New Issue | **Moody's Rating: Aaa**
Book-Entry Only | **S&P Global Rating: AA+**
Not Bank Qualified | **(See "OTHER BOND INFORMATION—Ratings")**

In the opinion of Bond Counsel under existing law and subject to certain qualifications described herein, interest on the 2022A Bonds and 2022C Bonds is excludable from gross income for federal income tax purposes. In addition, interest on the 2022A Bonds and 2022C Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. See "TAX MATTERS" herein. Interest on the 2022B Bonds is not intended to be exempt from federal income taxes. See "CERTAIN INCOME TAX CONSEQUENCES RELATING TO THE 2022B BONDS."

UNIVERSITY OF WASHINGTON

$75,000,000
General Revenue Bonds, 2022A

$209,090,000
General Revenue Refunding Bonds, 2022B (Taxable)

$90,700,000
General Revenue Refunding Bonds, 2022C (Term Rate Bonds)

Dated: Date of delivery | **Maturity Dates:** as shown on the inside front cover page and page ii

The University of Washington (the "University") is issuing its General Revenue Bonds, 2022A (the "2022A Bonds"), General Revenue Refunding Bonds, 2022B (Taxable) (the "2022B Bonds") and General Revenue Refunding Bonds, 2022C (Term Rate Bonds) (the "2022C Bonds" and, together with the 2022A Bonds and 2022C Bonds, the "Bonds") to (a) pay costs of University projects; (b) defease and/or refund certain of the University's outstanding General Revenue Bonds; and (c) pay the costs of issuance.

The Bonds are issuable only as fully registered obligations and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry form, in denominations of $5,000 each and integral multiples thereof within a series and maturity. Purchasers will not receive certificates representing their interests in the Bonds, except as described herein. So long as DTC or its nominee is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly to DTC or to such nominee. Disbursements of such payments to DTC's Direct Participants are the responsibility of DTC, and disbursements of such payments to the Beneficial Owners are the responsibility of the Direct Participants and the Indirect Participants, as more fully described in Appendix E.

Interest on the 2022A from their date of delivery is payable on April 1 and October 1 of each year, commencing on October 1, 2022. Interest on the 2022B Bonds from their date of delivery is payable on July 1 and January 1, commencing on July 1, 2022 The fiscal agent of the State of Washington (the "State"), currently U.S. Bank National Association, is the registrar, authenticating agent and paying agent for the Bonds.

Interest on the 2022C Bonds is payable on August 1, 2022, and thereafter on each February 1 and August 1, and on the Scheduled Mandatory Purchase Date. If not previously redeemed at the option of the University or converted to a new Term Rate Period or to another Mode, the 2022C Bonds are subject to tender for mandatory purchase on the Scheduled Mandatory Purchase Date set forth on the inside cover as described herein. If not purchased on the Scheduled Mandatory Purchase Date, the 2022C Bonds are subject to the Delayed Remarketing Rate. This Official Statement describes the 2022C Bonds only during the Term Rate Period commencing March 8, 2022. No Credit Facility or Liquidity Facility secures payment of the purchase price of 2022C Bonds that are tendered or deemed tendered for purchase and not remarketed.

The Bonds are subject to redemption prior to maturity as described in this Official Statement.

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 has no taxing power. The Bonds are not an obligation, either general, special or moral, of the State.

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. The University has previously issued bonds and commercial paper notes 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.

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.

Each series of the Bonds is offered when, as and if issued, subject to receipt of the approving legal opinions of Pacifica Law Group LLP. Certain matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP. It is expected that delivery of the Bonds will be made by Fast Automated Securities Transfer through DTC in New York, New York, on or about March 8, 2022.

Citigroup

Goldman Sachs & Co. LLC | **BofA Securities** | **AmeriVet Securities**

Dated February 15, 2022

UNIVERSITY OF WASHINGTON

GENERAL REVENUE BONDS, 2022A
$75,000,000

Maturity (April 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP[*] Number
2023	$ 3,610,000	5.00%	0.880%	104.352	91523NXG6
2024	4,030,000	5.00	1.140	107.850	91523NXH4
2025	4,230,000	5.00	1.300	111.077	91523NXJ0
2026	4,445,000	5.00	1.460	113.917	91523NXK7
2027	4,665,000	5.00	1.540	116.792	91523NXL5
2028	4,900,000	5.00	1.630	119.381	91523NXM3
2029	5,145,000	5.00	1.720	121.728	91523NXN1
2030	5,400,000	5.00	1.790	124.002	91523NXP6
2031	5,670,000	5.00	1.840	126.268	91523NXQ4
2032	5,955,000	5.00	1.890	128.379	91523NXR2
2033	6,250,000	5.00	1.950[**]	127.747	91523NXS0
2034	6,565,000	5.00	1.990[**]	127.327	91523NXT8
2035	6,895,000	5.00	2.030[**]	126.909	91523NXU5
2037	7,240,000	5.00	2.060[**]	126.597	91523NXV3

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[**] Calculated to the par call date of April 1, 2032.

GENERAL REVENUE REFUNDING BONDS, 2022B (TAXABLE)
$209,090,000

Maturity (July 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP* Number
2022	$ 3,330,000	0.900%	0.900%	100.000	91523NWS1
2023	8,390,000	1.470	1.470	100.000	91523NWT9
2024	12,755,000	1.720	1.720	100.000	91523NWU6
2025	13,000,000	1.946	1.946	100.000	91523NWV4
2026	13,255,000	2.061	2.061	100.000	91523NWW2
2027	13,540,000	2.211	2.211	100.000	91523NWX0
2028	13,850,000	2.292	2.292	100.000	91523NWY8
2029	14,185,000	2.392	2.392	100.000	91523NWZ5
2030	14,525,000	2.437	2.437	100.000	91523NXA9
2031	14,890,000	2.537	2.537	100.000	91523NXB7
2032	15,285,000	2.637	2.637	100.000	91523NXC5
2033	15,710,000	2.787	2.787	100.000	91523NXD3
2034	6,800,000	2.937	2.937	100.000	91523NXE1

$49,575,000, 3.350% Term Bond due July 1, 2041, yield 3.350%, price 100.000, CUSIP* No. 91523NXF8

GENERAL REVENUE REFUNDING BONDS, 2022C
(TERM RATE BONDS)

$90,700,000

Price (calculated to the first par call date):	110.613
Yield (calculated to the first par call date):	1.730%
Term Rate:	4.000%
Delayed Remarketing Rate:	8.000%
First Interest Payment Date:	August 1, 2022
Maturity Date:	May 1, 2048
Scheduled Mandatory Purchase Date:	August 1, 2027
First Par Call Date:	February 1, 2027
CUSIP* No.:	91523NXW1

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UNIVERSITY OF WASHINGTON
4333 Brooklyn Avenue Northeast
Seattle, Washington 98195
Telephone: (206) 221-6752
Website: http://finance.uw.edu/treasury/[(1)]

BOARD OF REGENTS

Regent	Title	Term Expiration
Blaine Tamaki	Chair	September 30, 2022
David Zeeck	Vice-Chair	September 30, 2023
William S. Ayer	Member	September 30, 2022
Djelli Berisha[(2)(3)]	Member	June 30, 2022
Leonard Forsman[(2)]	Member	September 30, 2027
Joanne R. Harrell[(4)]	Member	September 30, 2021
Jeremy Jaech[(2)]	Member	September 30, 2024
Libby G. MacPhee	Member	September 30, 2024
Constance W. Rice[(2)]	Member	September 30, 2025
Rogelio Riojas[(2)]	Member	September 30, 2025

Tyler Lange	Secretary of the Board of Regents
Shelley Tennant	Assistant Secretary of the Board of Regents

ADMINISTRATIVE OFFICERS

Ana Mari Cauce	President
Mark Richards	Provost and Executive Vice President for Academic Affairs
Brian McCartan	Vice President for Finance
Paul G. Ramsey	Executive Vice President for Medical Affairs

BOND COUNSEL
Pacifica Law Group LLP
Seattle, Washington

MUNICIPAL ADVISOR
Piper Sandler & Co.
Seattle, Washington

REGISTRAR AND PAYING AGENT

U.S. Bank, National Association (and upon the consent of the State Treasurer, U.S. Bank Trust Company, National Association), as Fiscal Agent; U.S. Bank Trust Company, National Association, as Paying Agent under the Paying Agent Agreement for the 2022C Bonds

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(1) The University's website and other websites referenced herein are not part of this Official Statement, and investors should not rely on information presented on the University's or other websites in determining whether to purchase the Bonds. This inactive textual reference to the University's website and other website references herein are not hyperlinks and do not incorporate the University's or other websites by reference.

(2) Pending State Senate confirmation.

(3) Student Regent (serves a one-year term).

(4) At the end of their term, Regents continue to serve until their successor is appointed, they resign, or they are officially reappointed. As of the date of this Official Statement, Regent Harrell has continued to serve on the Board.

No dealer, broker, salesperson or any other person has been authorized to give any information or to make any representation, other than the information and representations contained in this Official Statement, in connection with the sale of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorized by the University. This Official Statement does not constitute an offer to sell or a solicitation or sale of the Bonds.

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.

The outbreak of the 2019 novel coronavirus ("COVID-19") pandemic is a significant event that has had and could have ongoing, material effects on the finances and operations of the University. Certain historic information in this Official Statement about the finances and operations of the University predate the outbreak of COVID-19, and should be considered in light of the possible or probable negative effects the COVID-19 pandemic may have on the current and future finances and operations of the University and economy of the State of Washington. See "COVID-19 PANDEMIC" for a discussion of the effects, and potential future effects, of COVID-19 on the University.

Certain statements contained in this Official Statement do not reflect historical facts but are forecasts and "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, words such as "estimate," "project," "anticipate," "expect," "intend," "forecast," "plan," "believe" and similar expressions are intended to identify forward-looking statements. 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.

CUSIP numbers are included in this Official Statement for convenience of the holders and potential holders of the Bonds. The CUSIP numbers were provided by CUSIP Global Services. No assurance can be given that the CUSIP numbers for the Bonds will remain the same after the date of issuance and delivery of the Bonds. Neither the University nor any purchaser takes any responsibility for the accuracy of such CUSIP numbers.

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.

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

REFERENCES HEREIN TO THE "ISSUER" MEAN THE UNIVERSITY AND REFERENCES TO "BONDS" OR "SECURITIES" MEAN THE 2022B BONDS OFFERED HEREBY.

MINIMUM UNIT SALES

THE SERIES 2022B BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE BOND OF $5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 150 UNITS (BEING 150 BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF $150,000).

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA ("EEA") AND UNITED KINGDOM

THE SERIES 2022B BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA OR THE UNITED KINGDOM (EACH, A "RELEVANT STATE"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, "MIFID II"); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2016/97/EU (AS AMENDED), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN

REGULATION 2017/1129 (EU) (AS AMENDED OR SUPERSEDED, THE "PROSPECTUS REGULATION"). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE SERIES 2022B BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN A RELEVANT STATE HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SERIES 2022B BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN A RELEVANT STATE MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION. THIS OFFICIAL STATEMENT HAS BEEN PREPARED ON THE BASIS THAT ANY OFFER OF THE SERIES 2022B BONDS IN ANY RELEVANT STATE WILL BE MADE PURSUANT TO AN EXEMPTION UNDER THE PROSPECTUS REGULATION FROM THE REQUIREMENT TO PUBLISH A PROSPECTUS FOR OFFERS OF THE SERIES 2022B BONDS. THIS OFFICIAL STATEMENT IS NOT A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS REGULATION.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

EACH OF THE UNDERWRITERS HAS REPRESENTED AND AGREED THAT:

(A) IT HAS ONLY COMMUNICATED OR CAUSED TO BE COMMUNICATED AND WILL ONLY COMMUNICATE OR CAUSE TO BE COMMUNICATED AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED, THE "FSMA")) RECEIVED BY IT IN CONNECTION WITH THE ISSUE OR SALE OF THE SERIES 2022B BONDS IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA DOES NOT APPLY TO THE COMPANY; AND

(B) IT HAS COMPLIED AND WILL COMPLY WITH ALL APPLICABLE PROVISIONS OF THE FSMA WITH RESPECT TO ANYTHING DONE BY IT IN RELATION TO THE SERIES 2022B BONDS IN, FROM OR OTHERWISE INVOLVING THE UNITED KINGDOM.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

THE SERIES 2022B BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF ANY DOCUMENT OTHER THAN (I) IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CAP. 32 OF THE LAWS OF HONG KONG) (THE "COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE") OR WHICH DO NOT CONSTITUTE AN INVITATION TO THE PUBLIC WITHIN THE MEANING OF THE SECURITIES AND FUTURES ORDINANCE (CAP. 571 OF THE LAWS OF HONG KONG) (THE "SECURITIES AND FUTURES ORDINANCE"), OR (II) TO "PROFESSIONAL INVESTORS" AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE AND ANY RULES MADE THEREUNDER, OR (III) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A "PROSPECTUS" AS DEFINED IN THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE, AND NO ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE SERIES 2022B BONDS MAY BE ISSUED OR MAY BE IN THE POSSESSION OF ANY PERSON FOR THE PURPOSE OF ISSUE (IN EACH CASE WHETHER IN HONG KONG OR ELSEWHERE), WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC IN HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO SERIES 2022B BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO "PROFESSIONAL INVESTORS" IN HONG KONG AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE AND ANY RULES MADE THEREUNDER.

NOTICE TO INVESTORS IN SINGAPORE

THIS OFFICIAL STATEMENT HAS NOT BEEN REGISTERED AS A PROSPECTUS WITH THE MONETARY AUTHORITY OF SINGAPORE. ACCORDINGLY, THIS OFFICIAL STATEMENT AND

ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF THE SERIES 2022B BONDS MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY THE SERIES 2022B BONDS BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO PERSONS IN SINGAPORE OTHER THAN (I) TO AN INSTITUTIONAL INVESTOR (AS DEFINED IN SECTION 4A OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE (THE "SFA")) UNDER SECTION 274 OF THE SFA, (II) TO A RELEVANT PERSON (AS DEFINED IN SECTION 275(2) OF THE SFA) PURSUANT TO SECTION 275(1) OF THE SFA, OR ANY PERSON PURSUANT TO SECTION 275(1A) OF THE SFA, AND IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 275 OF THE SFA OR (III) OTHERWISE PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY OTHER APPLICABLE PROVISION OF THE SFA, IN EACH CASE SUBJECT TO CONDITIONS SET FORTH IN THE SFA.

WHERE THE SERIES 2022B BONDS ARE SUBSCRIBED OR PURCHASED UNDER SECTION 275 OF THE SFA BY A RELEVANT PERSON WHICH IS A CORPORATION (WHICH IS NOT AN ACCREDITED INVESTOR (AS DEFINED IN SECTION 4A OF THE SFA)) THE SOLE BUSINESS OF WHICH IS TO HOLD INVESTMENTS AND THE ENTIRE SHARE CAPITAL OF WHICH IS OWNED BY ONE OR MORE INDIVIDUALS, EACH OF WHOM IS AN ACCREDITED INVESTOR, THE SECURITIES (AS DEFINED IN SECTION 239(1) OF THE SFA) OF THAT CORPORATION SHALL NOT BE TRANSFERABLE FOR 6 MONTHS AFTER THAT CORPORATION HAS ACQUIRED THE SERIES 2022B BONDS UNDER SECTION 275 OF THE SFA EXCEPT: (1) TO AN INSTITUTIONAL INVESTOR UNDER SECTION 274 OF THE SFA OR TO A RELEVANT PERSON (AS DEFINED IN SECTION 275(2) OF THE SFA), (2) WHERE SUCH TRANSFER ARISES FROM AN OFFER IN THAT CORPORATION'S SECURITIES PURSUANT TO SECTION 275(1A) OF THE SFA, (3) WHERE NO CONSIDERATION IS OR WILL BE GIVEN FOR THE TRANSFER, (4) WHERE THE TRANSFER IS BY OPERATION OF LAW, (5) AS SPECIFIED IN SECTION 276(7) OF THE SFA, OR (6) AS SPECIFIED IN REGULATION 32 OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005 OF SINGAPORE ("REGULATION 32").

WHERE THE SERIES 2022B BONDS ARE SUBSCRIBED OR PURCHASED UNDER SECTION 275 OF THE SFA BY A RELEVANT PERSON WHICH IS A TRUST (WHERE THE TRUSTEE IS NOT AN ACCREDITED INVESTOR (AS DEFINED IN SECTION 4A OF THE SFA)) WHOSE SOLE PURPOSE IS TO HOLD INVESTMENTS AND EACH BENEFICIARY OF THE TRUST IS AN ACCREDITED INVESTOR, THE BENEFICIARIES' RIGHTS AND INTEREST (HOWSOEVER DESCRIBED) IN THAT TRUST SHALL NOT BE TRANSFERABLE FOR 6 MONTHS AFTER THAT TRUST HAS ACQUIRED THE SERIES 2022B BONDS UNDER SECTION 275 OF THE SFA EXCEPT: (1) TO AN INSTITUTIONAL INVESTOR UNDER SECTION 274 OF THE SFA OR TO A RELEVANT PERSON (AS DEFINED IN SECTION 275(2) OF THE SFA), (2) WHERE SUCH TRANSFER ARISES FROM AN OFFER THAT IS MADE ON TERMS THAT SUCH RIGHTS OR INTEREST ARE ACQUIRED AT A CONSIDERATION OF NOT LESS THAN S$200,000 (OR ITS EQUIVALENT IN A FOREIGN CURRENCY) FOR EACH TRANSACTION (WHETHER SUCH AMOUNT IS TO BE PAID FOR IN CASH OR BY EXCHANGE OF SECURITIES OR OTHER ASSETS), (3) WHERE NO CONSIDERATION IS OR WILL BE GIVEN FOR THE TRANSFER, (4) WHERE THE TRANSFER IS BY OPERATION OF LAW, (5) AS SPECIFIED IN SECTION 276(7) OF THE SFA, OR (6) AS SPECIFIED IN REGULATION 32.

NOTICE TO INVESTORS IN JAPAN

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO. 25 OF 1948, AS AMENDED) (THE "FIEA"). THE SECURITIES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO OR FOR THE BENEFIT OF ANY RESIDENT OF JAPAN (INCLUDING ANY PERSON RESIDENT IN JAPAN OR ANY CORPORATION OR OTHER ENTITY ORGANIZED UNDER THE LAWS OF JAPAN) OR TO OTHERS FOR REOFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO OR FOR THE BENEFIT OF ANY RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN

EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE FIEA AND OTHERWISE IN COMPLIANCE WITH ANY RELEVANT LAWS AND REGULATIONS OF JAPAN.

THE PRIMARY OFFERING OF THE BONDS AND THE SOLICITATION OF AN OFFER FOR ACQUISITION THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER PARAGRAPH 1, ARTICLE 4 OF THE FIEA. AS IT IS A PRIMARY OFFERING, IN JAPAN, THE BONDS MAY ONLY BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY TO, OR FOR THE BENEFIT OF CERTAIN QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED IN THE FIEA ("QIIS") IN RELIANCE ON THE QIIS-ONLY PRIVATE PLACEMENT EXEMPTION AS SET FORTH IN ITEM 2(I), PARAGRAPH 3, ARTICLE 2 OF THE FIEA. A QII WHO PURCHASED OR OTHERWISE OBTAINED THE BONDS CANNOT RESELL OR OTHERWISE TRANSFER THE BONDS IN JAPAN TO ANY PERSON EXCEPT ANOTHER QII.

NOTICE TO INVESTORS IN CANADA

THE SERIES 2022B BONDS MAY BE SOLD IN CANADA ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS OR SUBSECTION 73.3(1) OF THE SECURITIES ACT (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS. ANY RESALE OF THE SERIES 2022B BONDS MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A PURCHASER WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS OFFICIAL STATEMENT (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY. THE PURCHASER SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE OFFER OF THE SERIES 2022B BONDS HAS NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY, THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN AND/OR OTHER REGULATORY AUTHORITY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS, AND THE SERIES 2022B BONDS MAY NOT BE OFFERED, ISSUED OR SOLD IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT REQUIRES THE REGISTRATION OR FILING WITH OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN. THE SERIES 2022B BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE BY INVESTORS RESIDING IN TAIWAN (EITHER DIRECTLY OR THROUGH PROPERLY LICENSED TAIWAN INTERMEDIARIES), BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY. ANY SUBSCRIPTIONS OF SERIES 2022B BONDS SHALL ONLY BECOME EFFECTIVE UPON ACCEPTANCE BY THE ISSUER OR THE RELEVANT DEALER OUTSIDE TAIWAN AND SHALL BE DEEMED A CONTRACT ENTERED INTO IN THE JURISDICTION OF INCORPORATION OF THE ISSUER OR RELEVANT DEALER, AS THE CASE MAY BE, UNLESS OTHERWISE SPECIFIED IN THE SUBSCRIPTION DOCUMENTS RELATING TO THE SERIES 2022B BONDS SIGNED BY THE INVESTORS.

NOTICE TO INVESTORS IN THE REPUBLIC OF KOREA

THE SERIES 2022B BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF KOREA FOR PUBLIC OFFERING IN KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY THE “FSCMA”). THE BONDS MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED OR SOLD TO ANY PERSON FOR REOFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN KOREA OR TO ANY RESIDENT OF KOREA EXCEPT AS OTHERWISE PERMITTED UNDER THE APPLICABLE LAWS AND REGULATIONS OF KOREA, INCLUDING THE FSCMA AND THE FOREIGN EXCHANGE TRANSACTION LAW AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, THE “FETL”). FURTHERMORE, THE BONDS MAY NOT BE RESOLD TO KOREAN RESIDENTS UNLESS THE PURCHASER OF THE BONDS COMPLIES WITH ALL APPLICABLE REGULATORY REQUIREMENTS (INCLUDING BUT NOT LIMITED TO GOVERNMENT REPORTING REQUIREMENTS UNDER THE FETL) IN CONNECTION WITH THE PURCHASE OF THE BONDS.

NOTICE TO INVESTORS IN SWITZERLAND

THE SERIES 2022B BONDS MAY NOT BE PUBLICLY OFFERED IN SWITZERLAND AND WILL NOT BE LISTED ON THE SIX SWISS EXCHANGE (“SIX”) OR ON ANY OTHER STOCK EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. THIS OFFICIAL STATEMENT HAS BEEN PREPARED WITHOUT REGARD TO THE DISCLOSURE STANDARDS FOR ISSUANCE PROSPECTUSES UNDER ART. 652A OR ART. 1156 OF THE SWISS CODE OF OBLIGATIONS OR THE DISCLOSURE STANDARDS FOR LISTING PROSPECTUSES UNDER ART. 27 OF THE SIX LISTING RULES OR THE LISTING RULES OF ANY OTHER STOCK EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE SERIES 2022B BONDS OR THE OFFERING MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND.

NONE OF THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE OFFERING, THE ISSUER OR THE SERIES 2022B BONDS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. IN PARTICULAR, THIS OFFICIAL STATEMENT WILL NOT BE FILED WITH, AND THE OFFER OF THE SERIES 2022B BONDS WILL NOT BE SUPERVISED BY, THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY (“FINMA”), AND THE OFFER OF BONDS HAS NOT BEEN AND WILL NOT BE AUTHORIZED UNDER THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES (“CISA”). ACCORDINGLY, INVESTORS DO NOT HAVE THE BENEFIT OF THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER THE CISA.

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OFFICIAL STATEMENT

UNIVERSITY OF WASHINGTON

$75,000,000 **General Revenue Bonds, 2022A**	**$209,090,000** **General Revenue Refunding Bonds, 2022B** **(Taxable)**

$90,700,000
General Revenue Bonds, 2022C (Term Rate Bonds)

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 Bonds, 2022A (the "2022A Bonds"), General Revenue Refunding Bonds, 2022B (Taxable) (the "2022B Bonds") and General Revenue Refunding Bonds, 2022C (Term Rate Bonds) (the "2022C Bonds" and, together with the 2022A Bonds and 2022B Bonds, the "Bonds").

The University is issuing the Bonds (a) to pay costs of University projects; (b) to defease and/or refund certain General Revenue Bonds; and (c) to pay costs of issuance. 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 9, 2021 (the "Resolution"). See Appendices A and B.

The 2019 novel coronavirus ("COVID-19") pandemic is a significant event that has had and could have ongoing, material effects on the finances and operations of the University. See "COVID-19 PANDEMIC" for a discussion of the effects, and potential future effects, of COVID-19 on the University.

Brief descriptions of the Bonds, the University, the Resolution, the Paying Agent Agreement between the Paying Agent (as defined below) and the University dated as of March 8, 2022, with respect to the 2022C Bonds (the "Paying Agent Agreement") and certain statutes and agreements are included in this Official Statement. 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, and 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. Capitalized terms used in this Official Statement but not defined herein have the meanings set forth in the Resolution and Paying Agent Agreement, copies of which are included in Appendix A and Appendix B, respectively.

THE BONDS

General

The Bonds will be dated their date of delivery and will bear interest at the rates set forth on the inside front cover and page ii of this Official Statement. The 2022A Bonds will mature on April 1 in the years set forth on the inside front cover and page ii, and the 2022B Bonds will mature on July 1 in the years set forth on the inside cover and page ii, in each case subject to prior redemption. The interest on the 2022A Bonds and 2022B Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the 2022A Bonds is payable on each April 1 and October 1, commencing October 1, 2022 (each, an "Interest Payment Date" for the 2022A Bonds). Interest on the 2022B Bonds is payable on each January 1 and July 1, commencing July 1, 2022 (each an "Interest Payment Date" for the 2022B Bonds). The 2022C Bonds will mature on May 1, 2048, subject to mandatory purchase and prior redemption or Conversion as described below. Interest on the 2022C Bonds is payable on August 1, 2022, and thereafter on each February 1 and August 1 (as further defined below, an "Interest Payment Date" for the 2022C Bonds), and on the Scheduled Mandatory Purchase Date.

The Bonds will be issued as fully registered bonds in denominations of $5,000 each or any integral multiple of $5,000 within a series and 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 series and maturity in Authorized Denominations. See Appendices A and F.

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 Appendices A and F.

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 2022A Bonds or 2022B Bonds are no longer held in book-entry only form, all payments of principal shall be made solely upon presentation of the 2022A Bond or 2022B Bond to the Registrar. If the 2022C Bonds are no longer held in book-entry only form, all payments of principal shall be made solely upon presentation of the 2022C Bond to the Paying Agent.

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 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 2022A Bonds and 2022B 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. U.S. Bank National Association has requested the consent of the State Treasurer to transfer its fiscal agent duties to U.S. Bank Trust Company, National Association. Upon receiving such consent, U.S. Bank Trust Company, National Association will serve as Registrar.

Paying Agent for the 2022C Bonds

The University has appointed U.S. Bank Trust Company, National Association as the paying agent and registrar for the 2022C Bonds (the "Paying Agent" and "Trustee" under the Resolution). The Paying Agent will authenticate the 2022C Bonds and act as the paying agent, tender agent, and registrar for the purpose of paying the principal of and interest on the 2022C Bonds, recording the purchase and registration, exchange or transfer, and payment of 2022C Bonds and performing the other respective obligations of the Paying Agent under the Paying Agent Agreement and the Resolution.

Term Rate 2022C Bonds

Interest at the Term Rate. The 2022C Bonds are to be issued as Term Rate Bonds, bearing interest at the Term Rate, as set forth on the inside cover. If not purchased on the Scheduled Mandatory Purchase Date, the 2022C Bonds are subject to the Delayed Remarketing Rate described under the heading "Delayed Remarketing Period" below.

Interest on the 2022C Bonds shall accrue on the basis of a 360-day year composed of twelve 30-day months and shall be payable on each Interest Payment Date. "Interest Payment Date" means (a)(i) for the Initial Term Rate Period, August 1, 2022 and thereafter each February 1 and August 1; (ii) each Purchase Date; and (iii) each date on which all or a portion of the 2022C Bonds are redeemed, and (b) without duplication, the first Business Day succeeding the last day of each Interest Rate Period. The "Initial Term Rate Period" commences on March 8, 2022, and ends on the Scheduled Mandatory Purchase Date set forth on the inside front cover, unless such 2022C Bonds are earlier converted or redeemed. In the event that a 2022C Bond becomes a Delayed Remarketing Bond, the initial Term Rate Period shall include any immediately succeeding Delayed Remarketing Period.

Upon Conversion and remarketing the 2022C Bonds may accrue interest in the same or a different Interest Rate Mode. Under the Resolution, the other permitted Interest Rate Modes are the Daily Mode, Weekly Mode, Commercial Paper Mode, Index Floating Mode, and Fixed Mode.

Mandatory Purchase on Mandatory Purchase Date. The 2022C Bonds are subject to mandatory tender for purchase at the Purchase Price on the following Purchase Dates (without duplication): (i) the Scheduled Mandatory Purchase Date set forth on the inside front cover; (ii) on each proposed Conversion Date for which notice of mandatory tender has been given to the Registered Owners; (iii) on each proposed redemption date on or after the Par Call Date for which notice of mandatory tender has been given to the Registered Owners; and (iv) at any time during a Delayed Remarketing Period, upon notice given by the Remarketing Agent to the Paying Agent of a successful remarketing and the availability of funds sufficient to pay the Purchase Price for all such 2022C Bonds (in Authorized Denominations), without regard to any notice requirements.

In connection with any mandatory tender for purchase of 2022C Bonds, the Paying Agent shall give notice to the Registered Owners of the affected 2022C Bonds (at their addresses as they appear on the Bond Register as of the date of such notice) not less than 20 days prior to the Purchase Date. 2022C Bonds tendered for purchase shall be purchased on the Purchase Date specified in the applicable notice by payment of the Purchase Price made by the Paying Agent, payable in immediately available funds to the Registered Owner (and not to any Participant), by 3:00 p.m., New York time, on the Purchase Date, or as soon as practicable thereafter upon the receipt by the Paying Agent of the Purchase Price in the Bond Purchase Fund.

Delayed Remarketing Period; Delayed Remarketing Rate. If the entire Purchase Price for any 2022C Bonds cannot be paid on the applicable Purchase Date, then the 2022C Bonds will not be purchased and will become Delayed Remarketing Bonds. A Delayed Remarketing Period will commence on the Purchase Date with respect to the 2022C Bonds for which funds were insufficient to pay the entire Purchase Price. During a Delayed Remarketing Period, the Delayed Remarketing Bonds will bear interest at the Delayed Remarketing Rate set forth on the inside front cover; interest shall continue to be due and payable on each Interest Payment Date and also shall be payable on the last day of the Delayed Remarketing Period for the Delayed Remarketing Bonds; the Remarketing Agent will continue to be obligated to remarket the 2022C Bonds; the Delayed Remarketing Bonds will continue to be subject to optional redemption by the University as described under the heading "—Optional Redemption" below; the University may Elect to effect a Conversion of the Delayed Remarketing Bonds; and, if and when the Delayed Remarketing Bonds are successfully remarketed, the Registered Owners of the Delayed Remarketing Bonds will be obligated to tender their 2022C Bonds for purchase.

No Credit Facility or Liquidity Facility secures payment of the Purchase Price of any 2022C Bonds and a failure of the University to pay the Purchase Price is not a default under the Resolution. Any 2022C Bonds that are not purchased when tendered are subject to the Delayed Remarketing Rate.

Conversion of Interest Rate Mode. The 2022C Bonds may be converted to a new Mode, upon notice provided by the Paying Agent not less than 20 days prior to the proposed Conversion Date. See Section 6 of the Paying Agent Agreement at "APPENDIX B –PAYING AGENT AGREEMENT FOR THE 2022C BONDS."

Conditions to Conversion. No Conversion shall take effect unless each of the following conditions, to the extent applicable, has been satisfied:

- If the notice of the University's Election to convert indicates that a Credit Facility will be in effect during the subsequent Interest Rate Period, such Credit Facility must be in effect on the Conversion Date;

- The University must obtain a Favorable Opinion of Bond Counsel with respect to such Conversion dated as of the Conversion Date; and

- Except with respect to Delayed Remarketing Bonds and Unremarketed Bonds, the Paying Agent must have sufficient funds on hand from remarketing or refunding proceeds, proceeds of a draw on the Credit Facility or other funds made available by the University, to pay the Purchase Price of the 2022C Bonds on the Conversion Date.

Rescission of Election to Convert. The University may rescind any Election to effect a Conversion by delivering to the Paying Agent on or prior to 10:00 a.m., New York time, on the second Business Day preceding a proposed Conversion Date, a notice to the effect that the University has determined to rescind its Election to effect such Conversion. See the Paying Agent Agreement at "APPENDIX B –PAYING AGENT AGREEMENT FOR THE 2022C BONDS."

Optional Redemption

2022A Bonds. The 2022A Bonds maturing on or after April 1, 2033, are subject to redemption at the option of the University, as a whole or in part on any date on or after April 1, 2032, at a Redemption Price equal to 100 percent of the principal amount thereof, plus interest accrued to the date fixed for redemption.

2022B Bonds. The 2022B Bonds maturing on or after July 1, 2033, are subject to redemption at the option of the University, as a whole or in part on any date on or after July 1, 2032, at a Redemption Price equal to 100 percent of the principal amount thereof, plus interest accrued to the date fixed for redemption.

At the option of the University the 2022B Bonds maturing on or after July 1, 2024 also are subject to redemption as a whole or in part on any date prior to July 1, 2032, at the Redemption Price described below (the "Make-Whole Redemption Price"). The Make-Whole Redemption Price for the 2022B Bonds is equal to the greater of (1) 100 percent of the principal amount of the 2022B Bonds to be redeemed; or (2) the sum of the present value of the remaining scheduled payments of principal of and interest on the 2022B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2022B Bonds are to be redeemed, discounted to the date on which the 2022B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus the "Applicable Spread" defined below; plus, in each case, accrued interest on the 2022B Bonds to be redeemed to the date on which the 2022B Bonds are to be redeemed.

"Applicable Spread" means, (i) with respect to the 2022B Bonds maturing July 1, 2024 through and including July 1, 2030, 5 basis points; (ii) with respect to the 2022B Bonds maturing July 1, 2031 through and including July 1, 2033, 10 basis points; and (iii) with respect to the 2022B Bonds maturing July 1, 2034, 15 basis points.

"Treasury Rate" means, with respect to any Redemption Date for a particular 2022B Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, truncated to the fifth decimal, assuming that the Comparable Treasury Issue is purchased on such Redemption Date for a price equal to the Comparable Treasury Price. "Comparable Treasury Issue" means, with respect to any Redemption Date for a particular 2022B Bond, the United States Treasury security or securities that has an actual or interpolated maturity comparable to the remaining average life of such 2022B Bond, as determined by an investment banking firm or financial advisory firm retained by the University, that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of such 2022B Bond. "Comparable Treasury Price" means, with respect to any Redemption Date for a particular 2022B Bond, the price of the Comparable Treasury Issue, as determined by an investment banking firm or financial advisory firm retained by the University.

2022C Bonds. The 2022C Bonds are subject to redemption at the option of the University, as a whole or in part on any date on or after February 1, 2027 (each a "Par Call Date"), at a Redemption Price equal to 100 percent of the principal amount thereof, plus interest accrued to the Redemption Date. During any Delayed Remarketing Period, the Par Call Date for any Delayed Remarketing 2022C Bond shall mean any Business Day.

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 series, 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 less than all the Outstanding 2022A Bonds or 2022C Bonds within a maturity are to be redeemed, the 2022A Bonds or 2022C 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 2022A Bonds or 2022C Bonds are no longer in book-entry only form, the 2022A Bonds or 2022C Bonds shall be selected randomly by the Registrar.

If the University redeems at any one time fewer than all of the 2022B Bonds having the same maturity date, the particular 2022B Bonds or portions of 2022B Bonds of such maturity to be redeemed shall be selected on a *pro rata* pass-through distribution of principal basis.

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.

Special Considerations Relating to a Future Remarketing of the 2022C Bonds

The following factors should be considered with respect to the ability of the University to remarket the 2022C Bonds on the Scheduled Mandatory Purchase Date (or on a Conversion Date occurring on or after the respective Par Call Date or during the Delayed Remarketing Period).

A Remarketing Agent will be Selected and Paid by the University. After the refunding and remarketing of the 2022C Bonds, there will be no Remarketing Agent in place. Upon an Election to effect a Conversion of the 2022C Bonds, the University may be required to retain a Remarketing Agent, the selection of which will be within the University's sole discretion, consistent with the Paying Agent Agreement. The Remarketing Agent's responsibilities will include remarketing the 2022C Bonds, as further described in this Official Statement. The Remarketing Agent will be appointed by the University prior to the Mandatory Purchase Date and paid by the University for its services. As a result, the interests of the Remarketing Agent may differ from those of the owners of the 2022C Bonds.

The Remarketing Agent May Purchase the 2022C Bonds for Its Own Account. The Remarketing Agent will be permitted, but is not obligated, to purchase tendered 2022C Bonds for its own account and, in its sole discretion, may acquire such tendered 2022C Bonds in order to achieve a successful remarketing of the 2022C Bonds. The Remarketing Agent, however, will not be obligated to purchase the 2022C Bonds and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the 2022C Bonds by routinely purchasing and selling the 2022C Bonds other than in connection with a tender and remarketing. Such purchases and sales may be at or below par. The Remarketing Agent, however, will not be required to make a market in the 2022C Bonds. The Remarketing Agent may also sell any 2022C Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure with respect to the 2022C Bonds. The purchase of the 2022C Bonds by the Remarketing Agent may create the appearance that there is greater third-party demand for the 2022C Bonds in the market than is actually the case.

