DTC's records. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds. *See* APPENDIX D—"BOOK-ENTRY ONLY SYSTEM." The fiscal agent of the State of Washington (the "State"), currently U.S. Bank Trust Company, National Association, will act as the registrar, authenticating agent, transfer agent and paying agent for the Bonds (the "Registrar").

The Bonds will mature January 1 of each year, commencing January 1, 2026, and will bear interest payable on July 1 and January 1 of each year, commencing July 1, 2025, until maturity or prior redemption. For as long as the Bonds remain in book-entry form, the Registrar will remit principal and interest payments from the University to DTC, which will in turn remit these payments to its participants for subsequent disbursement to the Beneficial Owners. *See* APPENDIX D—"BOOK-ENTRY ONLY SYSTEM."

Maturity Dates, Principal Amounts, Interest Rates, Yields, Prices and CUSIP Numbers on Inside Front Cover

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The University will use the proceeds of the Bonds to (a) refund certain of the University's outstanding obligations; and (b) pay costs of issuing the Bonds. *See* "SOURCES AND USES OF BOND PROCEEDS."

Certain of the Bonds are subject to redemption prior to their stated maturity dates. *See* "THE BONDS—Optional Redemption."

The Bonds are special fund obligations of the University, payable solely from General Revenues, as defined herein. General Revenues include all non-appropriated income, revenues and receipts of the University if and to the extent such funds are not restricted in their use by law, regulation or contract. The University reserves the right to include in General Revenues other sources of revenue or income upon compliance with certain conditions, and to exclude items from General Revenues in the future. A portion of the debt service on the Bonds is also payable from Building Fees and money and investments in the University of Washington Bond Retirement Fund, as such terms are defined herein. The Bonds are not general obligations of the University or the State. The full faith and credit of the University is not pledged to the payment of the Bonds. The University has no taxing power. *See* "SECURITY FOR THE BONDS."

The University has previously issued bonds and other obligations payable from General Revenues and has entered into lease and other financing arrangements payable from General Revenues. The University may issue additional bonds or enter into leases or other contractual obligations payable from General Revenues without restriction. *See* "SECURITY FOR THE BONDS."

The University has not designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. *See* "TAX MATTERS."

When, as and if issued, the Bonds are subject to receipt of the approving legal opinion of Pacifica Law Group LLP, Seattle, Washington. Certain matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, Seattle, Washington. The University expects the Bonds to be available for delivery through DTC's facilities in New York, New York, or through the Registrar on DTC's behalf by Fast Automated Securities Transfer, on or about April 4, 2025 (the "Delivery Date").

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Goldman Sachs & Co. LLC **Barclays**
BofA Securities **Ramirez & Co., Inc.**

Official Statement dated March 25, 2025

UNIVERSITY OF WASHINGTON

GENERAL REVENUE REFUNDING BONDS, 2025C
$61,020,000

Maturity (January 1)	Principal Amount	Interest Rate	Yield	CUSIP** Number
2026	$ 3,770,000	5.00%	2.73%	91523NC79
2027	3,335,000	5.00	2.78	91523NC87
2028	4,930,000	5.00	2.84	91523NC95
2029	5,215,000	5.00	2.90	91523ND29
2030	5,480,000	5.00	2.98	91523ND37
2031	5,345,000	5.00	3.06	91523ND45
2032	5,610,000	5.00	3.11	91523ND52
2033	5,895,000	5.00	3.21	91523ND60
2034	4,265,000	5.00	3.29	91523ND78
2035	2,525,000	5.00	3.35	91523ND86
2036	2,650,000	5.00	3.46*	91523ND94
2037	2,785,000	5.00	3.54*	91523NE28
2038	2,925,000	5.00	3.63*	91523NE36
2039	3,065,000	5.00	3.69*	91523NE44
2040	3,225,000	5.00	3.77*	91523NE51

* Calculated to the par call date of April 1, 2035.

** CUSIP Global Services ("CGS") has provided the CUSIP data herein. FactSet Research Systems Inc. manages CGS on behalf of the American Bankers Association. This Official Statement's inclusion of CUSIP data is for convenience and reference only, and does not create a database or serve as a substitute for the CUSIP service. Neither the University, nor the Underwriters, nor their agents or counsel assume responsibility for the data's accuracy. CUSIP is a registered trademark of the American Bankers Association.

UNIVERSITY OF WASHINGTON
4328 Brooklyn Ave. NE
Seattle, WA 98105
Telephone: (206) 221-2058
Website: https://finance.uw.edu/treasury/[(1)]

BOARD OF REGENTS

Regent	Title	Term Expiration
Blaine Tamaki	Chair	September 30, 2028
Leonard Forsman	Vice-Chair	September 30, 2027
Leonor R. Fuller	Member	September 30, 2027
Alexes Harris[(2)(3)]	Member	September 30, 2025
Linden Rhoads	Member	September 30, 2028
Constance W. Rice[(2)]	Member	September 30, 2025
Rogelio Riojas[(2)]	Member	September 30, 2025
Keondra Rustan[(4)]	Member	June 30, 2025
David Schumacher[(2)]	Member	September 30, 2030
Maggie Walker[(2)]	Member	September 30, 2030
David Zeeck	Member	September 30, 2029

Tyler Lange	Secretary of the Board of Regents
Kristine Holmberg-Lennemann	Assistant Secretary of the Board of Regents
Leonard Forsman[(5)]	Treasurer of the Board of Regents

ADMINISTRATIVE OFFICERS

Ana Mari Cauce[(6)]	President
Tricia Serio	Provost and Executive Vice President for Academic Affairs
Sarah Norris Hall	Senior Vice President for Finance, Planning & Budgeting, and Chief Financial Officer
Dr. Tim Dellit	Chief Executive Officer, UW Medicine

BOND COUNSEL
Pacifica Law Group LLP
Seattle, Washington

MUNICIPAL ADVISOR
Piper Sandler & Co.
Seattle, Washington

FISCAL AGENT AND REGISTRAR
U.S. Bank Trust Company, National Association

(1) This inactive textual reference to the University's website (and other website references herein) are not hyperlinks, and do not incorporate such websites by reference. Investors should not rely on information presented on such websites in determining whether to purchase the Bonds.
(2) Pending State Senate confirmation.
(3) Faculty Regent (serves a three-year term).
(4) Student Regent (serves a one-year term).
(5) Since 2018, the Board has elected the Chair of the Finance and Asset Management Committee to serve as its Treasurer.
(6) In June 2024, President Cauce announced her intention to step down as president during the summer of 2025, at the end of her second full term. On February 3, 2025, the University announced Robert J. Jones as its next President. Mr. Jones' tenure is to begin August 1, 2025.

The order and placement of materials in this Official Statement, including the Appendices, do not reflect the relevance, materiality or importance of such materials. Investors must consider this Official Statement, including the cover page and appendices, in its entirety. The Bonds are offered only by means of this entire Official Statement.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Bonds. The University has not authorized any dealer, broker, salesperson, or other person to provide any information or make any representations regarding the Bonds except as contained in this Official Statement. Investors must not rely upon any such unauthorized information or representations.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Certain statements contained in this Official Statement do not reflect historical facts, but are forecasts and “forward-looking statements.” Words such as “estimate,” “project,” “anticipate,” “expect,” “intend,” “forecast,” “plan,” “believe” and similar expressions are intended to identify forward-looking statements. The University cannot assure that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. All projections, forecasts, assumptions and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement.

Inactive textual references to websites contained herein are not hyperlinks, and the Official Statement does not incorporate such websites by reference. Such websites are not part of this Official Statement, and investors should not rely on information presented on them in determining whether to purchase the Bonds.

This Official Statement is not to be construed as a contract or agreement between the University and purchasers or owners of any of the Bonds.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Bond Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Bonds in accordance with applicable provisions of securities laws of the states in which the Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

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OFFICIAL STATEMENT

UNIVERSITY OF WASHINGTON

$61,020,000
GENERAL REVENUE REFUNDING BONDS, 2025C

INTRODUCTORY STATEMENT

This Official Statement, including the inside front cover, table of contents and appendices, provides information regarding the University of Washington (the "University") and its General Revenue Refunding Bonds, 2025C (the "Bonds"). The University will use the proceeds of the Bonds to (a) refund certain of the University's outstanding obligations; and (b) pay costs of issuing the Bonds. *See* "SOURCES AND USES OF BOND PROCEEDS."

The University is issuing the Bonds pursuant to chapter 28B.142 of the Revised Code of Washington ("RCW"). The issuance of the Bonds is authorized pursuant to a resolution of the Board of Regents of the University adopted on September 12, 2024 (the "Resolution"). Capitalized terms used in this Official Statement but not defined herein have the meanings set forth in the Resolution, a copy of which is included in Appendix A.

This Official Statement includes brief descriptions of the Bonds, the University, the Resolution, and certain statutes and agreements. Such descriptions do not purport to be comprehensive or definitive. All references to the documents, statutes, agreements, or other instruments described herein are qualified in their entirety by reference to each such document, statute, agreement or other instrument.

The information in this Official Statement is subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall under any circumstances create any implication that there has been no change in the affairs of the University since the date of this Official Statement.

THE BONDS

General

The Bonds will be dated as of the Delivery Date. The Bonds will mature on January 1 in the years set forth on the inside front cover of this Official Statement, and certain of the Bonds will be subject to prior redemption. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months, and will be payable on each July 1 and January 1 of each year, commencing July 1, 2025 (each, an "Interest Payment Date"), until maturity or prior redemption.

The University will issue the Bonds as fully-registered securities in denominations of $5,000 each or any integral multiple of $5,000 within a maturity (each, an "Authorized Denomination"). The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to DTC's book-entry only system (the "Book-Entry Only System"). Purchases of beneficial interests in the Bonds will be made in book-entry form only. If at any time the Book-Entry Only System is discontinued for the Bonds, the Bonds will be exchangeable for other fully-registered, certificated Bonds of the same maturity in Authorized Denominations. *See* Appendices A and D.

For so long as Cede & Co. is the Registered Owner of the Bonds, interest and principal shall be paid and delivery shall be made as described in the operational arrangements referred to in the Letter of Representations and pursuant to DTC's standard procedures. *See* Appendix D.

The interest due on any Bond on any Interest Payment Date shall be paid to the Registered Owner of such Bond as shown on the Bond Register as of the 15th day (whether or not a Business Day) of the month next preceding each Interest Payment Date (the "Record Date"). If the Bonds are no longer held in book-entry only form, the interest on the Bonds shall be payable by check, provided that any Registered Owner of $1,000,000 or more in aggregate principal amount of the Bonds, upon written request given to the Registrar (as defined below) at least five business days prior to the Interest Payment Date, Maturity Date or Redemption Date, designating an account in a domestic bank, may be paid by wire transfer of immediately available funds. If the Bonds are no longer held in book-entry only form, all payments of principal shall be made solely upon presentation of the Bond to the Registrar.

Registrar for the Bonds

The University has adopted the system of registration for the Bonds approved, from time to time, by the State Finance Committee (the "Committee"). Pursuant to chapter 43.80 RCW, the Committee designates one or more fiscal agencies for bonds issued within the State of Washington (the "State"). The fiscal agent of the State, currently U.S. Bank Trust Company, National Association (the "Registrar"), will authenticate the Bonds and act as the paying agent and registrar for the purpose of paying the principal of and interest on the Bonds, recording the purchase and registration, exchange or transfer, and payment of such Bonds and performing the other respective obligations of the paying agent and registrar under the Resolution.

Optional Redemption

The Bonds maturing on or after January 1, 2036 are subject to redemption at the option of the University, as a whole or in part on any date on or after April 1, 2035, at a Redemption Price equal to 100 percent of the principal amount thereof, plus interest accrued to the date fixed for redemption.

Selection of Bonds for Redemption. If the University elects to redeem fewer than all of the Bonds for optional redemption, the University shall select the amount and maturities to be redeemed. In no event shall any Bond be Outstanding in a principal amount that is not an Authorized Denomination.

If fewer than all the Outstanding Bonds within a maturity are to be redeemed, the Bonds to be redeemed shall be selected in accordance with the then effective operational arrangements of DTC referred to in the Letter of Representations, or if the Bonds are no longer in book-entry only form, the Bonds shall be selected randomly by the Registrar.

Notice of Redemption. For so long as the Book Entry-Only System is in effect, notice of redemption for the Bonds shall be provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations, and no additional published or other notice shall be provided by the University, except as otherwise described in "CONTINUING DISCLOSURE UNDERTAKING." Notice of redemption for the Bonds shall be given by the University to the Registrar, who shall give notice to DTC at least 20 days prior to the proposed date of redemption. Any notice provided as described above will be conclusively presumed to have been given, whether or not actually received by any owner of a Bond. The failure to provide notice with respect to any Bond will not affect the validity of the proceedings for the redemption of any other Bond with respect to which notice was so provided.

Conditional Redemption. Any notice of optional redemption with respect to the Bonds may be conditional, in which case the conditions shall be set forth therein.

Effect of Redemption. If an unconditional notice of redemption has been given or if a conditional notice of redemption has been given and the conditions set forth in the conditional notice of redemption have been satisfied, then on the Redemption Date the Bonds or portions thereof so called for redemption shall become payable at the Redemption Price specified in such notice. From and after the Redemption Date, provided that sufficient funds have been duly provided for the payment of the Redemption Price, interest on such Bonds or on portions thereof so called for redemption shall cease to accrue, and such Bonds or portions thereof shall cease to be Outstanding and to be entitled to any benefit, protection or security under the Resolution, and the Owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the Redemption Price upon delivery of such Bonds to the Registrar.

Any notice mailed as described above will be conclusively presumed to have been given, whether or not actually received by any owner of a Bond. The failure to mail notice with respect to any Bond will not affect the validity of the proceedings for the redemption of any other Bond with respect to which notice was so mailed.

Purchase of Bonds by the University

The University may acquire Bonds by the purchase of Bonds offered to the University at any time at such purchase price as the University deems appropriate, or by gift at any time, on terms as the University deems appropriate. The Resolution does not require that Bonds so acquired be cancelled.

Defeasance

Any Bonds shall be deemed to have been paid and not be Outstanding under the Resolution and shall cease to be entitled to any benefit or security of the Resolution except the right to receive the money and the proceeds and income from Government Obligations set aside and pledged in the manner hereafter described, if (a) in the event that any or all of the Bonds are to be optionally redeemed, the University shall have given to the Registrar irrevocable instructions to give such notice of redemption of such Bonds as may be required by the provisions of the Resolution; and (b) there shall have been made an Irrevocable Deposit, in trust, with the Registrar or another corporate fiduciary of money in an amount that shall be sufficient, and/or noncallable Government Obligations that are direct obligations of the United States or obligations unconditionally guaranteed by the United States maturing at such time or times and bearing such interest to be earned thereon, without considering any earnings on the reinvestment thereof, as will provide a series of payments that shall be sufficient, together with any money initially deposited, to provide for the payment of the principal of and the interest on the defeased Bonds when due in accordance with their terms, or upon the earlier prepayment thereof in accordance with a refunding plan.

SOURCES AND USES OF BOND PROCEEDS

Use of Proceeds

The University will use the proceeds of the Bonds to (a) refund certain of the University's outstanding obligations; and (b) pay costs of issuing the Bonds.

Refunding Plan

The University will use the proceeds of the Bonds to refund (1) a portion of the University's General Revenue Bonds, 2010B Taxable (Build America Bonds – Direct Payment) (the "2010B Bonds"), and (2) a portion of the University's lease obligations with respect to the Washington Biomedical Research Properties 3.2 Lease Revenue Bonds, Series 2015A (the "2015A Bonds"). The 2010B Bonds and 2015A Bonds are collectively referred to herein as the "Refunded Bonds." The 2015A Bonds are sometimes referred to herein as the "LRB Obligations."

Table 1: Refunded Bonds

General Revenue Bonds, 2010B Taxable (Build America Bonds – Direct Payment)

Maturity (October 1)	Principal Amount	Interest Rate	Redemption Date	Redemption Price(1)(2)	CUSIP No. (91523N)
2033(3)	$12,635,000	4.897%	04/04/2025	100%	GY6

(1) The extraordinary optional redemption price was calculated on March 25, 2025, per the terms of the 2010B Bonds, as described below.
(2) The Redemption price excludes accrued interest to the Redemption Date.
(3) Term Bond.

Table 1: Refunded Bonds Continued

University Lease Obligation with respect to the Washington Biomedical Research Properties 3.2 Lease Revenue Bonds, Series 2015A

Maturity (January 1)	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CUSIP No. (937308)
2026	$3,400,000	5.00%	07/01/2025	100%	AH7
2027	3,575,000	5.00	07/01/2025	100	AJ3
2028	3,755,000	5.00	07/01/2025	100	AK0
2029	3,940,000	5.00	07/01/2025	100	AL8
2030	4,140,000	5.00	07/01/2025	100	AM6
2031	3,940,000	5.00	07/01/2025	100	AN4
2032	4,140,000	5.00	07/01/2025	100	AP9
2033	4,345,000	5.00	07/01/2025	100	AQ7
2034	2,685,000	5.00	07/01/2025	100	AR5
2035	2,820,000	5.00	07/01/2025	100	AS3
2036	2,960,000	5.00	07/01/2025	100	AU8
2037	3,110,000	5.00	07/01/2025	100	AV6
2038	3,265,000	5.00	07/01/2025	100	AW4
2039	3,425,000	5.00	07/01/2025	100	AX2
2040	3,600,000	5.00	07/01/2025	100	AY0

Refunding of the LRB Obligations. WBRP 3.2 (also referred to as Washington Biomedical Research Properties 3.2) is a single purpose nonprofit corporation. WBRP 3.2 issued its Lease Revenue Bonds, Series 2015A (the "WBRP 2015 Bonds"), on behalf of the University pursuant to Revenue Ruling 63-20 of the U.S. Treasury, as amended and updated by Revenue Procedure 82-26, to acquire a ground leasehold interest and to develop biomedical research facilities on behalf of the University. The ground lease extends to May 31, 2063, and may be extended to May 31, 2068. WBRP 3.2 subleases the facilities to the University. WBRP 3.2 will apply a portion of the proceeds of the Bonds to the defeasance and redemption of a portion of the outstanding WBRP 2015 Bonds. WBRP 3.2 will remain the ground lessor under the ground lease for the property, and will continue to lease the property to the University. The base rent to be paid under the facilities lease between WBRP 3.2 and the University will be updated to reflect the results of the refunding, reducing the base rent component that represents debt service on the WBRP 2015 Bonds.

Refunding Procedure. The University will apply proceeds of the Bonds on the Delivery Date and/or deposit proceeds to an escrow account, together with cash, if any, to be contributed from accounts held in connection with the Refunded Bonds, to pay the redemption price of the Refunded Bonds on their Redemption Date. To fund the escrow, the University may purchase certain direct non-callable Government Obligations. Cash and Government Obligations, if any, will be deposited in the custody of U.S. Bank National Association (the "Escrow Agent"). The maturing principal of the Government Obligations, interest earned thereon, and necessary cash balance, if any, will provide payment of: (a) interest on the applicable Refunded Bonds when due up to and including the redemption date; and (b) on the redemption date, the redemption price of the applicable Refunded Bonds.

The Government Obligations, interest earned thereon, and necessary cash balance, if any, will irrevocably be pledged to and held in trust for the benefit of the owners of the applicable Refunded Bonds by the Escrow Agent, pursuant to an escrow deposit agreement to be executed by the University and the Escrow Agent.

Extraordinary Redemption of the 2010B Bonds. The 2010B Bonds were issued as direct-pay "Build America Bonds" under Section 54AA of the Internal Revenue Code of 1986, as amended (the "Code"). Direct-pay Build America Bonds provide a federal subsidy through a refundable tax credit paid directly to issuers (such as the University) in an amount equal to 35 percent of the interest payable on each interest payment date of the bonds.

The 2010B Bonds are subject to extraordinary optional redemption prior to their stated maturity dates, in whole or in part, upon the occurrence of an "Extraordinary Event." "Extraordinary Event" means a material adverse change to Section 54AA of the Code pursuant to which the University's 35 percent cash subsidy payment from the U.S. Treasury is reduced or eliminated. The extraordinary optional redemption prices for the 2010B Bonds (the "Extraordinary

Redemption Price") are described in its official statement, available online at https://emma.msrb.org/EA423838-EA329938-EA725744.pdf, not incorporated herein by this reference.

The University has determined that an Extraordinary Event has occurred, permitting the extraordinary optional redemption of the 2010B Bonds at the Extraordinary Redemption Price.

Verification of Mathematical Calculations and Sufficiency. Causey Public Finance, LLC (the "Verification Agent") has verified the accuracy of the mathematical computations concerning the adequacy of the maturing principal amounts of and interest earned on the Governmental Obligations, to be placed together with other escrow money in the escrow account to pay when due, pursuant to the call for redemption, the principal of and interest on the Refunded Bonds.

Sources and Uses of Funds

The proceeds of the Bonds are expected to be applied as follows:

Sources of Funds		**Total[1]**
Par Amount	$	61,020,000
Original Issue Premium		5,806,668
Total Sources of Funds[1]	$	66,826,668
Uses of Funds		
Escrow Account Deposit	$	66,506,619
Issuance Costs[2]		320,049
Total Uses of Funds[1]	$	66,826,668

(1) Totals may not foot due to rounding.
(2) Issuance costs include Underwriters' discount, legal fees, Municipal Advisor fees, rating agency fees, Verification Agent fees, additional proceeds, and other costs incurred in connection with the issuance of the Bonds.

SECURITY FOR THE BONDS

Special Fund Obligations

The Bonds are special fund obligations of the University, payable solely from General Revenues and the money and investments that are deposited into the special fund designated as the General Revenue Bond Redemption Fund, 2025C (the "Bond Fund"), except that a portion of the debt service on the Bonds is also payable from Building Fees and money and investments in the University of Washington Bond Retirement Fund, as such terms are defined herein. The Bonds are not an obligation, either general, special or moral, of the State, nor a general or moral obligation of the University. The Registered Owners of the Bonds shall have no right to require the State, nor has the State any obligation or legal authorization, to levy any taxes or appropriate or expend any of its funds for the payment of the principal of or the interest or any premium on the Bonds. The University has no taxing power.

The University is obligated to pay debt service on the Bonds from General Revenues; however, the obligations of the University are not secured by a statutory lien on or security interest in General Revenues. The University's commitment to apply General Revenues to pay debt service on the Bonds is a legally enforceable covenant.

There is no coverage covenant, debt service reserve requirement or additional bonds test in the Resolution.

General Revenues

"General Revenue" or "General Revenues" means all non-appropriated income, revenues and receipts of the University if and to the extent such funds are not restricted in their use by law, regulation, or contract. For example, the following items are restricted and, therefore, excluded from General Revenues:

(a) Appropriations to the University by the State from the State's General Fund;

(b) Each fund the purpose of which has been restricted in writing by the terms of the gift or grant under which such fund has been donated, or by the donor thereof;

(c) Certain limited-purpose fees imposed upon students as a condition of enrollment at the University, including but not limited to services and activities fees, building fees ("Building Fees") and technology fees; and

(d) Revenues and receipts attributable to the Metropolitan Tract Revenue (which consists of revenues from approximately 10 acres owned by the University in downtown Seattle, known as the "Metro Tract").

See "GENERAL REVENUES." Unrestricted fund balances, to the extent that they were accumulated from money that was received as General Revenues, are included in and available to pay obligations secured by General Revenues. Any interest subsidy received from the federal government with respect to General Revenue Bonds is included and available to pay obligations secured by General Revenues.

Additions to General Revenues

The University reserves the right to include in General Revenues, at its sole option, other sources of revenue or income currently excluded from the definition of General Revenues. Such additions shall occur on the date and as provided in a certificate executed by the controller of the University (the "Controller") (or the successor to the functions of the Controller). The Controller shall, in the case of additions of items or auxiliaries to General Revenues prior to the "Springing Effective Date" defined below, certify that for the preceding two Fiscal Years for which audited financial statements are available, the item or auxiliary maintained a "coverage ratio" (as defined in the Resolution) of at least 125 percent. On and after the Springing Effective Date, no such coverage ratio certification of the Controller shall be required to add items or auxiliaries to General Revenues. In the event an auxiliary or item is added to General Revenues, the obligations of that auxiliary or item may remain outstanding and have a prior claim on auxiliary Net Revenue. For the purposes of clarification, by its terms this subsection of the Resolution applies only to auxiliary systems or items that have issued and have outstanding obligations that are secured by a lien on Net Revenues or gross revenues of such auxiliary system or item. The certification has no applicability in the case of the addition of revenues that are not encumbered by a lien. Springing Effective Date means the date on which the General Revenue obligations that were Outstanding as of September 9, 2021, are no longer Outstanding.

Deletions from General Revenues

The University reserves the right to remove, at its sole option, in the future, without limitation, any revenues from General Revenues. The removal of General Revenues shall be evidenced by a certificate executed by the Controller identifying the items to be deleted. The University is not required to meet any coverage or other test prior to removing revenues from General Revenues. To date, the University has not removed any such revenues.

Building Fee Revenue Bonds

Pursuant to the Building Fee Revenue Bond Act (RCW 28B.20.700–740), the University may issue bonds ("Building Fee Revenue Bonds") payable from and secured by a pledge of any or all of the Building Fees and trust land revenues deposited in a special fund known as the "University of Washington Bond Retirement Fund." This pledge is in addition to the pledge of General Revenues and money and investments in the Bond Fund, as described above.

A portion of the Bonds will be applied to refund a portion of the 2010B Bonds, which are outstanding Building Fee Revenue Bonds. The portion of the Bonds, issued for such purpose will also constitute Building Fee Revenue Bonds. Under the Resolution, the Board of Regents has covenanted to establish, maintain and collect Building Fees in such amounts that will provide money sufficient to pay the principal of and interest on all bonds payable out of the University of Washington Bond Retirement Fund (including outstanding Building Fee Revenue Bonds, the portion of the Bonds issued as Building Fee Revenue Bonds, and any additional Building Fee Revenue Bonds hereafter issued), to set aside and maintain reserves, if any, required to secure the payment of such principal and interest, and to maintain coverage, if any, which may be required over such principal and interest.

Building Fee Revenue Bonds are not general or special obligations of the State but are limited obligation bonds of the University payable from Building Fees and money and investments in the University of Washington Bond Retirement Fund.

Additional Bonds

The University may incur additional obligations, including bonds, Payment Agreements (such as interest rate swaps) and lease or other contractual obligations, that are payable from General Revenues, in addition to the Bonds, the University's outstanding General Revenue Notes (Commercial Paper) (the "Commercial Paper Notes"), line of credit draws, outstanding General Revenue Bonds, and other lease and contractual obligations. There are no limitations, either statutory or contractual, that would prevent the University from incurring such additional obligations.

Payment Agreements

To the extent permitted by State law, the University may enter into Payment Agreements payable from General Revenues subject to the satisfaction of certain conditions precedent. Payment Agreements, as defined in chapter 39.96 RCW, include interest rate swaps entered into in connection with the issuance of bonds.

The University currently has no Payment Agreements in place.

No Acceleration upon Default

The Resolution does not specify events of defaults and remedies. In the event of a default, Bondholders can pursue available remedies permitted by State law. If the University were to default on the payment of principal of or interest on the Bonds, payment of the principal of and accrued interest on the Bonds would not be subject to acceleration. The University is liable for principal and interest payments only as they become due. In the event of multiple defaults on the payment of principal of or interest on the Bonds, the Bondholders would be required to bring a separate action for each such payment not made. This could give rise to a difference in legal interests between owners of earlier- and later-maturing Bonds. Any such action to compel payment or for money damages would be subject to the limitations on legal claims and remedies against public bodies under State law. *See* "CERTAIN INVESTMENT CONSIDERATIONS—Limitations on Remedies."

Debt Payment Record

The University has never defaulted on the payment of principal of or interest on any of its bonds or other debt.

Future Debt

For Fiscal Years 2025 through 2029, the University currently expects to borrow up to approximately $625 million for non-refunding purposes, including the $72,340,000 new money portion of its General Revenue and Refunding Bonds, 2025A (the "2025A Bonds"), issued on March 6, 2025. The actual amount the University borrows may vary from this estimate. In addition, the University expects to continue to make draws in connection with the University's program for Financing Assets in the Short-Term (the "FAST Program") on a not-to-exceed $40 million non-revolving line of credit (the "FAST Non-Revolving Line of Credit"). *See* "UNIVERSITY DEBT AND ESTIMATED DEBT SERVICE—General Revenue Obligations—*Lines of Credit*." If the Board of Regents approves additional projects, the University may fund such projects on an interim basis, with proceeds of Commercial Paper Notes issuable from time to time in a not-to-exceed $250 million principal amount, or on a long-term basis with bond proceeds. To provide additional liquidity as needed, the University also has a revolving line of credit sized at $100 million (the "Revolving Line of Credit"), which is currently in effect and is currently undrawn.

The University reviews its outstanding debt for refunding opportunities, and may refinance such debt as market conditions warrant.

UNIVERSITY DEBT AND ESTIMATED DEBT SERVICE

General Revenue Obligations

The University's General Revenue obligations take three forms:

(1) *General Revenue Bonds and Commercial Paper Notes*.

(i) *General Revenue Bonds.* From time to time, the University issues and has outstanding General Revenue Bonds, such as the Bonds, to finance University purposes in accordance with law.

(ii) *Commercial Paper Notes*. Pursuant to an amended and restated resolution of the Board of Regents adopted on July 11, 2019, the University is authorized to issue Commercial Paper Notes from time to time in an aggregate principal amount not-to-exceed $250 million, for University purposes. Under the resolution, the University may not issue a Commercial Paper Note with a maturity later than June 30, 2039. The University issues Commercial Paper Notes generally to provide interim financing for University projects. The University currently provides self-liquidity for the payment of its Commercial Paper Notes, which are not currently secured by a bank credit or liquidity facility.

(2) *Leases and other contractual obligations payable from General Revenues*.

(i) *Leases supporting Lease Revenue Bonds*. The University has entered into a number of financing and other leases in connection with lease revenue bonds, which are payable from General Revenues, including the LRB Obligations that are Refunded Bonds. University lease payments are applied to pay debt service on lease revenue bonds including the LRB Obligations that are Refunded Bonds. Lease revenue bonds have financed the University's multi-phase South Lake Union biomedical research facilities and other clinic, research and administrative facilities. Such leases are not subject to annual renewal or abatement.

(ii) *Other Contractual Obligations*. The University has entered into other contracts payable from all or a component of General Revenues and, in some cases, other revenues. Reimbursed State General Obligation Bonds ("Reimbursed Bonds") refers to bonds authorized by the State Legislature (the "Legislature") and issued as State general obligation bonds to provide proceeds to the University. These bonds are payable from all or a component of General Revenues and, in some cases, other revenues. The University also enters into equipment leases and leases in connection with State-issued certificates of participation ("Certificates of Participation") from time to time to finance equipment and other property. The University also enters into leases for the use of equipment and property.

(iii) *Promissory Note Agreement.* On March 31, 2022, the members of the Seattle Cancer Care Alliance ("SCCA")—UW Medical Center, Fred Hutchinson Cancer Research Center ("Fred Hutch"), and Seattle Children's Healthcare System ("SCHS")—agreed to merge Fred Hutch and SCCA, and to rename SCCA the "Fred Hutchinson Cancer Center" ("FHCC"). As part of the transaction, UW Medical Center and Fred Hutch bought out SCHS's interest in SCCA for $285.9 million, with Fred Hutch providing the funding. On April 1, 2022, UW Medical Center entered into a promissory note agreement with FHCC (the "FHCC Promissory Note Agreement") whereby UW Medical Center will pay FHCC for its 50% share of SCHS's membership in SCCA. The note is payable in 40 equal consecutive quarterly installments of principal and interest, bears interest at a rate of 4.82%, and matures in March 2032. Both parties agree that all payments on the note are offset by UW Medical Center's portion of the Clinical Distribution Pool due under the Restructuring and Enhanced Collaboration Agreement also entered into between UW Medical Center and FHCC in connection with the merger (the "Restructuring Agreement") to the extent that these funds are available. *See* "UW MEDICINE—Other Clinically Integrated UW Medicine Entities—*FHCC*." As of June 30, 2024, UW Medical Center has paid $26.5 million of the original $142.9 million of principal on the promissory note, with these payments offset by UW Medical Center's portion of the Clinical Distribution Pool.

(3) *Lines of Credit*. The University has available the following two lines of credit (collectively the "Lines of Credit"):

(i) FAST Non-Revolving Line of Credit under a Master Financing Agreement with JPMorgan Chase Bank, N.A., payable from General Revenues. The FAST Non-Revolving Line of Credit currently allows for draws (for a maximum term of 10 years) in an aggregate amount not-to-exceed $40 million through September 14, 2026 (subject to two additional one-year extensions), and provides funding for the University's FAST loan program.

(ii) Revolving Line of Credit under the Amended and Restated Revolving Credit Agreement with U.S. Bank National Association, payable from General Revenues. The Amended and Restated Revolving Credit Agreement is in the principal amount of not-to-exceed $100 million, and provides liquidity for University purposes, during a term through September 30, 2027.

The Bonds, the outstanding General Revenue Bonds, the Commercial Paper Notes, leases and other contractual obligations, and the Lines of Credit are equally and ratably payable from General Revenues without preference, priority or distinction on account of date of issue or otherwise.

University Debt

The table below summarizes outstanding General Revenue debt obligations by type.

Table 2: Outstanding Obligations
(as of March 18, 2025)
(dollars in thousands)

	Total
Type of Obligation	
General Revenue Bonds[1]	$ 2,100,010
Leases (supporting Lease Revenue Bonds)[2]	172,195
Reimbursed Bonds and Certificates of Participation	14,120
Commercial Paper Notes	-
Equipment (Capital) Leases	-
Other[3]	136,405
Total Obligations[4]	**$ 2,422,730**

(1) Excludes the Bonds. Includes General Revenue Bonds that also constitute Building Fee Revenue Bonds, additionally payable from and secured by a pledge of any or all of the Building Fees and trust land revenues deposited in the University of Washington Bond Retirement Fund. Includes General Revenue Bonds to be refunded with proceeds of the Bonds.

(2) Includes the portion of Refunded Bonds that are lease revenue bonds. *See* "SECURITY FOR THE BONDS—Future Debt."

(3) Includes amounts drawn on the FAST Non-Revolving Line of Credit. Includes the FHCC Promissory Note Agreement. *See* "UNIVERSITY DEBT AND ESTIMATED DEBT SERVICE—General Revenue Obligations—*Promissory Note Agreement.*"

(4) Total may not foot due to rounding.

Source: The University.

Estimated General Revenue Debt Service Schedule

Table 3 provides the debt service requirements for the Bonds, outstanding General Revenue Bonds, and lease and other contractual obligations payable from General Revenues.

Table 3: University of Washington General Revenue Bonds Debt Service Schedule (as of March 26, 2025)

		The Bonds				
Fiscal Year Ending 6/30	Outstanding General Revenue Bonds[1]	Principal	Interest	Total General Revenue Bonds	Leases and Other Obligations Paid from General Revenues[2]	Total General Revenue Debt Service
2026	$174,287,569	$3,770,000	$2,262,825	$180,320,394	$42,822,752	$223,143,146
2027	171,864,441	3,335,000	2,862,500	178,061,941	42,225,220	220,287,161
2028	185,446,535	4,930,000	2,695,750	193,072,285	37,542,846	230,615,131
2029	175,783,517	5,215,000	2,449,250	183,447,767	32,659,366	216,107,134
2030	172,477,132	5,480,000	2,188,500	180,145,632	30,558,357	210,703,989
2031	169,693,334	5,345,000	1,914,500	176,952,834	27,956,422	204,909,257
2032	162,396,117	5,610,000	1,647,250	169,653,367	22,873,965	192,527,331
2033	157,724,226	5,895,000	1,366,750	164,985,976	8,403,476	173,389,452
2034	158,065,500	4,265,000	1,072,000	163,402,500	8,250,338	171,652,838
2035	154,890,835	2,525,000	858,750	158,274,585	8,155,839	166,430,423
2036	106,115,251	2,650,000	732,500	109,497,751	8,060,262	117,558,012
2037	154,397,228	2,785,000	600,000	157,782,228	7,958,119	165,740,347
2038	136,963,391	2,925,000	460,750	140,349,141	7,849,084	148,198,225
2039	127,956,708	3,065,000	314,500	131,336,208	7,737,669	139,073,878
2040	144,347,792	3,225,000	161,250	147,734,042	7,618,385	155,352,427
2041	83,647,038	--	--	83,647,038	11,280,581	94,927,618
2042	144,966,038	--	--	144,966,038	11,152,404	156,118,442
2043	126,199,212	--	--	126,199,212	11,018,566	137,217,778
2044	123,873,237	--	--	123,873,237	5,170,600	129,043,837
2045	42,094,205	--	--	42,094,205	5,170,600	47,264,805
2046	34,276,944	--	--	34,276,944	5,168,800	39,445,744
2047	26,697,663	--	--	26,697,663	5,170,000	31,867,663
2048	107,578,700	--	--	107,578,700	5,168,800	112,747,500
2049	5,462,550	--	--	5,462,550	--	5,462,550
2050	5,454,700	--	--	5,454,700	--	5,454,700
2051	3,052,400	--	--	3,052,400	--	3,052,400
Total[3]	**$3,055,712,262**	**$61,020,000**	**$21,587,075**	**$3,138,319,337**	**$359,972,451**	**$3,498,291,788**

(1) Excludes the Refunded Bonds. Includes all General Revenue Bonds, including those that are also Building Fee Revenue Bonds additionally payable from and secured by a pledge of any or all of the Building Fees and trust land revenues deposited in the University of Washington Bond Retirement Fund. For the University's General Revenue Refunding Bonds, 2022C (Term Rate Bonds), assumes 4.00% stated coupon rate through the Scheduled Mandatory Purchase Date of August 1, 2027, and also assumes a rate of 4.00% through final maturity, although the University has the right to earlier redemption of such bonds.

(2) Excludes the Refunded Bonds that are lease revenue bonds. *See* "SECURITY FOR THE BONDS—Future Debt." Includes leases and other contractual obligations payable from General Revenues, a note, FAST lines of credit (amount drawn as of February 3, 2025), interest for Reimbursed Bonds and Certificates of Participation. Includes the FHCC Promissory Note Agreement. *See* "UW MEDICINE—Other Clinically Integrated UW Medicine Entities—*FHCC*."

(3) Totals may not foot due to rounding.
Source: The University.

GENERAL REVENUES

Overview of General Revenues

As described under the heading "SECURITY FOR THE BONDS—General Revenues," General Revenues include all non-appropriated income, revenues, and receipts of the University if and to the extent such funds are not restricted in their use by law, regulation, or contract.

The University receives financial support from a variety of sources, including grants and contracts (including direct grant and contract revenue and indirect cost recovery revenue associated with grants and contracts), patient services, tuition and fees, State funding, gifts, auxiliary enterprises, investment income and sales and services. As shown in Table 4, several of these sources are unrestricted and are included in General Revenues: auxiliary systems and patient services, student tuition and fees (less student activities fees, U-Pass fees, technology fees, Building Fees and student loan funds), grants and contracts indirect cost recovery revenues, sales and services of educational departments of the University, other operating revenue, and invested funds distribution and net invested funds' unrealized gains and losses.

Table 4 shows General Revenues of the University for Fiscal Years 2020 through 2024, calculated first by subtracting exclusions from Total Revenue and then by adding the specific components that comprise General Revenues.

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Table 4: General Revenues[1]
(Fiscal Years ended June 30, dollars in thousands)

General Revenue (Exclusions from Total Revenue)	2020[2][3]	2021[2][4]	2022[2][5]	2023	2024
Total Revenue[6]	$6,784,822	$8,384,721	$7,563,825	$8,973,458	$9,564,055
Less:					
State operating appropriations	(415,030)	(480,826)	(484,915)	(531,999)	(604,140)
Grant and contract direct costs	(1,267,351)	(1,331,027)	(1,402,203)	(1,568,373)	(1,364,282)
Gifts[7]	(219,542)	(214,620)	(218,012)	(182,137)	(178,400)
Revenues of component units[8]	(513,740)	(430,391)	(412,365)	(399,863)	(677,217)
Student activities fees and U-Pass fees	(43,177)	(36,393)	(50,866)	(50,667)	(51,822)
Student technology fees, Building Fees, student loan funds	(81,563)	(81,574)	(85,255)	(81,528)	(95,466)
Metropolitan Tract[9]	N/A	(66,337)	(62,872)	(74,904)	(46,380)
Trust and endowment income, net unrealized gains on non invested funds investments, component unit investment income, and other restricted investment income	(114,810)[9]	(1,285,833)	419,153	(338,716)	(556,163)
State capital appropriations	(23,098)	(69,557)	(127,892)	(201,379)	(77,378)
Capital grants, gifts and other	(179,089)	(119,803)	(46,877)	(79,223)	(36,835)
Other nonoperating revenues	(118,883)	(163,232)	(158,825)	(198,426)	(235,024)
Gifts to permanent endowments	(65,425)	(67,017)	(91,610)	(105,766)	(104,609)
Total General Revenues[10]	$3,743,114	$4,038,111	$4,841,286	$5,160,477	$5,536,339

General Revenue (by Component)	2020[2][3]	2021[2][4]	2022[2][5]	2023	2024
Student tuition and fees (less student activities fees, U-Pass fees, technology fees, building fees, and loan funds)	$941,040	$914,721	$1,002,960	$1,039,825	$1,038,066
Grant and contract indirect costs	275,991	287,747	308,720	345,084	382,263
Invested funds distributions and net invested funds unrealized gains and losses	94,177	31,965	(50,282)	98,873	207,664
Sales and services of educational departments[11]	283,169	463,060	792,488	661,826	533,885
Patient services[12]	1,582,321	1,770,427	2,007,809	2,124,833	2,427,396
Auxiliary systems	401,331	314,068	524,185	507,916	520,413
Other operating net revenues[13]	165,085	256,123	255,406	382,120	426,652
Total General Revenues	$3,743,114	$4,038,111	$4,841,286	$5,160,477	$5,536,339

(1) *See* accompanying notes to Audited Financials: Reconciliation of Total University Revenue to General Revenue, June 30, 2024 (in Appendix B).

(2) In Fiscal Year 2023, an accounting error was discovered that had resulted in a misstatement of operating revenues and operating expenses for prior fiscal years. This included understatements of both operating revenues and operating expenses—each in the amount of $295 million—in Fiscal Year 2022. These understatements of revenues and expenses were offsetting, and therefore did not impact net position. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows for Fiscal Year 2022 were restated to reflect the correction. Fiscal years prior to 2022 have not been restated.

(3) 2020 figures adjusted to reflect restatements due to GASB 84 (Fiduciary Activities), which was implemented in Fiscal Year 2021.

(4) 2021 figures adjusted to reflect restatements due to GASB 87 (Leases), which was implemented in Fiscal Year 2022.

(5) 2022 figures adjusted to reflect restatements due to GASB 96 (Subscription-Based Information Technology Arrangements), which was implemented in Fiscal Year 2023.

(6) "Total Revenue" includes certain net non-operating revenues and other revenues. *See* "UNIVERSITY REVENUE AND EXPENSES—University Revenues." As of January 1, 2020, UW Medical Center Northwest campus (formerly known as Northwest Hospital, and referred to as "Northwest") was integrated into UW Medical Center and is now referred to as UW Medical Center Northwest campus. Northwest revenues are included in total revenues for the first six months of Fiscal Year 2020 because, effective Fiscal Year 2017, Northwest was presented as a blended component unit of the University (previously, a discretely presented component unit). Northwest revenues are part of UW Medical Center revenues as of January 1, 2020.

(7) Gift figures represent amounts realized in applicable Fiscal Year.

(8) Revenues of component units include UW Physicians and UW Medicine Primary Care (formerly "UW Medicine Neighborhood Clinics") and, for the first six months of Fiscal Year 2020, Northwest revenues. *See* "UW MEDICINE."

(9) Presentation of Metropolitan Tract revenues changed due to GASB 87 (Leases); change was applied retroactively to Fiscal Year 2021. Revenues were previously combined with Trust and endowment income, net unrealized gains on non invested funds investments, component unit investment income, and other restricted investment income.

(10) *See* "—General Revenue Components" below for notes regarding the various components for Fiscal Year 2024.

(11) Largely consists of Laboratory Medicine sales, School of Dentistry sales and computing and communication fees for various services. Also includes revenue from seminars and conferences hosted by the various schools.

(12) Excludes revenue from UW Physicians and UW Medicine Primary Care. Includes UW Medical Center Northwest campus as of January 1, 2020.

(13) Includes pharmacy sales, services sold to Harborview Medical Center (e.g., lab and pathology), and revenue from Harborview Medical Center. Includes FHCC alignment revenue. *See* "UW MEDICINE—Other Clinically Integrated UW Medicine Entities—*FHCC*" below for a description of the FHCC agreement. *See* APPENDIX B.

Source: The University's General Revenue Supplement to Audited Financial Statements.

The definition of "General Revenues" in the Resolution provides that unrestricted fund balances, to the extent that they were accumulated from money that was received as General Revenues, also are includable and available to pay obligations secured by General Revenues. To illustrate unrestricted fund balances that may be available to pay General Revenue obligations, Table 5 shows general net position and also shows general net position adjusted to remove certain non-cash items (to show the figure excluding the effect of Governmental Accounting Standards Board ("GASB") Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB 68"), which was implemented in Fiscal Year 2015, and GASB Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits other than Pensions ("GASB 75"), which was implemented in Fiscal Year 2018).

Table 5: General Net Position - General Revenues
(Fiscal Years ended June 30, dollars in thousands)

General Net Position	**2020**[(1)]	**2021**[(2)]	**2022**[(3)]	**2023**	**2024**
General Net Position (per audit)	$(831,046)	$34,101	$805,750	$1,126,151	$1,510,778
Plus: Impact of 2015 GASB 68 -- Pensions[(4)]	456,362	316,325	(84,909)	(268,880)	(499,415)
Plus: Impact of 2018 GASB 75 -- OPEB[(5)]	1,853,385	1,850,642	1,917,208	1,904,030	1,842,394
Adjusted General Net Position	$1,478,701	$2,201,068	$2,638,049	$2,761,301	$2,853,757

(1) 2020 figures adjusted to reflect restatements due to GASB 84 (Fiduciary Activities), which was implemented in Fiscal Year 2021 and increased General Net Position by $41 million.

(2) 2021 figures adjusted to reflect restatements due to GASB 87 (Leases), which was implemented in Fiscal Year 2022 and reduced General Net Position by $2.5 million.

(3) Fiscal Year 2022 figures adjusted to reflect restatements due to GASB 96 (Subscription-Based Information Technology Arrangements), however, General Net Position for Fiscal Year 2022 was not impacted.

(4) The impact of GASB 68 accounting in the year of implementation, and the cumulative impact on subsequent years, is shown as an adjustment to General Net Position to illustrate the effects of this non-cash change in accounting.

(5) The impact of GASB 75 accounting in the year of implementation, and the cumulative impact on subsequent years, is shown as an adjustment to General Net Position to illustrate the effects of this non-cash change in accounting.

Source: The University's General Revenue Supplement to Audited Financial Statements.

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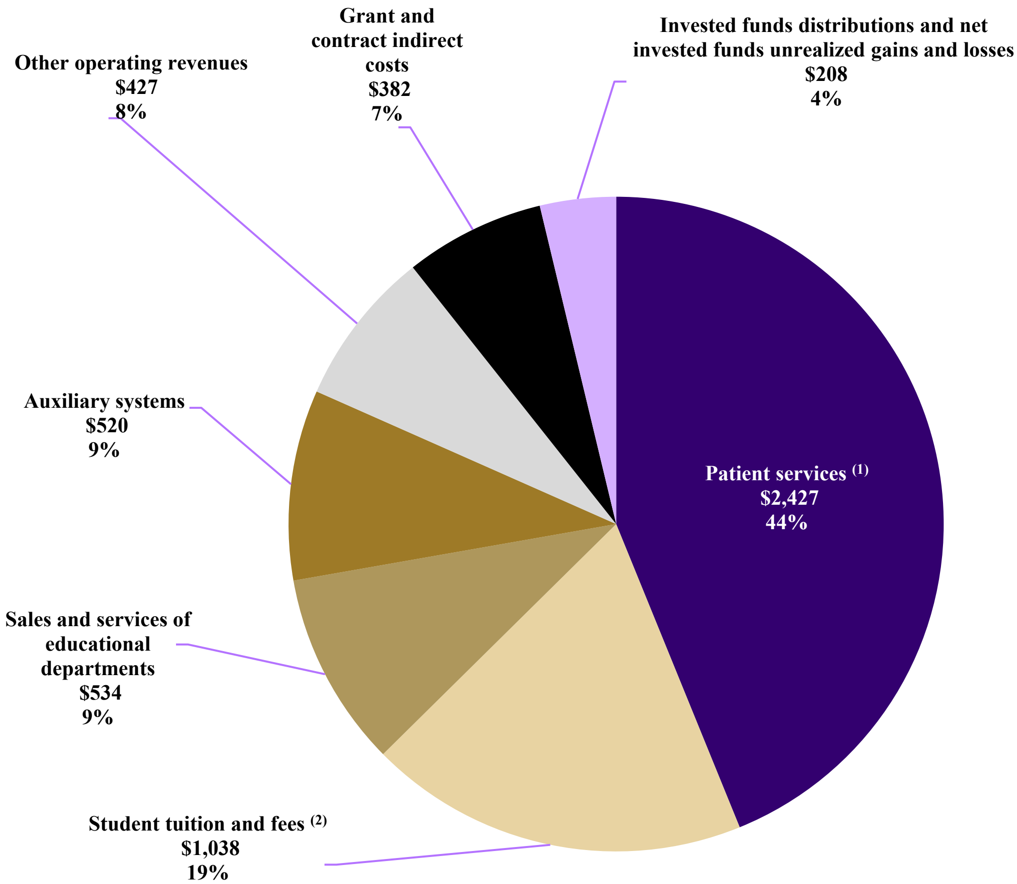
General Revenue Components

Figure 1 shows the General Revenue components for Fiscal Year 2024.

Figure 1: General Revenue Components, Fiscal Year 2024
(dollars in millions, total $5,536)



Note: Totals may not foot due to rounding.
(1) Excludes activities of UW Physicians and UW Medicine Primary Care (formerly "UW Medicine Neighborhood Clinics").
(2) Does not include student activities fees, U-Pass fees, technology fees, building fees, and loan funds.
Source: Figure 1 is derived from data included in the General Revenue Supplement to Audited Financial Statements of the University (Fiscal Year Ended June 30, 2024).

The following describes certain of the largest components of General Revenues, including patient services, student tuition and fees, sales and services of educational departments, auxiliary systems, and grant and contract indirect costs.

Patient Services

Patient services are the largest component of General Revenues, representing 44 percent of General Revenues in Fiscal Year 2024. Patient services revenue increased from $2.125 billion in Fiscal Year 2023 to $2.427 billion in Fiscal Year 2024 due primarily to higher volumes at UW Medical Center and new programs managed by the Washington State Health Care Authority.

As outlined in Table 6 below, some revenues of the integrated health system operating under the name "UW Medicine," described under the heading "UW MEDICINE," are patient services revenues included in General Revenues and some are not. In addition, some UW Medicine entities generate other revenues included in General Revenues, such as student tuition and fees and grant and contract indirect costs. *See* "—Student Tuition and Fees" and "—Grants and Contract Indirect Costs."

Table 6 lists the clinically integrated parts of UW Medicine, and notes which entities' revenues are included in General Revenues and whether the entities' revenues are reflected in the University's audited financial statements. Table 6 also identifies the entities that are part of the UW Medicine Select Units—UW Division (the "Select Units"), which includes University divisions, departments and blended component units that generate patient services revenues.

On March 31, 2022, the members of the SCCA— the University on behalf of UW Medicine, Fred Hutch, and SCHS—agreed to merge Fred Hutch and SCCA. As part of this agreement, UW Medicine and Fred Hutch purchased SCHS's membership interest in SCCA, and SCCA was renamed Fred Hutchinson Cancer Center ("FHCC")—a non-member, non-profit Washington corporation. In connection with this restructuring of the former SCCA corporate entity, FHCC and UW Medicine entered into a Restructuring and Enhanced Collaboration Agreement, which clinically and financially integrates the adult cancer program between both entities. For additional information, *see* "UW MEDICINE—Other Clinically Integrated UW Medicine Entities—*FHCC*."

Table 6: Clinically Integrated UW Medicine Entities[1]

Entity	Included in General Revenues Pledged to Bonds?	Included in Select Units Financial Statements (and Patient Services Revenue)?	Included in University financial statements?
UW Medical Center[2]	Yes	Yes	Yes
UW School of Medicine[3]	Yes	No	Yes
UWM Shared Services[4]	Yes[5]	Yes	Yes
Airlift Northwest[6]	Yes	Yes	Yes
Harborview Medical Center	No	No	No
UW Medicine Primary Care[7]	No	Yes	Yes[8]
UW Physicians[9]	No	Yes	Yes[8]
Valley Medical Center[10]	No	No	Yes[11]
Fred Hutchison Cancer Center	No[12]	No	Yes[11]

(1) For a full list of UW Medicine Entities, *see* Figure 4.
(2) Includes UW Medical Center's Montlake and Northwest campuses (Northwest campus was included in UW Medical Center commencing January 1, 2020).
(3) UW School of Medicine is a University department and not a separate legal entity.
(4) UWM Shared Services is a University department, and not a separate legal entity. Includes UW Medicine Information Technology Services and UW Medicine Shared Services (shared costs such as accounting, patient financial services, supply chain, finance, etc.).
(5) Represents certain revenues from shared services provided to Harborview Medical Center, Valley Medical Center, FHCC as well as other revenues.
(6) Airlift Northwest is UW Medicine's air medical transport service. Airlift Northwest is a University department, and not a separate legal entity.
(7) UW Physicians Network d/b/a UW Medicine Primary Care or UWM PC (formerly "UW Medicine Neighborhood Clinics").
(8) Included in University financial statements as a blended component unit.
(9) The Association of University Physicians d/b/a UW Physicians.
(10) Valley Medical Center has determined not to continue its strategic alliance with UW Medicine, and, following a wind-down period, will no longer constitute a clinically-integrated UW Medicine entity. *See* "UW MEDICINE—Other Clinically Integrated UW Medicine Entities—*Valley Medical Center.*"
(11) Included in University financial statements as a discrete component unit.
(12) FHCC is an independent entity and its revenues are not included in General Revenues. The revenues UW Medicine receives through the agreement with FHCC are included in General Revenues. *See* "UW MEDICINE—Other Clinically Integrated UW Medicine Entities—*FHCC*."

Source: The University.

Student Tuition and Fees

Student tuition and fees are the second largest component of General Revenues, representing 19 percent of General Revenues in Fiscal Year 2024. The portion of student tuition and fee revenue included in General Revenues represents approximately 89 percent of total tuition and fee revenue, and excludes student activities fees, U-Pass fees, student technology fees, building fees, and student loan funds. *See* "Table 4: General Revenues." The portion of student tuition and fee revenue included in General Revenues decreased slightly from $1.040 billion in Fiscal Year 2023 to $1.038 billion in Fiscal Year 2024.

Student tuition is established by the Board of Regents within the tuition-setting authority delegated by the Legislature. Under current State law, the University retains authority to set tuition for graduate students and non-resident undergraduate students, but the Legislature limits increases in tuition for resident undergraduate students and defines eligibility for resident status. *See* "OTHER UNIVERSITY INFORMATION—State Appropriations." Increases in student tuition are subject to Initiative 960, an initiative that requires legislative approval for any fee increase or new fees. *See* "CERTAIN INVESTMENT CONSIDERATIONS—State Legislation and Rulemaking, Initiatives and Referenda—*Initiative 960*." Student fees that are included in General Revenues include student fees that are unrestricted, and consist primarily of the operating fee.

Annual increases in resident undergraduate tuition are limited by State law to no more than the rolling average annual percentage growth rate in the median hourly wage for Washington for the previous 14 years. The University increased resident undergraduate tuition by the full allowable amount (3.0 percent for 2023-2024 and 3.0 percent for 2024-2025), and increased non-resident tuition by the same percentages. Meanwhile, graduate program tuition rates increased between zero and 6.0 percent in each of those years. The average tuition rates for most graduate and professional programs grew by 3.0 percent for 2023-2024 and 1.0-3.0 percent for 2024-2025. *See* also "CERTAIN INVESTMENT CONSIDERATIONS—State Legislation and Rulemaking, Initiatives and Referenda."

The University has the authority to waive or reduce tuition and fees. Student tuition and fees revenue figures included in this Official Statement exclude amounts waived. Tuition waivers are used to assist low-income students, recruit outstanding students and recruit and support graduate teaching and research assistants. Tuition can be waived by the University for students meeting certain eligibility requirements consistent with these objectives and with authorizations in State law.

Sales and Services of Educational Departments

Sales and services of educational departments represent the third largest component of General Revenues, representing slightly more than nine percent of General Revenues in Fiscal Year 2024. These revenues largely consist of Laboratory Medicine sales, School of Dentistry sales and computing and communication fees for various services. Revenues from sales and services of educational departments decreased from $662 million in Fiscal Year 2023 to $534 million in Fiscal Year 2024 due mainly to School of Medicine programs, including Laboratory Medicine, which had large decreases in COVID-19 testing activities.

Auxiliary Systems

Auxiliary systems revenues are the fourth largest component of General Revenues, representing nine percent of General Revenues in Fiscal Year 2024. Auxiliary systems include housing and food services, athletic programs and other auxiliary enterprises. Auxiliary systems revenues increased from $508 million in Fiscal Year 2023 to $520 million in Fiscal Year 2024 due in part to higher distributions from the National Collegiate Athletic Association and Pac-12 Conference reflecting higher payouts and Sugar Bowl and college football playoffs participation for intercollegiate athletics.

In August 2024, the University joined the Big Ten Conference. Long-term, the University expects that enhanced resources from joining the Big Ten Conference will benefit initiatives regarding academics, accessibility and affordability for University student athletes.

Grants and Contract Indirect Costs

Grants and contracts fund a wide variety of research and training programs at the University. To reimburse the University for infrastructure support costs (or "indirect costs") associated with sponsored research and other sponsored projects, the University imposes a Facilities and Administrative ("F&A") rate on sponsors. These indirect costs revenues from grants and contracts are the fifth largest component of General Revenues, representing 7 percent of General Revenues in Fiscal Year 2024. Grant and contract indirect cost revenues increased from $345 million in Fiscal Year 2023 to $358 million in Fiscal Year 2024.

The University negotiates F&A rates with the U.S. Department of Health and Human Services every four to six years. The current F&A rate is 55.5 percent for on campus, organized research. While the process of negotiating new F&A rates is underway, current provisional F&A rates are in effect until amended. If the new F&A Rate is less than the provisional rate used in a proposal, the new F&A Rate will be applied to the award and, if necessary, retroactive to its effective date.

The University's expectations with regard to future grant and contract revenues (and therefore future grant and contract indirect cost revenues included in General Revenues) are informed by its awards. *See* "OTHER UNIVERSITY INFORMATION." Awards are received by the University over one or more fiscal years and, when expenditures are made reimbursable, are presented as grant and contract revenues in the University's financial statements. For more information regarding grant and contract revenues for Fiscal Years 2024 and 2023, *see* APPENDIX B—"AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2024)."

UNIVERSITY OVERVIEW

Founded in 1861, the University is a research university with campuses located in Seattle, Bothell and Tacoma. The University is the largest of six State-funded four-year institutions of higher education in the State. In autumn quarter 2024, approximately 123,360 people studied and worked in approximately 29.5 million square feet of University-owned facilities. Of these people, approximately 51 percent were students and 49 percent were staff and faculty. With approximately 60,608 full-time and part-time employees at the University's Autumn 2024 census, the University is one of the largest employers in King County and the State.