The 2022C Bonds May be Offered at Different Prices on Any Date. The Remarketing Agent may or may not be able to remarket the 2022C Bonds on a Scheduled Mandatory Purchase Date at par, and the Remarketing Agent may sell the 2022C Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing in which it does not have third-party buyers for all of the 2022C Bonds at the Purchase Price. In the event a Remarketing Agent owns any 2022C Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such 2022C Bonds on any date, including any Scheduled Mandatory Purchase Date, at a discount to the stated principal amount to some investors.

The Ability to Sell the 2022C Bonds May Be Limited. During the Term Rate Period, the owners of the 2022C Bonds do not have the right to optionally tender their 2022C Bonds for purchase through a tender process. Investors who purchase the 2022C Bonds, whether through the initial sale or otherwise, should not assume that they will be able to sell their 2022C Bonds other than through the mandatory tender process set forth in the Paying Agent Agreement. While the 2022C Bonds are in the Term Rate Mode, in the event that a remarketing is unsuccessful, the owners may be required to retain their 2022C Bonds throughout any Delayed Remarketing Period, subject to the Delayed Remarketing Rate.

The Remarketing Agent May Be Removed, Resign, or Cease Remarketing. The Remarketing Agent will be appointed by the University prior to the Scheduled Mandatory Purchase Date. The Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, subject to the terms of the Paying Agent Agreement, without a successor being named under certain circumstances. Any Remarketing Agreement will be negotiated between the University and the Remarketing Agent, each acting in its sole discretion subject to the minimum qualifications of a Remarketing Agent set forth in the Paying Agent Agreement.

Mandatory Sinking Fund Redemption

2022B Bonds. The 2022B Bonds maturing on July 1, 2041, are Term Bonds, subject to mandatory sinking fund redemption at a price of 100 percent of the principal amount thereof plus accrued interest to the date fixed for redemption on July 1 in the years and amounts as follows:

2022B Term Bonds due July 1, 2041

Year	Amount
2040	$ 22,035,000
2041*	27,540,000

* Maturity

If the University redeems the Term Bonds under the optional redemption provisions described above or purchases or defeases Term Bonds, the Term Bonds so redeemed, purchased or defeased (irrespective of their actual redemption or purchase prices) will be credited at the par amount thereof against one or more scheduled mandatory redemption amounts for the Term Bonds in accordance with the then effective operational arrangements of DTC referred to in the Letter of Representations, with the Bonds being redeemed in the scheduled redemption amounts to be selected by the University, the 2022A Bonds will be selected randomly within each scheduled redemption amount and the 2022B Bonds shall be selected on a *pro rata* basis within each scheduled redemption amount. In the event the Bonds are no longer in book-entry only form, the Bonds shall be redeemed in the scheduled redemption amounts to be selected by the University, the 2022A Bonds shall be selected randomly within each scheduled redemption amount and the 2022B Bonds shall be selected on a pro rata basis within each scheduled redemption amount.

If the University redeems the 2022B Bonds that are Term Bonds under the optional redemption provisions described above or purchases or defeases such Term Bonds, the Term Bonds so redeemed, purchased or defeased (irrespective of their actual redemption or purchase prices) will be credited at the par amount thereof against one or more scheduled mandatory redemption amounts for such Term Bonds in accordance with the then effective operational arrangements of DTC referred to in the Letter of Representations, with the Term Bonds being redeemed in the scheduled redemption amounts to be selected by the University, and on a *pro rata* pass-through distribution of principal basis within each scheduled redemption amount. In the event such Term Bonds are no longer in book-entry only form, the Term Bonds shall be redeemed in the scheduled redemption amounts to be selected by the University, and *pro rata* within each scheduled redemption amount.

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.

If the University defeases any 2022B Bonds, such 2022B Bonds may be deemed retired and "reissued" for federal income tax purposes as a result of the defeasance. In such event, the Owner of a 2022B Bond would recognize a gain or loss on the 2022B Bond at the time of defeasance. See "CERTAIN INCOME TAX CONSEQUENCES RELATING TO THE 2022B BONDS."

SOURCES AND USES OF BOND PROCEEDS

Use of Proceeds

2022A Bonds. The proceeds from the sale of the 2022A Bonds are to be applied to (a) pay costs of University projects, and (b) pay a portion of the costs of issuance.

2022B Bonds. The proceeds from the sale of the 2022B Bonds will be used, together with a cash contribution, to (a) refund a portion of the University's outstanding General Revenue Bonds, 2012C (the "2012C Bonds") and General Revenue Bonds, 2013 (the "2013 Bonds" and together with the 2012C Bonds, the "Refunded Bonds") on a taxable basis for debt service savings; and (b) pay a portion of the costs of issuance.

2022C Bonds. The proceeds from the sale of the 2022C Bonds will be used, together with a cash contribution, to (a) refund all of the University's General Revenue Bonds, 2019A (Term Rate Bonds) (the "2019A Bonds"); and (b) pay all or a portion of the costs of issuance for the 2022C Bonds.

Plan of Refunding

A portion of the proceeds of the 2022B Bonds will be used to defease and advance refund, on a taxable basis, a portion of the following 2012C Bonds and 2013 Bonds, and a portion of the proceeds of the 2022C Bonds will be used to refund on a current basis the 2019A Bonds (as identified below, the 2012C Bonds, the 2013 Bonds and the 2019A Bonds are collectively the "Refunded Bonds"):

Table 1: Refunded Bonds

General Revenue Bonds, 2012C

Maturity (July 1)	Amount	Rate (%)	Expected Redemption Date	Redemption Price (%)	CUSIP No.
2023	$6,115,000	5.000	1/1/2023	100	91523NKV7
2024	6,430,000	5.000	1/1/2023	100	91523NKW5
2025	6,765,000	5.000	1/1/2023	100	91523NKX3
2026	7,105,000	5.000	1/1/2023	100	91523NKY1
2027	7,470,000	5.000	1/1/2023	100	91523NKZ8
2028	7,855,000	5.000	1/1/2023	100	91523NLA2
2029	8,260,000	5.000	1/1/2023	100	91523NLB0
2030	8,680,000	5.000	1/1/2023	100	91523NLC8
2031	9,125,000	5.000	1/1/2023	100	91523NLD6
2032	9,600,000	5.000	1/1/2023	100	91523NLE4
2033	10,040,000	4.000	1/1/2023	100	91523NLF1

General Revenue Bonds, 2013

Maturity (July 1)	Amount	Rate (%)	Expected Redemption Date	Redemption Price (%)	CUSIP No.
2024	$4,305,000	5.000	7/1/2023	100	91523NLV6
2025	4,525,000	5.000	7/1/2023	100	91523NLW4
2026	4,760,000	5.000	7/1/2023	100	91523NLX2
2027	450,000	4.000	7/1/2023	100	91523NLY0
2027	4,550,000	5.000	7/1/2023	100	91523NMJ2
2028	5,255,000	5.000	7/1/2023	100	91523NLZ7
2029	5,525,000	5.000	7/1/2023	100	91523NMA1
2030	5,805,000	5.000	7/1/2023	100	91523NMB9
2031	6,105,000	5.000	7/1/2023	100	91523NMC7
2032	6,415,000	5.000	7/1/2023	100	91523NMD5
2033	6,745,000	5.000	7/1/2023	100	91523NME3
2034	7,090,000	5.000	7/1/2023	100	91523NMF0
2041(1)	51,150,000	5.000	7/1/2023	100	91523NMG8

General Revenue Bonds, 2019A

Maturity (May 1)	Amount	Rate (%)	Expected Redemption Date	Redemption Price (%)	CUSIP No.
2048	$100,000,000	5.000	3/8/2022	100	91523NTA4

(1) Term Bond.

The University will (a) deposit a portion of the proceeds of the 2022B Bonds on their date of delivery, together with cash to be contributed from accounts held in connection with the 2012C Bonds and/or the 2013 Bonds, to be escrowed to the redemption date for such Refunded Bonds at which time such Refunded Bonds will be redeemed at a price of par plus accrued interest to the date of redemption, and (b) deposit a portion of the proceeds of the 2022C Bonds on their date of delivery, together with cash to be contributed from accounts held in connection with the 2019A Bonds, to be used immediately to redeem the 2019A Bonds at a price of par plus accrued interest to the date of redemption. To fund the escrow with respect to the defeasance and refunding of the 2012C Bonds and the 2013 Bonds, the University may purchase certain direct noncallable Government Obligations. Cash and Government Obligations, if any, will be deposited in the custody of U.S. Bank Trust Company, 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 series of 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 refunded 2012C Bonds and 2013 Bonds by the Escrow Agent, pursuant to an escrow deposit agreement to be executed by the University and the Escrow Agent.

Verification of Mathematical Calculations

Causey Demgen & Moore P.C. (the "Verification Agent") will verify 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, together with other funds, are expected to be applied as follows:

Sources of Funds	2022A Bonds	2022B Bonds	2022C Bonds	Total[1]
Par Amount	$ 75,000,000	$ 209,090,000	$ 90,700,000	$ 374,790,000
Original Issue Premium	16,196,228	--	9,625,991	25,822,219
Cash Contribution	--	1,842,751	1,783,889	3,626,640
Total Sources of Funds[1]	$ 91,196,228	$ 210,932,751	$ 102,109,880	$ 404,238,859
Uses of Funds				
Project Fund Deposit	$ 90,919,080	--	--	$ 90,919,080
Escrow Deposit	--	$ 210,154,909	$ 101,763,889	311,918,798
Issuance Costs[2]	277,148	777,842	345,991	1,400,981
Total Uses of Funds[1]	$ 91,196,228	$ 210,932,751	$ 102,109,880	$ 404,238,859

(1) Totals may not foot due to rounding.
(2) Issuance costs include Underwriters' discount, legal fees, Escrow Agent 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, 2022 (the "Bond Fund"). 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" 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

A portion of the University's outstanding General Revenue Bonds are "Building Fee Revenue Bonds" that are payable from Building Fees and trust land revenues in addition to General Revenues and money and investments in the Bond

Fund. The State Legislature (the "Legislature") has previously authorized and may in the future authorize the University to issue a bond or bonds to be paid from Building Fees and trust land revenues deposited into the University of Washington bond retirement account defined in and in accordance with RCW 28B.20.700 through 28B.20.740 (the "Building Fee Revenue Bond Statute"). The Building Fee Revenue Bond Statute permits the University to issue bonds 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 ("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 (outstanding Building Fee Revenue Bonds and any additional building fee revenue bonds hereafter issued) 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.

Building Fee Revenue Bonds are not general or special obligations of the State, but are 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. The Bonds are not Building Fee Revenue Bonds.

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

The University expects to continue to issue debt for University purposes. Through Fiscal Year 2026, the University currently expects to borrow a total of approximately $600 million for non-refunding purposes; the actual amount issued 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—Lines of Credit." Additional projects may be funded 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 proceeds of bonds, in each case if approved by the Board of Regents. In August 2020, the University established two revolving lines of credit (the "Revolving Lines of Credit") sized at $100 million each to provide additional liquidity should it be needed. To date, there have been no draws on either of the Revolving Lines of Credit. The University may remarket bonds and/or issue additional refunding bonds.

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.* 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, pursuant to an amended and restated resolution of the Board of Regents adopted on July 11, 2019. No Commercial Paper Note may be issued under the resolution having a maturity later than June 30, 2039. The University issues Commercial Paper Notes generally to provide interim financing for University projects, including a portion of the projects to be financed by the Bonds and other projects to be financed by future General Revenue bonds. 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. University lease payments are applied to pay debt service on lease revenue bonds. Lease revenue bonds have financed the University's multi-phase South Lake Union biomedical research facilities and other clinic, research and administrative facilities.

(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 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.

(3) *Lines of Credit*. The University has entered into the following three 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 June 30, 2023, and provides funding for the University's FAST loan program.

(ii) Revolving Line of Credit under the Revolving Loan Agreement with Washington Federal Bank, National Association d/b/a WaFd Bank, payable from General Revenues. The Revolving Loan Agreement is in the principal amount of not to exceed $100 million, and provides liquidity for University purposes, during a term through August 1, 2023.

(iii) 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, 2024.

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 because of date of issue or otherwise.

University Debt

Table 2 summarizes outstanding debt obligations by type, including obligations paid from General Revenues and obligations paid from other sources such as Building Fees.

Table 2: Outstanding Obligations
(as of February 2, 2022)
(dollars in thousands)

	Total
Type of Obligation	
General Revenue Bonds[1]	$ 1,946,785
Leases (supporting Lease Revenue Bonds)	296,625
Reimbursed Bonds and Certificates of Participation	48,724
Commercial Paper Notes[2]	49,500
Equipment (Capital) Leases	2,284
Other[3][4]	29,916
Total Obligations[3][4]	**$ 2,373,834**

(1) Excludes the Bonds and the Revolving Lines of Credit (currently undrawn). Includes the Refunded Bonds.
(2) The outstanding Commercial Paper Notes will not be paid from proceeds of the Bonds and will remain outstanding.
(3) Includes amounts drawn on the FAST Non-Revolving Line of Credit.
(4) Total may not foot due to rounding.
Source: The University.

Additional detail on the Commercial Paper Notes is shown in Table 3:

Table 3: Unused Commercial Paper Authorization
(as of February 2, 2022)
(dollars in thousands)

	Total
Maximum Amount Authorized	$ 250,000
Less: Amount Outstanding[1]	(49,500)
Unused Commercial Paper Authorization	$ 200,500

(1) The University expects to issue approximately $21 million in Commercial Paper Notes in first quarter calendar year 2022 including for costs of the Finance Transformation project.
Source: The University.

Estimated General Revenue Debt Service Schedule

Table 4 provides the debt service requirements for the Bonds and the outstanding General Revenue Bonds. Table 4 also provides debt service requirements for lease and other contractual obligations payable from General Revenues. Table 4 excludes debt service on Commercial Paper Notes.

Table 4: University of Washington General Revenue Bonds Debt Service Schedule[1]
(as of March 8, 2022)

Fiscal Year Ending 6/30	Outstanding General Revenue Bonds	The Bonds Principal	The Bonds Interest	Total General Revenue Bonds	Leases and Other Obligations Paid from General Revenues[2]	Total General Revenue Debt Service
2022	$ 129,936,072	-	-	$ 129,936,072	$ 54,633,061	$ 184,569,133
2023	114,418,695	$ 6,940,000	$ 11,533,635	132,892,330	52,411,452	185,303,782
2024	108,670,355	12,420,000	12,393,950	133,484,305	47,174,756	180,659,061
2025	117,068,147	16,985,000	12,021,090	146,074,238	41,419,462	187,493,700
2026	118,790,817	17,445,000	11,573,407	147,809,224	35,850,358	183,659,582
2027	119,065,914	17,920,000	11,088,075	148,073,988	35,255,332	183,329,321
2028	114,160,507	18,440,000	10,568,547	143,169,054	31,812,908	174,981,962
2029	113,843,912	18,995,000	10,015,141	142,854,053	27,137,254	169,991,307
2030	108,990,258	19,585,000	9,429,518	138,004,776	25,409,415	163,414,191
2031	106,941,019	20,195,000	8,812,878	135,948,898	22,825,712	158,774,610
2032	105,476,429	20,845,000	8,163,511	134,484,940	22,559,583	157,044,523
2033	98,516,130	21,535,000	7,475,349	127,526,479	21,821,901	149,348,380
2034	94,485,624	22,275,000	6,742,397	123,503,021	19,792,538	143,295,559
2035	104,684,707	13,695,000	6,095,371	124,475,078	17,889,239	142,364,316
2036	141,624,568	-	5,650,763	147,275,331	17,789,062	165,064,393
2037	109,507,718	7,240,000	5,650,763	122,398,480	17,692,319	140,090,799
2038	110,062,755	-	5,288,763	115,351,518	17,582,584	132,934,102
2039	109,107,770	-	5,288,763	114,396,532	11,513,919	125,910,452
2040	125,507,997	-	5,288,763	130,796,759	11,398,385	142,195,145
2041	86,672,577	22,035,000	4,919,676	113,627,254	11,280,581	124,907,834
2042	80,169,950	27,540,000	4,089,295	111,799,245	11,152,404	122,951,648
2043	108,967,462	-	3,628,000	112,595,462	11,018,566	123,614,028
2044	106,650,487	-	3,628,000	110,278,487	5,170,600	115,449,087
2045	32,460,205	-	3,628,000	36,088,205	5,170,600	41,258,805
2046	30,648,944	-	3,628,000	34,276,944	5,168,800	39,445,744
2047	23,069,663	-	3,628,000	26,697,663	5,170,000	31,867,663
2048	12,343,700	90,700,000	4,535,000	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]	**$ 2,645,812,032**	**$ 374,790,000**	**$ 184,764,654**	**$3,205,366,686**	**$ 591,269,590**	**$ 3,796,636,276**

(1) Excludes debt service on Commercial Paper Notes. Includes all General Revenue Bonds, including those that are also Building Fee Revenue Bonds. Excludes the Refunded Bonds. For the 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.

(2) Includes leases and other contractual obligations payable from General Revenues, including lease obligations with respect to lease revenue bonds, a note, lines of credit (amount drawn as of February 2, 2022), interest for Reimbursed Bonds and Certificates of Participation.

(3) Totals may not foot due to rounding.

Source: The University.

COVID-19 PANDEMIC

Overview

The outbreak of COVID-19 is a global pandemic that has been declared a national and public health emergency for the United States and a state of emergency for Washington State. On March 23, 2020, the Governor issued a statewide "Stay Home, Stay Healthy" proclamation, requiring individuals to stay home except for essential activities, banning social and other gatherings, and closing all businesses, with certain exceptions for essential businesses. Since May 31, 2020, the State has followed phased re-opening plans. The State Department of Health began distributing COVID-19 vaccines under emergency use approvals according to the State allocation and priority plan. The plan began in December 2020 and opened to anyone 16 years and older on April 15, 2021, to anyone 12 years and older on May 13, 2021, and currently is open to anyone five and older. On September 27, 2021, the Governor issued Proclamation 21-14.2 requiring that certain employers confirm vaccination status of employees and others ("Proclamation 21-14.2"). According the Washington State Department of Health, as of January 18, 2022, 74.1% of State residents who are 12 and older, 85.9% of King County (the County in which the Seattle and Bothell campuses are located) residents who are 12 and older and 66.3% of Pierce County (the County in which the Tacoma campus is located) residents who are 12 and older are fully vaccinated (i.e., two doses of the Pfizer and Moderna vaccines or one dose of the Johnson & Johnson vaccine). In addition, everyone 12 years and older who is fully vaccinated is now eligible for a booster.

Variants of the earlier form of the virus that causes COVID-19 continue to emerge. On November 26, 2021, the World Health Organization classified the Omicron variant as a Variant of Concern. The U.S. and other countries have announced restrictions, with certain exceptions, on travel from certain countries due to concerns over Omicron.

Prior to the start of the autumn quarter of 2021, the University required proof of vaccination from faculty, staff, and students. Following Proclamation 21-14.2, as a condition of employment, faculty and staff (including student employees) were required to provide proof of vaccination prior to October 12, 2021. Students were required to provide proof of vaccination prior to October 29, 2021 or by November 5, 2021 if a student was unable to receive a vaccination prior to arriving on campus. A hold was placed on winter quarter registrations if the vaccine verification form was not completed or if an exemption was not granted by November 5, 2021. As of mid-October 2021, 98 percent of personnel and 97 percent of students were fully vaccinated. Beginning Autumn quarter, the majority of the University's academic programs returned to "in person" learning, teaching and working in manners compliant with the Governor's proclamation. Absent further legislative directives restricting in person activities, the University expects to continue to conduct the majority of academic operations predominately "in person," and on our campuses, with remote or hybrid learning options available if necessary to ensure the health and safety of students, faculty, and staff. On December 21, 2021, the University announced that most classes would be held online for the first week of winter quarter, in light of concerns regarding Omicron, and on January 7, 2022, the University announced that instructors have additional flexibility to choose to hold in-person classes if they also can provide an option that allows students to participate remotely, or they may keep their classes online through January 28, 2022. On January 24, 2022, the University announced the return to largely in-person classes on January 31, 2022. In addition to the mitigation measures already implemented, the University will be making KN95 masks available to students, instructors and staff at multiple locations on each campus.

See "Management's Discussion and Analysis-COVID-19" in Appendix C.

UW Medicine; COVID-19 Leadership

UW Medicine's clinical, teaching and research operations continue to be significantly impacted by the pandemic and the response required to meet its challenges. See "Management's Discussion and Analysis-COVID-19" in Appendix C. In addition, UW Medicine has taken a leadership role in collaboration with public health officials to address the pandemic by building needed clinical and epidemiological testing capacity in the region; modeling surge volumes and supply constraints nationally; providing publicly-accessible clinical protocols, procedures, and guidelines; and providing outreach to populations with unique needs, such as first responders, healthcare workers, nursing home patients and staff, and homeless populations. Operational challenges include managing high inpatient capacity needs during the second, third, fourth and fifth COVID-19 waves in the State, vaccination planning and administration, nurse staffing shortages and rising operating costs for clinical care. Vaccinations became a focus in December 2020 and UW Medicine has been at the forefront of vaccinating not only UW Medicine faculty, staff and patients, but also many areas of the community including underserved and underrepresented populations. UW Medicine clinicians are continuing their work translating research into clinical practice, using COVID-19 learnings to create policies and best practices to address the pandemic. UW Medicine's Institute for Health Metrics and Evaluation at the University ("IHME") is producing COVID-19 infection, recovery and death projections for every state in the country and for countries around the world. These projections are widely used by hospitals, state and local governments and the federal government to guide public health decisions and to estimate needed medical resources and supplies. Current IHME projections are guiding plans by such entities for recovery from the COVID-19 pandemic.

The UW Medicine Department of Laboratory Medicine and Pathology ("DLMP") provides COVID-19 PCR testing and currently has capacity to perform 30,000 tests per day while maintaining turnaround times that are essential to supporting clinical efforts and to reducing transmission rates in the State. Currently, DLMP is actively testing in approximately 20 sites across the region. To date, DLMP has performed more than 3,200,000 COVID-19 PCR tests (which represents approximately 35% of tests in the State).

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 7, 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 7 shows General Revenues of the University for Fiscal Years 2017 through 2021, calculated first by subtracting exclusions from Total Revenue and then by adding the specific components that comprise General Revenues. As of January 1, 2020, UW Medicine/Northwest (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. See "UW MEDICINE—UW Medicine Entities with Revenues Included in General Revenues—UW Medical Center" for a discussion of the integration of UW Medical Center and Northwest into one hospital with two campuses, as of January 1, 2020. As noted in this Official Statement, the historical results for periods occurring prior to the COVID-19 pandemic speak only as of their dates and for the periods shown, and may not be indicative of future results or performance due to a variety of factors.

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Table 7: General Revenues[1]
(Fiscal Years, dollars in thousands)

General Revenue (Exclusions from Total Revenue)	2017	2018	2019	2020[2]	2021
Total Revenue[3]	$6,106,922	$6,425,908	$6,634,277	$6,784,822	$8,336,575
Less:					
State operating appropriations	(341,971)	(362,267)	(378,656)	(415,030)[4]	(480,826)[5]
Grant and contract direct costs	(1,147,694)	(1,196,554)	(1,207,662)	(1,267,351)	(1,331,027)
Gifts[6]	(166,491)	(166,721)	(165,831)	(219,542)	(214,620)
Revenues of component units[7]	(636,200)	(705,687)	(676,205)	(513,740)	(430,391)
Student activities fees and U-Pass fees	(44,816)	(44,907)	(46,652)	(43,177)	(36,393)
Student technology fees, Building Fees, student loan funds	(72,008)	(74,728)	(78,553)	(81,563)	(81,574)
Trust and endowment income, net unrealized gains on non invested funds investments, Metro Tract net operating income, component unit investment income, and other restricted investment income	(416,327)	(368,191)	(274,178)	(114,810)	(1,310,009)
State capital appropriations	(64,166)	(26,399)	(24,797)	(23,098)	(69,557)
Capital grants, gifts and other	(52,897)	(142,573)	(44,260)	(179,089)	(119,803)
Other nonoperating revenues	(12,963)	(4,749)	(8,365)	(118,883)[8]	(149,427)[9]
Gifts to permanent endowments	(85,449)	(95,890)	(135,484)	(65,425)	(67,017)
Total General Revenues[10]	$3,065,940	$3,237,242	$3,593,634	$3,743,114	$4,045,931
General Revenue (by Component)					
Student tuition and fees (less student activities fees, U-Pass fees, technology fees, building fees, and loan funds)	$836,837	$882,236	$939,245	$941,040	$914,721
Grant and contract indirect costs	257,706	263,865	269,649	275,991	287,747
Invested funds distributions and net invested funds unrealized gains and losses	27,056	36,221	65,700	94,177	31,965
Sales and services of educational departments[11]	217,421	242,886	260,176	283,169	463,060
Patient services[12]	1,319,393	1,331,023	1,475,975	1,582,321[13]	1,770,427
Auxiliary systems	355,734	383,503	466,231	401,331	302,293
Other operating revenues[14]	51,793	97,508	116,658	165,085	275,718
Total General Revenues	$3,065,940	$3,237,242	$3,593,634	$3,743,114	$4,045,931

(1) See accompanying notes to Audited Financials: Reconciliation of Total University Revenue to General Revenue, June 30, 2021 (in Appendix C).

(2) 2020 figures adjusted to reflect restatements due to GASB 84 (Fiduciary Activities), which was implemented in Fiscal Year 2021. The changes reduced net position by $16M.

(3) "Total Revenue" includes certain net non-operating revenues and other revenues. See "UNIVERSITY REVENUE AND EXPENSES—University Revenues.". Northwest revenues are included in total revenues in Fiscal Years 2017-2019 and 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.

(4) Includes an $8 million emergency allocation from the State, primarily to expand COVID-19 testing capacity.

(5) Includes $48 million allocation from the State for COVID-19 response and to partially cover lost revenues related to COVID-19.

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

(7) Revenues of component units include UW Physicians and UW Neighborhood Clinics and, in Fiscal Years 2017-2019 and for the first six months of Fiscal Year 2020, Northwest revenues. See "UW MEDICINE."

(8) Includes $65 million of CARES Act - Provider Relief Funds, $18 million of CARES Act - HEERF Student Aid, and $4 million of CARES Act - Institutional Support.

(9) Includes $34 million of CARES Act - Provider Relief Funds, $50 million of CARES Act - HEERF Student Aid, and $43 million of CARES Act - Institutional Support.

(10) See "General Revenue Components" below for 2021 notes regarding the various components.

(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 Neighborhood Clinics.

(13) Includes UW Medical Center Northwest campus as of January 1, 2020.

(14) Includes pharmacy sales, services sold to Harborview Medical Center (e.g., lab and pathology), and revenue from Harborview Medical Center.

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 8 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 8: General Net Position - General Revenues
(Fiscal Years, dollars in thousands)

General Net Position	**2017**	**2018**	**2019**	**2020[(4)]**	**2021**
General net position (per audit)	$315,982	($1,343,629)	($1,061,438)	($831,046)	$36,624
Plus: Impact of 2015 GASB 68 -- Pensions[(1)]	761,658[(2)]	706,142	584,284	456,362	316,325
Plus: Impact of 2018 GASB 75 -- OPEB[(3)]	-	1,763,597	1,817,162	1,853,385	1,850,642
Adjusted General Net Position	$1,077,640[(2)]	$1,126,110	$1,340,008	$1,478,701	$2,203,591

(1) 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.
(2) Unaudited.
(3) 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.
(4) 2020 figures adjusted to reflect restatements due to GASB 84 (Fiduciary Activities), which was implemented in Fiscal Year 2021.

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

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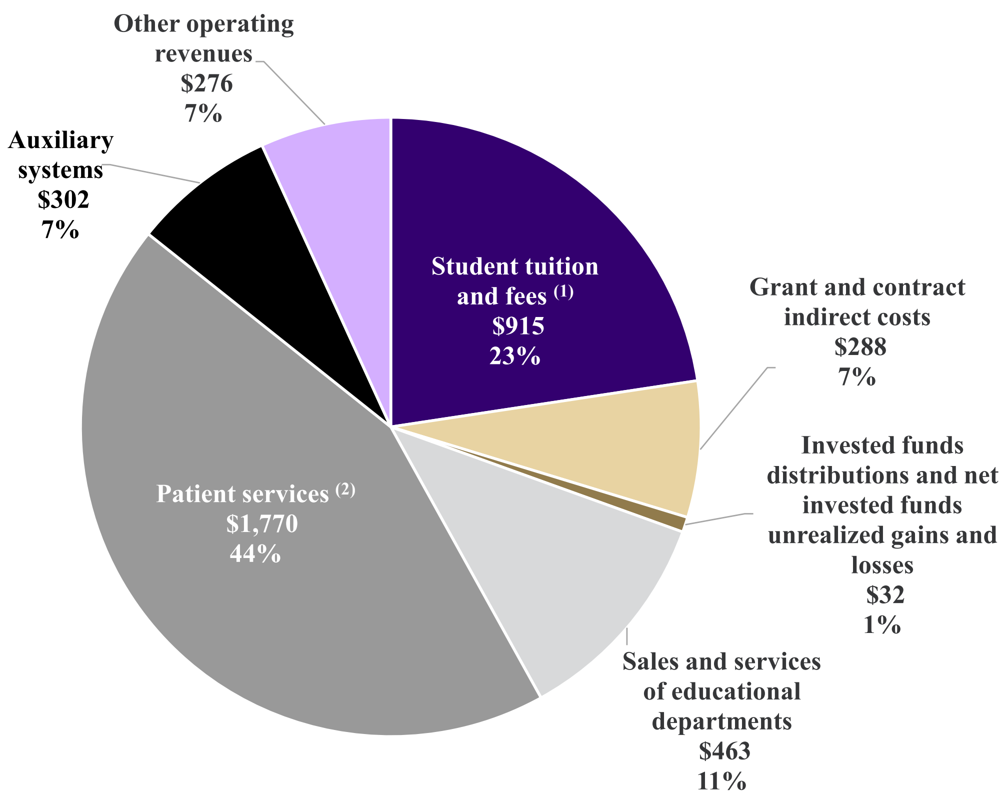
General Revenue Components

Figure 1 shows the General Revenue components for Fiscal Year 2021.

Figure 1: General Revenue Components, Fiscal Year 2021
(dollars in millions, total $4,046)



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(1) Does not include student activities fees, technology fees, building fees, and loan funds.
(2) Excludes activities of UW Physicians and UW Neighborhood Clinics.
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, 2021).

The following describes the largest components of General Revenues, which include patient services, student tuition and fees, auxiliary systems, sales and services of educational departments, and grant and contract indirect costs. The historical results for periods occurring prior to the COVID-19 pandemic speak only as of their dates and for the periods shown, and may not be indicative of future results or performance due to a variety of factors. See "COVID-19 PANDEMIC."

Patient Services

Patient services are the largest component of General Revenues, representing 44 percent of General Revenues in Fiscal Year 2021. Patient services revenue increased from $1.58 billion in Fiscal Year 2020 to $1.77 billion in Fiscal Year 2021 due to an increase in volumes (the mandatory cancellation of non-emergent and elective procedures from March 19, 2020 through May 19, 2020 in response to proclamations of the Governor did not occur in Fiscal Year 2021).

Some revenues of the integrated health system operated 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 9 lists the UW Medicine entities and notes which entities' revenues are included in General Revenues and whether the entities' revenues are reflected in the University financial statements. Table 9 also identifies the entities that are part of the UW Medicine Clinical Enterprise—UW Division (the "Clinical Enterprise"), which includes University divisions, departments and blended component units that generate patient services revenues. As of January 1, 2020, UW Medicine/Northwest was integrated into UW Medical Center. UW Medical Center now operates as one hospital with two campuses, Montlake and Northwest.

Table 9: UW Medicine Entities

Entity	Included in General Revenues Pledged to Bonds?	Included in Clinical Enterprise Financial Statements (and Patient Services Revenue)?	Included in University financial statements?
UW Medical Center[(1)]	Yes	Yes	Yes
UW School of Medicine	Yes	No	Yes
Shared Services[(2)]	Yes[(3)]	Yes	Yes
Airlift Northwest	Yes	Yes	Yes
UW Neighborhood Clinics[(4)]	No	Yes	Yes, blended component unit
UW Physicians[(5)]	No	Yes	Yes, blended component unit
Valley Medical Center	No	No	Yes, as a discrete component unit
Harborview Medical Center	No	No	No

(1) Includes UW Medical Center's Montlake and Northwest campuses (Northwest campus was included in UW Medical Center commencing January 1, 2020).
(2) Includes UW Medicine Information Technology Services and UW Medicine Shared Services (shared costs such as accounting, patient financial services, supply chain, finance, etc.).
(3) Represents certain revenues from shared services provided to Harborview Medical Center and Valley Medical Center as well as other revenues.
(4) UW Physicians Network d/b/a UW Neighborhood Clinics.
(5) The Association of University Physicians dba UW Physicians.
Source: The University.

Student Tuition and Fees

Student tuition and fees are the second largest component of General Revenues, representing 23 percent of General Revenues in Fiscal Year 2021. Student tuition and fee revenue decreased from $941 million in Fiscal Year 2020 to $915 million in Fiscal Year 2021 primarily as a result of higher student financial aid offsets from federally provided COVID relief. This aid was made available through the Higher Education Emergency Relief Fund ("HEERF") I and II and was distributed to students in the form of scholarship allowances and shown for financial reporting purposes as an offset to tuition revenue.

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 and Tuition." 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.

Future increases in resident undergraduate tuition are limited to annual increases of no more than the rolling average annual percentage growth rate in the median hourly wage for Washington for the previous 14 years. Accordingly, resident undergraduate tuition increases were limited by State law in the 2020-2021 and 2021–2022 academic years. The University raised resident undergraduate tuition by the full allowable amount (2.5 percent for 2020-2021 and 2.8 percent for 2021-2022). Non-resident tuition increased by 4.4 percent in 2019-2020 and 2.5 percent in 2020-2021. Similarly, most graduate and professional tuition categories increased by 2.5 percent in 2020-2021 and 2.0 percent in 2021-2022, with other graduate program rates increasing by 0-10 percent in each year. 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 11 percent of General Revenues in Fiscal Year 2021. Revenues from sales and services of educational departments increased from $283 million in Fiscal Year 2020 to $463 million in Fiscal Year due mainly to School of Medicine programs, primarily Lab Medicine, which had a significant increase in COVID-19 testing activities.

These revenues largely consist of Laboratory Medicine sales, School of Dentistry sales and Computing and Communication fees for various services.

Auxiliary Systems

Auxiliary systems revenues are the fourth largest component of General Revenues, representing 7.5 percent of General Revenues in Fiscal Year 2021. Auxiliary systems include housing and food services, athletic programs and other auxiliary enterprises. Auxiliary systems revenues decreased from $401 million in Fiscal Year 2020 to $302 million in Fiscal Year 2021 primarily due to impacts from the pandemic on demand for student housing and retail operations and lower revenues from sports programs resulting from the cancellation of in-person events during the year.

Grants and Contract Indirect Costs

Indirect costs from grants and contracts are the fifth largest component of General Revenues, representing 7.1 percent of General Revenues in Fiscal Year 2021. Grant and contract indirect cost revenues increased from $276 million in Fiscal Year 2020 to $288 million in Fiscal Year 2021 largely as a result of increased billings on sponsored research initiatives (e.g., National Institutes of Health ("NIH") grant activity supporting a variety of biomedical research initiatives).

Grants and contracts fund a wide variety of research and training programs at the University. The current indirect costs/facilities rate, also known as the administrative costs ("F&A" rate), is 55.5 percent for on campus, organized research. Current F&A rates are in effect until amended.

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 2021 and 2020, see "APPENDIX C—AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2021)."

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 2021, approximately 107,000 people studied and worked in approximately 27.2 million square feet of University-owned facilities. Of these people, approximately 56 percent were students and 44 percent were staff and faculty. With approximately 47,000 full-time and part-time employees at the University's Autumn 2021 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 639 degree options across 309 programs. In the 2020-2021 academic year, the University awarded 18,250 degrees, including 11,821 bachelor degrees, 4,920 master's degrees, 870 doctoral degrees and 628 professional degrees.

Governance

The University is governed by a 10-member Board of Regents, which includes one student of the University. Regents are appointed by the Governor of the State with the consent of the State Senate, and, except for the student member, hold their offices for six-year terms or until their successors are appointed and qualified, whichever is later. The student member of the Board of Regents serves a one-year term from July 1 to June 30 of the following year, or until his or her successor is appointed and qualified, whichever is later.

The Board of Regents consists of the following individuals:

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

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

William S. Ayer, Member (Retired Chairman and Former Chief Executive Officer, Alaska Air Group).

Djelli Berisha, Student Member (Student at the University of Washington, Bothell).

Leonard Forsman, Member (Chairman, Suquamish Tribe).

Jeremy Jaech, Member (Managing Partner, Harmony Meadows LLC).

Joanne R. Harrell, Member (Senior Director for U.S. Citizenship and Public Affairs, Microsoft Corporation).

Libby G. MacPhee, Member (Managing Partner, Seattle Family Support, LLC).

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

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

The University's Administrative Officers include the following individuals:

Dr. Ana Mari Cauce, President. Dr. Cauce is the 33rd president of the University, where she has been a member of the faculty since 1986. 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. As president, and throughout her tenure, 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 people in Washington and throughout the world. Dr. Cauce earned degrees in English and psychology from the University of Miami and a Ph.D. in psychology, with a concentration in child clinical and community psychology, from Yale University. She has received honorary degrees from the University of Miami and Tsinghua University.