The University's three campuses provide baccalaureate, masters, doctoral and professional degree programs through colleges and schools including arts and sciences, built environments, business, dentistry, education, Continuum College, engineering, environment, information, law, medicine, nursing, pharmacy, public affairs, public health, and social work. The University offers 642 degree options across 319 programs. In the 2023-2024 academic year, the University awarded 18,143 degrees, including 11,379 bachelor degrees, 5,235 master's degrees, 893 doctoral degrees and 604 professional degrees.

Governance

The Board of Regents consists of eleven members, one of whom is a student and one of whom is a member of the faculty. Regents are appointed by the State Governor (the "Governor") to serve six-year terms, with the exception of the Student Regent, who serves a one-year term, and the Faculty Regent, who serves a three-year term. Regents serve after the expiration of their terms until they resign or until the Governor appoints a replacement.

The Board of Regents consists of the following individuals:

Leonard Forsman, Vice-Chair (Chairman, Suquamish Tribe).

Leonor R. Fuller, Member (Retired Attorney, Fuller & Fuller Attorneys).

Alexes Harris, Faculty Member (Professor of Sociology, Faculty Athletics Representative, Director, Faculty Development Program).

Linden Rhoads, Member (Technology Investor, Seattle Ventures).

Constance W. Rice, Member (President, The Very Strategic Group).

Rogelio Riojas, Member (President and Chief Executive Officer, Sea Mar Community Health Centers).

Keondra Rustan, Student Member (Candidate, Doctor of Nursing Practice Program).

David Schumacher, Member (Director of Government and Public Affairs, Washington State Investment Board)

Blaine Tamaki, Chair (Founder and Attorney, Tamaki Law).

Maggie Walker, Member (President, Walker Family Foundation).

David Zeeck, Member (Retired President and Publisher, The News Tribune, The Olympian, and The Bellingham Herald).

The University's Administrative Officers include the following individuals:

Dr. Ana Mari Cauce, President. Ana Mari Cauce is the 33rd president of the University, where she has been a member of the faculty since 1986. A graduate of the University of Miami and Yale University, she is a noted scholar on risk and resilience among adolescents and has received numerous awards for her research as well as the University's Distinguished Teaching Award. Before becoming president in 2015, she served as chair of the Departments of American Ethnic Studies and Psychology, as dean of the College of Arts and Sciences and as provost, the University's chief academic officer. In 2008, she played a key role in establishing the Husky Promise, a program that has helped more than 40,000 low-income students attend the University. Since becoming president, Dr. Cauce has put a spotlight on the University's work in Population Health across the University, launched the University's Race & Equity Initiative and been a champion for ensuring the University and public higher education across the country remain accessible and affordable for all students. In recognition of her leadership in population health and groundbreaking research, she was elected to the American Academy of Arts and Sciences and the National Academy of Medicine. Throughout her career, she has worked to advance the University's mission of serving the public good by focusing on the University's impact on the lives of the people in the State and throughout the world.

In June 2024, President Cauce announced her intention to step down as president during the summer of 2025, at the end of her second full term. On February 3, 2025, the University announced Robert J. Jones, the current Chancellor of the University of Illinois Urbana-Champaign, as the next President. Mr. Jones' tenure is to begin August 1, 2025.

Dr. Tricia Serio, Provost and Executive Vice President for Academic Affairs. Tricia Serio joined the University as provost and executive vice president for academic affairs in August 2023. A biochemist, she also holds a faculty appointment in the School of Medicine's Department of Biochemistry. As the University's academic and budget officer, Dr. Serio leads the faculty and allocates resources to promote each student's academic experience and success. Dr. Serio (she/her pronouns) came to the University from the University of Massachusetts Amherst, where she was provost and senior vice chancellor for academic affairs, as well as a professor in the Department of Biochemistry and Molecular Biology. A first-generation college graduate, Dr. Serio earned her bachelor's degree in molecular biology at Lehigh University and completed her master's degree and Ph.D. in molecular biophysics and biochemistry at Yale. Dr. Serio's research centers on prion proteins, which are associated with infectious neurodegenerative disease in mammals (e.g., mad cow disease and Creuzfeldt-Jakob Disease). She has earned numerous recognitions for her research, including being named a Damon Runyon-Walter Winchell Cancer Research Postdoctoral Fellow, and a Pew Scholar in the Biomedical Sciences. She also received the Howard Temin Award from the National Cancer Institute and the Mid-Career Award for Research Excellence from the American Society of Cell Biology, and she is an elected Fellow of the American Association for the Advancement of Science.

Sarah Norris Hall, Senior Vice President for Finance, Planning & Budgeting, and Chief Financial Officer. Ms. Hall is responsible for the central finance, budgeting, decision support and State policy and operational functions that support the University's academic, research, service, and patient service activities. Responsible for supporting the University President and Provost with stewardship of the University's resources, strategic and financial planning efforts, Ms. Hall works to ensure that the University's financial resources and operations are aligned with its mission and goals, while mitigating risk and enhancing efficiency and effectiveness. Ms. Hall and the Finance, Planning & Budgeting team are charged with leading and evolving the University's finance and budget strategy including budget model and financial forecasting; treasury operations; State-related budget development and analysis, policy development, and capital planning strategy in partnership with Facilities; analytical modeling and institutional reporting; and University business services that include payroll, procurement, financial operations, and student fiscal services, among others. Ms. Hall is on the boards of the KUOW Puget Sound Public Radio, and the Portage Bay Insurance Company. She previously worked for the former Higher Education Coordinating Board, and Washington State University. Ms. Hall holds a baccalaureate degree from the University of Puget Sound in International Political Economy, a master's degree from Teachers College, Columbia University in Higher and Postsecondary Education Policy, and a certificate in Management Development from Harvard University.

Dr. Timothy Dellit, CEO, UW Medicine, Executive Vice President for Medical Affairs and Dean of the School of Medicine. Dr. Timothy Dellit is the CEO, UW Medicine, Executive Vice President for Medical Affairs, and Paul G. Ramsey Endowed Dean of the School of Medicine, University of Washington. Dr. Dellit earned his undergraduate degree in cell biology at Northwestern University and graduated from medical school at Cornell University Medical College in New York. He completed his internal medicine residency training at New York Hospital – Cornell Medical Center serving as chief resident at Memorial Sloan Kettering Cancer Center. He then moved to Seattle to complete his fellowship in infectious diseases at the University of Washington before joining UW Medicine faculty in 2003. From 2003-2009 he served as medical director of the General Infectious Diseases Clinic and Antimicrobial Stewardship Program, as medical director of infection control at Harborview Medical Center from 2006-2014, as associate medical director at Harborview Medical Center from 2006-2018, and as associate dean for clinical affairs from 2014-2018. In his leadership roles, Dr. Dellit strives to improve the learning and work environments to provide high-quality, equitable care for all people, to advance scientific discovery, to educate future healthcare professionals and scientists, and to promote more just, equitable, and healthy communities.

Accreditation

The University has been continuously accredited by the Northwest Commission on Colleges and Universities ("NWCCU") since 1918 and is a member of the Association of American Universities. The NWCCU's seven-year accreditation cycle culminates in the University submitting a comprehensive self-evaluation report as well as a site visit. The University's accreditation was most recently reaffirmed in July 2021 and the mid-cycle evaluation was completed in spring 2024.

Sustainability

The State has set multiple mandatory requirements for State agencies to reduce greenhouse gas ("GHG") emissions. The State Agency Climate Leadership Act requires all State agencies to reduce emissions by 45 percent by 2030, 75 percent by 2040 and 95 percent by 2050 (based on a 2005 baseline). Additional State requirements applicable to the University include the Clean Building Performance Standard ("CBPS") and State Climate Commitment Act ("CCA"). Under these mandates, the University is required to hit specific GHG targets and energy conservation targets, both of which become more stringent over time. The Seattle campus is considered a covered entity (i.e., a large emitter) under the CCA. The University is therefore required to purchase allowances each year through the State run auction.

To meet these requirements, the University must make substantive changes to how it manages its operations and assets across all three campuses and hospitals. In order to reach these goals, the University conducted its first comprehensive tri-campus GHG Emissions Inventory, including both direct and indirect emissions. The GHG inventory measures the University's progress towards these goals using 2022 data compared to a 2005 baseline. One of the major efforts toward reaching these goals is developing decarbonization plans to transition away from fossil fuels in the University's building heating systems. Planning work has started to determine the scope of an effort to convert the natural gas-powered steam heating system on the Seattle campus to an electrified system using hot water loops to heat buildings. In August 2023, the University hired an engineering consultant to help the University create an implementation plan for the Seattle campus to transition from fossil fuel and to electrify fully the central plant. The engineering consultant has provided their report, which is under review as the University works towards developing a plan. Submission of a decarbonization plan to the State is one of numerous requirements for University compliance with both CBPS and CCA.

Building on the 2009 UW Climate Action Plan, the University adopted its Sustainability Action Plan on July 1, 2020, which set out ten measurable targets to be achieved over a five-year span. The targets under the Sustainability Action Plan include areas relating to energy, transportation, food, waste, academic research, purchasing and more. The University is planning to update the Sustainability Action Plan and will hire a consultant to help with the strategic planning process, to include long range measurable strategies, targets, and actions for reaching net zero carbon. The Sustainability Action Plan update kicked-off in fall 2024 and is expected to take approximately 18 months before a new plan is finalized.

The University also is a participating institution in the Sustainability Tracking, Assessment & Rating System, a self-reporting framework for colleges and universities to measure sustainability performance through the Association for the Advancement of Sustainability in Higher Education (AASHE). The University's Seattle and Bothell campuses currently hold gold ratings. The University's Sustainability Action Plan document currently is available on the plan website green.uw.edu/plan, which website is not incorporated by this reference. Data and metrics on the University's sustainability efforts and status updates currently are posted to the Plan Dashboard on the site.

ADMISSIONS, STUDENT ENROLLMENT AND FACULTY

Tables 7 through 11 show the number of applicants to the University's undergraduate, graduate and professional schools, certain qualifications of these applicants, the number of applicants accepted into each school, the tuition and student fees for each school, and the number of students enrolled in autumn quarter of the calendar years 2020–2024. Each autumn quarter's enrollment figures correspond with the fiscal year that concludes in the subsequent calendar year (e.g., autumn 2019 is enrollment for Fiscal Year 2020, autumn 2020 is enrollment for Fiscal Year 2021 and so on).

In autumn quarter 2024, 78 percent of undergraduate students were located at the Seattle campus, 12 percent at the Bothell campus and nine percent at the Tacoma campus, based on headcount. The Bothell and Tacoma campuses consist primarily of undergraduate students. For the 2023-2024 and 2024-2025 academic years, State residents constituted approximately 63 percent of undergraduate, graduate and professional full-time equivalent students ("FTEs"), defined as an undergraduate carrying 12 credit hours or a graduate student carrying 10 credit hours. Approximately 15 percent were international students during these two academic years.

The Seattle campus enrolled 8,774 new undergraduates in Autumn quarter 2024, including 5,882 State residents —a new high. Of the 8,774 new undergraduates on the Seattle campus, 7,195 are freshman and 1,579 are transfers. 1,774 incoming undergraduates are from historically underserved groups—a record number. Overall, the undergraduate application pool for the Seattle campus increased this year by 10.5 percent, resulting in 74,632 total applications, with an admissions rate of 39.5 percent. At the Bothell campus, freshman enrollments declined from 1,181 in 2023 to 1,110 in 2024. Tacoma campus saw an increase in applicants and had an admission rate of 81 percent for undergraduate applicants. Additionally, Tacoma campus's enrollments increased modestly since last year, though they remain below the high exhibited in 2020.

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Table 7: Applications, Students and Enrollments[1]

Undergraduate	Autumn Quarter				
Freshmen	**2020**	**2021**	**2022**	**2023**	**2024**
Applied	49,921	55,496	58,999	70,365[2]	78,418[2]
Accepted	29,851	31,664	30,682	33,557	35,119
Percent Accepted to Applied	60%	57%	52%	48%	45%
Enrolled	8,606	8,776	9,011	8,848	9,023
Percent Enrolled to Accepted	29%	28%	29%	26%	26%
Transfers	**2020**	**2021**	**2022**	**2023**	**2024**
Applied	8,349	7,805	7,217	7,655	8,351
Accepted	4,925	4,566	4,026	4,248	4,526
Percent Accepted to Applied	59%	59%	56%	55%	54%
Enrolled	3,169	2,894	2,499	2,761	2,918
Percent Enrolled to Accepted	64%	63%	62%	65%	64%
Undergraduate FTE[3]	**2020**	**2021**	**2022**	**2023**	**2024**
Bothell	5,346	5,094	4,866	4,917	5,114
Seattle	31,202	30,912	31,438	31,691	32,752
Tacoma	4,336	4,124	3,879	3,846	3,994
Total All Campuses	40,885	40,130	40,183	40,454	41,860
Undergraduate Headcount	**2020**	**2021**	**2022**	**2023**	**2024**
Bothell	5,664	5,471	5,213	5,255	5,478
Seattle	32,827	32,779	33,300	33,973	35,397
Tacoma	4,578	4,339	4,103	4,027	4,222
Total All Campuses	43,069	42,589	42,616	43,255	45,097
Additional Enrollment Statistics	**2020**	**2021**	**2022**	**2023**	**2024**
Percent of Undergraduates Outside State—Domestic[4]	14%	16%	17%	19%	21%
Percent of Undergraduates Outside State—International[4]	12%	12%	12%	10%	9%
Percent Retention (Freshmen to Sophomore)	91%	91%	91%	93%	93%
Mean GPA	3.72	3.76	3.77	3.78	3.76
Median GPA	3.81	3.84	3.86	3.87	3.86
Percent of Class Reporting GPA Data	100%	100%	100%	100%	100%
Mean Combined SAT Score	1282	1307	1361	1340	1360
Median Combined SAT Scores	1310	1340	1400	1390	1420
Percent of Class Reporting SAT Data	80%	18%[5]	16%[5]	15%[5]	14%[5]

(1) Unless otherwise noted, all figures include Seattle, Bothell and Tacoma campuses.
(2) Common App was added as an application option in 2023.
(3) Full-time equivalent ("FTE") is defined as an undergraduate carrying 12 credit hours or a graduate student carrying 10 credit hours. FTE exceeds headcount enrollment when students take more credit hours than the credit hour threshold equating to one FTE.
(4) Based on headcount.
(5) SAT test requirement was removed for the fall 2021 incoming class due to the lack of available testing sites during the COVID-19 pandemic; in June 2020 the University removed the requirement for incoming students beyond fall 2021.

Source: The University.

Table 7: Applications, Students and Enrollments[1] (Continued)

Graduate	Autumn Quarter 2020	2021	2022	2023	2024
Applied	33,413	36,578	34,437	35,441	38,924
Accepted	11,316	11,573	11,121	11,761	11,908
Percent Accepted to Applied	34%	32%	32%	33%	31%
Enrolled	4,990	5,258	4,874	5,252	5,295
Percent Enrolled to Accepted	44%	45%	44%	45%	44%
Graduate FTE	15,830	16,106	16,215	16,117	16,275
Graduate Headcount	15,148	15,348	15,265	15,216	15,440

Professional[2]	2020	2021	2022	2023	2024
Applied	10,594	13,595	11,316	10,470	8,905
Accepted	1,376	1,432	1,441	1,492	1,773
Percent Accepted to Applied	13%	11%	13%	14%	20%
Enrolled	614	615	594	616	617
Percent Enrolled to Accepted	45%	43%	41%	41%	35%
Total Professional FTE	4,114	4,123	4,023	3,923	3,919
Total Professional Headcount	2,201	2,170	2,200	2,221	2,215

(1) Unless otherwise noted, all figures include Seattle, Bothell and Tacoma campuses.
(2) Includes the Medical, Pharmacy, Dentistry and Law schools.
Source: The University.

Table 8: Extension Course and Conference Registrations[1]

2020	2021	2022	2023	2024
90,714	68,653	65,455	72,416	83,662

(1) The decline in extension course and conference registrations reflects the impacts of COVID-19.
Source: The University.

Table 9: Tuition and Fees[1]

	Annual (As of Autumn Quarter) 2020	2021	2022	2023	2024
Undergraduate Resident	$ 11,659	$ 12,352	$ 12,518	$ 12,901	$ 13,183
Undergraduate Non-Resident	39,028	40,182	41,016	42,255	43,419
Graduate Resident	17,308	18,030	18,333	18,891	19,002
Graduate Non-Resident	30,208	31,188	31,806	32,769	33,021
Professional School Resident[2]	33,565-48,220	34,611-48,615	35,511-48,519	36,243-49,512	36,180-50,412
Professional School Non-Resident[2]	50,185-73,792	51,810-74,187	53,730-74,091	55,875-74,139	49,731-75,255

(1) Seattle campus rate. Bothell and Tacoma campuses differ in certain required fees charged to students.
(2) Figures shown represent the range from lowest to highest among these professional schools.
Source: The University.

Table 10: University FTEs[(1)]

	Autumn Quarter				
	2020	**2021**	**2022**	**2023**	**2024**
Undergraduate	40,885	40,130	40,183	40,454	41,860
Graduate	15,830	16,106	16,215	16,117	16,275
Professional[(2)]	4,114	4,123	4,023	3,923	3,919
Total University FTE	60,829	60,359	60,421	60,494	62,054

(1) Includes Seattle, Bothell and Tacoma campuses. FTE is defined as an undergraduate carrying 12 credit hours or a graduate student carrying 10 credit hours. FTE exceeds headcount enrollment when students take more credit hours than the credit hour threshold equating to one FTE.
(2) Includes the Medical, Pharmacy, Dentistry and Law schools.
Source: The University.

Table 11: University Headcount[(1)]

	Autumn Quarter				
	2020	**2021**	**2022**	**2023**	**2024**
Undergraduate	43,069	42,588	42,616	43,255	45,097
Graduate	15,148	15,348	15,265	15,216	15,440
Professional[(2)]	2,201	2,170	2,200	2,221	2,215
Total University Headcount	60,418	60,106	60,081	60,692	62,752

(1) Includes Seattle, Bothell and Tacoma campuses. FTE exceeds headcount enrollment when students take more credit hours than the credit hour threshold equating to one FTE.
(2) Includes the Medical, Pharmacy, Dentistry and Law schools.
Source: The University.

Tables 12 and 13 show available selected faculty and student housing and dining data for autumn quarter since 2020.

Table 12: Faculty Data[(1)]

	Autumn Quarter				
	2020	**2021**	**2022**	**2023**	**2024[(2)]**
Full-time Faculty	5,204	5,602	5,731	5,890	--
Tenure Rate	48%	48%	47%	46%	--

(1) Faculty data based on Integrated Postsecondary Education Data System ("IPEDS") definitions, available at https://nces.ed.gov/ipeds/report-your-data/archived-changes (website not incorporated herein). Year-over-year faculty number changes are primarily attributable to IPEDS definition adjustments and changes to the University's faculty categorization. In all years, headcount associated with temporary faculty categories is excluded.
(2) Final autumn 2024 faculty data is not yet available.
Source: The University.

Table 13: Student Housing and Dining Data (Seattle campus only)[1]

	Autumn Quarter				
	2020	**2021**	**2022**	**2023**	**2024**
Room and Board[2]	$13,361	$13,621	$14,417	$15,149	$15,915
Autumn Opening Occupancy[3]	3,459[5]	9,247[6]	8,654[7]	8,515[7]	8,439[7]
Occupancy[4]	45%[5]	108%[6]	110%[7]	112%[7]	111%[7]

(1) Figures include residence hall units and exclude single student and family housing apartments.

(2) Room and board pricing is for the full academic year. The room portion of annual room and board pricing is the weighted average of all residence hall double rooms in inventory, and the dining portion is for a representative meal plan.

(3) Autumn opening occupancy is used to calculate capacity.

(4) Numbers reflect as-built capacity and 10th day occupancy. Occupancy that exceeds 100 percent is the result of housing three students in a room designed for two.

(5) Significant reductions in 2020 occupancy reflect impacts of COVID-19.

(6) Increase in 2021 occupancy reflects the University's return to in-person classes and pre-pandemic level demand for student housing.

(7) In 2022, the University began a project to demolish and replace Haggett Hall, a 730-bed dormitory built in 1963. As the table reflects, the reduction in student housing units caused by Haggett Hall's closure caused student housing occupancy rates to increase for Autumn Quarter 2022, 2023 and 2024, notwithstanding decreases in the total autumn opening occupancy figures for these quarters. The University anticipates that a new Haggett Hall will open in 2027.

Source: The University.

UNIVERSITY REVENUE AND EXPENSES

The following section provides additional general information regarding University revenues and expenses. University Total Revenues may be restricted in whole or in part and, to the extent restricted, are excluded from General Revenues. Appropriated revenue is also excluded from General Revenues. Restricted, appropriated and other revenues that are excluded from General Revenues are, however, important components of the University's overall financial position. *See* "GENERAL REVENUES."

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University Revenues

University Total Revenue by Source. The University's Total Revenues increased by 6.6 percent in Fiscal Year 2024, totaling $9.563 billion. Table 14 shows total University revenues by type of revenue source. For notes regarding increases in patient service revenues and auxiliary enterprise revenues and decreases in revenues from sales and services of educational departments from Fiscal Year 2023 to Fiscal Year 2024, *see* "GENERAL REVENUES—General Revenue Components." For notes regarding the increase in investment income in Fiscal Year 2024, *see* "INVESTMENTS."

Table 14: University Total Revenue[(1)]
(Fiscal Years ended June 30, dollars in millions)

	2020	2021	2022	2023	2024
Net patient services	$2,093	$2,208	$2,443	$2,564	$3,046
Grants and contracts	1,555	1,628	1,723	1,925	1,747[(2)]
Tuition and fees	1,058	1,033	1,125	1,158	1,174
Investment income	209	1,318[(3)]	(469)[(3)]	438	764
Auxiliary enterprises	420	309	555	523	569
Gifts	452	332	344	355	317
State funding for operations	415	481	485	532[(4)]	604[(4)]
Sales and services of educational departments	283[(5)]	463[(5)]	792[(5)]	662	534
Other medical-related revenues	149	197	159	251	209
State funding for capital projects	23	70	128	201	77
Other	128	346	278	363	522[(6)]
Total revenue – all sources	**$6,785**	**$8,385**	**$7,563**	**$8,972**	**$9,563**

(1) Table 14 reflects impacts to University revenues from the COVID-19 pandemic. These impacts include, but are not limited to, a decrease in net patient services in Fiscal Year 2020, additional state funding for operations in Fiscal Years 2020 through 2022, an increase in sales and services of educational departments in Fiscal Years 2021 and 2022 due to an increase in COVID-19 testing, and federal relief funds included under "Other."

(2) Fiscal Year 2024 decline due primarily to lower federal grant and contract revenues, including declines in COVID-19 Disaster Relief Funds (reduced across multiple federal awards including several clinical trial subcontracts from the National Institutes of Health). Additionally, awards sponsored by the Centers for Disease Control related to the Global AIDS program either ended or reduced activity.

(3) Investment income increased $1,109 million in Fiscal Year 2021 due to a rebound in investment returns on the University's endowment and operating funds. Fiscal Year 2022 results reflect reduced investment returns.

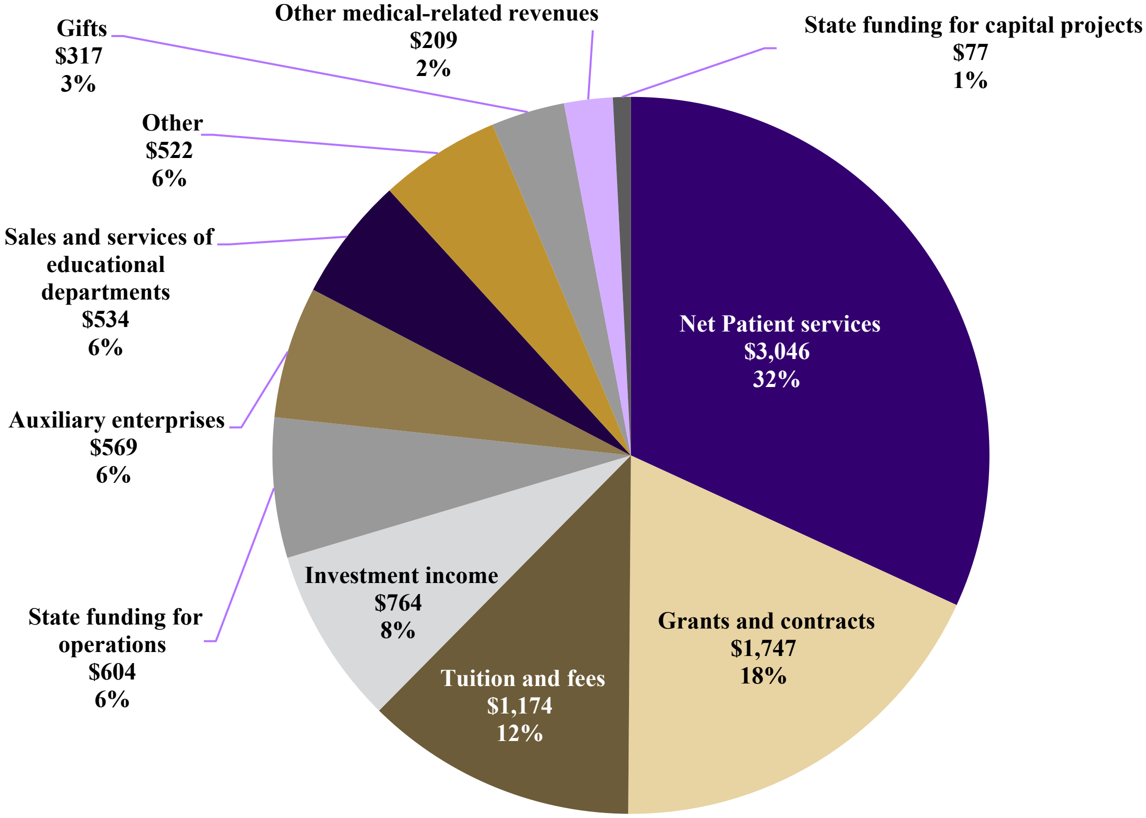
(4) Includes State appropriations for UW Medical Center of $50 million in Fiscal Year 2023 and $100 million in Fiscal Year 2024.

(5) In Fiscal Year 2023, an accounting error was discovered that had resulted in a misstatement of operating revenues and operating expenses for prior fiscal years. This included understatements of both operating revenues and operating expenses—each in the amount of $295 million—in Fiscal Year 2022. These understatements of revenues and expenses were offsetting, and therefore did not impact net position. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows for Fiscal Year 2022 were restated to reflect the correction. Fiscal years prior to 2022 have not been restated.

(6) Fiscal Year 2024 increase reflects minor increases in a variety of areas.

Source: Management's Discussion and Analysis, Audited Financial Statements of the University.

Figure 2: University Total Revenue by Source, Fiscal Year 2024
(dollars in millions, total $9,563)



Source: Figure 2 is derived from data in the Management's Discussion and Analysis, Audited Financial Statements of the University for Fiscal Year 2024.

University Expenses

Operating Expenses. The University's operating expenses increased six percent in Fiscal Year 2024, due primarily to higher salary costs and employer-paid healthcare benefits and higher costs for supplies and materials. Salaries expense increased $431 million (11 percent) in Fiscal Year 2024 due to growth in FTEs as well as wage increases and overall increasing costs due to the competitive labor market. UW Medicine reached agreements with its four largest labor union partners in fiscal year 2023. Table 15 and Figure 3 show University operating expenses by functional classification (purpose for which the costs are incurred). For Operating Expenses by type of expenditure, *see* "Statement of Revenues, Expenses and Changes in Net Position included in the University's Audited Financial Statements" attached as Appendix B.

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Table 15: University Operating Expenses
(Fiscal Years ended June 30, dollars in millions)

	Audited				Recast	Audited
	2020	**2021**	**2022**[(1)]	**2023**[(2)]	**2023**[(2)]	**2024**
Medical-related	$1,845[(3)]	$1,645[(3)]	$2,002	$2,320	$3,246	$3,196
Educational and general instruction	1,361	1,403	1,533	1,627	1,113	1,160
Research	796	820	920	1,004	973	1,251
Academic support	542	551	641	743	811	838
Auxiliary enterprises (other than medical)	576	516	622	706	222	373
Depreciation/amortization	388	450	463	523	523	507
Institutional support	272	259	125	316	357	343
Operation and maintenance of plant	281	326	304	314	302	250
Scholarships and fellowships	154	192	213	211	194	209
Student services	55	51	51	58	56	45
Public service	77	87	107	146	172	297
Total operating expenses	**$6,347**	**$6,300**	**$6,981**	**$7,969**	**$7,969**	**$8,469**

(1) In Fiscal Year 2023, an accounting error was discovered that had resulted in a misstatement of operating revenues and operating expenses for prior fiscal years. This included understatements of both operating revenues and operating expenses—each in the amount of $295 million—in Fiscal Year 2022. These understatements of revenues and expenses were offsetting, and therefore did not impact net position. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows for Fiscal Year 2022 were restated to reflect the correction. Fiscal years prior to 2022 have not been restated.

(2) On July 1, 2023, the University implemented a new Workday enterprise resource planning system. Certain amounts in the 2023 financial statement have been reclassified for comparative purposes to conform to the presentation of the 2024 amounts. Fiscal Year 2023 audited results were not restated.

(3) Fiscal Year 2020 and Fiscal Year 2021 medical-related expenses reflect accounting entries in Fiscal Year 2020 and 2021, largely those related to the integration of UW Medical Center Northwest campus (formerly known as Northwest Hospital) into UW Medical Center. Excluding this merger accounting entries, medical-related expenses increased in Fiscal Year 2021 over Fiscal Year 2020, primarily as a result of higher medical supplies and pharmaceutical expenses, and an increase in salaries and contract labor, which were driven by higher volumes in Fiscal Year 2021 as compared to Fiscal Year 2020. *See* "UW MEDICINE—UW Medicine Entities with Revenues Included in General Revenues—*UW Medical Center*."

Source: Management's Discussion and Analysis, Audited Financial Statements of the University.

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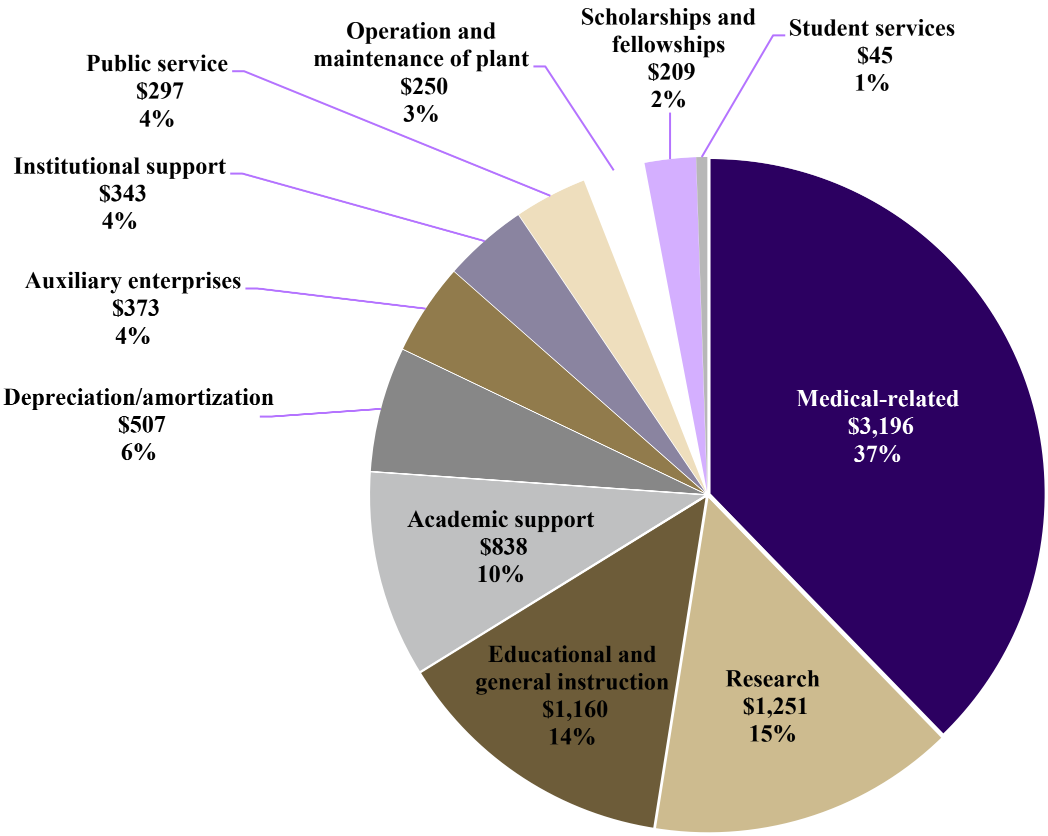
Figure 3: University Operating Expenses by Use, Fiscal Year 2024
(dollars in millions, total $8,469)



Note: Totals do not foot due to rounding.
Source: Figure 3 is derived from data in the Management's Discussion and Analysis, Audited Financial Statements of the University for Fiscal Year 2024.

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UW MEDICINE

The University operates a health system under the name "UW Medicine." This system consists of both clinically-integrated entities and non-clinically-integrated partnerships and affiliations, as shown in Figure 4.

Figure 4: UW Medicine Entities
(as of January 31, 2025)

UW Medicine - Clinically Integrated									
Entities	**UW Medical Center**	**UWM Shared Services**	**Airlift Northwest**	**UW School of Medicine**	**UW Medicine Primary Care**	**UW Physicians**	**Valley Medical Center**	**Harborview Medical Center**	**Fred Hutchinson Cancer Center**
Included in UWM Select Units Financial Statements?	✔	✔	✔		✔	✔			
Included in General Revenues Pledged to Bondholders?	✔	✔	✔	✔					
Included in University Financial Statements?	✔	✔	✔	✔	✔ (blended component unit)	✔ (blended component unit)	✔ (discrete component unit)		✔ (discrete component unit)

UW Medicine - Partnerships and Affiliations		
Key Affiliates and Partners	**Integrated Networks**	**Partially owned Organizations**
Bloodworks Northwest Husky Health Center MultiCare Health System NW Kidney Centers PeaceHealth Seattle Children's Skagit Regional Health VA Puget Sound/Boise/American Lake	Wholly Owned: UW Medicine Choice Care, LLC Partially Owned: Embright - Pacific Northwest Clinically Integrated Network (with MultiCare and LifePoint) Contractual: UW Medicine Accountable Care Network UW Medicine Post-Acute Care Network	Children's University Medical Group (with Seattle Children's) LifePoint - UW Medicine LLC Trios Health a UW Medicine Community Health Partner

Note: Designations in figure may not reflect entities' legal names. The clinically-integrated entities are identified in the upper portion of the table, and detailed with more specificity in "Table 6: Clinically Integrated UW Medicine Entities" and the footnotes thereto. Non-clinically integrated partnerships and affiliations are identified in the lower portion of the table; these are separate legal entities that have partnered or affiliated with UW Medicine.
Source: The University.

The following provides an overview of the entities operated as the integrated health system known as UW Medicine (other than UWM Shared Services), including the entities with revenues included in General Revenues (together with UWM Shared Services) and the Select Units. The Select Units include University divisions, departments and blended component units that generate patient services revenues. *See* "Table 6: Clinically Integrated UW Medicine Entities" under the heading "GENERAL REVENUES—Patient Services."

UW Medicine Entities with Revenues Included in General Revenues

UW Medical Center (including both the Montlake and Northwest campuses), Airlift Northwest, and the UW School of Medicine are, together with UWM Shared Services, the UW Medicine entities with revenues included in General Revenues, and therefore pledged to the payment of Bonds.

UW Medical Center. UW Medical Center is a two-campus hospital with a combined 910 licensed-bed count, with campuses at Montlake and Northwest. The licensed bed count increased in fiscal year 2024 due to 100 new psychiatry beds for the Center for Behavioral Health and Learning Center at UW Medical Center's Northwest campus. The revenues, expenses, assets and liabilities of UW Medical Center are included in the University's financial statements.

UW Medical Center Montlake campus provides highly specialized inpatient and outpatient healthcare to patients throughout the Pacific Northwest and also serves as a major clinical, teaching and research site for students and faculty of the University. Specialized inpatient care needs are met by the Oncology Program, the Regional Heart Center, the Neonatal Intensive Care Unit and the Organ Transplantation program, among others.

UW Medical Center Northwest campus offers comprehensive medical, surgical and therapeutic services. UW Medicine integrated UW Medical Center and Northwest Hospital & Medical Center into one hospital with two campuses (under one license) on January 1, 2020. Construction of the new $244 million Center for Behavioral Health and Learning on the UW Medical Center Northwest campus, planned and funded in partnership with the State to provide critically needed mental health services for all Washington residents, opened in April 2024. The new space is specifically designed to provide high-quality behavioral health education and training alongside clinical care.

Airlift Northwest. Airlift Northwest is an air medical transport service that works with first responders throughout Washington, Alaska, Montana and Idaho to transport critically ill and injured patients to local hospitals, regional trauma centers or specialty care facilities. The revenues, expenses, assets and liabilities of Airlift Northwest are included in the University's financial statements.

UW School of Medicine. The UW School of Medicine was founded in 1946 and is recognized for training primary care physicians and advancing medical knowledge through scientific research. UW School of Medicine was second in the nation in research funding received from the National Institutes of Health based on federal Fiscal Year 2023 awards. Physician faculty members of the UW School of Medicine staff UW Medical Center, Harborview and UW Medicine Primary Care, as well as the Puget Sound Veterans Affairs Health Care System, FHCC and Seattle Children's Hospital. The revenues, expenses, assets and liabilities of the UW School of Medicine are included in the University's financial statements.

UW Medicine Entities within the Select Units Financial Statement

Together with UW Medical Center, Airlift Northwest, and UWM Shared Services, the following University departments, divisions, blended component units and nonprofit entities constitute the components of UW Medicine included as part of the Select Units Financial Statement. The blended components' revenues are not included in General Revenues, but the components are operationally integrated with UW Medicine to provide patient care.

UW Physicians. UW Physicians is the physician practice group for approximately 3,000 physicians and other healthcare professionals associated with UW Medicine. UW Physicians provides primary and specialty care totaling more than two million patient visits each year. UW Physicians is a 501(c)(3) tax-exempt, not-for-profit corporation whose members consist of clinically active faculty of the UW School of Medicine. Pursuant to an agreement between the University and UW Physicians, UW Physicians is responsible for providing medical services to patients at hospitals owned or managed by the University and other sites of practice approved by the Dean of the UW School of Medicine. UW Physicians is presented as a blended component unit of the University in the University's financial statements.

UW Medicine Primary Care. UW Medicine Primary Care is a network of clinics with 14 locations throughout the greater Puget Sound area. In addition, UW Medicine offers primary and specialty virtual care from the convenience of the patient's home. The clinics offer a spectrum of primary care services, select specialty care and urgent care services as well as ancillary services, including on-site laboratory, X-ray facilities and nutrition services. UW Medicine Primary Care is a 501(c)(3) tax-exempt, not-for-profit corporation organized for the benefit of the UW School of Medicine, its faculty practice plan, UW Physicians, and all of its affiliated medical centers. UW Medicine Primary Care is presented as a blended component unit of the University in the University's financial statements. Prior to 2023, UW Medicine Primary Care was known as "UW Neighborhood Clinics."

Other Clinically Integrated UW Medicine Entities

Harborview Medical Center ("Harborview"), Valley Medical Center ("Valley") and FHCC also are part of the UW Medicine healthcare system that coordinates the provision of patient services. The revenues of these entities are excluded from General Revenues, although UW Medicine receives contractual payments, including contractual payments from FHCC, that are included in General Revenues.

Harborview Medical Center. Harborview is a Level 1 adult and pediatric trauma and burn center with 500 licensed beds that offers specialty care in nearly every area of medicine. Harborview's primary mission is to provide and teach exemplary patient care and to provide healthcare for those patients King County is obligated to serve. Harborview is owned by King County. The University has operated and managed Harborview since 1967. The University and King County entered into a 10-year hospital services agreement (with two renewable 10-year agreement terms) in February

2016, under which the University is reimbursed by Harborview for services provided and expenses incurred, all subject to the terms of the agreement. Harborview's financial results are not included in the University's financial statements.

In November 2020, King County voters approved the issuance by King County of $1.7 billion in bonds over the next decade to finance construction, expansion and renovation projects at Harborview. The bonds will be paid from an excess property tax approved by King County voters and are not an obligation of the University. In 2025, King County began collecting revenue from a county hospital property tax levy. King County will apply these tax revenues to Harborview's operation, maintenance and capital expenses.

Valley Medical Center. Valley is a full-service, 341-licensed-bed, acute care public hospital in Southeast King County. Valley is owned and operated by Public Hospital District No. 1 of King County (the "District"). The District is a public agency as defined by RCW 39.34.020(1) and a municipal corporation. In addition to the hospital, the District operates a network of primary care, urgent care and specialty clinics throughout Southeast King County. The District entered into a strategic alliance with UW Medicine in 2011 for a term that continues through December 31, 2026. In accordance with the strategic alliance agreement between the parties, the Valley Board of Commissioners notified UW Medicine in December 2024 of its decision not to renew the strategic alliance for a second term. The agreement provides for a two-year unwinding period, through December 31, 2026, unless and until the parties agree to amend such timeline.

FHCC. On March 31, 2022, the members of SCCA—the University on behalf of UW Medicine, Fred Hutch, and SCHS—agreed to merge Fred Hutch and SCCA, for SCCA to become a non-member non-profit Washington corporation, and for SCCA to be renamed "Fred Hutchinson Cancer Center" (FHCC). As part of the transaction, the University, for itself and on behalf of UW Medicine, and Fred Hutch purchased SCHS's membership interest in SCCA for $286 million. *See* "UNIVERSITY DEBT AND ESTIMATED DEBT SERVICE—General Revenue Obligations—*Promissory Note Agreement.*" SCHS no longer participates in the Adult Oncology Program but continues to offer pediatric cancer care services and to coordinate through separate affiliation agreements with FHCC and UW Medicine.

In addition to this restructuring of the former SCCA corporate entity, FHCC and the University on behalf of UW Medicine entered into a Restructuring and Enhanced Collaboration Agreement, which clinically and financially integrates the adult cancer program between both entities. Under this new arrangement, UW Medicine no longer holds a membership interest in SCCA. The Collaboration Agreement includes a Financial Alignment Plan, under which both parties share in the objectives of the adult oncology program and drive site neutrality for cancer services for the betterment of patient outcomes and provides for a perpetual flow of funds between FHCC and UW Medicine to support the integrated cancer program. The University recorded $52.8 million and $87.4 million, respectively, in income from such payments for Fiscal Years 2024 and 2023. For further information, see Note 1 to APPENDIX B—"AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2024)."

Patient Activity Statistics

Table 16 shows patient activity statistics for UW Medical Center as well as for UW Medicine, the health system coordinating patient services between UW Medical Center Montlake and Northwest campuses, the other UW Medicine clinically integrated hospitals (Harborview, Valley, and FHCC) and other entities.

As shown in "Table 6: Clinically Integrated UW Medicine Entities" under the heading "GENERAL REVENUES—Patient Services," the revenues of UW Medical Center, Airlift Northwest and UWM Shared Services are included in General Revenues, and the revenues of Northwest are included commencing January 1, 2020. *See* "Figure 4: UW Medicine Entities."

Table 16: Patient Activity Statistics for UW Medicine, Select Units, and UW Medical Center
(Fiscal Years)

	2020[1]	2021[1]	2022	2023	2024
UW Medical Center (included in General Revenues and included in the UW Medicine Select Units – UW Division Financial Statement)					
Admissions	22,177	27,320	27,583	29,001	30,119
Outpatient Visits	327,103	400,575	435,946	467,511	393,587
Emergency Visits	40,497	55,781	61,146	69,933	72,397
	2020[1]	**2021[1]**	**2022**	**2023**	**2024**
UW Medicine Select Units – UW Division (includes UW Medical Center and other entities included in UW Medicine Select Units – UW Division Financial Statement)					
Admissions	26,998	27,320	27,583	29,001	30,119
Outpatient Visits	776,743	748,051	802,558	856,246	820,836
Emergency Visits	56,895	55,781	61,146	69,933	72,397
	2020[1]	**2021[1]**	**2022**	**2023**	**2024**
UW Medicine[2] (excluding UW School of Medicine and FHCC)					
Admissions	59,251	58,530	58,390	61,323	63,958
Outpatient Visits	1,633,592	1,668,043	1,765,533	1,867,724	1,803,788
Emergency Visits	187,789	175,325	191,784	208,672	220,492

(1) Patient volumes for Fiscal Years 2020 and 2021 reflect the effects of COVID-19 and the related public health measures, most significantly the temporary suspension of elective and non-urgent procedures.
(2) *See* "Table 6: Clinically Integrated UW Medicine Entities." Excludes non-clinically integrated affiliates and partners.
Source: The University.

OTHER UNIVERSITY INFORMATION

Patient Services Operating Results

Net patient services revenues accounted for 32 percent of University Total Revenue in Fiscal Year 2024. In Fiscal Year 2024, patient services revenues were $3.046 billion, which represented a 19 percent increase from Fiscal Year 2023. This patient services revenue increase is driven by higher patient admissions, surgical cases, emergency room visits, and increased payments from the directed payment programs managed by the Washington State Health Care Authority at UW Medical Center.

As shown in Table 17, the Select Units total margin for Fiscal Year 2024 was 8.3 percent. This represented an increase from 4.4 percent in Fiscal Year 2023, and exceeded the Select Units' budgeted total margin target of negative 3.4 percent. For Fiscal Year 2025, the Select Units have budgeted a margin of 0.0 percent. UW Medical Center's Fiscal Year 2024 margin was primarily driven by the recognition of $68 million of funding from the Federal Emergency Management Agency ("FEMA") for reimbursement of qualifying COVID-19 expenses incurred in fiscal years 2022 and 2023, a favorable State of Washington actuarial pension and post-retirement adjustment of $92 million, and a $99 million non-recurring State appropriation, despite continued pressure on operating expenses driven by inflationary increases, particularly labor costs, purchased services and medical supplies. *See* "Table 17: UW Medical Center, Select Units, and UW Medicine Financial Information."

UW Medicine has continued its multiyear effort to address long-term financial stability, by increasing revenues through the growth and access of clinical services, reducing costs through a number of initiatives related to productivity, supply pricing and utilization as well as prioritizing investment in infrastructure. Overall, UW Medicine on a combined basis (excluding the UW School of Medicine) met its targets for Fiscal Year 2024. Achieving its margin target was driven primarily by the recognition of $227 million in FEMA funding related to the reimbursement of qualifying COVID-19 expenditures incurred in previous years, non-recurring State appropriations of $110 million and positive year-end actuarial adjustments of $117 million for pension and post-retirement obligations that offset higher expenses, particularly labor expenses. Patient services revenues included in General Revenues were $2.427 billion in Fiscal Year 2024. *See* "Table 4: General Revenues" and "Table 6: Clinically Integrated UW Medicine Entities."

Table 17: UW Medical Center, Select Units, and UW Medicine Financial Information
(Fiscal Years, dollars in thousands)

	2020(1)(2)	**2021**(1)(2)	**2022**(1)(2)	**2023**(1)(2)	**2024**(1)(2)
UW Medical Center (included in General Revenues and included in the Select Units Financial Statement)					
Total Margin	2.2%	7.3%	4.2%	4.7%	9.4%
Operating Margin(3)	(3.4%)	1.1%	0.7%	(3.5%)	1.7%
Total Operating Revenue(4)	$1,554,822	$1,906,583	$1,974,678	$2,256,126	$2,564,986
Net Income(5)	$35,796	$147,835	$85,048	$115,339	$260,135
	2020(1)(2)	**2021**(1)(2)	**2022**(1)(2)	**2023**(1)(2)	**2024**(1)
UW Medicine Select Units – UW Division (includes UW Medical Center and other entities included in the Select Units Financial Statement)(6)					
Total Margin	(0.3%)	6.7%	6.5%	4.4%	8.3%
Operating Margin(3)	(4.8%)	1.0%	1.2%	(2.6%)	1.3%
Total Operating Revenue(4)	$2,239,499	$2,466,110	$2,561,369	$2,903,849	$3,282,350
Net Income(5)	$(6,915)	$173,292	$172,846	$135,514	$288,472
	2020(1)(2)	**2021**(1)(2)	**2022**(1)(2)	**2023**(1)(2)	**2024**(1)
UW Medicine Combined(6)(7) *(excluding UW School of Medicine and FHCC)*					
Total Margin	0.6%	3.7%	2.1%	2.8%	6.6%
Operating Margin(3)	(3.6%)	(0.6%)	(1.7%)	(2.8%)	(0.3%)
Total Operating Revenue(4)	$4,278,081	$4,688,957	$4,849,444	$5,460,294	$6,037,608
Net Income(5)	$25,846	$181,056	$104,564	$162,938	$427,960

(1) Includes net pension and post retirement obligations income/(expense) of $36,209,000 in 2020, $52,687,000 in 2021, $145,470,000 in 2022, $84,846,000 in 2023, and $117,116,000 in 2024 for the entities included in the Select Units Financial Statements. These figures include $34,429,000 in 2020, $41,576,000 in 2021, $118,553,000 in 2022, $68,281,000 in 2023, and $91,785,000 in 2024 attributable to UW Medical Center.
(2) Reflects revenue and expenditure impacts of COVID-19, including recognition of federal and State funding.
(3) Operating Margin is calculated as the difference between operating revenue and total expenses divided by operating revenue.
(4) Total Operating Revenue includes net patient service revenues (net of provision for uncollectible accounts), UW Physician billing revenues (net), and other operating revenue.
(5) Income before capital contributions and other transfers.
(6) *See* "Table 6: Clinically Integrated UW Medicine Entities." Excludes non-clinically integrated affiliates and partners.
(7) UW Medicine combined financial statements are unaudited.
Source: The University; Select Units Financial Statements.

Grant and Contract Revenues; Grant Awards

Grant and contract revenues accounted for 18.3 percent of University Total Revenue in Fiscal Year 2024. In Fiscal Year 2024, federal and non-federal grant and contract awards were $1.77 billion, which represented a 5.6 percent decrease from Fiscal Year 2023.

Federal grants and contracts decreased by 18 percent in Fiscal Year 2024. This decrease was partially offset by increases in non-federal grant and contract funding which increased by 12.1 percent in Fiscal Year 2024. Additionally, $217 million of COVID-19 relief funding was received by the University through funds awarded through the U.S. Department of Homeland Security. This money is not dedicated towards research activities.

The University's expectations with regard to future grant and contract revenues (and therefore future grant and contract indirect cost revenues) are informed by its awards.

The following table shows the University's grant and contract awards for Fiscal Years 2020 through 2024.

Table 18: Grant and Contract Awards
(Fiscal Years ended June 30, dollars in millions)

By Source	**2020**	**2021**	**2022**	**2023**	**2024[(1)]**
Federal Grants and Contracts	$1,200	$1,313	$1,263	$1,406	$1,154
Federal Grants and Contracts (COVID-19 related), Not Dedicated to Research	32	123	-	112	217
Non-Federal Grants and Contracts	400	454	408	354	397
Total[(2)]	$1,632	$1,890	$1,671	$1,872	$1,768

School/College[(3)]	**2020**	**2021**	**2022**	**2023**	**2024**
Medicine[(4)]	$792	$957	$847	$897	$715
Environment	124	130	132	123	148
Engineering	147	121	149	130	120
Arts and Sciences	107	105	119	134	111
Public Health	143	193	191	166	134
Other[(5)]	318	384	233	422	539
Total[(2)]	$1,631	$1,890	$1,671	$1,872	$1,767

(1) On July 1, 2023, the University implemented a new Workday enterprise resource planning system. Fiscal Year 2024 conversion included methodology changes that resulted in inconsistent comparisons to pre-Workday totals.
(2) Totals subject to change pursuant to negotiations with sponsors after Fiscal Year end. Total does not include external financial aid grants to undergraduates.
(3) Purpose is determined by the unit that provides award administration and is subject to change due to reorganization.
(4) Refers to the UW School of Medicine.
(5) Includes the amounts from "Federal Grants and Contracts (COVID-19 related)" under "By Source."
Source: The University.

State Appropriations

The State appropriates funds for certain University operating expenses and for a portion of the University's capital budget. These appropriations are subject to the Legislature's biennial budget process. State appropriations accounted for seven percent of University Total Revenue in Fiscal Year 2024.

Following a period during which tuition revenue grew as State appropriations to the University declined, the State has begun to reverse that trend through increased appropriations since Fiscal Year 2016. The Legislature's investments in the University over recent biennia include the Workforce Education Investment Act ("WEIA"), which took effect in Fiscal Year 2020. WEIA is a dedicated source of funding for higher education through an increase to business and occupation taxes on professional services. The following table shows University expenditures of State operating and capital appropriations to the University in Fiscal Years 2020 through 2024.

Table 19: Expenditures of State Appropriations to the University by Type
(Fiscal Years ended June 30, dollars in millions)

	2020	**2021**	**2022**	**2023**	**2024**
Operating Appropriations	$415	$481	$485	$532	$604
Capital Appropriations[(1)]	23	70	128	201	77
Total Appropriations[(2)]	$438	$551	$613	$733	$681

(1) Reflects expenditures made on capital projects; varies depending on project schedules.
(2) Totals may not foot due to rounding.
Source: The University.

The State economy continues to face uncertainty given current high interest rates, ongoing global conflicts, and the prospect of new federal tariffs. Additionally, the State is facing a $10-12 billion shortfall over the four-year budget according to the Office of Financial Management. In the face of these significant challenges, State revenue projections over the past year have declined modestly, as the Economic Revenue Forecast Council ("ERFC") showed continued, albeit slow to flat, economic growth. The September 2024 Revenue Forecast noted that inflation is slowing but that the Seattle-area consumer price inflation continued to exceed the national average. The November revenue projections decreased in the current biennium (2023-2025) by $89 million and for the upcoming biennium (2025-2027) by $181 million. Considering these revised projections, outgoing Governor Jay Inslee's 2025-2027 operating and capital budget proposals, released in December 2024, proposed generating new revenue to close the four-year budget deficit. In addition, Governor Inslee's budget proposed agency budget reductions and a shift of surpluses from pension accounts. These were Governor Inslee's final budget proposals, as Governor Bob Ferguson took office in January 2025. Prior to taking office, Governor Ferguson released a summary of his budget priorities, which would focus on state spending reductions before raising new revenue. His approach outlined three percent budget reductions for four-year higher education institutions and six percent reductions for most state agencies. K-12 education and community and technical colleges would not receive cuts.

The State's 2023-2025 biennial budget (approved in 2023) appropriated $520 million to the University for Fiscal Year 2025. Legislators, through supplemental budget changes during the 2024 session, appropriated an additional $90 million (this amount includes $60 million for UW Medicine safety net support) to the University for Fiscal Year 2025, bringing total appropriations for the fiscal year to almost $610 million. Overall, the University's Fiscal Year 2025 general operating appropriations from the State represent a modest increase over the Fiscal Year 2024 appropriation. The University received appropriations for compensation, UW Medicine safety net support, Center for Behavioral Health & Learning support, School of Dentistry expansion, and targeted research investments. Legislators will have an additional opportunity to modify the Fiscal Year 2025 appropriation during the 2025 legislative session. The University's top priority for the upcoming 2025-2027 biennial budget process is to secure fully funded compensation adjustments for faculty and staff. As a result of the budget constraints described above, the University's compensation request would only be partially funded in Governor Inslee's proposals, and the University's general appropriation would be subject to a one-time funding reduction (0.1 percent, or $1.4 million in the 2025-2027 biennium). Many of the University's academy requests were not included in Governor Inslee's operating budget proposal. Governor Ferguson's budget summary did not go into detail on specific funding items. Subsequent budget proposals by leadership in the Senate and the House will be released following the next revenue forecast, which is set to be released in March. Lawmakers will then negotiate compromise budgets to approve for consideration by the Governor by the end of the legislative session on April 27.

State funding for capital appropriations continues to be constrained, but the State's supplemental capital budget for Fiscal Year 2025 provided an additional $44 million in new State funding to the University. This includes $5 million from State-issued bonds, and $40 million from the Climate Commitment Account ("Climate Account") to fund multiple University capital requests. In Seattle, these included initial design and planning work for a new Chemical Sciences Building and renovation of Bagley Hall, a predesign study for a central utility plant at UW Medical center, and various energy renewal projects. In Tacoma and Bothell, the University was provided funding to replace gas fired boilers and associated infrastructure. The University's primary capital budget requests for 2025-2027 include $125 million for construction of the Chemical Sciences Building and nearly $293 million from the Climate Account for energy transformation projects. As noted above, Governor Ferguson's budget summary did not go into detail on specific funding items.

Gifts

Gifts accounted for 3.3 percent of University Total Revenue in Fiscal Year 2024. Philanthropic support increased in Fiscal Year 2024 due to payment on two large pledges, as well as the fulfillment of a pledge to name the deanship for the School of Medicine (the "Paul G. Ramsey Endowed Dean"). In Fiscal Year 2024, the University received $632 million in total private support from 154,000 donors, down from the trailing five-year average of $684 million, again based on Council for Advancement and Support of Education ("CASE") counting standards. Approximately 71 percent of donors were non-alumni. Of the $632 million received in Fiscal Year 2024, approximately $436 million was private gifts and approximately $196 million was private grants, also based on CASE standards. The University's last campaign, Be Boundless, ended on June 30, 2020 with total commitments of $6.3 billion. The University is currently preparing for its next campaign.

Effective July 1, 2021, CASE changed its philanthropic counting guidelines. CASE sets the national reporting standards for gift counting and other important philanthropy metrics, and the University adheres to the CASE guidelines. The CASE counting changes decrease the amount of funding that the University counts as overall philanthropic support, as the policy impacts the reporting of private grants that "pass-through" another agency, e.g., federal grants awarded to another institution in which funds are provided to the University as a participant/partner in the grant. While these policy changes impact the way the University reports, they do not reflect a change in actual private grant support flowing to the University. These standards for counting and reporting fundraising performance at educational institutions differ from accounting standards; for example, the figures include related entities.

Capital Planning

In early 2020, the Board of Regents approved the University's long-term strategic approach to capital planning and budgeting (the "Long-Term Capital Plan"), with four primary strategies: (1) seek to make capital investments in existing buildings approximately equal to the facilities' deterioration rate; (2) provide ongoing access to capital for UW Medicine; (3) seek to reduce the total square footage growth rate to approximately 0.5 percent per year (assuming relatively flat growth in the University's student body population) in order to lower the annual square footage growth rate the University has experienced over the prior decade; and (4) leverage partnerships when appropriate.

The Long-Term Capital Plan strategy spans 15 years and helps inform the University's capital allocations implemented through the University's Annual Five-Year Capital Budget (the "Annual Capital Budget"). The Annual Capital Budget is a comprehensive look at the capital program for the University. The Annual Capital Budget for Fiscal Year 2025 represents a total project investment of $4.6 billion over the next five fiscal years.

The anticipated investments identified in the Five-Year Capital Budget include costs for ongoing active capital projects as well as costs for future proposed projects that will be submitted to the Board for approval once they are fully formed. Individual projects are prioritized based on a multi-criteria scoring system developed by the Capital Planning Advisory team and a separate but similar prioritization system for clinical projects.

The proposed Annual Capital Budget for Fiscal Year 2026 will be presented to the Board of Regents in May 2025 for approval in June 2025.