Dr. Mark Richards, Provost and Executive Vice President for Academic Affairs. Dr. Richards joined the University as Provost and Executive Vice President for Academic Affairs on July 1, 2018. A geophysicist, Dr. Richards also holds a faculty appointment in the College of the Environment's Department of Earth and Space Sciences. As Provost, he is the University's chief academic and budget officer. Dr. Richards came to the University from the University of California, Berkeley, where he was a professor of Earth and Planetary Science. While at Berkeley, he served as dean of mathematical and physical sciences, and simultaneously as executive dean of the College of Letters and Science. For his work on racial, ethnic, and gender diversity in the STEM fields, Dr. Richards received Berkeley's two highest awards for promoting equity and inclusion. After receiving his bachelor's degree in engineering from the University of Texas at Austin, Dr. Richards earned his master's in applied physics and a Ph.D. in geophysics from Caltech, followed by a postdoc at the Australian National University. He served on the faculties of the University of Oregon and, in 1993, at the University.

Brian McCartan, Vice President for Finance. Mr. McCartan is Vice President for Finance, overseeing the central finance functions of the University, including Controller, Treasury, and Enterprise Business Services divisions. Prior to joining the University, he served as Chief Financial Officer at Sound Transit, the regional transit authority for the central Puget Sound region, for 11 years. At Sound Transit, he managed the finance, risk management, information technology, and enterprise asset management functions. Prior to Sound Transit, Mr. McCartan served as debt manager at the City of Seattle, financing the capital programs for the City and its utilities, and as an international economist at the U.S. Treasury in Washington, D.C., helping administer U.S. international monetary operations. Mr. McCartan graduated from the University with a bachelor's degree in philosophy and political science. He has a master's degree in international relations from Yale University.

Dr. Paul G. Ramsey, CEO, UW Medicine, Executive Vice President for Medical Affairs and Dean of the School of Medicine. Dr. Ramsey has served as the senior executive leader of UW Medicine since 1997. He came to the University in 1978, following completion of his residency training in Internal Medicine at Massachusetts General Hospital. He served as acting chair and then chair of the Department of Medicine from 1990 to 1997, when he was appointed to his current administrative leadership position. Dr. Ramsey was the first holder of the Robert G. Petersdorf Endowed Chair in Medicine in 1995. He has received the Distinguished Teacher Award from the UW School of Medicine's graduating class three times (in 1984, 1986 and 1987) and the Margaret Anderson Award, which recognizes exceptional support of medical students, from the UW School of Medicine graduating class of 1989. Dr. Ramsey's research has focused on the development of methods to assess physicians' clinical competence. He has been the Principal Investigator on multiple research grants related to assessment of physicians' clinical skills, and served as a Henry J. Kaiser Family Foundation Faculty Scholar in General Internal Medicine for five years. Dr. Ramsey received the John P. Hubbard award from the National Board of Medical Examiners in 1990 in recognition of his research contributions in the field of evaluation. He has served on many national committees, including serving as an elected member of the Association of American Physicians and the National Academy of Medicine (previously known as the Institute of Medicine), and is a member of multiple organizations. Dr. Ramsey graduated from Harvard College with honors in Biochemistry and received his M.D. from Harvard Medical School.

Accreditation

The University has been continuously accredited by the Northwest Commission on Colleges and Universities ("NWCCU"), its regional higher education authority, since 1918, and is a member of the Association of American Universities. NWCCU adheres to a seven-year accreditation cycle. The NWCCU reaffirmed accreditation of the University in July, 2021, after the submission of a comprehensive self-evaluation report as well as a site visit in April 2021. The University is scheduled to submit its mid-cycle self-evaluation report in the spring of 2024.

Sustainability

Building on the 2009 UW Climate Action Plan, the University adopted its Sustainability Action Plan on July 1, 2020, which set out 10 measurable targets to be achieved over a five-year span. The University aims to annually evaluate progress toward these targets and determine the actions required over the upcoming year to respond to tri-campus needs. In August 2021, the University released an update to the Sustainability Action Plan for Fiscal Year 2022. The targets under the Sustainability Action Plan include areas relating to energy, transportation, food, waste, academic research, purchasing and more. For each of the 10 targets, teams identified several actions for the fiscal year. A survey, open to all members of the University community, was completed in winter quarter and informed the decision-making process. Actions include efforts to compile catalogs of course offerings and research projects related to sustainability, working toward creating a student sustainability resource center, exploring offsets for professional travel, electrifying the campus fleet, reducing single-use items and others. 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. The University last held a gold rating under that framework; its application for renewal of its STAR rating is in progress. 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 10 through 14 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 2017–2021. The autumn quarter of the calendar year corresponds with a different Fiscal Year (e.g., autumn 2018 is enrollment for Fiscal Year 2019, autumn 2020 is enrollment for Fiscal Year 2021 and so on).

In autumn quarter 2021, 77 percent of undergraduate students were located at the Seattle campus, 13 percent at Bothell and 10 percent at Tacoma, based on headcount. The Bothell and Tacoma campuses consist primarily of undergraduate students. For the 2020-2021 and 2021-2022 academic years, approximately 65 percent and 64 percent of undergraduate, graduate and professional FTEs were in-State residents, and approximately 14 percent were international students.

The Seattle campus enrolled its largest freshman class, 7,249, including 4,520 Washington residents — also a new high — and a record number of underrepresented minority students. Of the 8,729 new undergraduates on the Seattle campus, 7,249 are freshman, 1,480 are transfers and 1,438 are from underrepresented minority groups. Overall, the undergraduate application pool for the Seattle campus increased this year by 10%, resulting in 53,608 total applications, with an admissions rate of 53%. Transfer applications have been declining for the past five years. This is a result of declining enrollments in local community colleges and increasing opportunities for four-year degrees at the community college level. These declining transfer applications have resulted in slightly lower enrollments of transfer students. After a record setting incoming cohort, freshman enrollments at UW Bothell remain high but closer to trends prior to 2020. UW Tacoma saw a drop in both admission rates and in enrollment yields for freshman, although enrollments remain steady.

As noted in this Official Statement, the historical results for periods occurring prior to the COVID-19 pandemic speak only as of their dates and for the periods shown, and may not be indicative of future results or performance due to a variety of factors. See "COVID-19 PANDEMIC."

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Table 10: Applications, Students and Enrollments(1)

Undergraduate	Autumn Quarter				
Freshmen	**2017**	**2018**	**2019**	**2020**	**2021**
Applied	50,007	50,965	51,847	49,921	55,496
Accepted	25,017	26,490	28,506	29,851	31,664
Percent Accepted to Applied	50%	52%	55%	60%	57%
Enrolled	8,158	8,571	8,465	8,606	8,776
Percent Enrolled to Accepted	33%	32%	30%	29%	28%
Transfers	**2017**	**2018**	**2019**	**2020**	**2021**
Applied	9,718	9,123	8,728	8,349	7,805
Accepted	4,974	5,041	4,779	4,925	4,566
Percent Accepted to Applied	51%	55%	55%	59%	59%
Enrolled	3,218	3,264	3,034	3,169	2,894
Percent Enrolled to Accepted	65%	65%	63%	64%	63%
Undergraduate FTE(2)	**2017**	**2018**	**2019**	**2020**	**2021**
Bothell	5,026	5,060	5,046	5,346	5,094
Seattle	30,295	31,004	30,901	31,202	30,912
Tacoma	4,204	4,291	4,363	4,337	4,124
Total All Campuses	39,525	40,355	40,310	40,885	40,130
Undergraduate Headcount	**2017**	**2018**	**2019**	**2020**	**2021**
Bothell	5,370	5,411	5,364	5,664	5,471
Seattle	31,843	32,594	32,570	32,827	32,779
Tacoma	4,457	4,573	4,610	4,578	4,339
Total All Campuses	41,670	42,578	42,544	43,069	42,589
Additional Enrollment Statistics	**2017**	**2018**	**2019**	**2020**	**2021**
Percent of Undergraduates Outside State—Domestic(3)	13%	14%	14%	14%	16%
Percent of Undergraduates Outside State—International(3)	13%	13%	13%	12%	12%
Percent Retention (Freshmen to Sophomore)	92%	92%	92%	91%	91%
Mean GPA	3.71	3.73	3.74	3.72	3.76
Median GPA	3.80	3.81	3.83	3.81	3.84
Percent of Class Reporting GPA Data	100%	100%	100%	100%	100%
Mean Combined SAT Score	1263	1293	1289	1282	1307
Median Combined SAT Scores	1290	1320	1320	1310	1340
Percent of Class Reporting SAT Data	76%	76%	81%	80%	18%(4)

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

(2) Full-time equivalent ("FTE") 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.

(3) Based on headcount.

(4) 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 10: Applications, Students and Enrollments[1] (Continued)

	Autumn Quarter				
Graduate	**2017**	**2018**	**2019**	**2020**	**2021**
Applied	34,150	34,421	32,328	33,413	36,578
Accepted	10,700	11,153	10,731	11,316	11,573
Percent Accepted to Applied	31%	32%	33%	34%	32%
Enrolled	4,605	4,656	4,772	4,990	5,258
Percent Enrolled to Accepted	43%	42%	44%	44%	45%
Graduate FTE	14,652	15,170	15,244	15,830	16,106
Graduate Headcount	14,059	14,498	14,628	15,148	15,358

Professional[2]	**2017**	**2018**	**2019**	**2020**	**2021**
Applied	12,218	12,859	11,537	10,594	13,595
Accepted	1,335	1,371	1,305	1,376	1,432
Percent Accepted to Applied	11%	11%	11%	13%	13%
Enrolled	604	616	601	614	615
Percent Enrolled to Accepted	45%	45%	46%	45%	43%
Total Professional FTE	3,978	3,980	4,105	4,114	4,123
Total Professional Headcount	2,126	2,176	2,209	2,201	2,170

(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 11: Extension Course and Conference Registrations

2017	**2018**	**2019**	**2020**	**2021[1]**
82,949	79,503	81,361	90,714	69,653

(1) The decline in 2021 extension course and conference registrations reflects the impacts of COVID-19. See "COVID-19 PANDEMIC."
Source: The University.

Table 12: Tuition and Fees[1]

	Annual (As of Autumn Quarter)				
	2017	**2018**	**2019**	**2020**	**2021**
Undergraduate Resident	$ 10,974	$ 11,207	$ 11,465	$ 11,659	$ 12,352
Undergraduate Non-Resident	35,538	36,558	38,166	39,028	40,182
Graduate Resident	16,272	16,590	16,977	17,308	18,030
Graduate Non-Resident	28,320	28,881	29,562	30,208	31,188
Professional School Resident[2]	30,297-48,255	31,482-48,270	32,712-48,285	33,565-48,220	34,611-48,615
Professional School Non-Resident[2]	44,979-73,827	47,190-73,842	48,588-73,857	50,185-73,792	51,810-74,187

(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 13: University FTEs(1)

	Autumn Quarter				
	2017	2018	2019	2020	2021
Undergraduate	39,525	40,355	40,310	40,885	40,130
Graduate	14,652	15,170	15,244	15,830	16,106
Professional(2)	3,978	3,980	4,105	4,114	4,123
Total University FTE	58,155	59,505	59,659	60,829	60,359

(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 14: University Headcount(1)

	Autumn Quarter				
	2017	2018	2019	2020	2021
Undergraduate	41,670	42,578	42,544	43,069	42,588
Graduate	14,059	14,498	14,628	15,148	15,358
Professional(2)	2,126	2,176	2,209	2,201	2,170
Total University Headcount	57,855	59,252	59,381	60,418	60,116

(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 15 and 16 show available selected faculty and student housing and dining data for autumn quarter since 2017.

Table 15: Faculty Data(1)

	Autumn Quarter				
	2017	2018	2019	2020	2021(2)
Full-time Faculty	4,380	4,369	4,864	5,204	--
Tenure Rate (%)	33%	35%	43%	48%	--

(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 and data updates related to transition to a new human resources planning system, Workday. In all years, headcount associated with temporary faculty categories is excluded.

(2) Final Autumn 2021 faculty data is not yet available.

Source: The University.

Table 16: Student Housing and Dining Data[1]

	Autumn Quarter				
	2017	**2018**	**2019**	**2020**	**2021**
Room and Board[2]	$11,251	$11,925	$12,554	$13,361	$13,621
Autumn Opening Occupancy[3]	7,294	8,365	8,491	3,459[5]	9,247[6]
Occupancy[4]	118%	109%	111%	45%[5]	108%[6]

(1) Figures include residence hall units and exclude single student and family housing apartments. Seattle campus only.
(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. See "COVID-19 PANDEMIC."
(6) Increase in 2021 occupancy reflects the University's return to in-person classes and pre-pandemic level demand for student housing.

Source: The University.

UNIVERSITY REVENUE AND EXPENSES

The following section provides more 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 also is 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 22.9 percent in Fiscal Year 2021, totaling $8.3 billion. Table 17 shows total University revenues by type of revenue source. See "GENERAL REVENUES—General Revenue Components" for notes regarding increases in patient service revenues and revenues from sales and services of educational departments, and decreases in auxiliary enterprise and tuition and fee revenue, from Fiscal Year 2020 to Fiscal Year 2021. See also "INVESTMENTS" for notes regarding the increase in investment income in Fiscal Year 2021.

Table 17: University Total Revenue
(Fiscal Years, dollars in millions)

	2017	**2018**	**2019**	**2020**[(1)]	**2021**
Net Patient services	$1,869	$2,008	$2,136	$2,093[(2)]	$2,208[(2)]
Grants and contracts	1,422	1,468	1,492	1,555	1,631
Tuition and fees	942	990	1,052	1,058	1,033
Investment income	442	404	340	209	1,342[(3)]
Auxiliary enterprises	374	403	483	420	297
Gifts	289	398	331	452	332
State funding for operations	342	362	379	415[(4)]	481[(4)]
Sales and services of educational departments	217	243	260	283	463[(5)]
Other medical-related revenues	64	104	120	149	197
State funding for capital projects	64	26	25	23	70
Other	80	20	16	128[(6)]	283[(6)]
Total revenue – all sources	**$6,105**	**$6,426**	**$6,634**	**$6,785**	**$8,337**

(1) 2020 figures adjusted to reflect restatements due to GASB 84 (Fiduciary Activities), which was implemented in Fiscal Year 2021. The changes reduced net position by $16M.

(2) Net Patient Service revenues decreased by $43 million in Fiscal Year 2020 due to temporary restrictions on elective and non-emergent procedures imposed by Governor Inslee in response to the COVID-19 pandemic. In Fiscal Year 2021, Net Patient Services revenue increased by $115 million as the Governor's temporary restrictions were no longer in place.

(3) Investment income increased $1,133 million in Fiscal Year 2021 due to a rebound in investment returns on the University's endowment and operating funds.

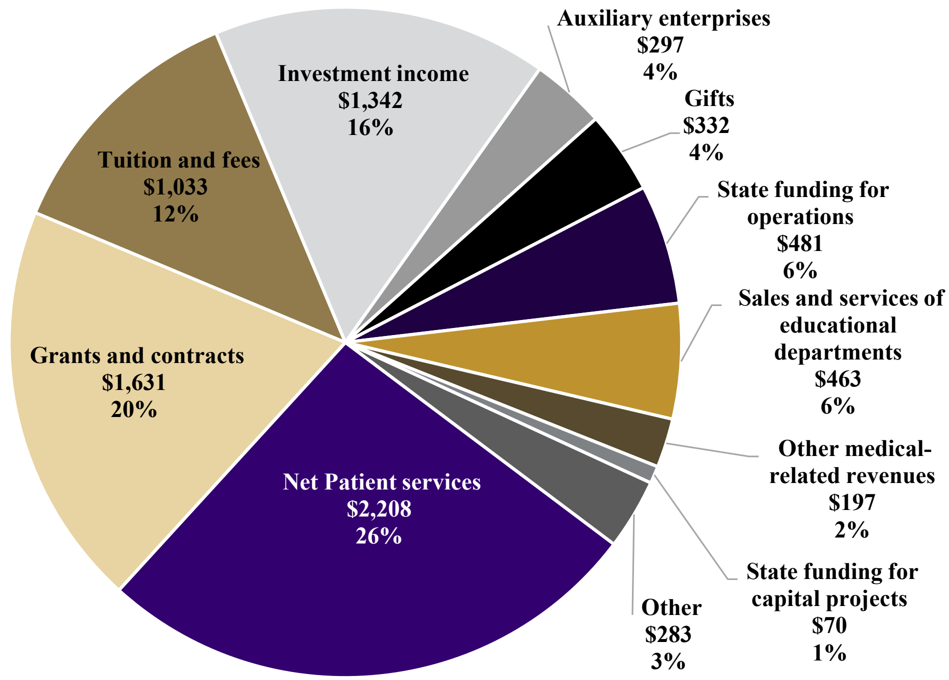
(4) Includes an $8 million emergency allocation from the State in Fiscal Year 2020, primarily to expand COVID-19 testing capacity. Includes $48 million in Fiscal Year 2021 for COVID-19-related costs and to partially cover lost revenues related to COVID-19.

(5) Sales and services of educational departments increased $180 million due to School of Medicine programs, primarily Lab Medicine, which saw a significant increase in COVID-19 testing activities.

(6) Includes $65 million of CARES ACT - Provider Relief Funds, $18 million of CARES Act - HEERF Student Aid, and $4 million of CARES Act - Institutional Support in Fiscal Year 2020. For Fiscal Year 2021, includes $34 million of CARES ACT - Provider Relief Funds, $50 million of CARES Act - HEERF Student Aid, and $43 million of CARES Act - Institutional Support.

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

Figure 2: University Total Revenue by Source, Fiscal Year 2021
(dollars in millions, total $8,337)



Source: Figure 2 is derived from data in the Management's Discussion and Analysis, Audited Financial Statements of the University for Fiscal Year 2021.

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University Expenses

Operating Expenses. The University's operating expenses decreased 1.6 percent in Fiscal Year 2021, due primarily to the reduction in staff salaries and benefits, reflecting cost control measures implemented as a result of the COVID-19 pandemic and changes in actuarial assumptions used to value the University's pension obligations. Table 18 and Figure 3 show University operating expenses by functional classification (purpose for which the costs are incurred). See Statement of Revenues, Expenses and Changes in Net Position included in the University's Audited Financial Statements attached as Appendix C for Operating Expenses by type of expenditure.

Table 18: University Operating Expenses
(Fiscal Years, dollars in millions)

	2017	2018	2019	2020	2021
Medical-related	$1,658	$1,712	$1,776	$1,845[(1)]	$1,674[(1)]
Educational and general instruction	1,204	1,268	1,320	1,361	1,407
Research	768	785	749	796	822
Academic support	507	512	540	542	556
Auxiliary enterprises (other than medical)	495	495	554	576	518
Depreciation/amortization	363	384	372	388	378
Institutional support	240	251	226	272	260
Operation and maintenance of plant	206	201	252	281	303
Scholarships and fellowships	137	149	155	154	192
Student services	49	53	54	55	51
Public service	39	49	66	77	87
Total operating expenses	**$5,666**	**$5,859**	**$6,064**	**$6,347**	**$6,248**

(1) Fiscal Year 2020 and Fiscal Year 2021 medical-released expenses reflect accounting entries in Fiscal Year 2020 and 2021, largely those related to the Northwest Hospital merger. Excluding the Northwest Hospital 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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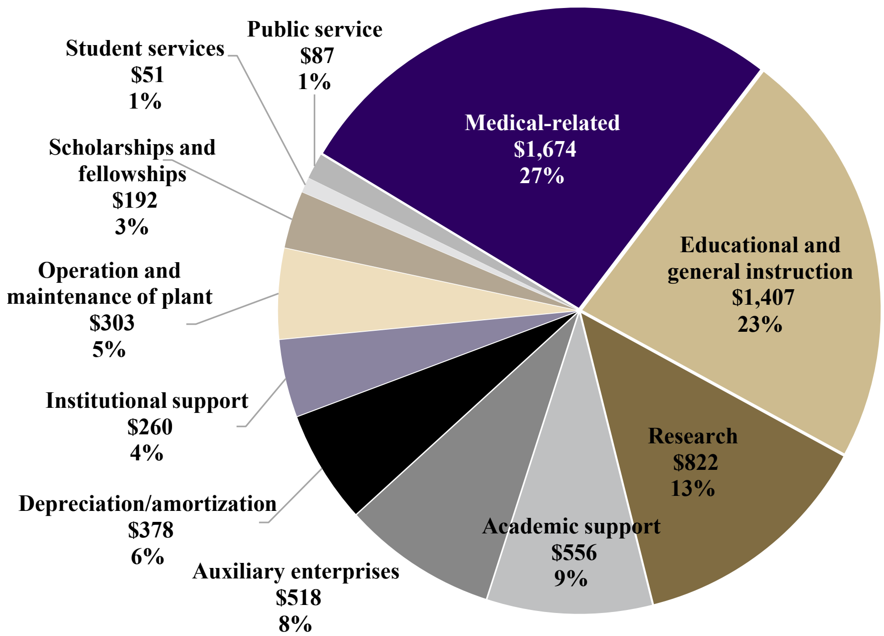
Figure 3: University Operating Expenses by Use, Fiscal Year 2021
(dollars in millions, total $6,248)



Source: Figure 3 is derived from data in the Management's Discussion and Analysis, Audited Financial Statements of the University for Fiscal Year 2021.

UW MEDICINE

The University operates an integrated health system under the name "UW Medicine," consisting of University divisions, departments, component units, Harborview Medical Center, partially-owned organizations, and key affiliates and partners as shown in Figure 4.

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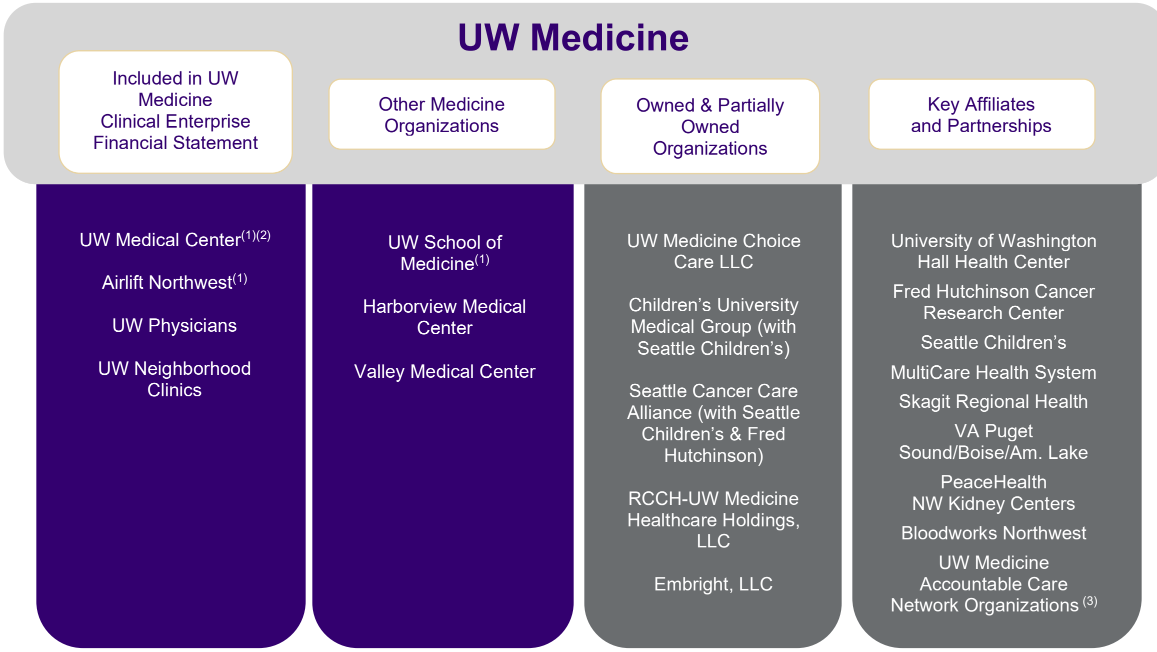
Figure 4: UW Medicine Entities
(as of January 1, 2022)



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(1) Revenues included in General Revenues.
(2) Includes UW Medical Center's Montlake and Northwest campuses (Northwest campus was included in UW Medical Center commencing January 1, 2020).
(3) Includes Island Hospital & Clinics, MultiCare Connected Care, PeaceHealth, Seattle Cancer Care Alliance, Seattle Children's Hospital and Skagit Regional Health.

Source: The University.

The following provides an overview of the entities operated as the integrated health system known as UW Medicine (other than shared services), including the entities with revenues included in General Revenues (together with shared services) and the Clinical Enterprise. The Clinical Enterprise includes University divisions, departments and blended component units that generate patient services revenues. See "Table 9: 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 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 810 licensed-bed count, with campuses at Montlake and Northwest that are financially, clinically and administratively integrated. 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 into one hospital with two campuses (under one license) on January 1, 2020.

Airlift Northwest. Airlift Northwest is a 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 2019 awards. Physician faculty members of the UW School of Medicine staff UW Medical Center, Harborview and UW Neighborhood Clinics, as well as the Puget Sound Veterans Affairs Health Care System, Seattle Cancer Care Alliance ("SCCA") 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 Consolidated Clinical Enterprise Financial Statement

Together with UW Medical Center, Airlift Northwest, and shared services, the following University departments, divisions and blended component units constitute the components of UW Medicine included as part of the Consolidated Clinical Enterprise Financial Statement. The components are operationally integrated to provide patient care, and a portion of patient services revenues are included in General Revenues as noted above.

UW Physicians. UW Physicians is the physician practice group for approximately 2,600 physicians and other healthcare professionals associated with UW Medicine. UW Physicians provides primary and specialty care totaling more than one million patient visits each year. UW Physicians is a 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 Neighborhood Clinics. UW Neighborhood Clinics is a network of clinics with 12 locations throughout the greater Puget Sound area. 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 Neighborhood Clinics is a 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 Neighborhood Clinics is presented as a blended component unit of the University in the University's financial statements.

Other UW Medicine Entities

Harborview Medical Center ("Harborview") and Valley Medical Center ("Valley") also are part of the UW Medicine umbrella organization that coordinates the provision of patient services. The revenues of these entities are excluded from General Revenues.

Harborview Medical Center. Harborview is a Level 1 adult and pediatric trauma and burn center with 413 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 the County of $1.7 billion in bonds over the next decade to finance renovation and expansion projects at Harborview. The bonds will be paid from an excess property tax approved by County voters and are not an obligation of the University.

Valley Medical Center. Valley is a 341-licensed-bed hospital in Southeast King County, and is a full-service acute care public hospital. 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. Valley continues to be included as a discretely presented component unit.

Patient Activity Statistics

Table 19 shows patient activity statistics for UW Medical Center as well as for UW Medicine, the umbrella organization coordinating patient services between UW Medical Center Montlake and Northwest campus, the other UW Medicine hospitals (Harborview and Valley) and other entities. As shown in "Table 9: UW Medicine Entities" under the heading "GENERAL REVENUES—Patient Services," the revenues of UW Medical Center, Airlift Northwest and shared services are included in General Revenues, and the revenues of Northwest are included commencing January 1, 2020. See "Figure 4: UW Medicine Entities." As noted in this Official Statement, the historical results for periods occurring prior to the COVID-19 pandemic speak only as of their dates and for the periods shown, and may not be indicative of future results or performance due to a variety of factors. See "COVID-19 PANDEMIC."

Table 19: UW Medical Center, Entities Included Clinical Enterprise Financial Statement and UW Medicine Patient Activity Statistics
(Fiscal Years)

	2017	2018	2019	2020[1]	2021[1]
UW Medical Center (included in General Revenues and included in the Clinical Enterprise Financial Statement)					
Admissions	18,964	19,350	18,948	22,177[2]	27,320[2]
Outpatient Visits	341,014	353,718	364,006	327,103[2]	400,575[2]
Emergency Visits	27,730	28,279	28,765	40,497[2]	55,781[2]
Northwest (included in the Clinical Enterprise Financial Statement and, commencing January 1, 2020, included in UW Medical Center and in General Revenues)					
Admissions	9,945	9,935	9,767	4,821[2][3]	N/A
Outpatient Visits	174,257	169,370	166,707	81,664[2][3]	N/A
Emergency Visits	34,150	33,651	32,587	16,398[2][3]	N/A
Clinical Enterprise (includes UW Medical Center and other entities included in Clinical Enterprise Financial Statement)					
Admissions	28,909	29,285	28,715	26,998	27,320
Outpatient Visits	853,445	895,501	904,017	776,743	748,051
Emergency Visits	61,880	61,930	61,352	56,895	55,781
UW Medicine (excludes UW School of Medicine)					
Admissions	64,220	64,410	63,059	59,251	58,530
Outpatient Visits	1,641,203	1,782,435	1,832,555	1,633,592	1,668,043
Emergency Visits	204,634	204,544	202,202	187,789	175,325

(1) Patient volumes beginning in Fiscal Year 2020 reflect the effects of COVID-19 and the related public health measures, most significantly the temporary suspension of elective and non-urgent procedures. See "COVID-19 PANDEMIC."
(2) Commencing January 1, 2020, patient activity statistics reported under UW Medical Center includes UW Medical Center Montlake and Northwest campuses.
(3) Represents six months of statistics for the period July 1, 2019 through December 31, 2019.
Source: The University.

UW Medicine Joint Ventures

As shown in Figure 4, UW Medicine includes organizations owned, in part, by the University. Revenues of these entities are excluded from General Revenues.

Seattle Cancer Care Alliance. SCCA is a joint venture of UW Medicine, Seattle Children's Hospital and Fred Hutchinson Cancer Research Center. SCCA integrates the cancer research, teaching and clinical cancer programs of all three institutions to provide cancer care. Each member of SCCA has a one-third interest. The University accounts for its share of the joint venture under the equity method of accounting.

SCCA, a 501(c)(3) tax-exempt, nonprofit corporation, was formed in 1998 by its three members: UW Medicine, Fred Hutchinson Cancer Research Center ("Fred Hutch"), and Seattle Children's. Over the past 20 years, SCCA clinical care teams have provided cancer care and access to clinical trials through nine SCCA-operated treatment centers across the State. On July 13, 2021, SCCA and its members announced plans to explore restructuring their relationships to establish an adult-focused oncology program and, separately, a pediatric oncology program. As proposed, SCCA and Fred Hutch would merge to form Fred Hutchinson Cancer Center, an independent, nonmember, not-for-profit organization. IAs part of the merger, if approved, all SCCA clinical sites would be renamed Fred Hutchinson Cancer Center sites. Under a contractual collaboration, if approved, FHCC would manage certain of the UW Medicine oncology programs, starting with the UW Medical Center oncology programs. Together, the merger and contractual collaboration are referred to as the "Adult Transaction." The Fred Hutchison Cancer Center would be operated as a clinically integrated part of UW Medicine, and would serve as UW Medicine's cancer care program.

Seattle Children's would continue to operate independently and be the central site for pediatric cancer care among the organizations. The SCCA pediatric bone marrow transplant ("BMT") program would transfer to Seattle Children's. If the Adult Transaction is approved, Fred Hutch will purchase, on behalf of UW Medicine and Fred Hutch, Seattle Children's membership interest in SCCA. UW Medicine would repay its one-half of the Seattle Children's membership interest to Fred Hutch over a ten year period. If the Adult Transaction is not approved, Seattle Children's would purchase the pediatric BMT program from SCCA at fair market value and Seattle Children's will retain its one-third membership in SCCA.

Leaders from the four organizations are discussing the proposed transaction with governing boards, faculty, staff, labor partners, government officials and other stakeholders to inform the plan with the goal of securing all necessary board and governmental approvals by the end of March, 2022. If the approvals occur, the parties expect to enter into definitive agreements. This information is preliminary. The University can provide no assurance that necessary approvals will be obtained, that the entity will be structured and operate as currently anticipated, regarding the timing of the proposed transaction, or regarding the impact of the proposed transaction on UW Medicine's financial and operating results.

Children's University Medical Group. Children's University Medical Group ("CUMG") is a joint venture of UW Medicine and Seattle Children's established to assist the organizations in carrying out their pediatric patient care, charitable, educational and scientific missions. CUMG employs UW School of Medicine faculty physicians, and it bills and collects for their services as an agent of UW School of Medicine. The University records revenue from CUMG based on an income distribution plan effective December 31, 2008.

RCCH-UW Medicine Healthcare Holdings, LLC. RCCH-UW Medicine Holdings, LLC is a joint venture of UW Medicine and LifePoint Health, which created a public-private partnership to own and operate community hospitals in Washington, Alaska, and Idaho. The partnership takes the form of a limited liability company that owns and operates community hospitals or other healthcare entities. RCCH operates and manages these facilities and UW Medicine provides clinical expertise.

PNWCIN, LLC dba as Embright. Embright is jointly owned by UW Medicine, MultiCare Health System, and Life Point Health. Embright is a clinically integrated network that enables the partners to develop care delivery models that will improve patient care and experience at a more affordable cost. UW Medicine currently has an ownership interest of 46.2 percent in Embright.

Strategic Initiatives

In Fiscal Year 2021 the Washington State legislature awarded UW Medicine $200.8 million for the second phase of construction to expand Behavioral Health Services and to support the teaching programs across UW Medicine organizations. This funding increased the total project budget from an anticipated $224.5 million to $234.0 million to complete capital construction of a new Behavioral Health Teaching Facility at UW Medical Center, which will be located on the UW Medical Center Northwest campus. Construction is currently underway for expected completion in Fiscal Year 2024.

In July 2018, the Board of Regents approved the plan to proceed with the UW Medicine clinical transformation program, which is being called "Destination: One". This multi-year program went live in March 2021 with the goal of improving patient engagement and their clinical experience. The goal of Destination: One is to support business and operating efficiencies through the development of foundational systems and improved staffing workflows. Patient engagement is planned to be enhanced through development of a single online patient portal for activities between patients and UW Medicine. Total program costs were approximately $182 million, of which $129 million was financed by the University. The remaining portion was funded with equity contributions from Harborview, UW Medical Center, and the Seattle Cancer Care Alliance.

In November 2018, the Board of Regents granted approval to proceed with the Childbirth Center at UW Medical Center Northwest campus. The project consists of the renovation of approximately 23,000 square feet of existing space in three adjoining wings (including one that is not part of the current Childbirth Center) plus approximately 1,600 square feet of new space to house a new C-section suite. The project cost is approximately $30.6 million. The first phase of the project opened in December 2020, which added 3,000 square feet of new space to the Childbirth Center. The second phase opened in August 2021, with the third and final phase to be completed in April 2022.

OTHER UNIVERSITY INFORMATION

Patient Services Operating Results. Net patient services revenues accounted for 26.5 percent of University Total Revenue in Fiscal Year 2021. In Fiscal Year 2021 patient services revenues were $2.2 billion, which represented a 5.5 percent increase from Fiscal Year 2020. UW Medicine cancelled certain non-emergent and elective procedures in Fiscal Year 2021 in response to COVID-19 surges and to maintain inpatient capacity. In Fiscal Year 2020 non-emergent and elective procedures from March 19, 2020 through May 19, 2020 were cancelled in response to proclamations of the Governor. The cancellation of procedures from mid-March to mid-May 2020 had a significant impact on volumes and revenues in Fiscal Year 2020. During that time, the Clinical Enterprise's expenses remained close to historic levels due to the need to retain nearly full staffing despite reduced volumes and additional costs including Personal Protective Equipment. UW Medicine's pandemic response plan continues to evolve. UW Medicine continues to experience increasing costs related to the COVID-19 response, including elevated costs of medical supplies and labor expense. UW Medicine took additional steps to manage the surge related to Omicron, including temporarily postponing certain outpatient and inpatient non-urgent surgeries and scheduled procedures. Management took steps to mitigate operational and financial losses at the Clinical Enterprise in Fiscal Year 2020 such as capital spending reductions or delays, executive pay cuts, and the implementation of furloughs in areas with decreased volumes and certain administrative functions with the goal of reducing labor costs in the short term. In addition, the Clinical Enterprise received CARES Act funding to aid in the recovery of lost revenues and advances under the Medicare Advanced Payment Program (MAPP) to aid liquidity. See "Management's Discussion and Analysis—COVID-19" in Appendix C.

The Clinical Enterprise total margin for Fiscal Year 2021 increased from Fiscal Year 2020 as shown in Table 21. The Clinical Enterprise achieved its budgeted total margin target of 0.2 percent. For Fiscal Year 2022, the Clinical Enterprise has budgeted a margin of 0.7 percent. UW Medical Center's Fiscal Year 2021 margin was primarily driven by the recognition of $32.0 million in CARES Act funds, a one-time State appropriation funding for partial relief from lost revenues from the COVID-19 pandemic, strong equity earnings from Seattle Cancer Care Alliance and positive year-end actuarial adjustments for pension and post-retirement obligations that offset higher expenses. See "Table 21: UW Medical Center, Clinical Enterprise, and UW Medicine Financial Information."

On November 9, 2017, the Board of Regents approved UW Medicine's Financial Improvement and Transformation plan ("Project FIT"), a three-year plan designed to improve financial stability and position UW Medicine, including the Clinical Enterprise, for the future. Specifically, the plan was intended to improve margins over the three-year period. UW Medicine was making progress toward Project FIT goals overall through February 2020, however, the COVID-19 pandemic required UW Medicine leadership to reprioritize strategic priorities and delay or reduce capital investments where possible, and the Board of Regents extended the implementation of the FIT Plan. For Fiscal Year 2021, Project FIT continued to focus on key initiatives, including increasing revenues through the growth of clinical services, reducing costs through a number of initiatives related to labor, productivity, supply pricing and utilization as well as prioritizing investment in infrastructure. Table 20 shows the Project FIT targets for the Clinical Enterprise and the actual total margins achieved. Project FIT targets are adjusted during the annual budget process. Overall, UW Medicine on a combined basis (excluding the UW School of Medicine) met Project FIT targets for Fiscal Year 2021.