INVESTMENTS

Governance

The Board of Regents is vested by statute with the responsibility of managing the University's assets, including its investments. Depending on whether investments are restricted or unrestricted, investments may be available for payment of General Revenue obligations. Unrestricted fund balances, to the extent that they were accumulated from money that was received as General Revenues, are included in and available to pay obligations secured by General Revenues.

The Board of Regents establishes investment policy and has delegated authority to carry out the day-to-day activities of the investment portfolios to the University of Washington Investment Management Company ("UWINCO"), an internal investment management company, which is led by the Chief Investment Officer of the University. Investment performance is reviewed quarterly by the University of Washington Investment Management Company Board, which is the advisory board to the Board of Regents and UWINCO. Balances and returns on these funds have varied, sometimes significantly, from period to period. *See* Note 7 in APPENDIX B—"AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2024)."

Invested Funds and Consolidated Endowment Fund

The University invests both operating funds ("Invested Funds" or "IF") and endowment funds (the "Consolidated Endowment Fund" or "CEF"). The IF reflects the total value of the University's operating fund investments. The CEF is the investment pool consisting of the University's endowments (a permanent fund established through private gifts to support the program(s) specified by the donor). As of June 30, 2024, the CEF was valued at $5.457 billion and the IF at $2.933 billion, for total investment-related assets of $8.390 billion. This adjusted IF balance excludes $1.197

billion in CEF units owned in the IF Long-term Pool and $119 million in the Capital Assets Pool ("CAP"), discussed below.

IF Pools

The IF currently consists of four pools: Short-term Pool, Intermediate-term Pool, Long-term Pool and CAP. The Short- and Intermediate-term Pools are invested primarily in high quality, fixed-income securities to meet the day-to-day obligations of the University. The Long-term Pool holds both CEF units and other assets that are intended to enhance the overall portfolio return. In May 2014, the Board of Regents approved the CAP, which allows funds to be used to make internal loans to pay for approved University capital projects. The size of the CAP is targeted at 10 percent of the IF, and the maximum size is limited by policy to 15 percent of the IF. In June 2024, the Board of Regents approved an amendment to the IF policy allowing up to 30 percent of CAP (three percent of IF) to fund loans for operating support to Internal Lending Program borrowing units meeting criteria outlined in the Debt Management Policy.

University policy stipulates that the IF may be invested in these pools subject to the minimum and maximum percentages in the table below. The table also presents the percentages that were invested in these pools for the periods ended June 30, 2023 and June 30, 2024.

Table 20: Invested Funds[(1)]

	Policy Percent	Percent as of June 30, 2023	Percent as of June 30, 2024
Short-term Pool	10-50%	53%	37%
Intermediate-term Pool	15-60%	14%	26%
Long-term Pool	15-45%	30%	34%
Capital Assets Pool	0-15%	3%	3%

(1) The University rebalanced the IF Pool and shifted $100 million from the Short-term Pool to the Long-term Pool in Fiscal Year 2024. CEF units were acquired with the first $50 million and the second $50 million was invested in passive equity (MSCI All Country World Index Common Trust Fund).

Source: University of Washington Investment Management Company.

As reflected in Table 20, the IF Short-term Pool allocation exceeded the maximum percentage set by University Policy for a portion of the past two fiscal years primarily due to short-duration positioning during the low interest rate environment. UWINCO's Chief Investment Officer meets on a quarterly basis with the Chair and Vice Chair of the Finance and Asset Management Committee ("FAM"), a sub-committee of the Board of Regents, to review policy compliance. UWINCO has incrementally shifted assets to the Intermediate- and Long-term Pools and lengthened portfolio duration over the past two years as interest rates rose.

CEF Distributions

The Board of Regents-approved spending policy for the CEF consists of distributions to endowed programs and an additional administrative fee to support fundraising and stewardship activities and investment management. Both program distributions and the administrative fee are based on a percentage of the CEF's 20-quarter rolling average market value. In February 2019, the Board of Regents approved a total spending reduction from 5.0 percent to 4.5 percent. The spending reduction was fully phased in by Fiscal Year 2022.

All endowments utilize the same rate. The 4.5 percent spending rate consists of a 3.6 percent endowed program distribution rate and a 0.9 percent administrative fee distribution rate.

Investment Income

Investment income was $764 million in Fiscal Year 2024, up from $437 million in Fiscal Year 2023. The primary contributors of the University's investment income are returns on the CEF and IF. IF year-end total market values and annualized one-year returns for the last five Fiscal Years are shown below. The Fiscal Year 2024 IF year-end total market value increased by three percent compared to Fiscal Year 2023. *See* APPENDIX B—"AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY

(FISCAL YEAR ENDED JUNE 30, 2024)," which includes notes to the financial statements detailing the investment of the IF.

Table 21: Operating Invested Funds (IF)
Market Values[(1)]
(Fiscal Years ended June 30, dollars in millions)

	2020	2021	2022	2023	2024
Total Market Value	$2,091	$2,600	$2,603	$2,915	$2,933
Annualized One-Year Return	3.7%	0.6%	(2.7%)	2.5%	6.2%

(1) Represents the Short- and Intermediate-term Pools, Invested Funds (excludes the Long-term Pool and the CEF units, CAP and balances held at the University's primary demand deposit account). Also excludes UWSRP from December 31, 2018 through July 1, 2022. UWSRP market value was $360.5 million as of June 30, 2024.
Source: University of Washington Investment Management Company.

CEF year-end total market values and annualized one-year returns for the last five Fiscal Years are shown below. The Fiscal Year 2024 CEF year-end total market value increased by 10.5 percent compared to Fiscal Year 2023. *See* APPENDIX B—"AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2024)," which includes notes to the financial statements detailing the investment of the CEF.

Table 22: Consolidated Endowment Fund (CEF)
Market Values & Returns[(1)]
(Fiscal Years ended June 30, dollars in millions)

	2020	2021	2022	2023	2024
Total Market Value	$3,560	$4,712	$4,678	$4,940	$5,457
Annualized One-Year Return	1.1%	35.1%	(5.5%)	6.0%	11.3%

(1) Includes the Invested Funds Long-term Pool invested in CEF units.
Source: University of Washington Investment Management Company.

Table 23 shows daily and other liquid assets in the IF and the University demand deposit account. Liquidity can vary up to approximately $175 million per quarter due to the timing of tuition, gifts, capital expenditures, and other University activities.

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Table 23: University Liquidity
(Unaudited, dollars in thousands, as of December 31, 2024)

Daily Liquidity[1]	**Amount**
Checking & Deposit Accounts	$97,974
Money Market Funds	124,514
U.S. Treasuries & Agencies	1,536,460
Total Daily Liquidity	**$1,758,948**
Other Liquid Assets[2]	$1,313,733
Total Daily Liquidity and Other Liquid Assets	**$3,072,680**
External Liquidity[3]	**$100,000**

(1) Investments that can be liquidated on a same-day basis, if the sale is executed prior to 10:00 a.m., Pacific Time.
(2) Other Liquid Assets includes, but is not limited to, other types of fixed income that can be liquidated within one week up to approximately 90 days, depending on market conditions. This balance ties the remaining balance to the Invested Funds, excluding the longer-term liquidity holdings of the Long-term Pool and Capital Assets Pool. Other Liquid Assets includes $368 million in Supplemental Retirement Plan funds.
(3) The University has a Revolving Line of Credit to provide additional liquidity as described under "UNIVERSITY DEBT AND ESTIMATED DEBT SERVICE—General Revenue Obligations—Lines of Credit" and "SECURITY FOR THE BONDS—Future Debt."

Source: University of Washington Investment Management Company and Treasury Office.

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LABOR, RISK MANAGEMENT AND RETIREMENT INFORMATION

Labor Relations

The University employs approximately 60,000 full-time and part-time employees, of whom approximately 27,000 are unionized. The University has negotiated collective bargaining agreements ("CBAs") with the following unions.

Table 24: Collective Bargaining Agreements

Bargaining Unit	Number of Employees[1]	Contract Expiration Date
Pursuant to chapter 41.80 RCW		
Inlandboatmen's Union of Pacific (mariners)	70	June 2025[2]
Service Employees International Union ("SEIU") Local 925 (clerical and healthcare employees)	7,093	June 2025[3]
SEIU Local 1199 NW (registered nurse, healthcare specialist, imaging tech, social worker, anesthesia and respiratory tech employees primarily at Harborview and at Airlift Northwest)	2,700	June 2025[2]
SEIU Local 1199 Research/Hall Health (registered nurses at Research/Hall Health)	43	June 2025[2]
SEIU 1199 NW (Northwest medical technicians and assistants and service and maintenance employees)	1,923	June 2025[2]
Teamsters Local Union No. 117 (police officers)	20	June 2025[3]
Washington Federation of State Employees ("WFSE") (service, library, public safety, skilled trade and healthcare employees)	3,790	June 2025[3]
WFSE Police Management (sergeants and lieutenants)	6	June 2025[3]
Washington State Nurses Association Montlake ("WSNA") (registered nurses at the UW Medical Center – Montlake Campus)	2,113	June 2025[2]
Washington State Nurses Association Northwest ("WSNA") (registered nurses at the UW Medical Center – Northwest Hospital)	949	June 2025[2]
Pursuant to chapter 41.56 RCW		
American Federation of Teachers ("AFT") Local 6486 (English language extension lecturers within UW Continuum College)	8	January 2026[2]
Resident and Fellow Physician Union ("RFPU") – Northwest (formerly UW Housestaff Association)	1,500	June 2025[2]
Screen Actors Guild – American Federation of Television and Radio Artists (KUOW radio station)	47	January 2026[2]
SEIU 925 Continuum College (staff working for UW Continuum College)	100	TBD[4]
SEIU 925 IHME (research and administrative staff at IHME)	288	December 2026
SEIU 925 Libraries (librarians and professional libraries and press employees)	175	January 2026[2]
Teamsters Local Union No. 117 (graphics)	5	June 2025[2]
United Auto Workers ("UAW") Local 4121– Academic Student Employees ("ASEs") (academic student employees)	5,986	April 2027[2]
UAW Local 4121 – Postdoctoral Employees (postdoctoral employees)	810	March 2025[5]
UAW Local 4121 – Research Scientist/Engineers (research scientist/engineers)	1,463	June 2026

(1) Estimates.
(2) During 2025, the University will be bargaining successor agreements for these CBAs.
(3) CBAs for 2025-2027 have already been bargained and submitted to the State Office of Financial Management as required by law.
(4) This bargaining unit was recently certified by the Public Employment Relations Commission. Bargaining has not yet started.
(5) This particular contract is not required by law to be submitted to the State Office of Financial Management. The University is currently in bargaining with this group.

Source: The University.

In 2019, the State adopted rules to raise the salary threshold for the employee overtime exemption. These thresholds increase each January 1 until January 1, 2028, when the State threshold reaches 2.5 times the State minimum wage. From that point on, the State threshold will increase annually each January 1, based on inflation, by the same percentage that the State minimum wage does.

Effective January 1, 2025, the minimum actual gross salary a position can be paid and still remain overtime exempt increased from $1,302.40 per week to $1,499.40 per week ($77,968.80 per year or $6,497.40 per month). This exemption threshold applies regardless of whether a position is part-time or full-time. Positions that do not meet the new, higher weekly salary threshold must be changed to overtime eligible or the salary must be increased to maintain the exemption. Increased costs occur when previously overtime exempt employees who regularly exceeded 40 hours per workweek work more than 40 hours per workweek. Departments can reduce costs by curbing overtime hours worked, however this may result in a loss of productivity.

Risk Management and Cybersecurity

General. The University's Compliance and Risk Services ("CRS") unit, in consultation with a network of partners across the enterprise (the University's three campuses, UW Medicine, and others), manages CRS programs including:

- Claim Services: responds to claims and litigation that allege harm due to the negligence of University personnel.

- Compliance Services: manages compliance-related risks relevant to laws, regulations, and University policies (e.g., Title IX, the Americans with Disabilities Act, the Washington State Law against Discrimination, UW Policy 10.13: Requirements for University and Third Party Led Youth Programs, etc.).

- Enterprise Risk Management Program: revamped, and relaunched in February 2021, produces an institutional Risk Register to document top risks across six dimensions (safety, compliance, finance, operations, strategy, reputation). The program supports the development of projects aimed at risk mitigation and reduction, and assists in setting the University's risk management priorities.

- Risk Financing and Consulting: the University is exposed to risk of loss related to tort liability, injuries to employees and loss of property. The program purchases insurance protection for workers' compensation as well as marine, foreign liability and certain other casualty risks. The program also purchases insurance protection for loss of property at self-sustaining units and bond-financed buildings and where otherwise required by contract; otherwise, the risk of property loss is retained, unfunded. For medical professional, general, educators' legal liability and automobile liability, the University maintains a program of self-insurance reserves and excess insurance coverage through Portage Bay Insurance, a non-profit, single parent captive insurance company. The self-insurance reserves represent the estimated ultimate cost of defending and resolving claims resulting from events that have occurred on or before the statements of net position date. The reserves include the undiscounted amounts that will be required for future payments of claims that have been reported and claims related to events that have occurred but have not yet been reported.

The self-insurance reserves are estimated through an actuarial calculation (using individual case-basis valuations and statistical analyses) and included in long-term liabilities. Considerable variability is inherent in such estimates. *See* APPENDIX B—"AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2024)." Changes in the self-insurance reserves for Fiscal Years 2020 through 2024 are shown in Table 25.

Cybersecurity. The University of Washington Information Technology ("UW-IT") department has University-wide information technology oversight. The unit is led by the vice president/Chief Information Officer ("CIO"), who delegates responsibility for University-wide cybersecurity to a Chief Information Security Officer ("CISO"). The CIO and the CEO of UW Medicine, Executive Vice-President for Medical Affairs and Dean of the School of Medicine delegate responsibility for UW-Medicine IT systems to a UW Medicine CIO, who appoints a CISO for UW Medicine systems who also is approved by the UW Medicine Security Program Executive Committee. This leadership team works within an Information & Technology Governance framework that was introduced in January 2024. The model includes an Information Security & Privacy Domain framework and committee whose security and privacy review applies to all technologies; it is a decision-making body, where previous bodies were advisory. It also governs identity and access management shared services, policies, and standards. In 2023, University policies were updated to mandate employee participation in cybersecurity awareness training based on role and data access. The University also is developing guidelines and policies on the appropriate use of Artificial Intelligence and its access and utilization of University data.

In Fiscal Year 2024, the University increased cybersecurity funding to enhance endpoint detection/response, expand the use of multi-factor authentication, implement an asset management and data loss prevention program, expand training and awareness capabilities, and deliver on a variety of other maturity improvements in the University's security program. The University currently self-insures for cybersecurity claims but expects to enter the cybersecurity insurance market in 2025.

Notable incidents include a ransomware attack at the Burke Museum in November of 2022 when desktop machines and some servers were compromised. The museum elected not to pay the ransom, and some data was destroyed. The event prompted an overhaul of cybersecurity intrusion prevention, detection, and response, resulting in a more mature cyber-response, regular staff training and tabletop exercises, as well as third-party incident response retainers.

In November 2023, the University learned that Fred Hutchinson Cancer Center had discovered a data security incident involving unauthorized activity in certain of its clinical data systems. Following investigations by the University, by FHCC, and by a forensic firm engaged by FHCC, there was no evidence that any University-based system was compromised in relation to the incident affecting FHCC's systems. FHCC estimates that the incident affected records that appear to be associated with 2,151,554 unique individuals. Of those, approximately two-thirds (around 1.36 million records) appear to be associated with individuals who received clinical care in clinically-integrated parts of UW Medicine other than FHCC. FHCC notified potentially affected individuals about the incident and notified the federal Department of Health and Human Services—Office of Civil Rights, the federal agency responsible for enforcing the federal HIPAA laws governing patient information.

Following this incident, several putative class action lawsuits were filed in state and federal court against FHCC. The University and/or University entities have been named as co-defendants in certain of these lawsuits, which have reached a settlement in principle.

Table 25: University Self-Insurance Reserves
(Fiscal Years ended June 30, dollars in thousands)

	2020	2021	2022	2023	2024
Reserve at Beginning of Fiscal Year	$100,163	$125,081	$180,514	$241,999	$230,104
Incurred Claims and Changes in Estimates	41,339	71,805	112,713	82,066	95,321
Claim Payments	(16,421)	(16,372)	(51,228)	(93,961)	(69,970)
Reserve at End of Fiscal Year	$125,081	$180,514	$241,999	$230,104	$255,455

Source: The University.

Pension Plans

The University offers four contributory pension plans: the Washington State Public Employees Retirement System ("PERS") plan, the Washington State Teachers' Retirement System ("TRS") plan, the Washington State Law Enforcement Officers' and Fire Fighters' Retirement System ("LEOFF") plan and the University of Washington Retirement Plan ("UWRP"). PERS, TRS, and LEOFF are cost-sharing multiple-employer defined benefit pension plans administered by the Washington State Department of Retirement Systems ("DRS"). The UWRP, a single-employer defined-contribution plan, is administered by the University. The University's noncontributory pension plan, the University of Washington Supplemental Retirement Plan, is a single-employer defined-benefit plan, but is closed to employees who were not active participants on February 28, 2011. Note 10 in APPENDIX B—"AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2024), includes plan descriptions and additional information.

Significant reporting and actuarial assumptions related to the DRS plans in which the University participates are as follows:

- *Fiduciary Net Position* – The pension plans' fiduciary net positions have been determined on the same basis as they are reported by the pension plans. The retirement plans are accounted for in pension trust funds using the flow of economic resources measurement focus and the accrual basis of accounting. Member contributions are recognized as revenues in the period in which the contributions are earned. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due, and payable in accordance with the terms of each plan.

  DRS publishes an annual report for retirement plans, which is available at:

  https://www.drs.wa.gov/news/ (which is not incorporated into this Official Statement by this reference).

- *Actuarial Assumptions* – The total pension liability for each DRS plan was determined by an actuarial valuation, conducted by the Washington State Office of the State Actuary (the "OSA") as of June 30, 2022, with the results rolled forward to June 30, 2023 (the measurement date for the University's Fiscal Year 2024 total pension liability). The following actuarial assumptions have been applied to all prior periods included in the measurement:

  - 2.75 percent total economic inflation, 3.25 percent salary inflation
  - Salary increase – expected to grow due to promotions and longevity in addition to salary inflation assumption
  - 7.00 percent investment rate of return
  - Mortality rates were based on the Society of Actuaries' Pub.H-2010 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. The OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

- *Discount Rate* – The discount rate used to measure the total pension liabilities was 7.00 percent.

Employer Contribution Rates. The University's proportionate share of the net pension liability/asset of each DRS plan in which the University participates is shown in Table 26.

Table 26: University's Proportionate Share
(as of June 30)

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2
2024 Share	8.86%	11.36%	0.43%	0.42%	0.11%
2023 Share	8.87%	11.47%	0.37%	0.36%	0.15%

Source: The University.

The University's proportionate share of pension expense is shown in Table 27.

Table 27: University's Proportionate Share of Pension (Benefit) Expense
(as of June 30, dollars in thousands)

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
2024 Amount	$(2,371)	$(52,798)	$322	$1,420	$115	$(53,312)
2023 Amount	$115,449	$(138,626)	$4,239	$(68)	$680	$(18,326)

Source: The University.

Table 28: Contribution Rates and Funded Status By Plan
(as of June 30, dollars in thousands)

2024	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2
Required University Contributions	$332	$175,695	$17	$4,589	$297
Covered Employee Payroll	$1,844,603	$1,841,127	$43,737	$43,585	$3,398
University Contributions as a Percent of Payroll (Contribution Rates)	0.02%	9.5%	0.04%	10.5%	8.7%
Plan Fiduciary Net Position Percent of Total Pension Liability/Asset (funded status)	80.2%	107.0%	85.1%	100.5%	113.2%

2023	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2
Required University Contributions	$392	$162,654	$30	$5,210	$262
Covered Employee Payroll	$1,573,579	$1,569,796	$35,776	$35,569	$3,004
University Contributions as a Percent of Payroll (Contribution Rates)	0.02%	10.4%	0.1%	14.7%	8.7%
Plan Fiduciary Net Position Percent of Total Pension Liability/Asset (funded status)	76.6%	106.7%	78.2%	100.9%	116.1%

Source: The University.

University Aggregated Balances. The University's aggregated balances of net pension liabilities and net pension assets as of June 30, 2024 and 2023 are presented in the following table.

Table 29: University's Share of Net Pension (Liabilities)/Assets
(as of June 30, dollars in thousands)

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
2024						
Net Pension Liability	$(202,252)	-	$(5,426)	-	-	$(207,678)
Net Position Asset[(1)]	-	$465,417	-	$520	$2,722	$468,659
2023						
Net Pension Liability	$(246,895)	-	$(6,956)	-	-	$(253,851)
Net Position Asset[(1)]	-	$425,399	-	$712	$4,211	$430,322

(1) Positive amounts reflect overfunding.
Source: The University

Retirement Plan (403(b)) and Supplemental Retirement Plan (401(a)). Faculty, librarians and professional staff are eligible to participate in the UWRP, a 403(b) defined-contribution plan, and the UW Supplemental Retirement Plan (UWSRP), a 401(a) defined-benefit retirement plan that is closed to new participants and operates in tandem with the 403(b) plan. Both plans are administered by the University. Note 10 in APPENDIX B—"AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2024), includes plan descriptions and additional information.

- *UWRP Funding Policy.* Employee contribution rates are 5 percent, 7.5 percent or 10 percent of salary, based on age. The University matches the contributions of employees. Within parameters established by the Legislature, contribution requirements may be established or amended by the Board of Regents. Employer contributions for the years ended June 30, 2024 were $169.1 million.

- *UW Supplemental Retirement Plan Funding*. The University received an actuarial valuation of the supplemental payment component of the UWRP with a valuation date of January 1, 2023. Update procedures performed by the OSA were used to roll forward the total pension liability to the measurement date of June 30, 2023.

  The University has set aside assets of $360.8 million as of June 30, 2024 for this liability. These funds do not meet the GASB technical definition of "Plan Assets" because they have not been segregated and restricted in a trust or equivalent arrangement. The net pension liability, therefore, does not reflect a credit for these amounts.

Effective July 1, 2020, a new State law created a trust arrangement for assets dedicated to paying UWSRP benefits to plan members. Contributions previously paid to and accumulated by DRS beginning January 1, 2012 were transferred into the trust when this law became effective. As a result, the University is now applying accounting guidance for single employer plans that have trusted assets and reports the pension liability net of plan assets.

Table 30: Changes in UWSRP Pension Liability
(Fiscal Year, dollars in thousands)

	2024[(1)]	
	Total Pension Liability ("TPL")	**Net Pension Liability ("NPL")**
Beginning Total Pension Liability	$274,309	$161,773
Service Cost	-	-
Interest	-	-
Differences Between Expected and Actual Experience	-	-
Changes in Assumptions	-	-
Employer Contributions	-	-
Investment Income	-	-
Benefits Payments	-	-
Ending Pension Liability	**$274,309**	**$161,773**
UWSRP Covered Employee Payroll		2,199,526
Net Pension Liability as a Percentage of Covered Employee Payroll		7.35%

(1) In fiscal year 2024, the University elected to transition to a measurement date that lags the financial report date by one year. As a result, the June 30, 2024 NPL is based on a measurement date of June 30, 2023. There was no material impact associated with this change.

Source: The University.

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Table 31: Significant Assumptions Used to Measure the Total Pension Liability
(dollars in thousands)

Inflation:	2.75%
Salary changes:	4.00%
Source of mortality assumptions:	PUB. H-2010 Tables, with the MP-2017 Mortality Improvement Scale
Date of experience study:	August 2021
Discount rate:	7.00%
Source of discount rate:	2021 Report on Financial Condition and Economic Experience Study
NPL measurement at discount rate:	$161,773
NPL discount rate increased 1 percent:	$135,272
NPL discount rate decreased 1 percent:	$192,736

Source: The University.

The source for the discount rate changed in 2021 from the bond rate required of plans with no assets, to the investment return for plans with assets, due to the change in the plan on July 1, 2020, which led to a change in the appropriate accounting guidance.

The June 30, 2024 TPL and NPL is based on an actuarial valuation performed as of January 1, 2023 with update procedures performed by the OSA to roll forward the TPL to the measurement date of June 30, 2023. Some of the larger experience items that impacted the TPL were salaries generally lower than assumed and SRP benefits for new retirees were lower than estimated. OSA's model estimates the SRP benefit of future retirees by relying on assumptions for the benefit calculation performed by Teachers Insurance and Annuity Association of America (TIAA). The valuation was prepared using the entry age actuarial cost method.

Other Post-Employment Benefits ("OPEB")

OPEB are benefits provided to retired employees (and their spouses) beyond those provided by their pension plans. These programs for employees of the State are administered by the Washington State Health Care Authority ("HCA"). Note 11 in APPENDIX B—"AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2024), includes plan descriptions and additional information.

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Table 32: Significant Assumptions Used to Measure the Total State OPEB Liability
(dollars in thousands)

Inflation:	2.35%
Healthcare Cost Trend Rate:	Trend rate assumptions vary slightly by medical plan. Initial rates change from 2.00% to 11.00%, reaching an ultimate rate of 3.8% in 2080
Salary Increase:	3.25%, plus service-based salary increases
Source of Mortality Assumptions:	Society of Actuaries' PUB.H-2010 Mortality Rates, With application of the long term MP-2017 generational improvement scale and updated based on results of the 2013-2018 demographic experience study report and the 2019 report on financial condition and economic experience study
Date of Experience Study:	2013–2018 experience study report
Discount Rate:	3.65%
Source of Discount Rate:	Bond Buyer general obligation 20-bond municipal bond index as of 6/30/23 (measurement date)
Post-Retirement Participation Percentage:	60.00%
Total OPEB Liability Measurement at Discount Rate:	$1,277,506

Source: The University.

The total OPEB liability ("TOL") for the State as of June 30, 2024 was determined by an actuarial valuation using data as of June 30, 2022. The University's proportionate share percentage was 29.2 percent as of June 30, 2024.

The OPEB plan is funded on a pay-as-you-go basis. Accordingly, contributions from employers to the HCA occur only when benefits become due (after retirement). No qualified trust fund has been established dedicated to these benefits and there are no associated assets. As a result, the University reports a proportionate share of the State's TOL. The OPEB liability and expense are updated annually by the OSA and reflected in the University's financial statements.

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Table 33: Changes in Total State OPEB Liability
(Fiscal Year ended June 30, dollars in thousands)

	2024
Beginning Total OPEB Liability	$1,246,507
Service Cost	44,755
Interest	44,957
Differences Between Expected and Actual Experience	-
Changes in Assumptions	(21,618)
Benefits Payments	(31,314)
Changes in Proportionate Share	(5,331)
Other	-
Ending Total OPEB Liability	**$1,277,506**
OPEB Covered Employee Payroll	$3,565,520
Total OPEB Liability as a Percentage of Covered Employee Payroll	35.83%

Source: The University.

Material assumption changes during the measurement period relate to an increase in the Bond Buyer General Obligation 20-Bond Municipal Bond Index, from 3.54% for the June 30, 2021 measurement date, to 3.65% for the June 30, 2023 measurement date. This Change in Assumption resulted in a decrease in the TOL. According to a report of the OSA, the University's proportionate share of OPEB expense was $29.4 million.

CERTAIN INVESTMENT CONSIDERATIONS

The purchase of the Bonds involves investment risk. Prospective purchasers of the Bonds should carefully consider all of the information set forth in this Official Statement, including its appendices, evaluate the investment considerations and merits of an investment in the Bonds and confer with their own tax and financial advisors when considering a purchase of the Bonds.

The Bonds are payable from General Revenues, which include auxiliary systems and patient services, student tuition and certain fees, grant and contract indirect costs, sales and services of educational departments of the University, other operating revenue, and IF distribution and net IF unrealized gains and losses. The University's ability to derive General Revenues from these sources sufficient to pay debt service on the Bonds depends on many factors, some of which are not subject to the control of the University. The following section discusses some of the factors affecting General Revenues; it cannot, however, describe all of the factors that could affect General Revenues.

Uncertainties in the Higher Education Sector

The U.S. higher education sector has faced uncertainties in an environment of low revenue growth from tuition (generally the main university and college revenue stream for most institutions), fluctuations in enrollment, high student debt burdens, reduced state appropriations, federal funding constraints, a changing student athletics landscape, and competition for sponsored research. For the largest universities, growth in patient care revenue, investment income, and grants and contracts are important factors in terms of revenue outlook. The higher education sector has experienced increased operating expenses (outpacing constrained revenue growth) as well as significant pension and retirement benefit expenses and demand for capital investment in housing, dining, and student amenities, and the need to address deferred maintenance, including on aging facilities. The higher education sector will require spending on programmatic and capital investments including technology as the sector has experienced changing technology and delivery models, including a growth in online educational options, including in response to the pandemic. Technology and programmatic change bring risks associated with transitioning to new systems and platforms. Proposals to impose additional taxes on endowments and other tax proposals may have implications for the higher education sector. The University also is transitioning to a new athletic conference and may experience additional revenue volatility in connection with the transition.

Patient Services Revenues; Uncertainties of the Healthcare Sector

Federal and State Healthcare Laws and Regulations. Healthcare providers have been and continue to be affected significantly by changes to federal and state health care laws and regulations. Much of this statutory and regulatory activity has been focused on reducing the rate of increase in health care costs, including under the Medicare and Medicaid programs. Health care programs are subject to further statutory and regulatory change, administrative rulings, interpretations and determinations concerning patient eligibility requirements, funding levels and methods of calculating payments, and/or reimbursement rates. The University cannot determine the impact any major decision or modification might have on patient services revenues that contribute to General Revenues, though such impacts could be material. Changes may increase health insurance premiums, levels of indigent care and have other potential consequences that the University cannot predict. State law codified at RCW 70.170.060 prohibits hospitals from denying access to emergency care based on inability to pay or maintaining admissions policies that result in significant reductions in charity care.

Other related challenges include payer reimbursement pressure as federal and state governments and managed care plans push providers to transition from fee for service methods of payment to "value-based care." Increasingly, alternative payment models, such as value-based purchasing programs that condition reimbursement on patient outcome measures, are becoming more common and involve a higher percentage of reimbursement amounts. UW Medicine hospitals have agreements with federal and State agencies and commercial insurers that provide for payments at amounts less than the costs of providing the care. The payer mix is a key factor in the overall financial operating performance of the various UW Medicine components providing patient services. Consistent with the regional and national healthcare environment, UW Medicine continues to experience a challenging reimbursement environment with increases in reimbursement at less than inflation levels. UW Medicine participates in the 340B Drug Pricing Program, which is a federal program that requires drug manufacturers provide outpatient drugs to eligible healthcare organizations and covered entities at significantly reduced prices. In the past several years a number of drug manufacturers have reduced the benefits to covered entities through the elimination of access to certain 340B priced drugs in contract pharmacy settings. This has led to legal action at the federal level, adding uncertainty regarding the financial impact of the 340B program. In addition, a major drug manufacturer has announced that this program will shift from an upfront discount to rebate model, and is suing the federal government to accomplish this goal. Other drug manufacturers are likely to follow the example.

Additional Economic Factors and Trends. The healthcare industry (including within the Pacific Northwest market) has been in a period of consolidation and destabilization with a number of mergers, acquisitions, consolidations, bankruptcies and closures. Many hospitals and health systems continue to pursue clinical integration strategies or other joint ventures with physician groups to offer an integrated package of health care services to patients and health care insurers. These integration strategies take many forms, including accountable care organizations that include hospital and other health care providers that coordinate patient care and tie payment for that care to the achievement of quality metrics. New market entrants and the introduction of disruptive technologies such as telehealth have also had industrywide impacts. Self-insured employers continue to seek alternative contractual relationships with health systems and payers to improve the health of employees and their family members, increase satisfaction with provided care, and reduce overall cost.

Consistent with these emerging industry trends, the University has entered into, and in some cases exited or will exit, a number of affiliations, strategic alliances, accountable care networks, and collaborative relationships, and expects to enter into future arrangements. The University has experienced and expects a continued period of transition as it works to align affiliated and third-party entities' services and performance with broader UW Medicine objectives. UW Medicine may continue to experience challenges in this effort. *See* "OTHER UNIVERSITY INFORMATION."

In addition to the foregoing, the healthcare industry is experiencing an increased demand for labor, with volatility and uncertainty in the labor market impacting the UW Medicine's ability to attract and retain labor and manage operating cost increases associated with higher labor costs.

In order to continue to increase profitability in the face of the challenges described above, UW Medicine has implemented strategies intended to increase revenues through the growth and access of clinical services, reducing costs through a number of initiatives related to labor, productivity, supply pricing and utilization as well as by prioritizing investment in infrastructure. With a continued focus on patient volumes shifting from inpatient to outpatient settings due to technological advancements, and demand for care that is more convenient, affordable, and accessible as well as industry-wide migration to value-based payment models as governmental and commercial payers shift risk to providers, the UW Medicine's focus is on managing costs and care efficiently. UW Medicine will also prioritize the continued development of philanthropic revenue streams to support UW Medicine's work. Notwithstanding these efforts, the University cannot predict the full impact of the factors described above upon UW Medicine's ability to generate patient services revenues, or upon UW Medicine's operations or finances more broadly.

Tuition and Student Fee Revenues

Certain significant components of General Revenues, most significantly student tuition, are considered fees subject to Initiative 960, an initiative that requires legislative approval for any fee increase or new fees. *See* "—State Legislation and Rulemaking, Initiatives and Referenda—*Initiative 960*." In addition to tuition, the University charges its students a variety of other fees that may be subject to Initiative 960 but that are not included in General Revenues.

A portion of student tuition revenue is used to support student financial aid. In the future, federal, state, institutional and private funders may not appropriate or approve funding for grant, scholarship, loan and other financial aid programs at the same levels and under the same terms as they have in the past, which may affect the amount of financial aid available to students.

In addition, changes in U.S. immigration policies could affect enrollment among international students. *See* "ADMISSIONS, STUDENT ENROLLMENT AND FACULTY." State legislation may continue to affect the eligibility of students for resident tuition.

Uncertainties of State Legislation

Every year, the Legislature considers budget decisions and legislation that affect the University. These include appropriations to public higher education institutions and State financial aid programs; appropriations of student Building Fee Revenue or State bonds for the benefit of the University; and legislation regarding public employees, benefits, tuition, academic standards, public procurement and contracting and many other matters.

State revenue collections have improved significantly since the height of the COVID-19 pandemic, but uncertainty still exists. Any significant downturn in State revenue collections would likely affect appropriations to State agencies, especially those in discretionary groups, such as higher education. *See* "OTHER UNIVERSITY INFORMATION—State Appropriations."

Uncertainties of Federal Funding Legislation; Uncertainties of Federal Policy

Federal policies on the federal debt ceiling, taxes, foreign trade and tariffs, immigration, climate change, clean energy, and other topics can shift significantly from one administration to another. From time to time, such changes can result in dramatic shifts in the level of federal funding for various policy priorities, leading to unpredictability in federal funding. The University expects a heightened level of uncertainty in federal funding over the next several years due to the change in federal administration.

Research funding from federal sources continues to be a large part of the University's total research revenues. In Fiscal Year 2024, the University recognized $1.2 billion in total federal grant and contract revenues, excluding COVID-19 related grants and contracts received from FEMA for purposes of disaster recovery. A substantial portion of the University's federal grant and contract revenues are from National Institutes of Health ("NIH") direct and passthrough awards, including associated indirect cost recoveries. In *Comm. of Mass. et. al. v. Nat'l Inst. of Health*, No. 25-CV-10338 (D.Ma.)(Feb. 10, 2025), the University estimated the range of impacts of Notice NOT-OD-25-068 to be approximately $90 to $110 million. This range is uncertain and subject to applicability on each individual award issued by NIH should this Notice go into effect in the future. In addition, Medicaid and Medicare payments contribute to patient services revenues. For the years ended June 30, 2023 and 2024, Medicare revenue represented 38 percent for both years; Medicaid revenue represented 16 percent and 15 percent, respectively (in terms of gross patient service revenue). Medicare and Medicaid payments represented approximately 36.6 and 37.1 percent of total net patient services revenues in Fiscal Year 2023 and Fiscal Year 2024, respectively (for the Select Units).

Federal funding, including federal research funding and healthcare reimbursement funding, is subject to federal legislative action, including through the federal budget process and sequestration. Budgetary acts, including sequestration, could continue to affect the availability of federal funds. Executive actions, including actions seeking to freeze, reduce, eliminate or reallocate federal grant, loan and other financial assistance, also could affect the availability of federal funds. State and local reductions in funding could also affect University revenues. A reduction in indirect cost rates or a shift from federal to non-federal research funding could reduce the relative and total amount of funding for indirect costs.

Proposed and potential federal legislative and executive actions and initiatives could adversely impact the University, and the impact could be material. Such possible actions include, but are not limited to, regulatory changes to programs administered by federal agencies including the NIH, the Department of Education and others, elimination of existing tax credits, cuts to federal spending on research, healthcare and other programs, curtailment of tax exempt bond financing, reduced funding for financial aid programs, immigration policies that impact international student enrollment, and enforcement actions by federal agencies, to include the Department of Education's Office of Civil Rights enforcement actions against higher education institutions, including the University. State attorneys general and other plaintiffs have challenged some of these actions; additional litigation is expected, including by way of example two ongoing cases to which the State of Washington is a party: (1) *New York et al. v. Trump*, No. 25-cv-39-JJM-PAS (D.R.I.), ECF No. 50 (Jan. 31, 2025), which challenges the alleged pause of certain Federal financial assistance related to U.S. Office of Management and Budget Memorandum M-25-13 and various Executive Orders and (2) *Comm. of Mass. et. al. v. Nat'l Inst. of Health*, cited above, which challenges Notice NOT-OD-25-068 reducing NIH indirect cost reimbursement rates. The University makes no representations about the outcome of any pending or future enforcement proceeding or litigation, and any such proceeding or litigation carries the risk of final, unappealable outcomes that could materially adversely affect the University.

Laws and Regulation

The University is subject to federal, State, and local laws and regulations, grant requirements, and audit and review for compliance with these authorities. Failure by the University to comply with, or violations of, statutory, regulatory or grant requirements could result in the loss of federal or State grant funds and other consequences. These statutory and regulatory requirements are subject to change and could become more stringent and costly for the University.

As further described under the heading "—Patient Services Revenues; Uncertainties of the Healthcare Sector," the healthcare industry is subject to numerous laws and regulations of federal, State, and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, governmental healthcare program participation requirements, reimbursement for patient services, privacy of health records and Medicare and Medicaid fraud and abuse. Government agencies are actively conducting investigations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs, the imposition of significant fines and penalties and significant repayments for patient services previously billed.

Accounting Standards

The University is subject to accounting standards promulgated by the Governmental Accounting Standards Board ("GASB"). These rules have changed and may continue to change, requiring the University at such time to value and state its accounts differently. For additional information, see Note 1 in APPENDIX B—"AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2024)."

Limitations on Remedies

Any remedies available to the Registered Owners of the Bonds upon the occurrence of a default under the Resolution are in many respects dependent upon judicial actions which are in turn often subject to discretion and delay and could be both expensive and time-consuming to obtain. If the University fails to pay principal of or interest on the Bonds, there can be no assurance that available remedies will be adequate to fully protect the interests of the Registered Owners of the Bonds.

In addition to the limitations on remedies contained in the Resolution, the rights and obligations under the Bonds and the Resolution may be limited by and are subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. The opinion to be delivered by Pacifica Law Group LLP, as Bond Counsel, concurrently with the issuance the Bonds, will be subject to limitation by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX C—"FORM OF BOND COUNSEL OPINION FOR THE BONDS".

Under State law, "taxing districts" are authorized to voluntarily file a petition for bankruptcy under the federal bankruptcy code. The State is not authorized to file a petition for bankruptcy. Although the University is a political subdivision in some contexts, it is not considered a taxing district under State property, excise or other tax statutes and does not have taxing power. Accordingly, it is not clear that the University has authority under State law to voluntarily file a petition for bankruptcy. State law does not provide for involuntary bankruptcy petitions against the State or its political subdivisions.

The Board of Regents is authorized under State law to obligate all or a component of the fees and revenues of the University for the payment of bonds, notes or evidences of indebtedness, and the University has pledged General Revenues to the payment of principal of and interest on the Bonds. State law does not provide for an express statutory lien on or security interest in General Revenues or for the perfection of security interests in governmental transfers under the Uniform Commercial Code of the State. No mortgage or deed of trust has been granted to secure the payment of the Bonds.

Under the terms of the Resolution, payments of debt service on Bonds are required to be made only as they become due and the occurrence of a default does not grant a right to accelerate payment of the Bonds. In the event of multiple defaults in payment of principal of or interest on the Bonds, the Bond owners could be required to bring a separate action for each such payment not made. Remedies for defaults are limited to such actions which may be taken at law or in equity.

Seismic, Climate Change and Other Considerations

The University's Seattle, Bothell and Tacoma campuses are located above or near a number of geological faults capable of generating significant earthquakes. The Puget Sound region, including portions of the University campus, is characterized by geotechnical conditions that could result in areas of liquefaction and landslide in an earthquake. In anticipation of such potential disasters, the University designs and constructs its facilities to the seismic codes in effect at the time the projects are designed.

The University is exposed to two categories of climate related risks (1) risks related to the transition to a lower carbon economy, which will entail operational and financial changes, and (2) risks related to the physical impacts of climate change driven by extreme weather events, such as floods and forest fires. As a political subdivision of the State, the University is subject to the State Agency Climate Leadership Act that requires state agencies to reduce their GHG to 95% below 2005 levels by 2050. In 2022, an inventory was conducted that indicated the University had 106,170 metric tons of Scope 1 and Scope 2 CO2 emissions, primarily from the central power plant at the Seattle campus. The University's GHG reduction efforts are managed by the Environmental Stewardship Committee comprised of senior University leadership. The University also maintains an Enterprise Risk Management Program to monitor significant risks to University operations and implement action plans when appropriate.

Although the University has implemented risk management governance and disaster preparedness plans and has included GHG reduction projects within its five-year capital plan, there can be no assurance that these or any additional measures will be adequate in the event a natural or other disaster occurs, nor that costs of preparedness measures will be as currently anticipated. Rising sea levels and changing regional rainfall patterns, such as an increase in winter rainstorm frequency or intensity, are potential impacts of climate change for the University.

The University can give no assurance regarding the effect of an earthquake, a tsunami from seismic activity in the State or in other areas, a volcanic eruption, mudslide, wildfires or other natural disaster, climate change, public health emergencies including by way of example the COVID-19 pandemic, or acts of terrorism, or that the University's self-funding or proceeds of insurance carried by the University, if any, would be sufficient, if available, to rebuild and reopen University facilities or that University facilities or surrounding facilities and infrastructure could or would be rebuilt and reopened in a timely manner following a major earthquake or other disaster. *See* "LABOR, RISK

MANAGEMENT AND RETIREMENT INFORMATION—Risk Management and Cybersecurity" for a description of the University's insurance, including self-insurance.

Continuing Compliance with Tax Covenants; Changes of Law

The University's tax certificate will contain various covenants and agreements on the part of the University that are intended to establish and maintain the tax-exempt status of interest on the Bonds. A failure by the University to comply with such covenants and agreements, including any remediation obligations, could, directly or indirectly, adversely affect the tax-exempt status of interest on the Bonds. Any loss of tax exemption could cause all of the interest received by the Owners of the Bonds to be taxable. All or a portion of interest on the Bonds also could become subject to federal income tax as a result of changes of law. Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest.

State Legislation and Rulemaking, Initiatives and Referenda

Under the Washington State Constitution, the voters of the State have the ability to initiate legislation and to modify existing laws through the powers of initiative and referendum. An initiative measure is submitted to the voters (if an initiative to the people) or to the Legislature (if an initiative to the Legislature) if certified by the Secretary of State. An initiative or referendum approved by a majority of voters may not be amended or repealed by the Legislature within a period of two years following enactment, except by a vote of two-thirds of all the members elected to each chamber of the Legislature. After two years, the law is subject to amendment or repeal by the Legislature in the same manner as other laws.

Initiative 960. In November 2007, State voters approved Initiative 960, which amended an existing initiative (Initiative 601) to require legislative approval of all new State fees and/or State fee increases. As neither initiative defines "fee," the University has relied upon informal guidance from the State Attorney General and Office of Financial Management ("OFM") to interpret the law's scope. Applying the reasoning from this guidance, the University considers certain components of General Revenues—most significantly, student tuition—as fees subject to Initiative 960. Consequently, the University cannot increase student tuition without legislative approval.

Fees collected through proprietary transactions are also included in General Revenues, but, applying the OFM's reasoning, the University does not consider such fees subject to Initiative 960. In the event that Initiative 960 were determined to limit further the University's ability to increase fees that contribute to General Revenues, the University would, if necessary, seek the requisite legislative approval for fee increases, or would pursue alternative revenue sources, program cuts or reallocations.

Cybersecurity

The University, like many other large public and private entities, relies on a complex technology environment to conduct its operations and support the community it serves. The University has developed programs and initiatives to protect against potential cybersecurity attacks, and has expanded its investment in cybersecurity in recent years, as further detailed under "LABOR, RISK MANAGEMENT AND RETIREMENT INFORMATION—Risk Management." Notwithstanding such measures, a future cybersecurity breach could damage University systems and cause material disruption to operations and services. The cost to remedy such damage or protect against future attacks could be substantial. Security breaches could expose the University to litigation and other legal risks, which could cause the University to incur costs related to claims. The University currently self-insures for cybersecurity claims. *See* "LABOR, RISK MANAGEMENT AND RETIREMENT INFORMATION—Risk Management and Cybersecurity."

LEGAL INFORMATION

No Litigation Concerning the Bonds

There is no litigation pending or, to the actual knowledge of the University, threatened questioning the validity of the Bonds or the power and authority of the University to issue the Bonds or seeking to enjoin the issuance of the Bonds.

Other Litigation

The University is a party to lawsuits arising out of its normal course of business, but the University does not believe any of such litigation will have a material adverse impact upon the financial position of the University. Some of these claims are covered by insurance.

Alexander Barry v. University of Washington, et al., King County Superior Court No. 20-2-13924-6. Plaintiff represents a class of students who allege that, for the Winter and Spring quarters in 2020, they did not receive "full value" for their tuition and fees while taking classes online during the coronavirus pandemic. The lawsuit claims students were not only deprived of personal interaction with their professors but also deprived of activities and relationships that the University promotes as an integral part of the college experience. The University secured dismissal of three counts but still faces plaintiff's allegations of breach of contract, breach of implied contract, and unjust enrichment. The complaint requests a pro-rated refund of tuition and fees, appropriate injunctive relief, attorney fees, and other relief as determined by the court. On June 28, 2023, the King County Superior Court certified this case as a class action defined as including "[a]ll students who were enrolled in and paid for the University of Washington's in-person based educational programs, services, and courses for the Winter Quarter 2020 or Spring Quarter 2020 academic term(s)." In January 2025, the parties reached a tentative settlement subject to court approval. On March 11, 2025, the court approved the settlement, which provides that the University must pay $4 million to the plaintiffs.

Marshall Horwitz, et al. v. University of Washington, King County Superior Court No. 22-2-15374-1 SEA. On September 22, 2022, three University employees who are participants in the University's retirement plans (UWRP and the UW Voluntary Investment Plan, or "UWVIP") filed a putative class action against the University regarding its administration of the plans. The complaint alleges the University failed to provide matching contributions in violation of the terms of the plan document and federal tax law, that its actions are a willful breach of contract, and requests class certification, injunctive relief, incidental and exemplary damages, lost investment opportunities, attorney fees, and interest on the judgement. The University's motion for summary judgment and the plaintiffs' motion for class certification were heard on March 1, 2024, and an oral ruling was provided March 19, 2024. The Court denied the plaintiffs' request for class certification. Further, the plaintiffs' two main claims were dismissed, and one claim remains. The remaining claim is for alleged failure to fund certain UWVIP accounts. That claim has largely been resolved by the corrections already completed. The plaintiffs filed, then abandoned, a motion for discretionary review. The trial date is May 19, 2025. Beyond this, the University is unable to provide any meaningful assessment of the legal or financial risk associated with this case.

Parker & Roberts v. UWMC, King County Superior Court No. 23-2-22227-0 SEA. Plaintiffs claim to represent two sub-classes. The first class purports to consist of all hourly employees of UW Medical Center and challenges UW Medical Center's policy of "rounding" pay to the nearest 15 minutes. Allegedly, the UW Medical Center attendance and tardiness policies cause employees to clock in before their scheduled start time, and clock out after their scheduled shift-end, so that the purported effect of the rounding policy only benefits the employer. The second class consists of registered nurses who allegedly were denied second unpaid meal periods when working shifts longer than 10.5 hours; this is alleged to be in violation of the State's requirement for meal periods in WAC 296-126-092. Beyond this, the University is unable to provide any meaningful assessment of the legal or financial risk associated with this case.

NCAA Antitrust Lawsuits. There have been four antitrust cases filed against the NCAA and the A-5 athletic conferences, including the conference in which the University is a member: 1) *In re College Athlete NIL Litigation*, U.S. District Court, Northern District of California, No. 4:20-cv-03919; 2) *Chuba Hubbard and Keira McCarrell v. NCAA, et al.,* U.S. District Court, Northern District of California, No. 4:23-cv-01593-SK; 3) *Dewayne Carter, et al. v. NCAA, et al.,* U.S. District Court, Northern District of California, No. 4:23-cv-06325; and 4) *Alex Fontenot v. NCAA, et al.,* U.S. District Court, District of Colorado, No. 1:23-cv-03076.

In *In re College Athlete NIL Litigation*, plaintiffs, on behalf of a class of former and current Division I student-athletes, requested an injunction permanently restraining defendants from enforcing agreements to restrain the amount of name, image, and likeness compensation available to class members. Additionally, plaintiffs, on behalf of the members of a "Social Media Damages Sub-Class," are seeking the social media earnings they claim members of this sub-class would have received absent defendants' unlawful conduct. On behalf of the members of the "Group Licensing Damages Sub-Class," plaintiffs are seeking the share of game telecast group licensing revenue they claim members of this sub-class would have received absent defendants' unlawful conduct.

In *Hubbard and McCarrell v. NCAA, et al.,* plaintiffs, on behalf of a class of former and current Division I NCAA athletes, are seeking the Academic Achievement Award compensation they claim members of this class would have received absent defendants' unlawful conduct.

In *Carter, et al. v. NCAA, et al.,* plaintiffs, on behalf of a class of former and current Division I NCAA athletes, claim defendants are fixing the price of scholarships for college athletes and are prohibiting the class from receiving compensation for their athletic services beyond athletic scholarships and certain types of education-related benefits.

In *Fontenot v. NCAA, et al.,* plaintiff, on behalf of a class of former and current Division I NCAA athletes, claims the members of the class should be able to receive a portion of the substantial television and other revenue defendants earn through the labor of the class members.

The NCAA and the A-5 athletic conferences have reached an almost $3 billion settlement with the plaintiffs in the first three cases. U.S. District Court Judge Wilken has granted preliminary approval of the settlement. The settlement addresses three primary issues: payment of back damages for claims relating to name, image and likeness ("NIL"), academic-related awards and other benefits; increased benefits from institutions to student-athletes going forward, including additional NIL opportunities for student-athletes directly with the institution; and eliminating scholarships limits in favor of roster limits. While the University is not individually named in the cases, this settlement will have an impact on the Intercollegiate Athletics department. Beyond this, the University is unable to provide any meaningful assessment of the legal or financial risk associated with this case at this time.

Approval of Counsel

Legal matters incident to the authorization, issuance and sale of the Bonds by the University are subject to the approving legal opinion of Pacifica Law Group LLP, Seattle, Washington ("Bond Counsel"). The form of opinion of Bond Counsel is attached hereto as Appendix D. Pacifica Law Group LLP is also serving as Disclosure Counsel to the University in connection with the issuance of the Bonds.

Certain legal matters will be passed on for the Underwriters by Orrick, Herrington & Sutcliffe LLP, Seattle, Washington, Counsel to the Underwriters. Any opinion of such firm will be addressed solely to the Underwriters, will be limited in scope, and cannot be relied upon by investors.

TAX MATTERS

General

In the opinion of Bond Counsel, under existing law and subject to certain qualifications described below, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. The proposed form of opinion of Bond Counsel with respect to the Bonds to be delivered on the date of issuance of the Bonds is set forth in Appendix D.

The University will designate a portion of the Bonds to be issued as qualified 501(c)(3) bonds. The Code contains a number of requirements that apply to the Bonds, and the University has made certain representations and has covenanted to comply with each such requirement. Bond Counsel's opinion assumes the accuracy of the representations made by the University and are subject to the condition that the University comply with the above-referenced covenants. If the University fails to comply with such covenants or if the University's representations are inaccurate or incomplete, interest on the Bonds could be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Except as expressly stated herein, Bond Counsel expresses no opinion regarding any tax consequences related to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, respectively.

Original Issue Premium and Discount

If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes.

Under the Code, original issue discount is treated as interest excluded from federal gross income to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bonds on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bonds. The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under the federal alternative minimum tax.

Under the Code, original issue premium is amortized on an annual basis over the term of the Bonds (said term being the shorter of the Bonds maturity date or their call date, as applicable). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bonds for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to federal income tax consequences of owning such Bonds.

Post Issuance Matters

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the University, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the University or the Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the University and its appointed counsel, including the Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the University legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, as applicable, and may cause the University or the Owners to incur significant expense.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

CONTINUING DISCLOSURE UNDERTAKING

Undertaking of the University. The University is covenanting for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data (the "Annual Disclosure Report") by not later than seven months following the end of the University's Fiscal Year (which currently would be January 31, 2026, for the report for Fiscal Year 2025), and to provide notices of the occurrence of certain enumerated events. The Annual Disclosure Report and notices of events are to be filed with the Municipal Securities Rulemaking Board. The nature of the information to be contained in the Annual Disclosure Report and in notices of events is set forth in APPENDIX F—"FORM OF CONTINUING DISCLOSURE CERTIFICATE." Since the integration of UW Medical Northwest campus (formerly known as Northwest Hospital and referred to as "Northwest") into UW Medical Center, the University provides, and expects to continue to provide, total operating revenue, operating margin and net income for UW Medical Center as a whole rather than by campus. Other financial information may be provided by campus where available. These covenants are made by the University to assist the Underwriters of the Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Prior Continuing Disclosure Undertakings of the University. The University has previously entered into continuing disclosure undertakings under Rule 15c2-12 in connection with the issuance of other outstanding obligations (the "Prior Undertakings") and is not aware of any instances of noncompliance with the Prior Undertakings within the past five years.

OTHER BOND INFORMATION

Ratings

As noted on the cover page of this Official Statement, Moody's Ratings and S&P Global Ratings have assigned their ratings of "Aa1" (outlook stable) and "AA+" (outlook stable), respectively, to the Bonds. An explanation of the significance of such ratings may be obtained from the rating agencies. The University has furnished certain information and materials with respect to the Bonds to each rating agency. Generally, rating agencies base their ratings on such information and materials, and on investigations, studies and assumptions made by the rating agencies. There is no assurance that the ratings assigned to the Bonds will continue for any given period of time or that the ratings will not be revised or withdrawn entirely by such rating agencies if, in the judgment of the rating agencies, circumstances so warrant. A downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

Municipal Advisor

The University has retained Piper Sandler & Co., as municipal advisor (the "Municipal Advisor") in connection with the preparation of the University's plan of financing and with respect to the authorization and issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, to make any independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. While under contract to the University, the Municipal Advisor may not participate in the underwriting of any University debt.

Potential Conflicts

Some or all of the fees of the Municipal Advisor, Bond Counsel, Disclosure Counsel and Underwriters' Counsel are contingent upon the sale of the Bonds. Pacifica Law Group LLP is serving as Bond Counsel and Disclosure Counsel to the University with respect to the Bonds. From time to time, Bond Counsel and Disclosure Counsel and Underwriters' Counsel serve as counsel to other parties involved with the Bonds with respect to transactions other than the issuance of the Bonds. None of the members of the Board of Regents or other officers of the University have interests in the issuance of the Bonds that are prohibited by applicable law.

Underwriting

The Bonds are to be purchased from the University at an aggregate purchase price of $66,677,263.99 (the principal amount of the Bonds, plus original issue premium of $5,806,668.40, less Underwriters' discount of $149,404.41), subject to the terms of a bond purchase contract (the "Purchase Contract") between the University and Goldman Sachs

& Co. LLC, acting on behalf of itself and as representative of Barclays Capital Inc., BofA Securities, Inc. and Samuel A. Ramirez & Co., Inc. (collectively, the "Underwriters"). The Purchase Contract provides that the Underwriters will purchase all of the Bonds if any are purchased and that the obligation of the Underwriters to accept and pay for the Bonds is subject to certain terms and conditions set forth therein, including the approval by counsel of certain legal matters.

The initial public offering prices or yields set forth on the inside front cover page and page ii may be changed from time to time by the Underwriters without prior notice. The Underwriters may offer and sell the Bonds to certain dealers, unit investment trusts or money market funds at prices lower than the public offering prices stated on the inside front cover page.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for University, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the University.

BofA Securities, Inc., an underwriter of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

Independent Auditor

The selected financial statements of the University for the Fiscal Year ended June 30, 2024 and included as Appendix B to this Official Statement have been audited by KPMG LLP ("KPMG"), the University's independent auditor. KPMG has not been engaged to perform and has not performed, since the date of its report included therein, any procedures on the financial statements addressed in that report. KPMG also has not performed any procedures relating to this Official Statement.

Official Statement

All forecasts, estimates and other statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not intended to be construed as a contract or agreement between the University and the purchasers or holders of any of the Bonds.

At the time of the delivery of each series of the Bonds, one or more officials of the University will furnish a certificate stating that, to the best of their knowledge and belief at the time of the sale or delivery of such series of the Bonds, this Official Statement and information furnished by the University supplemental thereto did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

The University has authorized the execution and delivery of this Official Statement.

UNIVERSITY OF WASHINGTON

By: /s/Sarah Norris Hall
Senior Vice President for Finance, Planning & Budgeting, and Chief Financial Officer

APPENDIX A

COPY OF THE RESOLUTION

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BOARD OF REGENTS

UNIVERSITY OF WASHINGTON

RESOLUTION

DATED September 12, 2024

Authorizing the issuance and sale of

UNIVERSITY OF WASHINGTON
GENERAL REVENUE OBLIGATIONS, 2024/2025

UNIVERSITY OF WASHINGTON

Table of Contents*

* This Table of Contents and the cover page are not a part of this resolution; they are included for convenience of the reader only.

BOARD OF REGENTS

UNIVERSITY OF WASHINGTON

RESOLUTION

A RESOLUTION of the Board of Regents of the University of Washington providing for the authorization, sale, issuance and delivery of University of Washington General Revenue obligations in the aggregate principal amount not to exceed $125,000,000 for University purposes; providing in addition for the authorization, sale, issuance and delivery of University of Washington General Revenue refunding obligations for the purpose of refunding certain outstanding obligations; providing for the date, form, terms, maturities and redemption of the obligations; providing for the payment of and establishing the security for such obligations; providing for the redemption of the outstanding obligations to be refunded; delegating authority to an authorized representative of the University to make certain determinations and appointments with respect to the obligations of this issue from time to time; and authorizing the execution of documents in connection with the issuance and sale of such obligations and application of the proceeds thereof.