Achieving this margin target was driven primarily by the recognition of $71.9 million in CARES Act funds, a one-time State appropriation of $35.0 million in funding for partial relief from lost revenues from the COVID-19 pandemic, equity earnings from the Seattle Cancer Care Alliance and positive year-end actuarial adjustments for pension and post-retirement obligations, which offset lost revenue due to the cancellation of certain inpatient procedures and higher expenses. Patient services revenues included in General Revenues were $1.77 billion in Fiscal Year 2021. See "Table 7: General Revenues" and "Table 9: UW Medicine Entities."

Table 20: Clinical Enterprise
Project FIT Targets vs. Total Margins
(Fiscal Years, dollars in thousands)

	2018	**2019**	**2020**	**2021**	**2022**
Budgeted Project FIT Target	(0.4%)	0.7%	0.3%	0.2%	0.7%
Total Margin[1]	(2.0%)	1.5%	(0.3%)	6.81%	N/A

(1) Total margin or excess margin is a ratio that defines the percentage of total revenue (operating plus nonoperating) that has been realized in the form of net income (income before capital contributions and other transfers).

Source: The University.

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Table 21: UW Medical Center, Clinical Enterprise,
and UW Medicine Financial Information
(Fiscal Years, dollars in thousands)

	2017	**2018**[1]	**2019**[1]	**2020**[1][2]	**2021**[1][2]
UW Medical Center (included in General Revenues and included in the Clinical Enterprise Financial Statement)					
Total Margin	(3.7%)	(1.3%)	5.3%	2.2%	7.5%
Operating Margin[3]	(4.0%)[6]	(1.7%)	4.6%	(3.4%)	1.3%
Total Operating Revenue[4]	$1,182,856	$1,260,010	$1,412,923	$1,554,822	$1,907,029
Net Income[5]	$(44,323)	$(16,645)	$75,304	$35,796	$150,516
Northwest (included in the Clinical Enterprise Financial Statement and, commencing January 1, 2020, included in UW Medical Center and General Revenues)					
Total Margin	(7.2%)	(5.6%)	(10.5%)	(18.5%)	N/A
Operating Margin[3]	(9.9%)	(7.7%)	(12.2%)	(21.2%)	N/A
Total Operating Revenue[4]	$358,700	$370,770	$374,908	$178,471	N/A
Net Income[5]	$(26,314)	$(21,010)	$(39,993)	$(33,751)	N/A
Clinical Enterprise (includes UW Medical Center and other entities included in the Clinical Enterprise Financial Statement)[7]					
Total Margin	(3.4%)	(2.0%)	1.5%	(0.3%)	6.8%
Operating Margin[3]	(4.2%)	(3.0%)	0.4%	(4.8%)	1.2%
Total Operating Revenue[4]	$1,968,019	$2,082,793	$2,281,751	$2,239,499	$2,466,516
Net Income[5]	$(67,505)	$(41,976)	$33,687	$(6,915)	$176,727
UW Medicine Combined[7][8] *(excludes UW School of Medicine)*					
Total Margin	(2.2%)	(0.2%)	1.6%	0.6%	3.9%
Operating Margin[3]	(2.7%)[6]	(1.3%)	0.7%	(3.6%)	(0.3%)
Total Operating Revenue[4]	$3,752,120	$3,954,585	$4,287,263	$4,278,081	$4,690,062
Net Income[5]	$(84,502)	$(8,692)	$71,063	$25,846	$191,158

(1) Includes net pension and post retirement obligations income/(expense) of ($5,779,000) in 2018, $34,136,000 in 2019, $36,209,000 in 2020, and $52,687,000 in 2021 for the entities included in the Clinical Enterprise Financial Statement. These figures include ($2,893,000) in 2018, $30,724,000 in 2019, $34,429,000 in 2020, and $41,576,000 attributable to UW Medical Center.

(2) Reflects revenue and expenditure impacts of COVID-19, including recognition of federal and State funding. See "COVID-19 PANDEMIC—Steps to Mitigate—External Funding & COVID-19 Cost Support."

(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) $32 million of primary care funding for Neighborhood Clinics was reclassified from non-operating to operating expense. Prior to the reclassification, UW Medical Center operating margin would have been (1.35) percent.

(7) See "Table 9: UW Medicine Entities."

(8) UW Medicine combined financial statements are unaudited.

Source: The University; UW Medicine combined financial statements and Clinical Enterprise Financial Statements.

Grant and Contract Revenues; Grant Awards. Grant and contract revenues accounted for 19.6 percent of University Total Revenue in Fiscal Year 2021. In Fiscal Year 2021 federal and non-federal grant and contract awards were $1.89 billion, which represented a 15.9 percent increase from Fiscal Year 2020.

Federal grants and contracts increased by 16.7 percent in Fiscal Year 2021. Award totals increased from some of the largest federal sponsors including the Department of Health and Human Services (11.5 percent increase) and the National Science Foundation (8.5 percent increase). Additionally, $132 million of COVID-19 relief funding was received by the University through the HEERF program awarded through the U.S. Department of Education. This money is not dedicated towards research activities. Non-federal grant and contract funding increased by 13.3 percent in Fiscal Year 2021. This increase was driven entirely by an increase in funding from foundation sponsors.

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.

Table 22 shows the University's grant and contract awards for Fiscal Years 2017 through 2021.

Table 22: Grant and Contract Awards
(Fiscal Years, dollars in millions)

By Source	**2017**	**2018**	**2019**	**2020**	**2021**
Federal Grants and Contracts	$1,033	$1,035	$1,224	$1,231[(1)]	$1,437[(2)]
Non-Federal Grants and Contracts	595[(3)]	316	355	400	453
Total[(4)]	$1,628	$1,351	$1,579	$1,631	$1,890

School/College[(5)]	**2017**	**2018**	**2019**	**2020**	**2021**
Medicine[(6)]	$1,003[(3)]	$632	$784	$792	$957
Environment	93	121	111	124	130
Engineering	97	125	136	147	121
Arts and Sciences	106	98	124	107	105
Public Health	119	134	181	143	193
Other	210	241	243	318[(1)]	384[(2)]
Total[(4)]	$1,628	$1,351	$1,579	$1,631	$1,890

(1) Includes $32 million of FEMA funding for COVID relief. Funding not dedicated to research.
(2) Includes $123 million of HEERF from the U.S. Department of Education for COVID relief. Funding not dedicated to research.
(3) Includes a $279 million 10-year grant from the Bill and Melinda Gates Foundation.
(4) Totals subject to change pursuant to negotiations with sponsors after Fiscal Year end. Total does not include external financial aid grants to undergraduates.
(5) Purpose is determined by the unit that provides award administration and is subject to change due to reorganization. In 2018, Health Sciences schools were consolidated into "Other."
(6) Refers to the UW School of Medicine.

Source: The University.

State Appropriations and Tuition. State appropriations and tuition combined accounted for 19.0 percent of University Total Revenue in Fiscal Year 2021, or 6.6 percent and 12.4 percent respectively. 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.

State appropriations accounted for approximately 6.6 percent of the University's Total Revenue in Fiscal Year 2021. 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. Table 23 shows University expenditures of State operating and capital appropriations to the University in Fiscal Years 2017 through 2021.

Table 23: Expenditures of State Appropriations to the University by Type
(Fiscal Years, dollars in millions)

	2017	2018	2019	2020	2021
Operating Appropriations	$342	$362	$379	$415	$481
Capital Appropriations(1)	64	26	25	23	70
Total Appropriations(2)	$406	$389	$404	$438	$551

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

In recent biennia, growth in State tax collections and new revenue have largely been consumed by court-mandated increases to K-12 education funding (*McCleary v. Washington*). As part of the Legislature's 2019-2021 compromise budget package, which was passed during the 2019 legislative session and became effective for Fiscal Years 2020 and 2021, the Legislature approved House Bill 2158, known as the Workforce Education Investment Act. This act created a dedicated source of funding for higher education through an increase to Business and Occupation (B&O) taxes on professional services. Due in large part to targeted investments in foundational support and STEM enrollments included in HB 2158, the University's Fiscal Year 2020 general operating appropriation from the State represented a significant increase over the previous year's appropriation. The University also received new appropriations for compensation, medical education, hospital and dental clinic safety net support, and targeted research investments. These investments are largely consistent with what the University requested from the State.

Absent additional legislative action, Fiscal Year 2022 currently totals just over $437 million in the State budget for the 2021-2023 biennium. In response to a request from the Governor's office, the University did not implement salary increases for faculty and professional staff consistent with other State agencies in Fiscal Year 2021. Compensation increases for non-represented faculty and staff that were originally intended to be implemented in Fiscal Year 2021 were allowed to take place in Fiscal Year 2022, but the new budget did not include funding for any new salary increases in the biennium. The University's top priority for the 2022 legislative session is to secure approval and adequate funding to provide salary increases for non-represented faculty and professional staff, as well as classified staff.

The State continues to face uncertainty relating to the COVID-19 pandemic, as well as growing concerns over supply chain disruptions and extraordinary inflation increases. Despite these on-going challenges, State revenue projections over the past year have consistently improved. The November 2021 revenue forecast from the Economic Revenue Forecast Council ("ERFC") showed continued economic growth, further indicating a full economic recovery over the June 2020 forecast. Revenue projections increased in the current biennium (2021-2023) by nearly $1.06 billion ahead of the 2022 state legislative session. Governor Inslee will use November 2021 revenue projections when crafting his proposed 2022 supplemental operating budget, which amends the 2021-23 biennial budget and will be released in mid-December. On December 28, 2021, the Wahkiakum School District sued the State, seeking to extend the reasoning in the *McCleary v. Washington* decision to require State funding of school capital expenditures (which currently are funded through the issuance of school district bonds paid from excess property taxes with super majority voter approval).

State funding for capital appropriations continues to be constrained, but the State's 2021-2023 biennial capital budget provided State bonding capacity (through the issuance of State bonds with debt service paid by the State, and not subject to reimbursement by the University) or other funding for several critical capital projects that the University requested for the new biennium. These include the Behavioral Health Teaching Facility, healthcare infrastructure, STEM-related buildings on the Seattle and Tacoma campuses, and seismic upgrades to unreinforced masonry buildings.

Since 2003, Washington law has allowed undocumented students to qualify for residency for the purpose of in-state tuition rates at state universities and colleges and for state financial aid programs, upon satisfaction of certain high school diploma or equivalency, residency and other requirements. In 2021, the Legislature adopted SB 5194, amending the definition of resident student with the intent of expanding the residency pathway for undocumented students. As interpreted by the Washington Student Achievement Council, the expanded definition unexpectedly provides an expanded residency pathway for certain documented students due to a requirement in Federal law. Since the bill went into effect, the number of University students filing for and receiving approved resident status has increased significantly (based on initial review, from approximately 174 to 641 between Autumn 2020 and Autumn 2021, more than a 250% increase). The University is seeking a legislative amendment to clarify the statute to conform to the bill's original intent.

Gifts. Gifts accounted for 4.0 percent of University revenue in Fiscal Year 2021. Philanthropic support decreased in Fiscal Year 2021 due to receiving two pledge payments for the Rosling Center for population health in Fiscal Year 2020. In Fiscal Year 2021, the University received $719 million in total private support from 160,000 donors, up from the trailing five-year average of $657 million. Approximately 71 percent of donors were non-alumni. Of the $719 million received in Fiscal Year 2021, approximately $360 million was private gifts and approximately $359 million was private grants. The University formally announced its Be Boundless Campaign, with a goal of at least $5 billion, on October 21, 2016. The campaign ended on June 30, 2020 with total commitments of $6.3 billion.

Effective July 1, 2021, the Council for Advancement and Support of Education ("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 will 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. Due to this policy change, many of the grants previously included in philanthropic support totals will not be counted moving forward. 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.

Capital Planning. On March 12, 2020, the Board approved the University's long-term strategic approach to capital planning and budgeting, with four primary strategies: seek to make capital investments in existing buildings approximately equal to the facilities' deterioration rate; increase UW Medicine's access to debt; seek to reduce the total square footage growth rate to approximately 0.5% 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 leverage partnerships. The Long-Term Capital Plan spans 15 years and helps inform the University allocation strategy implemented through the University's five- or six-year capital budgets.

The University's Fiscal Year 2022 Five-year Capital Budget includes projects to be funded with University bonds, State bonds, Building Fees, gifts and other University sources. The Capital Budget also includes facilities to be developed privately for student use or for multiple tenants including the University. The University has ground leased property for the development of a student housing facility at the Bothell campus. The University also has ground leased property above the Sound Transit University Station for development of office space including space for University use. In addition, subject to a number of considerations including Board approval, the University intends to ground lease another University district site for the development of a multi-user research building (Center for Advanced Materials and Clean Energy Technologies), and plans to lease back a portion of the completed research facility for a specified time.

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 C - AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2021)."

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).

IF Pools

The IF currently consists of four pools: Short-term Pool, Intermediate-term Pool, Long-term Pool and Capital Assets Pool ("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.

University policy stipulates the following minimum and maximum percentages that the IF may be invested in these pools as of June 30, 2021. The percentages that were invested in these pools for the periods ended June 30, 2020 and June 30, 2021 are shown below.

Table 24: Invested Funds

	Policy Percent	Percent as of June 30, 2020	Percent as of June 30, 2021
Short-term Pool	10%-50%	55%[1]	55%[1]
Intermediate-term Pool	15-60%	18%	15%
Long-term Pool	15-45%	22%	27%
Capital Assets Pool	0-15%	5%	4%

(1) Reflects current market conditions (i.e., low bond yields) and prioritizing liquidity in response to COVID-19. The Chief Investment Officer meets with the Chair and Vice Chair of the University's Finance and Asset Management Committee on a quarterly basis to review policy compliance and review plans to bring the Short-term Pool into policy range. See "COVID-19 PANDEMIC—Liquidity."

Source: University of Washington Investment Management Company.

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 twenty-quarter rolling average market value. In February 2019, the Board of Regents approved a total spending reduction, which is from 5.0 percent to 4.5 percent. The spending reduction is being phased in as shown in the following table.

Table 25: CEF Spending and Distributions

	Total Spending	**Program Distributions**	**Administrative Fee**
Fiscal Year 2020	4.90%	3.92%	0.98%
Fiscal Year 2021	4.70%	3.76%	0.94%
Fiscal Year 2022 & thereafter	4.50%	3.60%	0.90%

Source: University of Washington Investment Management Company.

All endowments will utilize the same rates. As fully implemented in Fiscal Year 2022, 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. The revised distribution rate is intended to put the endowment funds on a more sustainable trajectory given an anticipated lower return environment.

Investment Income

Investment income was $1,342 million in Fiscal Year 2021, up from $209 million in Fiscal Year 2020. The primary contributors (approximately 94 percent) of University investment income are returns on the CEF and IF. As of June 30, 2021, the CEF was valued at $4.7 billion and the IF (or operating fund investments) at $2.6 billion, for total investment-related assets of $7.3 billion. This adjusted IF balance excludes $812 million in CEF units owned in the IF Long-term Pool, $128 million in the CAP and $345 million in the University's Supplemental Retirement Fund ("UWSRP").

IF year-end market values for the last five Fiscal Years are shown below. The Fiscal Year 2021 IF year-end market value increased by 24.3% compared to Fiscal Year 2020 due to strong inflows from the University's revenue streams and lower than anticipated expenses. See "APPENDIX C—AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2021)," which includes notes to the financial statements detailing the investment of the IF.

Table 26: Operating Invested Funds
Market Values[(1)]
(Fiscal Years, dollars in millions)

	2017	**2018**	**2019**	**2020**	**2021**
Total Market Value	$1,659	$1,788	$1,634	$2,091	$2,600
Annualized One-Year Return	0.1%	0.9%	3.8%	3.7%	0.6%

(1) Represents Invested Funds (excludes CEF units, CAP and balances held in University demand deposit account). Also excludes SRP after December 31, 2018.

Source: University of Washington Investment Management Company.

CEF year-end market values and returns for the last five Fiscal Years are shown below. The Fiscal Year 2021 CEF year-end market value increased by 32.4% compared to Fiscal Year 2020 driven by investment returns. See "APPENDIX C—AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2021)," which includes notes to the financial statements detailing the investment of the CEF.

Table 27: Consolidated Endowment Fund
Market Values & Returns[(1)]
(Fiscal Years, dollars in millions)

	2017	2018	2019	2020	2021
Total Market Value	$3,144	$3,407	$3,588	$3,560	$4,712
Annualized One-Year Return	13.6%	9.6%	5.8%	1.1%	35.1%

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

Table 28 shows daily and other liquid assets in the IF and the University demand deposit account. Liquidity can vary up to $200 million per quarter due to the timing of tuition, gifts, capital expenditures, and other University activities.

Table 28: University Liquidity[(1)]
(Unaudited, dollars in thousands, as of September 30, 2021)

	Amount
Daily Liquidity[(2)]	
Checking & Deposit Accounts	$88,075
Money Market Funds	134,579
U.S. Treasuries & Agencies	1,690,843
Total Daily Liquidity	**$1,913,497**
Other Liquid Assets[(3)]	$720,168
Total Daily Liquidity and Other Liquid Assets	**$2,633,666**
External Liquidity[(4)]	**$200,000**

(1) Includes approximately $188 million of deferred FICA taxes and Medicare advance payments to be repaid.
(2) Investments that can be liquidated on a same-day basis, if the sale is executed prior to 10:00 a.m., Pacific Time.
(3) Other Assets includes, but 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.
(4) The University has entered into the Revolving Lines of Credit to provide additional liquidity as described under "UNIVERSITY DEBT AND ESTIMATED DEBT SERVICE—Lines of Credit" and "SECURITY FOR THE BONDS—Future Debt."
Source: University of Washington Investment Management Company and Treasury Office.

LABOR, RISK MANAGEMENT AND RETIREMENT INFORMATION

Labor Relations

The University employs approximately 47,000 full-time and part-time employees, of whom approximately 24,500 are unionized. The University has negotiated collective bargaining agreements with the following unions.

Table 29: Collective Bargaining Agreements

Bargaining Unit	Contract Expiration Date
Pursuant to chapter 41.80 RCW	
Inlandboatmen's Union of Pacific (mariners)	June 2023
Service Employees International Union ("SEIU") Local 925 (clerical and healthcare employees)	June 2023
SEIU Local 1199 NW (registered nurse, healthcare specialist, imaging tech, social worker, anesthesia and respiratory tech employees primarily at Harborview and at Airlift Northwest)	June 2023
SEIU Local 1199 Research/Hall Health (registered nurses at Research/Hall Health)	June 2023
SEIU 1199 NW (approximately 1,400 Northwest medical technicians and assistants and service and maintenance employees)	June 2023
Teamsters Local Union No. 117 (police officers)	June 2023
Washington Federation of State Employees ("WFSE," service, library, public safety, skilled trade and healthcare employees)	June 2023
WFSE Police Management (sergeants and lieutenants)	June 2023
Washington State Nurses Association ("WSNA," registered nurses at the UW Medical Center)	June 2023
WSNA (approximately 600 Northwest registered nurses)	June 2023
Pursuant to chapter 41.56 RCW	
American Federation of Teachers ("AFT") Local 6486 (English language extension lecturers within UW Continuum College)	June 2022
Resident and Fellow Physician Union (RFPU) – Northwest (formerly UW Housestaff Association)	June 2022
Screen Actors Guild – American Federation of Television and Radio Artists (47 employees at the KUOW radio station)	June 2022
SEIU 925 IHME (approximately 220 Research and Administrative staff at IHME)	December 2023
Teamsters Local Union No. 117 (graphics)	June 2023
United Auto Workers Local 4121– Academic Student Employees (approximately 4,600 academic student employees)	April 2023
United Auto Workers Local 4121 – Postdoctoral Employees (approximately 1,000 postdoctoral employees)	January 2023

Source: University of Washington

Due to the economic recovery following the COVID-19 crisis, in the summer of 2021 the University agreed to reopen its main contracts with SEIU 925 and WFSE, and the SEIU 1199 contract for Research Hall Health, which had originally contained zero percent increases in both years of the contracts (2021 and 2022). During the course of reopener negotiations for these contracts, the University agreed to a three percent across-the-board increase in the year 2022, which was summarized in the submission to the State Office of Financial Management for inclusion in the 2022 supplemental State budget. These agreements will next be negotiated during summer 2022.

At the start of 2022, the University opened the successor agreements for the Resident and Fellow Physician Union ("RFPU") for bargaining, and negotiations are ongoing. The University expects to open the successor agreements for SAG-AFTRA soon, as well as AFT, which extended its 2019-2021 agreement to June 2022.

The University is currently bargaining a new contract with SEIU 925 for a group of supervisory staff and librarians employed by the University of Washington Library System. United Auto Workers Local 4121 recently petitioned to the Public Employees Relations Commission to create a new bargaining unit comprised of the University's some 1,400 research scientists. The petition process is underway and if successful, a new collective bargaining agreement would be bargained with this group later this year.

In 2018, the Legislature passed House Bill 2669 ("HB 2669") eliminating the exemption for "part-time" employees from civil service rules. This bill has resulted in rule-making addressing temporary employment. The proposed Washington Administrative Code ("WAC") rules redefine temporary employment, establish a new type of employment called "nonpermanent" and are currently anticipated to take effect July 1, 2022. This rule-making results in University temporary employees moving to classified service if they have an ongoing relationship with the University and extends civil service provisions, such as regular across-the-board increases, regular step increases, and vacation time off accruals to those employees.

In addition, the State adopted rules in December 2019 to raise the salary threshold for the employee overtime exemption. Effective January 1, 2022 under the Washington Minimum Wage Act ("WMWA"), the minimum actual gross salary a position can be paid and still remain overtime exempt will increase from $958.38 per week to $1,014.30 per week ($52,752 per year or $4,396 per month). As a result, 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. This is still particularly true of part-time positions, since the $1,014.30 per week threshold applies regardless of whether a position is part-time or full-time.

The January 1, 2022 change mentioned above is one of a series of changes in the overtime threshold for employees who work in the State. These changes are required by a change in State overtime law that sets salary thresholds at the State level which increase each year on 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. 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

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 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 settling 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 C—AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2021)." Changes in the self-insurance reserves for Fiscal Years 2017 through 2021 are shown in Table 30.

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

	2017	**2018**	**2019**	**2020**	**2021**
Reserve at Beginning of Fiscal Year	$79,153	$78,484	$112,210	$100,163	$125,081
Incurred Claims and Changes in Estimates	15,026	42,033	22,178	41,339	71,805
Claim Payments	(15,695)	(8,307)	(34,225)	(16,421)	(16,372)
Reserve at End of Fiscal Year	$78,484	$112,210	$100,163	$125,081	$180,514

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 16 in "APPENDIX C—AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2021), 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: http://www.drs.wa.gov/administration/annual-report/ (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, 2019, with the results rolled forward to June 30, 2020 (the measurement date for the University's Fiscal Year 2021 total pension liability). The following actuarial assumptions have been applied to all prior periods included in the measurement:

  - 2.75 percent total economic inflation, 3.50 percent salary inflation
  - Salary increase – expected to grow due to promotions and longevity in addition to salary inflation assumption
  - 7.40 percent investment rate of return

Mortality rates as of June 30, 2019 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 7.40 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 31.

Table 31: University's Proportionate Share
(as of June 30)

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2
2021 Share	8.17%	10.47%	0.28%	0.28%	0.22%
2020 Share	8.05%	10.18%	0.25%	0.25%	0.23%

Source: The University.

The University's proportionate share of pension expense is shown in Table 32.

Table 32: University's Proportionate Share of Pension Expense
(as of June 30, dollars in thousands)

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
2021 Amount	$19,048	$13,614	$1,651	$1,585	($130)	$35,768
2020 Amount	$7,139	$22,617	$557	$1,183	($217)	$31,279

Source: The University.

Table 33: Contribution Rates and Funded Status By Plan
(as of June 30, dollars in thousands)

2021	**PERS 1**	**PERS 2/3**	**TRS 1**	**TRS 2/3**	**LEOFF 2**
Required University Contributions	$710	$173,198	$56	$3,945	$367
Covered Employee Payroll	1,343,149	1,337,667	25,479	25,124	4,187
University Contributions as a Percent of Payroll (Contribution Rates)	0.1%	13.0%	0.2%	15.7%	8.8%
Plan Fiduciary Net Position Percent of Total Pension Liability/Asset (funded status)	68.6%	97.2%	70.6%	91.7%	115.8%

2020	**PERS 1**	**PERS 2/3**	**TRS 1**	**TRS 2/3**	**LEOFF 2**
Required University Contributions	$970	$156,919	$55	$3,068	$444
Covered Employee Payroll	1,227,868	1,220,321	20,153	19,800	5,059
University Contributions as a Percent of Payroll (Contribution Rates)	0.1%	12.9%	0.3%	15.5%	8.8%
Plan Fiduciary Net Position Percent of Total Pension Liability/Asset (funded status)	67.1%	97.8%	70.4%	96.4%	119.4%

Source: The University.

University Aggregated Balances. The University's aggregated balances of net pension liabilities and net pension assets as of June 30, 2021 and 2020 are presented in Table 34.

Table 34: University's Share of Net Pension Liabilities/Assets[1]
(as of June 30, dollars in thousands)

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
2021						
Net Pension Liability	($288,564)	($133,891)	($6,800)	($4,233)	$0	($433,488)
Net Position Asset	-	-	-	-	$4,535	$4,535
2020						
Net Pension Liability	($309,671)	($98,901)	($6,200)	($1,487)	$0	($416,259)
Net Position Asset	-	-	-	-	$5,365	$5,365

(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 16 in "APPENDIX C—AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2021), 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, 2021 and 2020 were $137.8 million and $132.1 million, respectively.

- *UW Supplemental Retirement Plan Funding*. The University received an actuarial valuation of the supplemental payment component of the UWRP with a valuation date of June 30, 2020. Update procedures performed by the OSA were used to roll forward the total pension liability to the measurement date of June 30, 2021.

  The University has set aside assets of $344.8 million as of June 30, 2021 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 as of June 30, 2021.

Table 35: Changes in UWSRP Pension Liability
(Fiscal Year, dollars in thousands)

	2021		
	Total Pension Liability ("TPL")	**Plan Fiduciary Net Position**	**Net Pension Liability ("NPL")**
Beginning Total Pension Liability	$781,829	$60,961	$720,868
Service Cost	22,877		22,877
Interest	17,677		17,677
Differences Between Expected and Actual Experience	(372,651)		(372,651)
Changes in Assumptions	(223,327)		(223,327)
Employer Contributions		7,105	(7,105)
Investment Income		22,275	(22,275)
Benefits Payments	(9,733)		(9,733)
Ending Pension Liability	**$216,672**	**$90,341**	**$126,331**
UWSRP Covered Employee Payroll			1,733,240
Net Pension Liability as a Percentage of Covered Employee Payroll			7.29%

Source: The University.

Table 36: 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:	7.40%
Source of discount rate:	2019 Report on Financial Condition and Economic Experience Study
NPL measurement at discount rate:	$126,331
NPL discount rate increased 1 percent:	$106,289
NPL discount rate decreased 1 percent:	$149,669

Source: The University.

Material assumption changes during the measurement period include updating the discount rate from 2.21 percent to 7.40 percent and actual returns for CREF investments. The source for the discount rate changed 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.

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 17 in "APPENDIX C—AUDITED FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY (FISCAL YEAR ENDED JUNE 30, 2021), includes plan descriptions and additional information.

Table 37: Significant Assumptions Used to Measure the Total OPEB Liability
(dollars in thousands)

Inflation:	2.75%
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 4.30% in 2075
Salary Increase:	3.50%, including 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:	2.21%
Source of Discount Rate:	Bond Buyer general obligation 20-bond municipal bond index as of 6/30/20 (measurement date)
Post-Retirement Participation Percentage:	65.00%
Fiscal Year 2021 Total OPEB Liability Measurement at Discount Rate:	$1,696,027

Source: The University.

The total OPEB liability ("TOL") for the State as of June 30, 2021 was determined by an actuarial valuation using data as of June 30, 2020. The University's proportionate share percentage was 28.0 percent and 26.6 percent as of June 30, 2021 and 2020, respectively.

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.

Table 38: Changes in Total OPEB Liability
(Fiscal Year, dollars in thousands)

	2021
Beginning Total OPEB Liability	$1,541,654
Service Cost	70,380
Interest	58,874
Differences Between Expected and Actual Experience	(9,022)
Changes in Assumptions	38,164
Benefits Payments	(28,031)
Changes in Proportionate Share	83,976
Other	(59,968)
Ending Total OPEB Liability	**$1,696,027**
OPEB Covered Employee Payroll	$2,895,664
Total OPEB Liability as a Percentage of Covered Employee Payroll	58.57%

Source: The University.

Material assumption changes during the measurement period include updating the discount rate as of each measurement date. The discount rate used for the beginning TOL was 3.50 percent and the discount rate used for the ending TOL was 2.21 percent. According to a report of the OSA, the State's total OPEB expense for Fiscal Year 2021 was $68.5 million, and the University's proportionate share of OPEB expense was $27.1 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.

COVID-19 Pandemic

The impact that the COVID-19 pandemic has had on commerce, financial markets, the University, the State and the region is significant, and the nature of the impact is likely to continue to evolve over the next several years. The University has provided the information contained in this Official Statement to describe current impacts that the COVID-19 pandemic and related orders have had on the University's finances and operations, and to describe some of the actions that the University has taken in response. The University cannot predict the duration and extent of the COVID-19 public health emergency, or quantify the magnitude of the impact on the University, the State and regional economy or on the other revenues and expenses of the University. The COVID-19 outbreak is ongoing, and its dynamic nature leads to uncertainties, including (i) the geographic spread of the virus and its variants and the emergence of new variants, including Variants of Concern such as Omicron; (ii) the severity of the disease; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate the outbreak; (v) the development, efficacy and distribution of medical therapeutics and vaccinations, vaccination rates, and the efficacy of therapeutics and vaccines to emerged and new variants; (vi) travel restrictions; (vii) the impact of the outbreak on the local or global economy, or on the higher education sector generally; (viii) whether and to what extent the Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on University revenues, expenses and financial condition. Prospective investors should assume that the restrictions and limitations instituted related to COVID-19 may continue, and the current upheaval to the national and global economies and financial markets may continue and/or be exacerbated, at least over the near term, and the recovery may be prolonged.

Uncertainties in the Higher Education Sector

The U.S. higher education sector has faced uncertainties, in addition to the uncertainties introduced by the COVID-19 pandemic, in an environment of low revenue growth from tuition (generally the main university and college revenue stream for most institutions), changing enrollment trends, high student debt burdens, reduced state appropriations, federal funding constraints, 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. Prior to the COVID-19 pandemic, the higher education sector 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. Proposals to reduce or eliminate tuition and student debt levels may have implications for the higher education sector. The higher education sector also is incurring additional debt to fund liquidity and operational needs in response to the COVID-19 pandemic as has received federal and state support for these needs.

Patient Services Revenues; Uncertainties of the Healthcare Sector

The ability of the University to generate patient services revenues, including patient services revenues included in General Revenues, depends, in part, upon the financial health of the healthcare sector. Healthcare has been in a period of consolidation and destabilization. Even before the introduction of the COVID-19 pandemic, the operating, clinical and financial aspects of UW Medicine's work was expected to continue to be very challenging over the next few years with the transition from fee-for-service to a value-based reimbursement system. The continued development of philanthropic revenue streams to support UW Medicine priorities will be a focus for UW Medicine going forward.

The COVID-19 pandemic continues to evolve and the future impact on the UW Medicine's operations and financial position will be driven by many factors, most which are beyond the University's control and difficult to predict. National, state and local governments have taken, and may continue to take, various actions, including the passage of laws and regulations, on a wide array of topics, as part of the public health response to COVID-19. Many of these actions have caused substantial changes in the way health care is provided. Such factors, include, but are not limited to, the scope and duration of stay-at-home practices, government-imposed or recommended suspensions of non-urgent and elective procedures, changes in patient volumes, increases in the number of uninsured and underinsured patients as a result of higher sustained rates of unemployment, and incremental expenses required for supplies and personal protective equipment. Although the future impact of COVID-19 is unknown, the pandemic may impact the UW Medicine's patient population, cause volatility in future volumes and require additional changes in the delivery of patient care. Because of these factors and other uncertainties, including additional potential surges of COVID-19 cases, management cannot estimate the length or severity of the impact of the pandemic on UW Medicine's business. It is not clear how long public health safety measures will remain in place or whether any new measures will be required. See "COVID-19 PANDEMIC."

Health care providers have been and continue to be affected significantly by changes made in the last several years 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. In addition to ongoing change relating to the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the "Affordable Care Act") and other health care reform efforts, the Medicare and Medicaid 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. UW Medicine management cannot determine the impact any major decision or modification of the Affordable Care Act, or any replacement healthcare reform legislation, 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 UW Medicine management 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.

The Affordable Care Act imposes, over time, increased regulation of health care providers, the use and availability of state-based exchanges in which health insurance can be purchased by certain groups and segments of the population, expanded the availability of subsidies and tax credits for premium payments by some consumers and employers and required that certain terms and conditions be included by commercial insurers in contracts with providers. In addition, the Affordable Care Act imposed many obligations on states related to health insurance. The participation in exchanges is constantly changing and the exchanges have been subject to ongoing litigation. UW Medicine management cannot predict the effects of the exchanges upon the financial condition of any third-party payer that offers health insurance or the rates paid by third-party payers to providers and, thus, upon patient services revenues and the operations, results of operations and financial condition of the various UW Medicine components providing patient services.

Other challenges inherent to the healthcare sector include potential funding cuts for Medicare and Medicaid, lower patient volumes, and payer reimbursement pressure. The health care industry is under pressure from the federal and state governments and managed care plans to transition from fee for service methods of payment to "value-based care." Accordingly, 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 national and regional trends, UW Medicine has experienced slower growth of inpatient admission volumes over the past few years while at the same time seeing an increase in patient acuity and strong growth in the inpatient observation and outpatient clinic areas.

The healthcare sector has undergone and may continue to undergo significant legislative and regulatory change, including as described above. To date these changes and other factors have led to mergers, acquisitions, consolidations, bankruptcies and closures. Many hospitals and health systems are pursuing 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. The University has entered into a number of recent 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, including in implementing Project FIT. See "OTHER UNIVERSITY INFORMATION."

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. In addition, the Pacific Northwest healthcare market is shifting to more consolidations, affiliations and integration as well as new market entrants and the introduction of telehealth and other disruptive technologies. 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 the care that is provided and reduce overall cost.

Tuition and Student Fee Revenues

Enrollment trends, particularly with respect to international students, may continue to be affected by COVID-19 and the associated changes in the instructional model. See "COVID-19 PANDEMIC—Enrollment." 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 to the continuing effects of COVID-19, changes in U.S. immigration policies could affect enrollment among international students. 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. In recent years, the Legislature has faced significant budgetary pressure as a result of court-mandated increases in K-12 education spending as well as mental health, affordable housing, homelessness, and other issues. Additional litigation has been filed seeking additional State funding for K-12 capital projects.

State revenue collections have improved significantly since the height of the 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 and Tuition."

As described under the heading "—State Legislation and Rulemaking, Initiatives and Referenda," State initiative measures have been approved from time to time that have directly affected the University or its revenues, including Initiatives 601 and 960. Various State initiative measures have been and may be filed, and approved, from time to time that have a fiscal impact on the University and/or the State, and if affecting the State, may indirectly impact State spending on higher education, including appropriations to the University.

Certain State-level rulemaking efforts impacting temporary employment and employee overtime exemptions could result in additional personnel costs for the University. For temporary employment rulemaking, these potential future costs to the University are likely to be small because it is anticipated that most temporary employees will move into "nonpermanent" employment, maintaining the same benefit load rate as they have today. However, some may transition to regular classified employees for whom there is a larger load rate. The WMWA rule changes are impactful by either raising an employee's pay to maintain exemption from overtime or resulting in overtime costs previously not incurred if an individual works overtime. This ongoing increase to the threshold will be monitored to evaluate costs impacts to the University. See "LABOR, RISK MANAGEMENT AND RETIREMENT INFORMATION—Labor Relations."

Uncertainties of Federal Legislation

Research funding from federal sources continues to be a large part of the University's total research revenues. Medicaid and Medicare payments contribute to patient services revenues. For the years ended June 30, 2021 and 2020, Medicare revenue represented 37 percent; Medicaid revenue represented 17 percent and 16 percent, respectively (in terms of gross patient service revenue). Medicare and Medicaid payments represented approximately 36.7 and 36.2 percent of total net patient services revenues in Fiscal Year 2020 and Fiscal Year 2021, respectively (for the Clinical Enterprise). The University may be adversely impacted by federal legislative and executive or regulatory actions, including cuts to federal spending, changes to financial aid programs, the Tax Cuts and Jobs Act of 2017 (the "2017 Tax Act"), and actions affecting international student enrollment. 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 the sequestration provisions of the Budget Control Act of 2011 and Statutory Pay-As-You-Go Act of 2010, could continue to affect the availability of federal funds. State and local reductions in funding could also affect University revenues. A shift from federal to non-federal research funding could reduce the relative amount of funding for indirect costs. Federal funds may be adversely impacted by federal legislative and executive actions, including cuts to federal spending. Federal funding also is subject to grant conditions, federal regulations, and audit and review for compliance with these requirements.