WHEREAS, the Legislature, pursuant to the Bond Act (as hereinafter defined) has authorized the Board of Regents to sell and issue revenue bonds for any University purpose; and

WHEREAS, the University has determined to issue one or more series of general revenue obligations in the aggregate principal amount not to exceed $125,000,000 (the "2024/2025 New Money Bonds") for the purpose of financing, or refinancing interim financing issued to pay, certain University expenditures as described herein; and

WHEREAS, it is in the University's best interests to proceed with the issuance of one or more series of general revenue bonds for University purposes, including financing or refinancing of facilities serving the University, and other University expenditures; and

WHEREAS, obligations described on Exhibit A attached hereto have previously been authorized to be issued by or on behalf of the University for University purposes, and also are subject to optional redemption or prepayment prior to their respective maturities (the "Refunding Candidates"); and

WHEREAS, the University also has reserved the right to acquire the Refunding Candidates by (a) purchase of Refunding Candidates offered to the University at any time and from time to time at such purchase price as the University deems appropriate; or (b) gift at any time and from time to time on terms as the University deems appropriate; and

WHEREAS, it is in the University's best interests to proceed with the issuance of one or more series of general revenue refunding obligations (the "2024/2025 Refunding Bonds") or other refunding obligations to redeem, defease or acquire, or effect an exchange for, some or all of the Refunding Candidates, to achieve debt service savings or to remarket bonds from time to time;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF WASHINGTON, as follows:

Section 1. Definitions.

The terms defined in this Section 1 shall, for all purposes of this resolution (including the recitals) and of any resolution supplemental hereto, have the following meanings:

Acquired Obligations means the Government Obligations acquired by the University under the terms of this resolution and an Escrow Agreement to effect the defeasance and refunding or acquisition of one or more of the Refunding Candidates.

Additional Bonds means one or more series or subseries of additional obligations of the University outstanding or to be issued payable from General Revenues, including without limitation bonds, commercial paper notes, lines of credit and lease revenue bonds payable from General Revenues.

Authorized Denominations means:

(a) with respect to 2024/2025 Bonds in the Fixed Mode or Term Mode, $5,000 and any integral multiple thereof within a series or subseries and maturity, and

(b) with respect to 2024/2025 Bonds in the Daily Mode, the Weekly Mode, the Index Floating Mode, or the Commercial Paper Mode, $100,000 and any integral multiple of $5,000 in excess thereof within a series or subseries and maturity or as otherwise set forth in the applicable Bond Terms Agreement.

Authorized Representative of the University means the President of the University or the designee(s) of the President or the designee's designee for the purposes of one or more duties of the Authorized Representative under this resolution.

Bank Bonds has the meaning set forth in the applicable Reimbursement Agreement or Loan Agreement.

Beneficial Owner means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any 2024/2025 Bonds (including persons holding 2024/2025 Bonds through nominees, depositories or other intermediary).

Board means the Board of Regents of the University, which exists and functions pursuant to chapter 28B.20 RCW, as amended from time to time.

Bond Act means, together, chapter 28B.140 RCW and chapter 28B.142 RCW, in each case as amended from time to time.

Bond Counsel means an attorney or firm of attorneys whose opinion is accepted in the national tax-exempt capital markets as to the issuance and validity of municipal securities and as to the interest paid thereon being exempt from federal income taxation, which attorney or firm of attorneys has been approved by, selected by or retained by the University from time to time.

Bond Fund means the special fund designated as the General Revenue Bond Redemption Fund, 2024/2025.

Bond Purchase Contract means the Bond Purchase Contract(s) between the University and the underwriter(s) for Underwritten 2024/2025 Bonds or a certificate of award executed by the University pertaining to the initial sale and purchase of Underwritten 2024/2025 Bonds.

Bond Register means the registration books maintained by the Registrar containing the names and addresses of the Registered Owners of the Bonds.

Bonds mean the University of Washington General Revenue Bonds, 2009 Taxable (Build America Bonds – Direct Payment), General Revenue Bonds, 2009B Taxable (Build America Bonds – Direct Payment), General Revenue Bonds, 2010B Taxable (Build America Bonds – Direct Payment), General Revenue Bonds, 2012C, General Revenue and Refunding Bonds, 2015A (Taxable), General Revenue Refunding Bonds, 2015B, General Revenue and Refunding Bonds, 2015C, General Revenue and Refunding Bonds, 2015D (Taxable), General Revenue and Refunding Bonds, 2016A, General Revenue Refunding Bonds, 2016B (Taxable), General Revenue Bonds, 2018, General Revenue Bonds, 2020A, General Revenue Bonds, 2020B (Taxable), General Revenue Refunding Bonds, 2020C (Delayed Delivery Bonds), General Revenue and Refunding Bonds, 2021A, General Revenue and Refunding Bonds, 2021B (Taxable), General Revenue Bonds, 2022A, General Revenue Refunding Bonds, 2022B (Taxable), General Revenue Refunding Bonds, 2022C (Term Rate Bonds), General Revenue Bonds, 2024A, General Revenue Refunding Bonds, 2024B, the 2024/2025 Bonds, and any Additional Bonds.

Bond Terms Agreement means a Bond Purchase Contract, Dealer Agreement, Dealer Manager Agreement, Remarketing Agreement, Loan Agreement, Offer, Paying Agent Agreement and/or Trust Agreement, as applicable, for one or more series of 2024/2025 Bonds.

Building Fee Revenue Bond Act means RCW 28B.20.700–740, as amended from time to time.

Building Fee Revenue Bonds means Bonds payable out of the University of Washington Bond Retirement Fund from revenues derived from Building Fees payments, gifts, bequests or grants, and such additional funds as the Legislature may provide, as set forth in the Building Fee Revenue Bond Act.

Building Fees means building fees defined in RCW 28B.15.025, as amended from time to time, and imposed for the purposes set forth in RCW 28B.15.210, as amended from time to time.

Business Day means a day (a) on which banks in New York, New York are authorized to remain open or not required to remain closed; and (b) on which the New York Stock Exchange is not closed.

Call Date means the date(s) on which the Refunding Candidates may be called for redemption under the terms of the proceedings pursuant to which they were issued.

CAP means the Capital Assets Pool as defined in the Debt Policy.

Closing Date means each date on which a series of 2024/2025 Bonds are issued and delivered in return for payment of the full purchase price or other consideration therefor.

Code means the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2024/2025 Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the 2024/2025 Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Commercial Paper Mode means the Mode during which the 2024/2025 Bonds bear interest at a Commercial Paper Rate or Rates.

Commercial Paper Rate means the interest rate (per annum) on any 2024/2025 Bond in the Commercial Paper Mode determined pursuant to the applicable Bond Terms Agreement for such 2024/2025 Bonds.

Commission means the Securities and Exchange Commission.

Controller means the Controller of the University (or the successor to the functions of the Controller).

Continuing Disclosure Certificate means the certificate of the University, if required under the Rule, undertaking to provide ongoing disclosure to assist the underwriter(s) for 2024/2025 Bonds in complying with the Rule.

Credit Facility means a policy of municipal bond insurance, a letter of credit, line of credit, guarantee, other financial instrument or agreement, or any combination of the foregoing, which obligates a third party to make payment or provide funds for the payment of financial obligations, if any, of the University with respect to any 2024/2025 Bonds, including but not limited to payment of the scheduled principal of and interest on 2024/2025 Bonds. There may be more than one Credit Facility for a series or subseries of 2024/2025 Bonds.

Credit Facility Issuer means the issuer of any Credit Facility.

Current Mode means, with respect to any series or subseries of the 2024/2025 Bonds, the Mode then in effect.

Daily Mode means the Mode during which a series or subseries of the 2024/2025 Bonds bears interest at the Daily Rate.

Daily Rate means the per annum interest rate for a series or subseries of the 2024/2025 Bonds in the Daily Mode determined pursuant to the Bond Terms Agreement for such 2024/2025 Bonds.

Dealer means one or more dealers selected from time to time by the Authorized Representative of the University to serve as dealer for 2024/2025 Bonds pursuant to a Dealer Agreement or Dealer Manager Agreement.

Dealer Agreement means a Dealer Agreement relating to 2024/2025 Bonds in the Commercial Paper Mode between the University and any Dealer, or any similar agreement, as it may be amended or supplemented from time to time in accordance with its terms.

Dealer Manager Agreement means a Dealer Manager Agreement related to 2024/2025 Bonds in connection with an Offer to tender or exchange Refunding Candidates between the University and any Dealer, or any similar agreement, as it may be amended or supplemented from time to time in accordance with its terms.

Debt Policy means the University of Washington Debt Management Policy Statement of Objectives and Policies, approved by the Board, and as amended from time to time.

Derivative Payment Date means any date specified in a Payment Agreement on which a University Payment is due and payable under the Payment Agreement.

Direct Purchaser means any bank, other financial institution, governmental entity or other purchaser selected to purchase (or to accept delivery of) one or more Direct Purchase 2024/2025 Bonds, including to evidence the University's obligations under a Loan Agreement, pursuant to Section 23 of this resolution.

Direct Purchase 2024/2025 Bonds means any 2024/2025 Bonds or 2024/2025 Bond sold to a Direct Purchaser pursuant to Section 23 of this resolution.

DTC means The Depository Trust Company, New York, New York as depository for the 2024/2025 Bonds, or any successor or substitute depository for the 2024/2025 Bonds.

Escrow Agent means any escrow agent selected by the Authorized Representative of the University in accordance with this resolution.

Escrow Agreement means one or more Escrow Deposit Agreements to be dated as of the applicable Closing Date.

Fair Market Value means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm's-length transaction, except for specified investments as described in Treasury Regulation § 1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

Federal Tax Certificate means the certificate of that name executed by the Authorized Representative of the University at the time of issuance and delivery of 2024/2025 Tax-Exempt Bonds.

Fiscal Agent means, for Underwritten 2024/2025 Bonds, the fiscal agent of the State of Washington and, for Direct Purchase 2024/2025 Bonds, the fiscal agent of the State of Washington or the Authorized Representative of the University, as set forth in the Bond Terms Agreement.

Fiscal Year means the University's duly adopted fiscal year, currently ending June 30.

Fitch means Fitch Ratings, Inc., organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Moody's) designated by the Authorized Representative of the University.

Fixed Mode means the Mode in which a series or subseries of the 2024/2025 Bonds bear interest at a Fixed Rate or Fixed Rates.

Fixed Rate means a per annum interest rate or rates borne by a series or subseries of the 2024/2025 Bonds to the maturity thereof or other date determined pursuant to Section 23 and the Bond Terms Agreement for such 2024/2025 Bonds.

General Revenues means all non-appropriated income, revenues, and receipts of the University if and to the extent such funds are not restricted in their use by law, regulation, or contract. For example, the following items are restricted and, therefore, <u>excluded</u>:

(a) Appropriations to the University by the State from the State's General Fund;

(b) Each fund the purpose of which has been restricted in writing by the terms of the gift or grant under which such fund has been donated, or by the donor thereof;

(c) Fees imposed upon students as a condition of enrollment at the University, including but not limited to services and activities fees, building fees, and technology fees; and

(d) Revenues and receipts attributable to the Metro Tract Revenue.

Unrestricted fund balances, to the extent that they were accumulated from money that was received as General Revenues, also would be includable and available to pay obligations secured by General Revenues. Upon the removal of any income, revenues, or receipts from General Revenues pursuant to Section 15(d), this definition of General Revenues shall be deemed to be amended accordingly without further action by the University.

Government Obligations means government obligations as are authorized to be used for refunding purposes by chapter 39.53 RCW, as amended or restated from time to time; or as otherwise set forth in the Bond Terms Agreement, as applicable.

Index Floating Mode means the Mode during which a series or subseries of the 2024/2025 Bonds bear interest at the Index Floating Rate.

Index Floating Rate means the index-based floating rate for a series or subseries of the 2024/2025 Bonds in the Index Floating Mode determined pursuant to the Bond Terms Agreement for such 2024/2025 Bonds.

Interest Payment Date means the dates selected by the Authorized Representative of the University and set forth in the Bond Terms Agreement, as applicable.

Interest Rate means a Fixed Rate, Daily Rate, Weekly Rate, Commercial Paper Rate, Index Floating Rate or Term Rate, as the context requires.

Irrevocable Deposit means the irrevocable deposit of money or Government Obligations in order to provide for the payment of all or a portion of the principal of, premium, if any, and interest on any 2024/2025 Bonds in accordance with, and meeting all the requirements of, Section 21.

Issuance Costs means, without intending thereby to limit or restrict any proper definition of such costs under any applicable laws and GAAP, the following:

(a) costs reasonably incurred incident to preparing, offering, selling, issuing and delivering the 2024/2025 Bonds, including, without limitation, the fees and expenses of Bond Counsel, special counsel (if any) and municipal advisor to the University, bond printing, CUSIP bureau fees, rating agency fees, Dealer, underwriter or Direct Purchaser fees or discount, escrow or tender agent fees and recording and filing fees;

(b) the fees and expenses payable to the Registrar incident to the Registrar's acceptance of its duties under this resolution; and

(c) fees or premiums due to any Credit Facility Issuer.

Legislature means the Legislature of the State.

Letter of Representations means the blanket issuer letter of representations, signed by the Authorized Representative of the University and accepted by DTC pertaining to the payment of Bonds and the "book-entry" system for evidencing the beneficial ownership of Bonds.

Liquidity Facility means a line of credit, standby purchase agreement or other financial instrument or any combination of the foregoing, if any, which obligates an entity to make payment or to provide funds for the payment of the Purchase Price of 2024/2025 Bonds (or portion thereof). There may be more than one Liquidity Facility for a series or subseries of 2024/2025 Bonds, and the University may provide self-liquidity for a series or subseries of 2024/2025 Bonds, all as set forth in the applicable Bond Terms Agreement.

Liquidity Facility Issuer means the issuer of any Liquidity Facility.

Loan Agreement means one or more loan or purchase agreements, if any, between the University and a Direct Purchaser under which the Direct Purchaser will make a loan to the University evidenced by a Direct Purchase 2024/2025 Bond, or under which the Direct Purchaser will purchase the Direct Purchase 2024/2025 Bond.

Maturity Date means the maturity date or dates for 2024/2025 Bonds set forth in the Bond Terms Agreement, as applicable.

Maximum Rate means the maximum rate for 2024/2025 Bonds set forth in the applicable Bond Terms Agreement.

Mode means the Daily Mode, Weekly Mode, Commercial Paper Mode, Index Floating Mode, Term Mode, or the Fixed Mode, as the context may require.

Metro Tract means the "University tract" as defined in RCW 28B.20.381 to include the tract of land in the city of Seattle, consisting of approximately ten acres, originally known as the "old university grounds," as amended to the date of this resolution, and more recently referred to as the "metropolitan tract," together with all buildings, improvements, facilities, and appurtenances thereon.

Metro Tract Revenue means all revenues of the University derived from operating, managing, and leasing the Metro Tract.

Moody's means Moody's Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term Moody's shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch or S&P) selected by the Authorized Representative of the University.

MSRB means the Municipal Securities Rulemaking Board or any successor to its functions. Until otherwise designated by the MSRB or the Commission, any information or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system ("EMMA"), currently located at www.emma.msrb.org.

Net Revenue means, with respect to any item or auxiliary revenues proposed to be added to General Revenues, revenues of such item or auxiliary less operating expenses. If the item or auxiliary revenues have previously been pledged to pay debt service on outstanding obligations of the University, the terms "revenues" and "operating expenses" shall be determined in accordance with the resolution(s) authorizing the outstanding indebtedness.

Notice Parties means, with respect to each series of the 2024/2025 Bonds, the University, the University's municipal advisor, the Registrar, any Remarketing Agent, and any Liquidity Facility Issuer or Credit Facility Issuer, and with respect to each series of the Direct Purchase 2024/2025 Bonds, the Direct Purchaser.

Offer means any offer to tender and/or exchange any Refunding Candidates.

Opinion of Bond Counsel means an opinion in writing of Bond Counsel.

Outstanding means, as of any particular time, all Bonds issued theretofore except:

(a) Bonds theretofore canceled by the Registrar after purchase by the University;

(b) Bonds for which an Irrevocable Deposit has been made, but only to the extent that the principal of and interest on such Bonds are payable from such Irrevocable Deposit; provided, that the Bonds to be paid or redeemed with such Irrevocable Deposit shall be deemed to be Outstanding for the purpose of transfers and exchanges or replacement of mutilated, lost, stolen or destroyed Bonds under the proceedings authorizing their issuance;

(c) temporary, mutilated, lost, stolen or destroyed Bonds for which new Bonds have been issued pursuant to the resolution authorizing their issuance; and

(d) Bonds exchanged for new Bonds pursuant to the resolution authorizing their issuance.

Notwithstanding the foregoing, 2024/2025 Bonds that are Bank Bonds shall remain Outstanding until the applicable Credit Facility Issuer or Liquidity Facility Issuer or Direct Purchaser is paid all amounts due on such 2024/2025 Bonds.

Participant means (a) any person for which, from time to time, DTC effects book-entry transfers and pledges of securities pursuant to the book-entry system or (b) any securities broker or dealer, bank, trust company or other person that clears through or maintains a custodial relationship with a person referred to in (a).

Payment Agreement means a written contract or agreement which provides for an exchange of payments based on interest rates, or for ceilings or floors on these payments, or an option on these payments, or any combination, entered into on either a current or forward basis, between or on behalf of the University and a Reciprocal Payor, which provides that the University's obligations thereunder will be conditioned on the absence of: (a) a failure by the Reciprocal Payor to make any payment required thereunder when due and payable, and (b) a default thereunder with respect to the financial status of the Reciprocal Payor; and

(a) under which the University is obligated to pay, on one or more scheduled and specified Derivative Payment Dates, the University Payments in exchange for the Reciprocal Payor's obligation to pay or to cause to be paid to the University, on the same scheduled and specified Derivative Payment Dates, the Reciprocal Payments; *i.e.*, the contract must provide for net payments;

(b) for which the University's obligations to make all or any portion of University Payments are payable from General Revenues;

(c) under which Reciprocal Payments are to be made directly into the Bond Fund;

(d) for which the University Payments are either specified to be one or more fixed amounts or are determined according to a formula set forth in the Payment Agreement; and

(e) for which the Reciprocal Payments are either specified to be one or more fixed amounts or are determined according to a formula set forth in the Payment Agreement.

Paying Agent Agreement means a Paying Agent Agreement entered into between the University and the Registrar with respect to 2024/2025 Bonds, setting forth certain terms of such 2024/2025 Bonds.

Permitted Investment means any legally permissible investment for University funds, but only to the extent that the same are acquired at Fair Market Value.

Person means an individual, a corporation, a partnership, limited liability company, an association, a joint stock company, a trust, an unincorporated organization, a governmental body or a political subdivision, a municipal corporation, a public corporation or any other group or organization of individuals.

Projects means projects or other expenditures approved by the Board or pursuant to the Debt Policy from time to time.

Purchase Date means the dates selected by the Authorized Representative of the University and set forth in the Bond Terms Agreement, as applicable.

Purchase Price has the meaning set forth in the Bond Terms Agreement, as applicable.

Rating Agency means Fitch, Moody's or S&P.

Rating Category means the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

RCW means the Revised Code of Washington, as now in existence or hereafter amended, or any successor codification of the laws of the State.

Reciprocal Payment means any payment to be made to, or for the benefit of, the University under a Payment Agreement by the Reciprocal Payor.

Reciprocal Payor means any bank or corporation, partnership or other entity that is a party to the Payment Agreement and that is obligated to make one or more Reciprocal Payments thereunder.

Record Date means (except as otherwise set forth in the applicable Bond Terms Agreement):

(a) with respect to 2024/2025 Bonds in the Fixed Mode or Term Mode, the 15th day (whether or not a Business Day) of the month next preceding each Interest Payment Date; and

(b) with respect to all other Modes, the Business Day immediately prior to the applicable Interest Payment Date.

Redemption Date means the date fixed for redemption of 2024/2025 Bonds subject to redemption in any notice of redemption given in accordance with the terms hereof or the terms of an applicable Bond Terms Agreement.

Redemption Price means the principal and accrued interest or other amounts to be paid to redeem the 2024/2025 Bonds on the Redemption Date as set forth in the applicable Bond Terms Agreement, or Section 12(a) as applicable.

Refunded Bonds means the Refunding Candidates designated by the Authorized Representative of the University pursuant to Section 23 of this resolution.

Refunding Candidates means the bonds, line of credit notes and other obligations shown on Exhibit A.

Registered Owner means the person named as the registered owner of a 2024/2025 Bond on the Bond Register. For so long as the 2024/2025 Bonds are held by a Securities Depository or its nominee, such Securities Depository shall be deemed to be the Registered Owner.

Registrar means the Fiscal Agent, whose duties include registering and authenticating the 2024/2025 Bonds, maintaining the Bond Register, registering the transfer of the 2024/2025 Bonds, paying interest on and principal of the 2024/2025 Bonds, and drawing on any Credit Facility securing 2024/2025 Bonds for such purpose, and drawing any amounts under any Credit Facility or Liquidity Facility for the purpose of paying the Purchase Price of any 2024/2025 Bonds payable pursuant to such Credit Facility or Liquidity Facility.

Reimbursement Agreement means a reimbursement agreement, standby bond purchase agreement, or other agreement relating to the 2024/2025 Bonds between the University and any Credit Facility Issuer or Liquidity Facility Issuer, and any and all modifications, alterations, and amendments and supplements thereto.

Remarketing Agent means one or more remarketing agents selected from time to time by the Authorized Representative of the University to serve as remarketing agent for 2024/2025 Bonds pursuant to a Remarketing Agreement.

Remarketing Agreement means a Remarketing Agreement relating to 2024/2025 Bonds between the University and any Remarketing Agent, or any similar agreement, as it may be amended or supplemented from time to time in accordance with its terms.

Rule means the Commission's Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended from time to time.

Securities Depository means any clearing agency registered under Section 17A of the Securities Exchange Act of 1934, as amended.

Serial Bonds means those 2024/2025 Bonds designated as serial bonds in the Bond Terms Agreement.

State means the state of Washington.

S&P means Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody's or Fitch) selected by the Authorized Representative of the University.

Springing Effective Date means the date on which the Outstanding University of Washington General Revenue Bonds, 2009 Taxable (Build America Bonds – Direct Payment), General Revenue Bonds, 2009B Taxable (Build America Bonds – Direct Payment), General Revenue Bonds, 2010B Taxable (Build America Bonds – Direct Payment), General Revenue Bonds, 2012C, General Revenue and Refunding Bonds, 2015A (Taxable), General Revenue Refunding Bonds, 2015B, General Revenue and Refunding Bonds, 2015C, General Revenue and Refunding Bonds, 2015D (Taxable), General Revenue and Refunding Bonds, 2016A, General Revenue Refunding Bonds, 2016B (Taxable), General Revenue Bonds, 2018, General Revenue Bonds, 2020A, General Revenue Bonds, 2020B (Taxable), General Revenue Refunding Bonds, 2020C (Delayed Delivery Bonds), General Revenue and Refunding Bonds, 2021A, and General Revenue and Refunding Bonds, 2021B (Taxable) are no longer Outstanding.

Term Bonds means 2024/2025 Bonds, if any, designated as term bonds in the applicable Bond Terms Agreement.

Term Rate means the per annum interest rate for a series or subseries of 2024/2025 Bonds in the Term Mode determined pursuant to the Bond Terms Agreement for such 2024/2025 Bonds.

Term Mode means the Mode during which a series or subseries of 2024/2025 Bonds bears interest at the Term Rate.

Trust Agreement means a trust agreement entered into between the University and a Trustee with respect to 2024/2025 Bonds, setting forth the terms of such 2024/2025 Bonds.

Trustee means a bond trustee selected by the Authorized Representative of the University to act on behalf of owners of 2024/2025 Bonds pursuant to a Trust Agreement.

2024/2025 Bonds means the 2024/2025 New Money Bonds and the 2024/2025 Refunding Bonds.

2024/2025 New Money Bonds means the University of Washington General Revenue Bonds, Series [2024/2025][__] [Taxable] issued in one or more series or subseries in the aggregate principal amount not to exceed $125,000,000 to finance (or refinance interim financing issued to finance) costs of the Projects pursuant to this resolution.

2024/2025 Refunding Bonds means the University of Washington General Revenue Refunding Bonds, Series [2024/2025][__] [Taxable] issued in one or more series or subseries to redeem and/or defease, acquire, or otherwise implement the refinancing or exchange of one or more of the Refunding Candidates.

2024/2025 Taxable Bonds means any 2024/2025 Bonds determined to be issued on a taxable basis pursuant to Section 23.

2024/2025 Tax-Exempt Bonds means any 2024/2025 Bonds determined to be issued on a tax-exempt basis pursuant to Section 23.

Underwritten 2024/2025 Bonds means 2024/2025 Bonds, if any, sold pursuant to a Bond Purchase Contract pursuant to Section 23 of this resolution.

University means the University of Washington, a higher educational institution of the State, the main campus of which is located at Seattle, Washington.

University of Washington Building Account means the fund of that name into which certain Building Fees are to be deposited pursuant to RCW 28B.15.210, as amended from time to time.

University of Washington Bond Retirement Fund means the special fund of that name created by chapter 254, Laws of 1957.

University Payment means any payment required to be made by or on behalf of the University under a Payment Agreement and which is determined according to a formula set forth in the Payment Agreement.

Weekly Mode means the Mode during which a series or subseries of the 2024/2025 Bonds bears interest at the Weekly Rate.

Weekly Rate means the per annum interest rate for a series or subseries of the 2024/2025 Bonds in the Weekly Mode determined pursuant to the Bond Terms Agreement for such 2024/2025 Bonds.

Interpretation. In this resolution, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein, "hereunder" and any similar terms refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this resolution;

(b) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons;

(c) Any headings preceding the text of the several articles and sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect;

(d) All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and

(e) Whenever any consent or direction is required to be given by the University, such consent or direction shall be deemed given when given by the Authorized Representative of the

University or the Authorized Representative of the University's designee, respectively, and all references herein to the Authorized Representative of the University shall be deemed to include references to the designee, as the case may be.

Section 2. Findings.

The Board hereby finds as follows:

(a) It is in the best interests of the University to finance (or refinance commercial paper, line of credit draws or other interim financing issued to finance) all or a portion of the costs of the Projects, through the issuance of 2024/2025 New Money Bonds in one or more series or subseries, upon the terms and conditions set forth for the 2024/2025 New Money Bonds in this resolution.

(b) It is in the best interests of the University to consider the redemption, defeasance, acquisition and/or exchange of one or more of the Refunding Candidates, or any portion thereof, through the issuance of 2024/2025 Refunding Bonds or other obligations on behalf of the University in one or more series or subseries, to achieve debt service savings, to remarket certain bonds from time to time, or to amend terms of the Refunding Candidates, upon the terms and conditions set forth in this resolution.

(c) It is necessary and in the best interest of the University to issue the 2024/2025 Bonds payable from General Revenues.

Section 3. Authorization and Purpose of 2024/2025 Bonds.

(a) *2024/2025 New Money Bonds.* The 2024/2025 New Money Bonds shall be in an aggregate principal amount not to exceed $125,000,000, and shall be issued in one or more series or subseries to pay (or pay commercial paper, line of credit draws or other interim financing issued to finance or refinance) costs of the Projects and to pay Issuance Costs for the 2024/2025 New Money Bonds. The 2024/2025 New Money Bonds shall be issued under terms determined pursuant to Section 23, as further set forth in the Bond Terms Agreement for such 2024/2025 New Money Bonds; shall be numbered in the manner determined by the Registrar; and shall be issued in fully registered form in Authorized Denominations.

(b) *2024/2025 Refunding Bonds.* The 2024/2025 Refunding Bonds, if any, shall be issued in one or more series or subseries to redeem, defease, acquire, exchange or otherwise implement the refinancing of one or more of the Refunding Candidates designated pursuant to Section 23 and to pay Issuance Costs for the 2024/2025 Refunding Bonds. The 2024/2025 Refunding Bonds shall be issued under terms determined pursuant to Section 23, as further set forth in the Bond Terms Agreement for such 2024/2025 Refunding Bonds; shall be numbered in the manner determined by the Registrar; and shall be issued in fully registered form in Authorized Denominations.

Section 4. Description of 2024/2025 Bonds.

(a) *General Terms.* The 2024/2025 Bonds shall be dated as of their date of original issuance and shall mature on the Maturity Dates, as determined pursuant to Section 23, as further set forth in the applicable Bond Terms Agreement for such series of 2024/2025 Bonds. The

2024/2025 Bonds shall bear interest determined within Modes selected by the Authorized Representative of the University from time to time. All 2024/2025 Bonds shall be issued in the form of fully registered 2024/2025 Bonds in Authorized Denominations.

The University may designate one or more series or subseries of the 2024/2025 Bonds from time to time. 2024/2025 New Money Bonds shall be named University of Washington General Revenue Bonds, Series [2024/2025], with an additional designation of "Taxable" for any series of 2024/2025 Taxable Bonds, and any other additional designation as necessary to identify the series or subseries. 2024/2025 Refunding Bonds shall be named University of Washington General Revenue Refunding Bonds, Series [2024/2025], with an additional designation of "Taxable" for any series of 2024/2025 Taxable Bonds, and any other additional designation as necessary to identify the series or subseries. 2024/2025 Bonds issued in one series composed of both New Money Bonds and Refunding Bonds shall be named University of Washington General Revenue and Refunding Bonds, Series [2024/2025], with an additional designation of "Taxable" for any series of 2024/2025 Taxable Bonds, and any other additional designation as necessary to identify the series or subseries. At the written direction of the Authorized Representative of the University, the Registrar shall designate a particular principal amount of 2024/2025 Bonds (in Authorized Denominations) as a series or subseries. A series of 2024/2025 Bonds shall be identified by the year of issue (either 2024 or 2025) and sequential letters (e.g., Series 2024A, Series 2024B, Series 2025A, Series 2025B). A subseries of 2024/2025 Bonds shall be further identified by sequential numbers (e.g., Series 2024A-1, Series 2024A-2, Series 2024B-1, Series 2024B-2). Upon such designation, such 2024/2025 Bonds shall be a series or subseries, as applicable, for the purposes of this resolution, unless and until consolidated or changed to another series or subseries designation by written direction of the Authorized Representative of the University. All 2024/2025 Bonds of a series shall be in the same Mode, but any two series need not be in the same Mode.

(b) *Terms.* Principal of and interest and any premium on the 2024/2025 Bonds shall be payable in lawful money of the United States of America.

(c) *Modes*. The terms applicable to 2024/2025 Bonds in the Daily Mode, the Weekly Mode, the Term Mode, the Commercial Paper Mode, the Index Floating Mode or the Fixed Mode, and provisions for conversions between and within such Modes, shall be as provided in the applicable Bond Terms Agreement, as applicable.

(d) *Determinations Conclusive*. If the 2024/2025 Bonds of a series or subseries are in the Daily Mode, the Weekly Mode, the Term Mode, the Commercial Paper Mode, the Index Floating Mode or the Fixed Mode, the Interest Rates determined as provided in the Bond Terms Agreement, as applicable, shall be conclusive.

(e) *Maximum Rate*. No 2024/2025 Bond, other than a Bank Bond, shall bear interest at an Interest Rate higher than the Maximum Rate.

Section 5. Execution.

The 2024/2025 Bonds shall be executed on behalf of the University by the manual or facsimile signatures of the Chair and the Secretary of the Board (including electronic signature as

permitted by law), and the official seal of the University shall be reproduced thereon. The validity of any 2024/2025 Bond so executed shall not be affected by the fact that one or more of the officers whose signatures appear on such 2024/2025 Bond have ceased to hold office at the time of issuance or authentication or at any time thereafter.

Section 6. Authentication.

No 2024/2025 Bonds shall be valid for any purpose hereunder until the certificate of authentication printed thereon is duly executed by the manual signature of an authorized signatory of the Registrar. Such authentication shall be proof that the Registered Owner is entitled to the benefit of the trusts hereby created.

Section 7. Registration, Transfer and Exchange.

(a) *Registrar*. The 2024/2025 Bonds shall be issued only in registered form as to both principal and interest. The University hereby appoints the Fiscal Agent as the Registrar for the 2024/2025 Bonds. So long as any 2024/2025 Bonds remain Outstanding, the Registrar shall make all necessary provisions to permit the exchange or registration of transfer of 2024/2025 Bonds. The Registrar may be removed at any time at the option of the Authorized Representative of the University and a successor Registrar appointed by the Authorized Representative of the University. Any successor Registrar must be the Authorized Representative of the University or a commercial bank with trust powers or a trust company. No resignation or removal of the Registrar shall be effective until a successor shall have been appointed and until the successor Registrar shall have accepted the duties of the Registrar hereunder. The Registrar is authorized, on behalf of the University, to authenticate and deliver 2024/2025 Bonds transferred or exchanged in accordance with the provisions of such 2024/2025 Bonds and this resolution and to carry out all of the Registrar's powers and duties under this resolution. The Registrar shall be responsible for its representations contained in the certificate of authentication on the 2024/2025 Bonds.

The Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the 2024/2025 Bonds which shall at all times be open to inspection by the University (the "Bond Register").

(b) *Letter of Representations/Book-Entry System*. To induce DTC to accept the 2024/2025 Bonds as eligible for deposit at DTC, the University has executed and delivered the Letter of Representations. Except as otherwise set forth in the Bond Terms Agreement, the 2024/2025 Bonds initially issued shall be held in fully immobilized form by DTC acting as depository pursuant to the terms and conditions set forth in the Letter of Representations.

(c) *University and Registrar Not Responsible for DTC*. Neither the University nor the Registrar will have any responsibility or obligation to DTC Participants or the persons for whom they act as nominees with respect to the 2024/2025 Bonds in respect of the accuracy of any records maintained by DTC or any DTC Participant, the payment by DTC or any DTC Participant of any amount in respect of the principal or Redemption Price of or interest on the 2024/2025 Bonds, any notice which is permitted or required to be given to Registered Owners under this resolution (except such notices as shall be required to be given by the University to the Registrar or to DTC), the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the 2024/2025 Bonds or any consent given or other action taken by DTC as the Registered Owner.

(d) *DTC as Registered Owner*. Except as otherwise set forth in the Bond Terms Agreement, payment of any such 2024/2025 Bond shall be made only as described in this section, but the transfer of such ownership may be registered as herein provided. All such payments made as described in this section shall be valid and shall satisfy and discharge the liability of the University upon such 2024/2025 Bond to the extent of the amount or amounts so paid. Except as provided in Section 27, the University and the Registrar shall be entitled to treat the Securities Depository (as Registered Owner) as the absolute owner of all 2024/2025 Bonds for all purposes of this resolution and any applicable laws, notwithstanding any notice to the contrary received by the Registrar or the University. Neither the University nor the Registrar will have any responsibility or obligation under this resolution or the 2024/2025 Bonds, legal or otherwise, to any other party including DTC or its successor (or substitute Securities Depository or its successor), except to the Registered Owners.

(e) *Use of DTC/Book-Entry System.*

(1) *2024/2025 Bonds Registered in the Name Designated by DTC.* Except as otherwise set forth in the Bond Terms Agreement, the 2024/2025 Bonds shall be registered initially in the name of "CEDE & Co.," as nominee of DTC, (or such other name as may be requested by an authorized representative of DTC) with one 2024/2025 Bond maturing on each maturity date of a series or subseries bearing interest at a particular rate in a denomination corresponding to the total principal therein designated to mature on such date and bearing interest as such rate. Registered ownership of such immobilized 2024/2025 Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, *provided that* any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute Securities Depository appointed by the Authorized Representative of the University pursuant to subsection (2) below or such substitute Securities Depository's successor; or (C) to any person as provided in paragraph (4) below.

(2) *Substitute Depository.* Upon the resignation of DTC or its successor (or any substitute Securities Depository or its successor) from its functions as Securities Depository or a determination by the Authorized Representative of the University that it is no longer in the best interest of Beneficial Owners to continue the system of book-entry transfers through DTC or its successor (or any substitute Securities Depository or its successor), the Authorized Representative of the University may hereafter appoint a substitute Securities Depository. Any such substitute Securities Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) *Issuance of New 2024/2025 Bonds to Successor/Substitute Depository*. In the case of any transfer pursuant to clause (A) or (B) of paragraph (e)(1) above, the Registrar shall, upon receipt of all outstanding 2024/2025 Bonds of a series or subseries, together with a written request on behalf of the Authorized Representative of the University, issue a single new 2024/2025 Bond for each maturity of such series or subseries of 2024/2025 Bonds then Outstanding and bearing interest at a particular rate, registered in the name of such successor or such substitute

Securities Depository, or their nominees, as the case may be, all as specified in such written request of the Authorized Representative of the University.

(4) *Termination of Book-Entry System*. In the event that (A) DTC or its successor (or substitute Securities Depository or its successor) resigns from its functions as Securities Depository, and no substitute Securities Depository can be obtained, or (B) the Authorized Representative of the University determines that it is in the best interest of the Beneficial Owners of the 2024/2025 Bonds that they be able to obtain 2024/2025 Bond certificates, the ownership of 2024/2025 Bonds may then be transferred to any person or entity as herein provided, and the 2024/2025 Bonds shall no longer be held in fully immobilized form. The Authorized Representative of the University shall deliver a written request to the Registrar, together with a supply of definitive 2024/2025 Bonds, to issue 2024/2025 Bonds as herein provided in any Authorized Denomination. Upon receipt of all then Outstanding 2024/2025 Bonds by the Registrar together with a written request on behalf of the Authorized Representative of the University to the Registrar, new 2024/2025 Bonds shall be issued in such Authorized Denominations and registered in the names of such persons as are requested in such written request.

(f) *Transfer or Exchange of Registered Ownership; Change in Denominations*. If the 2024/2025 Bonds are no longer held in immobilized, book-entry form, or if so provided in the Bond Terms Agreement, the transfer of ownership of any 2024/2025 Bond may be registered and such 2024/2025 Bonds may be exchanged, but no transfer of any 2024/2025 Bond shall be valid unless it is surrendered to the Registrar with the assignment form appearing on such 2024/2025 Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered 2024/2025 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new 2024/2025 Bond (or 2024/2025 Bonds at the option of the new Registered Owner) of the same series, date, designation, if any, maturity date and interest rate and for the same aggregate principal amount in any Authorized Denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered 2024/2025 Bond, in exchange for such surrendered and canceled 2024/2025 Bond. Any 2024/2025 Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of 2024/2025 Bonds of the same series or subseries, date, maturity date and interest rate, in any Authorized Denomination. The Registrar shall not be obligated to transfer or exchange any 2024/2025 Bond during the five-day period prior to the selection of 2024/2025 Bonds for redemption or the maturity date or following any mailing of notice of redemption. No charge shall be imposed upon Registered Owners in connection with any transfer or exchange, except for taxes or governmental charges related thereto.

<u>Section 8</u>. <u>Mutilated, Destroyed, Lost or Stolen 2024/2025 Bonds</u>.

If any 2024/2025 Bond is lost, stolen or destroyed, the University may execute and the Registrar may authenticate and deliver a new 2024/2025 Bond or 2024/2025 Bonds of like series or subseries, date and tenor to the Registered Owner thereof, all in accordance with law. However, no substitution or payment shall be made unless and until the applicant shall furnish (a) evidence satisfactory to said Registrar and Authorized Representative of the University of the destruction or loss of the original 2024/2025 Bond and of the ownership thereof, and (b) such additional security, indemnity or evidence as may be required by the Authorized Representative of the University. No substitute 2024/2025 Bond shall be furnished unless the applicant shall reimburse the University and the Registrar for their respective expenses in the furnishing thereof. Any such substitute 2024/2025 Bond so furnished shall be equally and proportionately entitled to the security of this resolution with all other 2024/2025 Bonds issued hereunder.

Section 9. Payments of Principal, Redemption Price and Interest; Persons Entitled Thereto.

(a) *Payments of Principal, Interest, Purchase and Redemption Prices*. The principal or Redemption Price of each 2024/2025 Bond shall be payable upon surrender or delivery of such 2024/2025 Bond to the Registrar or as otherwise provided in the Bond Terms Agreement. For so long as DTC is the Registered Owner, interest and principal shall be paid and delivery shall be made as described in the operational arrangements referred to in the Letter of Representations and pursuant to DTC's standard procedures.

(b) *Accrual of Interest*. Subject to the further provisions of this section, each 2024/2025 Bond shall accrue interest and be payable as to interest as follows:

(1) On each Interest Payment Date, the Registered Owner of each 2024/2025 Bond as of the Record Date shall be paid the amount of unpaid interest that accrues to the Interest Payment Date.

(2) The interest due on any 2024/2025 Bond on any Interest Payment Date shall be paid to the Registered Owner of such 2024/2025 Bond as shown on the Bond Register as of the Record Date. Except as otherwise provided in the applicable Bond Terms Agreement, the amount of interest so payable on any Interest Payment Date shall be computed (A) on the basis of a 365- or 366-day year for the number of days actually elapsed based on the calendar year for 2024/2025 Bonds in the Daily Mode, Commercial Paper Mode, Index Floating Mode or Weekly Mode, and (B) on the basis of a 360-day year of twelve 30-day months during a Term Mode or a Fixed Mode.

(3) If 2024/2025 Bonds of a series or subseries are no longer held by a Securities Depository, and except as otherwise set forth in the Bond Terms Agreement, during the Term Mode or Fixed Mode, the interest, principal or Redemption Price of the 2024/2025 Bonds shall be payable by check, provided that any Registered Owner of $1,000,000 or more in aggregate principal amount of the 2024/2025 Bonds, upon written request given to the Registrar at least five Business Days prior to the Interest Payment Date, Maturity Date or Redemption Date designating an account in a domestic bank, may be paid by wire transfer of immediately available funds. If the 2024/2025 Bonds of a series or subseries are no longer held by a Securities Depository, and except as otherwise set forth in the Bond Terms Agreement, all payments of interest, principal or the Redemption Price on the 2024/2025 Bonds during the Commercial Paper Mode, Daily Mode, Index Floating Mode or Weekly Mode shall be paid to the Registered Owners entitled thereto on the Interest Payment Date in immediately available funds by wire transfer to a bank within the United States or deposited to a designated account if such account is maintained with the Registrar as directed by the Registered Owner in writing or as otherwise directed in writing by the Registered Owner on or prior to the applicable Record Date.

Any account specified pursuant to paragraph (3) hereof shall remain in effect until revoked or revised by the Registered Owner, the Credit Facility Issuer or Liquidity Facility Issuer by an instrument in writing delivered to the Registrar.

Section 10. Acts of Registered Owners; Evidence of Ownership.

Any action to be taken by Registered Owners may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Registered Owners in person or by an agent appointed in writing. Any action by the Registered Owner of any 2024/2025 Bond shall bind all future Registered Owners of the same 2024/2025 Bond or of any 2024/2025 Bond issued upon the exchange or registration of transfer thereof in respect of anything done or suffered by the University or the Registrar in pursuance thereof.

Except as provided in any Reimbursement Agreement or Credit Facility, the Registrar and the University may treat the Registered Owner of a 2024/2025 Bond as the absolute owner thereof for all purposes, whether or not such 2024/2025 Bond shall be overdue, and the Registrar and the University shall not be affected by any knowledge or notice to the contrary; and payment of the principal of and premium, if any, and interest on such 2024/2025 Bond shall be made only to such Registered Owner, which payments shall satisfy and discharge the liability of the University with respect to such 2024/2025 Bond to the extent of the sum or sums so paid.

Section 11. Form of 2024/2025 Bonds.

The 2024/2025 Bonds shall each be in substantially the following form, with appropriate or necessary insertions, depending upon the omissions and variations as permitted or required hereby. If the 2024/2025 Bonds are not held in fully immobilized form, the form of 2024/2025 Bonds will be changed to reflect the changes required in connection with the preparation of certificated 2024/2025 Bonds. The form of the 2024/2025 Bonds shall further be changed as necessary to reflect whether the 2024/2025 Bonds are 2024/2025 New Money Bonds or 2024/2025 Refunding Bonds, whether the 2024/2025 Bonds are 2024/2025 Tax-Exempt Bonds or 2024/2025 Taxable Bonds, whether the 2024/2025 Bonds are Underwritten 2024/2025 Bonds or Direct Purchase 2024/2025 Bonds, any series or subseries designation for the 2024/2025 Bonds, the Current Mode of the 2024/2025 Bonds and any other designation.

No. R-_____ $___________

UNITED STATES OF AMERICA

[DTC LANGUAGE]

[STATEMENT OF INSURANCE, IF ANY]

UNIVERSITY OF WASHINGTON

GENERAL REVENUE [AND REFUNDING] BOND, 2024/2025[____] [Taxable]

[INTEREST RATE:] MATURITY DATE: ISSUE DATE: CUSIP:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The University of Washington (the "University") hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from __________ ____, _____, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate [set forth above][described below], payable on the first days of each _________ and __________, commencing on ________ 1, 20__. Both principal of and interest on this bond are payable in lawful money of the United States of America. [For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the University to DTC.] The [Authorized Representative of the University][fiscal agent of the state of Washington] is acting as the registrar, authenticating agent and paying agent for the bonds of this issue (the "Bond Registrar").

This bond is issued pursuant to a resolution of the Board of Regents of the University (the "Bond Resolution") to [finance or refinance costs of the Projects][acquire, refund, or effect the exchange of certain outstanding obligations], and to pay costs of issuance.

This bond is payable solely from General Revenues of the University, and the University does hereby pledge and bind itself to set aside from such General Revenues, and to pay into the General Revenue Bond Redemption Fund, 2024/2025 (the "Bond Fund") the various amounts required by the Bond Resolution to be paid into and maintained in such Fund, all within the times provided by the Bond Resolution. Interest on this bond shall accrue at [the Fixed Rate set forth above] [Daily Rates, Weekly Rates, Commercial Paper Rates, Index Floating Rates, Term Rates or Fixed Rates], payable on Interest Payment Dates, all as provided in or authorized under the Bond Resolution.

[The bonds of this issue are subject to redemption prior to their scheduled maturity under the terms of the bond purchase contract for such bonds.]

[The bonds of this issue are not private activity bonds and are not "qualified tax exempt obligations" eligible for investment by financial institutions within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.]

Except as otherwise provided in the Bond Resolution, this bond shall not be entitled to any right or benefit under the Bond Resolution, or be valid or become obligatory for any purpose, until this bond shall have been authenticated by execution by the Registrar of the certificate of authentication inscribed hereon.

It is hereby certified, recited and represented that the issuance of this bond and the 2024/2025 Bonds of this issue is duly authorized by law; that all acts, conditions and things required to exist and necessary to be done or performed precedent to and in the issuance of this bond and the 2024/2025 Bonds of this issue to render the same lawful, valid and binding have been properly done and performed and have happened in regular and due time, form and manner as required by law; that all acts, conditions and things necessary to be done or performed by the University or to have happened precedent to and in the execution and delivery of the Bond Resolution have been done and performed and have happened in regular and due form as required by law; that due provision has been made for the payment of the principal of and premium, if any, and interest on this bond and the 2024/2025 Bonds of this issue and that the issuance of this bond and the 2024/2025 Bonds of this issue does not contravene or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the University of Washington has caused this bond to be executed with the manual or facsimile signatures of the Chair and to be attested to by the Secretary of the Board of Regents and caused a facsimile of the official seal of the University to be reproduced hereon.

UNIVERSITY OF WASHINGTON

(SEAL) By ______________________________
Chair, Board of Regents

By ______________________________
Secretary, Board of Regents

The Certificate of Authentication for the 2024/2025 Bonds shall be in substantially the following form and shall appear on each 2024/2025 Bond:

AUTHENTICATION CERTIFICATE

Date of Authentication: ______________________

This bond is one of the University of Washington General Revenue [and Refunding] Bonds, Series [2024/2025][__] described in the within-mentioned Bond Resolution.

REGISTRAR

By ________________________________
Authorized Signatory

Section 12. Redemption.

(a) *Optional Redemption.* 2024/2025 Bonds in a Term Mode, Index Floating Mode or Fixed Mode shall be subject to redemption at the option of the University, in whole or in part, in Authorized Denominations on such dates and at such prices as determined by the University for such 2024/2025 Bonds as set forth in the respective Bond Terms Agreement, as applicable. 2024/2025 Bonds in the Commercial Paper Mode are not subject to optional redemption prior to their respective Purchase Dates except as otherwise set forth in the respective Bond Terms Agreement. 2024/2025 Bonds in the Daily Mode or the Weekly Mode shall be subject to redemption at the option of the University, in whole or in part, in principal amounts which permit all remaining Outstanding Bonds of the same series or subseries to continue in Authorized Denominations, on the dates set forth in the Bond Terms Agreement at a Redemption Price equal to the principal amount thereof except as otherwise set forth in the respective Bond Terms Agreement. Bank Bonds shall be subject to redemption as set forth in the applicable Reimbursement Agreement or Loan Agreement.

(b) *Mandatory Redemption.* If the 2024/2025 Bonds of a series or subseries are issued in the Fixed Mode, any Term Bonds of such series or subseries shall be subject to mandatory redemption prior to their maturity by the Registrar in part, in the years and in the amounts set forth in the applicable Bond Purchase Contract (subject to reductions arising from the University's acquisition and surrender or the optional redemption of 2024/2025 Bonds, all as described in the next paragraph) or Bond Terms Agreement. If the 2024/2025 Bonds of a series or subseries are issued in a Daily Mode, Weekly Mode, Index Floating Mode or Commercial Paper Mode and converted to the Fixed Mode or Term Mode, the 2024/2025 Bonds of that series or subseries (other than Bank Bonds) may be converted in whole or in part to Serial Bonds and/or Term Bonds upon delivery of a favorable Opinion of Bond Counsel prior to the commencement of the Term Mode or Fixed Mode for such 2024/2025 Bonds and if so converted to Term Bonds shall be subject to mandatory sinking fund redemption as determined by the University pursuant to the Bond Terms Agreement, as applicable.

(c) *Purchase of 2024/2025 Bonds for Retirement.* The University may acquire 2024/2025 Bonds by purchase of 2024/2025 Bonds offered to the University at any time and from

time to time at such purchase price as the University deems appropriate; or gift at any time and from time to time on terms as the University deems appropriate. If any 2024/2025 Bonds so purchased are term bonds, the University may allocate the principal amount of the purchased 2024/2025 Bonds to the scheduled principal amortization of those term bonds.

(d) *Selection of 2024/2025 Bonds for Redemption or Purchase.* Whenever the University elects to redeem, or to purchase pursuant to Section 12(c) hereof, fewer than all of the 2024/2025 Bonds of a series or subseries, the University shall select the maturity or maturities within such series or subseries to be redeemed or purchased. In the event 2024/2025 Bonds are designated for redemption or purchase pursuant to Section 12(c) hereof, the University may designate which sinking fund installments, or portions thereof, are to be reduced as allocated to such redemption or purchase. Except as may be otherwise set forth in the Bond Terms Agreement, whenever fewer than all the Outstanding 2024/2025 Bonds of a series or subseries and maturity are to be redeemed, the 2024/2025 Bonds to be redeemed shall be selected in accordance with the operational arrangements of DTC referred to in the Letter of Representations (or, in the event the 2024/2025 Bonds of a series or subseries are not in book-entry only form, randomly by the Registrar). In no event shall any Bond be Outstanding in a principal amount that is not an Authorized Denomination.

(d) *Notice of Redemption.* For so long as the book-entry system is in effect with respect to a series or subseries of 2024/2025 Bonds, notice of redemption shall be provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations, and no additional published or other notice shall be provided by the University; *provided, however*, that the Credit Facility Issuer, if any, or Liquidity Facility Issuer, if any, shall be given prior written notice by the University of any proposed redemption of 2024/2025 Bonds. In any event, except as otherwise set forth in the Bond Terms Agreement, notice of redemption shall be given by the University to the Registrar who shall give notice to DTC at least 20 days prior to the proposed date of redemption during the Term Mode or Fixed Mode and at least 15 days prior to the proposed date of redemption during any other Mode, all as set forth in the University's written direction to the Registrar. If the book-entry system is not in effect with respect to a series or subseries of 2024/2025 Bonds, and except as otherwise set forth in the Bond Terms Agreement, notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of 2024/2025 Bonds to be redeemed, official notice of any such redemption shall be given by the Registrar on behalf of the University in accordance with the University's written direction to do so by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption during the Term Mode or Fixed Mode, and at least 15 days and not more than 60 days prior to the date fixed for redemption during any other Mode, to the Registered Owner of the 2024/2025 Bond(s) to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar.

(e) *Effect of Redemption.* Any notice for redemption may be conditional, in which case the conditions shall be set forth therein. If an unconditional notice of redemption has been given or if a conditional notice of redemption has been given and the conditions set forth in a conditional notice of redemption have been satisfied, then on the Redemption Date the 2024/2025 Bonds or portions thereof so called for redemption shall become payable at the Redemption Price specified in such notice; and from and after the Redemption Date, interest thereon or on portions thereof so called for redemption shall cease to accrue, such 2024/2025 Bonds or portions thereof shall cease to be Outstanding and to be entitled to any benefit, protection or security hereunder or under an applicable Trust Agreement, and the Owners of such 2024/2025 Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the Redemption Price upon delivery of such 2024/2025 Bonds to the Registrar. Notwithstanding the foregoing, any Bank Bonds shall remain Outstanding until the Credit Facility Issuer or Liquidity Facility Issuer or Direct Purchaser, as the case may be, is paid all amounts due in connection with such 2024/2025 Bonds or portions thereof to be redeemed on the Redemption Date. After payment to the Credit Facility Issuer or Liquidity Facility Issuer or Direct Purchaser, as the case may be, of all amounts due on Bank Bonds such Credit Facility Issuer or Liquidity Facility Issuer or Direct Purchaser shall surrender such 2024/2025 Bonds to the Registrar for cancellation. The University may make such redemption conditioned upon the occurrence of any specified event or events, including the deposit of funds, and if such event or events shall not occur, then the University may cancel such redemption by delivering a written notice of rescission to the Registrar rescinding such notice of redemption not later than 5:00 p.m. Pacific Time on the second business day prior to the redemption date and such notice of redemption and redemption shall be rescinded, cancelled and of no force or effect. Upon such receipt of the rescission notice from the University, the Registrar shall send a copy of the notice to the Owners of the 2024/2025 Bonds subject to the notice in the same manner as the notice of redemption was given.

(f) *Exchange of 2024/2025 Bonds*. Nothing herein shall prevent the University from negotiating an exchange of a validly delivered 2024/2025 Bond by the registered owner thereof for a different validly delivered University bond.

Section 13. Bond Fund.

The Controller of the University is hereby authorized and directed to establish the Bond Fund as a special fund of the University to be designated as the General Revenue Bond Redemption Fund, 2024/2025 (the "Bond Fund"). The University covenants to deposit into the Bond Fund from General Revenues on or prior to each Interest Payment Date, Redemption Date and Maturity Date an amount sufficient to pay the interest on the 2024/2025 Bonds then coming due and the principal of the 2024/2025 Bonds maturing or subject to redemption and redemption premium, if any. The University will transfer to the Registrar from the Bond Fund sufficient funds to enable the Registrar to pay interest on and/or principal of and Redemption Price of the 2024/2025 Bonds to the Registered Owners, when any such payments are due to be paid to the Registered Owners. Net income earned on investments in the Bond Fund, if any, shall be retained in the Bond Fund.

Section 14. Application of 2024/2025 Bond Proceeds.

(a) *2024/2025 New Money Bonds.* The Authorized Representative of the University is hereby authorized and directed to create a special fund or account of the University (the "Project Fund"). The proceeds of the 2024/2025 New Money Bonds shall be paid into the Project Fund. The money on deposit in the Project Fund shall be utilized to pay or reimburse the University for costs of the Projects and costs incidental thereto, and Issuance Costs, to the extent designated by the Authorized Representative of the University. Net income earned on investments in the Project Fund, if any, shall be deposited in the Project Fund.

All or part of the proceeds of the 2024/2025 New Money Bonds may be temporarily invested in Permitted Investments that will mature prior to the date on which such money shall be needed. Except as otherwise provided in the Federal Tax Certificate, the University covenants that all investments of amounts deposited in the Project Fund, or otherwise containing gross proceeds of the 2024/2025 Tax-Exempt Bonds (within the meaning of Section 148 of the Code) will be acquired, disposed of, and valued (as of the date that valuation is required by the Code) at Fair Market Value.

In the event that it shall not be possible or practicable to accomplish all of the Projects, the University may apply the proceeds of the 2024/2025 New Money Bonds to pay the costs of such portion thereof or such other projects as the Authorized Representative of the University shall determine to be in the best interests of the University.

Any amount remaining in the Project Fund after all costs referred to in this section have been paid may be used to acquire, construct, equip and make other improvements to University projects subject to the limitations of this resolution or may be transferred to the Bond Fund for the uses and purposes therein provided, and any applicable limitations set forth in the Federal Tax Certificate.

(b) *2024/2025 Refunding Bonds.* The proceeds of each series of 2024/2025 Refunding Bonds shall be disbursed as provided in the related Escrow Agreement and/or Trust Agreement to redeem the Refunded Bonds on their Call Dates, defease the Refunded Bonds to their Call Dates, acquire the Refunded Bonds and/or exchange the Refunded Bonds, including through the application of proceeds of the 2024/2025 Refunding Bonds to acquire Acquired Obligations for deposit, together with cash, as provided in such Escrow Agreement and/or Trust Agreement.

Section 15. Source of Repayment and Security for 2024/2025 Bonds.

(a) *Special Fund Obligations.* The 2024/2025 Bonds shall be special fund obligations of the University, payable solely from General Revenues and the money and investments deposited into the Bond Fund. In addition, any Building Fee Revenue Bonds are payable first from money and investments in the University of Washington Bond Retirement Fund. The 2024/2025 Bonds shall not constitute an obligation, either general, special or moral, of the State, nor a general or moral obligation of the University. The Registered Owners of the 2024/2025 Bonds shall have no right to require the State, nor has the State any obligation or legal authorization, to levy any taxes or appropriate or expend any of its funds for the payment of the principal thereof or the interest or any premium thereon. The University has no taxing power.

(b) *All Bonds Have Equal Claim on General Revenues.* The Bonds and Additional Bonds shall be equally and ratably payable, without preference, priority or distinction because of date of issue or otherwise from General Revenues.

(c) *Additions to General Revenues.*

(1) The University reserves the right to include in General Revenues, at its sole option, in the future, other sources of revenue or income, specifically including, but not limited to, all or any portion of the items or any auxiliary systems added pursuant to subsection (2) of this Section 15(c), currently excluded as part of General Revenues.

(2) Such additions shall occur on the date and as provided in a certificate executed by the Controller. The Controller shall, in the case of additions of items or auxiliaries to General Revenues prior to the Springing Effective Date, certify that for the preceding two Fiscal Years for which audited financial statements are available, the item or auxiliary maintained a "coverage ratio" of at least 125%, where the "coverage ratio" equals: (A) Net Revenue (for those items or auxiliaries whose debt has a lien on Net Revenues) or gross revenues (for those items or auxiliaries whose debt has a lien on gross revenues), divided by (B) debt service with respect to the then-outstanding revenue debt of the auxiliary or item and state-reimbursed bonds allocable to such auxiliary or item. On and after the Springing Effective Date, no such coverage ratio certification of the Controller shall be required to add items or auxiliaries to General Revenues. In the event an auxiliary or item is added to General Revenues, the obligations of that auxiliary or item may remain outstanding and have a prior claim on auxiliary Net Revenue. For the purposes of clarification, by its terms this subsection applies only to auxiliary systems or items that have issued and have outstanding obligations that are secured by a lien on Net Revenues or gross revenues of such auxiliary system or item. The certification has no applicability in the case of the addition of revenues that are not encumbered by a lien, which may be added under subsection (1) above.