Laws and Regulation

The University is subject to federal, State, and local laws and regulations, and grant requirements. 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, including the Affordable Care Act. 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 Rules

The University is subject to accounting rules and standards promulgated by the GASB. These rules have changed and may continue to change, requiring the University at such time to value and state its accounts differently. For example, the implementation of GASB 68 and GASB 75 has affected the University's general net position (see "Table 8: General Net Position – General Revenues," for information regarding the effect of GASB 68 and

GASB 75). In June 2017, the GASB issued Statement No. 87, "Leases," which will be effective for the fiscal year ending June 30, 2022, as amended by the issuance of Statement No. 95. This Statement changes the current classification of lease arrangements as either operating or capital leases, and establishes a single model for lease accounting based on the foundational principle that leases represent a financing transaction associated with the right to use an underlying asset. This Statement applies to contracts that convey the right to use a non-financial asset in an exchange or exchange-like transaction for a term exceeding 12 months. Lessees will be required to recognize a lease liability and an intangible right-to-use ("ROU") lease asset, and lessors will be required to recognize a lease receivable and a deferred inflow of resources. The University expects that implementation of this Statement will have a material impact on its financial statements. While the University continues to assess all of the impacts of implementation, University management currently believes the most significant impact relates to the recognition of new ROU assets and lease liabilities on its Statements of Net Position for its real estate and equipment leases. When implemented, the University currently expects to recognize lease liabilities with corresponding ROU assets of approximately $700 million. The University also expects to recognize lease receivables with corresponding deferred inflows of resources of approximately $320 million related to real estate agreements in which it is the lessor. The substantial majority of these relate to the Metropolitan Tract. The estimates above are based on the University's existing lease agreements and its currently estimated incremental borrowing rate. The actual impact could differ materially from these estimates based on future leasing activities as well as any changes in the University's estimated incremental borrowing rate.

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 opinions to be delivered by Pacifica Law Group LLP, as Bond Counsel, concurrently with the issuance of each series of 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 forms of opinions of Bond Counsel are set forth in APPENDIX D—"FORMS OF BOND COUNSEL OPINIONS 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. Although the University has implemented disaster preparedness plans, 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 or other natural disaster, climate change, epidemics including without limitation the COVID-19 outbreak, 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" 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 2022A Bonds and 2022C 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 2022A Bonds and/or 2022C Bonds. Any loss of tax exemption could cause all of the interest received by the Owners of the 2022A Bonds and/or 2022C Bonds to be taxable. All or a portion of interest on the 2022A Bonds and/or 2022C 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 Internal Revenue Code of 1986, as amended (the "Code") or court decisions may cause interest on the 2022A Bonds and/or 2022C 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 601. Initiative 601, approved by State voters in 1993, limited State expenditures and revenues. Under Initiative 601, the State was generally prohibited from increasing expenditures from the State's general fund and related funds during any fiscal year by more than the fiscal growth factor, which equaled the average growth in State personal income for the prior ten fiscal years. Initiative 601 also limited State revenue increases.

Finally, Initiative 601 provided that no fee could increase in any fiscal year by a percentage greater than the fiscal growth factor without prior legislative approval. The term "fee" was not defined in the initiative, so the University interpreted informal guidance from the State Attorney General's Office to identify specific types of University fees as either covered by or exempt from Initiative 601. Under this guidance, mandatory fees related to the regular State-funded instructional program or other degree-granting education programs were considered subject to Initiative 601. Other University fees were considered proprietary and not subject to the Initiative 601 limitation.

Initiative 960. Initiative 960, approved by State voters in November 2007, amended Initiative 601 to require legislative approval of all fee increases without regard to a fiscal growth factor. Initiative 960 also requires legislative approval of any new fee. Initiative 960 did not amend or define the term "fee" used in Initiative 601. On January 31, 2008, the Office of Financial Management ("OFM") distributed an informal memorandum (the "OFM Memo") to State agencies. Under the reasoning of the OFM Memo (and the University policy interpreting Initiative 601), certain components of General Revenues, most significantly student tuition, are considered fees subject to Initiative 960 and therefore cannot be increased without legislative approval. Fees collected through proprietary transactions are also included in General Revenues, but would not be considered fees subject to Initiative 960 under the reasoning of the OFM Memo.

In the event that Initiative 960 were applied to limit the University's ability to increase fees that contribute to General Revenues, the University would, if necessary, seek to obtain legislative approval for fee increases or would pursue alternative revenue sources, program cuts or reallocations.

Civil Service Legislation and Rulemaking. State-level rulemaking to implement HB 2669 and impacting temporary employment may result in additional personnel costs for the University if more temporary employees transition to a regular classified position subject to a larger benefit load rate. Rules affecting employee overtime exemptions were released and will result in increased personnel costs. See "LABOR, RISK MANAGEMENT AND RETIREMENT INFORMATION—Labor Relations."

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 invested in cybersecurity protections in recent years that include efforts of the Office of the Chief Information Security Officer ("CISO") to safeguard personal and institutional data by expanding the use of multi-factor authentication, implementing a campus-wide intrusion prevention system; blocking high-risk network ports at the border; monitoring, analyzing, remediating, and forecasting threats to information assets; advising on risk management and on contracts related to data security; developing a risk management program focused on the Internet of Things; providing in-person and online education; consulting on incident management; and developing and managing University policies related to information security. Starting in 2021, the University also has launched multiple cybersecurity-related initiatives with the help of the University's Compliance and Risk Services in an effort to further reduce risk in the area of information security.

UW Medicine's security strategy and information security program are overseen by the UW Medicine Chief Information Security Officer and approved by the UW Medicine Security Program Executive Committee. UW Medicine also has implemented cybersecurity measures including border and data center firewalls; intrusion prevention systems; network segmentation throughout the hospital systems; continuous monitoring for and remediation of suspicious network traffic (in partnership with the University); sensitive data discovery and reduction within file shares; risk management to identify and classify data and assets, assess their security posture, and efficiently prioritize controls to address risk; threat management to proactively analyze and mitigating threats to operations; monitoring, analyzing, and mitigation of vulnerabilities across systems, applications, and datacenters; and security posture governance through committees, policies, and standards. UW Medicine also partners with UW Medicine Compliance to develop and deliver education and awareness programs to the UW Medicine workforce.

Notwithstanding the above-described and other cybersecurity 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 self-insures for cybersecurity claims. See "LABOR, RISK MANAGEMENT AND RETIREMENT INFORMATION—Risk Management."

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.

In addition to the foregoing, in ***Alexander Barry v. University of Washington, et al.,*** King County Superior Court No. 20-2-13924-6, plaintiff seeks class action status in this lawsuit alleging students did not get "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. Hundreds of substantially similar lawsuits have been filed against many other institutions of higher education. The University successfully argued for three counts to be dismissed but still faces plaintiff's allegations of breach of contract, breach of implied contract, and unjust enrichment. The complaint asks for a refund of tuition and fees, appropriate injunctive relief, attorney fees, and other relief as determined by the court. The complaint was served on the University September 16, 2020, and the trial has been continued to February 6, 2023. Beyond this, the University is unable to provide any meaningful assessment of the legal or financial risk associated with this case.

Approval of Counsel

Legal matters incident to the authorization, issuance and sale of each series of Bonds by the University are subject to the applicable approving legal opinion of Pacifica Law Group LLP, Seattle, Washington ("Bond Counsel"). The forms of opinions of Bond Counsel are 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, 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

2022A Bonds and 2022C Bonds

In the opinion of Bond Counsel, under existing law and subject to certain qualifications described below, interest on the 2022A Bonds and 2022C Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The proposed forms of opinion of Bond Counsel with respect to the 2022A Bonds and 2022C Bonds to be delivered on the date of issuance of the 2022A Bonds and 2022C Bonds are set forth in Appendix D.

General

The University will designate the 2022A Bonds to be issued as qualified 501(c)(3) bonds. The Code contains a number of requirements that apply to the 2022A Bonds and 2022C Bonds, and the University has made certain representations and has covenanted to comply with each such requirement. Bond Counsel's opinions assume 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 2022A Bonds and/or 2022C Bonds could be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2022A Bonds or 2022C Bonds, respectively.

Except as expressly stated herein, Bond Counsel expresses no opinion regarding any tax consequences related to the ownership, sale or disposition of the 2022A Bonds or 2022C Bonds, or the amount, accrual or receipt of interest on, the 2022A Bonds or 2022C Bonds. Owners of the 2022A Bonds or 2022C Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the 2022A Bonds or 2022C Bonds, respectively.

Original Issue Premium and Discount

If the initial offering price to the public at which a 2022A Bond or 2022C 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 2022A Bond or 2022C 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. De minimis original issue discount and original issue premium is disregarded.

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 2022A Bonds or 2022C 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 2022A Bonds or 2022C Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2022A Bonds or 2022C Bonds. The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2022A Bonds or 2022C Bonds who purchase the 2022A Bonds or 2022C Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2022A Bonds or 2022C Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2022A Bonds or 2022C 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 2022A Bonds or 2022C Bonds under federal individual alternative minimum tax.

Under the Code, original issue premium is amortized on an annual basis over the term of the 2022A Bonds or 2022C Bonds (said term being the shorter of the 2022A Bonds or 2022C 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 2022A Bonds or 2022C Bonds for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2022A Bonds or 2022C Bonds, as applicable, is amortized each year over the term to maturity of the 2022A Bond or 2022C Bond, respectively, on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized 2022A Bonds or 2022C Bonds premium is not deductible for federal income tax purposes. Owners of premium 2022A Bonds or 2022C 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 2022A Bonds or 2022C Bonds.

Post Issuance Matters

The opinions of Bond Counsel are based on current legal authority, cover certain matters not directly addressed by such authorities, and represent Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. They are 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 2022A Bonds and 2022C Bonds ends with the issuance of the 2022A Bonds and 2022C Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the University or the Owners regarding the tax-exempt status of the 2022A Bonds or 2022C 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 2022A Bonds or 2022C 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 2022A Bonds or 2022C 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 2022A Bonds and/or 2022C 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 2022A Bonds and/or 2022C Bonds. Prospective purchasers of the 2022A Bonds and 2022C Bonds should consult their own tax advisors regarding any pending or proposed legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

CERTAIN INCOME TAX CONSEQUENCES RELATING TO THE 2022B BONDS

The interest on the 2022B Bonds is not intended by the University to be excluded from gross income for federal income tax purposes. Owners of the 2022B Bonds should be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2022B Bonds may have federal income tax consequences not described herein and should consult their own tax advisors with respect to federal income tax consequences of owning such 2022B Bonds. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the 2022B Bonds other than as expressly described above.

The proposed form of opinion of Bond Counsel with respect to the 2022B Bonds to be delivered on the date of issuance of the 2022B Bonds is set forth as the form of 2022B Bond opinion in Appendix D.

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA or tax-qualified retirement plans and individual retirement accounts under the Code (collectively, the "Plans") and persons who, with respect to a Plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. All fiduciaries of Plans, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Bond. In all events investors should consult their own tax advisors in determining the federal, state, local and other tax consequences to them of the purchase, ownership and disposition of the 2022B Bonds.

CONTINUING DISCLOSURE UNDERTAKING

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, 2023, for the report for Fiscal Year 2022), 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 Medicine/Northwest (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).

OTHER BOND INFORMATION

Ratings

Ratings of "Aaa" and "AA+" have been assigned to the Bonds by Moody's Investors Service and S&P Global Ratings, respectively. Such ratings reflect only the views of the rating agencies, and an explanation of the significance of the ratings may be obtained from the rating agencies. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of the agencies, circumstances so warrant. Any such downward revision or withdrawal of any of the ratings could have an adverse effect on the market price and marketability 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.

Underwriting

The 2022A Bonds are to be purchased from the University at an aggregate purchase price of $91,016,715.11 (the principal amount of the 2022A Bonds, plus original issue premium of $16,196,227.80, less Underwriters' discount of $179,512.69), the 2022B Bonds are to be purchased from the University at an aggregate purchase price of $208,591,647.98 (the principal amount of the 2022B Bonds, less Underwriters' discount of $498,352.02), and the 2022C Bonds are to be purchased from the University at an aggregate purchase price of $100,101,657.96 (the principal amount of the 2022C Bonds, plus original issue premium of $9,625,991.00, less Underwriters' discount of $224,333.04), in each case subject to the terms of a bond purchase contract (the "Purchase Contract") between the University and Citigroup Global Markets Inc., acting on behalf of itself and as representative of Goldman Sachs & Co. LLC, BofA Securities, Inc. and AmeriVet Securities, Inc. (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 and page ii.

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.

Citigroup Global Markets Inc., an underwriter of the Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

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, 2021 and included as Appendix C 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 his or her 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/Brian McCartan
Vice President for Finance

APPENDIX A

COPY OF THE RESOLUTION

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BOARD OF REGENTS

UNIVERSITY OF WASHINGTON

RESOLUTION

DATED SEPTEMBER 9, 2021

Authorizing the issuance and sale of

UNIVERSITY OF WASHINGTON
GENERAL REVENUE OBLIGATIONS, 2021/2022

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 $100,000,000 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 $100,000,000 (the "2021/2022 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, including UW Medicine small capital projects and, once approved, the Montlake Campus Membrane Repair project, 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, it is in the University's best interests to proceed with the issuance of one or more series of general revenue refunding obligations (the "2021/2022 Refunding Bonds") to redeem or defease some or all of the Refunding Candidates, to achieve debt service savings or to remarket certain put or term 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 of one or more of the Refunding Candidates.

Additional Bonds means one or more series or subseries of additional obligations of the University payable from General Revenues.

Authorized Denominations means:

(a) with respect to 2021/2022 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 2021/2022 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 2021/2022 Bonds (including persons holding 2021/2022 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, 2021/2022.

Bond Purchase Contract means the Bond Purchase Contract(s) between the University and the underwriter(s) for Underwritten 2021/2022 Bonds or a certificate of award executed by the University pertaining to the initial sale and purchase of Underwritten 2021/2022 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 and Refunding Bonds, 2010A, General Revenue Bonds, 2010B Taxable (Build America Bonds – Direct Payment), General Revenue and Refunding Bonds, 2012A, General Revenue and Refunding Bonds, 2012B (Taxable), General Revenue Bonds, 2012C, the General Revenue Bonds, 2013, the 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, 2019A, 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), the 2021/2022 Bonds, and any Additional Bonds.

Bond Terms Agreement means a Bond Purchase Contract, Remarketing Agreement, Loan Agreement, Paying Agent Agreement and/or Trust Agreement, as applicable, for one or more series of 2021/2022 Bonds.

Building Fee Revenue Bond Act means RCW 28B.20.700.740, as amended by Chapter 499 Wash. Laws 2009, and as further amended from time to time.

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 Seattle, Washington or New York, New York, the Securities Depository, the Credit Facility Issuer, the Liquidity Facility, or the Remarketing Agent 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 (CAP) as defined in the Debt Policy**.**

Closing Date means each date on which a series of 2021/2022 Bonds are issued and delivered in return for payment of the full purchase price therefor.

Code means the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2021/2022 Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the 2021/2022 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 2021/2022 Bonds bear interest at a Commercial Paper Rate or Rates.

Commercial Paper Rate means the interest rate (per annum) on any 2021/2022 Bond in the Commercial Paper Mode determined pursuant to the applicable Bond Terms Agreement for such 2021/2022 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 2021/2022 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 2021/2022 Bonds, including but not limited to payment of the scheduled principal of and interest on 2021/2022 Bonds. There may be more than one Credit Facility for a series or subseries of 2021/2022 Bonds.

Credit Facility Issuer means the issuer of any Credit Facility.

Current Mode means, with respect to any series or subseries of the 2021/2022 Bonds, the Mode then in effect.

Daily Mode means the Mode during which a series or subseries of the 2021/2022 Bonds bear interest at the Daily Rate.

Daily Rate means the per annum interest rate for a series or subseries of the 2021/2022 Bonds in the Daily Mode determined pursuant to the Bond Terms Agreement for such 2021/2022 Bonds.

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 2021/2022 Bonds, including to evidence the University's obligations under a Loan Agreement, pursuant to Section 23 of this resolution.

Direct Purchase 2021/2022 Bonds means any 2021/2022 Bonds or 2021/2022 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 2021/2022 Bonds, or any successor or substitute depository for the 2021/2022 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 2021/2022 Tax-Exempt Bonds.

Fiscal Agent means, for Underwritten 2021/2022 Bonds, the fiscal agent of the State of Washington and, for Direct Purchase 2021/2022 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 2021/2022 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 2021/2022 Bonds to the maturity thereof or other date determined pursuant to Section 23 and the Bond Terms Agreement for such 2021/2022 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, excluded:

(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 2021/2022 Bonds bear interest at the Index Floating Rate.

Index Floating Rate means the index-based floating rate for a series or subseries of the 2021/2022 Bonds in the Index Floating Mode determined pursuant to the Bond Terms Agreement for such 2021/2022 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 2021/2022 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 2021/2022 Bonds, including, without limitation, the fees and expenses of Bond Counsel, special counsel (if any) and financial advisor to the University, bond printing, CUSIP bureau fees, rating agency fees, underwriter or Direct Purchaser fees or discount, escrow 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 2021/2022 Bonds (or portion thereof). There may be more than one Liquidity Facility for a series or subseries of 2021/2022 Bonds, and the University may provide self-liquidity for a series or subseries of 2021/2022 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 2021/2022 Bond, or under which the Direct Purchaser will purchase the Direct Purchase 2021/2022 Bond.

Maturity Date means the maturity date or dates for 2021/2022 Bonds set forth in the Bond Terms Agreement, as applicable.

Maximum Rate means the maximum rate for 2021/2022 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 2021/2022 Bonds, the University, the University's financial 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 2021/2022 Bonds, the Direct Purchaser.

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, 2021/2022 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 2021/2022 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 2021/2022 Bonds, setting forth certain terms of such 2021/2022 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, including without limitation UW Medicine small capital projects and, once approved, the Montlake Campus Membrane Repair project.

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 the 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 2021/2022 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 2021/2022 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 amounts to be paid to redeem the 2021/2022 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 and other obligations shown on Exhibit A.

Registered Owner means the person named as the registered owner of a 2021/2022 Bond on the Bond Register. For so long as the 2021/2022 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 2021/2022 Bonds, maintaining the Bond Register, registering the transfer of the 2021/2022 Bonds, paying interest on and principal of the 2021/2022 Bonds, and drawing on any Credit Facility securing 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 Bonds pursuant to a Remarketing Agreement.

Remarketing Agreement means a Remarketing Agreement relating to 2021/2022 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 2021/2022 Bonds designated as serial bonds in the Bond Purchase Contract.

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 and Refunding Bonds, 2010A, General Revenue Bonds, 2010B Taxable (Build America Bonds – Direct Payment), General Revenue and Refunding Bonds, 2012A, General Revenue and Refunding Bonds, 2012B (Taxable), General Revenue Bonds, 2012C, the General Revenue Bonds, 2013, the 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, 2019A, 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 2021/2022 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 2021/2022 Bonds in the Term Rate Mode determined pursuant to the Bond Terms Agreement for such 2021/2022 Bonds.

Term Rate Mode means the Mode during which a series or subseries of 2021/2022 Bonds bear interest at the Term Rate.

Trust Agreement means a Trust Agreement entered into between the University and a Trustee with respect to 2021/2022 Bonds, setting forth the terms of such 2021/2022 Bonds.

Trustee means a bond trustee selected by the Authorized Representative of the University to act on behalf of owners of 2021/2022 Bonds pursuant to a Trust Agreement.

2021/2022 Bonds means the 2021/2022 New Money Bonds and the 2021/2022 Refunding Bonds.

2021/2022 New Money Bonds means the University of Washington General Revenue Bonds, Series [2021/2022][__] [Taxable] issued in one or more series or subseries in the aggregate principal amount not to exceed $100,000,000 to finance (or refinance interim financing issued to finance) costs of the Projects pursuant to this resolution.

2021/2022 Refunding Bonds means the University of Washington General Revenue Refunding Bonds, Series [2021/2022][__] [Taxable] issued in one or more series or subseries to redeem and/or defease or otherwise implement the refinancing of one or more of the Refunding Candidates.

2021/2022 Taxable Bonds means any 2021/2022 Bonds determined to be issued on a taxable basis pursuant to Section 23.

2021/2022 Tax-Exempt Bonds means any 2021/2022 Bonds determined to be issued on a tax-exempt basis pursuant to Section 23.

Underwritten 2021/2022 Bonds means 2021/2022 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 2021/2022 Bonds bear interest at the Weekly Rate.

Weekly Rate means the per annum interest rate for a series or subseries of the 2021/2022 Bonds in the Weekly Mode determined pursuant to the Bond Terms Agreement for such 2021/2022 Bonds.

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

(a) The terms "hereby," "hereof," "hereto," "herein, "hereunder" and any similar terms, as used in this resolution, 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 or other interim financing issued to finance) all or a portion of the costs of the Projects, through the issuance of 2021/2022 New Money Bonds in one or more series or subseries, upon the terms and conditions set forth for the 2021/2022 New Money Bonds in this resolution.

(b) It is in the best interests of the University to consider the redemption or defeasance of one or more of the Refunding Candidates, or any portion thereof, through the issuance of 2021/2022 Refunding Bonds in one or more series or subseries, to achieve debt service savings or to remarket certain put or term bonds from time to time, 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 2021/2022 Bonds payable from General Revenues.

Section 3. Authorization and Purpose of 2021/2022 Bonds.

(a) *2021/2022 New Money Bonds.* The 2021/2022 New Money Bonds shall be in an aggregate principal amount not to exceed $100,000,000, and shall be issued in one or more series or subseries to pay (or pay commercial paper or other interim financing issued to finance or refinance) costs of the Projects and to pay Issuance Costs for the 2021/2022 New Money Bonds. The 2021/2022 New Money Bonds shall be issued under terms determined pursuant to Section 23, as further set forth in the Bond Terms Agreement for such 2021/2022 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) *2021/2022 Refunding Bonds.* The 2021/2022 Refunding Bonds, if any, shall be issued in one or more series or subseries to redeem and/or defease 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 2021/2022 Refunding Bonds. The 2021/2022 Refunding Bonds shall be issued under terms determined pursuant to Section 23, as further set forth in the Bond Terms

Agreement for such 2021/2022 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 2021/2022 Bonds.

(a) *General Terms.* The 2021/2022 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 2021/2022 Bonds. The 2021/2022 Bonds shall bear interest determined within Modes selected by the Authorized Representative of the University from time to time. All 2021/2022 Bonds shall be issued in the form of fully registered 2021/2022 Bonds in Authorized Denominations and, unless the Registrar shall otherwise direct, shall be numbered R-1 and upwards.

The University may designate one or more series or subseries of the 2021/2022 Bonds from time to time. 2021/2022 New Money Bonds shall be named University of Washington General Revenue Bonds, Series [2021/2022], with an additional designation of "Taxable" for any series of 2021/2022 Taxable Bonds. 2021/2022 Refunding Bonds shall be named University of Washington General Revenue Refunding Bonds, Series [2021/2022], with an additional designation of "Taxable" for any series of 2021/2022 Taxable Bonds. 2021/2022 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 [2021/2022], with an additional designation of "Taxable" for any series of 2021/2022 Taxable Bonds. At the written direction of the Authorized Representative of the University, the Registrar shall designate a particular principal amount of 2021/2022 Bonds (in Authorized Denominations) as a series or subseries. A series of 2021/2022 Bonds shall be identified by the year of issue (either 2021 or 2022) and sequential letters (e.g., Series 2021A, Series 2021B, Series 2022A, Series 2022B). A subseries of 2021/2022 Bonds shall be further identified by sequential numbers (e.g., Series 2021A-1, Series 2021A-2, Series 2021B-1, Series 2021B-2). Upon such designation, such 2021/2022 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 2021/2022 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 2021/2022 Bonds shall be payable in lawful money of the United States of America.

(c) *Modes*. The terms applicable to 2021/2022 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 2021/2022 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 2021/2022 Bond, other than a Bank Bond, shall bear interest at an Interest Rate higher than the Maximum Rate.

Section 5. Execution.

The 2021/2022 Bonds shall be executed on behalf of the University by the manual or facsimile signatures of the Chair and the Secretary of the Board, and the official seal of the University shall be reproduced thereon. The validity of any 2021/2022 Bond so executed shall not be affected by the fact that one or more of the officers whose signatures appear on such 2021/2022 Bond have ceased to hold office at the time of issuance or authentication or at any time thereafter.

Section 6. Authentication.

No 2021/2022 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 2021/2022 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 2021/2022 Bonds. So long as any 2021/2022 Bonds remain Outstanding, the Registrar shall make all necessary provisions to permit the exchange or registration of transfer of 2021/2022 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 2021/2022 Bonds transferred or exchanged in accordance with the provisions of such 2021/2022 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 2021/2022 Bonds.

The Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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) *2021/2022 Bonds Registered in the Name Designated by DTC.* Except as otherwise set forth in the Bond Terms Agreement, the 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 Bonds of a series or subseries, together with a written request on behalf of the Authorized Representative of the University, issue a single new 2021/2022 Bond for each maturity of such series or subseries of 2021/2022 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 2021/2022 Bonds that they be able to obtain 2021/2022 Bond certificates, the ownership of 2021/2022 Bonds may then be transferred to any person or entity as herein provided, and the 2021/2022 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 2021/2022 Bonds, to issue 2021/2022 Bonds as herein provided in any Authorized Denomination. Upon receipt of all then Outstanding 2021/2022 Bonds by the Registrar together with a written request on behalf of the Authorized Representative of the University to the Registrar, new 2021/2022 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 2021/2022 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 2021/2022 Bond may be registered and such 2021/2022 Bonds may be exchanged, but no transfer of any 2021/2022 Bond shall be valid unless it is surrendered to the Registrar with the assignment form appearing on such 2021/2022 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 2021/2022 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new 2021/2022 Bond (or 2021/2022 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 2021/2022 Bond, in exchange for such surrendered and canceled 2021/2022 Bond. Any 2021/2022 Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of 2021/2022 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 2021/2022 Bond during the five-day period prior to the selection of 2021/2022 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.

Section 8. Mutilated, Destroyed, Lost or Stolen 2021/2022 Bonds.

If any 2021/2022 Bond is lost, stolen or destroyed, the University may execute and the Registrar may authenticate and deliver a new 2021/2022 Bond or 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 Bond so furnished shall be equally and proportionately entitled to the security of this resolution with all other 2021/2022 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 2021/2022 Bond shall be payable upon surrender or delivery of such 2021/2022 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 2021/2022 Bond shall accrue interest and be payable as to interest as follows:

(1) On each Interest Payment Date, the Registered Owner of each 2021/2022 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 2021/2022 Bond on any Interest Payment Date shall be paid to the Registered Owner of such 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 Bonds shall be payable by check, provided that any Registered Owner of $1,000,000 or more in aggregate

principal amount of the 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 Bond shall bind all future Registered Owners of the same 2021/2022 Bond or of any 2021/2022 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 2021/2022 Bond as the absolute owner thereof for all purposes, whether or not such 2021/2022 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 2021/2022 Bond shall be made only to such Registered Owner, which payments shall satisfy and discharge the liability of the University with respect to such 2021/2022 Bond to the extent of the sum or sums so paid.

Section 11. Form of 2021/2022 Bonds.

The 2021/2022 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 2021/2022 Bonds are not held in fully immobilized form, the form of 2021/2022 Bonds will be changed to reflect the changes required in connection with the preparation of certificated 2021/2022 Bonds. The form of the 2021/2022 Bonds shall further be changed as necessary to reflect whether the 2021/2022 Bonds are 2021/2022 New Money Bonds or 2021/2022 Refunding Bonds, whether the 2021/2022 Bonds are 2021/2022 Tax-Exempt Bonds or 2021/2022 Taxable Bonds, whether the 2021/2022 Bonds are Underwritten 2021/2022 Bonds or Direct Purchase 2021/2022 Bonds, any series or subseries designation for the 2021/2022 Bonds and the Current Mode of the 2021/2022 Bonds.

No. R-_____ $__________

UNITED STATES OF AMERICA

[DTC LANGUAGE]

[STATEMENT OF INSURANCE, IF ANY]

UNIVERSITY OF WASHINGTON

GENERAL REVENUE [AND REFUNDING] BOND, 2021/2022[____] [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][refund 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, 2021/2022 (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 2021/2022 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 2021/2022 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 2021/2022 Bonds of this issue and that the issuance of this bond and the 2021/2022 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 2021/2022 Bonds shall be in substantially the following form and shall appear on each 2021/2022 Bond:

AUTHENTICATION CERTIFICATE

This bond is one of the University of Washington General Revenue [and Refunding] Bonds, Series [2021/2022][__] described in the within-mentioned Bond Resolution.

REGISTRAR

By ___________________________________
Authorized Signatory

Date of Authentication: _______________________

Section 12. Redemption.

(a) *Optional Redemption.* 2021/2022 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 2021/2022 Bonds as set forth in the respective Bond Terms Agreement, as applicable. 2021/2022 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. 2021/2022 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 2021/2022 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 2021/2022 Bonds, all as described in the next paragraph) or Bond Terms Agreement. If the 2021/2022 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 2021/2022 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 2021/2022 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) *Selection of 2021/2022 Bonds for Redemption.* Whenever the University elects to redeem fewer than all of the 2021/2022 Bonds of a series or subseries, the University shall select the maturity or maturities within such series or subseries to be redeemed. Except as may be otherwise set forth in the Bond Terms Agreement, whenever fewer than all the Outstanding

2021/2022 Bonds of a series or subseries and maturity are to be redeemed, the 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the Redemption Price upon delivery of such 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 Bonds subject to the notice in the same manner as the notice of redemption was given.

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, 2021/2022 (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 2021/2022 Bonds then coming due and the principal of the 2021/2022 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 2021/2022 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 deposited in the Bond Fund.

Section 14. Application of 2021/2022 Bond Proceeds.

(a) *2021/2022 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 2021/2022 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.

All or part of the proceeds of the 2021/2022 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 2021/2022 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 2021/2022 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 part of the proceeds of the 2021/2022 New Money Bonds 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) *2021/2022 Refunding Bonds.* The proceeds of each series of 2021/2022 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 and/or defease the Refunded Bonds to their Call Dates through the application of proceeds of the 2021/2022 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 2021/2022 Bonds.

(a) *Special Fund Obligations.* The 2021/2022 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 account. The 2021/2022 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 2021/2022 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 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), then 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 2021/2022 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 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 2021/2022 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 2021/2022 Tax-Exempt Bonds from the gross income of the owners of the 2021/2022 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 2021/2022 Tax-Exempt Bonds, including but not limited to the following:

(a) The University will assure that the proceeds of the 2021/2022 Tax-Exempt Bonds are not used so as to cause the 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 Tax-Exempt Bonds would have caused the 2021/2022 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 2021/2022 Tax-Exempt Bond that complies with the Code until all 2021/2022 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 2021/2022 Tax-Exempt Bonds for at least three years after the 2021/2022 Tax-Exempt Bonds mature or are redeemed (whichever is earlier); however, if the 2021/2022 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 2021/2022 Tax-Exempt Bonds.

(h) The University will comply with the provisions of the Federal Tax Certificate with respect to the 2021/2022 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 2021/2022 Tax-Exempt Bonds.

<u>Section 20</u>. <u>No Recourse Against Individuals</u>.

No owner of a 2021/2022 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 2021/2022 Bonds, or for the satisfaction of any liability arising from, founded upon, or existing by reason of, the issuance or ownership of such 2021/2022 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 2021/2022 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 2021/2022 Bonds are to be optionally redeemed, the University shall have given to the Registrar irrevocable instructions to give such notice of redemption of such 2021/2022 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 2021/2022 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 2021/2022 Bonds. In the event of such partial defeasance, this resolution shall be discharged only as to the 2021/2022 Bonds so defeased.

Section 22. Approval of Official Statement.

The University hereby authorizes and directs the Authorized Representative of the University to approve the information contained in each Preliminary Official Statement, if any, pertaining to 2021/2022 Bonds or 2021/2022 bonds 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 2021/2022 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 2021/2022 Bonds and others. The University further authorizes and directs 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 2021/2022 Bonds or 2021/2022 bonds issued on behalf of the University, to the actual purchasers of the 2021/2022 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 2021/2022 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 2021/2022 Bonds shall be issued and sold in one or more series or subseries;

(b) determine the Mode in which 2021/2022 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, options to extend such leases, and other documents in connection with the refunding 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 2021/2022 Bonds;

(f) select one or more Escrow Agents, verification agents, underwriters, 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 Purchase Contract or closing certificate;

(h) determine if it is in the best interest of the University for any or all of the 2021/2022 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 2021/2022 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 2021/2022 Bonds;

(j) select a Trustee for the owners of any or all of the 2021/2022 Bonds and fix its or their rights, duties, powers, and obligations under the applicable Trust Agreement;

(k) determine whether any or all of the 2021/2022 Bonds shall be issued as 2021/2022 Tax-Exempt Bonds or as 2021/2022 Taxable Bonds, determine whether any or all of the 2021/2022 Tax-Exempt Bonds are to be designated as qualified 501(c)(3) obligations, and determine whether any or all of the 2021/2022 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 2021/2022 Bonds shall be issued and sold as Direct Purchase 2021/2022 Bonds or as Underwritten 2021/2022 Bonds; and

(m) allocate 2021/2022 Bond proceeds to Projects and determine whether all or a portion of the Projects shall be financed with other sources, including the CAP.

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

(a) the aggregate principal amount of the 2021/2022 New Money Bonds shall not exceed $100,000,000;

(b) the aggregate principal amount of the 2021/2022 Refunding Bonds shall not exceed the aggregate principal amount of the Refunding Candidates to be refunded plus an amount deemed by the Authorized Representative of the University to be reasonably required to effect such refunding (including to pay costs of issuance);

(c) the final maturity date of any 2021/2022 Refunding Bonds shall not be later than the end of the fiscal year that includes the final maturity date of the Refunding Candidate to be refunded with the proceeds of such bonds, and the term of any 2021/2022 New Money 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 2021/2022 Bonds issued initially in the Fixed Mode does not exceed 5.0%;

(e) the aggregate principal amount of 2021/2022 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 2021/2022 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 July 31, 2022; provided that an 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 2021/2022 Bonds, executed as provided in this resolution, to be authenticated and delivered to the underwriters or Direct Purchaser(s); 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, at or before the Closing Date 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 2021/2022 Bonds in exchange for the purchase price thereof.

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

Section 24. Undertaking to Provide Continuing Disclosure.

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 2021/2022 Bonds in complying with Section (b)(5) of the Rule.

Section 25. Payment Agreements (Interest Rate Swap Agreements).

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 2021/2022 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 2021/2022 Tax-Exempt Bonds.

(b) *Certification of Financial Advisor*. The University shall obtain, on or prior to the date of execution of the Payment Agreement, a written certification from a financial 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 2021/2022 Bonds or reduce the University's exposure to fluctuations in interest rates on the related 2021/2022 Bonds. This finding shall be confirmed in a report of the Authorized Representative of the University.

Section 26. Supplemental Resolutions.

(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 2021/2022 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 2021/2022 Bonds.

Any such supplemental resolution of the Board may be adopted without the consent of the owners of any 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022 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 2021/20220 Bond. Except as aforesaid, any such consent given by the Registered Owner of any 2021/2022 Bond shall be conclusive and binding upon such Registered Owner and upon all future Registered Owners of such 2021/2022 Bond and of any 2021/2022 Bond issued in exchange therefor or in lieu thereof, irrespective of whether or not any notation in regard thereto is made upon such 2021/2022 Bond. Any action taken by the Registered Owners of the percentage in aggregate principal amount of a series or subseries of Outstanding 2021/2022 Bonds specified in this resolution in connection with such action shall be conclusively binding upon the University and the Registered Owners of all Outstanding 2021/2022 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 2021/2022 Bonds have concurred in any demand, request, direction, consent or waiver under this resolution, 2021/2022 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. 2021/2022 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 2021/2022 Bonds and that the pledgee is not the University.

Section 29. University Acquisition of 2021/2022 Bonds.

The University may acquire 2021/2022 Bonds by (a) purchase of 2021/2022 Bonds 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.

Section 30. Contract-Savings Clause.

The covenants contained in this resolution, the 2021/2022 Bonds and the provisions of the Bond Act shall constitute a contract between the University and the Registered Owners of the 2021/2022 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 2021/2022 Bonds.

Section 31. 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 32. 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	Da Vinci XI Dual Console System (Taxable capital equipment lease)	$2,253,990
NW Hospital	4.65% Mortgage Note Payable (OMC Refunding)	9,217,542
State of WA	1998C General Obligation HE-UW (Harborview R&T)	9,420,000
State of WA	1998C General Obligation HE-UW (Ocean Science Building)	8,935,000
State of WA	2011 Certificates of Participation 87 (R-2001B COP 28)	3,590,000
State of WA	2011 Certificates of Participation 88 (R-2001D COP 35)	2,100,000
State of WA	2011 Certificates of Participation 89 (R-2002A COP 36)	2,915,000
State of WA	2011 Certificates of Participation 90 (R-2002E COP 40)	1,705,000
State of WA	2012A General Obligation UW (R-2004D)	2,750,000
State of WA	2012C General Obligation UW (R-2003D)	1,870,000
State of WA	2012C General Obligation UW (R-2004A)	4,400,000
State of WA	2012C General Obligation UW (R-2004D)	2,475,000
State of WA	2013 Certificate of Participation 93 (R-2003 COP 41)	1,990,000
State of WA	2013 Certificate of Participation 94 (R-2003 COP 42)	420,000
State of WA	2014 Equipment Certificate of Participation 97	434,695
State of WA	2015E General Obligation HE-UW (R-2007 GO HE-UW (R-1997E))	260,000
State of WA	2016A General Obligation (R-2006A)	30,145,000
State of WA	2017A General Obligation HE-UW (R-2010A (R-1999B))	9,130,000
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	2020C General Obligation UW (R-2011B (R-2003D))	1,450,000
State of WA	2020C General Obligation UW (R-2011B (R-2004A))	1,670,000
State of WA	2021B General Obligation UW (R-2011A (R-2002A))	8,910,000
State of WA	2021B General Obligation UW (R-2011A (R-2002B))	485,000
State of WA	2021C General Obligation UW (R-2012A (R-2003D))	1,060,000
State of WA	2021C General Obligation UW (R-2012A (R-2004A))	2,665,000
State of WA	2021C General Obligation UW (R-2012A (R-2004D))	355,000
University	2006 UWT Bank of America Term Loan	3,100,000
University	2013 EQL ESCO & Smartgrid	3,249,147
University	2013 EQL ICA Scoreboard	8,893,470
University	2014 EQL Primate Center	1,172,654
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	2012B General Revenue Bonds (Taxable)	34,185,000
University	2012C General Revenue Bonds	299,425,000
University	2013 General Revenue Bonds	146,410,000

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	2019A General Revenue Bonds	100,000,000
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	2014 FAST Loan - Suzzallo Library Renovation	1,000,000
University	2014 FAST Loan - UWT- Pagni & Lenti Building	500,000
University	2017 FAST Loan - UW Information Technology	1,566,956
University	2018 FAST Loan - The College of the Environment (Research Vessel)	500,000
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	2020 FAST Loan -Fleet Services	484,209
University	2021 FAST Loan - UW Information Technology	5,192,325
University	CP2021 7/20/21 - FT $24.5M TE	24,500,000
University	CP2021 7/7/21 - FT $25M TE	25,000,000
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
WEDFA	2015A Lease Revenue Bonds WBRP III	107,615,000

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APPENDIX B

PAYING AGENT AGREEMENT FOR THE 2022C BONDS

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PAYING AGENT AGREEMENT

University of Washington
General Revenue Refunding Bonds, 2022C

This Paying Agent Agreement (the "Agreement") is entered into as of March 8, 2022, by and between the University of Washington (the "University"), and U.S. Bank Trust Company, National Association, as Registrar and Paying Agent (the "Paying Agent"), in connection with the University's General Revenue Refunding Bonds, 2022C (Term Rate Bonds) (the "Bonds"), issued pursuant to a resolution of the Board of Regents of the University adopted on September 9, 2021 (the "Bond Resolution").

RECITALS

WHEREAS, pursuant to the Bond Resolution, the University authorized the issuance of bonds including the Bonds described in **Exhibit A**; and

WHEREAS, Section 23 of the Bond Resolution authorizes the Authorized Representative of the University to determine whether the Bonds shall be issued and sold in one or more series or subseries, determine the Mode in which Bonds of a series or subseries shall be issued initially, and determine the times and manner of conversion, if any, between and within Modes; and

WHEREAS, Section 4(c) of the Bond Resolution provides that the terms applicable to 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 Purchase Agreement, Remarketing Agreement, Loan Agreement, Paying Agent Agreement, or Trust Agreement, as applicable; and

WHEREAS, this Agreement constitutes a "Paying Agent Agreement" for the purpose of setting forth the terms applicable to various Modes, and conversions between and within Modes, for the Bonds; and

WHEREAS, the Authorized Representative of the University is authorized to negotiate and execute at his or her discretion, this Agreement setting forth the rights, duties, powers, and obligations of the Paying Agent under this Agreement;

NOW, THEREFORE, the University and the Paying Agent agree as follows:

Section 1. **Appointment and Acceptance, Deposits**. The University hereby appoints U.S. Bank Trust Company, National Association as Paying Agent solely for the purposes of the rights, duties, powers, and obligations of the Paying Agent under this Agreement. The Paying Agent accepts this appointment, acknowledging the additional duties, obligations and responsibilities of the Paying Agent as set forth in this Agreement, as an appointment supplemental to its duties as Registrar and Paying Agent with respect to the Bonds under the State Fiscal Agency Contract. The Paying Agent shall act as Paying Agent for the Bonds and in such capacity shall perform the duties expressly identified as duties of Paying Agent set forth in **Exhibit B** and incorporated by this reference. The University will from time to time deposit the funds due to be paid by it under the Bond Resolution ("Funds"), by wire transfer of immediately available funds, to the depositary account identified in Schedule A hereto (the "Deposit Account" and, as so deposited, the "Funds").

Section 2. **Compensation**. The University agrees to pay the Paying Agent fees as set forth in **Exhibit C** and, if applicable, to reimburse the Paying Agent for its out-of-pocket expenses including without limitation the reasonable fees, expenses, and disbursements of its agents and attorneys, incurred or made by the Paying Agent in connection with entering into, performing, or enforcing its rights under this Agreement or in connection with investigating and defending itself against any claim (whether asserted by the University, any bondholder, credit provider, remarketing agent, calculation agent or any other person or entity) or liability hereunder; provided, however, that the University shall not reimburse the Paying Agent for expenses with respect to any claim or liability to the extent that such claim or liability is determined by a court of competent jurisdiction to have been caused by the Paying Agent's negligence or willful misconduct. Such fees and expenses will be invoiced to the University. If the Paying Agent renders any service hereunder not provided for in this Agreement, or the Paying Agent is made a party to any governmental agency, administrative or regulatory proceeding or any litigation pertaining to this Agreement or institutes interpleader proceedings relative to its obligations to the University hereunder, the Paying Agent shall be compensated reasonably by the University for such services to the University. The provisions of this Section 2 shall survive the termination or discharge of this Agreement or discharge of the Bonds.

Section 3. **Instructions From the University; Advice of Counsel**. At any time the Paying Agent may apply to any Authorized Officer for instructions, and shall have the right, but not the obligation, to consult with counsel of its choice at the reasonable expense of the University and shall not be liable for action taken or omitted to be taken in good faith either in accordance with such instruction or such advice of counsel, or in accordance with any opinion of counsel to the University addressed or delivered to the Paying Agent.

Section 4. **Concerning the Paying Agent**. The Paying Agent shall have only those duties as are specifically provided herein, which shall be deemed purely ministerial in nature, and shall have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees. The Paying Agent has no discretionary or fiduciary duties of any kind. The Paying Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument or document in connection herewith, including without limitation the Bond Resolution, any Direct Purchase Agreement, Bond Purchase Agreement, Reimbursement Agreement, Remarketing Agreement, Trust Agreement or and any Credit Facility agreement. The Paying Agent shall not be answerable to the University other than for losses suffered by the University that are directly caused by the Paying Agent's negligence or willful misconduct. The Paying Agent, shall have no responsibility for the payment of debt service with respect to the Bonds. The Paying Agent shall be protected in acting upon any paper or document believed by it to be genuine and to have been signed by the proper person or persons and shall not be held to have notice of any change of authority of any person, until receipt of written notice to the contrary from the University. The Paying Agent shall not be under any obligation to prosecute any action or suit or take any other action in respect of this Agreement that, in its sole judgment, may involve it in expense or liability. In any action or suit the University shall, as often as requested, reimburse the Paying Agent for any expense or liability growing out of such action or suit by or against the Paying Agent in its agency capacity; provided, however, that no such reimbursement shall be made for any expense or liability determined by a court of competent jurisdiction to have been caused by the Paying Agent's negligence or willful misconduct. No provision of this Agreement shall require the Paying Agent to expend, advance or risk its own funds or otherwise incur any financial liability in connection with any of its duties hereunder, or in the exercise of any of its rights or powers. For the avoidance of doubt, no provision of Exhibit B shall require the Paying Agent to determine the Mode or any interest rate applicable to any Bond, which determination will be made and identified in writing to Paying Agent by the University or Remarketing Agent, as applicable.

Anything in this Agreement to the contrary notwithstanding, in no event shall the Paying Agent be liable for special, punitive, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Paying Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Paying Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that the University shall provide to the Paying Agent an incumbency certificate listing each Authorized Representative of the University, which incumbency certificate shall be amended by the University whenever an Authorized Representative of the University is to be added or deleted. If the University elects to give the Paying Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Paying Agent in its discretion elects to act upon such instructions, the Paying Agent's understanding of such instructions shall be deemed controlling. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequently received written instruction. The University agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Paying Agent, including without limitation the risk of the Paying Agent acting on unauthorized instructions, and the risk or interception and misuse by third parties.

Any banking association or corporation into which the Paying Agent may be merged or converted, with which the Paying Agent may be consolidated, or any banking association or corporation resulting from any merger, conversion or consolidation to which the Paying Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Paying Agent shall be transferred, shall succeed to all the Paying Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

The Paying Agent (including in its capacity as Calculation Agent) shall not be under any obligation (i) to monitor, determine, verify or give notice of, the unavailability or cessation of any Index (as defined in **Exhibit B**), (ii) to select or designate any alternate index or (iii) to determine or confirm whether any standards or conditions to the selection, determination or designation of any alternate index have been satisfied. The Paying Agent (including in its capacity as Calculation Agent) shall not be liable for any inability, failure or delay on its part to perform any of its duties set forth in this Agreement as a result of the unavailability of any Index and the absence of a designated alternate index, including as a result of any inability, delay, error or inaccuracy on the part of any other transaction party in providing any direction, instruction, notice or information required or contemplated by the terms of this Agreement. Neither the Paying Agent nor the Calculation Agent shall be responsible or liable for the actions or omissions of the Remarketing Agent, or any failure or delay in the performance of its duties or obligations, nor shall they be under any obligation to oversee or monitor its performance. Each of the Paying Agent and Calculation Agent shall be entitled to rely conclusively upon any determination made and any instruction, notice, officer certificate, or other instrument or information provided by the University or the Remarketing Agent, without independent verification, investigation or inquiry of any kind. Neither the Paying Agent nor the Calculation Agent shall be under any duty to succeed to, assume or otherwise perform any of the duties of the Remarketing Agent, or to appoint a successor or replacement in the event of its resignation or removal, or to remove and replace the Remarketing Agent in the event of a default, breach or failure of performance on the part of the Remarketing Agent with respect to its duties and obligations under the terms of the governing documents.

The immunities, indemnities, exceptions from liability and other rights, privileges and protections provided to the Paying Agent hereunder shall also extend to and be deemed to cover the Paying Agent in its capacity as Calculation Agent, or in any other role or capacity provided herein or in **Exhibit B**.

Section 5. **Notices**. Until changed by notice in writing, communications between the parties shall be delivered to:

If to the University:

University of Washington
4311 11th Avenue Northeast
Seattle, Washington 98105-4608
Telephone: (206) 221-6752

If to the Paying Agent:

U.S. Bank Trust Company, National Association
1420 5th Avenue, 7th Floor
Seattle, Washington 98101
Attn: Corporate Trust
Phone: (206) 344-4678

All notices, approvals, consents, requests and any communications to the Paying Agent hereunder must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Paying Agent). Electronic signatures believed by the Paying Agent to comply with the ESIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the University chooses to use electronic signatures to sign documents delivered to the Paying Agent, the University agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Paying Agent acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Paying Agent may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Paying Agent in lieu of, or in addition to, any document signed via electronic signature.

Section 6. **Retention of Records, Instruments and Papers**. The Paying Agent shall retain in its files records, instruments and papers maintained by it in relation to its agency under this Agreement for the period required by the applicable provisions of the Internal Revenue Code.

Section 7. **Resignation or Removal of Paying Agent**. Any time, except during the period from the Record Date to the Interest Payment Date applicable to that Record Date, the Paying Agent may resign by giving at least 30 days' prior written notice to the University; and the Paying Agent's agency shall be terminated and its duties shall cease upon expiration of such 30 days or such lesser period of time as shall be mutually agreeable to the Paying Agent and the University. At any time, except during the period from the Record Date to the Interest Payment Date applicable to that Record Date (or such lesser period of time as shall be mutually agreeable to the Paying Agent and the

University) the Paying Agent may be removed from its agency by the University upon at least 30 days' prior written notice. Such removal shall become effective upon the expiration of the notice period or agreed lesser time period, and upon payment to the Paying Agent of all amounts payable to it in connection with its agency. In such event, the Paying Agent shall deliver to the University copies of pertinent records then in the Paying Agent's possession which are reasonably requested by the University.

Section 8. **Effectiveness and Term**. Subject to the provisions of Section 4 hereof, this Agreement shall remain in effect and the agency established by the Agreement shall continue until (i) termination by mutual agreement of the University and Paying Agent, (ii) the resignation or removal of the Paying Agent pursuant to Section 7, or (iii) all Bonds have been retired or defeased.

Section 9. **Jury Trial Waiver**. Each party hereto hereby agrees not to elect a trial by jury of any issue triable of right by jury, and fully waives any right to trial by jury fully to the extent that such right shall now or hereafter exist with regard to this Agreement, or any claim, counterclaim or other action arising in connection herewith. This waiver of right to trial by jury is given knowingly and voluntarily by each party, and is intended to encompass individually each instance and each issue as to which the right to a trial by jury would otherwise accrue.

Section 10. **Conflict with Bond Resolution**. In the event of a conflict between the provisions of this Agreement and those of the Bond Resolution, the terms of this Agreement shall govern.

Section 11. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Venue for any dispute arising under this Agreement shall be in the Superior Court of the State of Washington in King County.

Section 12. **Patriot Act Compliance**. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity the Paying Agent may ask for documentation to verify its formation and existence as a legal entity, and may also ask to see financial statements, licenses, identification, and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

Section 13. **Entire Agreement**. Except to the extent that the matters herein are covered by the State Fiscal Agent Contract, this Agreement shall constitute the entire agreement between the University and the Paying Agent with respect to the Bonds. This Agreement is intended to be for the benefit of or to be enforceable by only the University and the Paying Agent, and no third party (including but not limited to any bondholder, credit provider, remarketing agent or calculation agent) shall be entitled to claim that it is a third-party beneficiary hereof.

Section 14. **Execution in Counterparts**. This Agreement may be executed in counterparts, each such counterpart shall for all purposes be deemed to be an original, and all of such counterparts, or as many of them as the University and the Paying Agent shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed by their duly authorized officers as of the date first above written.

THE UNIVERSITY OF WASHINGTON

____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Paying Agent

____
Name:
Title:

EXHIBIT A
DESCRIPTION OF THE BONDS

General Revenue Refunding Bonds, 2022C
(TERM RATE BONDS)
$90,700,000

Price (calculated to first par call date):	110.613
Yield (calculated to first par call date):	1.730%
Term Rate:	4.000%
Delayed Remarketing Rate:	8.000%
First Interest Payment Date:	August 1, 2022
Maturity Date:	May 1, 2048
Scheduled Mandatory Purchase Date:	August 1, 2027
First Par Call Date:	February 1, 2027
CUSIP* No.:	91523NXW1

EXHIBIT B
INTEREST RATE MODES AND RELATED PROVISIONS

Section 1. **Definitions.** The meanings of capitalized terms used and not otherwise defined in Exhibit B shall be as set forth in the Bond Resolution. In addition, the following terms as used in this Exhibit B shall have the following meanings, except as otherwise set forth in the Direct Purchase Agreement for Direct Purchase Bonds:

"***Alternate Credit Facility***" means a letter of credit, insurance policy, line of credit, surety bond or security, or other liquidity facility issued as a replacement or substitute for any Credit Facility then in effect.

"***Authorized Denomination***" means (a) during any Daily Interest Rate Period, Weekly Interest Rate Period or Commercial Paper Rate Period, $100,000 or any integral multiple of $5,000 in excess of $100,000; (b) during any Term Rate Period or Fixed Rate Period, $5,000 or any integral multiple thereof; (c) during any Index Floating Rate Period, $5,000 or any integral multiple thereof; and (d) notwithstanding the foregoing, during any Direct Purchase Period, $250,000, or any integral multiple of $5,000 in excess of $250,000 or such other minimum denomination as may be set forth in the applicable Direct Purchase Agreement.

"***Bank Bond***" means a Bond (or portion thereof in any Authorized Denomination) that is purchased by the Paying Agent using amounts paid or provided by a Credit Provider under a Credit Facility.

"***Bank Rate***" means that rate of interest borne by a Bank Bond, as specified or determined in accordance with a Credit Facility.

"***Bond Documents***" means, together, the Bond Resolution, the Bond Purchase Agreement and the Paying Agent Agreement (including, without limitation, this Exhibit B).

"***Bond Resolution***" means the Resolution of the Board of Regents adopted on September 9, 2021 authorizing the issuance and sale of the Bonds.

"***Bond Purchase Agreement***" means the Bond Purchase Agreement by and among the University and Citigroup Global Markets Inc., acting on behalf of itself and as representative of Goldman Sachs & Co. LLC, BofA Securities, Inc. and AmeriVet Securities, Inc., dated as of February 15, 2022, regarding the issuance, sale and delivery of the Bonds. The Bond Purchase Agreement is not a Direct Purchase Agreement.

"***Bond Purchase Fund***" means the fund established with the Paying Agent pursuant to the Paying Agent Agreement, including without limitation, this Exhibit B.

"***Bonds***" mean the General Revenue Refunding Bonds, 2022C, issued pursuant to the Bond Resolution with such series and additional or alternative naming conventions as may be convenient to indicate a Series or Subseries designation.

"***Business Day***" means any day other than a Saturday or Sunday that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in

Seattle, Washington, or the city or cities in which the principal office of the Remarketing Agent or the Calculation Agent is located nor a day on which the New York Stock Exchange is closed or the payment system of the Federal Reserve Bank is not operational.

"***Calculation Agent***" means the Paying Agent.

"***Commercial Paper Mode***" means the Mode during which a Series or Subseries of the Bonds bear interest at a Commercial Paper Rate or Rates.

"***Commercial Paper Rate***" means the interest rate determined with respect to a Bond in the Commercial Paper Mode during each Commercial Paper Rate Period applicable to that Bond in accordance with Section 4(a)(5).

"***Commercial Paper Rate Period***" means, with respect to any Bond bearing interest at a Commercial Paper Rate, each period, which may be from one day to 270 days determined for such Bond, beginning on, and including, the Conversion Date for a Conversion to the Commercial Paper Mode and ending on, and including, a day which immediately precedes a Business Day or the Maturity Date.

"***Conversion***" means a conversion of a Series or Subseries of the Bonds from one Mode to another Mode (including the establishment of a new Commercial Paper Mode, Term Mode or Index Floating Mode). The following events shall not be deemed Conversions for purposes of the Bond Documents: (a) the continuation of a Daily Interest Rate at the end of a Daily Interest Rate Period, (b) the continuation of a Weekly Interest Rate at the end of a Weekly Interest Rate Period, (c) the imposition of a Delayed Remarketing Period as described in Section 8(f) of this Exhibit B, (d) during a Direct Purchase Period, a renewal or extension of the term of such Direct Purchase Period then in effect, and (e) an Extraordinary Mandatory Redemption of a Series or Subseries pursuant to a Term-Out Provision.

"***Conversion Date***" means the effective date of a Conversion.

"***Credit Facility***" means any letter of credit, insurance policy, line of credit, surety bond, or other security or other liquidity facility, if any, to be issued by the Credit Provider in connection with a Conversion to a Daily Mode, a Weekly Mode, or other Mode, that secures or supports the payment when due of the principal and Purchase Price of and interest on a Bond, including any Alternate Credit Facility, or any extensions, amendments or replacements thereof pursuant to its terms.

"***Credit Facility Purchase Account***" means each account with that name established within the Bond Purchase Fund pursuant to Section 12 of this Exhibit B.

"***Credit Provider***" means any bank, insurance company, pension fund or other financial institution that provides a Credit Facility or Alternate Credit Facility for a Series or Subseries of the Bonds.

"***Daily Mode***" means the Mode during which a Series or Subseries of the Bonds bear interest at the Daily Rate.

"***Daily Rate***" means a variable interest rate established for a Series or Subseries of Bonds in the Daily Mode in accordance with Section 4(a)(1) of this Exhibit B.

"***Daily Interest Rate Period***" means, with respect to a Series or Subseries of the Bonds, each period during which a Daily Rate is in effect.

"***Default Rate***" as used in connection with any Direct Purchase Period, has the meaning set forth in the applicable Direct Purchase Agreement as identified to by the University to the Paying Agent in writing.

"***Delayed Remarketing Bond***" means any Bond (or principal portion of a Bond) that is not purchased when tendered for purchase and which becomes an Delayed Remarketing Bond pursuant to Section 6(h) of this Exhibit B.

"***Delayed Remarketing Rate***" means any of the following rates, as identified to the Paying Agent in writing by the University or the Remarketing Agent, as applicable: (a) for the Initial Term Rate Period, the per annum rate(s) identified as such in the Bond Purchase Agreement, which may consist of one per annum rate that applies throughout the duration of the Delayed Remarketing Period or per annum rates that increase in a stepped manner in succession through the Delayed Remarketing Period as identified in the Bond Purchase Agreement; and (b) for any subsequent Term Rate Period or other Term Rate Period, a per annum interest rate or stepped per annum interest rates as determined by the Remarketing Agent prior to the first Interest Determination Date for such period pursuant to Section 4(a)(3) or 4(a)(4)(D) of this Exhibit B.

"***Delayed Remarketing Period***" means the period as set forth in Section 8(f) of this Exhibit B applicable to Delayed Remarketing Bonds.

"***Direct Purchase Agreement***" means, for any Series or Subseries of the Bonds, a written agreement (including a continuing covenant agreement or other similar agreement) between the University and the direct purchaser for the purchase of all of such Series or Subseries of the Bonds during a Direct Purchase Period. The Bond Purchase Agreement is not a Direct Purchase Agreement.

"***Direct Purchase Bonds***" means any Bonds or Bond sold to a Direct Purchaser pursuant to a Direct Purchase Agreement.

"***Direct Purchase Period***" means each period during which the applicable Series or Subseries of the Bonds is purchased and held pursuant to a Direct Purchase Agreement, including any Term-Out Period or other period during which Unremarketed Bonds continue to be outstanding while a Direct Purchase Agreement is in effect.

"***Direct Purchaser***" means any bank or other financial institution selected by the University to purchase (or to accept delivery of) one or more Direct Purchase Bonds.

"***EFFR Index***" means, on any date, the Effective Federal Funds Rate (EFFR) calculated and published by the Federal Reserve Bank of New York (the "New York Fed") as a volume weighted median of overnight federal funds transactions reported in the FR 2420 Report of Selected Money Market Rates. The New York Fed publishes the EFFR for the prior Business Day on the New York Fed's website at approximately 9:00 a.m. (Eastern Time).

"***Elect***" or "***Election***" means the election by the Authorized Representative of the University of a new Mode.

"***Event of Default***" as used in connection with any Direct Purchase Period, has the meaning set forth in the applicable Direct Purchase Agreement.

"***Extraordinary Event***" means, during any Mode in which a Direct Purchase Agreement or a Credit Facility is in effect, the occurrence of an extraordinary event identified under the applicable provisions of the Direct Purchase Agreement, Reimbursement Agreement or similar agreement with the, Direct Purchaser or provider of the Credit Facility.

"***Extraordinary Mandatory Redemption***" means the periodic redemption of principal of Unremarketed Bonds or Bank Bonds in the amounts and on the dates set forth in a Term-Out Provision of a Direct Purchase Agreement or agreement relating to a Credit Facility.

"***Favorable Opinion of Bond Counsel***" means a written legal opinion of Bond Counsel to the University, addressed (or accompanied by a reliance letter) to the Paying Agent, the Credit Provider (if any), the Index Floating Rate Holder (if any), the Direct Purchaser (if any) and the Remarketing Agent (if any), to the effect that a specified action is permitted under the Bond Documents and will not impair the exclusion of interest on the affected Bonds from gross income for purposes of federal income taxation (subject to customary exceptions).

"***Fixed Mode***" means the Mode in which a Series or Subseries of the Bonds bear interest at a Fixed Rate or Fixed Rates.

"***Fixed Rate Period***" means for the Bonds in the Fixed Mode, the period from the Conversion Date upon which the Series or Subseries of Bonds were converted to the Fixed Mode, to but not including the Maturity Date for such Bonds.

"***Index***" means any of (a) the SIFMA Index, (b) the EFFR Index, (c) the SOFR Index, or (d) any alternate index selected by the Authorized Representative of the University, conditioned upon the delivery to the Paying Agent on or prior to the applicable Conversion Date of a Favorable Opinion of Bond Counsel.

"***Index Floating Mode***" means the Mode during which a Series or Subseries of the Bonds bear interest at the Index Floating Rate.

"***Index Floating Rate***" means a per annum rate of interest, established in accordance with Section 4(a)(4) of this Exhibit B on each Interest Determination Date during an Index Floating Rate Period, equal to the sum of (A) the Index Floating Rate Spread and (B) the product of Index and the Index Floating Rate Percentage.

"***Index Floating Rate Holder***" means, during any Direct Purchase Period for a Series or Subseries of the Bonds, (a) during which such Series or Subseries is not held in Book-Entry Form, (1) if there is a single Registered Owner of all Bonds of such Series or Subseries, the Registered Owner of such Series or Subseries, or (2) if there is more than one Registered Owner of Bonds within a Series or Subseries, Registered Owners owning a majority of the aggregate principal amount of the then outstanding Bonds of such Series or Subseries; and (b) during which such Series or Subseries is held in Book-Entry Form, (1) if there is a single Beneficial Owner of all Bonds of such Series or Subseries, the Beneficial Owner, or (2) if there is more than one Beneficial Owner of the Bonds of such Series or Subseries, Beneficial Owners of a majority of the aggregate principal amount of the then outstanding Bonds of such Series or Subseries.

"***Index Floating Rate Percentage***" means the percentage of the Index Floating Rate selected by the Authorized Representative of the University for the Bonds of such Series pursuant to Section 5(a)(4) of this Exhibit B, as applicable.

"***Index Floating Rate Period***" means, with respect to any Series or Subseries of the Bonds, each period during which an Index Floating Rate is in effect.

"***Index Floating Rate Spread***" means the spread determined on or prior to the Conversion Date that marks the beginning of such period, for the Bonds of such Series pursuant to Section 5(a)(4) of this Exhibit B, as applicable.

"***Initial Term Rate Period***" means, for any Series or Subseries of the Bonds, a period commencing on the Initial Issue Date and ending on the Scheduled Mandatory Purchase Date(s) set forth in the Bond Purchase Agreement, unless such Series or Subseries is earlier purchased or redeemed in connection with a mandatory tender for purchase of such Series or Subseries of the Bonds pursuant to Section 8 of this Exhibit B. In the event that a Bond becomes a Delayed Remarketing Bond, the Initial Term Rate Period shall include any immediately succeeding Delayed Remarketing Period.

"***Initial Issue Date***" means the date on which the Bonds are delivered to the Underwriter pursuant to the Bond Purchase Agreement.

"***Interest Accrual Date***" with respect to a Series or Subseries of the Bonds means (a) for any Daily Interest Rate Period, the first day thereof and, thereafter, the first day of each calendar month during such Daily Interest Rate Period; (b) for any Weekly Interest Rate Period, the first day thereof and, thereafter, the first Wednesday of each calendar month during such Weekly Interest Rate Period; (c) for any Term Rate Period or Fixed Rate Period, the first day thereof and, thereafter, each Interest Payment Date during that Term Rate Period, other than the last such Interest Payment Date; (d) for each Index Floating Rate Period, the first day thereof and, thereafter, the first Business Day of each calendar month during such Index Floating Rate Period; and (e) for each Commercial Paper Rate Period, the first day thereof.

"***Interest Determination Date***" means, for each Index Floating Rate Period, (a) if the Index is the SIFMA Index, the EFFR Index or the SOFR Index the first day of such Index Floating Rate Period and, thereafter, each Wednesday (or, if any such Wednesday is not a Business Day, the preceding Business Day); and (b) if any other Index has been selected by the Authorized Representative of the University, the first day of such Index Floating Rate Period and thereafter the date(s) selected by the Authorized Representative of the University in connection with the selection of such Index. Notwithstanding the foregoing, a Direct Purchase Agreement may provide for alternate Interest Determination Dates to be in effect during a Direct Purchase Period.

"***Interest Payment Date***" means:

(a) for interest accrued in (1) any Daily Interest Rate Period, the first Business Day of the next succeeding calendar month; (2) any Weekly Interest Rate Period, the first Wednesday of each calendar month, or, if the first Wednesday is not a Business Day, the next succeeding Business Day; (3) (i) with respect to the Initial Term Rate Period, August 1 and thereafter each February 1 and August 1 and with respect to any subsequent Term Rate Period or any Fixed Rate Period, each semi-annual payment date specified by the Authorized Representative of the University in connection with the Conversion of such Bonds to the Term Rate Period or Fixed Rate Period, and if such date is not a Business Day, the next succeeding Business Day, (ii) each Purchase Date, and (iii) each date on which all or a portion of the Bonds are redeemed; (4) any Index Floating Rate Period, (i) the first Business Day of each calendar month, (ii) each Purchase Date, and (iii) each date on which all or a portion of the Bonds are redeemed, unless otherwise specified in a Direct Purchase Agreement in effect for such period; or (5) for any Commercial Paper Rate Period, the first Business Day following the last day of each Commercial Paper Rate Period for such Bonds,

(b) without duplication, the first Business Day succeeding the last day of each Interest Rate Period; and

(c) with respect to any Bonds during a Term-Out Period or Bank Bonds, the dates set forth in the Term-Out Provision or otherwise for Bank Bonds of the applicable Direct Purchase Agreement or Credit Facility for the payment of interest on such Bonds or Bank Bonds.

"***Interest Rate Period***" means each Daily Interest Rate Period, Weekly Interest Rate Period, Term Rate Period, Fixed Rate Period, Commercial Paper Rate Period, Index Floating Rate Period or, if applicable, any Direct Purchase Period.

"***Interest Reset Date***" means (a) for each Index Floating Rate Period that is not a Direct Purchase Period (1) if the Index is the SIFMA Index, the EFFR Index, or the SOFR Index, Thursday of each week, or if not a Business Day, the next succeeding Business Day; and (2) if any other Index has been selected by the Authorized Representative of the University, the date(s) selected by the Authorized Representative of the University in connection with selecting the Index; and (b) for each Direct Purchase Period, either (1) the Interest Reset Dates set forth in the Direct Purchase Agreement or (2) if none are specified, the dates set forth in subsection (a) of this definition.

"***Mandatory Tender Date***" means each Purchase Date on which a Series or Subseries of the Bonds is required to be tendered for purchase as set forth in Section 8(b) of this Exhibit B.

"***Maturity Date***" means the final date on which the principal of a Bond is stated on its face to become due and payable as provided in this Exhibit B, regardless of any Sinking Fund Requirement or optional or mandatory redemption prior to maturity.

"***Maximum Interest Rate***" means 12% per annum, calculated in the same manner as interest is calculated for the interest rate then in effect on the affected Series or Subseries of the Bonds. In no event shall the maximum interest rate exceed the maximum rate permitted by applicable law from time to time.

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

"***Par Call Date***" means (a) with respect to the Initial Term Rate Period, the applicable Par Call Date(s) identified in the Bond Purchase Agreement; and (b) with respect to any subsequent Term Rate Period and any Index Floating Rate Period or Direct Purchaser Period, the date established by the Authorized Representative of the University and set forth in the applicable Direct Purchase Agreement or Remarketing Agreement, and if none is established, the first Business Day after the end of the Index Floating Rate Period or Term Rate Period, as applicable. Notwithstanding the foregoing, during any Delayed Remarketing Period, the Par Call Date for any Delayed Remarketing Bond shall mean any Business Day.

"***Participant***" means, with respect to the Securities Depository, a member of or participant in the Securities Depository.

"***Paying Agent Agreement***" means this Agreement entered into by the University, as University, and U.S. Bank Trust Company, National Association, as Paying Agent, dated as of March 8, 2022, providing for certain additional duties of the Paying Agent relating to the Bonds, into which this Exhibit B is incorporated.

"***Purchase Date***" means each date on which a Series or Subseries of the Bonds may be or is required to be purchased pursuant to Section 8 of this Exhibit B.

"***Purchase Price***" means the purchase price to be paid to the Registered Owner(s) of Bonds purchased pursuant to Section 8 of this Exhibit B, which shall be equal to the principal amount of the Bonds so tendered for purchase, without premium, plus accrued interest from the immediately preceding Interest Accrual Date to the Purchase Date (if such date is not an Interest Payment Date), plus any other accrued and unpaid interest.

"***Record Date***" means (a) with respect to any Interest Payment Date in a Daily Interest Rate Period, the last Business Day of each calendar month or, in the case of the last Interest Payment Date in a Daily Interest Rate Period, the Business Day immediately preceding such Interest Payment Date, (b) with respect to any Interest Payment Date in any Term Rate Period or Fixed Rate Period, the 15th day of the month immediately preceding that Interest Payment Date, (c) with respect to any Interest Payment Date in any Weekly Interest Rate Period, the Business Day preceding the Interest Payment Date, (d) with respect to any Interest Payment Date in any Index Floating Rate Period, the 15^{th} day of the month immediately preceding that Interest Payment Date, (e) with respect to any Direct Purchase Period, any date provided in a Direct Purchase Agreement then in effect (as identified by the University to the Paying Agent in writing), and (f) with respect to any Commercial Paper Rate Period, the Business Day next preceding the Interest Payment Date.

"***Reimbursement Agreement***" means any agreement between the University and a Credit Provider, pursuant to which a Credit Facility or Alternate Credit Facility is issued by the Credit Provider, as the same may be amended or supplemented.

"***Remarketing Account***" means each account with that name established within the Bond Purchase Fund pursuant to Section 12 of this Exhibit B.

"***Remarketing Agent***" means each remarketing firm qualified under Section 10 of this Exhibit B to act as Remarketing Agent for the Bonds and appointed by the Authorized Representative of the University on behalf of the University.

"***Remarketing Agreement***" means any remarketing agreement between the University and the Remarketing Agent whereby the Remarketing Agent undertakes to perform the duties of the Remarketing Agent as provided in this Exhibit B.

"***SIFMA***" means the Securities Industry and Financial Markets Association (formerly the Bond Market Association).

"***SIFMA Index***" means the seven-day high-grade market index of tax-exempt variable rate demand obligations produced by Municipal Market Data and published or made available by SIFMA or any person acting in cooperation with or under the sponsorship of SIFMA. If such index is no longer published or otherwise not available, the SIFMA Index for any day will mean the level of the "S&P Weekly High Grade Index" (formerly the J.J. Kenny Index) maintained by Standard & Poor's Securities Evaluations Inc. for a seven-day maturity as published on the Interest Reset Date or most recently published prior to the Interest Reset Date. If at any time neither such index is available, the Calculation Agent shall use instead an index that the Remarketing Agent (if any) and the Authorized Representative of the University, determines most closely approximates the SIFMA Index.

"***Scheduled Mandatory Purchase Date***" for the Initial Term Rate Period, shall be the date specified in the Bond Purchase Agreement. For any subsequent Index Floating Rate Period or Term Rate Period, the Scheduled Mandatory Purchase Date shall mean the date scheduled to be the last day of the Index Floating Rate Period or Term Rate Period, as applicable, selected by the Authorized Representative of the University pursuant to Section 5(a)(3) or Section 5(a)(4), as applicable.

"***Series***" as used in this Exhibit B refers to the Bonds, unless and until consolidated or changed to another Series or Subseries designation by written direction of the Authorized Representative of the University, issued pursuant to the Bond Resolution and subject to the terms set forth in this Exhibit B.

"***SOFR Index***" means, on any date, the Secured Overnight Financing Rate on the Federal Reserve's Website as of 4:00 p.m. (Eastern Time) on the Business Day immediately preceding the SOFR Index Reset Date. If such index is not published or otherwise made available, then all references to the "SOFR Index" shall be deemed to be references to the rate that the Federal Reserve recommended as the replacement for the Secured Overnight Financing Rate. If no such replacement index has been established, then all references to the "SOFR Index" shall be deemed to be references to the EFFR Index.

"***Subseries***" as used in this Exhibit B means any Subseries of a Series designated by the Authorized Representative of the University pursuant to Section 4(a) of the Bond Resolution, unless and until consolidated or changed to another Series or Subseries designation by written direction of the Authorized Representative of the University, issued pursuant to the Bond Resolution and subject to the terms set forth in this Exhibit B.

"***Term-Out Period***" means a period, as determined in accordance with a Direct Purchase Agreement or Credit Facility then in effect, during which Unremarketed Bonds become subject to Extraordinary Mandatory Redemption in periodic, approximately equal installments of principal.

"***Term-Out Provision***" means a provision in a Direct Purchase Agreement or in a Reimbursement Agreement (or similar agreement related to a Credit Facility) that requires the Extraordinary Mandatory Redemption of principal of Unremarketed Bonds in installments payable in accordance with a scheduled amortization of such principal over a Term-Out Period, to be determined as set forth in the applicable Direct Purchase Agreement or Reimbursement Agreement (or other similar agreement related to a Credit Facility).

"***Term Rate***" means (a) during the Initial Term Rate Period, the rate(s) set forth in the Bond Purchase Agreement; and (b) during any other Term Rate Period, a term, fixed (non-variable) interest rate established for Bonds of a Series or Subseries in the Term Mode in accordance with Section 4(a)(3) of this Exhibit B.

"***Term Rate Mode***" means the Mode during which a Series or Subseries of Bonds bear interest at the Term Rate.

"***Term Rate Period***" means, with respect to a Series or Subseries of the Bonds, each period during which a Term Rate is in effect.

"***Undelivered Bond***" means any Bond which constitutes an Undelivered Bond under the provisions of Section 8(d) of this Exhibit B.

"***Underwriter***" means the initial purchasers identified in the Bond Purchase Agreement.

"***Unremarketed Bond***" means any Bond (or principal portion of a Bond) that is not purchased when tendered for purchase and which becomes an Unremarketed Bond subject to a Term-Out Provision pursuant to Section 6(i) of this Exhibit B.

"***Weekly Interest Rate***" means a variable interest rate for a Bond in the Weekly Mode established in accordance with Section 4(a)(2) of this Exhibit B.

"***Weekly Interest Rate Period***" means, with respect to a Series of the Bonds, each period during which a Weekly Interest Rate is in effect.

"***Weekly Mode***" means the Mode during which a Series or Subseries of the Bonds bear interest at the Weekly Rate.

<u>Section 2.</u> **<u>Bond Terms</u>**.

During the Initial Term Rate Period, the Bonds have terms set forth on A-1.