(d) *Deletions from General Revenues.* The University reserves the right to remove, at its sole option, in the future, any revenues from General Revenues. The removal of General Revenues shall be evidenced by a certificate executed by the Controller of the University (or the successor to the functions of the Controller) identifying the items to be deleted.

(e) *Building Fee Revenue Bonds.* If any of the 2024/2025 Bonds are designated as Building Fee Revenue Bonds pursuant to Section 18, such Building Fee Revenue Bonds shall be payable from and secured by a pledge of any or all of the revenues and receipts of the University of Washington Bond Retirement Fund. In addition, Building Fee Revenue Bonds shall be payable from General Revenue and money and investments in the Bond Fund.

The Board hereby covenants to establish, maintain and collect Building Fees in such amounts that will provide money sufficient to pay the principal of and interest on all bonds, including any Building Fee Revenue Bonds, payable out of the University of Washington Bond Retirement Fund, to set aside and maintain reserves, if any, required to secure the payment of such principal and interest, and to maintain coverage, if any, which may be required over such principal and interest. Notwithstanding the foregoing, the Board hereby orders that in the event there is ever an insufficient amount of money in the University of Washington Bond Retirement Fund to pay principal of or interest on any Building Fee Revenue Bond when due, moneys shall be transferred from the University of Washington Building Account to the University of Washington Bond Retirement Fund.

Amounts on deposit in the University of Washington Bond Retirement Fund shall be invested in Permitted Investments. Any money on deposit in the University of Washington Bond Retirement Fund may be transferred to the University of Washington Building Account to the extent and as permitted by the Building Fee Revenue Bond Act.

Building Fee Revenue Bonds shall not be general or special obligations of the state of Washington, but shall be limited obligation bonds of the University payable only from Building

Fees, money and investments in the University of Washington Bond Retirement Fund, General Revenues and money and investments in the Bond Fund.

Section 16. Investment of Funds.

The University covenants to invest and reinvest money deposited in the Bond Fund only in Permitted Investments. Except as otherwise provided in the Federal Tax Certificate, the University covenants that all investments of amounts deposited in the Bond Fund, or otherwise containing gross proceeds of the 2024/2025 Tax-Exempt Bonds (within the meaning of Section 148 of the Code) will be acquired, disposed of, and valued (as of the date that valuation is required by the Code) at Fair Market Value.

Section 17. Establishment of Additional Accounts and Subaccounts.

The University reserves the right, to be exercised in its sole discretion, to establish such additional accounts within the funds established pursuant to this resolution, and subaccounts within such accounts, as it deems necessary or useful for the purpose of identifying more precisely the sources of payments herein and disbursements therefrom; provided that the establishment of any such account or subaccount does not alter or modify any of the requirements of this resolution with respect to a deposit or use of money or result in commingling of funds not permitted hereunder.

Section 18. Additional Bonds.

The University shall have the right to issue one or more series of Additional Bonds for University purposes as permitted under the Bond Act, the Building Fee Revenue Bond Act or otherwise under State law, and to pay the costs of issuing Additional Bonds, or to refund or advance refund any Bonds or other obligations. The University shall have the right to designate one or more series of Additional Bonds as Building Fee Revenue Bonds payable from and secured by the Building Fee and money and investments in the University of Washington Bond Retirement Fund on a parity with the lien thereon of outstanding Building Fee Revenue Bonds to the extent permitted by the Building Fee Revenue Bond Act. The University shall have the further right to pledge Building Fees and moneys and investments in the University of Washington Bond Retirement Fund to pay Additional Bonds payable from and secured solely by such Building Fees and moneys and investments on a parity with the lien thereon of outstanding Building Fee Revenue Bonds.

Section 19. Covenants Regarding Tax Exemption. The University will take all actions necessary to assure the exclusion of interest on the 2024/2025 Tax-Exempt Bonds from the gross income of the owners of the 2024/2025 Tax-Exempt Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the 2024/2025 Tax-Exempt Bonds, including but not limited to the following:

(a) The University will assure that the proceeds of the 2024/2025 Tax-Exempt Bonds are not used so as to cause the 2024/2025 Tax-Exempt Bonds to satisfy the private business tests or the private loan financing test, as applicable and as set forth in the Federal Tax Certificate.

(b) The University will not sell or otherwise transfer or dispose of (i) any personal property components of the Projects financed with the 2024/2025 Tax-Exempt Bonds other than in the ordinary course of an established government program or (ii) any real property components of the Projects financed with the 2024/2025 Tax-Exempt Bonds, unless it has received an opinion of nationally recognized bond counsel to the effect that such disposition will not adversely affect the treatment of interest on the 2024/2025 Tax-Exempt Bonds as excludable from gross income for federal income tax purposes as set forth in the Federal Tax Certificate.

(c) The University will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the 2024/2025 Tax-Exempt Bonds to be "federally guaranteed" as set forth in the Federal Tax Certificate.

(d) The University will take any and all actions necessary to assure compliance with the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2024/2025 Tax-Exempt Bonds as set forth in the Federal Tax Certificate.

(e) The University will not take, or permit or suffer to be taken, any action with respect to the proceeds of the 2024/2025 Tax-Exempt Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2024/2025 Tax-Exempt Bonds would have caused the 2024/2025 Tax-Exempt Bonds to be "arbitrage bonds" as set forth in the Federal Tax Certificate.

(f) The University will maintain a system for recording the ownership of each 2024/2025 Tax-Exempt Bond that complies with the Code until all 2024/2025 Tax-Exempt Bonds have been surrendered and canceled.

(g) The University will retain its records of all accounting and monitoring it carries out with respect to the 2024/2025 Tax-Exempt Bonds for at least three years after the 2024/2025 Tax-Exempt Bonds mature or are redeemed (whichever is earlier); however, if the 2024/2025 Tax-Exempt Bonds are redeemed and refunded, the University will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the 2024/2025 Tax-Exempt Bonds.

(h) The University will comply with the provisions of the Federal Tax Certificate with respect to the 2024/2025 Tax-Exempt Bonds, which are incorporated herein as if fully set forth herein. In the event of any conflict between this Section and the Federal Tax Certificate, the provisions of the Federal Tax Certificate will prevail.

(i) In the event the University issues one or more series of bonds eligible for federal tax credits, a federal interest subsidy, or other subsidy, the University will comply with the provisions of the Federal Tax Certificate setting forth or incorporating applicable requirements.

The covenants of this Section will survive payment in full or defeasance of the 2024/2025 Tax-Exempt Bonds.

Section 20. No Recourse Against Individuals.

No owner of a 2024/2025 Bond (registered or beneficial) shall have any recourse for the payment of any part of the principal, interest, or Redemption Price, if any on the 2024/2025 Bonds,

or for the satisfaction of any liability arising from, founded upon, or existing by reason of, the issuance or ownership of such 2024/2025 Bonds against the officers of the University or officers or members of the Board in their individual capacities.

Section 21. Defeasance.

Except as otherwise set forth in the Bond Terms Agreement, any 2024/2025 Bonds shall be deemed to have been paid and not Outstanding under this resolution and shall cease to be entitled to any lien, benefit or security of this resolution and any money and investments held hereunder, except the right to receive the money and the proceeds and income from Government Obligations set aside and pledged in the manner hereafter described, if:

(a) in the event that any or all of 2024/2025 Bonds are to be optionally redeemed, the University shall have given to the Registrar irrevocable instructions to give such notice of redemption of such 2024/2025 Bonds as may be required by the provisions of this resolution; and

(b) there shall have been made an Irrevocable Deposit, with the Registrar or another corporate fiduciary of money in an amount which shall be sufficient and/or noncallable Government Obligations that are direct or indirect obligations of the United States or obligations unconditionally guaranteed by the United States maturing at such time or times and bearing such interest to be earned thereon, without considering any earnings on the reinvestment thereof, as will provide a series of payments which shall be sufficient, together with any money initially deposited, to provide for the payment of the principal of and the interest on the defeased 2024/2025 Bonds, when due in accordance with their terms, or upon the earlier prepayment thereof in accordance with a refunding plan; and such money and the principal of and interest on such Government Obligations are set aside irrevocably and pledged in trust for the purpose of effecting such payment, redemption or prepayment.

Nothing contained in this Section 21 shall be construed to prohibit the partial defeasance of the lien of this resolution providing for the payment of one or more, but not all of the Outstanding 2024/2025 Bonds. In the event of such partial defeasance, this resolution shall be discharged only as to the 2024/2025 Bonds so defeased.

Section 22. Approval of Official Statement.

The University hereby authorizes the Authorized Representative of the University to approve one or more solicitations for the tender of outstanding Refunding Candidates, to approve the preparation and distribution of one or more Offers, to approve the information contained in each Preliminary Official Statement, if any, issued on behalf of the University, to "deem final" each Preliminary Official Statement, if any, as of its date, except for the omission of information on offering prices, interest rates, selling compensation, delivery dates and any other terms or provisions of the 2024/2025 Bonds dependent on such matters, for the sole purpose of the applicable underwriter's compliance with the Rule and to authorize the distribution thereof to prospective purchasers of the series of 2024/2025 Bonds and others. The University further authorizes any of such officers to approve the preparation, distribution and use of a final Official Statement or any other offering document, and to approve the information contained therein, in connection with the offering and sale of the applicable 2024/2025 Bonds or 2024/2025 bonds issued on behalf of the University, to the actual purchasers of the 2024/2025 Bonds and others. The University hereby authorizes any of such officers to execute each final Official Statement or other offering document described above to indicate such approval.

Section 23. Determination of Certain Matters Affecting 2024/2025 Bonds.

The Authorized Representative of the University is hereby authorized and directed to make the following determinations and/or take the following actions, subject to the limitations described below:

(a) determine whether the 2024/2025 Bonds shall be issued and sold in one or more series or subseries;

(b) determine the Mode in which 2024/2025 Bonds of a series or subseries shall be issued initially;

(c) determine the times and manner of conversion, if any, between and within Modes, and negotiate and execute documents to effect the conversion, including without limitation any Bond Terms Agreement, or amendments thereto;

(d) negotiate and execute at the Authorized Representative of the University's discretion, one or more Escrow Agreements, Bond Terms Agreements, amendments to leases and other agreements with respect to Refunding Candidates including to reflect the results of the refunding and related matters, options to extend such leases, and other findings, determinations and documents in connection with the refunding, defeasance, acquisition or exchange of a Refunding Candidate, and amendments thereto from time to time;

(e) negotiate and execute a Payment Agreement, if any, in connection with the issuance of any series or subseries of 2024/2025 Bonds;

(f) select one or more Escrow Agents, verification agents, tender agents, underwriters, Dealers, Direct Purchasers and/or Remarketing Agents;

(g) select some or all of the Refunding Candidates and designate those Refunding Candidates as the "Refunded Bonds" in the applicable Bond Terms Agreement or closing certificate;

(h) determine if it is in the best interest of the University for any or all of the 2024/2025 Bonds to be secured by a Liquidity Facility or Credit Facility and, if so, select the Liquidity Facility Issuer or Credit Facility Issuer, as applicable, pay the premium or fees therefor, issue one or more reimbursement or Bank Bonds, and enter into Reimbursement Agreements, each as applicable;

(i) subject to the limitations set forth herein, approve the initial Interest Rates if the 2024/2025 Bonds bear interest in Fixed Mode or Term Mode, Maturity Dates, aggregate principal amounts, principal amounts of each maturity, delayed remarketing terms, redemption rights, tender or put option rights, and other terms and conditions of the 2024/2025 Bonds;

(j) select a Trustee for the owners of any or all of the 2024/2025 Bonds and fix its or their rights, duties, powers, and obligations under the applicable Trust Agreement;

(k) determine whether any or all of the 2024/2025 Bonds shall be issued as 2024/2025 Tax-Exempt Bonds or as 2024/2025 Taxable Bonds, determine whether any or all of the 2024/2025 Tax-Exempt Bonds are to be designated as qualified 501(c)(3) obligations, and determine whether any or all of the 2024/2025 Bonds shall be issued as tax credit bonds, interest subsidy bonds or other bonds eligible for federal or other subsidy;

(l) determine whether any or all of the 2024/2025 Bonds shall be issued and sold as Direct Purchase 2024/2025 Bonds or as Underwritten 2024/2025 Bonds;

(m) determine whether any or all of the 2024/2025 Bonds shall be issued and sold on a current or forward delivery basis;

(n) determine whether any or all of the 2024/2025 Bonds shall be issued and sold to acquire tendered Refunding Candidates or to effect the exchange of Refunding Candidates for 2024/2025 Bonds;

(o) negotiate and approve terms for the purchase and/or exchange of Refunding Candidates tendered pursuant to any Offer; and

(p) allocate 2024/2025 Bond proceeds to Projects and determine whether all or a portion of the Projects shall be financed with other sources.

The Authorized Representative of the University is hereby authorized to approve the foregoing subject to following conditions:

(a) the aggregate principal amount of the 2024/2025 New Money Bonds shall not exceed $125,000,000;

(b) the aggregate principal amount of the 2024/2025 Refunding Bonds shall not exceed the aggregate principal amount of the Refunding Candidates to be refunded (including by acquisition or exchange) to be refunded with 2024/2025 Refunding Bonds plus an amount deemed by the Authorized Representative of the University to be reasonably required to effect such refunding (including to reflect bonds sold at a discount, and to pay costs of issuance and costs of the tender and/or exchange);

(c) the final maturity date of any 2024/2025 Refunding Bonds shall not be later than 40 years after the date of issuance of the Refunding Candidate to be refunded (including by acquisition or exchange) with the proceeds of such bonds, and the term of any 2024/2025 Bond shall not be longer than 40 years;

(d) the true interest cost to the University, taking into account any interest or other subsidy, for the 2024/2025 Bonds issued initially in the Fixed Mode does not exceed 10%;

(e) the aggregate principal amount of 2024/2025 Bonds issued in the Daily Mode, Weekly Mode, Index Floating Mode and Commercial Paper Mode does not exceed 20% of the aggregate principal amount of all then Outstanding Bonds (determined on the initial date of issuance of such 2024/2025 Bonds in the Daily Mode, Weekly Mode, Index Floating Mode or Commercial Paper Mode); and

(f) the applicable Bond Terms Agreement is executed not later than September 30, 2025; provided that the Bond Terms Agreement may provide for forward delivery of the applicable 2024/2025 Bonds after this date as specified therein and provided that any amendment to a Bond Terms Agreement may be executed at any time.

Upon determination by the Authorized Representative of the University that all conditions to Closing set forth in the applicable Bond Terms Agreement have been satisfied, or upon waiver of such conditions by the appropriate parties, the Authorized Representative of the University is hereby authorized and directed (a) to cause such 2024/2025 Bonds, executed as provided in this resolution, to be authenticated and delivered; and (b) to execute, for and on behalf of the University, and to deliver to the persons entitled to executed copies of the same, the Official Statement or other offering document and all other documents required to be delivered pursuant to the applicable Bond Terms Agreement. The proper University officials are hereby authorized and directed to do everything necessary and proper for the prompt printing, execution, authentication, issuance and delivery of the 2024/2025 Bonds in exchange for the purchase price thereof, including any other consideration therefor.

This authorization is in addition to any previously delegated authority, including under the Debt Policy.

<u>Section 24</u>. <u>Undertaking to Provide Continuing Disclosure</u>.

An Authorized Representative of the University is authorized to, in the Authorized Representative of the University's discretion, execute and deliver a certificate regarding continuing disclosure in order to assist the underwriters for 2024/2025 Bonds in complying with Section (b)(5) of the Rule.

<u>Section 25.</u> <u>Payment Agreements (Interest Rate Swap Agreements)</u>.

The University may enter into a Payment Agreement providing for an exchange of Reciprocal Payments for University Payments in connection with one or more series or subseries of 2024/2025 Bonds. The following shall be conditions precedent to the use of any Payment Agreement.

(a) *Opinion of Bond Counsel*. The University shall obtain an opinion of its Bond Counsel on the due authorization and execution of such Payment Agreement opining that the action proposed to be taken by the University is authorized or permitted by this resolution and by Washington law and will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the applicable series or subseries of 2024/2025 Tax-Exempt Bonds.

(b) *Certification of Municipal Advisor.* The University shall obtain, on or prior to the date of execution of the Payment Agreement, a written certification from a municipal advisor satisfying the requirements under RCW 39.96.030.

(c) *Approval of the State Finance Committee.* The Payment Agreement shall have been approved by the State Finance Committee under terms set forth in a resolution thereof, subject to final approval and authorization of the Payment Agreement by the Chair of the State Finance Committee pursuant to such terms. The approval of the State Finance Committee shall not constitute the pledge of the full faith and credit of the State. The University shall have the option to terminate the Payment Agreement in whole or in part, in the discretion of the Authorized Representative of the University.

(d) *Selection of Reciprocal Payor.* Prior to selecting the Reciprocal Payor, the University shall solicit and give due consideration to proposals from at least two entities that meet the criteria set forth in RCW 39.96.040(2). Such solicitation and consideration shall be conducted in such manner as the University (or the State Treasurer if so directed by resolution of the State Finance Committee) shall determine is reasonable.

(e) *Payments*. The Payment Agreement shall set forth the manner in which the University Payments and Reciprocal Payments are to be calculated and a schedule of Derivative Payment Dates. The University shall provide an annual report or certificate to the State Treasurer setting forth the information regarding the Payment Agreement, in form satisfactory to the State Treasurer.

(f) *Findings.*

(1) The obligations of the University under the Payment Agreement shall be paid solely from General Revenues.

(2) If the University enters into a Payment Agreement, University Payments shall be made from the Bond Fund. Reciprocal Payments shall be paid directly into the Bond Fund or a separate account therein.

(3) If the foregoing conditions are complied with, the Payment Agreement will lower the net cost of borrowing for the related 2024/2025 Bonds or reduce the University's exposure to fluctuations in interest rates on the related 2024/2025 Bonds. This finding shall be confirmed in a report of the Authorized Representative of the University.

<u>Section 26</u>. <u>Supplemental Resolutions.</u>

(a) *Without Consent of Owners.* The Board, from time to time and at any time, may adopt a resolution or resolutions supplemental to this resolution which supplemental resolution or resolutions thereafter shall become a part of this resolution, for any one or more or all of the following purposes:

(1) to add to the covenants and agreements of the University in this resolution other covenants and agreements thereafter to be observed, which shall not materially adversely affect the interests of the Registered Owners of any Outstanding 2024/2025 Bonds affected by the supplemental resolution, or to surrender any right or power herein reserved to or conferred upon the University;

(2) to make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this resolution or any resolution authorizing Additional Bonds in regard to matters or questions arising under such resolutions as the Board may deem necessary or desirable and not inconsistent with such resolution and which shall not materially adversely affect the interest of the Registered Owners of Outstanding 2024/2025 Bonds.

Any such supplemental resolution of the Board may be adopted without the consent of the owners of any 2024/2025 Bonds at any time outstanding, notwithstanding any of the provisions of subsection (b) of this section.

(b) *With Consent of Owners.* With the consent of the Registered Owners of not less than 51% in aggregate principal amount of all Outstanding 2024/2025 Bonds of a series affected by a supplemental resolution, the Board may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this resolution or of any supplemental resolution provided, however, that no such supplemental resolution shall:

(1) extend the fixed maturity of any Outstanding 2024/2025 Bonds, or reduce the rate of interest thereon, or extend the time of payment of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the owner of each 2024/2025 Bond so affected; or

(2) reduce the aforesaid percentage of Registered Owners required to approve any such supplemental resolution, without the consent of the Registered Owners of all of the Outstanding 2024/2025 Bonds affected by the reduction.

It shall not be necessary for the consent of Registered Owners under this subsection (b) to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent shall approve the substance thereof. The Reimbursement Agreement may provide rights to the Credit Facility Issuer or Liquidity Facility Issuer to consent to supplemental resolutions on behalf of Registered Owners of Bonds for which it provides credit and liquidity support or in addition to such Registered Owners.

Section 27. Concerning the Registered Owners.

(a) *Form of Consent of Registered Owners.* Any request, direction, consent or other written instrument required by this resolution to be signed or executed by the Registered Owners may be in any number of concurrent written instruments of similar tenor and may be signed or executed by such Registered Owners in person or by an agent or agents duly appointed by a written instrument. Proof of the execution of any such written instrument and of the ownership of the 2024/2025 Bonds shall be sufficient for any purpose of this resolution and shall be conclusive in favor of the University, and/or the Registered Owners with regard to any action taken under such instrument, if made in the following manner:

(1) the fact and date of the execution by any Registered Owner of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments of deeds to be recorded within such jurisdiction, to the effect that the Registered Owner signing such instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness to such execution; and

(2) the ownership of 2024/2025 Bonds shall be proved by the Bond Register maintained by the Registrar.

Nothing contained in this Section 27(a) shall be construed as limiting the University to the proof above specified, it being intended that the University may accept any other evidence of the matters herein stated to which it may seem sufficient.

(b) *Waiver of Form.* Except as otherwise provided herein, any notice or other communication required by this resolution to be given by delivery, publication or otherwise to the Registered Owners or any one or more thereof may be waived, at any time before such notice or communication is so required to be given, by written waivers mailed or delivered to the University by the Registered Owners of all 2024/2025 Bonds of a series or subseries entitled to such notice or communication.

(c) *Revocation; Conclusive Action.* At any time prior to (but not after) the evidencing to the University of the taking of any action by the Registered Owners of the percentage in aggregate principal amount of Outstanding 2024/2025 Bonds of a series or subseries specified in this resolution in connection with such action, any Registered Owner may, by filing written notice with the University, revoke any consent given by such Registered Owner or the predecessor Registered Owner of such 2024/2025 Bond. Except as aforesaid, any such consent given by the Registered Owner of any 2024/2025 Bond shall be conclusive and binding upon such Registered Owner and upon all future Registered Owners of such 2024/2025 Bond and of any 2024/2025 Bond issued in exchange therefor or in lieu thereof, irrespective of whether or not any notation in regard thereto is made upon such 2024/2025 Bond. Any action taken by the Registered Owners of the percentage in aggregate principal amount of a series or subseries of Outstanding 2024/2025 Bonds specified in this resolution in connection with such action shall be conclusively binding upon the University and the Registered Owners of all Outstanding 2024/2025 Bonds.

Section 28. Determination of Registered Owners' Concurrence.

In determining whether the Registered Owners of the requisite aggregate principal amount of a series or subseries of Outstanding 2024/2025 Bonds have concurred in any demand, request, direction, consent or waiver under this resolution, 2024/2025 Bonds which are owned by or held in the name of the University shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. 2024/2025 Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 28 if the pledgee shall establish to the satisfaction of the University the pledgee's right to vote such 2024/2025 Bonds and that the pledgee is not the University.

Section 29. Contract-Savings Clause.

The covenants contained in this resolution, the 2024/2025 Bonds and the provisions of the Bond Act shall constitute a contract between the University and the Registered Owners of the 2024/2025 Bonds and shall be construed in accordance with and controlled by the laws of the State. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the University shall be declared by any court of competent jurisdiction and final appeal, if any appeal be taken, to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements in this resolution and shall in no way affect the validity of the other provisions of this resolution or of the 2024/2025 Bonds.

Section 30. No Benefits to Outside Parties.

Nothing in this resolution, express or implied, is intended or shall be construed to confer upon or to give to any person, other than the University, the Registrar, any Credit Facility Issuer, any Liquidity Facility Issuer, or the Registered Owners of Bonds, any right, remedy or claim under or by reason of this resolution; and the covenants, stipulations and agreements in this resolution are and shall be for sole and exclusive benefit of the University, the Registrar, any Credit Facility Issuer, the Liquidity Facility Issuer, and the Registered Owners of Bonds, their successors and assigns.

Section 31. Immediate Effect.

This resolution shall take effect immediately upon its adoption.

Exhibit A

Description of Refunding Candidates

Issuer	Bond Name	Original Principal Amount
NW Hospital	4.65% Mortgage Note Payable (OMC Refunding)	$ 9,217,542
State of WA	2020A General Obligation UW ((R-2010B)(R-2001C))	1,585,000
State of WA	2020C General Obligation UW (R-2011B (R-2002A))	5,065,000
State of WA	2020C General Obligation UW (R-2011B (R-2002B))	2,640,000
State of WA	2021B General Obligation UW (R-2011A (R-2002A))	8,910,000
State of WA	2022C General Obligation UW (2012C)(R-2004D)	2,390,000
State of WA	2022C General Obligation UW (R-2012C)(2003D)	1,795,000
State of WA	2022C General Obligation UW (R-2012C)(2004A)	4,215,000
University	2006 UWT Bank of America Term Loan	3,100,000
University	2009 General Revenue Bonds (Taxable Build America Bonds)	75,835,000
University	2009B General Revenue Bonds (Taxable Build America Bonds)	77,710,000
University	2010B General Revenue Bonds (Taxable Build America Bonds)	144,740,000
University	2012C General Revenue Bonds	299,425,000
University	2015A General Revenue and Refunding Bonds (Taxable)	47,715,000
University	2015B General Revenue Refunding Bonds	170,555,000
University	2015C General Revenue Bonds	159,160,000
University	2015D General Revenue Bonds (Taxable)	36,350,000
University	2016A General Revenue and Refunding Bonds	195,145,000
University	2016B General Revenue Refunding Bonds (Taxable)	10,015,000
University	2018 General Revenue Bonds	133,785,000
University	2020A General Revenue Bonds	51,000,000
University	2020B General Revenue Bonds	51,000,000
University	2020C General Revenue Refunding Bonds (Delayed Delivery Bonds)	117,815,000
University	2021A General Revenue and Refunding Bonds	77,435,000
University	2021B General Revenue and Refunding Bonds (Taxable)	249,335,000
University	2022A General Revenue and Refunding Bonds	75,000,000
University	2022B General Revenue and Refunding Bonds (Taxable)	209,090,000
University	2022C General Revenue and Refunding Bonds	90,700,000
University	2024A General Revenue Bonds	218,355,000
University	2024B General Revenue Refunding Bonds	168,090,000
University	2014 FAST Loan - Suzzallo Library Renovation	1,000,000
University	2014 FAST Loan - UWT- Pagni & Lenti Building	500,000
University	2018 FAST Loan - The College of the Environment (Research Vessel)	500,000
University	2020 FAST Loan -Fleet Services	484,209
University	2020 FAST Loan - Oak Hall HFS (Taxable)	12,000,000
University	2020 FAST Loan - Oak Hall HFS (Tax-Exempt)	7,000,000
University	2020 FAST Loan - School of Medicine MRI Machine	2,470,000
University	2022 FAST Loan - School of Medicine Cyclotron Machine	1,124,000
University	2022 FAST Loan - Fleet Services	1,699,621
University	2023 FAST Loan - Fleet Services	3,715,876

Issuer	Bond Name	Original Principal Amount
University	2024 FAST Loan - Fleet Services (Tax-Exempt)	699,037.67
University	2024 FAST Loan - Fleet Services (Taxable)	1,170,300.01
University	2024 FAST Loan - UW Information Technology	4,145,154.23
WBRF 3	2010B Lease Revenue Bonds WBRF 3 - Build America Bonds	151,745,000
WEDFA	2013 Lease Revenue Refunding Bonds WBRP I	28,995,000
WEDFA	2014A Lease Revenue Refunding Bonds WBRPII (R-2005E & 2006J)	109,205,000
WBRP 3.2	2015A Lease Revenue Bonds WBRP III	107,615,000
University	Fred Hutchinson Cancer Research Center Promissory Note (FHCC)	142,942,000
University	Line of Credit - US Bank	100,000,000

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APPENDIX B

AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2024)

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UNIVERSITY OF WASHINGTON

Supplementary Information

June 30, 2024

(With Independent Auditors’ Report Thereon)

KPMG LLP
Suite 2800
401 Union Street
Seattle, WA 98101

Independent Auditors' Report on Supplementary Information

The Board of Regents
University of Washington:

We have audited the financial statements of the business type activities, the fiduciary activities, and the aggregate discretely presented component units of the University of Washington (the University), an agency of the state of Washington, as of and for the year ended June 30, 2024, and have issued our report thereon dated November 8, 2024 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The reconciliation of total university revenue to general revenue and the reconciliation of total University of Washington unrestricted net position to general net position is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The report is intended solely for the information and use of the Board of Regents and management of the University and rating agencies and bondholders who have previously received the financial statements of the University as of and for the year ended June 30, 2024, and our unmodified opinions thereon, for use in evaluating those financial statements, and is not intended to be, and should not be used for any other purpose.

KPMG LLP

Seattle, Washington
November 8, 2024

UNIVERSITY OF WASHINGTON

Supplementary Information

Reconciliation of Total University Revenue to General Revenue

Year ended June 30, 2024

(Dollars in thousands)

General revenue:		
Total revenue	$	9,564,055
Less:		
State appropriations		604,140
Grant and contract direct costs		1,364,282
Gifts		178,400
Revenues of component units		677,217
Student activities fees and U-Pass fees		51,822
Student technology fees, student building fees, and student loan funds		95,466
Metropolitan Tract		46,380
Trust and endowment income, net unrealized gains on noninvested funds investments, component unit investment income, and other restricted investment income		556,163
Capital appropriations		77,378
Capital grants, gifts and other		36,835
Other nonoperating revenues		235,024
Gifts to permanent endowments		104,609
Total general revenue	$	5,536,339
General revenue components:		
Student tuition and fees (less student activities fees, U-Pass fees, technology fees, building fees, and financial aid funds)	$	1,038,066
Grant and contract indirect costs		382,263
Invested funds distribution and net invested funds unrealized gains (note 2)		207,664
Sales and services of educational departments		533,885
Patient services		2,427,396
Auxiliary systems		520,413
Fred Hutchinson Cancer Center		52,787
Other operating revenues		373,865
Total general revenue	$	5,536,339

See accompanying notes to supplementary information and the independent auditors' report on supplementary information.

UNIVERSITY OF WASHINGTON

Supplementary Information

Reconciliation of Total University of Washington Unrestricted Net Position
to General Net Position

June 30, 2024

(Dollars in thousands)

Total University unrestricted net position per financial statements	$	1,422,952
Less:		
Student and activities fees		35,146
Net position (deficit) of component units:		
UW Medicine Primary Care (formerly UW Neighbourhood Clinics)		1,837
Northwest Hospital (prior to merger with UWMC)		(131,628)
Real estate entities		6,819
Total to be excluded, net		(87,826)
General net position, including pensions and other post-employment benefits (OPEB)		1,510,778
Impact of GASB 68 – Pensions		(499,415)
Impact of GASB 75 – OPEB		1,842,394
General net position, excluding GASB 68 pensions and OPEB *	$	2,853,757

* There are other non-cash adjustments to Unrestricted Net Position not shown here.

See accompanying notes to supplementary information and the independent auditors' report on supplementary information.

(1) Basis of Presentation

The Reconciliation of Total University Revenue to General Revenue presents the general income of the University of Washington (University) that is not restricted in its use by law, regulation, or contract. General Revenues, as defined in the bond agreements, are revenues pledged to bondholders under the University's General Revenue Bond platform. The supplementary information included herein reconciles total University revenue to General Revenue pledged to bondholders. For example, the following items are restricted and, therefore, excluded from General Revenues:

a. Appropriations to the University by the state of Washington (state) from the state's General Fund;

b. Revenues from gifts or grants restricted by the terms of the gift or grant either in writing or otherwise by the donor;

c. Fees imposed upon students as a condition of enrollment at the University, including but not limited to services and activities fees, building fees, and technology fees; and

d. Revenues and receipts attributable to the Metropolitan Tract Revenue, which are appropriated to the University by the state.

Unrestricted fund balances, to the extent that they were accumulated from money that was received as General Revenues, also are included and available to pay obligations secured by General Revenues. Any interest subsidy received from the federal government with respect to General Revenue Bonds is included and available to pay obligations secured by General Revenues.

On March 31, 2022, the members of the Seattle Cancer Care Alliance (SCCA): the University, Fred Hutchinson Cancer Research Center (Fred Hutch), and Seattle Children's Healthcare System (SCHS) agreed to merge Fred Hutch and SCCA; for SCCA to become a non-member non-profit Washington corporation, and for SCCA to be renamed Fred Hutchinson Cancer Center (FHCC). In addition to the restructure of the former SCCA corporate entity, the University and FHCC agreed to the Restructuring and Enhanced Collaboration Agreement (Restructuring Agreement), which clinically and financially integrates the adult cancer program between both entities. The University recorded financial alignment income in other nonoperating revenues in the statement of revenues, expenses, and changes in net position. These income amounts are reflected in the Reconciliation of Total University Revenue to General Revenue for the year ended June 30, 2024, as part of the General Revenue components, which are available to meet bondholder obligations.

Unrestricted Net Position as of June 30, 2024, reflects the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, during fiscal year 2015 and the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), during fiscal year 2018 (the Statements). These Statements require the University to record its proportionate share of the state of Washington's actuarially determined liabilities for pensions and OPEB. The University's Unrestricted Net Position, excluding the impacts of GASB Statements No. 68 and 75, is reflected on the Reconciliations of Total University of Washington Unrestricted Net Position to General Net Position.

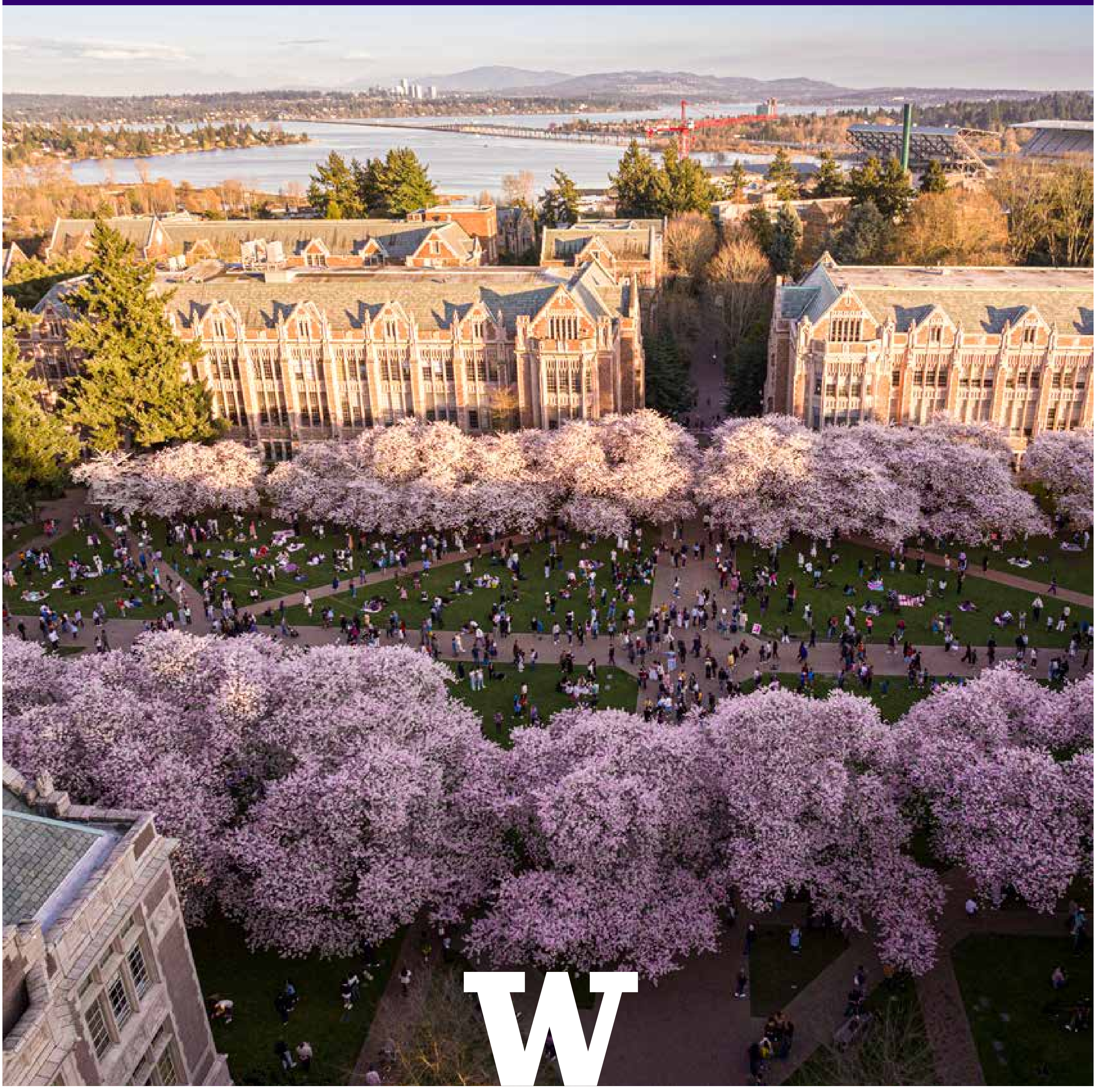
(Continued)

(2) Invested Funds Distributions and Net Invested Funds Unrealized Gains and Losses

These amounts represent the net interest, dividends, and realized gains or losses earned on the Invested Funds that are distributed to departments for operations, in addition to or offset by any unrealized gains and losses on the portfolio.

2024 FINANCIAL REPORT

UNIVERSITY *of* WASHINGTON



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University Facts

	FISCAL YEAR 2024 Academic Year 2023-2024	FISCAL YEAR 2019 Academic Year 2018-2019	FISCAL YEAR 2014 Academic Year 2013-2014
STUDENTS			
Autumn Enrollment (headcount)			
Undergraduate	43,255	42,578	37,895
Graduate	15,216	14,498	13,177
Professional	2,221	2,176	2,000
TOTAL	**60,692**	**59,252**	**53,072**
Professional and Continuing Education - Course and Conference Registrations	83,662	81,361	75,412
Number of Degrees Awarded			
Bachelor's	11,379	11,761	9,921
Master's	5,235	4,687	3,925
Doctoral	893	915	762
Professional	604	565	563
TOTAL	**18,111**	**17,928**	**15,171**
FACULTY[1]	5,890	4,369	4,494
FACULTY AND STAFF[2]	36,268	31,439	26,538
RESEARCH FUNDING - ALL SOURCES *(in thousands of dollars)*	$ 1,719,855	$ 1,579,056	$ 1,385,743
SELECTED REVENUES *(in thousands of dollars)*			
Medical Centers and Related Revenues[3]	$ 6,156,155	$ 2,933,682	$ 2,042,029
Gifts, Grants and Contracts	1,924,944	1,643,142	1,439,932
Auxiliary Enterprises and Other Revenues	1,335,538	751,650	556,191
Tuition and Fees[4]	1,173,727	1,052,222	838,796
State Operating Appropriations	604,140	378,656	262,146
Investment Income	763,826	339,878	480,645
SELECTED EXPENSES *(in thousands of dollars)*			
Medical-Related[3]	$ 6,203,827	$ 2,457,318	$ 1,831,649
Instruction, Academic Support, and Student Services	2,252,007	2,070,077	1,515,435
Institutional Support and Physical Plant	1,100,707	849,930	733,194
Research and Public Service	1,547,723	814,717	807,863
Auxiliary Enterprises	372,928	553,511	285,561
CONSOLIDATED ENDOWMENT FUND[5] *(in thousands of dollars)*	$ 5,457,000	$ 3,588,000	$ 2,833,000
SQUARE FOOTAGE[6] *(in thousands of square feet)*	29,468	27,327	21,836

1. Prior to 2018, this number represents headcount for core faculty (Professorial, Instructional and Research). Starting in 2018, this number represents full time faculty from all campuses including the Medical Centers
2. Full time equivalents – restated (historically) using centralized data source and enterprise definitions
3. Includes discrete component units (Fred Hutchinson Cancer Center in 2024 only)
4. Net of scholarship allowances of $179.1 million in 2024, $159.4 million in 2019 and $139.8 million in 2014
5. Stated at fair value
6. Gross square footage, all campuses

KPMG LLP
Suite 2800
401 Union Street
Seattle, WA 98101

Independent Auditors' Report

The Board of Regents
University of Washington:

Opinions

We have audited the financial statements of the business-type activities, the fiduciary activities, and the aggregate discretely presented component units, of the University of Washington (the University), which comprise the statement of net position and statement of fiduciary net position as of June 30, 2024, and the related statement of revenue, expenses and changes in position, statement of changes in fiduciary net position, and statement of cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the University's basic financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the fiduciary activities, and the aggregate discretely presented component units of the University, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in note 1 to the financial statements, the financial statements of the University, an agency of the state of Washington, are intended to present the financial position, the changes in financial position, and where applicable, cash flows of only the respective portion of the business-type activities, the fiduciary activities, and the aggregate discretely presented component units of the state of Washington that are attributable to the transactions of the University and its discretely presented component units. They do not purport to, and do not, present fairly the financial position of the state of Washington as of June 30, 2024, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 5 through 15, and the schedules of required pension and other post-employment benefit supplementary information on pages 67 through 74, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purposes of forming opinions on the basic financial statements. The University Facts included under the table of contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The information has not been subject to the audit procedures applied in the audit of the basic financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

KPMG LLP

Seattle, Washington
November 8, 2024

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Management’s Discussion & Analysis

The discussion and analysis below provides an overview of the financial position and activities of the University of Washington ("University") for the fiscal year ended June 30, 2024. This discussion has been prepared by management, and since it includes highly summarized data, should be read in conjunction with the financial statements and accompanying notes to financial statements that follow this section.

Financial Highlights for Fiscal Year 2024

The University recorded a $990 million increase in net position in 2024 compared to an increase of $894 million in 2023.

Key Financial Results

(in millions)	2024	2023
Total operating revenues	$ 7,458	$ 7,101
Total operating expenses	8,469	7,969
Operating loss	(1,011)	(868)
State appropriations	604	532
Gifts	178	182
Investment income	764	438
Other nonoperating revenues, net	455	610
Increase in net position	990	894
Net position, beginning of year	9,248	8,354
Net position, end of year	**$ 10,238**	**$ 9,248**

Operating Revenues

Operating revenues increased $357 million, or 5%, in 2024. Revenue from patient services increased $482 million, or over 19%, primarily due to strong volumes, lower length of stay and from new programs by the Washington State Health Care Authority. The University's auxiliary operations, which includes student housing and food services and intercollegiate athletics among others, showed revenue increases totaling $46 million over the prior year. This was offset by a decrease in grant and contract revenue of $171 million, driven by fewer federal awards.

Operating Expenses

Operating expenses increased $500 million, or 6%, in 2024. Staff salaries and benefits increased $468 million during the year, due primarily to the cost of wage and salary increases. Salaries expense increased by $431 million in the current year due to growth in FTEs at 2.7%, due in part to permanent staff hiring, and an increase in base wages.

Nonoperating Revenues

Revenues from nonoperating and other sources, net of interest on capital-related debt, increased $407 million, or 30%, in 2024. Investment Income increased by $326 million with approximately half of the increase resulting from unrealized gains followed by increases in realized gains and interest income due to favorable interest rates and investment market performance compared to the prior year.

Using the Financial Statements

The University's financial statements are prepared in accordance with GASB principles, which establish standards for external financial reporting for public colleges and universities. GASB standards require that financial statements be presented for the University as a whole. These financial statements include the following components:

- Independent Auditors' Report presents an unmodified opinion prepared by the University's auditors, KPMG LLP.
- Statement of Net Position presents the assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position of the University at a point in time (June 30, 2024). Its purpose is to present a financial snapshot of the University. This statement aids the reader in determining the assets available to continue the University's operations, how much the University owes to employees and vendors, whether the University has any deferred outflows or inflows other than assets or liabilities, and provides a picture of net position and its availability for expenditure by the University.
- Statement of Revenues, Expenses and Changes in Net Position presents the total revenues earned and expenses incurred by the University for operating, nonoperating and other related activities, during a period of time (the fiscal year ended June 30, 2024). Its purpose is to assess the University's operating and nonoperating activities.
- Statement of Cash Flows presents cash receipts and payments of the University during a period of time (the fiscal year ended June 30, 2024). Its purpose is to assess the University's ability to generate net cash flows and meet its obligations as they come due.
- Statement of Fiduciary Net Position presents the assets and deferred outflows of resources, liabilities and deferred inflows of resources, and fiduciary net position of the University's custodial funds at a point in time (June 30, 2024).
- Statement of Changes in Fiduciary Net Position presents the additions and deductions from the University's custodial funds during a period of time (the fiscal year ended June 30, 2024).
- Notes to the Financial Statements present additional information to support the financial statements. Their purpose is to clarify and expand on the information in the financial statements. Notes are referenced in this discussion to indicate where details of the financial highlights may be found.

The University has had a strategic alliance with Valley Medical Center, a Washington public hospital district, since 2011. In fiscal year 2022, Fred Hutchinson Cancer Center (FHCC), a nonprofit organization focused on adult oncology research and care, was formed and clinically integrated with the University. GASB standards require that these entities be presented as discrete component units of the University; therefore, the financial position at June 30, 2024, and results of operations for the fiscal year ended June 30, 2024, are reported in a separate column for financial statement presentation purposes (see note 1 to the financial statements).

The analysis that follows includes the combined balances of the University of Washington and its blended component units, but excludes the financial position and results of operations of Valley Medical Center and FHCC.

Financial Health

STATEMENTS OF NET POSITION

A summarized comparison of the University's assets, liabilities, deferrals and net position as of June 30, 2024 and 2023, is shown below:

Summarized Statements of Net Position

(in millions)	**2024**	**2023**
Current assets	$ 3,062	$ 3,092
Noncurrent assets:		
Capital assets, net	6,282	6,186
Investments, net of current portion	7,722	6,653
Other	1,423	1,386
Total assets	18,489	17,317
Deferred outflows	967	1,030
Total assets and deferred outflows	19,456	18,347
Current liabilities	1,825	1,647
Noncurrent liabilities:		
Bonds payable	2,382	2,289
Pensions and OPEB	1,647	1,662
Other	1,266	1,270
Total liabilities	7,120	6,868
Deferred inflows	2,098	2,232
Total liabilities and deferred inflows	9,218	9,100
Net position	**$ 10,238**	**$ 9,248**

Current assets include those that may be used to support current operations, and consist primarily of cash and cash equivalents, short-term investments and accounts receivable. Current liabilities generally are due and payable over the course of the following fiscal year, and include accounts payable and other accrued liabilities, unearned revenues, and the current portion of long-term liabilities such as debt. The excess of current assets over current liabilities of $1,237 million in 2024, and $1,445 million in 2023, reflects the continuing ability of the University to meet its short-term obligations.

Current assets decreased $30 million, or 1%, in 2024, driven by $196 million decrease in short-term investments due to realigning the fixed income account from short term to the intermediate term pool, resulting in lower daily operating liquidity compared to prior year. Offsetting this decrease were increases in accounts receivable, net of allowances, at $82 million mainly due to patient service volumes, a higher cash and cash equivalents balance at $47 million due to timing of payments and increases in other current assets of $38 million.

Current liabilities increased $178 million, or 11%, in 2024, mainly due to higher accounts payable of $283 million. An increase in payment processing during the final months of fiscal year 2023 in preparation for the implementation of the new Workday enterprise resource planning (ERP) system lowered accounts payable at the end of 2023. A decrease in other current liabilities offsets the increase to accounts payable at $162 million resulting from the retirement of commercial paper lines of credit.

Noncurrent assets increased $1,202 million, or 8%, in 2024 mainly driven by an increase in noncurrent investments at $1,069 million. The growth is driven by higher unrealized gains along with realigning the fixed income account from short term to the intermediate term pool in the invested funds.

Noncurrent liabilities increased $74 million, or 1% in 2024 driven by an increase of long-term bonds payable of $93 million, and other post-employment benefits liability of $31 million, offset by a decrease in pension liabilities of $46 million. The increase in bonds payable reflects the new General Revenue Bonds bonds issued in fiscal year 2024.

Deferred outflows of resources and deferred inflows of resources primarily represent pension and other post-employment benefit (OPEB) related deferrals, lease-related deferrals, subscription-related deferrals, and the University's remainder interest in split-interest agreements. The decrease in deferred outflows of $63 million, or 6%, in 2024 is mainly related to pensions and OPEB driven by amortization of the deferred outflows and the decrease of the University's proportionate share of OPEB. This is partially offset by an increase of University of Washington Supplemental Retirement Plan (UWSRP) post-measurement date contributions, recognized for the first time this year due to the change of measurement date. (see Note 10 to the financial statements).

Deferred inflows decreased by $134 million, or 6%, in 2024, driven by a $184 million decrease to the pension plans administered by the Washington State Department of Retirement Systems (DRS), which report results on a one-year lag. The difference between projected and actual investment earnings on pension plan investments contributed to the decrease in deferred inflows due to lower investment earnings during the fiscal year 2023 measurement period. Additionally, the deferred inflows for OPEB decreased by $139 million, primarily driven by a change of assumptions. The decrease was partially offset by $139 million increase in the deferred inflows recorded from two new ground leases (Nordheim Court and Radford Court), and $31 million from unamortized gain on refinancing in fiscal year 2024.

Endowment and Other Investments

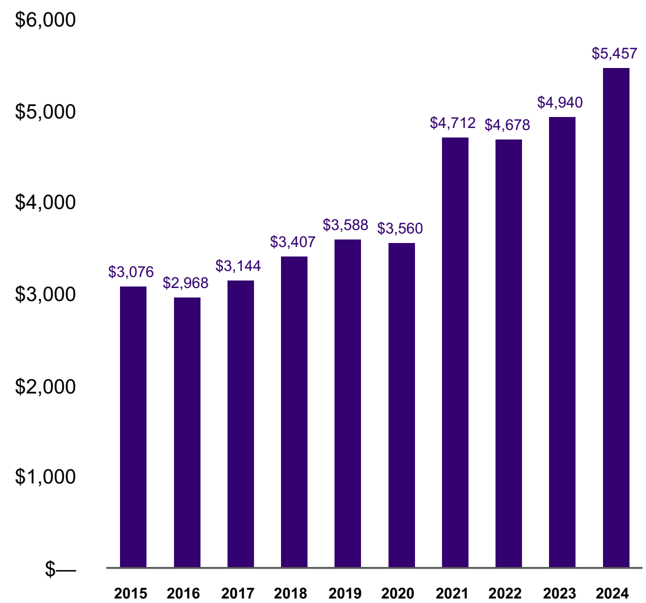
Investment returns provide an important source of revenue for the University's programs. Among the funds invested by the University are endowments, operating reserves, life income trusts, annuities and gifts.

The University of Washington Board of Regents is vested by statute with responsibility for the University's properties and investments, and for establishing investment policy. The University of Washington Investment Management Company (UWINCO), led by the Chief Investment Officer, carries out the day-to-day activities of the investment portfolios. The University of Washington Investment Management Company Board ("UWINCO Board") consists of both Board of Regents' members and external investment professionals who advise UWINCO, the President and the Board of Regents.

Endowed gifts supply permanent capital and an ongoing stream of current earnings to the University. Most endowments are commingled in the Consolidated Endowment Fund (CEF), a diversified investment fund. Similar to a mutual fund, each individual endowment maintains a separate identity and owns units in the fund.

The CEF has experienced considerable growth over the past decade due to endowment gifts and investment returns. The number of individual endowments in the CEF has grown significantly, from 4,363 at June 30, 2015 to 5,803 at June 30, 2024. The fair value of the CEF has similarly increased, from $3.1 billion at June 30, 2015 to $5.5 billion at June 30, 2024.

Consolidated Endowment Fund Market Value (in millions)



The CEF Investment Policy's spending rate distributes quarterly to programs based on an annual percentage rate of 3.6%, applied to the five-year rolling average of the CEF's fair value. Additionally, the CEF Investment Policy allows for an administrative fee of 0.9% supporting campus-wide fundraising and stewardship activities and offsetting the internal cost of managing endowment assets.

For the fiscal year ended June 30, 2024, the CEF returned +11.3% versus +14.5% for the passive benchmark. While overall relative performance lagged, the CEF had positive absolute and relative performance in fiscal year 2024 across most portfolio strategies. Similar to fiscal year 2023, there was considerable variance in fiscal year 2024 with developed markets significantly outperforming emerging markets. US markets continued to be led by a small number of large-cap technology stocks. Consistent with the broader market, the CEF's developed markets strategy drove overall CEF fiscal year 2024 performance. CEF's emerging markets and private equity strategies underperformed. Capital preservation outperformed with the CEF's absolute return strategy posting strong returns.

A portion of the University's operating funds are invested in the CEF. As of June 30, 2024, these funds comprise $1,197 million of the CEF fair value.

Capital Improvements

The University continues to expand its campuses, invest in information technology and renovate existing facilities to meet the needs of its students, patients, faculty and staff. Significant capital asset expenditures (greater than $20 million) during fiscal year 2024 included $40 million for the

Interdisciplinary Engineering Building, and $20 million for the restoration of Haggett Hall.

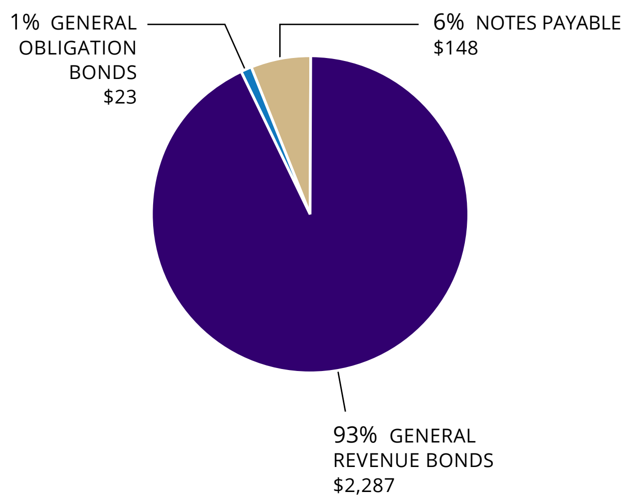
See note 6 for additional information regarding capital asset activity.

Debt

The Board of Regents approves the University's Debt Management Policy which governs the type and amount of debt the University may incur. The policy is designed to maintain access to capital markets and to minimize the cost of capital.

The University's debt portfolio consists primarily of fixed-rate debt in the form of General Revenue Bonds and state-issued General Obligation Bonds. As of June 30, 2024, the University had $2.5 billion of bonds and notes payable outstanding excluding bond premiums, an increase of 1.4% from June 30, 2023.

Bonds and Notes Payable
(in millions)



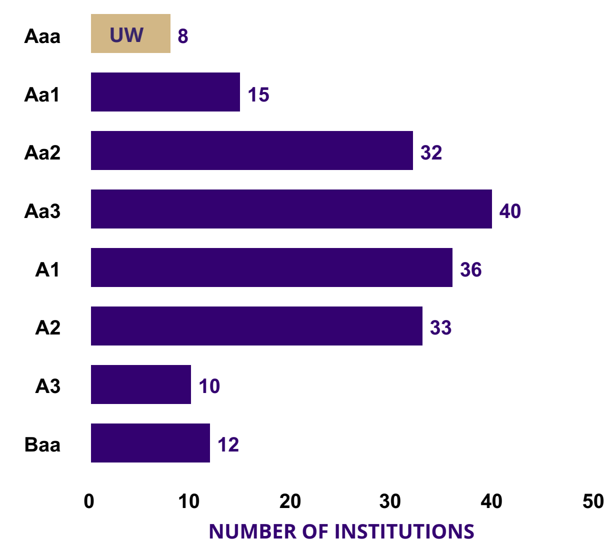
In February 2024, the University issued $218 million of tax-exempt General Revenue Bonds, 2024A with an all-in true interest cost of 3.15%. Proceeds will be used for the payoff of commercial paper used to fund the Finance Transformation project on an interim basis and to fund UW Medicine Small-Works projects, the Montlake Campus Membrane Repair project and Operating Room Expansion. Additionally, the University issued $168 million of General Revenue Refunding Bonds, 2024B to tender and refund a portion of the Series 2021B and 2022B bonds in order to achieve debt service savings. The 2024B bonds had an all-in true interest cost of 3.31%

The University has a $250 million commercial paper program, which is typically used to fund project expenditures until long-term funding is secured. As of June 30, 2024, there was no commercial paper outstanding.

As of June 30, 2024, the University had a $100 million line of credit to provide general institutional liquidity. The line of credit was undrawn at the fiscal year end and expired on September 30, 2024. The line of credit was extended for an additional 3-year term through an amended and restated agreement dated September 30, 2024.

During fiscal year 2024, Moody's revised the University's credit outlook to negative from stable (Aaa, Negative) and Standard & Poor's (AA+, Stable) reaffirmed the University's credit ratings. The University's short-term credit ratings were also affirmed at P-1 (Moody's) and A-1+ (Standard & Poor's).

Moody's Fiscal Year 2023
Public College and University Rating Distribution
(as of the June 2024 Moody's Median Report)



Each Fall, the Board of Regents typically adopts resolutions that authorize the issuance of long-term debt for various Board approved projects. For the 12-month period ending on September 30, 2025, the Board has approved the issuance of up to $125 million in net new long-term debt. Any additional increase, other than debt issued to achieve debt service savings and/or to remarket a put or term bond, would require additional approval by the Board.

See notes 7 and 8 for additional information regarding debt and other long-term liabilities.

Net Position

The difference between total assets and deferred outflows, and total liabilities and deferred inflows, is referred to as net position or "equity". Over time, the change in net position is one indicator of the improvement or decline in the University's overall financial health when considered with nonfinancial factors such as enrollment, research awards, patient levels, and the condition of facilities.

The University reports its "equity" in four categories:

- Net Investment in Capital Assets – This is the University's total investment in capital assets, net of accumulated depreciation and amortization and outstanding debt obligations related to those capital assets.
- Restricted Net Position:
  - Nonexpendable net position, primarily endowments, represents gifts to the University's permanent endowment funds. These are funds on which the donor or other external party has imposed the restriction that the corpus is not available for expenditure, but rather for investment purposes only, in order to produce income that is to be expended for the purposes specified.
  - Expendable net position consists of resources that the University is legally or contractually obligated to spend in accordance with time or purpose restrictions placed by donors and/or other external parties, and includes the net appreciation of permanent endowments.
- Unrestricted Net Position – This is all other funds available to the University for any purpose associated with its mission. Unrestricted net position is not subject to externally imposed stipulations, but often is internally designated for specific purposes.

The University's net position at June 30, 2024 and 2023 is summarized as follows:

Categories of Net Position

(in millions)	2024	2023
Net investment in capital assets	$ 3,060	$ 2,908
Restricted:		
Nonexpendable	2,365	2,206
Expendable	3,390	3,091
Unrestricted	1,423	1,043
Total net position	**$ 10,238**	**$ 9,248**

Net investment in capital assets increased $152 million, or 5%, in 2024. This balance typically increases as debt is repaid, or when the University funds fixed asset purchases without the use of external financing, for example by using internal reserves. This balance decreases as assets are depreciated.

Restricted nonexpendable net position increased $159 million, or 7%, in 2024 primarily from the receipt of $111 million of new endowment gifts. Additionally, there was a $4 million increase in the fair value of the University's investments managed by the WA State Investment Board and a $13 million increase in the fair value of investments underlying split-interest agreements.

Restricted expendable net position increased $299 million, or 10%, in 2024 primarily due to new operating and capital gifts of $213 million.

Unrestricted net position increased $380 million, or 36%, in 2024. State operating and capital appropriations contributed $682 million and unrestricted investments contributed $273 million of investment income. These amounts were offset by $305 million of operating losses and $105 million of interest on capital asset-related debt.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses and Changes in Net Position presents the University's results of operations and nonoperating items that result in the changes in net position for the year. In accordance with GASB reporting principles, revenues and expenses are classified as either operating or nonoperating. Certain significant revenues budgeted for fundamental operational support of the core missions of the University must be recorded as nonoperating revenue, including state appropriations, private gifts, and investment income. As a result, it is anticipated that the Statement of Revenues, Expenses and Changes in Net Position will consistently report an operating loss for GASB financial reporting purposes.