<u>Section 3.</u> **<u>Accrual and Payment of Interest</u>.**

(a) **Accrual Dates.** Each Bond shall bear interest from its Interest Accrual Date. However, a Bond issued in exchange for a Bond that is surrendered for transfer or exchange shall bear interest from the date to which interest on such surrendered Bond had been paid or duly provided for (or, if no interest has been paid on such surrendered Bond, from the Interest Accrual Date of such surrendered Bond).

(b) **Payment of Interest.** Interest shall be payable on each Interest Payment Date, on each redemption date, on each Purchase Date and on the Maturity Date, and shall be payable for the final Interest Rate Period to the date on which that Series or Subseries of the Bonds is paid in full, all in accordance with the following:

(1) Interest on each Bond held in Book-Entry Form will be payable in the manner set forth in the Letter of Representations.

(2) Interest on each Bond not held in Book-Entry Form will be payable as set forth in Section 9(b)(3) of the Bond Resolution.

(c) **Provisions Specific to Each Interest Rate Period.**

(1) Daily Interest Rate Period. Interest on a Series or Subseries of the Bonds during any Daily Interest Rate Period shall accrue on the basis of the actual number of days elapsed in a 365-day year (or a 366-day year in a leap year) and shall be payable on each Interest Payment Date for the period commencing on the Interest Accrual Date preceding the prior Interest Payment Date and ending on the last day of the month in which such Interest Accrual Date occurs.

(2) Weekly Interest Rate Period. Interest on a Series or Subseries of the Bonds during any Weekly Interest Rate Period shall accrue on the basis of the actual number of days elapsed in a 365-day year (or a 366-day year in a leap year) and shall be payable on each Interest Payment Date for the period commencing on the preceding Interest Accrual Date (or, if any such Interest Payment Date is not a Wednesday, commencing on the second preceding Interest Accrual Date) and ending on and including the Tuesday preceding such Interest Payment Date (or, if sooner, the last day of such Weekly Interest Rate Period).

(3) Term Rate Period and Fixed Rate Period. Interest on a Series or Subseries of the Bonds during any Term Rate Period or Fixed Rate Period shall accrue on the basis of a 360-day year composed of twelve 30-day months and shall be payable on each Interest Payment Date for the period commencing on the Interest Accrual Date of the preceding month and ending on the day preceding the next Interest Accrual Date.

(4) Index Floating Rate Period. During an Index Floating Rate Period:

(A) If the applicable Index is (i) the SIFMA Index, EFFR Index or SOFR Index interest shall accrue on the basis of the actual number of days elapsed in a 365-day year (or a 366-day year in a leap year); or (ii) another index selected by the Authorized Representative of the University, interest shall accrue as determined by the Authorized Representative of the University in connection with the selection of such other index in consultation with the Remarketing Agent; and

(B) Interest shall be payable on each Interest Payment Date for the period commencing on the preceding Interest Accrual Date and ending on the day preceding the next Interest Accrual Date.

(5) Commercial Paper Rate Period. Interest on a Series or Subseries of the Bonds during any Commercial Paper Rate Period shall accrue on the basis of the actual number of days elapsed in a 365-day year (or a 366-day year in a leap year) and shall be payable on the Interest Payment Date for the period commencing on the Interest Accrual Date and ending on the last day of the Commercial Paper Rate Period for such Bonds.

Section 4. Determination of Interest Rates.

(a) **Determination of Interest Rates.** Interest rates shall be periodically reset as follows, except as set forth in a Direct Purchase Agreement for Direct Purchase Bonds:

(1) Determination of Daily Interest Rate. Each Series or Subseries of the Bonds for which a Daily Interest Rate Period has been selected shall bear interest at the Daily Interest Rate, which shall be determined by the Remarketing Agent by 9:30 a.m., New York time, on each Business Day. The Daily Interest Rate for any day that is not a Business Day shall be the same as the Daily Interest Rate for the preceding Business Day. Each Daily Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on an examination of obligations comparable, in the judgment of the Remarketing Agent, to such Series or Subseries of the Bonds and known by the Remarketing Agent to have been priced or traded under then-prevailing market conditions) to be the minimum interest rate that, if borne by such Series of the Bonds, would enable the Remarketing Agent to sell all of that Series or Subseries of the Bonds on such Business Day at a price (without regard to accrued interest) equal to the principal amount thereof. If no Daily Interest Rate is established by the Remarketing Agent, then the Daily Interest Rate for such Business Day shall be the same as the preceding Daily Interest Rate, and such Daily Interest Rate shall continue to be in effect until the earlier of (A) the date on which the Remarketing Agent determines a new Daily Interest Rate or (B) the seventh day succeeding the first day on which the Daily Interest Rate was not determined by the Remarketing Agent. If the Daily Interest Rate is held to be invalid or unenforceable by a court of law, or if the Remarketing Agent fails to determine the Daily Interest Rate for a period of seven days as described in clause (B) of the preceding sentence, then the Daily Interest Rate shall be equal (in the case of 2021/2022 Tax-Exempt Bonds) to 110% of the SIFMA Index (or 110% of the SIFMA Index in the case of 2021/2022 Taxable Bonds), until the Daily Interest Rate is again validly determined by the Remarketing Agent.

(2) Determination of Weekly Interest Rate. Each Series or Subseries of the Bonds for which a Weekly Interest Rate Period has been selected shall bear interest at the Weekly Interest Rate, which shall be determined by the Remarketing Agent by 5:00 p.m., New York time, on Tuesday of each week, or if such day is not a Business Day, then on the succeeding Business Day. The first Weekly Interest Rate for each Weekly Interest Rate Period shall be determined on or prior to the first day of such Weekly Interest Rate Period and shall be in effect for the period commencing on and including the first day of such Weekly Interest Rate Period and ending on and including the succeeding Tuesday. Thereafter, each Weekly Interest Rate shall be in effect for the period commencing on and including Wednesday and ending on and including the succeeding Tuesday, unless such Weekly Interest Rate Period ends on a day other than Tuesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall be in effect for the period commencing on and including the Wednesday preceding the last day of such Weekly Interest Rate Period and ending on and including the last day of such Weekly Interest Rate Period. Each Weekly Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on an examination of obligations comparable, in the judgment of the Remarketing Agent, to such Series or Subseries of the Bonds and known by the Remarketing Agent to have been priced or traded under then-prevailing market conditions) to be the minimum interest rate which, if borne by the applicable Series or Subseries of the Bonds, would enable the Remarketing Agent to sell all of that Series of the Bonds on the effective date of that rate at a price (without regard to accrued interest) equal to the principal amount thereof. If no Weekly Interest Rate is established by the Remarketing Agent, then the Weekly Interest Rate shall be the same as the preceding Weekly Interest Rate if such Weekly Interest Rate was determined by the Remarketing Agent. If the preceding Weekly Interest Rate was not determined by the Remarketing Agent, or if the Weekly Interest Rate determined by the Remarketing Agent is held to be invalid or unenforceable by a court of law, then the Weekly Interest Rate shall be equal (in the case of 2021/2022 Tax-Exempt Bonds) to 110% of the SIFMA Index or 110% of the SIFMA Index in the case of 2021/2022 Taxable Bonds, until the Weekly Interest Rate is again validly determined by the Remarketing Agent.

(3) Determination of Term Rate or Fixed Rate. Each Series or Subseries of the Bonds for which a Term Rate Period or Fixed Rate Period has been selected shall bear interest at the Term Rate or Fixed Rate, as applicable, which shall be determined by the Remarketing Agent on a Business Day no later than the first day of such Term Rate Period or Fixed Rate Period, as applicable. The Term Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on an examination of obligations comparable, in the judgment of the Remarketing Agent, to such Series or Subseries of the Bonds and known by the Remarketing Agent to have been priced or traded under then-prevailing

market conditions) to be the minimum interest rate at which the Remarketing Agent will agree to purchase such Series of the Bonds on the effective date of that rate and as set forth in the Remarketing Agreement. The Delayed Remarketing Rate(s) applicable during the Initial Term Rate Period shall be set forth in the Bond Purchase Agreement. For any subsequent Term Rate Period, the Delayed Remarketing Rate(s) to be in effect during a Delayed Remarketing Period shall be set forth in the Remarketing Agreement or an amendment thereto. For any Term Rate Period, the Delayed Remarketing Rate(s) shall be determined on a Business Day no later than the first day of such Term Rate Period and shall remain in effect throughout such period. The Fixed Rate shall remain in effect until the Maturity Date for such Series or Subseries of Bonds in the Fixed Mode.

(4) Determination of Index Floating Rate. Each Series or Subseries of the Bonds for which an Index Floating Rate Period has been selected shall bear interest at the Index Floating Rate, determined as follows:

(A) *Index Floating Rate Periods.* The Index Floating Rate for any Index Floating Rate Period shall be determined by the Remarketing Agent after consultation with and approval by the Authorized Representative of the University on the first Interest Determination Date for such Index Floating Rate Period, in accordance with the following:

(i) The Index and the term of the Index Rate Floating Rate Period shall be selected by the Authorized Representative of the University. The Index Floating Rate shall be the sum of (i) the Index multiplied by the Index Floating Rate Percentage, plus (ii) the Index Floating Rate Spread.

(ii) The Index Floating Rate Percentage shall be selected by the Authorized Representative of the University in connection with each Index Floating Rate Period (and if not so selected, shall be equal to 100%) and shall remain in effect throughout such period.

(iii) The Index Floating Rate Spread shall be determined on or prior to the first Interest Determination Date with respect to an Index Floating Rate Period and shall remain in effect throughout such period. The Index Floating Rate Spread shall be the spread to such index determined by the Remarketing Agent (based on an examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent and known by the Remarketing Agent to have been priced or traded under then-prevailing market conditions) to be the minimum spread which, when added to the Index (multiplied by the Index Floating Rate Percentage), equals the interest rate at which, if borne by such Series of the Bonds, the Remarketing Agent will agree to purchase such Series of the Bonds on the effective date of that rate and as set forth in the Remarketing Agreement at a price equal to the principal amount thereof.

(B) *Calculation of Index Floating Rate Reset on Interest Determination Dates*. The first Index Floating Rate for any Index Floating Rate Period shall be in effect for the period commencing on the first day of such Index Floating Rate Period to but excluding the first Interest Reset Date of such Index Floating Rate Period. With respect to each Interest Reset Date, the Index Floating Rate shall be calculated by the Remarketing Agent on each Interest Determination Date, and such Index Floating Rate shall be in effect for the period commencing on each Interest Reset Date to but excluding the following Interest Reset Date.

(C) *Delayed Remarketing Period; Delayed Remarketing Rate.* The Delayed Remarketing Rate(s) applicable during the Index Floating Rate Period, the Delayed Remarketing Rate(s) to be in effect during a Delayed Remarketing Period shall be set forth in the Remarketing Agreement. For any Index Floating Rate Period, the Delayed Remarketing Rate(s) shall be determined on or prior to the first Interest Determination Date for such Index Floating Rate Period and shall remain in effect throughout such period.

(5) Determination of Commercial Paper Rates. Each Series or Subseries of the Bonds for which a Commercial Paper Rate Period has been selected shall bear interest at the Commercial Paper Rate, which shall be determined by the Remarketing Agent on a Business Day no later than the first day of such Commercial Paper Rate Period. The Commercial Paper Rate Period and the Commercial Paper Rate for each Bond need not be the same for any two Bonds, even if determined on the same date (and the University may designate Subseries as necessary to accommodate different Commercial Paper Rate Periods or Commercial Paper Rates). Each Commercial Paper Rate shall be for a period of days within the range or ranges announced as possible Commercial Paper Rates no later than 12:30 p.m. (New York Time) on the first day of each Commercial Paper Rate Period by the Remarketing Agent. The Commercial Paper Rate for each Bond in a Commercial Paper Rate Period shall be the rate of interest per annum determined by the Remarketing Agent to be the minimum interest rate which, if borne by such Bond, would enable the Remarketing Agent to sell such Bond on the effective date of such rate at a price (without regarding accrued interest) equal to the principal amount thereof.

(b) **Determinations of Remarketing Agent Binding.** The Remarketing Agent shall provide prompt notice of each determination of the interest rate for each Series or Subseries of the Bonds to the University, Paying Agent, and Credit Provider (if any). The Paying Agent shall provide notice of such interest rate determination to the Registered Owner of any Bond upon request. Absent manifest error, each such determination shall be conclusive and binding upon the University, the Paying Agent, the Credit Provider (if any) and the Owner of each Bond.

(c) **Rounding Convention.** All percentages resulting from any calculation of any interest rate for any Series or Subseries of the Bonds shall be rounded upward to the second decimal place, unless otherwise provided during a Direct Purchase Period.

(d) **Maximum Interest Rate; Excess Interest.** Notwithstanding any provision in this Exhibit B to the contrary, at no time shall any Series or Subseries of the Bonds bear interest at a rate higher than the Maximum Interest Rate.

Section 5. Election of Interest Rate Periods. The Interest Rate Period for any Series of the Bonds may be adjusted pursuant to an Election by the Authorized Representative of the University, pursuant to this section, to effect a Conversion in accordance with Section 6 of this Exhibit B. The Interest Rate Period for a Series of the Bonds may not be adjusted except on a Purchase Date and except for a Conversion of all outstanding Bonds of such Series or Subseries.

(a) **Available Modes.** Each Series of the Bonds shall bear interest in one of the following Modes: Daily Mode, Weekly Mode, Commercial Paper Mode, Index Floating Mode, Term Mode, or the Fixed Mode. All Bonds of a single Series must be in the same Mode.

(1) Election of Daily Interest Rate Period. The Authorized Representative of the University, on behalf of the University may, from time to time, by written notice to the Paying Agent,

Calculation Agent, Credit Provider (if any) and Remarketing Agent (if any), Elect that any Series or Subseries of the Bonds bear interest at a Daily Interest Rate. The notice of Election given by the Authorized Representative of the University shall (A) specify the proposed Conversion Date, which shall be (i) in each case, a Business Day not earlier than the 30th day following the second Business Day after receipt by the Paying Agent of such notice; (ii) in the case of a Conversion from a Commercial Paper Rate Period, the day following the last day of such Commercial Paper Rate Period or a day on which such Series or Subseries of the Bonds would otherwise be subject to optional redemption pursuant to Section 7(a) of this Exhibit B if such Conversion did not occur; and (iii) in the case of a Conversion from an Index Floating Rate Period or Term Rate Period, the day following the last day of such Index Floating Rate Period or Term Rate Period or on or after a Par Call Date; and (B) state whether a Credit Facility is to be in effect on the Conversion Date.

(2) Election of Weekly Interest Rate Period. The Authorized Representative of the University, on behalf of the University, may, from time to time, by written notice to the Paying Agent, Calculation Agent, Credit Provider (if any), and Remarketing Agent (if any), Elect that any Series or Subseries of the Bonds bear interest at a Weekly Interest Rate. The notice of Election given by the Authorized Representative of the University shall (A) specify the proposed Conversion Date, which shall be (i) in each case, a Business Day not earlier than the 30th day following the second Business Day after receipt by the Paying Agent of such notice; (ii) in the case of a Conversion from a Commercial Paper Rate Period, the day following the last day of such Commercial Paper Rate Period or a day on which that Series of the Bonds would otherwise be subject to optional redemption pursuant to Section 7(a) of this Exhibit B if such Conversion did not occur; and (iii) in the case of a Conversion from an Index Floating Rate Period or Term Rate Period, the day following the last day of such Index Floating Rate Period or Term Rate Period or on or after a Par Call Date; and (B) state whether a Credit Facility is to be in effect on the Conversion Date.

(3) Election of Term Rate Period or Fixed Rate Period. The Authorized Representative of the University, on behalf of the University may by written notice to the Paying Agent, Calculation Agent, Credit Provider (if any) and Remarketing Agent (if any), Elect that any Series or Subseries of the Bonds bear, or continue to bear, interest at the Term Rate or bear interest at the Fixed Rate. The notice of Election given by the Authorized Representative of the University shall (A) specify the proposed Conversion Date, which shall be (i) in each case, a Business Day not earlier than the 30th day following the second Business Day after receipt by the Paying Agent of such notice; (ii) in the case of a Conversion from a Commercial Paper Rate Period, the day following the last day of such Commercial Paper Rate Period or a day on which such Series of the Bonds would otherwise be subject to optional redemption pursuant to Section 7(a) of this Exhibit B if such Conversion did not occur; and (iii) in the case of a Conversion from an Index Floating Rate Period or another Term Rate Period, the day following the last day of such Index Floating Rate or Term Rate Period or on or after a Par Call Date; (B) the last day of the Term Rate Period for Bonds in the Term Mode, which shall be either the day prior to the Maturity Date or a day that both immediately precedes a Business Day and is at least 181 days after the proposed Conversion Date; and (C) whether some or all of the Bonds to be converted shall be converted to Serial Bonds and, if so, the applicable serial maturity dates and serial payments.

(4) Election of Index Floating Rate Period. The Authorized Representative of the University, on behalf of the University may, from time to time, by written notice to the Paying Agent, Calculation Agent, Credit Provider (if any) and Remarketing Agent (if any), Elect that any Series or Subseries of the Bonds bear, or continue to bear, interest at an Index Floating Rate. The notice of Election given by the Authorized Representative of the University shall (A) specify the proposed Conversion Date, which shall be (i) in each case, a Business Day not earlier than the 30th day following the second Business Day after receipt by the Paying Agent of such notice; (ii) in the case of a Conversion from a Commercial Paper Rate Period, the day following the last day of such Commercial Paper Rate Period or a day on which such Series of the Bonds would otherwise be subject to optional redemption pursuant to Section 7(a) of this Exhibit B if such Conversion did not occur; (iii) in the case of a Conversion from an Index Floating Rate Period or Term Rate Period, the day following the last day of such Index Floating Rate Period or Term Rate Period or on or after a Par Call Date (iv) and, if applicable, the day specified pursuant to a Direct Purchase Agreement then in effect; (B) the date on which the Index Floating Rate Period is to end (which date shall be a Scheduled Mandatory Purchase Date) or, if applicable, a statement that the Index Floating Rate Period is to end on the day prior to the Maturity Date; (C) the Index that is to be in effect, the Index Floating Rate Percentage (if other than 100%); and (D) the Par Call Date for such Index Floating Rate Period.

(5) Election of Commercial Paper Rate Period. The Authorized Representative of the University, on behalf of the University may, from time to time, by written notice to the Paying Agent, Calculation Agent, Credit Provider (if any) and Remarketing Agent (if any), Elect that any Series or Subseries of the Bonds bear, or continue to bear, interest at a Commercial Paper Rate. The notice of Election given by the Authorized Representative of the University shall (A) specify the proposed Conversion Date, which shall be (i) in each case, a Business Day not earlier than the 30th day following the second Business Day after receipt by the Paying Agent of such notice; (ii) in the case of a Conversion from another Commercial Paper Rate Period, the day following the last day of such Commercial Paper Rate Period or a day on which such Series of the Bonds would otherwise be subject to optional redemption pursuant to Section 7(a) of this Exhibit B if such Conversion did not occur; (iii) in the case of a Conversion from an Index Floating Rate Period or Term Rate Period, the day following the last day of such Index Floating Rate Period or Term Rate Period or on or after a Par Call Date and (iv) if applicable, the day specified pursuant to a Direct Purchase Agreement then in effect; (B) the date on which the Commercial Paper Rate Period is to end; and (C) state whether a Credit Facility is to be in effect on the Conversion Date.

(b) **Rescission of Election to Effect a Conversion.** The Authorized Representative of the University may rescind any Election to effect a Conversion by delivering to the Paying Agent, Calculation Agent, Credit Provider (if any) and Remarketing Agent (if any), on or prior to 10:00 a.m., New York time, on the second Business Day preceding a proposed Conversion Date, a notice to the effect that the University has determined to rescind its Election to effect such Conversion. If the University rescinds its Election to effect a Conversion of a Series of the Bonds, then such Series shall bear interest as follows: (1) if a Daily Interest Rate Period is in effect immediately prior to the proposed Conversion, such Series shall continue to bear interest at the Daily Interest Rate; (2) if a Weekly Interest Rate Period is in effect immediately prior to the proposed Conversion, such Series shall bear interest at a Weekly Interest Rate commencing on the proposed Conversion Date; (3) if an Index Floating Rate Period or Term Rate Period such Series shall continue to bear interest at the applicable Index Floating Rate or Term Rate, or (4) if a Direct Purchase Period is in effect immediately prior to the proposed Conversion, the effect of a rescission shall be that the Bonds remain outstanding under and subject to the terms of such Direct Purchase Agreement. Unless otherwise provided in a Direct Purchase Agreement then in effect, if notice of a Conversion of a Series of the Bonds to an Index Floating Rate Period has been mailed to the Registered Owner(s) of such Series of the Bonds as provided in Section 6(d), and the University subsequently rescinds its Election to effect such Conversion, such Series of the Bonds shall nevertheless be subject to mandatory tender for purchase on the proposed Conversion Date.

(c) **Provisions Applicable to Direct Rate Periods.** In connection with any Election to effect a Conversion of a Series or Subseries to a Direct Purchase Period or to amend, extend or renew a Direct Purchase Agreement then in effect, the Authorized Representative of the University, on behalf of the University may negotiate, execute and deliver a Direct Purchase Agreement (or an agreement amending, renewing, extending, restating or otherwise modifying a Direct Purchase Agreement then in effect) on behalf of the University, consistent with the Bond Documents, in such form as shall be approved by the Authorized Representative of the University.

Section 6. Conversion of Interest Rate Periods. The Paying Agent shall provide notice of the University's Election to effect a conversion of a Series or Subseries of the Bonds to a new Mode, not less than 20 days prior to the proposed Conversion Date, as directed in writing by the University. At the direction of the Authorized Representative of the University and in his or her sole discretion, the notice of Conversion may be combined with the notice of mandatory tender by inclusion of the information required under Section 8(c) of this Exhibit B. The notice to be provided to the Registered Owner(s) of the affected Series or Subseries of the Bonds (at their addresses as they appear on the Bond Register as of the date of such notice) must state, if applicable, that the Beneficial Owners may not elect to retain ownership of the Bonds, and must provide the following information:

(a) **Notice of Conversion to Daily Interest Rate Period.** In connection with a Conversion to a Daily Interest Rate Period pursuant to Section 5(a)(1) of this Exhibit B, the notice of the Paying Agent must state: (1) that the interest rate will be converted to a Daily Interest Rate unless the University rescinds its Election pursuant to Section 5(b) of this Exhibit B; (2) the proposed Conversion Date; (3) that such Series or Subseries shall be subject to mandatory tender for purchase on the proposed Conversion Date after the giving of a notice of mandatory tender pursuant to Section 8(c) of this Exhibit B; (4) the Purchase Price; and (5) the place of delivery for purchase of such Series or Subseries of the Bonds.

(b) **Notice of Conversion to Weekly Interest Rate Period.** In connection with a Conversion to a Weekly Interest Rate Period pursuant to Section 5(a)(2) of this Exhibit B, the notice of the Paying Agent must state: (1) that the interest rate will be converted to a Weekly Interest Rate unless the University rescinds its Election pursuant to Section 5(b) of this Exhibit B; (2) the proposed Conversion Date; (3) that such Series or Subseries shall be subject to mandatory tender for purchase on the proposed Conversion Date; (4) the Purchase Price; and (5) the place of delivery for purchase of such Series or Subseries of the Bonds.

(c) **Notice of Conversion to Term Rate Period.** In connection with a Conversion to a Term Rate Period pursuant to Section 5(a)(3) of this Exhibit B, the notice of the Paying Agent must state: (1) that the interest rate will be converted to, or continue to be, the Term Rate unless either (A) the University rescinds its Election pursuant to Section 5(b) of this Exhibit B, or (B) all of such Series of the Bonds is not remarketed on the proposed Conversion Date; (2) the proposed Conversion Date; (3) the last day of the new Term Rate Period (or, if applicable, that the Term Rate Period is to end on the day prior to the Maturity Date); (4) that such Series shall be subject to mandatory tender for purchase on the proposed Conversion Date; (5) the Purchase Price; and (6) the place of delivery for purchase of such Series of the Bonds.

(d) **Notice of Conversion to Fixed Rate Period.** In connection with a Conversion to a Fixed Rate Period pursuant to Section 5(a)(3) of this Exhibit B, the notice of the Paying Agent must state: (1) that the interest rate will be converted to the Fixed Rate unless either (A) the University rescinds its Election pursuant to Section 5(b) of this Exhibit B, or (B) all of such Series or Subseries of the Bonds is not remarketed on the proposed Conversion Date; (2) the proposed Conversion Date; (3) that the Fixed Rate Period is to end on the day prior to the Maturity Date; (4) that such Series or Subseries shall be subject to mandatory tender for purchase on the proposed Conversion Date; (5) the Purchase Price; and (6) the place of delivery for purchase of such Series or Subseries of the Bonds.

(e) **Notice of Conversion to Index Floating Rate Period.** In connection with a Conversion to an Index Floating Rate Period pursuant to Section 5(a)(4) of this Exhibit B, the notice of the Paying Agent must state: (1) that the interest rate will be converted to, or continue to be, an Index Floating Rate, unless the University rescinds its Election pursuant to Section 5(b) of this Exhibit B; (2) the proposed Conversion Date; (3) the last day of the new Index Floating Rate Period (or, if applicable, that the Index Floating Rate Period is to end on the day prior to the Maturity Date); (4) that such Series of the Bonds shall be subject to mandatory tender for purchase on the proposed Conversion Date; (5) the Purchase Price; and (6) the place of delivery for purchase of such Series of the Bonds.

(f) **Notice of Conversion to Commercial Paper Rate Period.** In connection with a Conversion to a Commercial Paper Rate Period pursuant to Section 5(a)(5) of this Exhibit B, the notice of the Paying Agent must state: (1) that the interest rate will be converted to, or continue to be, the Commercial Paper Rate unless the University rescinds its Election pursuant to Section 5(b) of this Exhibit B; (2) the proposed Conversion Date; (3) the last day of the new Commercial Paper Rate Period (or, if applicable, that the Commercial Paper Rate Period is to end on the day prior to the Maturity Date); (4) that such Series or Subseries shall be subject to mandatory tender for purchase on the proposed Conversion Date; (5) the Purchase Price; and (6) the place of delivery for purchase of such Series or Subseries of the Bonds.

(g) **Certain Additional Conditions.** No Conversion shall take effect unless each of the following conditions, to the extent applicable, has been satisfied and the Paying Agent may conclusively assume, without inquiry, investigation or notice to any other party, that each such condition has been satisfied in connection with any notice of Conversion it is instructed to provide under this Section 6:

(1) If the notice of the Authorized Representative of the University's Election to convert indicates that a Credit Facility will be in effect during the subsequent Interest Rate Period, such Credit Facility must be in effect on the Conversion Date;

(2) If a Direct Purchase Agreement or an agreement entered into in connection with a Credit Facility is in effect prior to the Conversion and requires consent of the Index Floating Rate Holder, Direct Purchaser or Credit Provider, such consent must have been obtained or waived as of the Conversion Date;

(3) The University must obtain a Favorable Opinion of Bond Counsel with respect to such Conversion dated as of the Conversion Date; and

(4) Except as provided in subsection (h) of this section with respect to Delayed Remarketing Bonds and as provided in subsection (i) of this section with respect to Unremarketed Bonds, the Paying Agent must have sufficient funds on hand from remarketing or refunding proceeds, proceeds of a draw on the Credit Facility or other funds made available by the University, to pay the Purchase Price of such Series or Subseries of the Bonds on the Conversion Date.

(h) **Delayed Remarketing Bonds; Delayed Remarketing Period.** Bonds in an Index Floating Mode or Term Mode that are subject to a Delayed Remarketing Period as set forth in Section 8(f) of this Exhibit B shall be deemed to be Delayed Remarketing Bonds. Unless otherwise provided in a Direct Purchase Agreement applicable to such Bonds, each Delayed Remarketing Bond shall bear interest at the Delayed Remarketing Rate until such Bond ceases to be an Delayed Remarketing Bond. A Bond shall cease to be an Delayed Remarketing Bond only if such Delayed Remarketing Bond is remarketed and transferred, or such Delayed Remarketing Bond is redeemed in full.

(i) **Unremarketed Bonds.** Unremarketed Bonds may become subject to Extraordinary Mandatory Redemption in accordance with a Direct Purchase Agreement then in effect.

(j) **Bank Bonds**. Bonds (or any principal portion thereof) that become Bank Bonds as set forth in Section 9(d) shall bear interest at the Bank Rate until such Bonds are no longer Bank Bonds. Bank Bonds may become subject to Extraordinary Mandatory Redemption in accordance with a Reimbursement Agreement, or other agreement relating to the applicable Credit Facility.

Section 7. Redemption and Payment of Bonds.

(a) **Optional Redemption.** The Resolution provides that any notice for redemption may be conditional, in which case the conditions shall be set forth therein. 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 of 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 2021/2022 Bonds subject to the notice in the same manner as the notice of redemption was given.

(1) Weekly or Daily Interest Rate Period. During a Daily Interest Rate Period or a Weekly Interest Rate Period, each Series or Subseries of the Bonds then in a Daily Interest Rate or Weekly Interest Rate Period shall be subject to optional redemption at the written direction of the Authorized Representative of the University on any Business Day, in whole or in part, at a redemption price of 100% of the principal amount thereof plus interest, if any, accrued to the date fixed for redemption.

(2) Commercial Paper Rate Period. During a Commercial Paper Rate Period, each Series or Subseries of the Bonds then in a Commercial Paper Rate Period shall not be subject to optional redemption.

(3) Fixed Rate Period. During a Fixed Rate Period, each Series or Subseries of the Bonds then in a Fixed Rate Period shall be subject to optional redemption at the written direction of the Authorized Representative of the University on any day during the periods specified below in whole or in part, at the redemption prices (expressed as a percentage of principal amount) specified in the schedule of redemption prices set forth below (plus interest, if any, accrued to the date fixed for redemption):

Length to End of Interest Rate Period (years)	Redemption Prices
Greater than 10	after 10 years at 100%
Less than or equal to 10	after eight years at 101%, declining by 0.5% every year to 100%

The Authorized Representative of the University may select an alternate schedule of redemption prices by delivery to the Paying Agent, prior to the Conversion Date of (A) a certificate of the Authorized Representative of the University or other agreement setting forth the alternate schedule of redemption prices to apply during such Fixed Rate Period, and (B) a Favorable Opinion of Bond Counsel.

If the Conversion Date for a Series or Subseries of the Bonds converted to a Fixed Rate is other than a day that would be an Interest Payment Date during such Fixed Rate Period, then the date on which such Series or Subseries is first subject to redemption pursuant to the foregoing table (after the first day of such Fixed Rate Period) shall be the first Interest Payment Date succeeding the date on which such Series or Subseries otherwise would be subject to redemption, and the redemption price shall be adjusted on each anniversary of that Interest Payment Date as provided in such table.

(4) Index Floating Rate Period or Term Rate Period. During an Index Floating Rate Period or Term Rate Period, each Series or Subseries of the Bonds then in an Index Floating Rate Period or Term Rate Period, as applicable, shall be subject to optional redemption at the written direction of the Authorized Representative of the University on any Business Date on or after any Par Call Date, in whole or in part, at a redemption price of 100% of the principal amount thereof plus interest, if any, accrued to the date fixed for redemption.

(5) During Delayed Remarketing Period. Delayed Remarketing Bonds in a Delayed Remarketing Period are subject to optional redemption upon the written direction of the Authorized Representative of the University, on any Business Day, in whole or in part, at a redemption price of 100% of the principal amount thereof plus interest, if any, accrued to the date fixed for redemption.

(b) **Mandatory Sinking Fund Redemption.** Each Series or Subseries of the Bonds designated as Term Bonds shall, if not redeemed or purchased at the University's option prior to the Maturity Date, be redeemed at a price equal to the principal amount thereof to be redeemed plus accrued interest, on the dates in each of the years and the Sinking Fund Requirements set forth in **Exhibit A** to the Paying Agent Agreement (or the Remarketing Agreement or Direct Purchase Agreement, as applicable).

(c) **Extraordinary Mandatory Sinking Fund Redemption.** In the case of a Series or Subseries that is subject to a Direct Purchase Agreement or Credit Facility with a Term-Out Provision, Unremarketed Bonds may be subject to Extraordinary Mandatory Redemption during the Term-Out Period in the amounts, on the dates and in the manner as set forth in the University's written direction to the Paying Agent, which direction shall be consistent with the Term-Out Provision of the applicable Direct Purchase Agreement or Credit Facility.

Section 8. Optional and Mandatory Tender and Purchase.

(a) **Optional Tender for Purchase.** During any Weekly Interest Rate Period or Daily Interest Rate Period, the Bonds shall be subject to tender for purchase at the option of the Registered Owner (or Beneficial Owner, if such Series or Subseries of the Bonds is held in Book Entry Form) as set forth below, and if tendered in accordance with this subsection (a), shall be payable as set forth in subsection (e).

(1) Daily Interest Rate Period. Bonds of a Series or Subseries that is in a Daily Interest Rate Period may be tendered for purchase in any Authorized Denomination (provided that the amount of such Series that is not tendered for purchase must also be in an Authorized Denomination) upon delivery by a Registered Owner of such Bonds to the Paying Agent and Remarketing Agent by no later than 11:00 a.m., New York time, on any Business Day, of an irrevocable written notice (or an irrevocable telephonic notice, promptly confirmed by email or other written notice), which states (A) the principal amount of such Bonds to be purchased and (B) the Purchase Date, which may be any succeeding Business Day. Any such notice delivered to the Paying Agent after 11:00 a.m., New York time, shall be deemed to have been received on the succeeding Business Day. If the Bonds so tendered for purchase are not registered in the name of the Securities Depository, the Registered Owner must deliver the Bonds to the Paying Agent at its designated office for delivery of Bonds at or prior to 12:00 noon, New York time, on the Purchase Date, accompanied by an instrument of transfer in form satisfactory to the Paying Agent.

(2) Weekly Interest Rate Period. Bonds of a Series or Subseries that is in a Weekly Interest Rate Period may be tendered for purchase in any Authorized Denomination (provided that the amount of such Series that is not tendered for purchase must also be in an Authorized Denomination) upon delivery by the Registered Owner to the Paying Agent and to the Remarketing Agent of an irrevocable written notice which states (A) the principal amount of such Bonds to be purchased and (B) the Purchase Date, which may be any Business Day not prior to the seventh day after the date of the delivery of such notice to the Paying Agent and the Remarketing Agent. Any such notice delivered to the Paying Agent after 4:00 p.m., New York time, shall be deemed to have been received on the succeeding Business Day. If the Bonds so tendered for purchase are not registered in the name of the Securities Depository, the Registered Owner shall deliver the Bonds to the Paying Agent at its designated office for delivery of Bonds at or prior to 10:00 a.m., New York time, on the Purchase Date, accompanied by an instrument of transfer in form satisfactory to the Paying Agent.

(3) Irrevocable Notice Deemed to be Tender of Bonds. The giving of notice of optional tender for purchase by a Registered Owner or Participant as provided in this subsection (a) shall constitute the irrevocable tender for purchase of those Bonds with respect to which such notice is given regardless of whether such Bonds are delivered to the Paying Agent for purchase on the applicable Purchase Date. If Bonds tendered for purchase are registered in the name of the Securities Depository, such tender is subject to confirmation by the Securities Depository to the Paying Agent that the Participant has the required Ownership interest in those Bonds.

(b) **Mandatory Tender for Purchase.**

(1) Bonds Subject to Mandatory Tender. Each Series or Subseries of the Bonds shall be subject to mandatory tender for purchase at the Purchase Price on the following Purchase Dates (without duplication):

(i) on any Scheduled Mandatory Purchase Date for a Series or Subseries of the Bonds;

(ii) on the first day of each Interest Rate Period (except if such new Interest Rate Period is the result of an extension or renewal of a Direct Purchase Agreement in connection with a Direct Purchase Period);

(iii) on each proposed Conversion Date for which notice of mandatory tender has been given to the Registered Owner(s) pursuant to subsection (c) of this section;

(iv) on each proposed redemption date on or after the Par Call Date for which notice of mandatory tender has been given to the Registered Owner(s) pursuant to subsection (c) of this section;

(v) during any Interest Rate Period in which the Series or Subseries is subject to a Credit Facility, in the event that such Series or Subseries ceases to be subject to that Credit Facility, as set forth in subsection (b)(2) of this section;

(vi) at any time during a Delayed Remarketing Period, upon notice given by the Remarketing Agent to the Paying Agent in accordance with Section 11 of this Exhibit B of a successful remarketing and the availability of funds sufficient to pay the Purchase Price for all such Bonds (in Authorized Denominations), without regard to any notice requirements set forth in subsection (c) of this section; and

(vii) during any Direct Purchase Period, as specified in a Direct Purchase Agreement then in effect.

(2) Mandatory Tender of Bonds Upon Expiration or Termination of Credit Facility. In addition, each Series or Subseries of the Bonds with respect to which a Credit Facility is then in effect shall be subject to mandatory tender for purchase if at any time the Paying Agent receives notice that such Series or Subseries will cease to be subject to purchase pursuant to such Credit Facility as a result of (A) the termination, replacement or expiration of such Credit Facility (including termination at the option of the University in accordance with the terms of any Reimbursement Agreement or upon an event of default under the Reimbursement Agreement), or (B) a Conversion. The Purchase Date for such mandatory tender shall be determined by the University as (A) the fifth Business Day preceding any such expiration or termination of such Credit Facility (if no Alternate Credit Facility is to be delivered to the Paying Agent), (B) the Business Day on which such Alternate Credit Facility is delivered to the Paying Agent, or (C) the Conversion Date.