A condensed comparison of the University's revenues, expenses and changes in net position for the years ended June 30, 2024, and 2023 follows:

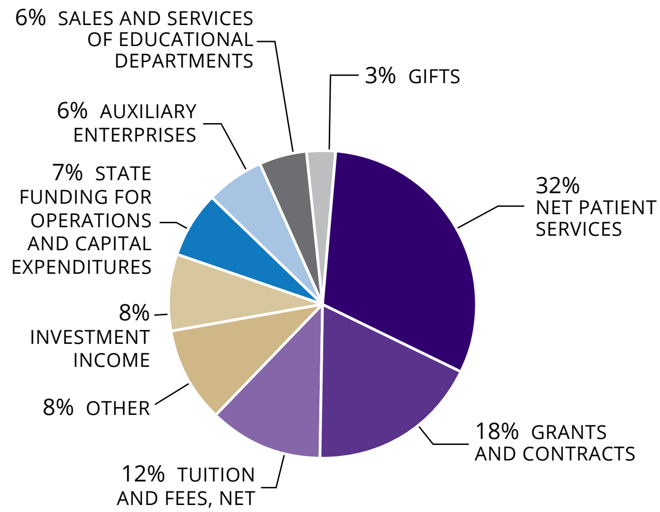
Operating Results

(in millions)	2024	2023 (a)
Net patient services	$ 3,046	$ 2,564
Tuition and fees, net	1,174	1,158
Grants and contracts	1,694	1,865
Other operating revenues	1,544	1,514
Total operating revenues	7,458	7,101
Salaries and benefits	5,131	4,663
Other operating Expenses	3,338	3,306
Operating loss	**(1,011)**	**(868)**
State appropriations	604	532
Gifts	178	182
Investment income	764	438
Other nonoperating revenues	560	721
Interest on capital asset-related debt	(105)	(111)
Increase in net position	**$ 990**	**$ 894**

(a) Certain amounts in the 2023 financial statement amounts have been reclassified for comparative purposes to conform to the presentation of the 2024 amounts.

The University's operating loss increased to $1,011 million in 2024, from $868 million in 2023. State appropriations are shown as nonoperating revenue, but are primarily used to fund core University operations. If state appropriations were classified as operating revenue, the University would have reported a net operating loss of $407 million in 2024, compared to a net operating loss of $336 million in 2023. The University has a diversified revenue base. No single source generated more than 32% of the total fiscal year 2024 revenues of $9.6 billion.

Sources of Funds



The following table summarizes operating and nonoperating revenues from all sources for the years ended June 30, 2024, and 2023:

Revenues from All Sources

(in millions)	2024		2023	
Net patient services	$ 3,046	32%	$ 2,564	29%
Grants and contracts	1,747	18%	1,925	21%
Tuition and fees, net	1,174	12%	1,158	13%
Investment income	764	8%	438	5%
State funding for operations	604	6%	532	6%
Auxiliary enterprises	569	6%	523	6%
Sales and services of educational departments	534	6%	662	7%
Gifts	317	3%	355	4%
State funding for capital projects	77	1%	201	2%
Other	731	8%	614	7%
Total revenue - all sources	**$ 9,563**	**100%**	**$ 8,972**	**100%**

Patient Services–UW Medicine

The financial statements of the University include the operations of the School of Medicine (SOM), two medical centers, an associated physician practice group, 14 free standing clinics, an emergency air transport service and the University's share of two joint ventures. These entities, together with Harborview Medical Center (not included in the University's financial statements – see note 15) and shared services providing IT, accounting, financial services and human resources, comprise UW Medicine. UW Medicine is governed and administered as an enterprise of the University whose mission is to improve the health of the public. UW Medicine advances this mission through work in patient care, medical education of physicians and other healthcare providers, and research.

Patient care activities included in the University's financial statements include:

UW Medical Center (UWMC) is a 910-bed hospital located on two campuses that provides comprehensive healthcare services to the Puget Sound community and patients from throughout the Pacific Northwest and beyond. UWMC also serves as the major clinical, teaching and research site for students and faculty in Health Sciences at the University. More than 30,000 patients receive inpatient care at UWMC each year. Specialized inpatient care needs are met through a joint cancer program with FHCC, the Regional Heart Center, the Neonatal Intensive Care Unit and the Organ Transplantation program, among others. In fiscal year 2024, UWMC opened the Center for Behavioral Health and Learning on UWMC's Northwest campus. This new Center will serve the dual purpose of treating patients with behavioral health needs and training an integrated behavioral health workforce.

Valley Medical Center (VMC) is a 341-bed acute care hospital and network of clinics that treats more than 17,000 inpatients per year, and is the oldest and largest public hospital district in the state of Washington. VMC's Statement of Net Position and Statements of Revenues, Expenses and Changes in Net Position are presented as part of the discrete component units column on the financial statements of the University.

Fred Hutchinson Cancer Center (FHCC) is a nonprofit organization focused on adult oncology research and care that is a clinically integrated part of UWMC. FHCC was formed in 2022 from the merger of Seattle Cancer Care Alliance and Fred Hutchinson Cancer Research Center, together with execution of the Restructuring and Enhanced Collaboration Agreement between the University and FHCC. FHCC's Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position are presented as part of the discrete component units column on the financial statements of the University.

UW Medicine Primary Care is a network of clinics with 14 neighborhood locations and one virtual clinic throughout the greater Puget Sound area, providing primary, urgent and selected specialty care with a staff of 195 healthcare providers.

UW Physicians (UWP) is the physician practice group for more than 3,000 faculty physicians and healthcare providers associated with UW Medicine.

Airlift Northwest provides rapid emergency air transport services to critically ill or injured patients throughout Washington, Alaska, Montana and Idaho.

Joint Ventures - The University is currently a participant in two joint ventures: Children's University Medical Group and Embright, LLC. The University's share of these activities is reflected in the University's financial statements.

UW Medicine Shared Services is comprised of a number of functions within the University, established for the purpose of providing scalable administrative and information technology (IT) support services for UW Medicine. These functions include UW Medicine IT Services (ITS), UW Medicine Revenue Cycle, UW Medicine Finance and Accounting, UW Medicine Supply Chain, and UW Medicine Contracting.

In combination, these organizations (not including VMC or FHCC) contributed $3.0 billion in net patient services revenue in fiscal year 2024, compared with $2.6 billion in fiscal year 2023, an increase of $482 million, or 19%, primarily due to strong volumes, lower length of stay and the directed payment programs which are new programs managed by the Washington State Health Care Authority effective January 1, 2023 and January 1, 2024, respectively. UWMC generated 76% of this revenue in 2024 and 79% in 2023. UWMC admissions were 30,119 in 2024 compared with 29,001 in 2023, an increase in admissions of 4%. Inpatient surgeries increased 3% for UWMC in fiscal year 2024 compared to fiscal year 2023.

Grant and Contract Revenue

One of the largest sources of revenue 18% continues to be grants and contracts. Grant and contract revenue is received from federal sponsors, by far the largest component, and also from state, local and nongovernmental sources. Total grant and contract revenue decreased $171 million in 2024.

Federal grant and contract revenue decreased $122 million, or 9%, in 2024. This decrease was anticipated, particularly in COVID Disaster Relief funds, which saw a reduction of approximately $36 million across federal awards, including several clinical trial subcontracts from the National Institutes of Health (NIH). Additionally, awards sponsored by the Center for Disease Control related to the Global AIDS program either ended or reduced activity, resulting in a $29 million revenue decrease.

State and local grant and contract revenue decreased $5 million, or 3%, in 2024 mainly due to a $3 million reduction from several Washington state agencies.

Nongovernmental grant and contract revenue decreased $44 million, or 12%, in 2024. This decline includes an $18 million reduction in activity related to an HIV prevention project funded by the Bill and Melinda Gates Foundation. Additionally, there was a broad reduction in revenue across the awards FHCC issued to the University totaling $4 million.

Grant and contract revenue is earned when direct expenditures (such as researchers' compensation or purchases of good and services) are made; therefore, there is little effect on the University's operating margin as a results of this direct expense reimbursement process.

Facility and administrative expenses necessary to support grants and contracts are partially reimbursed by sponsors, along with direct costs, by an indirect cost recovery. The 2024 indirect cost recovery rate for research grants was approximately 30 cents on every direct expenditure dollar.

Primary Nongrant Funding Sources

The University relies primarily on student tuition and fees and state appropriations as revenue sources to support its non-grant funded educational operating expenses.

Noncapital state appropriations are considered nonoperating revenue under GASB principles, and are reflected in the nonoperating section of the Statement of Revenues, Expenses and Changes in Net Position; however, they are used solely to fund operating activities.

Revenues from tuition and fees, net of scholarship allowances, increased $16 million in 2024. This increase was partially due to the state allowing a 3% operating fee increase in resident undergraduate tuition during the year. Nonresident undergraduate operating fees also increased 3%, while tuition-based graduate and professional program rates increased 0-6%. Most fee-based program rates increased 0-6% in 2024. These tuition and fee-based program rate increases were consistent with those implemented during 2023.

Revenue growth was also partly due to modest increases in student enrollment. Full-time equivalent (FTE) enrollment in 2024 in undergraduate tuition and fee-based programs increased by 1.1% in the resident student category, while nonresident student enrollment remained relatively flat, decreasing by 0.4%.

Gifts, Endowments and Investment Revenues

Net investment income for the years ended June 30, 2024 and 2023 consisted of the following:

Net Investment Income

(in millions)	2024	2023
Interest and dividends, net	$ 147	$ 86
Realized gains	167	113
Unrealized gains	450	238
Net investment income	**$ 764**	**$ 437**

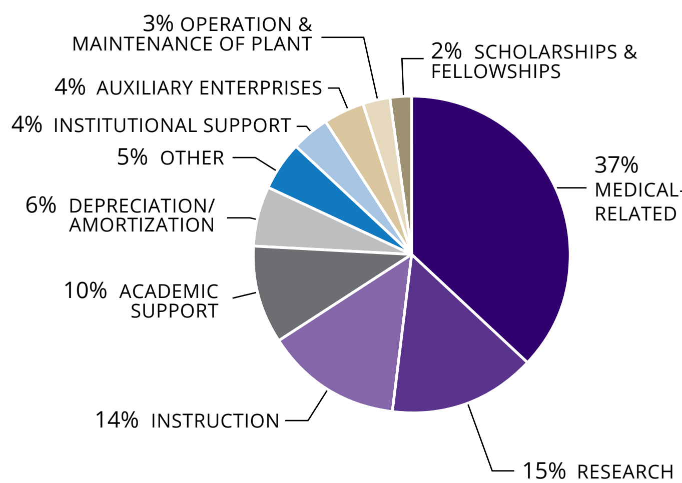
Net investment income increased $326 million, or 74%, in 2024. Returns on the CEF were +11.3% in 2024 and +6.0% in fiscal year 2023.

Gifts are a key and necessary source of support for a variety of purposes, including current operating activities. Gifts support scholarships and research, capital improvements, and are used to fund permanent endowments for various academic and research purposes. Gifts in the form of current use gifts, capital gifts and contributions to permanent endowments remain steady. Total gifts decreased $5 million in 2024.

Expenses

Two primary functions of the University, instruction and research, comprised 29% of total operating expenses in 2024. These dollars provided instruction to over 60,000 students and funded over 8,210 research awards. Medical-related expenses, such as those pertaining to patient care, continue to be the largest individual component, accounting for 37% of the University's total operating expenses in 2024.

Uses of Funds



Unaudited – see accompanying notes to financial statements

A comparative summary of the University's expenses by functional classification (purpose for which the costs are incurred) for the years ended June 30, 2024, and 2023 is shown in the table below.

Operating Expenses by Function

(in millions)	2024		2023 (a)	
INSTRUCTION	$1,160	14%	$1,113	14%
RESEARCH	1,251	15%	973	12%
PUBLIC SERVICE	297	4%	172	2%
ACADEMIC SUPPORT	838	10%	811	10%
STUDENT SERVICE	45	1%	56	1%
INSTITUTIONAL SUPPORT	343	4%	357	4%
OPERATION & MAINTENANCE OF PLANT	250	3%	302	4%
SCHOLARSHIPS & FELLOWSHIPS	209	2%	194	2%
AUXILIARY ENTERPRISES	373	4%	222	3%
MEDICAL-RELATED	3,196	37%	3,246	41%
DEPRECIATION/AMORTIZATION	507	6%	523	7%
Total operating expenses	**$8,469**	**100%**	**$7,969**	**100%**

(a) Certain amounts in the 2023 financial statement amounts have been reclassified for comparative purposes to conform to the presentation of the 2024 amounts.

Overall, the University's operating expenses increased $500 million, or 6%, in 2024. Approximately 61% of amounts incurred for operating expenses in 2024 and 2023 were related to faculty and staff compensation and benefits.

In 2024, expense associated with faculty and staff salaries increased $431 million, or 11%, which was attributed to a growth in FTEs as well as wage increases and overall increasing costs due to the competitive labor market. UW Medicine reached historic agreements with its four largest labor union partners in fiscal year 2023, which included incremental pay increases that were the largest UW Medicine had ever negotiated. The pay increases have remained in effect during fiscal year 2024.

Benefits expense increased $38 million, or 4% in 2024. The increase is primarily driven by $81 million higher social security, healthcare and annual sick leave-related expenses from increased base salaries in 2024, partially offset by lower pension expenses, including $35 million from the plans administrated by the DRS due to stronger investment gains on plan assets, and $48 million from an increase in the discount rate for Other Post Employment Benefits. In fiscal year 2023, the Supplemental Retirement Plan recorded a $40 million expense credit, lowering expense, which did not occur in fiscal year 2024.

Economic Factors That May Affect the Future

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information provided by the University, including written or oral statements made by its representatives, may contain forward looking statements. All statements, other than statements of historical facts, which address activities, events or developments that the University expects or anticipates will or may occur in the future contain forward-looking information. In reviewing such information, it should be kept in mind that actual results may differ materially from those projected or suggested in such forward-looking information. This forward-looking information is based upon various factors and was derived using various assumptions. The University does not undertake to update forward-looking information contained in this report or elsewhere to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking information.

STATE OPERATING AND CAPITAL APPROPRIATIONS

The state of Washington, which provided approximately 7% of the University's total revenues in fiscal year 2024, continued to see increasing state tax collections; however growth has slowed. In recent biennia, growth in state tax collections and new revenue have largely been utilized to combat the strains that the COVID-19 pandemic and rising inflation have placed on our health care and education systems. With this focus, the legislature continued to make significant investments in the University's safety net hospitals, as well as science, technology, engineering and math (STEM) enrollments across all three University campuses.

During the 2024 legislative session, the state passed a supplemental operating budget, which included significant appropriations changes to the underlying 2023-25 biennial budget (effective for fiscal years 2024 and 2025). State revenue forecasts leading up to the start of the 2024 session showed positive collections, but indicated that economic growth was slowing. Despite this trend, state lawmakers authorized $60 million in additional one-time funding for the University's safety net hospitals, $20 million in operational support of the Center for Behavioral Health & Learning (formerly known as the Behavioral Health Teaching Facility), and more than 20 new provisos (direct funding allocations with specific conditions such as program expansions or research projects) to the University in fiscal year 2025.

The June 2024 revenue forecast revised state revenue projections downward for the current biennium and upcoming 2025-27 biennium. The University will continue to monitor state revenue collections as new revenue forecasts are released in September and November of 2024.

The University's fiscal year 2025 general operating appropriation from the state (excluding $60 million appropriated on a one-time basis to support safety net hospitals) currently totals approximately $550 million. This amount is an increase from approximately $505 million in 2024. Recent increases are largely attributable to compensation increases for non-represented faculty and staff, hospital safety net funding, and targeted investments in student enrollment efforts across the University's three campuses.

During the 2015-17 biennium, the state approved a tuition policy that reduced resident undergraduate tuition rates to 5% below the 2015 rates in 2016, and to 15% below the 2015 rates in 2017. The state provided funds to offset the lost tuition revenue in both years. The same tuition policy allowed for future increases tied to a rolling average of median hourly wage in the state according to the Bureau of Labor Statistics (BLS). Under this current policy, the state has allowed resident undergraduate tuition to increase by 2-3% in each year. While the legislature can always modify its policy, it has so far chosen to maintain it. Therefore, the University's current expectation is that resident undergraduate tuition increases will continue to be limited to 2-3% each year in the near future. The University's Board of Regents continues to have broad tuition and fee setting authority for categories other than resident undergraduate tuition.

State funding for capital appropriations continues to be constrained, but the state's 2023-25 biennial capital budget provided funding for renovating the Magnuson Health Sciences T-Wing, Anderson Hall, and the UWMC NW Campus. The state also provided funding for design and construction of the wəɫəbʔaltxʷ (Intellectual House), and for UW Tacoma to purchase additional land around the existing campus. The 2024 supplemental capital budget added $5 million for design and planning work for a new Chemical Sciences Building and renovation of Bagley Hall in addition to $39 million in energy renewal projects from the state's Climate Commitment Account.

UW MEDICINE

The healthcare industry, in general, is experiencing higher demand for labor, volatility and uncertainty in the labor market, which has impacted UW Medicine's ability to attract and retain labor and manage operating cost increases associated with the higher labor costs. It is difficult to predict the full impact of the labor market on UW Medicine's future expenses and operations.

Cyberattacks, privacy/security threats and data breaches are becoming increasingly more common and have the potential to impact UW Medicine's patients and its financial position. In addition, hospitals must adapt to new and changing health care regulations and must manage their relationships with the government and government directed programs. UW Medicine receives cash from government programs and depending on timing, there could be an impact to their revenue and cash flow.

The federal COVID-19 Public Health Emergency declaration under the Public Health Service Act expired on May 11, 2023. The broad economic factors coming out of the COVID-19 pandemic continue to impact UW Medicine's patient volumes, case mix acuity, service mix, and revenue mix. Ongoing economic conditions, such as significant labor market wage and benefit pressure, supply chain and other inflationary pressures have also increased, and will continue to increase UW Medicine's expenses and pressure hospital liquidity. Because of these factors, management cannot estimate the severity of the aforementioned general economic and marketplace conditions on UW Medicine's business.

Reimbursement for patient services from federal, state, and private insurance payors continues to be a concern as healthcare costs continue to rise. There is continued downward pressure on average realized payment rates from commercial payor plans and a reduction in the number or percentage of UW Medicine's patients under such plans. UW Medicine participates in the 340B Drug Pricing Program, which is a federal program that requires drug manufacturers provide outpatient drugs to eligible healthcare organizations and covered entities at significantly reduced prices. In the past several years, a number of drug manufacturers have reduced the benefits to covered entities through the elimination of access to certain 340B priced drugs in contract pharmacy settings. This had led to legal action at the federal level in an attempt to reinstate previous savings. Split decisions in different courts have merely added to uncertainty related to the financial impact of the 340B program in the future. In addition, a major drug manufacturer has announced that this program will shift from an upfront discount to a rebate model despite being in opposition to the 340B basic tenets. The medical centers are likely to see higher costs in its non-contract pharmacy lines of business before being able to seek relief. As with the challenges to contract pharmacy, other drug manufacturers are likely to follow the example with limited enforcement action expected by Health Resources and Services Administration (HRSA). Due to these uncertainties, management cannot predict the impact on UW Medicine's future revenues and operations.

However, UW Medicine believes that its ultimate success in increasing profitability depends in part on its success in executing on its strategies. In general, these strategies are intended to improve financial performance through the reduction of costs and in streamlining how UW Medcicine provides clinical care, as well as mitigating the negative reimbursement trends experienced within the market. With a continued focus on patient volumes shifting from inpatient to outpatient settings due to technological advancements, and demand for care that is more convenient, affordable, and accessible as well as industry-wide migration to value-based payment models as governmental and commercial payers shift risk to providers, UW Medicine's focus is on managing costs and care efficiently.

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Financial Statements & Notes

STATEMENT OF NET POSITION

		UNIVERSITY OF WASHINGTON		DISCRETE COMPONENT UNITS
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		**June 30, 2024**		**June 30, 2024**
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS (NOTE 2)	$	196,210	$	379,772
INVESTMENTS, CURRENT PORTION (NOTE 5)		1,514,113		432,863
ACCOUNTS RECEIVABLE (NET OF ALLOWANCE OF $98,168) (NOTE 4)		1,235,013		338,192
OTHER CURRENT ASSETS		116,854		110,492
TOTAL CURRENT ASSETS		3,062,190		1,261,319
NONCURRENT ASSETS:				
DEPOSIT WITH STATE OF WASHINGTON (NOTE 3)		101,296		—
INVESTMENTS, NET OF CURRENT PORTION (NOTE 5)		7,721,564		812,474
STUDENT LOANS RECEIVABLE (NET OF ALLOWANCE OF $3,081)		37,600		—
OTHER NONCURRENT ASSETS (NOTE 1)		25,165		632,646
LEASE RECEIVABLES, NET OF CURRENT PORTION (NOTE 4, 9)		361,584		23,731
NET PENSION ASSETS (NOTE 10)		468,659		—
CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION OF $7,079,200) (NOTE 6)		6,281,755		1,590,121
INVESTMENT IN FRED HUTCHINSON CANCER CENTER (NOTE 1)		428,827		—
TOTAL NONCURRENT ASSETS		15,426,450		3,058,972
TOTAL ASSETS		18,488,640		4,320,291
DEFERRED OUTFLOWS OF RESOURCES (NOTE 12)		967,413		10,689
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$**	**19,456,053**	**$**	**4,330,980**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$	1,260,787	$	372,166
UNEARNED REVENUES		234,623		—
OTHER CURRENT LIABILITIES		3,111		90,301
LONG-TERM LIABILITIES, CURRENT PORTION (NOTES 7, 8)		326,566		66,280
TOTAL CURRENT LIABILITIES		1,825,087		528,747
NONCURRENT LIABILITIES:				
U.S. GOVERNMENT GRANTS REFUNDABLE		21,461		—
LONG-TERM LIABILITIES, NET OF CURRENT PORTION (NOTES 7, 8)		3,626,411		2,022,140
NET PENSION LIABILITIES (NOTE 10)		369,451		—
OTHER POST-EMPLOYMENT BENEFITS (NOTE 11)		1,277,506		—
TOTAL NONCURRENT LIABILITIES		5,294,829		2,022,140
TOTAL LIABILITIES		7,119,916		2,550,887
DEFERRED INFLOWS OF RESOURCES (NOTE 12)		2,097,977		46,461
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		**9,217,893**		**2,597,348**
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS		3,060,366		245,768
RESTRICTED:				
NONEXPENDABLE		2,365,225		131,506
EXPENDABLE		3,389,617		559,444
UNRESTRICTED		1,422,952		796,914
TOTAL NET POSITION		10,238,160		1,733,632
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**$**	**19,456,053**	**$**	**4,330,980**

See accompanying notes to financial statements

Dollars in thousands

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	UNIVERSITY OF WASHINGTON	DISCRETE COMPONENT UNITS
	Year ended June 30, 2024	**Year ended June 30, 2024**
REVENUES		
OPERATING REVENUES:		
NET PATIENT SERVICE REVENUES (NET OF PROVISION FOR UNCOLLECTIBLE ACCOUNTS OF $32,563)	$ 3,046,075	$ 2,157,311
STUDENT TUITION AND FEES (NET OF SCHOLARSHIP ALLOWANCE OF $179,112)	1,173,727	—
FEDERAL GRANTS AND CONTRACTS	1,189,554	542,770
STATE AND LOCAL GRANTS AND CONTRACTS	167,331	—
NONGOVERNMENTAL GRANTS AND CONTRACTS	336,908	—
SALES AND SERVICES OF EDUCATIONAL DEPARTMENTS	533,885	—
AUXILIARY ENTERPRISES:		
HOUSING AND FOOD SERVICES	157,990	—
SPORTS PROGRAMS (NET OF SCHOLARSHIP ALLOWANCE OF $10,131)	132,495	—
OTHER AUXILIARY ENTERPRISES	278,658	—
OTHER OPERATING REVENUE	441,683	200,827
TOTAL OPERATING REVENUES	**7,458,306**	**2,900,908**
EXPENSES		
OPERATING EXPENSES (NOTE 14):		
SALARIES	4,181,006	1,078,744
BENEFITS	950,170	311,622
SCHOLARSHIPS AND FELLOWSHIPS	208,881	—
UTILITIES	80,489	7,339
SUPPLIES AND MATERIALS	992,463	708,228
PURCHASED SERVICES	1,349,579	404,467
DEPRECIATION/AMORTIZATION	507,400	129,524
OTHER	198,922	368,358
TOTAL OPERATING EXPENSES	**8,468,910**	**3,008,282**
OPERATING LOSS	**(1,010,604)**	**(107,374)**
NONOPERATING REVENUES (EXPENSES)		
STATE APPROPRIATIONS	604,140	—
GIFTS	178,400	—
INVESTMENT INCOME (NET OF INVESTMENT EXPENSE OF $8,104)	763,826	153,228
INTEREST EXPENSE ON CAPITAL ASSET-RELATED DEBT	(104,687)	(59,805)
PELL GRANT REVENUE	52,751	—
PROPERTY TAX REVENUE	—	26,144
OTHER NONOPERATING REVENUES	287,811	75,222
NET NONOPERATING REVENUES	**1,782,241**	**194,789**
INCOME BEFORE OTHER REVENUES	**771,637**	**87,415**
CAPITAL APPROPRIATIONS	77,378	—
CAPITAL GRANTS, GIFTS AND OTHER	36,835	25,201
GIFTS TO PERMANENT ENDOWMENTS	104,609	11,382
TOTAL OTHER REVENUES	**218,822**	**36,583**
INCREASE IN NET POSITION	**990,459**	**123,998**
NET POSITION		
NET POSITION – BEGINNING OF YEAR	9,247,701	1,609,634
NET POSITION – END OF YEAR	**$ 10,238,160**	**$ 1,733,632**

See accompanying notes to financial statements
Dollars in thousands

STATEMENT OF CASH FLOWS

		UNIVERSITY OF WASHINGTON Year Ended June 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
PATIENT SERVICES	$	2,867,565
STUDENT TUITION AND FEES		1,141,672
GRANTS AND CONTRACTS		1,663,345
PAYMENTS TO SUPPLIERS		(862,989)
PAYMENTS FOR UTILITIES		(73,863)
PURCHASED SERVICES		(1,266,791)
OTHER OPERATING DISBURSEMENTS		(200,377)
PAYMENTS TO EMPLOYEES		(4,234,691)
PAYMENTS FOR BENEFITS		(1,170,860)
PAYMENTS FOR SCHOLARSHIPS AND FELLOWSHIPS		(208,881)
LOANS ISSUED TO STUDENTS		(7,075)
COLLECTION OF LOANS TO STUDENTS		8,995
AUXILIARY ENTERPRISE RECEIPTS		562,016
SALES AND SERVICES OF EDUCATIONAL DEPARTMENTS		614,784
RECEIPTS FROM OUTSIDE AFFILIATED AGENCIES		1,628,598
DISBURSEMENTS TO OUTSIDE AFFILIATED AGENCIES		(1,714,481)
OTHER RECEIPTS		659,952
NET CASH USED BY OPERATING ACTIVITIES		**(593,081)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
STATE APPROPRIATIONS		637,692
GIFTS AND GRANTS FOR OTHER THAN CAPITAL PURPOSES		52,751
PRIVATE GIFTS		131,064
PERMANENT ENDOWMENT RECEIPTS		104,609
DIRECT LENDING RECEIPTS		210,316
DIRECT LENDING DISBURSEMENTS		(210,316)
FEDERAL FUNDING		227,095
OTHER		107,813
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		**1,261,024**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
PROCEEDS FROM CAPITAL DEBT		566,072
STATE CAPITAL APPROPRIATIONS		91,942
CAPITAL GRANTS AND GIFTS RECEIVED		36,835
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS		(502,716)
PRINCIPAL PAYMENTS ON CAPITAL-RELATED DEBT AND LEASES		(725,028)
INTEREST PAYMENTS ON CAPITAL-RELATED DEBT AND LEASES		(117,692)
OTHER		(29,997)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		**(680,584)**

See accompanying notes to financial statements

Dollars in thousands

		UNIVERSITY OF WASHINGTON Year Ended June 30, 2024
CASH FLOWS FROM INVESTING ACTIVITIES		
PROCEEDS FROM SALES OF INVESTMENTS		13,979,535
DISBURSEMENTS FOR PURCHASES OF INVESTMENTS		(14,067,349)
INVESTMENT INCOME		147,172
NET CASH PROVIDED BY INVESTING ACTIVITIES		**59,358**
NET INCREASE IN CASH AND CASH EQUIVALENTS		46,717
CASH AND CASH EQUIVALENTS-BEGINNING OF THE YEAR		149,493
CASH AND CASH EQUIVALENTS-END OF THE YEAR	**$**	**196,210**
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
OPERATING LOSS	$	(1,010,604)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
DEPRECIATION/AMORTIZATION EXPENSE		507,400
CHANGES IN ASSETS, LIABILITIES AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES:		
RECEIVABLES		(214,986)
OTHER ASSETS		(11,778)
OTHER RECEIVABLES		12,495
DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES		(65,169)
PENSION ASSETS		(38,337)
PENSION LIABILITIES		(46,173)
OPEB LIABILITY		31,449
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		186,222
UNEARNED REVENUE		18,455
OTHER LONG-TERM LIABILITIES		40,881
U.S. GOVERNMENTAL GRANTS REFUNDABLE		(4,856)
LOANS TO STUDENTS		1,920
NET CASH USED BY OPERATING ACTIVITIES	**$**	**(593,081)**
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
STOCK GIFTS	$	49,155
NET UNREALIZED GAINS		458,809
EXTERNALLY MANAGED TRUSTS		(9,358)
INCREASE IN LEASES AND SUBSCRIPTION ASSETS		(130,940)
INCREASE IN CAPITAL ASSETS		(154,982)
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	**$**	**212,684**

See accompanying notes to financial statements

Dollars in thousands

STATEMENT OF FIDUCIARY NET POSITION

UNIVERSITY OF WASHINGTON

JUNE 30,

	2024		
	CUSTODIAL FUNDS		
	EXTERNAL INVESTMENT POOL	OTHER	TOTAL
ASSETS:			
POOLED INVESTMENTS AT FAIR VALUE	$ 75,033	$ —	$ 75,033
OTHER ASSETS	—	1,576	1,576
TOTAL ASSETS	**$ 75,033**	**$ 1,576**	**$ 76,609**
FIDUCIARY NET POSITION:			
POOL PARTICIPANTS	$ 75,033	$ —	$ 75,033
ORGANIZATIONS AND OTHER GOVERNMENTS	—	1,576	1,576
TOTAL FIDUCIARY NET POSITION	**$ 75,033**	**$ 1,576**	**$ 76,609**

See accompanying notes to financial statements
Dollars in thousands

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	UNIVERSITY OF WASHINGTON **YEAR ENDED JUNE 30,** **2024** CUSTODIAL FUNDS		
	EXTERNAL INVESTMENT POOL	OTHER	TOTAL
ADDITIONS:			
GIFTS	$ 856	$ 17,759	$ 18,615
COLLATERAL RECEIVED AND RELATED ADDITIONS	—	20,232	20,232
INVESTMENT (LOSSES) EARNINGS:			
CHANGE IN FAIR VALUE	6,168	—	6,168
INTEREST, DIVIDENDS, AND OTHER	2,579	—	2,579
TOTAL INVESTMENT EARNINGS	8,747	—	8,747
LESS INVESTMENT ACTIVITY COSTS	(53)	—	(53)
NET INVESTMENT EARNINGS	8,694	—	8,694
MISCELLANEOUS	—	40	40
TOTAL ADDITIONS	**9,550**	**38,031**	**47,581**
DEDUCTIONS:			
BENEFITS PAID TO PARTICIPANTS OR BENEFICIARIES	—	17,440	17,440
DISTRIBUTION TO POOL PARTICIPANTS	4,192	—	4,192
COLLATERAL DISBURSED AND RELATED DEDUCTIONS	—	20,299	20,299
TOTAL DEDUCTIONS	**4,192**	**37,739**	**41,931**
NET INCREASE IN FIDUCIARY NET POSITION	**5,358**	**292**	**5,650**
FIDUCIARY NET POSITION:			
FIDUCIARY NET POSITION - BEGINNING OF YEAR	69,675	1,284	70,959
FIDUCIARY NET POSITION - END OF YEAR	**$ 75,033**	**$ 1,576**	**$ 76,609**

See accompanying notes to financial statements

Dollars in thousands

NOTE 1:

Summary of Significant Accounting Policies

FINANCIAL REPORTING ENTITY

The University of Washington (University), an agency of the state of Washington, is governed by a 11-member Board of Regents appointed by the governor and confirmed by the state senate.

The financial statements include the individual schools, colleges and departments of the University, the University of Washington Medical Center (UWMC), Portage Bay Insurance (a wholly-owned subsidiary of the University) and certain affiliated operations determined to be a part of the University's financial reporting entity. Affiliated organizations are evaluated for inclusion in the reporting entity as component units based on the significance of their relationship with the University.

Harborview Medical Center (HMC), a component unit of King County, Washington, is a related party to the University, but is not reflected as part of the financial reporting entity (see note 15).

Component units are legally separate organizations for which the University is financially accountable. Financial accountability is demonstrated when one of several conditions exist, such as when the University appoints a voting majority of the organization's board, is able to impose its will on the organization, receives specific financial benefit or incurs specific financial burdens from the organization, or the organization is fiscally dependent on the University. Financial disclosures for these entities are reported in the financial statements of the University in one of two ways: the component units' reported amounts may be blended with amounts reported by the University, or they may be disclosed in a separate column. All component units of the University meet the criteria for blending in accordance with Governmental Accounting Standards Board (GASB) Codification 2600, "Reporting Entity and Component Unit Presentation and Disclosure," except Valley Medical Center and Fred Hutchinson Cancer Center. Valley Medical Center is reported discretely since it has a separate board of trustees, does not provide services exclusively to the University, and is not a nonprofit corporation of which the University is the sole corporate member. Fred Hutchinson Cancer Center is reported discretely due to the same factors listed for Valley Medical Center, and because the University has determined that it would be misleading to exclude due to the level of integration between the organizations.

BLENDED COMPONENT UNITS

The following entities are presented as blended component units of the University.

Medical Entities

The Association of University Physicians dba UW Physicians (UWP)

UWP is a Washington nonprofit corporation formed in 1983 for the exclusive benefit of the University of Washington School of Medicine (SOM). UWP employs SOM faculty and bills and collects for their clinical services as an agent for SOM. UWP had operating revenues of $453.0 million in fiscal year 2024.

UW Physicians Network dba UW Medicine Primary Care (Primary Care)

Primary Care is a Washington nonprofit corporation formed in 1996 exclusively for charitable, scientific and educational purposes for the benefit of SOM, UWP and its affiliated medical centers, HMC and UWMC. It was organized to coordinate and develop patient care in a community clinical setting and enhances the academic environment of SOM by providing additional sites of primary care practice and training for faculty, residents and students. In 2023, the doing-business-as (dba) name changed from UW Medicine Neighborhood Clinics to UW Medicine Primary Care. Primary Care had operating revenues of $96.8 million in fiscal year 2024.

Choice Care LLC (CHCR)

CHCR was formed in 2019 and is wholly owned by the University through which UWMC can engage in certain value-based care activities consistent with UWMC's strategic plan.

Real Estate Entities

The entities listed below are nonprofit corporations that were formed for the purposes of acquiring and constructing certain real properties for the benefit of the University to help fulfill its educational, medical and scientific research missions. The entities issue tax-exempt and taxable bonds to finance these activities.

- Washington Biomedical Research Properties I
- Washington Biomedical Research Properties II
- Washington Biomedical Research Facilities 3
- Washington Biomedical Research Properties 3.2
- Washington Biomedical Research Properties 3.3

As of June 30, 2024, these entities had net capital assets of $258.3 million and long-term debt of $270.0 million. These amounts are reflected in the University's financial statements.

Portage Bay Insurance

For medical professional liability, general liability, educator's legal liability including employment practices liability, and automobile liability, the University maintains a program of self-insurance reserves and excess insurance coverage through Portage Bay Insurance (PBI), a wholly-owned subsidiary formed to provide the University with alternative risk financing options. PBI is incorporated as a nonprofit corporation in the state of Hawaii, and retains a Certificate of Authority as a pure captive insurance company. As of June 30, 2024, PBI had self insurance liabilities of $255.5 million.

DISCRETELY PRESENTED COMPONENT UNITS

Valley Medical Center

The University and Public Hospital District No. 1 of King County, a Washington public hospital district dba Valley Medical Center (VMC), participate in a Strategic Alliance Agreement. VMC owns and operates a 341-bed full-service acute care hospital and 45 clinics located throughout southeast King County. The audited financial statements of VMC are available by contacting VMC at 400 S. 43rd Street, Renton, Washington 98055 or online at the following address: valleymed.org/about-us/financial-information.

Fred Hutchinson Cancer Center

Fred Hutchinson Cancer Center (FHCC) is a nonprofit organization focused on adult oncology research and care that is a clinically integrated part of UWMC. FHCC was formed in April 2022 from the merger of Seattle Cancer Care Alliance (SCCA) and Fred Hutchinson Cancer Research Center, together with execution of the Restructuring and Enhanced Collaboration Agreement between the University and FHCC. The audited financial statements of FHCC are available by contacting FHCC at 1100 Fairview Ave N, Seattle, Washington 98109 or online at the following address: https://www.fredhutch.org/en/about/about-the-hutch/accountability-impact/financial-summaries-and-impact-reporting.html.

JOINT VENTURES

The University and Seattle Children's Healthcare System established Children's University Medical Group (CUMG) to assist the organizations in carrying out their pediatric patient care and charitable, educational and scientific missions. CUMG employs SOM faculty physicians, and bills and collects for their services as an agent for SOM. The University's patient services receivable (see note 4) as of June 30, 2024 includes amounts due from CUMG of $29.4 million.

In June 2018, the Board of Regents authorized the University, through UWMC, to become an equity member in a limited liability company. PNWCIN, LLC dba Embright (Embright) was established in 2019 and is jointly owned by the University, MultiCare Health System and LifePoint Health. As a clinically integrated network in the Pacific Northwest founded by healthcare provider organizations, Embright enables the members to partner together to further the Triple Aim of improving the health (quality) and experience of populations while reducing costs. The Embright network includes 21 hospitals, more than 8,500 providers and over 1,500 clinics. Embright's broad geographical reach assures that patients will have access to the full continuum of care, including preventive, primary, secondary, tertiary, quaternary and post-acute care. Throughout the network, teams are also implementing evidence-based clinical protocols, care pathways, standardized processes and care management services for complex patients. As of June 30, 2024, the University's ownership interest in Embright totaled $2.5 million. The University's ownership interest in Embright is recorded in other noncurrent assets in the University's Statement of Net Position.

METROPOLITAN TRACT

The University of Washington Metropolitan Tract (Metropolitan Tract), located in downtown Seattle, comprises approximately 11 acres of developed property including office space, retail space, residential apartments, parking, and a luxury hotel. This land was the original site of the University from 1861 until 1895 when the University moved to its present location on Lake Washington. Since the early 1900s, the University has managed the Metropolitan Tract by leasing to third party tenants, and ground leasing to entities responsible for developing and operating new buildings.

Deed restrictions and subsequent Washington State legislation govern the University's authority over the Metropolitan Tract. The original land deeds require that proceeds from a sale of Metropolitan Tract property be used to purchase land and improve or erect buildings. Any remaining funds are to be invested and the income derived is to be used for maintenance of University property. The state legislature enacted further restrictions over the past 160 years requiring legislative approval for the sale of real property on the Metropolitan Tract, and for leases of land or buildings with terms exceeding eighty years. Proceeds from an authorized sale must be deposited in the University's accounts established by the state treasury and used exclusively for construction, maintenance, or alterations to University buildings or debt service related to these activities.

The Metropolitan Tract's assets, liabilities, deferred inflows and net position are shown together with the University on the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position.

BASIS OF ACCOUNTING

The financial statements of the University have been prepared in accordance with GASB, Codification section Co5, "*Colleges and Universities,*" under which the University is considered to be a special-purpose government engaged in business-type activities (BTA). The University presents Management's Discussion and Analysis, Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, and Notes to the Financial Statements. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

Under the accrual basis of accounting, revenue is recognized when earned, and expenses are recorded when an obligation has been incurred. Significant intra-entity transactions are eliminated. The University reports capital assets net of accumulated depreciation and amortization (as applicable), and reports depreciation and amortization expense in the Statement of Revenues, Expenses and Changes in Net Position.

The University reports fiduciary activities as custodial funds as defined by GASB Statement No. 84, *Fiduciary Activities*. Accordingly, the custodial funds are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. Custodial assets held for three months or less are exempt from the reporting requirements.

On July 1, 2023, the University implemented GASB Statement No. 100, "Accounting Changes and Error Corrections." This Statement is intended to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. It defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity, This Statement requires that (a) changes in accounting principals and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The implementation did not have a material impact on the University's financial statements.

ACCOUNTING STANDARDS IMPACTING THE FUTURE

In June 2022, the GASB issued Statement No. 101, *"Compensated Absences,"* which will be effective for the fiscal year ending June 30, 2025. This Statement will update the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The Statement amends the existing disclosure requirements to allow governments to disclose only the net change in the liability as long as they identify it as a net change.

In December 2023, the GASB issued Statement No. 102, "Certain Risk Disclosures," which will be effective for the fiscal year ending June 30, 2025. This statement will provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations and constraints. It requires a government to disclose information in its notes to financial statements if certain criteria for disclosure have been met for a concentration or constraint.

In April 2024, the GASB issued Statement No. 103, "Financial Reporting Model Improvements," which will be effective for the fiscal year ending June 30, 2026. This Statement will improve key components of the financial reporting model including management discussion and analysis (MD&A), unusual or infrequent items, presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, major component unit information and budgetary comparison information. The purpose of the required disclosures will be to enhance the quality of the MD&A analysis of changes from prior years, and comparability of presentation of other sections.

In September 2024, the GASB issued Statement No. 104, "Disclosure of Certain Capital Assets," which will be effective for the fiscal year ending June 30, 2026. This statement requires certain types of capital assets to be disclosed separately by major class of underlying assets in the capital assets note disclosures. These assets include leased assets under GASB No. 87, intangible right-to-use assets under GASB No. 94, subscription assets under GASB No. 96 and other intangible assets. This Statement also requires additional disclosures for capital assets held for sale by governments. The requirements of this Statement should be applied retroactively to all periods presented in the basic financial statements.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles involves management estimates that affect the reported amounts of assets, liabilities, deferrals, revenues and expenses during the reporting period. Actual results could differ from those estimates; however, the University believes that allowances, reserves and estimates of expected liabilities are adequate.

The University estimates the pollution remediation liability (see remediation liabilities, note 7) by reviewing the current status of known polluted sites and developing estimates of cleanup costs. These estimates are subject to change due to improvements in technology, inflation, changes in the scope of work, and the pursuit of reimbursement from other responsible parties.

Allowances (see note 4) are estimates based on the historical experience of the University and current economic circumstances with respect to the collectability of accounts and loans receivable.

The University's share of pension and other post-employment benefit plan assets, liabilities, deferrals and expenses, are based on actuarial valuations prepared by an external actuary. The results of an actuarial valuation are estimates based on historical data, actuarial assumptions, and the demographics of the employee and retiree populations (see notes 10 and 11).

The self-insurance reserve (see note 13) is estimated through an externally prepared actuarial calculation using individual case-basis valuations and statistical analyses. Considerable variability is inherent in such estimates.

The University's interests in certain non-readily marketable alternative investments, such as hedge funds and private equity limited partnerships, are stated at fair value based on net asset value estimates used as a practical expedient reported to the University by investment fund managers (see note 5).

Derivative instruments are recorded on the contract date and are carried at fair value using listed price quotations or amounts that approximate fair value (see note 5).

OTHER ACCOUNTING POLICIES

Investments. Investments are generally carried at fair value. The fair value of all debt and equity securities with a readily determinable fair value is based on quotations from major securities exchanges. Alternative investments, which are not readily marketable, are carried at fair value based on net asset value (NAV) estimates as a practical expedient provided by the investment managers. The University reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

Investments under long-term strategies are considered noncurrent. Short-term investments consist primarily of cash equivalents and fixed income vehicles which management has identified as available to meet the day-to-day obligations of the University. Cash equivalents included in short-term investments are excluded from the beginning and ending cash amounts on the Statement of Cash Flows.

Inventories. Inventories are carried at the lower of cost or fair value and are reflected in other current assets on the University's Statements of Net Position. Consumable inventories, consisting of expendable materials and supplies, are generally valued using the weighted-average cost method. Merchandise inventories are generally valued using the first-in, first-out method.

Capital Assets. Land, buildings, equipment, library materials and intangibles are stated at cost or, if acquired by gift, at fair value at the date of the gift, less accumulated depreciation and amortization. Right of use leased and subscription assets are stated at the present value of payments expected to be made during the lease term, less accumulated amortization. Additions, replacements, major repairs and renovations are capitalized. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, generally 10 to 75 years for building components, 5 to 50 years for infrastructure and land improvements, 3 to 20 years for equipment, 15 years for library materials, and 3 to 20 years for intangibles.

Interest expense incurred on capital asset-related debt was $104.7 million for the year ended June 30, 2024.

Investment in Fred Hutchinson Cancer Center. On March 31, 2022, the members of the Seattle Cancer Care Alliance (SCCA): the University, Fred Hutchinson Cancer Research Center (Fred Hutch), and Seattle Children's Healthcare System (SCHS) agreed to merge Fred Hutch and SCCA; for SCCA to become a non-member non-profit Washington corporation, and for SCCA to be renamed Fred Hutchinson Cancer Center (FHCC). As part of the transaction, SCHS's interest of $285.9 million was purchased by the University and Fred Hutch with funding provided by Fred Hutch. SCHS no longer participates in the Adult Oncology Program but continues to offer pediatric cancer care services coordinated through separate affiliation agreements with FHCC and the University. The University entered into a promissory note to pay FHCC over a ten-year period for its 50% portion of the SCHS membership in SCCA. The non-participating investment in FHCC of $428.8 million, which is recorded within the statement of net position, reflects a non-monetary exchange accounted for based on the fair value of the assets involved. Specifically, the University used the fair value of the existing equity method investment in FHCC, based on the corresponding equity interest after the buyout of SCHS and prior to the exchange, to determine the value at which the investment in FHCC is recorded. The fair value method used inputs that are "unobservable data points" related to valuation, also known as level 3 inputs (see Note 5 for fair value hierarchy). This fair value will not be remeasured and will be assessed for impairment on an annual basis. No gain or loss was recorded on the transaction. At June 30, 2024, there was no impairment of the investment in FHCC.

The University and FHCC agreed to the Restructuring and Enhanced Collaboration Agreement (Collaboration Agreement), which clinically and financially integrated the adult cancer program between both entities. With this new arrangement, the University no longer holds a membership interest in SCCA. The Collaboration Agreement includes a Financial Alignment Plan (FAP) under which both parties share in the objectives of the adult oncology program and drive site neutrality for cancer services for the betterment of patient outcomes, and provides for a perpetual flow of funds between FHCC and the University to support the integrated cancer program. At June 30, 2024, the University recorded $52.8 million in financial alignment income, which is included in other nonoperating revenues in the Statement of Revenues, Expenses, and Changes in Net Position. The University and FHCC will determine the final settlement of the annual FAP calculations 180 days after fiscal year end.

Leases. The University determines if an arrangement is a lease at inception of the lease contract. Lessee arrangements are included in capital assets and long-term liabilities in the Statement of Net Position. Lease assets represent the University's right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized on a straight-line basis over the lease term. Lease liabilities represent the University's obligation to make lease payments arising from the lessee arrangement. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the University will exercise that option. The University recognizes payments for short-term leases with a lease term of 12 months or less as expense based on the provisions of the lease contract during the year.

Lessor arrangements are included in accounts receivables (current portion), lease receivable, net of current portion and deferred inflows of resources in the Statement of Net Position. Lease receivables represent the University's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at the commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term on a straight-line basis. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue on a straight-line basis over the lease term. The University recognizes payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received.

Subscription-Based Information Technology Arrangements (SBITA). A SBITA is a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract in an exchange or exchange-like transaction for a term exceeding 12 months. The University recognizes a right-of-use subscription asset and a corresponding subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. SBITA assets are amortized on a straight-line basis over the contract term. SBITA liabilities represent the University's obligation to make contract payments arising from the SBITA. Interest expense is recognized ratably over the contract term. The SBITA term may include options to extend or terminate the contract when it is reasonably certain that the University will exercise that option. The University recognizes payments for short-term SBITAs with a term of 12 months or less as expense based on the provisions of the lease contract during the year.

Unearned Revenues. Unearned revenues occur when funds have been collected in advance of when the associated goods or services have been provided, such as advance ticket sales, summer quarter tuition, and unspent cash advances on certain grants.

Asset Retirement Obligations (ARO). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. AROs are measured at the current value of the estimated costs required to dispose of the asset. AROs are included in long-term liabilities on the University's Statement of Net Position (see remediation liabilities, note 7), and represent costs related to two cyclotrons used for research, clinical applications, and education. Disposal of these assets must be accomplished in accordance with Washington Administrative Code Chapter 246, "Department of Health." The University used the decommissioning guidance provided by the U.S. Nuclear Regulatory Commission to estimate the disposal costs. The assets identified have estimated remaining useful lives of 5 and 10 years. The University has issued a statement of intent to the Washington Department of Health to request funding from the state legislature to fund the decommissioning of these assets. The University has no assets restricted for payment of these obligations. The University has not recognized an obligation for costs that would be incurred in the event that the University relinquished its license from the Department of Health and ceased use of radioactive materials in its operations as the likelihood of this occurring is remote.

Cost-Sharing Pension Plans. The net pension asset or liability is measured as the University's proportionate share of the collective total pension liability, less the fiduciary net position, of the cost-sharing pension plans in which the University participates. The total pension liability is determined by discounting projected benefit payments based on the benefit terms and legal agreements existing at the pension plan's fiscal year-end. Projected benefit payments are required to be discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits. The University's proportionate share is determined based on the relationship of University contributions to total contributions to the plan by all participating employers. Pension expense is recognized for benefits earned during the period, interest on the unfunded liability and changes in benefit terms. Differences between expected and actual experience, and changes in assumptions about future economic or demographic factors, are reported as deferred inflows of resources or deferred outflows of resources, and are recognized over the average expected remaining service period for employees eligible for pension benefits. Differences between expected and actual investment returns are reported as deferred inflows of resources or deferred outflows of resources, and are recognized over five years. Contributions made to the plan subsequent to the measurement date and prior to the University's fiscal year-end are reported as a deferred outflow of resources, and recognized in the subsequent fiscal year. The measurement date for the net pension asset or liability is June 30 of the prior fiscal year.

Single Employer Pension Plan (UW Supplemental Retirement Plan - UWSRP). Legislation signed into law on July 1, 2020, amended the Revised Code of Washington (RCW) applicable to the UWSRP to define plan provisions including limits on member eligibility, benefit payments, vesting terms and contribution rates. As a result of these amendments, the University is unable to modify the terms of the plan. Administration of the benefit calculations and payments remain the responsibility of the University until the state's Pension Funding Council determines the trust has sufficient assets, at which time the Department of Retirement Systems will assume those duties in accordance with RCW 41.50.280. Other agencies of the state of Washington perform the duties of a board and hold the substantive powers in relation to the UWSRP. The University does not perform the duties of a board or hold any of the substantive powers that would make the plan a fiduciary component unit of the University.

The total pension liability is determined by discounting projected benefit payments for current participants and retirees, based on the benefit terms and legal agreements existing at the pension plan's fiscal year-end. The discount rate used for the total pension liability as of June 30, 2024 reflects the expected rate of return on investments, to the extent that plan assets are available to pay retiree benefits. Pension expense is recognized for benefits earned during the period, interest on the unfunded liability and changes in benefit terms. Differences between expected and actual experience, and changes in assumptions about future economic or demographic factors, are reported as deferred inflows of resources or deferred outflows of resources, and are recognized over the average expected remaining service period for employees eligible for pension benefits. Differences between expected and actual investment returns are reported as deferred inflows of resources or deferred outflows of resources, and are recognized over five years. Contributions made to the UWSRP subsequent to the measurement date and prior to the University's fiscal year-end are reported as a deferred outflow of resources, and recognized in the subsequent fiscal year. The measurement date for the UWSRP net pension liability is June 30 of the prior fiscal year (see note 10).

Other Post Employment Benefits (OPEB). The total OPEB liability is measured as the University's proportionate share of the state of Washington total OPEB liability, with the proportionate share determined based on the relationship of the University's healthcare-eligible headcount to the total healthcare-eligible headcount for the state. The total OPEB liability is determined by discounting projected benefit subsidies for current employees and retirees based on the discount rate required by GASB Statement No. 75 for OPEB plans that do not have assets residing in a qualified trust. OPEB expense is recognized for subsidies earned during the period, interest on the total OPEB liability and changes in benefit terms. Differences between expected and actual experience, and changes in assumptions about future economic or demographic factors, are reported as deferred inflows of resources or deferred outflows of resources, and are recognized over the average expected remaining service period for healthcare-eligible employees. Contributions made to the plan subsequent to the measurement date and prior to the University's fiscal year-end are reported as a deferred outflow of resources, and recognized in the subsequent fiscal year. The measurement date for the total OPEB liability is June 30 of the prior fiscal year.

Split-Interest Agreements. Under such agreements, donors make gifts to the University but the University is not the sole beneficiary and receives either a lead interest (distributions during the term of the agreement) or a remainder interest (distribution of assets remaining at the end of the agreement). Charitable trusts, charitable gift annuities, pooled income funds and beneficial interests in charitable trusts are examples of split-interest gifts. Where the University holds a remainder interest in a trust that is also administered by the University, an asset related to these agreements is recorded at fair value, a deferred inflow is recorded for the remainder value, and a liability is recorded equal to the present value of expected future distributions to the income beneficiaries. The liability is calculated using discount rates of 8.0% for gifts before fiscal year 2008 and 7.5% for gifts in fiscal year 2008 and after. Additionally, donors have established and funded trusts which are administered by organizations other than the University. Under the terms of these trusts, the University has the irrevocable right to receive all or a portion of the income earned on the trust assets in perpetuity. The University does not control the assets held by the outside trusts but recognizes an interest in the trusts, based on the fair value of the assets contributed to the trusts, mostly as permanently restricted contributions. Fluctuation in the fair value of these assets are recorded annually as revenue and impact restricted nonexpendable net position.

Compensated Absences. University employees accrue annual leave at rates based on length of service, and for sick leave at the rate of one day per month. Sick leave balances, which are unlimited, can be converted to monetary compensation annually at 25% of the employees' normal compensation rate for any balance that exceeds 480 hours, or for any balance upon retirement or death. Annual leave accrued at June 30, 2024 was $241.2 million, and is included in accounts payable and accrued liabilities in the University's Statement of Net Position. Sick leave accrued at June 30, 2024 was $72.1 million, and is included in long-term liabilities (see note 7) in the University's Statement of Net Position.

Scholarship Allowances. Tuition and fees are reported net of scholarship allowances which represent the difference between the stated charge for tuition and fees and the amount that is paid by the student or third parties on behalf of the student. Student aid paid directly to students is reported as scholarships and fellowships expense.

Net Patient Service Revenue. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as updated information becomes available and when final settlements are determined.

Third-party payer agreements with Medicare, Medicaid and commercial insurance carriers provide for payments at amounts different from established rates and are part of contractual adjustments to net patient service revenue. Medicare reimbursements are paid during the year either prospectively or at an interim rate, with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary.

For more information about net patient service revenue, see the audited financial statements of the UW Medicine Select Units - UW Division, which are contained in the latest Bondholders Report at finance.uw.edu/treasury/bondholders/other-investor-material.

Financial Assistance. UW Medicine provides patient care without charge to patients who meet certain criteria under the financial assistance policy. Records are maintained to identify and monitor the level of financial assistance provided. These records include charges foregone for services and supplies furnished under its financial assistance policy to the uninsured and the underinsured. UW Medicine does not pursue collection of amounts determined to qualify as financial assistance, therefore, these are not reported as net patient service revenues. The cost of financial assistance provided is calculated based on the aggregate relationship of costs to charges. The estimated cost of financial assistance provided during fiscal year 2024 was $30.5 million.

State Appropriations. The state of Washington appropriates funds to the University on both an annual and biennial basis. This revenue is reported as nonoperating revenue in the Statement of Revenues, Expenses and Changes in Net Position when underlying expenditures are incurred.

Operating Activities. The University's policy for reporting operating activities in the Statement of Revenues, Expenses and Changes in Net Position is to include activities that generally result from exchange transactions. Examples of exchange transactions are payments received for tuition, patient services or grants under which services are performed, as well as payments made for the delivery of goods or services. Certain other significant revenue streams used for operations, such as state appropriations, Pell grants, gifts, FHCC financial alignment income, and investment income are recorded as nonoperating revenues, as prescribed by GASB Statement No. 35.

Net position. The University's net position is classified as follows:

> ***Net investment in capital assets:*** The University's investments in capital assets, less accumulated depreciation and amortization, net of outstanding debt obligations related to capital assets;
>
> ***Restricted net position – nonexpendable:*** Net position subject to externally-imposed requirements that it be maintained permanently by the University, including permanent endowment funds and annuity and life income trusts;
>
> ***Restricted net position – expendable:*** Net position that the University is obligated to spend in accordance with restrictions imposed by external parties, generally for scholarships, research and departmental uses;
>
> ***Unrestricted net position*:** Net position not subject to externally-imposed restrictions, but which may be designated for specific purposes by management or the Board of Regents.

Tax Exemption. The University, as an agency of the state of Washington, is not subject to federal income tax pursuant to Section 115 of the Internal Revenue Code, except for tax on unrelated business income and certain federal excise taxes.

NOTE 2:

Cash and Cash Equivalents

Cash includes cash on hand, petty cash and bank deposits. Cash equivalents includes treasury securities with original maturities of less than 90 days and money market funds with remaining underlying maturities of one year or less at the time of purchase. Most cash, except cash held in foreign banks, is covered by the Federal Deposit Insurance Corporation (FDIC), or if greater than FDIC limits, by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

NOTE 3:

Deposit with State of Washington

State law requires the University to deposit certain funds with the state treasurer, who holds and invests the funds. These deposits include amounts held for the University's permanent land grant funds, and the University building fee collected from students. The fair value of these funds approximates the carrying value.

NOTE 4:

Accounts Receivable

The major components of accounts receivable as of June 30, 2024 are as follows:

(Dollars in thousands)	**2024**
NET PATIENT SERVICES	$ 632,160
GRANTS AND CONTRACTS	293,869
DUE FROM OTHER AGENCIES	124,817
SALES AND SERVICES	94,307
SELF INSURANCE RECEIVABLE	41,674
LEASE RECEIVABLES (CURRENT PORTION)	33,053
STATE APPROPRIATIONS	32,235
INVESTMENTS	31,394
TUITION	22,006
OTHER	27,666
SUBTOTAL	1,333,181
LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS	(98,168)
TOTAL	**$ 1,235,013**

NOTE 5:

Investments

INVESTMENTS – GENERAL

The University of Washington Board of Regents is vested by statute with responsibility for the University's properties and investments, and for establishing investment policy. The University of Washington Investment Management Company (UWINCO), led by the Chief Investment Officer, carries out the day-to-day activities of the investment portfolios.

The University of Washington Investment Management Company Board ("UWINCO Board") consists of both Board of Regents' members and external investment professionals who advise UWINCO, the President and the Board of Regents.

The University holds significant amounts of investments that are measured at fair value on a recurring basis. The University is required to provide the following information according to the three-tier fair value hierarchy which is based on the observability of the inputs used in the valuation techniques to measure the fair value of certain financial assets and liabilities. The three-tier hierarchy ranks the quality and reliability of the information used to determine fair values and is summarized as follows:

- Level 1 Inputs – Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
- Level 2 Inputs – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.
- Level 3 Inputs – Inputs that are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

TABLE 1 – INVESTMENTS *(Dollars in thousands)*

INVESTMENTS BY FAIR VALUE LEVEL	2024	Fair Value Measurements Inputs: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
FIXED INCOME SECURITIES				
U.S. TREASURY SECURITIES	$ 1,527,890	$ 10,476	$ 1,517,414	$ —
U.S. GOVERNMENT AGENCY	354,432	10,062	344,370	—
MORTGAGE BACKED	235,872	—	235,872	—
ASSET BACKED	604,043	—	604,043	—
CORPORATE AND OTHER	423,568	17,595	405,973	—
TOTAL FIXED INCOME SECURITIES	**3,145,805**	**38,133**	**3,107,672**	**—**
EQUITY SECURITIES				
GLOBAL EQUITY INVESTMENTS	1,354,473	635,869	718,604	—
REAL ESTATE	19,168	16,029	—	3,139
OTHER	6,340	—	—	6,340
TOTAL EQUITY SECURITIES	**1,379,981**	**651,898**	**718,604**	**9,479**
EXTERNALLY MANAGED TRUSTS	**144,647**	**—**	**—**	**144,647**
TOTAL INVESTMENTS BY FAIR VALUE LEVEL	**4,670,433**	**$ 690,031**	**$ 3,826,276**	**$ 154,126**

INVESTMENTS MEASURED USING NET ASSET VALUE (NAV)	
GLOBAL EQUITY INVESTMENTS	2,172,328
ABSOLUTE RETURN STRATEGY FUNDS	918,068
PRIVATE EQUITY AND VENTURE CAPITAL FUNDS	974,162
REAL ASSET FUNDS	227,209
OTHER	50,286
TOTAL INVESTMENTS MEASURED USING NAV	**4,342,053**
TOTAL INVESTMENTS MEASURED AT FAIR VALUE AND NAV	9,012,486
CASH EQUIVALENTS AT AMORTIZED COST	223,191
TOTAL INVESTMENTS	**$ 9,235,677**

Fixed income and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income and equity securities classified in Level 2 are valued using other observable inputs including quoted prices for similar securities and interest rates. Other investments classified in Level 3 are valued using either discounted cash flow or market comparable techniques.

The University's interests in certain non-readily marketable alternative investments, such as hedge funds and private equity limited partnerships, are stated at fair value based on NAV estimates used as a practical expedient reported to the University by investment fund managers. Key information for investments measured using NAV per share (or its equivalent) is presented in the following table:

TABLE 2 – INVESTMENTS MEASURED USING NAV *(Dollars in thousands)*

2024	Fair Value	Total Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
GLOBAL EQUITY INVESTMENTS	$ 2,172,328	$ 31,707	MONTHLY TO ANNUALLY	15-180 days
ABSOLUTE RETURN STRATEGY FUNDS	918,068	—	QUARTERLY TO ANNUALLY	30-90 days
PRIVATE EQUITY AND VENTURE CAPITAL FUNDS	974,162	551,307	N/A	—
REAL ASSETS FUNDS	227,209	55,706	N/A	—
OTHER	50,286	23,939	QUARTERLY TO ANNUALLY	30-95 days
TOTAL INVESTMENTS MEASURED USING NAV	**$ 4,342,053**			

1. **Global Equity:** This investment category includes public equity investments in separately managed accounts, long-only comingled funds, unconstrained limited partnerships, and passive index funds. As of June 30, 2024, approximately 78% of the value of the investments in this category can be redeemed within 90 days and approximately 95% can be redeemed within one year.
2. **Absolute Return:** This category includes investments in stable income and low-to-medium beta funds. Management of these funds seeks low correlation to broad equity markets by investing in assets that exhibit low volatility, deep discounts, and/or hedges against market downturns. As of June 30, 2024, approximately 94% of the value of the investments in this category can be redeemed within one year.
3. **Private equity and venture capital:** This category includes buyout, venture, and special situations funds. These investments cannot be redeemed at the request of the University. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that underlying assets of the funds will be liquidated over the next 1 to 10 years.
4. **Real assets:** This category includes real estate, natural resources, and other hard assets. These investments cannot be redeemed at the request of the University. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that underlying assets of the funds will be liquidated over the next 1 to 10 years.
5. **Other:** This category consists of opportunistic investments and includes various types of non-investment grade and non-rated credit plus nominal equity exposure. As of June 30, 2024, approximately 32% of the value of the investments in this category can be redeemed or anticipate distribution within one year. The remaining balance of these investments contain restrictions on redemption within one year or will be distributed as underlying investments are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 10 years.

INVESTMENT POOLS

The University combines most short-term investment balances into the Invested Funds Pool. At June 30, 2024, the Short-term and Intermediate-term Invested Funds Pools totaled $2,691.0 million. The Invested Funds - Long-term Pool also owns units in the Consolidated Endowment Fund (CEF) valued at $1,197.0 million at June 30, 2024. In addition, the Long-term Pool also owns a passive global equity index valued at $242.0 million as of June 30, 2024. Per University policy, departments with qualifying funds in the Invested Funds Pool receive distributions based on their average balances and on the type of balance. Campus depositors received 0.75% in fiscal year 2024. University Advancement received 3.0% of the average balances in endowment operating and gift accounts in fiscal year 2024. The difference between the actual earnings of the Invested Funds Pool and the calculated distributions is used to support activities benefiting all University departments.

The majority of the endowed funds are invested in the CEF, a pooled fund. Individual endowments purchase units in the pool on the basis of a per-unit valuation of the CEF at fair value on the last business day of the calendar quarter. Income is distributed based on the number of units held. RCW 24.55 of the Washington State Code and the Uniform Prudent Management of Institutional Funds Act allow for total return expenditure under comprehensive prudent standards.

The Board of Regents have a fiduciary responsibility to set an endowment spending policy that maintains the CEF's purchasing power to ensure the same level of program support in the future as it provides today. Quarterly distributions during fiscal year 2024 to programs are based on an annual percentage rate of 3.6%, applied to the five-year rolling average of the CEF's fair value. Additionally, the policy allows for an administrative fee of 0.9% to support campus-wide fundraising and stewardship activities and to offset the internal cost of managing endowment assets.

The University records its permanent endowments at the lower of original gift value or current fair value in the Restricted Nonexpendable Net Position category. Of the endowments that are recorded at current fair value at June 30, 2024, the net deficiency from the original gift value was $987 thousand.

Net appreciation (depreciation) in the fair value of investments includes both realized and unrealized gains and losses on investments. The University realized a net gain of $167.2 million in fiscal year 2024 from the sale of investments. The calculation of realized gains and losses is independent of the net appreciation of the fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and are sold in the current year include the net appreciation of these investments reported in the prior year(s). The net appreciation in the fair value of investments during the year ended June 30, 2024 was $449.5 million.

FUNDING COMMITMENTS

The University enters into contracts with investment managers to fund alternative investments. As of June 30, 2024, the University had outstanding commitments to fund alternative investments of $662.7 million. These commitments are expected to be called over a multi-year time frame, generally 2-5 years depending on the type of fund. The University believes it has adequate liquidity and funding sources to meet these obligations.

DERIVATIVE INSTRUMENTS

The University's investment policies allow for investing in various derivative instruments, including futures, swaps and forwards, to manage exposures within or across its portfolio and to improve the portfolio's risk/return profile.

Derivative instruments are recorded on the contract date and are carried at fair value using listed price quotations or amounts that approximate fair value.

As of June 30, 2024, the University had outstanding futures contracts with notional amounts totaling $133.8 million. As of June 30, 2024, accumulated unrealized gains on these contracts totaled $454 thousand. The accumulated unrealized gains are included in Investments on the Statement of Net Position. Futures are financial contracts obligating the buyer to purchase an asset at a predetermined future date and price.

Credit exposure represents exposure to counterparties relating to financial instruments, where gains exceed collateral held by the University or losses are less than the collateral posted by the University. There was no credit exposure as of June 30, 2024. No derivative instruments have been reclassified from a hedging instrument to an investment instrument.

Details on foreign currency derivatives are disclosed under Foreign Exchange Risk.

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of fixed income securities. The University manages interest rate risk through its investment policies and the investment guidelines established with each manager. Each fixed income manager is assigned a maximum boundary for duration as compared to the manager's relevant benchmark index. The goal is to allow ample freedom for the manager to perform, while controlling the interest rate risk in the portfolio. Effective duration is a commonly used measure of interest rate risk. The longer the duration, the more sensitive the portfolio is to changes in interest rates. The weighted average effective duration of the University's fixed income portfolio was 2.13 years at June 30, 2024.

CREDIT RISK

Fixed income securities are also subject to credit risk, which is the risk that the issuer or other counterparty to a financial instrument will not fulfill its obligations, or that negative perceptions of the issuer's ability to make these payments will cause prices to decline. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The University Investment Policies limit fixed income exposure to investment grade assets. The Investment Policy for the Invested Funds' Short-term Pool requires each manager to maintain an average quality rating of "AA" as issued by a nationally recognized rating organization. Fixed income securities in the Intermediate-term Pool are required to have an average quality rating of investment grade with at least 25% of its funds invested in obligations of the U.S. Government and its agencies. The Investment Policy for the CEF reflects its long-term nature by specifying average quality rating levels by individual manager, but still restricting investment to investment grade credits.

Duration is a calculation of the number of years required to recover the true cost of a bond. The duration measures presented in Table 3 below represent a broad average across all fixed income securities held in the CEF, the Invested Funds

Pool (IF or operating funds) and debt service reserve funds. The CEF and IF portfolios are managed to have a duration below their policy benchmarks to protect principal and provide liquidity to the overall portfolio.

Duration and credit risk figures at June 30, 2024 exclude $50.3 million of fixed income securities held by blended component units. These amounts make up 1.60% of the University's fixed income investments, and are not included in the duration figures detailed in Table 3.

The composition of fixed income securities at June 30, 2024 along with credit quality and effective duration measures, is summarized as follows:

TABLE 3 – FIXED INCOME: CREDIT QUALITY AND EFFECTIVE DURATION *(Dollars in thousands)*

2024

Investments	U.S. Government	Investment Grade*	Non-Investment Grade	Not Rated	Total	Duration (In years)
U.S. TREASURY SECURITIES	$ 1,504,846	$ —	$ —	$ —	$ 1,504,846	2.21
U.S. GOVERNMENT AGENCY	343,976	—	—	—	343,976	4.49
MORTGAGE BACKED	—	62,512	71,601	101,758	235,871	1.52
ASSET BACKED	4,482	490,732	19,243	89,586	604,043	1.16
CORPORATE AND OTHER	—	341,206	—	65,527	406,733	1.68
TOTAL	**$ 1,853,304**	**$ 894,450**	**$ 90,844**	**$ 256,871**	**$ 3,095,469**	**2.13**

*Investment Grade securities are those that are rated BBB and higher by Standard and Poor's or Baa and higher by Moody's.

FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk that investments denominated in foreign currencies may lose value due to adverse fluctuations in the value of the U.S. dollar relative to foreign currencies. The University's investment policies permit investments in international equity and other asset classes, which can include foreign currency exposure. The University also enters into foreign currency forward contracts, futures contracts, and options to manage the foreign currency exposure. The University held non-U.S. denominated securities of $1.8 billion at June 30, 2024.

TABLE 4 – INVESTMENTS DENOMINATED IN FOREIGN CURRENCY

(Dollars in thousands)		**2024**
EURO (EUR)	$	303,809
BRITISH POUND (GBP)		263,997
CHINESE RENMINBI (CNY)		189,279
JAPANESE YEN (JPY)		162,583
INDIAN RUPEE (INR)		160,728
CANADIAN DOLLAR (CAD)		61,815
SOUTH KOREAN WON (KRW)		55,431
BRAZIL REAL (BRL)		53,147
SWEDISH KRONA (SEK)		48,819
AUSTRALIAN DOLLAR (AUD)		44,966
HONG KONG DOLLAR (HKD)		43,082
SWISS FRANK (CHF)		39,133
TAIWANESE DOLLAR (TWD)		35,245
NORWEGIAN KRONE (NOK)		23,107
SINGAPORE DOLLAR (SGD)		22,016
SOUTH AFRICAN RAND (ZAR)		19,404
DANISH KRONE (DKK)		16,353
MEXICAN PESO (MXN)		12,138
INDONESIAN RUPIAH (IDR)		11,443
REMAINING CURRENCIES		224,575
TOTAL	**$**	**1,791,070**

NOTE 6:

Capital Assets

Capital asset activity for the year ended June 30, 2024 is summarized as follows:

(Dollars in thousands)	Balance as of June 30, 2023	Additions/ Transfers	Retirements	Balance as of June 30, 2024
LAND	$ 162,420	$ 3,315	$ —	$ 165,735
INFRASTRUCTURE	323,115	30,998	—	354,113
BUILDINGS	8,151,400	446,763	1,956	8,596,207
FURNITURE, FIXTURES AND EQUIPMENT	1,638,690	266,067	32,609	1,872,148
LIBRARY MATERIALS	443,098	14,632	2,447	455,283
CAPITALIZED COLLECTIONS	8,627	113	—	8,740
INTANGIBLE ASSETS	282,341	177,252	33	459,560
RIGHT OF USE LEASE ASSETS (NOTE 9)	936,894	34,565	32,115	939,344
RIGHT OF USE SUBSCRIPTION ASSETS (NOTE 9)	85,106	96,376	4,586	176,896
CONSTRUCTION IN PROGRESS	513,576	(164,904)	15,743	332,929
INTANGIBLES IN PROCESS	152,476	(152,476)	—	—
TOTAL COST	**12,697,743**	**752,701**	**89,489**	**13,360,955**
LESS ACCUMULATED DEPRECIATION/AMORTIZATION:				
INFRASTRUCTURE	170,393	9,709	—	180,102
BUILDINGS	4,256,556	236,427	1,956	4,491,027
FURNITURE, FIXTURES AND EQUIPMENT	1,370,761	200,012	27,118	1,543,655
LIBRARY MATERIALS	343,716	13,398	1,934	355,180
INTANGIBLE ASSETS	152,958	71,039	33	223,964
RIGHT OF USE LEASE ASSETS (NOTE 9)	183,468	69,646	29,805	223,309
RIGHT OF USE SUBSCRIPTION ASSETS (NOTE 9)	33,686	31,541	3,264	61,963
TOTAL ACCUMULATED DEPRECIATION/AMORTIZATION	**6,511,538**	**631,772**	**64,110**	**7,079,200**
CAPITAL ASSETS, NET	**$ 6,186,205**	**$ 120,929**	**$ 25,379**	**$ 6,281,755**

NOTE 7:

Long-Term Liabilities

UNIVERSITY OF WASHINGTON

Long-term liability activity for the year ended June 30, 2024 is summarized as follows:

(Dollars in thousands)	Balance as of June 30, 2023	Additions	Reductions	Balance as of June 30, 2024	Current portion as of June 30, 2024
BONDS PAYABLE:					
GENERAL OBLIGATION BONDS PAYABLE (NOTE 8)	$ 34,870	$ —	$ 11,840	$ 23,030	$ 8,910
REVENUE BONDS PAYABLE (NOTE 8)	2,214,595	386,446	314,402	2,286,639	80,048
UNAMORTIZED PREMIUM ON BONDS	137,365	59,294	14,486	182,173	20,431
TOTAL BONDS PAYABLE	**2,386,830**	**445,740**	**340,728**	**2,491,842**	**109,389**
NOTES PAYABLE:					
NOTES PAYABLE & OTHER -CAPITAL ASSET RELATED (NOTE 8)	40,387	5,390	17,024	28,753	8,436
NOTES PAYABLE & OTHER – NONCAPITAL ASSET RELATED (NOTE 8)	134,143	443	15,171	119,415	15,654
TOTAL NOTES PAYABLE	**174,530**	**5,833**	**32,195**	**148,168**	**24,090**
OTHER LONG-TERM LIABILITIES:					
OBLIGATIONS UNDER SPLIT-INTEREST AGREEMENTS	49,691	1,181	—	50,872	1,181
REMEDIATION LIABILITIES (NOTE 1)	32,609	1,000	—	33,609	—
HMC ITS FUNDING (NOTE 15)	21,744	2,083	2,066	21,761	8,400
SICK LEAVE (NOTE 1)	65,143	33,062	26,091	72,114	23,824
SELF-INSURANCE (NOTE 13)	230,104	95,321	69,970	255,455	81,965
LEASE LIABILITIES (NOTE 9)	802,663	25,917	61,429	767,151	50,695
SUBSCRIPTION LIABILITIES (NOTE 9)	50,047	81,158	33,176	98,029	26,941
OTHER NONCURRENT LIABILITIES	7,616	15,327	8,967	13,976	81
TOTAL OTHER LONG-TERM LIABILITIES	**1,259,617**	**255,049**	**201,699**	**1,312,967**	**193,087**
TOTAL LONG-TERM LIABILITIES	**$3,820,977**	**$ 706,622**	**$ 574,622**	**$3,952,977**	**$ 326,566**

DISCRETE COMPONENT UNITS

Long-term liability activity for the year ended June 30, 2024 is summarized as follows:

	Balance as of June 30, 2023	Additions	Reductions	Balance as of June 30, 2024	Current portion as of June 30, 2024
VALLEY MEDICAL CENTER *(Dollars in thousands)*					
LIMITED TAX GENERAL OBLIGATION BONDS	$ 290,578	$ —	$ 13,815	$ 276,763	$ 10,675
LEASE LIABILITIES	97,881	18,788	14,192	102,477	15,028
SUBSCRIPTION LIABILITIES	9,490	6,243	6,412	9,321	5,511
TOTAL LONG-TERM LIABILITIES	**$ 397,949**	**$ 25,031**	**$ 34,419**	**$ 388,561**	**$ 31,214**

	Balance as of June 30, 2023	Additions	Reductions	Balance as of June 30, 2024	Current portion as of June 30, 2024
FRED HUTCHINSON CANCER CENTER *(Dollars in thousands)*					
LONG TERM DEBT	$ 1,086,339	$ —	$ 16,189	$ 1,070,150	$ 14,250
COLLABORATIVE ARRANGEMENT LIABILITIES	428,824	—	—	428,824	—
LEASE LIABILITIES	227,513	—	32,240	195,273	20,816
DEFERRED CREDIT ON CASH FLOW HEDGES	9,614	—	4,002	5,612	—
TOTAL LONG-TERM LIABILITIES	**$1,752,290**	**$ —**	**$ 52,431**	**$1,699,859**	**$ 35,066**

NOTE 8:

Bonds and Notes Payable

The bonds and notes payable at June 30, 2024 consist of state of Washington General Obligation Bonds, University General Revenue Bonds, and Notes Payable. These obligations have interest rates ranging from 0.35% to 6.25%. As of June 30, 2024, substantially all of the University's debt was publicly offered debt. Debt service requirements as of June 30, 2024 are as follows:

BONDS AND NOTES PAYABLE *(Dollars in thousands)*

	STATE OF WASHINGTON GENERAL OBLIGATION BONDS		UNIVERSITY OF WASHINGTON GENERAL REVENUE BONDS		NOTES PAYABLE AND OTHER	
Year	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2025	$ 8,910	$ 939	$ 80,048	$ 101,195	$ 24,090	$ 5,983
2026	5,265	525	97,021	97,415	17,204	5,257
2027	5,210	266	95,105	93,541	17,655	4,509
2028	2,105	104	109,250	89,261	18,407	3,728
2029	1,540	31	100,625	84,812	19,195	2,912
2030-2034	—	—	517,410	357,893	51,617	3,615
2035-2039	—	—	538,440	232,135	—	—
2040-2044	—	—	538,250	102,552	—	—
2045-2049	—	—	202,445	28,337	—	—
2050-2054	—	—	8,045	462	—	—
TOTAL PAYMENTS	**$ 23,030**	**$ 1,865**	**$ 2,286,639**	**$ 1,187,603**	**$ 148,168**	**$ 26,004**

State law requires that the University reimburse the state for debt service payments relating to its portion of the state of Washington General Obligation and Refunding Bonds from patient service revenues, tuition, timber sales and other revenues.

The following schedule lists the outstanding bonds payable of the University as of June 30, 2024:

BONDS PAYABLE *(Dollars in thousands)*

Issue	Date Issued	Maturity Date (Fiscal Year)	Interest Rate	Original Issue	Current Liability	Balance 6/30/24
Lease Revenue						
Series 2010B - Taxable Lease Revenue	12/14/2010	2043	6.031%-6.516%	$ 151,745	$ 7,153	$ 91,414
Series 2013 - Lease Revenue	12/11/2013	2034	3.625%-5.000%	28,995	1,195	14,545
Series 2014A - Lease Revenue	8/21/2014	2038	4.000%-5.000%	109,205	3,180	61,600
Series 2015A - Lease Revenue	10/7/2015	2048	4.000%-5.000%	107,615	3,240	91,150
General Revenue						
Series 2009 - Taxable Revenue	6/25/2009	2040	6.060%	75,835	—	75,835
Series 2009B - Taxable Revenue	12/22/2009	2036	5.400%	77,710	—	77,710
Series 2010B - Taxable Revenue	10/5/2010	2041	3.908%-4.997%	144,740	1,510	133,820
Series 2012C - Revenue	12/5/2012	2044	3.000%-3.250%	299,425	—	165,585
Series 2015A - Taxable Revenue	3/4/2015	2045	2.717%-3.704%	47,715	1,065	30,870
Series 2015B - Revenue	3/4/2015	2037	3.050%-5.000%	170,555	6,705	127,680
Series 2015C - Revenue	9/23/2015	2046	4.000%-5.000%	159,160	4,120	137,270
Series 2015D - Taxable Revenue	9/23/2015	2028	2.750%-3.250%	36,350	2,675	8,760
Series 2016A - Revenue Refunding	11/9/2016	2047	4.000%-5.250%	195,145	4,765	161,650
Series 2016B - Taxable Revenue Refunding	11/9/2016	2037	2.400%-3.400%	10,015	480	4,895
Series 2018 - Revenue	2/15/2018	2048	5.000%	133,785	6,150	102,585
Series 2020A - Revenue	3/17/2020	2050	4.000%-5.000%	51,000	1,295	46,415
Series 2020B - Taxable Revenue	3/17/2020	2040	1.490%-2.685%	51,000	2,425	41,630
Series 2020C - Revenue Refunding	2/9/2021	2034	5.000%	117,815	—	73,790
Series 2021A - Revenue Refunding	3/4/2021	2051	4.000%-5.000%	77,435	510	76,735
Series 2021B - Taxable Revenue Refunding	3/4/2021	2042	0.600%-2.618%	249,335	10,950	137,985
Series 2022A - Revenue	3/8/2022	2037	5.000%	75,000	4,230	67,360
Series 2022B - Taxable Revenue Refunding	3/8/2022	2042	1.720%-3.350%	209,090	12,755	80,210
Series 2022C - Revenue Refunding	3/8/2022	2048	4.000%	90,700	—	90,700
Series 2024A - Revenue	2/15/2024	2044	5.000%	218,355	5,645	218,355
Series 2024B - Revenue Refunding	2/15/2024	2042	5.000%	168,090	—	168,090

(continued)

BONDS PAYABLE (continued) *(Dollars in thousands)*						
Issue	**Date Issued**	**Maturity Date (Fiscal Year)**	**Interest Rate**	**Original Issue**	**Current Liability**	**Balance 6/30/24**
State of WA General Obligations						
2016A GO (R-2006A)	10/8/2015	2025	1.676%	$ 30,145	$ 3,865	$ 3,865
2020A GO UW ((R-2010B)(R-2001C))	10/4/2019	2027	1.384%	1,585	285	580
2020C GO UW (R-2011B (R-2002A))	4/29/2020	2027	1.120%	5,065	—	5,065
2020C GO UW (R-2011B (R-2002B))	4/29/2020	2027	1.100%	2,640	525	1,675
2021B GO UW (R-2011A (R-2002A))	11/3/2020	2025	0.347%	8,910	2,395	2,395
2021C GO UW (R-2012A (R-2003D))	5/4/2021	2025	1.439%	1,060	540	540
2021C GO UW (R-2012A (R-2004A))	5/4/2021	2025	1.439%	2,665	935	935
2022C GO UW (2012C)(R-2004D)	5/11/2022	2029	2.820%	2,390	365	1,995
2022C GO UW (R-2012C)(2003D)	5/11/2022	2028	2.820%	1,795	—	1,790
2022C GO UW (R-2012C)(2004A)	5/11/2022	2029	2.820%	4,215	—	4,190
TOTAL				**$ 3,116,285**	**$ 88,958**	**$ 2,309,669**

ISSUANCE AND REFUNDING ACTIVITY

On February 15, 2024, the University issued $218.4 million of tax-exempt General Revenue Bonds, 2024A, at a premium of $34.2 million and an average coupon of 5.0%. The average life is 10.0 years with a final maturity on April 1, 2044. Proceeds will be used for the payoff of commercial paper that funded the Finance Transformation project on an interim basis and to fund UWMC Small-Works projects, the Montlake Campus Membrane Repair project and Operating Room Expansion. Additionally, the University issued $168.1 million of General Revenue Refunding Bonds, 2024B, at a premium of $25.1 with an average coupon of 5.0%. The average life is 10.4 years with a final maturity on July 1, 2041. The bonds tendered and refunded by the 2024B Series had a par amount of $221.9 million and coupon rates ranging from 0.60% to 3.35% with an average coupon rate of 2.64%. The refunding reduced the total debt service payments to be made by the University over the next 19 years by $29.0 million and resulted in a total economic gain of $19.4 million.

COMMERCIAL PAPER PROGRAM

The University has a commercial paper program with a maximum borrowing limit of $250.0 million, payable from University General Revenues. This short-term borrowing program is primarily used to fund capital expenditures. During fiscal year 2024, the University issued $114.5 million of commercial paper and refunded $158.0 million in commercial paper with General Revenue Bonds. The University had no commercial paper outstanding as of June 30, 2024.

CREDIT LINES

Effective September, 14, 2023, the University entered into a Master Financing Agreement (the "2023 Master Financing Agreement") with JP Morgan Chase Bank to provide a non-revolving credit line available to the University for the financing of short-term assets (FAST), including personal property, to be drawn on from time to time. The 2023 Master Financing Agreement provides financing for the University's FAST Program and allows for draws in an aggregate amount not to exceed $40.0 million. JP Morgan Chase Bank and the University entered into three prior master financing agreements, one dated August 13, 2020 (the "2020 Master Financing Agreement"), one dated July 7, 2017, (the "2017 Master Financing Agreement"), and another dated November 14, 2014 (the "2014 Master Financing Agreement"), which allowed for draws up to an aggregate amount not to exceed $40.0 million, $30.0 million and $12.0 million, respectively. Each Master Financing Agreement replaced the prior agreement, however, draws on the prior master financing agreements remain outstanding until paid under the terms of that agreement. Outstanding borrowings as of June 30, 2024 totaled $18.9 million.

On August 13, 2020, the University entered into a Revolving Loan Agreement with Washington Federal Bank, National Association, which provided a revolving loan through August 1, 2023, for up to $100.0 million. Taxable borrowings under the agreement had a fixed interest rate of 2.21%; tax-exempt borrowings had a fixed interest rate of 1.75%. Amounts borrowed under the agreement were payable solely from and secured by a pledge of the University's General Revenues. The University made no draws and had no outstanding cash borrowings with respect to this agreement as of June 30, 2024.

On August 13, 2020, the University entered into a Revolving Credit Agreement with U.S. Bank National Association which provided a revolving line of credit through August 12, 2022, for up to $100.0 million. On September 30, 2021, the University entered into the Amended and Restated Revolving Credit Agreement, which adjusted the rates from the prior agreement and extended the term through September 30, 2024. On December 1, 2022, the University entered into the first amendment to the Amended and Restated Revolving Credit Agreement, which replaced LIBOR with SOFR as the applicable reference rate. Borrowings for tax-exempt projects under the agreement bear interest at a fluctuating rate equal to 82% of the daily one-month SOFR rate plus a margin of 0.63%; borrowings for taxable projects bear interest at a fluctuating rate equal to the daily one-month SOFR rate plus a margin of 0.75%. The margins are subject to change depending on the University's credit rating. Amounts borrowed under the agreement are payable solely from and secured by a pledge of the University's General Revenues. The University made no draws and had no outstanding cash borrowings with respect to this agreement as of June 30, 2024.

SUBSEQUENT DEBT ACTIVITY

On September 30, 2024, the Second Amendment to the Amended and Restated Revolving Credit Agreement with US Bank National Association was executed, which extends the existing $100.0 million line of credit for an additional three year term through September 30, 2027. The borrowing rate for taxable projects is fluctuating and equal to the daily one-month SOFR rate plus a margin of 0.75%. The borrowing rate for tax-exempt projects is fluctuating and equal to 86.51% of the taxable interest rate.

DEFEASED DEBT

The University defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust (refunding escrow) to provide for all future debt service payments on the refunded bonds until called. The trust account assets and the liability for the defeased bonds are not included in the University's financial statements. As of June 30, 2024, $20.8 million of bonds outstanding are considered defeased. In addition, $10.3 million of in-substance defeased debt remains outstanding as of June 30, 2024 and is included in long-term liabilities on the Statement of Net Position.

NOTE 9:

Leases and Related Subscription-Based Information Technology Arrangements

LESSEE & SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The University leases land, building space and equipment from external parties for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2063 and provide for renewal options ranging from one year to twenty-five years. In accordance with GASB Statement No. 87, the University records right-to-use assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. Amounts recognized for variable and other payments not included in the measurement of the lease liability are $73.9 million for the year ended June 30, 2024. The University does not have any leases subject to a residual value guarantee.

A SBITA is a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract in an exchange or exchange-like transaction for a term exceeding 12 months. The University enters into subscription-based information technology arrangements which expire at various dates through 2034. In accordance with GASB Statement No. 96, the University recognizes a right-of-use subscription asset and a corresponding subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. Similar to leases, the expected future subscription payments are discounted using the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance.

The University's right-of-use assets and related accumulated amortization for fiscal year ended June 30, 2024 are summarized as follows:

(Dollars in thousands)	Balance as of June 30, 2023	Additions	Modifications and Renewals	Deductions	Balance as of June 30, 2024
RIGHT OF USE ASSETS					
LAND	$ 404,832	$ —	$ —	$ —	$ 404,832
BUILDINGS	417,201	28,191	—	14,211	431,181
EQUIPMENT	114,861	5,897	477	17,904	103,331
SUBSCRIPTION ASSETS	85,106	76,932	19,444	4,586	176,896
TOTAL RIGHT OF USE ASSETS	**1,022,000**	**111,020**	**19,921**	**36,701**	**1,116,240**
LESS ACCUMULATED AMORTIZATION					
LAND	28,299	9,433	—	—	37,732
BUILDINGS	104,892	40,106	—	13,282	131,716
EQUIPMENT	50,277	20,107	—	16,523	53,861
SUBSCRIPTION ASSET	33,686	31,541	—	3,264	61,963
TOTAL ACCUMULATED AMORTIZATION	**217,154**	**101,187**	**—**	**33,069**	**285,272**
TOTAL RIGHT OF USE ASSETS, NET	**$ 804,846**	**$ 9,833**	**$ 19,921**	**$ 3,632**	**$ 830,968**

Total future annual lease payments under lessee agreements as of June 30, 2024 are as follows:

Year *(Dollars in thousands)*	**Principal**	**Interest**	**Total**
2025	$ 50,695	$ 24,311	$ 75,006
2026	35,138	24,051	59,189
2027	33,686	22,737	56,423
2028	27,473	21,834	49,307
2029	15,192	21,161	36,353
2030-2034	61,417	108,524	169,941
2035-2039	57,120	110,527	167,647
2040-2044	47,026	107,897	154,923
2045-2049	60,763	80,089	140,852
2050-2054	95,417	63,087	158,504
2055-2059	141,511	40,937	182,448
2060-2064	141,713	11,240	152,953
Total	**$ 767,151**	**$ 636,395**	**$ 1,403,546**

As of June 30, 2024, the University has one lease for building space that has not yet commenced with lease payments due on an undiscounted basis of $127.0 million over the lease term. This lease will commence in fiscal year 2025 and has a 40-year term.

Total future annual subscription payments under subscription-based arrangements as of June 30, 2024 are as follows:

Year *(Dollars in thousands)*	**Principal**	**Interest**	**Total**
2025	$ 26,941	$ 3,702	$ 30,643
2026	20,094	2,920	23,014
2027	12,812	2,150	14,962
2028	15,780	1,278	17,058
2029	11,568	965	12,533
2030-2034	10,834	479	11,313
Total	**$ 98,029**	**$ 11,494**	**$ 109,523**

LESSOR ARRANGEMENTS

The University leases building and ground space to external parties with significant activity occurring within the Metropolitan Tract (Note 1). The leases expire at various dates through 2098 and provide for renewal options ranging from one year to twenty-five years. The University records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. Amounts recognized for variable and other payments not included in the measurement of the lease receivable are $28.7 million for the year ended June 30, 2024. The University recognized revenues related to lease agreements totaling $89.8 million during fiscal year 2024 reported in other operating revenues in the Statement of Revenue, Expenses and Changes in Net Position.

Future minimum lease payments to be received under lessor agreements as of June 30, 2024 are as follows:

Year *(Dollars in Thousands)*	**Principal**	**Interest**	**Total**
2025	$ 33,053	$ 12,106	$ 45,159
2026	31,496	11,215	42,711
2027	27,504	10,753	38,257
2028	20,255	10,377	30,632
2029	15,657	9,635	25,292
2030 - 2034	47,163	39,859	87,022
2035 - 2039	19,688	33,833	53,521
2040 - 2044	12,078	31,746	43,824
2045 - 2049	13,761	30,212	43,973
2050 - 2054	16,170	28,442	44,612
2055 - 2059	19,476	25,895	45,371
2060 - 2064	19,528	23,339	42,867
2065 - 2069	19,391	21,127	40,518
2070 - 2074	18,536	18,855	37,391
2075 - 2079	18,295	17,075	35,370
2080 - 2084	18,020	15,112	33,132
2085 - 2089	11,933	8,629	20,562
2090 - 2094	18,201	3,977	22,178
2095 - 2097	14,432	809	15,241
Total	**$ 394,637**	**$ 352,996**	**$ 747,633**

NOTE 10:

Pension Plans

The University offers four contributory pension plans: 1) the Washington State Public Employees' Retirement System (PERS) plan, 2) the Washington State Teachers' Retirement System (TRS) plan, 3) the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) plan, and 4) the University of Washington Retirement Plan (UWRP). PERS, TRS, and LEOFF are cost sharing multiple-employer defined-benefit pension plans administered by the Washington State Department of Retirement Systems (DRS). UWRP is a defined-contribution plan with a supplemental noncontributory defined-benefit plan component (the UWSRP) and is administered by the University.

Legislation signed into law on July 1, 2020, amended the RCW applicable to the UWSRP to define plan provisions including limits on member eligibility, benefit payments, vesting terms and contribution rates. As a result of these amendments, the University is unable to modify the terms of the plan. Administration of the benefit calculations and payments remain the responsibility of the University until the state's Pension Funding Council determines the trust has sufficient assets, at which time the DRS will assume those duties in accordance with RCW 41.50.280. The University does not perform the duties of a board or hold any of the substantive powers that would make the plan a fiduciary component unit of the University. Other agencies of the state of Washington perform the duties of a board and hold the substantive powers in relation to the UWSRP.

As of June 30, 2024, the University's share of the total net pension assets associated with the defined-benefit pension plans administered by the DRS was $468.7 million. The University's share of the total net pension liabilities was $207.7 million. As of June 30, 2024, the net pension liability associated with the defined benefit pension plan administered by the University was $161.8 million. As of June 30, 2024, assets held by the University to pay retiree benefits in connection with the pension plan administered by the University were $360.8 million. These assets are in addition to those now residing with the Washington State Investment Board. For the year ended June 30, 2024, total pension expense (benefit) recorded by the University related to both the DRS and University plans was $(53.3) million.

PLANS ADMINISTERED BY DRS

PLAN DESCRIPTION

Public Employees' Retirement System

PERS retirement benefit provisions are contained in chapters 41.34 and 41.40 of the Revised Code of Washington (RCW). PERS is a cost-sharing multiple-employer retirement system comprised of three separate pension plans for membership purposes. PERS Plan 1 and PERS Plan 2 are defined-benefit plans, and PERS Plan 3 is a defined-benefit plan with a defined-contribution component. PERS members include higher education employees not participating in other higher education retirement programs.

For accounting purposes, PERS is reported as three separate plans. Plan 1 accounts for the defined benefits of Plan 1 members, Plan 2/3 accounts for the defined benefits of Plan 2 and Plan 3 members, and Plan 3 accounts for the defined-contribution portion of Plan 3 members. The defined-benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund, and all assets of Plan 2/3 may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries. Plan 2/3 is considered a single plan for accounting purposes.

Teachers' Retirement System

TRS retirement benefit provisions are contained in chapters 41.32 and 41.34 of the RCW. TRS is a cost-sharing, multiple-employer retirement system, comprised of three separate pension plans for membership purposes; TRS Plan 1 and TRS Plan 2 are defined-benefit plans and TRS Plan 3 is a defined-benefit plan with a defined-contribution component. TRS eligibility for membership requires service as a certificated public school employee working in an instructional, administrative or supervisory capacity.

For accounting purposes, similar to PERS, TRS is reported as three separate plans. Plan 1 accounts for the defined benefits of Plan 1 members, Plan 2/3 accounts for the defined benefits of Plan 2 and Plan 3 members, and Plan 3 accounts for the defined-contribution portion of Plan 3 members. The defined-benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund, and all assets of Plan 2/3 may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries. Plan 2/3 is considered a single plan for accounting purposes.

Law Enforcement Officers' and Fire Fighters' Retirement System

LEOFF retirement benefit provisions are contained in chapter 41.26 of the RCW. LEOFF is a cost-sharing, multiple-employer retirement system comprised of two separate pension plans for both membership and accounting purposes. The University participates in LEOFF Plan 2, which is a defined-benefit plan. LEOFF membership includes full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians.

VESTING AND BENEFITS PROVIDED

PERS Plan 1 and TRS Plan 1

PERS Plan 1 and TRS Plan 1 provide retirement, disability and death benefits. Both plans are closed to new entrants. All members were vested after the completion of five years of eligible service. Retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest-paid consecutive service months. The retirement benefit may not exceed 60% of the AFC.

Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. Other benefits for PERS Plan 1 include an optional Cost-of-Living Adjustment. Other benefits for TRS Plan 1 include temporary and permanent disability payments, and an optional Cost-of-Living Adjustment.

PERS Plan 2/3 and TRS Plan 2/3

PERS Plan 2/3 and TRS Plan 2/3 provides retirement, disability and death benefits. PERS Plan 2 and TRS Plan 2 members are vested after completion of five years of eligible service. PERS Plan 3 and TRS Plan 3 members are vested in the defined-benefit portion of their plan after 10 years of service, or after five years of service if 12 months are earned after age 44. Retirement benefits are determined as 2% of the member's AFC times the member's years of service for Plan 2, and 1% of AFC times the member's years of service for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit.

Members are eligible for retirement with a full benefit at age 65 with at least five years of service credit. Retirement before age 65 is considered early retirement. Members are eligible for early retirement with a reduced benefit at age 55 with at least 20 years of service credit. The benefit is reduced by a factor that varies according to age, for each year before age 65.

Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include a Cost-of-Living adjustment (based on the Consumer Price Index) capped at 3% annually.

LEOFF Plan 2

LEOFF Plan 2 provides retirement, disability and death benefits. Members are vested after completing five years of eligible service. Retirement benefits are determined as 2% of the final average salary (FAS) per year of service, based on the member's 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at age 53 with at least five years of service credit. Members who retire prior to age 53 receive reduced benefits. If the member has at least 20 years of service and is age 50 to 52, the reduction is 3% for each year before age 53. Otherwise, the benefits are actuarially reduced to reflect the choice of a survivor benefit.

Other benefits include a Cost-of-Living adjustment (based on the Consumer Price Index) capped at 3% annually.

FIDUCIARY NET POSITION

The pension plans' fiduciary net positions have been determined on the same basis as they are reported by the pension plans. DRS financial statements have been prepared in conformity with generally accepted accounting principles. The retirement plans are accounted for in pension trust funds using the flow of economic resources measurement focus and the accrual basis of accounting. Member contributions are recognized as revenues in the period in which the contributions are earned. Employer contributions are recognized when due, and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable, in accordance with the terms of each plan.

Chapter 43.33A of the RCW authorizes the Washington State Investment Board (WSIB) to have the investment management responsibility for the pension funds. Investments are reported at fair value, and unrealized gains and losses are included as investment income in the Statement of Changes in Fiduciary Net Position presented in the DRS Annual Comprehensive Financial Report. Purchases and sales of investments are recorded on a trade-date basis.

DRS publishes an annual report for retirement plans, which is available at https://www.drs.wa.gov/news/

ACTUARIAL ASSUMPTIONS

Accounting requirements dictate the use of assumptions to best estimate the impact that pension obligations will have on the University. The professional judgments used in determining these assumptions are important, and can significantly impact the resulting actuarial estimates. Differences in actual results compared to these assumptions could have a significant effect on the University's financial statements.

The total pension liability for each DRS plan was determined by an actuarial valuation, conducted by the Washington State Office of the State Actuary (OSA). The University's 2024 pension liabilities are based on an OSA valuation performed as of June 30, 2022, with the results rolled forward to the measurement date of June 30, 2023.

The following actuarial assumptions have been applied to all prior periods included in the measurement:

2024	
INFLATION	2.75% TOTAL ECONOMIC INFLATION, 3.25% SALARY INFLATION
SALARY INCREASE	EXPECTED TO GROW BY SERVICE-BASED SALARY INCREASES IN ADDITION TO SALARY INFLATION ASSUMPTION OF 3.25%
INVESTMENT RATE OF RETURN	7.00%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. The OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year throughout their lifetime.
The actuarial assumptions used in the June 30, 2022 valuations were based on the results of the 2013-2018 Demographic Experience Study Report and 2021 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the dates of the respective actuarial valuation reports.

The long-term expected rates of return on pension plan investments was determined by the WSIB using a building block method in which a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed for each major asset class. Those expected returns make up one component of WSIB's Capital Market Assumptions (CMAs). The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

The long-term expected rate of return of 7.00% as of measurement date June 30, 2023, approximately equals the median of the simulated investment returns over a 50-year time horizon, adjusted to remove or damper any short-term changes that are not expected over the entire 50-year measurement period.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for each pension plan, as of the measurement date, are summarized in the following table:

	2024 *(Measurement Date 2023)*	
Asset Class	**Target Allocation**	**Long-Term Expected Arithmetic Real Rate of Return**
FIXED INCOME	20.00%	1.50%
TANGIBLE ASSETS	7.00%	4.70%
REAL ESTATE	18.00%	5.40%
GLOBAL EQUITY	32.00%	5.90%
PRIVATE EQUITY	23.00%	8.90%

The inflation component used to create the above table was 2.20% and represents WSIB's most recent long-term estimate of broad economic inflation at the time of these valuations.

DISCOUNT RATE

The discount rate used to measure the total pension liabilities as of June 30, 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at contractually required rates, and that contributions from employers will be made at statutorily required rates, actuarially determined (including the component of PERS 2/3 and TRS 2/3 employer rates pertaining to the unfunded actuarial accrued liability for PERS 1 and TRS 1, respectively). Based on those assumptions, the fiduciary net position for each pension plan was projected to be sufficient to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Using the WSIB long-term expected rate of return, a 7.00% future investment rate of return on pension plan investments was assumed as of measurement date June 30, 2023. The expected return on plan assets is the estimated long-term rate of return that will be earned on the investments used to fund the pension obligation. Contributions from plan members and employers were assumed to continue to be made at contractually required rates (including the component of PERS 2/3 and TRS 2/3 employer rates pertaining to the unfunded actuarial accrued liability for PERS 1 and TRS 1, respectively, as provided for in chapter 41.45 of the RCW).

SENSITIVITY OF THE NET PENSION LIABILITY (ASSET) TO CHANGES IN THE DISCOUNT RATE

The following table presents the University's proportionate share of the net pension liabilities and assets calculated using the discount rate of 7.00% as of measurement date June 30, 2023, as well as what the net pension liabilities or assets would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

DISCOUNT RATE SENSITIVITY - NET PENSION LIABILITY (ASSET) *(Dollars in thousands)*

	2024 *(Measurement Date 2023)*		
Plan	**1% Decrease**	**Current Discount Rate**	**1% Increase**
PERS 1	$ 282,561	$ 202,252	$ 132,161
PERS 2/3	506,196	(465,417)	(1,263,658)
TRS 1	8,260	5,426	2,950
TRS 2/3	16,780	(520)	(14,584)
LEOFF 2	451	(2,722)	(5,320)

EMPLOYER CONTRIBUTION RATES

Employer contribution rates are developed in accordance with Chapter 41.45 of the RCW by the OSA, and include an administrative expense component of 0.20% during fiscal year 2024. The statute provides authority to the Pension Funding Council to adopt changes to economic assumptions and contribution rates. The following table presents the contribution rates, stated as a percentage of covered payroll as defined by the statute, and required contributions for each DRS plan in which the University participates for the year ended June 30, 2024:

(Dollars in Thousands)	PERS 1	PERS 2/3[(a)]	TRS 1	TRS 2/3[(a)]	LEOFF 2
2024					
CONTRIBUTION RATE	10.39 %	10.39 %	14.69 %	14.69 %	8.71 %
CONTRIBUTIONS MADE	$ 55,320	$ 117,093	$ 1,008	$ 3,512	$ 290

(a) Plan 2/3 employer rate includes a component to address the Plan 1 unfunded actuarial accrued liability

UNIVERSITY PROPORTIONATE SHARE

Collective pension amounts are determined as of a measurement date, which can be no earlier than an employer's prior fiscal year. The measurement date for the net pension liabilities and assets recorded by the University as of June 30, 2024 was June 30, 2023. Employer contributions received and processed by the DRS during the fiscal year ended June 30, 2023 have been used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in their June 30, 2023 Schedules of Employer and Nonemployer Allocations. The following table presents the University's proportionate share for each DRS plan:

PROPORTIONATE SHARE	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2
YEAR ENDED JUNE 30, 2024	8.86 %	11.36 %	0.43 %	0.42 %	0.11 %

UNIVERSITY AGGREGATED BALANCES

The table below presents the University's aggregated balance of net pension liability and net pension asset as of June 30 2024:

(Dollars in Thousands)	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	TOTAL
2024						
NET PENSION LIABILITY	$ 202,252	$ —	$ 5,426	$ —	$ —	$ 207,678
NET PENSION ASSET	—	465,417	—	520	2,722	468,659

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

The tables below summarize the University's pension expense, deferred outflows of resources and deferred inflows of resources related to the DRS pension plans, together with the related future year impacts to pension expense from amortization of those deferred amounts. Note that deferred outflows of resources related to University contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the following year, and are not amortized to pension expense.

PROPORTIONATE SHARE OF PENSION (BENEFIT) EXPENSE *(Dollars in Thousands)*	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	TOTAL
YEAR ENDED JUNE 30, 2024	$ (2,371)	$ (52,798)	$ 322	$ 1,420	$ 115	$ (53,312)

DEFERRED OUTFLOWS OF RESOURCES *(Dollars in Thousands)*						
2024	**PERS 1**	**PERS 2/3**	**TRS 1**	**TRS 2/3**	**LEOFF 2**	**TOTAL**
CHANGE IN ASSUMPTIONS	$ —	$ 195,398	$ —	$ 4,128	$ 696	$ 200,222
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	—	94,805	—	4,526	1,112	100,443
CHANGE IN UNIVERSITY'S PROPORTIONATE SHARE	—	8,771	—	1	2,355	11,127
UNIVERSITY CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATE OF THE COLLECTIVE NET PENSION LIABILITY [(a)]	55,320	117,093	1,008	3,512	290	177,223
TOTAL	**$ 55,320**	**$ 416,067**	**$ 1,008**	**$ 12,167**	**$ 4,453**	**$ 489,015**

(a) Recognized as a reduction of the net pension liability as of June 30, 2025

DEFERRED INFLOWS OF RESOURCES *(Dollars in Thousands)*						
2024	**PERS 1**	**PERS 2/3**	**TRS 1**	**TRS 2/3**	**LEOFF 2**	**TOTAL**
DIFFERENCE BETWEEN PROJECTED AND ACTUAL EARNINGS ON PLAN INVESTMENTS, NET	$ 22,815	$ 175,397	$ 786	$ 2,493	$ 576	$ 202,067
CHANGE IN ASSUMPTIONS	—	42,589	—	409	224	43,222
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	—	5,200	—	73	22	5,295
TOTAL	**$ 22,815**	**$ 223,186**	**$ 786**	**$ 2,975**	**$ 822**	**$ 250,584**

Amounts reported as deferred outflows of resources, exclusive of contributions made after the measurement date, and deferred inflows of resources will be recognized in pension expense as follows:

AMORTIZATION OF DEFERRED INFLOWS AND DEFERRED OUTFLOWS OF RESOURCES *(a) (Dollars in Thousands)*						
YEAR	**PERS 1**	**PERS 2/3**	**TRS 1**	**TRS 2/3**	**LEOFF 2**	**TOTAL**
2025	$ (15,522)	$ (81,637)	$ (549)	$ (501)	$ 71	$ (98,138)
2026	(19,521)	(98,959)	(694)	(891)	(22)	(120,087)
2027	12,036	148,005	444	2,617	798	163,900
2028	192	54,248	13	1,126	469	56,048
2029	—	51,580	—	1,052	475	53,107
THEREAFTER	—	2,551	—	2,277	1,550	6,378
TOTAL	**$ (22,815)**	**$ 75,788**	**$ (786)**	**$ 5,680**	**$ 3,341**	**$ 61,208**

(a) Negative amounts shown in the table above represent a reduction of expense

PLANS ADMINISTERED BY UNIVERSITY OF WASHINGTON

University of Washington Retirement Plan

PLAN DESCRIPTION

UWRP, a single-employer 403(b) defined-contribution plan, is administered by the University. Faculty, librarians and professional staff are eligible to participate in the UWRP.

Contributions to the plan are invested by participants in annuity contracts or mutual fund accounts offered by one or more fund sponsors. Employees have at all times a 100% vested interest in their accumulations. Benefits from the plan are available upon separation or retirement at the member's option. RCW 28B.10.400 et. seq. assigns the authority to the University of Washington Board of Regents to establish and amend benefit provisions.

The number of participants in the UWRP as of June 30, 2024 was 20,268.

Funding Policy

Employee contribution rates, based on age, are 5%, 7.5% or 10% of salary. The University matches 100% of employee contributions. Within parameters established by the legislature, contribution requirements may be established or amended by the University of Washington Board of Regents. Employer contributions for the year ended June 30, 2024 were $169.1 million.

University of Washington Supplemental Retirement Plan

PLAN DESCRIPTION

UWSRP, a single-employer 401(a) defined-benefit retirement plan administered by the University, operates in tandem with the 403(b) plan to supplement the expected defined-contribution retirement savings accumulated under the UWRP. For purposes of measuring the June 30, 2024 net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the UWSRP and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported in the state of Washington's Annual Comprehensive Financial Report, which is available at https://ofm.wa.gov/accounting/financial-audit-reports/annual-comprehensive-financial-report.

The UWSRP was closed to new participants effective March 1, 2011. UWSRP membership requires participation in the UWRP. Participant data is updated biannually in the actuarial valuations. The table below shows the number of participants in the UWSRP as of June 30, 2024:

NUMBER OF PARTICIPANTS	**2024** *(Measurement Date: 2023)*
ACTIVE EMPLOYEES	4,117
INACTIVE EMPLOYEES RECEIVING BENEFITS	1,289
INACTIVE EMPLOYEES ENTITLED TO, BUT NOT RECEIVING, BENEFITS	341

VESTING AND BENEFITS PROVIDED

UWSRP retirement benefit provisions are contained in RCW 28B.10.400, et. seq. Members are eligible for calculation of a possible retirement benefit under this plan when they have reached age 62 and have 10 years of service with the University. Upon retirement, a calculation is performed which compares “goal income” to “assumed income” to determine if benefits have been earned under the plan.

Goal income is the product of a service factor multiplied by average monthly compensation, and then by eligible years of participation. Average monthly compensation is defined as the average annual basic salary, not to exceed annual limits established by the Internal Revenue Code, paid to a participant for their highest 24 consecutive months of service.

Assumed income must be calculated by an independent actuary, and represents a theoretical amount of monthly income that would have been generated if actual employee and University contributions to the UWRP had been allocated equally between fixed and variable dollar annuities.

When the goal income exceeds the assumed income, the participant is entitled to benefits under this plan. Benefit payments made during the year ended June 30, 2024 were $11.7 million.

EMPLOYER CONTRIBUTIONS

State legislation which became effective on July 1, 2020, created an employer contribution rate for the UWSRP. This rate is developed by the OSA in accordance with RCW 41.45, which provides authority to the Pension Funding Council to adopt changes to economic assumptions and contribution rates. The University’s contribution rate for the fiscal year ended June 30, 2024 per RCW 28B.10.423 was 0.38% of UWRP covered salaries. Contributions made in the fiscal year ended June 30, 2024 were $8.4 million.

PLAN INVESTMENTS

The WSIB has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

UWSRP plan assets are invested in the Commingled Trust Fund (CTF). Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate, and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of written WSIB-adopted investment policies for the various asset classes in which the WSIB invests.

Information about the investment of pension funds by the WSIB, their valuation, classifications, concentrations, and maturities can be found in the state of Washington’s Annual Comprehensive Financial Report.

The money-weighted rates of return are provided by the WSIB and the Office of the State Treasurer. The annual money-weighted rate of return on UWSRP investments, net of pension plan investment expense, for the measurement period ended June 30, 2023 was 7.16%. This money-weighted rate of return expresses investment performance, net of pension plan investment expense, and reflects both the size and timing of external cash flows.

OTHER DESIGNATED ASSETS

The University has also set aside assets to pay UWSRP benefits which are not held in a qualified trust as defined by GASB. A qualified trust requires that contributions from employers be irrevocable, dedicated to providing pension benefits to plan members, and are legally protected from creditors of the employer and plan administrator. As a result, these assets are not reflected as a reduction of the Total Pension Liability (TPL).

As of June 30, 2024, the University had set aside $360.8 million to pay future UWSRP retiree benefits. These assets are in addition to those amounts now residing with the WSIB, which are reflected as a reduction of the TPL.

UWSRP PENSION LIABILITY

Effective July 1, 2020, legislation signed into law created a trust arrangement for assets dedicated to paying UWSRP benefits to plan members. Contributions previously paid to and accumulated by DRS beginning January 1, 2012 were transferred into the trust when this legislation became effective. As a result, the University uses accounting guidance for single employer plans that have trusted assets and reports the pension liability net of plan assets.

GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" allows the employer to use a measurement date for the Total Pension Liability (TPL) and the Net Pension Liability (NPL) no earlier than the end of the employer's prior fiscal year. In prior years, the measurement date used by the University for valuation of the TPL and the NPL were the same as the University's financial reporting date. In fiscal year 2024, however, the University elected to transition to using a measurement date which lags the financial reporting date by one year. As a result of this transition, the June 30, 2024 NPL is based on a measurement date of June 30, 2023. There was no material impact associated with this change. The TPL, Plan Fiduciary Net Position, and NPL for UWSRP remained unchanged from the prior year at $274.3 million, $112.5 million, and $161.8 million, respectively, as there were no changes to the components of pension liabilities in fiscal year 2024. No pension expense for the UWSRP plan has been recorded in the year ended June 30, 2024 due to the transition described above. Additionally, the contributions made after the June 30, 2023 measurement date and before the end of the June 30, 2024 fiscal year are recorded as Deferred Outflows of Resources instead of reflected as a reduction of the NPL in the current fiscal year.

The June 30, 2024 TPL and NPL is based on an actuarial valuation performed as of January 1, 2023 with update procedures performed by the OSA to roll forward the TPL to the measurement date of June 30, 2023. Some of the larger experience items that impacted the TPL were salaries generally lower than assumed and SRP benefits for new retirees were lower than estimated. OSA's model estimates the SRP benefit of future retirees by relying on assumptions for the benefit calculation performed by Teachers Insurance and Annuity Association of America (TIAA). The valuation was prepared using the entry age actuarial cost method.

ACTUARIAL ASSUMPTIONS

Accounting requirements dictate the use of assumptions to best estimate the impact that pension obligations will have on the University. The professional judgments used in determining these assumptions are important, and can significantly impact the resulting actuarial estimates. Differences between actual results compared to these assumptions could have a significant impact on the University's financial statements. The following table shows significant assumptions used to measure the NPL as of the measurement date June 30, 2023 to record the pension obligation as of June 30, 2024:

SIGNIFICANT ASSUMPTIONS USED TO MEASURE THE UWSRP NET PENSION LIABILITY (NPL) *(Dollars in thousands)*	
2024	
INFLATION	2.75%
SALARY CHANGES	4.00%
SOURCE OF MORTALITY ASSUMPTIONS	PUB. H-2010 TABLES, WITH THE MP-2017 MORTALITY IMPROVEMENT SCALE
DATE OF EXPERIENCE STUDY	AUGUST 2021
DISCOUNT RATE	7.00%
CHANGE IN DISCOUNT RATE SINCE PRIOR MEASUREMENT DATE	NA
SOURCE OF DISCOUNT RATE	2021 REPORT ON FINANCIAL CONDITION AND ECONOMIC EXPERIENCE STUDY
INVESTMENT RATE OF RETURN	7.00%
NPL MEASUREMENT AT DISCOUNT RATE	$161,773
NPL DISCOUNT RATE INCREASED 1%	$135,272
NPL DISCOUNT RATE DECREASED 1%	$192,736

The long-term expected rate of return on pension plan investments was determined by the WSIB using a building-block method in which a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, but including inflation) is developed for each major asset class. Those expected returns make up one component of WSIB's CMAs. WSIB used the CMAs and their target asset allocation to simulate future investment returns over various time horizons. The OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered CMAs, and simulated investment returns provided by the WSIB in their selection of the rate.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the measurement date June 30, 2023, are summarized in the following table:

	2024 *(Measurement Date 2023)*	
Asset Class	**Target Allocation**	**Long-Term Expected Arithmetic Real Rate of Return**
FIXED INCOME	20.00%	1.50%
TANGIBLE ASSETS	7.00%	4.70%
REAL ESTATE	18.00%	5.40%
GLOBAL EQUITY	32.00%	5.90%
PRIVATE EQUITY	23.00%	8.90%

As noted above, the discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the University would pay retiree benefits from assets designated for that purpose, until such time that responsibility for these payments transfers to the DRS and payments are funded by the plan assets invested in the CTF. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

The tables below summarize the University's deferred outflows and deferred inflows of resources related to the UWSRP, together with the related future year impacts to pension expense from amortization of those deferred amounts:

DEFERRED OUTFLOWS OF RESOURCES *(Dollars in thousands)*		
2024		
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	$	100,648
CHANGE IN ASSUMPTIONS		95,609
UNIVERSITY CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATE OF THE COLLECTIVE NET PENSION LIABILITY [a]		20,036
TOTAL	**$**	**216,293**

(a) Recognized as a reduction of the net pension liability as of June 30, 2025

DEFERRED INFLOWS OF RESOURCES *(Dollars in thousands)*		
2024		
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	$	259,025
CHANGE IN ASSUMPTIONS		158,992
NET DIFFERENCE BETWEEN PROJECTED AND ACTUAL EARNINGS ON PLAN INVESTMENTS		2,998
TOTAL	**$**	**421,015**

Amounts reported as deferred outflows of resources, exclusive of contributions made after the measurement date, and deferred inflows of resources related to the UWSRP will be recognized in pension expense as follows:

AMORTIZATION OF DEFERRED INFLOWS AND DEFERRED OUTFLOWS OF RESOURCES *(a) (Dollars in thousands)*		
Year		
2025	$	(59,906)
2026		(46,326)
2027		(37,008)
2028		(71,315)
2029		(8,332)
THEREAFTER		(1,871)
TOTAL	**$**	**(224,758)**

(a) Negative amounts shown in the table above represent a reduction of expense

NOTE 11:

Other Post Employment Benefits (OPEB)

PLAN DESCRIPTION

OPEB are benefits provided to retired employees (and their spouses) beyond those provided by their pension plans. These programs for employees of the state of Washington are administered by the Washington State Health Care Authority (HCA). Per RCW 41.05.065, the Public Employees' Benefits Board (PEBB), created within the HCA, is authorized to design benefits and determine terms and conditions of employee and retired employee participation and coverage. Benefits provided by this single-employer defined-benefit OPEB plan include medical, prescription drug, life, dental, vision, disability, and long-term care insurance. Medical, prescription drug and vision insurance comprise the bulk of the monetary assistance, or subsidies, provided by PEBB OPEB.

The OPEB relationship between PEBB employers and their employees and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan. A substantive plan is one in which the plan terms are understood by the employers and plan members. This understanding is based on communications between the employers and plan members and the historical pattern of practice with regard to the sharing of benefit costs. The understanding by the employer and plan members is that there is no contractual obligation to continue the substantive plan as an employee benefit on an ongoing basis. Nevertheless, the actuarial assumptions used in the valuations presented in this footnote assume that this substantive plan will continue into the future.

The HCA has two claim pools: one covering employees and non-Medicare eligible retirees, and the other covering retirees enrolled in Medicare Parts A and B. For retirees, participating employers provide two different subsidies: an implicit subsidy and an explicit subsidy.

- The implicit subsidy, set up under RCW 41.05.022, is not a direct payment from the employer on behalf of the retiree. Retirees who are not yet eligible for Medicare benefits may currently continue to participate in the state's non-Medicare community-rated health insurance risk pool. Claims experience for employees and non-Medicare eligible retirees are pooled when determining premiums. Therefore, these retired members pay a premium based on a pool of members that, on average, are younger and healthier. This results in an implicit subsidy since the premiums paid by retirees are lower than they would have been if the retirees were insured separately.
- The explicit subsidy, permitted under RCW 41.05.085, is a set dollar amount for members enrolled in Medicare Parts A and B, reducing the monthly premium paid for Medicare supplemental plan coverage. PEBB determines the amount of the explicit subsidy applicable to each calendar year, with the final amount approved by the state Legislature. The subsidy was up to $183 per member per month during fiscal year 2024.

The OPEB plan is currently available to employees who elect to continue coverage and pay the administratively established premiums at the time they retire. PEBB member data used in the valuation of the OPEB liability includes members enrolled in a PEBB program as well as other active employees who were eligible to enroll but waived coverage.

The table below shows the University's PEBB membership data as of June 30, 2024:

NUMBER OF PARTICIPANTS	**2024** *(Measurement Date: 2023)*
ACTIVE EMPLOYEES	37,498
INACTIVE EMPLOYEES RECEIVING BENEFITS	10,845
INACTIVE EMPLOYEES ENTITLED TO, BUT NOT RECEIVING, BENEFITS	N/A *

- Data not available from Washington State Health Care Authority (HCA)

ACTUARIAL ASSUMPTIONS

Accounting requirements dictate the use of assumptions to best estimate the impact that OPEB obligations will have on the University. The professional judgments used by the Washington State Office of the State Actuary (OSA) in determining the assumptions used to value the state of Washington OPEB liability are important and can significantly impact the resulting actuarial estimates. Differences in actual results compared to these assumptions could have a significant impact on the University's financial statements. The following table shows significant assumptions used to measure the total OPEB liability (TOL) as of June 30, 2024:

SIGNIFICANT ASSUMPTIONS USED TO MEASURE THE TOTAL OPEB LIABILITY (TOL) *(Dollars in thousands)*

	2024
INFLATION	2.35%
HEALTHCARE COST TREND	INITIAL RATE RANGES FROM 2% - 11%, REACHING AN ULTIMATE RATE OF 3.80% IN 2080.
SALARY INCREASE	3.25% PLUS SERVICE-BASED SALARY INCREASES
SOURCE OF MORTALITY ASSUMPTIONS	SOCIETY OF ACTUARIES' PUB.H-2010 MORTALITY RATES, WITH APPLICATION OF THE LONG-TERM MP-2017 GENERATIONAL IMPROVEMENT SCALE AND UPDATED BASED ON RESULTS OF THE 2013-2018 DEMOGRAPHIC EXPERIENCE STUDY REPORT AND THE 2019 REPORT ON FINANCIAL CONDITION AND ECONOMIC EXPERIENCE STUDY.
DATE OF EXPERIENCE STUDY	2013-2018 EXPERIENCE STUDY REPORT
DISCOUNT RATE	3.65%
SOURCE OF DISCOUNT RATE	BOND BUYER GENERAL OBLIGATION 20-BOND MUNICIPAL BOND INDEX AS OF 6/30/23 (MEASUREMENT DATE)
POST-RETIREMENT PARTICIPATION PERCENTAGE	60.00%
TOL MEASUREMENT AT DISCOUNT RATE	$1,277,506
TOL DISCOUNT RATE INCREASED 1%	$1,102,742
TOL DISCOUNT RATE DECREASED 1%	$1,494,768
TOL MEASUREMENT AT HEALTHCARE COST TREND RATE	$1,277,506
TOL HEALTHCARE COST TREND RATE INCREASED 1%	$1,540,089
TOL HEALTHCARE COST TREND RATE DECREASED 1%	$1,073,493

Material assumption changes during the measurement period ending June 30, 2023 include updating the discount rate, as required by GASB 75.

CHANGES IN THE TOTAL OPEB LIABILITY

The TOL for the state of Washington as of June 30, 2024 was determined by an actuarial valuation, conducted by the OSA, using data as of June 30, 2022, with the results rolled forward to the measurement date of June 30, 2023. OPEB implicit and explicit subsidies are funded by required contributions made by participating employers, such as the University. These contributions are made on behalf of all active, healthcare-eligible employees regardless of enrollment status. As such, the allocation method used to determine the University's proportionate share of the statewide TOL is the relationship of University active, healthcare-eligible employee headcount to the corresponding statewide total.

The University's proportionate share percentage was 29.2% as of June 30, 2024.

The OPEB plan is funded on a pay-as-you-go basis. Accordingly, contributions from employers to the HCA occur only when benefits become due (after retirement). No qualified trust fund has been established dedicated to paying these benefits and there are no associated assets. As a result, the University reports a proportionate share of the state's total OPEB liability.

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY (TOL) *(Dollars in thousands)*		
BALANCE AS OF JUNE 30, 2023		**1,246,057**
SERVICE COST		44,755
INTEREST ON TOL		44,957
CHANGE IN ASSUMPTIONS		(21,618)
BENEFIT PAYMENTS		(31,314)
CHANGE IN PROPORTIONATE SHARE		(5,331)
BALANCE AS OF JUNE 30, 2024	**$**	**1,277,506**

OPEB EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

The tables below summarize the University's OPEB expense, deferred outflows of resources and deferred inflows of resources related to the OPEB plan, together with the related future year impacts to OPEB expense from amortization of those deferred amounts. Note that deferred outflows of resources related to University contributions subsequent to the measurement date are recognized as a reduction of the total OPEB liability in the following year, and are not amortized to OPEB expense.

PROPORTIONATE SHARE OF OPEB EXPENSE *(Dollars in Thousands)*		
YEAR ENDED JUNE 30, 2024	$	(29,444)

DEFERRED OUTFLOWS OF RESOURCES *(Dollars in Thousands)*		
2024		
DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE IN THE MEASUREMENT OF THE TOTAL OPEB LIABILITY	$	19,398
CHANGE IN ASSUMPTIONS		83,013
UNIVERSITY CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATE OF THE COLLECTIVE TOTAL OPEB LIABILITY		32,192
CHANGE IN PROPORTIONATE SHARE		120,958
TOTAL	**$**	**255,561**

DEFERRED INFLOWS OF RESOURCES *(Dollars in Thousands)*		
2024		
DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE IN THE MEASUREMENT OF THE TOTAL OPEB LIABILITY	$	37,937
CHANGE IN ASSUMPTIONS		765,408
CHANGE IN PROPORTIONATE SHARE		17,105
TOTAL	**$**	**820,450**

Amounts reported as deferred outflows and deferred inflows of resources will be recognized as a component of the University's OPEB expense as follows:

AMORTIZATION OF DEFERRED INFLOWS AND DEFERRED OUTFLOWS OF RESOURCES *(a) (Dollars in Thousands)*		
YEAR		
2025	$	(119,156)
2026		(119,156)
2027		(88,916)
2028		(48,803)
2029		(60,360)
THEREAFTER		(160,690)
TOTAL	**$**	**(597,081)**

(a) Negative amounts shown in the table above represent a reduction of expense

NOTE 12:

Deferred Outflows and Deferred Inflows of Resources

The composition of deferred outflows and deferred inflows of resources as of June 30, 2024 is summarized as follows:

DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES *(Dollars in thousands)*				
2024		**DEFERRED OUTFLOWS OF RESOURCES**		**DEFERRED INFLOWS OF RESOURCES**
Pensions	$	705,308	$	671,599
Leases		—		536,626
OPEB		255,561		820,450
Split-Interest Agreements		—		20,270
Public-Private Partnership		—		17,627
Unamortized Gain on Refinancing		—		31,405
Other		6,544		—
Total	**$**	**967,413**	**$**	**2,097,977**

NOTE 13:

Commitments and Contingencies

Authorized expenditures for construction projects unexpended as of June 30, 2024 were $218.8 million. These expenditures will be funded from institutional reserves, debt proceeds and state appropriations.

The University receives and expends substantial amounts under federal and state grants, contracts and programs. This funding is used for research, student aid, UWMC operations and other programs, and is subject to audit by governmental granting agencies. Certain grant and contract costs billed to the federal government are subject to audit under 2 CFR 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

The University is also involved in various other claims and legal actions arising in the ordinary course of business. University management believes that any liabilities arising from these matters will not have a material impact on the University's financial statements.

The University is exposed to risk of loss related to tort liability, injuries to employees and loss of property. The University purchases insurance protection for workers' compensation as well as marine, foreign liability and certain other risks. The University also purchases insurance protection for loss of property at self-sustaining units, bond-financed buildings and when otherwise required by contract; otherwise, the risk of property loss is retained, unfunded. For medical professional liability, general liability, educator's legal liability including employment practices liability, and automobile liability, the University maintains a program of self-insurance reserves and excess insurance coverage through PBI. The University's self-insurance reserve (see note 7) represents the estimated ultimate cost of settling all self-insured claims resulting from events that have occurred on or before the Statement of Net Position date. The reserve includes the undiscounted amounts that will be required for future payments of claims that have been reported, and claims related to events that have occurred but have not yet been reported.

The self-insurance reserve is estimated using an actuarial calculation. The reserve is included in long-term liabilities in the Statement of Net Position. Changes in the self-insurance reserve for the year ended June 30, 2024 are noted below:

(Dollars in thousands)		**2024**
RESERVE AT BEGINNING OF FISCAL YEAR	$	230,104
INCURRED CLAIMS AND CHANGES IN ESTIMATES		95,321
CLAIM PAYMENTS		(69,970)
RESERVE AT END OF FISCAL YEAR	**$**	**255,455**

REGULATORY ENVIRONMENT

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, governmental healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government agencies are actively conducting investigations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Through its compliance program, UW Medicine strives to maintain an effective and safe program for reporting and addressing potential regulatory concerns. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions known or unasserted at this time.

NOTE 14:

Operating Expenses by Function

Operating expenses by functional classification for the year ended June 30, 2024 are summarized as follows:

OPERATING EXPENSES *(Dollars in thousands)*		**2024**
INSTRUCTION	$	1,160,032
RESEARCH		1,250,935
PUBLIC SERVICE		296,788
ACADEMIC SUPPORT		838,236
STUDENT SERVICE		44,858
INSTITUTIONAL SUPPORT		343,414
OPERATION & MAINTENANCE OF PLANT		249,893
SCHOLARSHIPS & FELLOWSHIPS		208,881
AUXILIARY ENTERPRISES		372,928
MEDICAL-RELATED		3,195,545
DEPRECIATION/AMORTIZATION		507,400
TOTAL OPERATING EXPENSES	**$**	**8,468,910**

NOTE 15:

Related Parties

Harborview Medical Center (HMC), a hospital and Level I adult and pediatric trauma center located in Seattle, is a component unit of King County, Washington. It has been managed by the University under a management contract between King County and the University since 1967. In February 2016, the University and King County entered into a Hospital Services Agreement. The agreement has an initial ten-year term and may be renewed for two successive ten-year terms with the consent of both parties.

Under the Hospital Services Agreement, King County retains title to all real and personal properties acquired for King County with HMC capital or operating funds. These real and personal properties are recorded on HMC's books, and facility revenues for the operation of HMC are deposited in a King County account that is separate from general King County accounts.

The University is responsible for the operations of HMC, including the provision of medical, dental and management services. All of the individuals employed at HMC, including physicians, are employees of the University. HMC expenses, including payroll, are reimbursed to the University from HMC fund sources.

HMC revenues and expenses are not recognized in the University's financial statements as the University serves in an agency function. As of June 30, 2024, the University's financial statements included accounts receivable and long-term receivables from HMC of $72.4 million and $19.2 million, respectively, and current accrued liabilities of $34.2 million related to HMC.

Under an annual agreement, HMC provides strategic funding to UW Medicine Primary Care. Funding from HMC to UW Medicine Primary Care was $17.1 million during fiscal year 2024, and is included in other operating revenue in the Statement of Revenues, Expenses and Changes in Net Position.

UW Medicine information technology operates as a self-sustaining activity of the University (ITS department). The ITS department records enterprise-wide information technology capital assets that are purchased for use by UW Medicine entities. The HMC ITS funding reflected in the current portion and non-current portion of long-term liabilities (see note 7) of $8.4 million and $13.4 million, respectively at June 30, 2024, represents HMC's funding of the enterprise-wide information technology capital assets that will be included in the recharge rates of the ITS department over the useful life of the assets.

The University of Washington Foundation (UWF) is a nonprofit organization that performs fundraising activities on behalf of the University. The UWF is not included in the University's financial statements as a component unit because gifts and grants that are made to the UWF are immediately transferred to the University. In fiscal year 2024, the UWF transferred $181.6 million to the University in gifts and grants received on its behalf; these are included in the financial statements of the University. The remaining amounts retained by the UWF are not significant to the University's financial statements.

The University of Washington Alumni Association is a tax-exempt entity that was established to connect and celebrate alumni and to support the University's mission. The Alumni Association received $6.1 million from the University in support of its operations in fiscal year 2024. These amounts were expensed by the University.

NOTE 16:

Blended Component Units

Condensed combining statement for the University and its blended component units is shown below:

(Dollars in thousands) **Statement of Net Position – June 30, 2024**	**Combined Entities**	**Eliminations**	**University of Washington**	**Total Blended Component Units**	**Medical Entities**	**Real Estate Entities**	**Portage Bay Insurance**
ASSETS							
TOTAL CURRENT ASSETS	$ 3,062,190	$ (556,694)	$ 3,279,419	$ 339,465	$ 103,245	$ 6,030	$ 230,190
NONCURRENT ASSETS:							
TOTAL OTHER ASSETS	9,144,695	(5,733)	8,889,789	260,639	248,071	12,568	—
CAPITAL ASSETS, NET	6,281,755	(6,965)	5,981,854	306,866	48,552	258,314	—
TOTAL ASSETS	18,488,640	(569,392)	18,151,062	906,970	399,868	276,912	230,190
DEFERRED OUTFLOWS OF RESOURCES	967,413	—	967,413	—	—	—	—
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 19,456,053**	**$ (569,392)**	**$ 19,118,475**	**$ 906,970**	**$ 399,868**	**$ 276,912**	**$ 230,190**
LIABILITIES							
TOTAL CURRENT LIABILITIES	$ 1,825,087	$ (556,694)	$ 1,855,023	$ 526,758	$ 355,864	$ 24,968	$ 145,926
TOTAL NONCURRENT LIABILITIES	5,294,829	(5,733)	4,843,790	456,772	29,202	254,080	173,490
TOTAL LIABILITIES	7,119,916	(562,427)	6,698,813	983,530	385,066	279,048	319,416
DEFERRED INFLOWS OF RESOURCES	2,097,977	(6,965)	2,104,942	—	—	—	—
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	9,217,893	(569,392)	8,803,755	983,530	385,066	279,048	319,416
NET POSITION							
NET INVESTMENT IN CAPITAL ASSETS	3,060,366	—	3,056,391	3,975	12,930	(8,955)	—
RESTRICTED:							
NONEXPENDABLE	2,365,225	—	2,365,225	—	—	—	—
EXPENDABLE	3,389,617	—	3,389,582	35	35	—	—
UNRESTRICTED	1,422,952	—	1,503,522	(80,570)	1,837	6,819	(89,226)
TOTAL NET POSITION	10,238,160	—	10,314,720	(76,560)	14,802	(2,136)	(89,226)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**$ 19,456,053**	**$ (569,392)**	**$ 19,118,475**	**$ 906,970**	**$ 399,868**	**$ 276,912**	**$ 230,190**

(Dollars in thousands)

Statement of Revenues, Expenses and Changes in Net Position - Year Ended June 30, 2024	**Combined Entities**	**Eliminations**	**University of Washington**	**Total Blended Component Units**	**Medical Entities**	**Real Estate Entities**	**Portage Bay Insurance**
REVENUES							
OPERATING REVENUES:							
PATIENT SERVICES	$ 3,046,075	$ 181,301	$ 2,427,392	$ 437,382	$ 437,382	$ —	$ —
STUDENT TUITION AND FEES	1,173,727	—	1,173,727	—	—	—	—
GRANT REVENUE	1,693,793	—	1,693,431	362	362	—	—
OTHER OPERATING REVENUE	1,544,711	(445,300)	1,744,822	245,189	111,992	49,728	83,469
TOTAL OPERATING REVENUES	**7,458,306**	**(263,999)**	**7,039,372**	**682,933**	**549,736**	**49,728**	**83,469**
EXPENSES							
OPERATING EXPENSES:							
OTHER OPERATING EXPENSES	7,961,510	(262,218)	7,567,218	656,510	566,603	23,675	66,232
DEPRECIATION / AMORTIZATION	507,400	(1,781)	482,070	27,111	8,947	18,164	—
TOTAL OPERATING EXPENSES	**8,468,910**	**(263,999)**	**8,049,288**	**683,621**	**575,550**	**41,839**	**66,232**
OPERATING (LOSS) INCOME	**(1,010,604)**	**—**	**(1,009,916)**	**(688)**	**(25,814)**	**7,889**	**17,237**
NONOPERATING REVENUES (EXPENSES)							
STATE APPROPRIATIONS	604,140	—	604,140	—	—	—	—
GIFTS	178,400	—	178,362	38	38	—	—
INVESTMENT INCOME	763,826	—	739,901	23,925	23,925	—	—
OTHER NONOPERATING REVENUES (EXPENSES)	235,875	1,576	245,617	(11,318)	(1,096)	(10,222)	—
NET NONOPERATING REVENUES (EXPENSES)	**1,782,241**	**1,576**	**1,768,020**	**12,645**	**22,867**	**(10,222)**	**—**
INCOME (LOSS) BEFORE OTHER REVENUES	**771,637**	**1,576**	**758,104**	**11,957**	**(2,947)**	**(2,333)**	**17,237**
CAPITAL APPROPRIATIONS, GRANTS, GIFTS AND OTHER	114,213	(1,576)	113,819	1,970	1,970	—	—
GIFTS TO PERMANENT ENDOWMENTS	104,609	—	104,609	—	—	—	—
TOTAL OTHER REVENUES (EXPENSES)	**218,822**	**(1,576)**	**218,428**	**1,970**	**1,970**	**—**	**—**
INCREASE (DECREASE) IN NET POSITION	**990,459**	**—**	**976,532**	**13,927**	**(977)**	**(2,333)**	**17,237**
NET POSITION							
NET POSITION – BEGINNING OF YEAR	9,247,701	—	9,338,188	(90,487)	15,779	197	(106,463)
NET POSITION – END OF YEAR	**$ 10,238,160**	**$ —**	**$ 10,314,720**	**$ (76,560)**	**$ 14,802**	**$ (2,136)**	**$ (89,226)**

(Dollars in thousands) **Statement of Cash Flows - Year Ended June 30, 2024**	**Combined Entities**	**Eliminations**	**University of Washington**	**Total Blended Component Units**	**Medical Entities**	**Real Estate Entities**	**Portage Bay Insurance**
NET CASH PROVIDED (USED) BY:							
OPERATING ACTIVITIES	$ (593,081)	$ —	$ (652,001)	$ 58,920	$ 14,670	$ 14,661	$ 29,589
NONCAPITAL FINANCING ACTIVITIES	1,261,024	—	1,196,891	64,133	64,133	—	—
CAPITAL AND RELATED FINANCING ACTIVITIES	(680,584)	—	(640,461)	(40,123)	(12,164)	(27,959)	—
INVESTING ACTIVITIES	59,358	—	139,285	(79,927)	(50,338)	—	(29,589)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**46,717**	**—**	**43,714**	**3,003**	**16,301**	**(13,298)**	**—**
CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR	149,493	—	67,140	82,353	66,194	16,159	—
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 196,210**	**$ —**	**$ 110,854**	**$ 85,356**	**$ 82,495**	**$ 2,861**	**$ —**

NOTE 17:

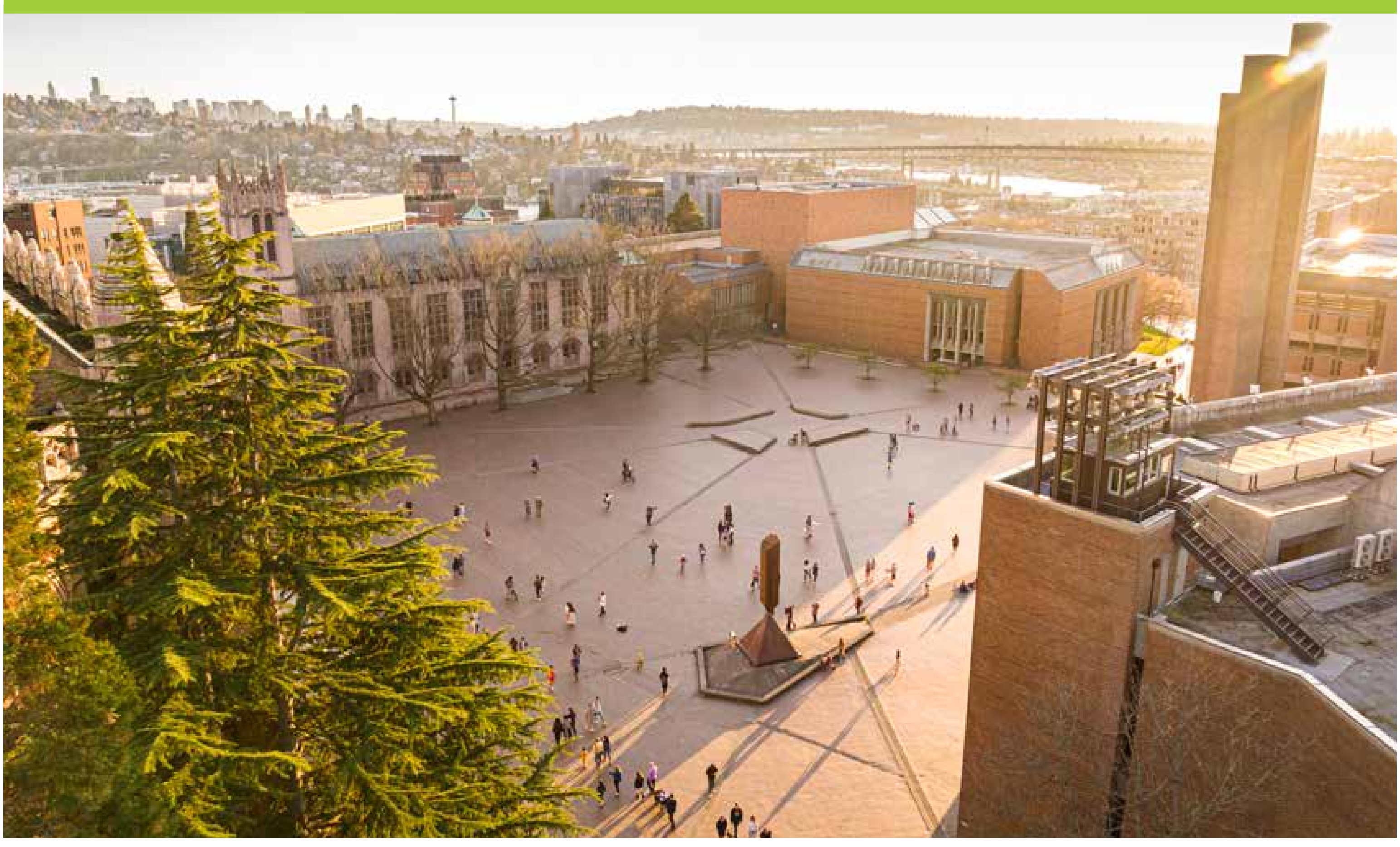
Discrete Component Units

Condensed combining statement for the University's discrete component units is shown below:

(Dollars in thousands) **Statement of Net Position**	**June 30, 2024** **Total Discrete Component Units**	**Valley Medical Center**	**Fred Hutchinson Cancer Center**
ASSETS			
TOTAL CURRENT ASSETS	$ 1,261,319	$ 323,972	$ 937,347
NONCURRENT ASSETS:			
TOTAL OTHER ASSETS	1,468,851	96,598	1,372,253
CAPITAL ASSETS, NET	1,590,121	458,192	1,131,929
TOTAL ASSETS	4,320,291	878,762	3,441,529
DEFERRED OUTFLOWS OF RESOURCES	10,689	10,689	—
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 4,330,980**	**$ 889,451**	**$ 3,441,529**
LIABILITIES			
TOTAL CURRENT LIABILITIES	$ 528,747	$ 200,313	$ 328,434
TOTAL NONCURRENT LIABILITIES	2,022,140	357,348	1,664,792
TOTAL LIABILITIES	2,550,887	557,661	1,993,226
DEFERRED INFLOWS OF RESOURCES	46,461	46,461	—
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,597,348	604,122	1,993,226
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	245,768	79,262	166,506
RESTRICTED:			
NONEXPENDABLE	131,506	—	131,506
EXPENDABLE	559,444	2,454	556,990
UNRESTRICTED	796,914	203,613	593,301
TOTAL NET POSITION	1,733,632	285,329	1,448,303
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**$ 4,330,980**	**$ 889,451**	**$ 3,441,529**

(Dollars in thousands) **Statement of Revenues, Expenses and Changes in Net Position**	**Year ended June 30, 2024** **Total Discrete Component Units**	**Valley Medical Center**	**Fred Hutchinson Cancer Center**
REVENUES			
OPERATING REVENUES:			
PATIENT SERVICES	$ 2,157,311	$ 855,509	$ 1,301,802
OTHER OPERATING REVENUE	743,597	52,162	691,435
TOTAL OPERATING REVENUES	**2,900,908**	**907,671**	**1,993,237**
EXPENSES			
OPERATING EXPENSES:			
OTHER OPERATING EXPENSES	2,878,758	901,070	1,977,688
DEPRECIATION / AMORTIZATION	129,524	49,349	80,175
TOTAL OPERATING EXPENSES	**3,008,282**	**950,419**	**2,057,863**
OPERATING LOSS	**(107,374)**	**(42,748)**	**(64,626)**
NONOPERATING REVENUES (EXPENSES)			
PROPERTY TAX REVENUE	26,144	26,144	—
INVESTMENT INCOME	153,228	7,235	145,993
OTHER NONOPERATING REVENUES	15,417	59,564	(44,147)
NET NONOPERATING REVENUES	**194,789**	**92,943**	**101,846**
INCOME BEFORE OTHER REVENUES	**87,415**	**50,195**	**37,220**
CAPITAL GRANTS, GIFTS AND OTHER	36,583	—	36,583
INCREASE IN NET POSITION	**123,998**	**50,195**	**73,803**
NET POSITION			
NET POSITION – BEGINNING OF YEAR	1,609,634	235,134	1,374,500
NET POSITION – END OF YEAR	**$ 1,733,632**	**$ 285,329**	**$ 1,448,303**

Schedules of Required Supplementary Information



SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

PERS 1 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

(Dollars in thousands)	2024	2023	2022	2021	2020
UNIVERSITY'S PROPORTION OF THE NET PENSION LIABILITY	8.86%	8.87%	8.80%	8.17%	8.05%
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	$ 202,252	$ 246,895	$ 107,461	$ 288,564	$ 309,671
UNIVERSITY'S COVERED PAYROLL	$ 1,573,579	$ 1,437,993	$ 1,343,149	$ 1,227,868	$1,116,298
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	12.85%	17.17%	8.00%	23.50%	27.74%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	80.16%	76.56%	88.74%	68.64%	67.12%

(Dollars in thousands)	2019	2018	2017	2016	2015
UNIVERSITY'S PROPORTION OF THE NET PENSION LIABILITY	8.20%	8.44%	8.46%	8.33%	8.28 %
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	$ 366,403	$ 400,426	$ 454,341	$ 435,853	$ 417,231
UNIVERSITY'S COVERED PAYROLL	$ 1,074,943	$ 1,043,335	$ 987,405	$ 927,002	$ 882,215
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	34.09%	38.38%	46.01%	47.02%	47.29 %
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	63.22%	61.24%	57.03%	59.10%	61.19 %

(Amounts determined as of the measurement date)

PERS 1 - SCHEDULE OF CONTRIBUTIONS

(Dollars in thousands)	2024	2023	2022	2021	2020
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 332	$ 392	$ 443	$ 710	$ 970
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 332	$ 392	$ 442	$ 710	$ 971
CONTRIBUTION DEFICIENCY (EXCESS)	$ —	$ —	$ 1	$ —	$ (1)
UNIVERSITY'S COVERED PAYROLL	$ 1,844,603	$ 1,573,579	$ 1,437,993	$ 1,343,149	$ 1,227,868
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	0.02%	0.02%	0.03%	0.05%	0.08%

(Dollars in thousands)	2019	2018	2017	2016	2015
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 1,231	$ 1,582	$ 1,788	$ 2,155	$ 2,058
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 1,234	$ 1,578	$ 1,769	$ 2,155	$ 2,059
CONTRIBUTION DEFICIENCY (EXCESS)	$ (3)	$ 4	$ 19	$ —	$ (1)
UNIVERSITY'S COVERED PAYROLL	$ 1,116,298	$ 1,074,943	$ 1,043,335	$ 987,405	$ 927,002
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	0.11%	0.15%	0.17%	0.22 %	0.22 %

(Amounts determined as of the fiscal year end)

PERS 2/3 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

(Dollars in thousands)	2024	2023	2022	2021	2020
UNIVERSITY'S PROPORTION OF THE NET PENSION LIABILITY	11.36%	11.47%	11.18%	10.47%	10.18%
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY	$ (465,417)	$ (425,399)	$(1,114,120)	$ 133,891	$ 98,901
UNIVERSITY'S COVERED PAYROLL	$ 1,569,796	$ 1,433,725	$1,337,667	$1,220,321	$1,106,678
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	(29.65)%	(29.67)%	(83.29)%	10.97%	8.94%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	107.02%	106.73%	120.29 %	97.22 %	97.77 %

Unaudited – see accompanying independent auditors' report

PERS 2/3 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (continued)

(Dollars in thousands)	2019	2018	2017	2016	2015
UNIVERSITY'S PROPORTION OF THE NET PENSION LIABILITY	10.24%	10.48%	10.36%	10.20%	10.00%
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	$ 174,913	$ 364,073	$ 521,777	$ 364,303	$ 202,225
UNIVERSITY'S COVERED PAYROLL	$ 1,062,415	$ 1,027,338	$ 967,955	$ 904,661	$ 856,839
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	16.46%	35.44%	53.91%	40.27%	23.60%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	95.77%	90.97%	85.82%	89.20 %	93.29 %

(Amounts determined as of the measurement date)

PERS 2/3 - SCHEDULE OF CONTRIBUTIONS

(Dollars in thousands)	2024	2023	2022	2021	2020
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 175,695	$ 162,654	$ 148,636	$ 173,198	$ 156,919
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 175,671	$ 162,738	$ 147,638	$ 173,204	$ 157,000
CONTRIBUTION DEFICIENCY (EXCESS)	$ 24	$ (84)	$ 998	$ (6)	$ (81)
UNIVERSITY'S COVERED PAYROLL	$ 1,841,127	$ 1,569,796	$ 1,433,725	$ 1,337,667	$ 1,220,321
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	9.54%	10.36%	10.37%	12.95%	12.86%

(Dollars in thousands)	2019	2018	2017	2016	2015
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 141,681	$ 134,239	$ 114,852	$ 107,424	$ 83,323
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 141,618	$ 134,366	$ 114,968	$ 108,413	$ 83,342
CONTRIBUTION DEFICIENCY (EXCESS)	$ 63	$ (127)	$ (116)	$ (989)	$ (19)
UNIVERSITY'S COVERED PAYROLL	$ 1,106,678	$ 1,062,415	$ 1,027,338	$ 967,955	$ 904,661
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	12.80%	12.64%	11.18%	11.10 %	9.21 %

(Amounts determined as of the fiscal year end)

TRS 1 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

(Dollars in thousands)	2024	2023	2022	2021	2020
UNIVERSITY'S PROPORTION OF THE NET PENSION LIABILITY	0.43%	0.37%	0.35%	0.28%	0.25%
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	$ 5,426	$ 6,956	$ 2,337	$ 6,800	$ 6,200
UNIVERSITY'S COVERED PAYROLL	$ 35,776	$ 28,990	$ 25,479	$ 20,153	$ 16,677
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	15.17%	23.99%	9.17%	33.74%	37.18%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	85.09%	78.24%	91.42%	70.55 %	70.37 %

(Dollars in thousands)	2019	2018	2017	2016	2015
UNIVERSITY'S PROPORTION OF THE NET PENSION LIABILITY	0.24%	0.20%	0.16%	0.13%	0.10%
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	$ 7,061	$ 6,076	$ 5,463	$ 4,049	$ 2,881
UNIVERSITY'S COVERED PAYROLL	$ 13,986	$ 10,967	$ 7,813	$ 5,790	$ 3,905
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	50.49%	55.40%	69.92%	69.93%	73.78%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	66.52%	65.58%	62.07%	65.70 %	68.77 %

(Amounts determined as of the measurement date)

TRS 1 - SCHEDULE OF CONTRIBUTIONS

(Dollars in thousands)	2024	2023	2022	2021	2020
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 17	$ 30	$ 42	$ 56	$ 55
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 17	$ 30	$ 42	$ 56	$ 55
CONTRIBUTION DEFICIENCY (EXCESS)	$ —	$ —	$ —	$ —	$ —
UNIVERSITY'S COVERED PAYROLL	$ 43,737	$ 35,776	$ 28,990	$ 25,479	$ 20,153
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	0.04%	0.09%	0.15%	0.22%	0.27%

(Dollars in thousands)	2019	2018	2017	2016	2015
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 52	$ 48	$ 39	$ 38	$ 44
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 52	$ 48	$ 40	$ 38	$ 42
CONTRIBUTION DEFICIENCY (EXCESS)	$ —	$ —	$ (1)	$ —	$ 2
UNIVERSITY'S COVERED PAYROLL	$ 16,677	$ 13,986	$ 10,967	$ 7,813	$ 5,790
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	0.31%	0.34%	0.36%	0.49%	0.76%

(Amounts determined as of the fiscal year end)

TRS 2/3 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

(Dollars in thousands)	2024	2023	2022	2021	2020
UNIVERSITY'S PROPORTION OF THE NET PENSION LIABILITY	0.42%	0.36%	0.34%	0.28%	0.25%
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY	$ (520)	$ (712)	$ (9,301)	$ 4,233	$ 1,487
UNIVERSITY'S COVERED PAYROLL	$ 35,569	$ 28,704	$ 25,124	$ 19,800	$ 16,337
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	(1.46)%	(2.48)%	(37.02)%	21.38%	9.10%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	100.49%	100.86%	113.72%	91.72%	96.36%

(Dollars in thousands)	2019	2018	2017	2016	2015
UNIVERSITY'S PROPORTION OF THE NET PENSION LIABILITY	0.24%	0.19%	0.15%	0.12%	0.08%
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	$ 1,066	$ 1,796	$ 2,077	$ 969	$ 252
UNIVERSITY'S COVERED PAYROLL	$ 13,664	$ 10,669	$ 7,507	$ 5,367	$ 3,391
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	7.80%	16.83%	27.67%	18.05%	7.43%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	96.88%	93.14%	88.72%	92.48%	96.81%

(Amounts determined as of the measurement date)

TRS 2/3 - SCHEDULE OF CONTRIBUTIONS

(Dollars in thousands)	2024	2023	2022	2021	2020
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 4,589	$ 5,210	$ 4,202	$ 3,945	$ 3,068
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 4,588	$ 5,212	$ 4,198	$ 3,943	$ 3,029
CONTRIBUTION DEFICIENCY (EXCESS)	$ 1	$ (2)	$ 4	$ 2	$ 39
UNIVERSITY'S COVERED PAYROLL	$ 43,585	$ 35,569	$ 28,704	$ 25,124	$ 19,800
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	10.53%	14.65%	14.64%	15.70%	15.49%

(Dollars in thousands)	2019	2018	2017	2016	2015
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 2,511	$ 2,036	$ 1,401	$ 956	$ 558
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 2,470	$ 2,029	$ 1,410	$ 985	$ 555
CONTRIBUTION DEFICIENCY (EXCESS)	$ 42	$ 7	$ (9)	$ (29)	$ 3
UNIVERSITY'S COVERED PAYROLL	$ 16,337	$ 13,664	$ 10,669	$ 7,507	$ 5,367
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	15.37%	14.90%	13.13%	12.73%	10.40%

(Amounts determined as of the fiscal year end)

LEOFF 2 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET

(Dollars in thousands)	**2024**	**2023**	**2022**	**2021**	**2020**
UNIVERSITY'S PROPORTION OF THE NET PENSION ASSET	0.11%	0.15%	0.18%	0.22%	0.23%
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET	$ 2,722	$ 4,212	$ 10,480	$ 4,535	$ 5,365
UNIVERSITY'S COVERED PAYROLL	$ 3,004	$ 3,760	$ 4,187	$ 5,059	$ 4,882
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET AS A PERCENTAGE OF ITS COVERED PAYROLL	90.64%	112.01%	250.30%	89.64%	109.91%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION ASSET	113.17%	116.09%	142.00%	115.83%	119.43%

(Dollars in thousands)	**2019**	**2018**	**2017**	**2016**	**2015**
UNIVERSITY'S PROPORTION OF THE NET PENSION ASSET	0.23%	0.22%	0.25%	0.20%	0.21%
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET	$ 4,590	$ 2,995	$ 1,430	$ 2,083	$ 2,844
UNIVERSITY'S COVERED PAYROLL	$ 4,487	$ 4,061	$ 4,474	$ 3,534	$ 3,581
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET AS A PERCENTAGE OF ITS COVERED PAYROLL	102.30%	73.74%	31.97%	58.94%	79.42%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION ASSET	118.50%	113.36%	106.04%	111.67%	116.75%

(Amounts determined as of the measurement date)

LEOFF 2 - SCHEDULE OF CONTRIBUTIONS

(Dollars in thousands)	**2024**	**2023**	**2022**	**2021**	**2020**
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 297	$ 262	$ 328	$ 367	$ 444
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 297	$ 262	$ 327	$ 367	$ 446
CONTRIBUTION DEFICIENCY (EXCESS)	$ —	$ —	$ 1	$ —	$ (2)
UNIVERSITY'S COVERED PAYROLL	$ 3,398	$ 3,004	$ 3,760	$ 4,187	$ 5,059
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	8.73%	8.71%	8.72%	8.77%	8.78%

(Dollars in thousands)	**2019**	**2018**	**2017**	**2016**	**2015**
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 436	$ 400	$ 348	$ 384	$ 303
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 435	$ 403	$ 352	$ 384	$ 300
CONTRIBUTION DEFICIENCY (EXCESS)	$ 1	$ (3)	$ (4)	$ —	$ 3
UNIVERSITY'S COVERED PAYROLL	$ 4,882	$ 4,487	$ 4,061	$ 4,474	$ 3,534
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	8.93%	8.91%	8.57%	8.58%	8.57%

(Amounts determined as of the fiscal year end)

UNIVERSITY OF WASHINGTON SUPPLEMENTAL RETIREMENT PLAN (UWSRP)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (NPL)

(Dollars in thousands)	2024 (*)	2023	2022	2021
TOTAL PENSION LIABILITY - BEGINNING	$ 274,309	$ 316,127	$ 216,672	$ 781,829
SERVICE COST	—	5,068	3,699	22,877
INTEREST ON TPL	—	22,106	15,933	17,677
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	—	(31,360)	67,986	(372,651)
CHANGE IN ASSUMPTIONS	—	(26,643)	22,150	(223,327)
BENEFIT PAYMENTS	—	(10,989)	(10,313)	(9,733)
NET CHANGE IN TOTAL PENSION LIABILITY	—	(41,818)	99,455	(565,157)
TOTAL PENSION LIABILITY - ENDING (a)	**274,309**	**274,309**	**316,127**	**216,672**
PLAN FIDUCIARY NET POSITION - BEGINNING	**112,536**	**96,989**	**90,341**	**60,961**
EMPLOYER CONTRIBUTIONS	—	8,358	6,548	7,105
NET INVESTMENT INCOME	—	7,189	100	22,275
NET CHANGE IN PLAN FIDUCIARY NET POSITION	—	15,547	6,648	29,380
PLAN FIDUCIARY NET POSITION - ENDING (b)	**112,536**	**112,536**	**96,989**	**90,341**
UWSRP NET PENSION LIABILITY (a) minus (b)	**$ 161,773**	**$ 161,773**	**$ 219,138**	**$ 126,331**
PLAN FIDUCIARY NET POSITION AS PERCENTAGE OF THE TOTAL PENSION LIABILITY	41.03 %	41.03 %	30.68 %	41.69 %
UWRP COVERED PAYROLL	$ 2,199,526	$ 2,199,526	$ 1,723,087	$ 1,733,240
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	7.35 %	7.35 %	12.72 %	7.29 %

* In fiscal year 2024, the University elected to transition to a measurement date that lags the financial report date by one year. As a result, the June 30, 2024 NPL is based on a measurement date of June 30, 2023. There was no material impact associated with this change.

UNIVERSITY OF WASHINGTON SUPPLEMENTAL RETIREMENT PLAN (UWSRP)
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY (TPL)

(Dollars in thousands)	2020	2019	2018	2017
TOTAL PENSION LIABILITY - BEGINNING	$ 594,040	$ 412,481	$ 438,753	$ 512,372
SERVICE COST	16,698	11,823	14,788	19,892
INTEREST ON TPL	21,232	16,277	16,127	15,097
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	31,426	102,713	(33,952)	(74,919)
CHANGE IN ASSUMPTIONS	126,749	58,228	(17,105)	(28,553)
BENEFIT PAYMENTS	(8,316)	(7,482)	(6,130)	(5,136)
TOTAL PENSION LIABILITY - ENDING	**$ 781,829**	**$ 594,040**	**$ 412,481**	**$ 438,753**
UWSRP COVERED-EMPLOYEE PAYROLL	$ 744,634	$ 787,384	$ 759,688	$ 801,161
TOTAL PENSION LIABILITY AS PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	105.00%	75.44%	54.30%	54.76%

UNIVERSITY OF WASHINGTON SUPPLEMENTAL RETIREMENT PLAN (UWSRP)
SCHEDULE OF UWSRP CONTRIBUTIONS

(Dollars in thousands)	2024	2023	2022	2021
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 8,371	$ 8,358	$ 6,548	$ 6,586
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 8,371	$ 8,358	$ 6,548	$ 7,105
CONTRIBUTION DEFICIENCY (EXCESS)	$ —	$ —	$ —	$ (519)
UWRP COVERED PAYROLL	$ 2,216,600	$ 2,199,526	$ 1,723,087	$ 1,733,240
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	0.38 %	0.38 %	0.38 %	0.41 %

Unaudited – see accompanying independent auditors' report

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY (TOL)							
(Dollars in thousands)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
TOTAL OPEB LIABILITY - BEGINNING	$ 1,246,057	$ 1,861,478	$ 1,696,027	$ 1,541,654	$ 1,354,177	$ 1,565,213	$ 1,685,909
SERVICE COST	44,755	91,921	93,039	70,380	62,422	84,665	106,112
INTEREST ON TOL	44,957	42,650	40,211	58,874	54,148	58,207	49,703
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	—	(42,238)	—	(9,022)	—	53,132	—
CHANGE IN ASSUMPTIONS	(21,618)	(713,147)	17,180	38,164	100,838	(370,652)	(242,454)
BENEFIT PAYMENTS	(31,314)	(31,335)	(30,635)	(28,031)	(24,769)	(24,584)	(25,330)
CHANGE IN PROPORTIONATE SHARE	(5,331)	36,728	45,656	83,976	(5,162)	(11,804)	(8,727)
OTHER	—	—	—	(59,968)	—	—	—
TOTAL OPEB LIABILITY - ENDING	**$ 1,277,506**	**$ 1,246,057**	**$ 1,861,478**	**$ 1,696,027**	**$ 1,541,654**	**$ 1,354,177**	**$ 1,565,213**
OPEB COVERED-EMPLOYEE PAYROLL	$ 3,565,520	$ 3,231,736	$ 3,092,943	$ 2,895,664	$ 2,724,791	$ 2,493,991	$ 2,529,127
TOTAL OPEB LIABILITY AS PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	35.83%	38.56%	60.18%	58.57%	56.58%	54.30%	61.89%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2024

Plans administered by DRS

The Office of the State Actuary (OSA) calculates the actuarially determined contributions (ADC) based on the results of an actuarial valuation consistent with the state's funding policy defined in Chapter 41.45 RCW. Consistent with the state's contribution-rate adoption process, the results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that ensues two years later. For example, the actuarial valuation with a June 30, 2021 valuation date, completed in the fall of 2022, plus any supplemental contribution rates from the preceding legislative session, determines the ADC for the period beginning July 1, 2023, and ending June 30, 2025.

Additional Considerations on ADC for All Plans:

OSA calculates the ADC consistent with the methods described above. Adopted contribution rates could be different pending the actions of the governing bodies.

For cost-sharing plans, OSA calculates the contractually required contributions (CRC) using the same assumptions and methods as the ADC, except the CRC reflect the adopted contribution rates for the time period shown, which might differ from the contribution rates produced for the ADC.

Plans administered by the University

Washington State's House Bill 1661, effective July 1, 2020, created a trust arrangement for the UWSRP and resulted in the transfer of all funds previously contributed by the University into the account dedicated to paying benefits to the plan's beneficiaries. This arrangement meets the criteria in GASB code P20, paragraph 101 and resulted in a significant change in the accounting for the plan.

Covered payroll for the fiscal years ending June 30, 2024, 2023, 2022 and 2021 is based on the payroll of participants in the University's 403(b) defined contribution UWRP. Covered payroll for the fiscal year ending June 30, 2020 and preceding years is based on the payroll of the participants of the UWSRP.

The source for the discount rate changed in 2021 from the bond rate required of plans with no assets, to the investment return for plans with assets, due to the change in the plan on July 1, 2020, which led to a change in the appropriate accounting guidance.

The June 30, 2024 TPL and NPL is based on an actuarial valuation performed as of January 1, 2023 with update procedures performed by the OSA to roll forward the TPL to the measurement date of June 30, 2023. Some of the larger experience items that impacted the TPL were salaries generally lower than assumed and SRP benefits for new retirees were lower than estimated. OSA's model estimates the SRP benefit of future retirees by relying on assumptions for the benefit calculation performed by Teachers Insurance and Annuity Association of America (TIAA). The valuation was prepared using the entry age actuarial cost method.

OPEB Plan administered by the Healthcare Authority of Washington State
The OPEB Plan has no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits.

Material assumption changes in fiscal year 2024 relate to an increase in the Bond Buyer General Obligation 20-Bond Municipal Bond Index, from 3.54% for the June 30, 2022 measurement date, to 3.65% for the June 30, 2023 measurement date. This Change in Assumption resulted in a decrease in the TOL.

This publication was prepared by UW Finance, Planning & Budgeting. Published November 2024.

The 2024 UW Financial Report and reports from previous years are available at annualreport.uw.edu

For more information, contact Financial Accounting at accountg@uw.edu

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UNIVERSITY *of* WASHINGTON

APPENDIX C

FORM OF BOND COUNSEL OPINION FOR THE BONDS

April 4, 2025

University of Washington
Seattle, Washington

Re: University of Washington
General Revenue Refunding Bonds, 2025C—$61,020,000

To the Addressee:

We have examined a certified transcript of all of the proceedings taken in the matter of the issuance by the University of Washington (the "University") of its General Revenue Refunding Bonds, 2025C, in the aggregate principal amount of $61,020,000 (the "Bonds"). The Bonds are issued pursuant to a resolution of the Board of Regents of the University adopted on September 12, 2024 (the "Resolution"). The University will use the proceeds of the Bonds to (a) refund certain outstanding University obligations and (b) pay costs of issuing the Bonds. Capitalized terms used in this opinion which are not otherwise defined shall have the meanings given to such terms in the Resolution.

The Bonds are subject to redemption prior to their scheduled maturities as set forth in the Official Statement dated March 25, 2025. The University has not designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

Regarding questions of fact material to our opinion, we have relied on representations of the University in the Resolution and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been legally issued and constitute valid and binding obligations of the University, except to the extent that the enforcement of the rights and remedies of the owners of the Bonds may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors.

2. The Bonds are special fund obligations of the University. Both principal of and interest on the Bonds are payable solely from General Revenues and the money and investments deposited to a special fund of the University known as the General Revenue Bond Redemption Fund, 2025C created pursuant to the Resolution (the "Bond Fund"), except that a portion of the debt service on the Bonds also is payable from Building Fees and money and investments in the University of Washington Bond Retirement Fund. The University has obligated and bound itself to set aside and pay into the Bond Fund out of General Revenues amounts sufficient to pay the principal of and interest on the Bonds as the same become due. The University has also covenanted to establish, maintain and collect Building Fees in such amounts that will provide money sufficient to pay the principal of and interest on all Bonds payable out of the University of Washington Bond Retirement Fund, to set aside and maintain reserves, if any, required to secure the payment of such principal and interest, and to maintain coverage, if any, which may be required over such principal and interest.

3. The Bonds are equally and ratably payable, without preference, priority or distinction because of date of issue or otherwise, from General Revenues. The University has reserved the right to issue Additional Bonds payable from General Revenues and has previously issued, and is issuing, other General Revenue obligations.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however,

interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the University comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The University has covenanted to comply with all applicable requirements. Failure to comply with certain of such covenants may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Except as expressly stated above, we express no opinion regarding any tax consequences related to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the official statement or other offering material related to the Bonds (except to the extent, if any, stated in the official statement), and we express no opinion relating thereto, or relating to the undertaking by the University to provide ongoing disclosure pursuant to Securities and Exchange Commission Rule 15c2-12.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,
PACIFICA LAW GROUP LLP

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The following information has been provided by DTC. The University makes no representation regarding the accuracy or completeness thereof. Beneficial Owners should therefore confirm the following with DTC or the Direct Participants (as hereinafter defined). Language in [brackets] with ~~strike-through~~ has been deleted as permitted by DTC as it does not pertain to the Bonds.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [~~each issue of~~] the Securities, [~~each~~] in the aggregate principal amount of such issue, and will be deposited with DTC. [~~If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.~~]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[~~9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.~~]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Undertaking (the "Undertaking") dated as of April 4, 2025, is hereby made by the University of Washington (the "University") in connection with the issuance of its General Revenue Refunding Bonds, 2025C (the "Bonds") pursuant to a resolution of the University adopted on September 12, 2024 (the "Resolution").

The University covenants and agrees as follows:

SECTION 1. Purpose of the Undertaking. This Undertaking is being executed and delivered by the University for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report shall mean any Annual Report provided by the University pursuant to, and as described in, Sections 3 and 4 of this Undertaking.

Beneficial Owner shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

Dissemination Agent shall mean the University, or any successor Dissemination Agent designated in writing by the University and which has filed with the University a written acceptance of such designation.

Financial Obligation means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Holders shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

MSRB means the Municipal Securities Rulemaking Board or any successors to its functions.

Notice Event shall mean any of the following events:

1. Principal and interest payment delinquencies;
2. Nonpayment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue service of proposed or final determines of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material or events affecting the tax status of the Bonds;
7. Modifications to the rights of Bond Owners, if material;
8. Optional, contingent or unscheduled calls of any Bonds other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the University;

13. The consummation of a merger, consolidation, or acquisition of the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement to undertake such an action, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of the trustee, if material;

15. Incurrence of a Financial Obligation of the University, if material, or agreements to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the University, any of which affect Bond holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the University, any of which reflect financial difficulties.

Official Statement shall mean the Official Statement prepared in connection with the issuance and delivery of the Bonds.

Participating Underwriter shall mean any of the original purchaser or underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Rule shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

State shall mean the State of Washington.

SECTION 3. Provision of Annual Reports.

(a) The University shall, or shall cause the Dissemination Agent to, not later than seven months after the end of the University's Fiscal Year (presently January 31, 2026, for the Fiscal Year ending June 30, 2025), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Undertaking. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Undertaking; provided that the audited financial statements of the University may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. The University may adjust such Fiscal Year by providing written notice of the change of Fiscal Year to the MSRB.

(b) Not later than fifteen (15) Business Days prior to said date, the University shall provide the Annual Report to the Dissemination Agent (if other than the University). If the University is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the University shall send a notice to the MSRB stating that the University is unable to provide the Annual Report by the date required in subsection (a), and stating when the University expects to provide the Annual Report.

(c) If the Dissemination Agent is not the University, the Dissemination Agent shall file a report with the University certifying that the Annual Report has been provided pursuant to this Undertaking and stating the date it was provided.

SECTION 4. Content of Annual Reports. The University's Annual Report shall contain or include by reference (without duplication) the following:

1. The audited financial statements of the University for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the University's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Updates to the following financial and operating data of the University to the extent the updates are not included in the audited financial statements provided under subsection 1:

- The amount of University revenue and other debt outstanding in that Fiscal Year.

- Student enrollment information for that Fiscal Year, generally of the type provided in the table in the Official Statement entitled "Applications, Students and Enrollment" under the heading "ADMISSIONS, STUDENT ENROLLMENT AND FACULTY" and distribution of undergraduate enrollment among University campuses.

- Information regarding the number of faculty and tenure rate for that Fiscal Year, generally of the type provided in the table in the Official Statement entitled "Faculty Data."

- Information regarding room and board fees, autumn opening occupancy and occupancy for that Fiscal Year, generally of the type provided in the table in the Official Statement entitled "Student Housing and Dining Data (Seattle campus only)."

- General Revenues and General Revenue components for that Fiscal Year, generally of the type provided in the table in the Official Statement entitled "General Revenues" under the headings General Revenue (Exclusions from Total Revenue) and General Revenue (By Component).

- General Net Position. Illustrative information, if any, regarding effects of certain GASB Statements on General Net Position may be provided in narrative, tabular or other form.

- Grant and contract revenues for that Fiscal Year, and amount or percentage of grant and contract revenues from federal sources.

- Information regarding the amount or percentage of revenues from Medicare or Medicaid payments in that Fiscal Year.

- Operating expenses by type of expenditure in that Fiscal Year.

- Expenditures of State capital and operating appropriations to the University for that Fiscal Year, generally of the type provided in the table in the Official Statement entitled "Expenditures of State Appropriations to the University by Type."

- Patient activity statistics for the UW Medicine hospital with revenues included in General Revenues for that Fiscal Year (provided for the hospital as a whole and not by campus).

- Financial information for the UW Medicine hospital with revenues included in General Revenues for that Fiscal Year (provided for the hospital as a whole and not by campus).

- Value of investments, including operating fund investments and the Consolidated Endowment Fund ("CEF"), for that Fiscal Year.

- A narrative description of any material changes to the University's investment policy or CEF distribution policy during that Fiscal Year.

- Gift revenue for that Fiscal Year.

- University revenue by source for that Fiscal Year, generally of the type provided in the figure in the Official Statement titled "University Total Revenue by Source, Fiscal Year 2024."

- Total University expenditures by category for that Fiscal Year.

- A description of any material changes to the University's obligations with respect to its pension plans, generally of the type presented under the Official Statement heading

"LABOR, RISK MANAGEMENT AND RETIREMENT INFORMATION — Pension Plans."

- A description of any material changes to the University's obligations with respect to other post-employment benefits, generally of the type presented under the Official Statement heading "LABOR, RISK MANAGEMENT AND RETIREMENT INFORMATION—Other Post-Employment Benefits ("OPEB")."

- Amount of the University's self-insurance reserve, generally of the type presented under the Official Statement heading "LABOR, RISK MANAGEMENT AND RETIREMENT INFORMATION—Risk Management and Cybersecurity."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the University or related public entities, which are available to the public on the MSRB's internet website. The University shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Notice Events. The University shall give, or cause to be given, notice of the occurrence of any Notice Event with respect to the Bonds not in excess of ten business days after the occurrence of the Notice Event.

SECTION 6. Termination of Reporting Obligation. The University's obligations under this Undertaking with respect to each series of Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of all of the applicable series of Bonds.

SECTION 7. Dissemination Agent. The University may, from time to time, appoint or engage a successor Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such successor Dissemination Agent, with or without appointing another successor Dissemination Agent. The successor Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the University pursuant to this Undertaking.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Undertaking, the University may amend this Undertaking, and any provision of this Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of the Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Undertaking, the University shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the University. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Undertaking shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Notice Event, in addition to that which is required by this Undertaking. If the University chooses to include any information in any Annual Report in addition to that which is specifically required by this Undertaking, the University shall have no obligation under this Undertaking to update such information or include it in any future Annual Report.

SECTION 10. Default. In the event of a failure of the University to comply with any provision of this Undertaking, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the University to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed a default under the Resolution, and the sole remedy under this Undertaking in the event of any failure of the University to comply with this Undertaking shall be an action to compel performance.

SECTION 11. Beneficiaries. This Undertaking shall inure solely to the benefit of the University, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 12. EMMA; Format for Filing with the MSRB. Until otherwise designated by the MSRB or the Securities and Exchange Commission, any filing required to be made with the MSRB under this Undertaking is to be submitted through the MSRB's Electronic Municipal Market Access system, currently located at www.emma.msrb.org (which website is not incorporated herein). All notices, financial information and operating data required by this Undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this Undertaking must be accompanied by identifying information as prescribed by the MSRB.

UNIVERSITY OF WASHINGTON

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Authorized Signer

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