(c) **Notice of Mandatory Tender for Purchase.** In connection with any mandatory tender for purchase of a Series or Subseries of the Bonds pursuant to subsection (b) of this section, the Paying Agent shall be directed by the University in writing to give notice to the Registered Owner(s) of the affected Bonds (at their addresses as they appear on the Bond Register as of the date of such notice) not less than 20 days prior to the Purchase Date. A notice of mandatory tender must contain the following information (and may, at the direction of the Authorized Representative of the University and in his or her sole discretion, be combined with a notice of Conversion delivered to the Registered Owner(s) under Section 6):

(1) Each notice shall state that if the Purchase Price is provided to the Paying Agent from remarketing or refunding proceeds, proceeds of a draw on the Credit Facility or other funds made available by the University, such Series will be purchased on the Purchase Date, and, in the case of an Index Floating Rate Period or Term Rate Period, the Bonds not purchased will be subject to a Delayed Remarketing Period and will bear interest at the Delayed Remarketing Rate as set forth in subsection (f) of this section; and

(2) In the case of a mandatory tender for purchase pursuant to subsection (b)(1), the notice shall state (A) the Purchase Date, and (B) if in conjunction with a Conversion, the type of Interest Rate Period to which such Series or Subseries will be converted on the Purchase Date;

(3) In the case of a mandatory tender for purchase pursuant to subsection (b)(2), the notice shall state (A) that the Credit Facility will expire, terminate or be replaced, (B) that after the Purchase Date, such Series or Subseries will no longer be purchased pursuant to the Credit Facility then in effect, and (C) that the short-term ratings applicable to such Series may be lowered or withdrawn; and

(4) In the case of a Series or Subseries that is not in Book-Entry Form, the notice shall state that (A) the Purchase Price will be payable only upon surrender of such Bonds to the Paying Agent at its designated office for delivery of Bonds, accompanied by an instrument of transfer, in form satisfactory to the Paying Agent, executed in blank by the Registered Owner or its duly authorized representative, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange, and (B) if the Registered Owner of any such Bond does not surrender that Bond to the Paying Agent for purchase on the Purchase Date, then that Bond shall be deemed to be an Undelivered Bond, no interest shall accrue on such Bond on and after the Purchase Date and the Registered Owner shall have no rights under the Bond Documents other than to receive payment of the Purchase Price for such Undelivered Bond.

(d) **Delivery of Bonds Subject to Mandatory Tender; Undelivered Bonds.** Payment of the Purchase Price of a Series or Subseries subject to mandatory tender for which a notice has been given in accordance with subsection (c) shall be as set forth in subsection (e), below. Bonds to be so purchased that are not registered in the name of the Securities Depository must be delivered at or prior to 10:00 a.m., New York time, on the Purchase Date to the Paying Agent at its designated office for delivery of Bonds, accompanied by an instrument of transfer in form satisfactory to the Paying Agent and satisfying the conditions set forth in the notice of mandatory tender. If the Registered Owner of a Bond subject to mandatory tender for purchase that is not registered in the name of the Securities Depository fails to deliver its Bond to the Paying Agent at the place and on the Purchase Date and by the time specified, or fails to deliver its Bond properly endorsed, such Bond shall constitute an Undelivered Bond. If funds in the amount of the Purchase Price of an Undelivered Bond are available for payment to the Registered Owner thereof on the Purchase Date at the time specified, then from and after the Purchase Date and time of that required delivery (1) the Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be outstanding under the Bond Documents; (2) interest shall no longer accrue on the Undelivered Bond; and (3) funds in the amount of the Purchase Price of the Undelivered Bond shall be held uninvested and without liability for interest by the Paying Agent for the benefit of the Registered Owner thereof, to be paid on delivery (and proper endorsement) of the Undelivered Bond to the Paying Agent at its designated office for delivery of Bonds.

(e) **Payment of Purchase Price.** Bonds tendered for purchase under subsection (a) or (b) of this section shall be purchased on the Purchase Date specified in the applicable notice by payment of the Purchase Price made by the Paying Agent, from the sources specified in this subsection, payable in immediately available funds to the Registered Owner (and not to any Participant), by 3:00 p.m., New York time, on the Purchase Date, or as soon as practicable thereafter upon the receipt by the Paying Agent of the Purchase Price in the Bond Purchase Fund as set forth in Section 12. The Purchase Price of any Bonds to be purchased on any Purchase Date shall be made from the following sources in the following order of priority as directed by the University in writing: (1) proceeds of the remarketing of such Bonds; (2) proceeds of refunding bonds issued by the University; (3) proceeds of a draw on the Credit Facility; and (4) other funds made available by the University (which may include General Revenues, to the extent legally available for such purpose consistent with the Bond Documents).

(f) **Failure to Pay Purchase Price of Bonds in Index Floating Rate Period or Term Rate Period; Delayed Remarketing Bonds.** During any Index Floating Rate Period or any Term Rate Period, if the entire Purchase Price for any Series or Subseries of the Bonds subject to mandatory tender for purchase under subsection (b)(1) of this section cannot be paid on the applicable Purchase Date, then the Bonds of such Series or Subseries shall not be purchased and shall become Delayed Remarketing Bonds or Unremarketed Bonds, subject to the following:

(1) Delayed Remarketing Period – No Direct Purchase Agreement in Effect. With respect to Delayed Remarketing Bonds for which no Direct Purchase Agreement is in effect, a Delayed Remarketing Period will commence on the Purchase Date with respect to the Bonds for which funds were insufficient to pay the entire Purchase Price. During a Delayed Remarketing Period, the following will apply: (A) the Delayed Remarketing Bonds will bear interest at the Delayed Remarketing Rate; (B) interest shall continue to be due and payable on each Interest Payment Date and also shall be payable on the last day of the Delayed Remarketing Period for the Delayed Remarketing Bonds; (C) the Remarketing Agent (if any) will continue to be obligated to remarket the applicable Bonds; (D) the Delayed Remarketing Bonds will continue to be subject to optional redemption by the University as described in Section 7; (E) the Authorized Representative of the University on behalf of the University, by notice to the Paying Agent and the Remarketing Agent, may Elect to effect a Conversion of the Delayed Remarketing Bonds as described in Sections 5 and 6; and (F) if and when the Delayed Remarketing Bonds are successfully remarketed as described in Section 11, the Registered Owner(s) of the Delayed Remarketing Bonds will be obligated to tender their Bonds to the Paying Agent for purchase.

(2) Delayed Remarketing Period When Direct Purchase Agreement in Effect. If a Direct Purchase Agreement is then in effect for such Series or Subseries, then the Unremarketed Bonds shall remain subject to the provisions of the Direct Purchase Agreement then in effect, which may include Extraordinary Mandatory Redemption of such Unremarketed Bonds in the amounts and on the dates as set forth in a Term-Out Provision (if any) if the failure to purchase the Unremarketed Bonds occurred on a Mandatory Tender Date. To the extent not inconsistent with the Direct Purchase Agreement then in effect, Unremarketed Bonds will continue to be subject to optional redemption by the University pursuant to Section 7 of this Exhibit B and the Authorized Representative of the University may Elect to effect a Conversion pursuant to Sections 5 and 6 of this Exhibit B.

Section 9. Credit Facility; Bank Bonds.

(a) **Draws on a Credit Facility.** If any portion of the principal, Purchase Price or interest on the Bonds shall become due for payment but shall be unpaid by reason of the University's failure to timely deposit sufficient funds with the Paying Agent, the University hereby requests the Paying Agent to process a draw on the Credit Facility on the University's behalf for such amounts by delivering to the Credit Provider a draw request substantially in the form provided by the University to the Paying Agent; provided, however, that the University acknowledges the Paying Agent agrees to process such draw solely as an accommodation to the University and that the University shall remain solely responsible for ensuring that funds equal to the unpaid principal of and interest on the Bonds are timely deposited and under no circumstance will the Paying Agent be responsible to the University for the failure of such timely deposit either by the University or the Credit Provider, whether due to the Paying

Agent 's failure to properly or timely process such draw or for any other reason except to the extent that such failure is directly caused by the Paying Agent.

(b) **Delivery of Credit Facility.** If at any time there are delivered to the Paying Agent (1) a Credit Facility, together with written draw instructions (2) confirmation from the University that it has received all required legal opinions and information (if any), and (3) all information required to give the notice of mandatory tender for purchase of a Series or Subseries, then the Paying Agent shall draw upon such Credit Facility as set forth in Section 9(a) and, after the date of the mandatory tender for purchase established pursuant to Section 8(b), promptly surrender any Credit Facility then in effect to the University thereof for cancellation in accordance with its terms.

(c) **Notice of Termination.** The Paying Agent shall, pursuant to the University's written direction, give notice to the Remarketing Agent and the Registered Owner(s) of such Series or Subseries of the termination or expiration of any Credit Facility in accordance with its terms. In the absence of such written direction, the Paying Agent shall have no duty to give notice to any party concerning the termination or expiration of any Credit Facility.

(d) **Bank Bonds.** A Credit Facility may provide that a Bond that is purchased by the Paying Agent with amounts paid or provided by a Credit Provider under a Credit Facility shall become a Bank Bond and shall bear interest at the Bank Rate for each day from and including the day such Bank Bond becomes a Bank Bond to and excluding the day such Bank Bond ceases to be a Bank Bond or is paid in full. Interest on each Bank Bond shall be calculated and be payable on the dates and in the manner specified in the Credit Facility or Reimbursement Agreement (as the Paying Agent is directed in writing by the University). To the extent there are not remarketing proceeds or refunding bond proceeds available to pay a Bank Bond on any interest or principal payment date for those Bank Bonds, the University shall make such payment to the Paying Agent from the Parity Bond Fund. A Credit Facility or Reimbursement Agreement may include a Term-Out Provision applicable to Bank Bonds, providing for the Extraordinary Mandatory Redemption of such Bank Bonds in accordance with the Sinking Fund Requirements specified in the Credit Facility or Reimbursement Agreement.

(e) **Liability.** The Paying Agent shall have no obligation to the Credit Provider and the Credit Provider shall have no rights against the Paying Agent under this Agreement or any such Credit Facility, Reimbursement Agreement or any related agreement.

Section 10. Remarketing Agent. If the Authorized Representative of the University on behalf of the University Elects to effect a Conversion of any Series or Subseries to a Daily Interest Rate Period, Weekly Interest Rate Period, Commercial Paper Period, Fixed Rate Period, Term Rate Period or an Index Floating Rate Period, the Authorized Representative of the University shall appoint and enter into a Remarketing Agreement with a Remarketing Agent to carry out the remarketing of such Series or Subseries on the Purchase Date. A Remarketing Agent appointed by the Authorized Representative of the University on behalf of the University shall designate its principal office in the Remarketing Agreement. The Remarketing Agent shall signify its acceptance of the duties and obligations imposed upon it under the Bond Documents by a written instrument of acceptance (which may be the Remarketing Agreement) delivered to the University, the Paying Agent and the Credit Provider (if any), under which the Remarketing Agent shall agree to keep such books and records related to the remarketing of such Series as is consistent with prudent industry practice and to make such books and records related to the remarketing of such Series or Subseries available for inspection by the University, the Paying Agent and the Credit Provider (if any), at all reasonable times.

To be eligible to serve as Remarketing Agent, an institution must have a combined capital stock, surplus and undivided profits of at least $50,000,000, and be authorized by law to perform all the duties imposed upon it by the Bond Documents and the Remarketing Agreement. The Remarketing Agent must also be acceptable to the relevant Credit Provider (if any). A Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Exhibit B by giving notice to the University, Paying Agent and Credit Provider (if any). Such resignation shall take effect on the 30th day after the receipt by the University of the notice of resignation. A Remarketing Agent may be removed at any time on 15 days prior written notice, by an instrument signed by the Authorized Representative of the University, approved by the Credit Provider (if any), and delivered to the Remarketing Agent, Paying Agent and Credit Provider (if any).

Section 11. Remarketing of Bonds; Notice of Interest Rates.

(a) **Remarketing.** Upon a mandatory tender for purchase of a Series or Subseries as required by Section 8(b) or notice of optional tender for purchase of a Series or Subseries under Section 8(a), the Remarketing Agent shall offer for sale and use its best efforts to sell such Bonds on the Purchase Date and, if not remarketed on the Purchase Date, thereafter until sold, at the Purchase Price.

(b) **Notice of Purchase and Remarketing.** The Remarketing Agent shall give notice to the Paying Agent and the University by facsimile transmission, telephone, e-mail or similar electronic means promptly confirmed by a written notice, in no event later than 9:30 a.m., New York time, on each Purchase Date on which Bonds are purchased pursuant to a tender for purchase under Section 8, specifying the principal amount of such Bonds successfully remarketed. If such Bonds are not in Book-Entry Form, the Remarketing Agent shall also provide a list of the purchasers showing the names and Authorized Denominations in which such Bonds are to be registered and the addresses and taxpayer identification numbers of such purchasers.

(c) **During a Delayed Remarketing Period.** During a Delayed Remarketing Period, in accordance with Section 8(f) of this Exhibit B, the Registered Owner(s) of Delayed Remarketing Bonds and Unremarketed Bonds will be obligated to tender their Bonds to the Paying Agent for purchase upon notice given as set forth in subsection (b) of this section, on any date on which any of the Delayed Remarketing Bonds or Unremarketed Bonds, as applicable, have been successfully remarketed, on any redemption date including any Par Call Date or any Conversion Date.

Section 12. Bond Purchase Fund. In conjunction with any remarketing, the Paying Agent agrees to establish and maintain on behalf of the University a separate fund to be designated the "Bond Purchase Fund." The Paying Agent further agrees to establish within the Bond Purchase Fund a separate account to be designated the "Remarketing Account" and, if a Credit Facility is delivered in connection with a Conversion, a separate account to be designated the "Credit Facility Purchase Account" as follows:

(a) **Remarketing Account.** Upon receipt of the proceeds of a remarketing of a Series or Subseries of the Bonds on a Purchase Date, the Paying Agent shall deposit such proceeds in the Remarketing Account of the Bond Purchase Fund for application to the Purchase Price of such Series or Subseries of the Bonds.

(b) **Credit Facility Purchase Account.** Upon receipt from the Credit Provider of immediately available funds, the Paying Agent shall deposit such funds in the Credit Facility Purchase Account of the Bond Purchase Fund for application to the Purchase Price of such Bonds required to be purchased on a Purchase Date to the extent that the money on deposit in the Remarketing Account of the Bond Purchase Fund is not sufficient. Any amounts deposited in the Credit Facility Purchase Account and not needed on any Purchase Date for the payment of the Purchase Price for any Bonds shall be promptly returned to the Credit Provider. Any amounts in the Credit Facility Purchase Account shall be used only to purchase such Bonds.

(c) **Other University Funds.** Amounts contributed by the University to the Purchase Price as provided in Section 8(e) shall be transferred to the Paying Agent and deposited into the Remarketing Account for use in accordance with subsection (a) of this section.

Section 13. **Time.** Time is of the essence of every provision herein contained. In the computation of any period of time provided for in this Exhibit B or by law, the day of the act or event from which said period of time runs shall be excluded, and the last day of such period shall be included, unless it is not a Business Day, in which case the period shall be deemed to run until 5:00 p.m. (New York Time) of the next day that is a Business Day. Except as otherwise expressly provided herein, all time periods expiring on a specified date or period herein shall be deemed to expire at 5:00 p.m. (New York Time) on such specified date or period.

Section 14. **Amendments.** The Agreement, including without limitation, this Exhibit B may be amended as to any Series or Subseries of Bonds on any Mandatory Purchase Date for such Series or Subseries, as applicable, by written instrument executed by the University and the Paying Agent. The owners of such Series or Subseries of Bonds shall be deemed to have consented to any amendment proposed to become effective on the Mandatory Purchase Date for such Series or Subseries of Bonds.

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APPENDIX C

AUDITED FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTAL INFORMATION OF THE UNIVERSITY
(FISCAL YEAR ENDED JUNE 30, 2021)

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UNIVERSITY OF WASHINGTON

Supplementary Information

June 30, 2021 and 2020

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 2900
1918 Eighth Avenue
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 discretely presented component unit of the University of Washington (the University), an agency of the state of Washington, as of and for the years ended June 30, 2021 and 2020, and have issued our report thereon dated October 28, 2021, which contained unmodified opinions on those financial statements that collectively comprise the University's basic financial statements. Our audit was performed for the purpose of forming opinions on the financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 28, 2021.

The supplementary information included on pages 2 through 5 is presented for the purposes of additional analysis and is not a required part of the basic 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.

This report is intended solely for the information and use of the Board of Regents and management of the University of Washington and rating agencies and bondholders who have previously received the financial statements of the University of Washington as of and for the years ended June 30, 2021 and 2020, 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

October 28, 2021

UNIVERSITY OF WASHINGTON

Reconciliation of Total University Revenue to General Revenue

Years ended June 30, 2021 and 2020

(Dollars in thousands)

		2021	2020 – Restated
General revenue:			
Total revenue	$	8,336,575	6,784,822
Less:			
State appropriations		480,826	415,030
Grant and contract direct costs		1,331,027	1,267,351
Gifts		214,620	219,542
Revenues of component units		430,391	513,740
Student activities fees and U-Pass fees		36,393	43,177
Student technology fees, student building fees, and student loan funds		81,574	81,563
Trust and endowment income, net unrealized gains on noninvested funds investments, Metropolitan Tract net operating income, component unit investment income, and other restricted investment income		1,310,009	114,810
Capital appropriations		69,557	23,098
Capital grants, gifts and other		119,803	179,089
Other nonoperating revenues		149,427	118,883
Gifts to permanent endowments		67,017	65,425
Total general revenue	$	4,045,931	3,743,114
General revenue components:			
Student tuition and fees (less student activities fees, U-Pass fees, technology fees, building fees, and loan funds)	$	914,721	941,040
Grant and contract indirect costs		287,747	275,991
Invested funds distribution and net invested funds unrealized gains and losses (note 2)		31,965	94,177
Sales and services of educational departments		463,060	283,169
Patient services		1,770,427	1,582,321
Auxiliary systems		302,293	401,331
Other operating revenues		275,718	165,085
Total general revenue	$	4,045,931	3,743,114

See accompanying notes to supplementary information.

UNIVERSITY OF WASHINGTON

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

June 30, 2021 and 2020

(Dollars in thousands)

		2021	2020 – Restated
Total University unrestricted net position per financial statements	$	182,033	(750,923)
Less:			
Student and activities fees		27,846	26,680
Net position (deficit) of component units:			
Association of University Physicians		236,286	174,013
UW Neighborhood Clinics		4,145	(648)
Northwest Hospital		(131,628)	(131,628)
Real estate entities		8,760	11,706
Total to be excluded, net		145,409	80,123
General net position, including pensions and other post-employment benefits (OPEB)		36,624	(831,046)
Impact of GASB 68 – Pensions		316,325	456,362
Impact of GASB 75 – OPEB		1,850,642	1,853,385
General net position, excluding GASB 68 pensions and OPEB *	$	2,203,591	1,478,701

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

See accompanying notes to supplementary information.

(1) Basis of Presentation

The General Revenue schedule 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.

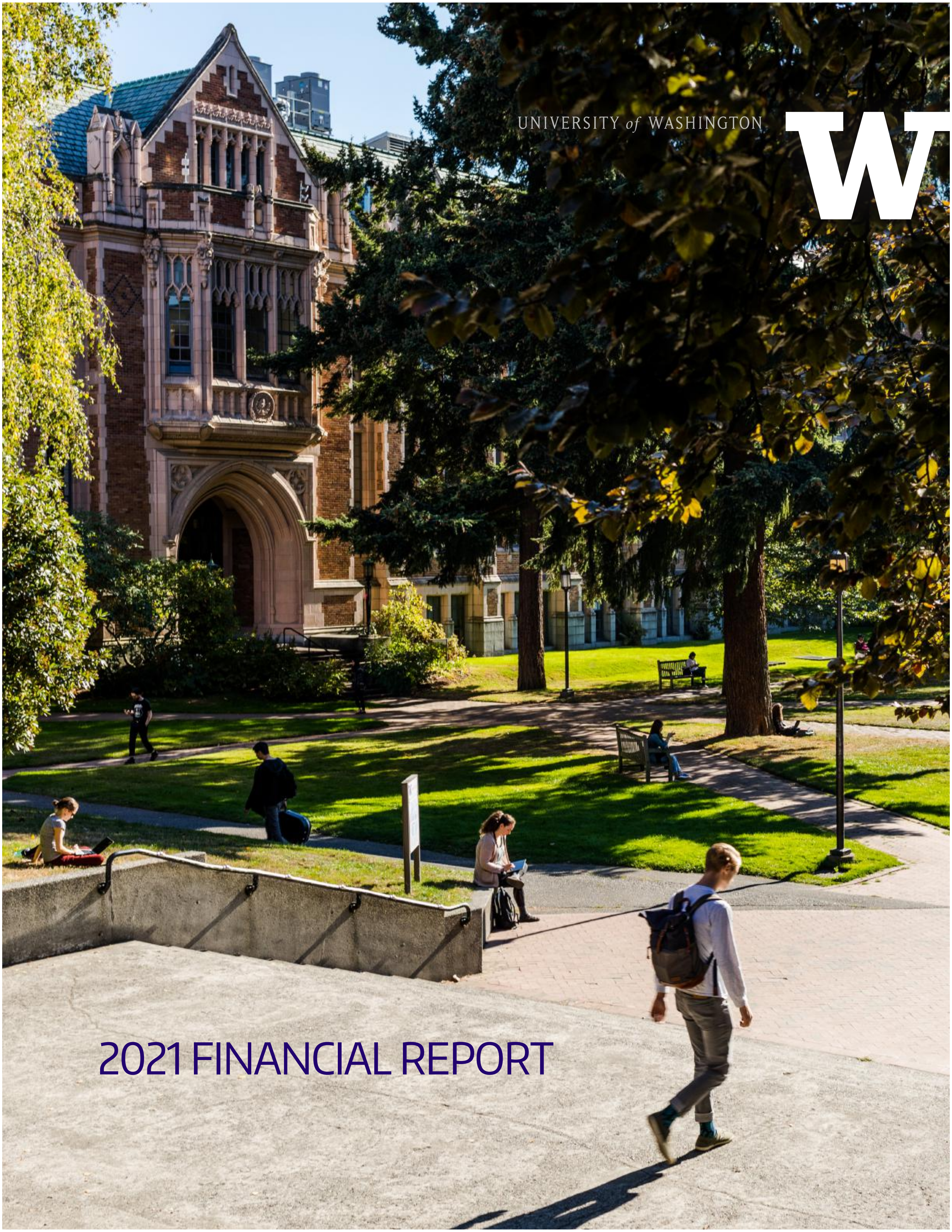
On February 8, 2018 the University's Board of Regents approved the dissolution of Northwest Hospital & Medical Center (NWH), a Washington non-profit corporation, and the integration of NWH into the University of Washington Medical Center (UWMC). The integration occurred on January 1, 2020, at which time NWH ceased operations and the University accepted the assets, liabilities, and remaining operations of the corporate entity. At the time of the integration, NWH became the Northwest Campus of UWMC and ceased to be a blended component unit of the University. Revenues subsequent to the date of integration, and their associated impact on unrestricted net position, have been incorporated into General Revenues and General Net Position.

Unrestricted Net Position as of June 30, 2021 and 2020, is below historical levels due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* during fiscal year 2015 and the implementation of GASB Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB), during fiscal year 2018. 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.

On July 1, 2020, the University implemented GASB Statement No. 84, *Fiduciary Activities.* This Statement establishes criteria for identifying and reporting fiduciary activities of all state and local governments. To reflect the changes resulting from this implementation, the University has added the Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position for all years presented, and the University's Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position have been restated to conform with the requirements of this Statement and current year presentation. These restatements are similarly reflected in the Reconciliation of Total University Revenue to General Revenue for the year ended June 30, 2020, and the Reconciliation of Total University of Washington Unrestricted Net Position to General Net Position as of June 30, 2020.

(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.



2021 FINANCIAL REPORT

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University Facts

	FISCAL YEAR 2021 Academic Year 2020-2021	FISCAL YEAR 2016 Academic Year 2015-2016	FISCAL YEAR 2011 Academic Year 2010-2011
STUDENTS			
Autumn Enrollment (headcount)			
Undergraduate	43,069	40,163	35,615
Graduate	15,148	13,595	12,389
Professional	2,201	2,009	1,936
TOTAL	**60,418**	**55,767**	**49,940**
Professional and Continuing Education - Course and Conference Registrations	68,653	78,426	64,961
Number of Degrees Awarded			
Bachelor's	11,821	10,589	9,325
Master's	4,920	4,072	3,524
Doctoral	870	803	723
Professional	628	518	528
TOTAL	**18,239**	**15,982**	**14,100**
FACULTY[1]	5,204	4,703	4,235
FACULTY AND STAFF[2]	30,928	28,910	25,143
RESEARCH FUNDING - ALL SOURCES *(in thousands of dollars)*	$ 1,890,274	$ 1,367,366	$ 1,396,435
SELECTED REVENUES *(in thousands of dollars)*			
Medical Centers and Related Revenues[3]	$ 3,185,974	$ 2,459,792	$ 1,385,522
Gifts, Grants and Contracts	1,833,394	1,457,142	1,445,628
Tuition and Fees[4]	1,032,697	948,751	594,915
Auxiliary Enterprises and Other Revenues	836,694	623,438	393,850
State Operating Appropriations	480,826	302,097	296,769
Investment Income	1,341,974	44,877	394,670
SELECTED EXPENSES *(in thousands of dollars)*			
Medical-Related[3]	$ 2,476,472	$ 2,152,161	$ 1,160,595
Instruction, Academic Support, and Student Services	2,205,548	1,772,651	1,335,158
Institutional Support and Physical Plant	940,900	830,617	569,618
Research and Public Service	908,679	790,218	821,081
Auxiliary Enterprises	517,531	422,474	169,876
CONSOLIDATED ENDOWMENT FUND[5] *(in thousands of dollars)*	$ 4,712,000	$ 2,968,000	$ 2,154,000
SQUARE FOOTAGE[6] *(in thousands of square feet)*	29,208	23,129	21,655

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 Valley Medical Center in 2021 and 2016 only
4. Net of scholarship allowances of $230.9 million in 2021, $144.5 million in 2016 and $91.4 million in 2011
5. Stated at fair value
6. Gross square footage, all campuses

KPMG LLP
Suite 2900
1918 Eighth Avenue
Seattle, WA 98101

Independent Auditors' Report

The Board of Regents
University of Washington:

We have audited the accompanying financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of the University of Washington (the University), which comprise the statements of net position and statements of fiduciary net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses and changes in net position, statements of changes in fiduciary net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the University's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 discretely presented component unit of the University of Washington, as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended, in accordance with U.S. generally accepted accounting principles.

Emphasis of Matters

As discussed in note 1 to the financial statements, the financial statements of the University of Washington, 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the state of Washington that are attributable to the transactions of the University of Washington and its discretely presented component unit. They do not purport to, and do not, present fairly the financial position of the state of Washington as of June 30, 2021 and 2020, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

As discussed in note 1 to the financial statements, on July 1, 2020, the University adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which has resulted in the presentation of a statement of fiduciary net position, a statement of changes in fiduciary net position, and the restatement of net position as of July 1, 2019. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis on pages 3 through 18, and the schedules of required supplementary information on pages 73 through 78, be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University of Washington's basic financial statements. The accompanying information under the table of contents titled "University Facts" is presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

KPMG LLP

Seattle, Washington
October 28, 2021

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 years ended June 30, 2021 and 2020, with comparative financial information for 2019. 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 2021

The University recorded a $2,002 million increase in net position in 2021 compared to an increase of $345 million in 2020. The 2021 operating loss decreased $438 million over the prior year, as growth in revenues and an accompanying reduction in expense reflected continued, albeit more favorable, impacts on earnings from the Novel coronavirus (COVID-19) pandemic. Nonoperating and other revenues increased during the year, benefiting from support provided by federal and state sources related to COVID-19 and a significant improvement in the University's investment income.

Key Financial Results

(in millions)	2021	2020	2019
Total operating revenues	$ 5,842	$ 5,503	$ 5,485
Total operating expenses	6,248	6,347	6,064
Operating loss	(406)	(844)	(579)
State appropriations	481	415	379
Gifts	215	220	166
Investment income	1,342	209	340
Other nonoperating revenues, net	370	345	175
Increase in net position	2,002	345	481
Net position, beginning of year	5,907	5,578	5,097
Cumulative effect of accounting changes (described below):			
GASB 84 - Fiduciary Activities	—	(16)	—
Net position, beginning of year as restated	5,907	5,562	5,097
Net position, end of year	**$ 7,909**	**$ 5,907**	**$ 5,578**

Operating Revenues

Operating revenues increased $339 million, or 6.1%, in 2021. Revenue from patient services increased $115 million as fewer non-emergent and elective procedures were cancelled during the year due to the COVID pandemic compared to 2020, resulting in higher volumes and revenue. Grant and contract revenue recorded another strong year, increasing $75 million, or 5%, over 2020. Sales and services of educational departments increased $180 million due to School of Medicine programs, primarily Lab Medicine - Pathology, which saw a significant increase in COVID-19 testing activities. Other operating revenue increased $117 million, due to continued strong contract pharmacy revenues. These were offset by a decrease in revenue from student tuition and fees, which decreased $25 million reflecting higher student financial aid offsets from federally provided COVID relief, a decrease in Housing and Food Services revenues of $43 million due to impacts from the pandemic on demand for student housing and retail operations, and lower revenues from sports programs due to the cancellation of in-person events during the year.

Operating Expenses

Operating expenses decreased $99 million, or (2)%, in 2021. Staff salaries and benefits decreased $134 million during the year, primarily reflecting cost control measures implemented as a result of the COVID pandemic and changes in actuarial assumptions used to value the University's pension obligations. A $90 million increase in supplies and materials, primarily associated with medical and pharmaceutical operations, was offset by a $49 million decrease in purchased services such as travel due to the impact of the pandemic on University operations.

Nonoperating Revenues

Revenues from nonoperating and other sources, net of interest on capital-related debt, increased $1,219 million, or 103%, in 2021. Investment income was the primary driver, increasing $1,133 million, or 542%, in 2021 due to a rebound in investment returns on the University's endowment and operating funds. State operating appropriations increased $66 million, driven by $49 million of COVID-19 support received during the year. Similarly, other nonoperating revenues increased $31 million, driven by an increase of $40 million in federal stimulus provided to the University under the CARES Act (described below). Current use, capital and endowed gifts decreased a combined $120 million during the year, primarily due to $125 million received in 2020 from the Bill & Melinda Gates Foundation to support the Population Health Initiative.

COVID-19

The COVID-19 pandemic has had widespread impacts on societal and economic conditions at a local, national and global level, and has had a significant impact on the University's operations. In February, 2020, the Governor of the state of Washington declared a state of emergency to ensure the swift deployment of resources necessary to address coronavirus in Washington and the forecasted potential surge of COVID-19 patients. In March, 2020, President Trump declared a national state of emergency with respect to the COVID-19 outbreak, ordering all states to establish emergency operations and authorizing the use of federal funds. Both the national state of emergency and the Washington state of emergency continued throughout fiscal year 2021.

Mandates from the Governor between March and May, 2020, required the cancellation or postponement of all non-emergent and elective clinical procedures. Those mandates had a significant impact on patient volumes and revenues during fiscal year 2020. The Governor's "Stay Home, Stay Healthy" proclamation required individuals to stay home except for essential activities. As a result, University courses shifted to remote instruction and remained remote throughout the rest of the 2020-2021 academic year except for specific exceptions. Online course delivery resulted in many students opting to discontinue living on campus, impacting University residential and retail operations. Revenue from gate ticket sales and NCAA/ conference distributions were also negatively impacted due to the inability to host fans at events throughout the year, and the cancellation of football games across the PAC-12.

Financial and liquidity support from federal and state sources to address the impacts from COVID-19 during fiscal years 2020 and 2021 took the following forms:

Medicare Advance Payment Program - During fiscal year 2020, the University requested and received approval for six months of advance Medicare payments under the Centers for Medicare and Medicaid Services (CMS) Medicare Advanced Payment Program (MAPP). As a result, the University received $125 million in April and May of 2020. The advance Medicare funds will be recovered by Medicare by offsetting paid claims until the full amount is recouped. These recoveries began one year after the advance payment was issued. The University has up to twenty-nine months from the date of the advance payment to repay the balance. Medicare recouped $17 million of these advance payments during fiscal year 2021 through claims for services. This advance is recorded as "long-term liabilities" in the accompanying Statements of Net Position as of June 30, 2021, and as "unearned revenues" as of June 30, 2020. The change in presentation resulted from guidance issued in September, 2020, which extended the repayment period for the advance.

CARES Act Provider Relief Fund - The Federal Government passed the Coronavirus Aid, Relief and Economic Security (CARES Act) in March 2020. The Provider Relief Fund payments are intended to assist with lost revenues associated with lower patient volumes, and cancelled procedures and services due to COVID-19. Provider relief funds consisted of both general and targeted distributions. The University received both types of distributions totaling $35 million and $66 million during the fiscal years ended June 30, 2021 and 2020, respectively. The University has recognized this funding as "other nonoperating revenues" on the Statements of Revenues, Expenses and Changes in Net Position.

CARES Act HEERF - Under the CARES Act, the University became eligible for approximately $40 million in grant funding during 2020 via the Higher Education Emergency Relief Fund (HEERF I). Half of this amount was to assist eligible students impacted by on-campus financial disruption (student aid portion) with the other half used to cover costs associated with significant changes to the delivery of instruction (institutional portion) due to COVID-19. The Higher Education Emergency Relief Fund II (HEERF II), authorized by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) signed into law in December, 2020, awarded the University $60 million in student financial aid and institutional support. Lastly, the Higher Education Emergency Relief Fund III (HEERF III), authorized by the American Rescue Plan signed into law in March, 2021, awarded the University $106 million in student financial aid and institutional support. As a result of HEERF I, II and III, $18 million was distributed to students in fiscal year 2020 and $50 million in fiscal year 2021, with $26 million left to be drawn and distributed in fiscal year 2022. Similarly, $4 million of institutional support was distributed by the University in fiscal year 2020 and $43 million in fiscal year 2021, with $66 million left to be drawn and distributed. The largest recipient of the institutional support funds has been the University's Housing and Food Services auxiliary operation, to cover expenditures that would otherwise have been funded by housing and dining revenues which were impacted by the pandemic. These distributions have been recognized as "other nonoperating revenues" on the Statements of Revenues, Expenses and Changes in Net Position.

CARES Act FICA Deferral - The CARES Act provides that employers may elect to defer payment of the employer's share of social security taxes through December 31, 2020. Of these deferred payments, 50% must be paid by December, 2021, with the remainder paid by December, 2022. As a result, $113 million and $31 million have been deferred by the University as of June 30, 2021 and 2020, respectively, and are shown as "long-term liabilities" on the Statements of Net Position.

CARES Act Paycheck Protection Program - Also as part of the CARES Act, the federal government enacted a loan program called the Paycheck Protection Program (PPP) for eligible businesses with 500 or fewer employees. Eligible businesses are able to apply for a loan of up to 2.5 times the average monthly payroll expense of the business. The interest on PPP loans is deferred for the first six months of the loan, with an interest rate of 1% after the deferral period. UW Neighborhood Clinics applied for and was granted a loan of $5 million which is recorded as "long-term liabilities" on the University's Statements of Net Position as of June 30, 2021 and 2020.

FEMA Public Assistance Program - During fiscal year 2020, the University applied for an $85 million grant from the Federal Emergency Management Agency (FEMA) Public Assistance program via the expedited funding channel, which enabled partial funding of estimated eligible expenditures up front, with a 25% state cost share requirement. The University received an expedited payment from the grant program of $32 million in fiscal year 2020 to help defray certain costs incurred as part of the University's response to COVID-19. These amounts are reported as "unearned revenues" in the accompanying Statements of Net Position.

State Appropriations - The state of Washington has appropriated emergency funding to the University in response to the COVID-19 pandemic. $61 million was appropriated in fiscal year 2020 for the purposes of expanding lab capacity for COVID-19 testing, procuring medical supplies and equipment, sanitizing facilities and equipment, and providing information to the public. In fiscal year 2021 the University was awarded an additional appropriation of $35 million to partially cover revenues from clinical operations that were lost as a result of the pandemic and not covered by other funding. As a result, $49 million and $8 million have been drawn and reported as "state appropriations" in the University's Statements of Revenues, Expenses and Changes in Net Position during the fiscal years ended June 30, 2021 and 2020, respectively. $40 million remains to be recognized in future fiscal years.

In total, the University recognized revenue of $175 million and $95 million in fiscal years 2021 and 2020, respectively, in relation to COVID-19 support. These amounts exclude amounts received by the University's discrete component unit, Valley Medical Center.

Changes in Accounting Standards

The University implemented Governmental Accounting Standards Board (GASB) Statement No. 83, "Certain Asset Retirement Obligations" during fiscal year 2019. An Asset Retirement Obligation (ARO) is a legally enforceable liability associated with the retirement of a tangible capital asset. Governments that have legal obligations to perform future tangible asset retirement activities are now required to recognize a liability and offsetting deferred outflow of resources when these costs are incurred and are reasonably estimable. The University's 2015 Decommissioning Funding Plan, prepared in accordance with Washington Administrative Code 246-235-075, estimated disposal and clean-up costs related to all radioactive materials used for research, clinical applications, and education and was used as the basis for recording the initial ARO liability. Prior to implementing this Statement, the University's financial statements did not reflect any ARO liability or associated deferred outflow, and reported costs associated with these retirement activities as expense at the time of asset disposal.

The University implemented GASB Statement No. 84, "Fiduciary Activities" during fiscal year 2021. This Statement establishes criteria for identifying and reporting fiduciary activities of all state and local governments. Governments with activities meeting the criteria are required to present a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. Custodial assets held for three months or less are exempt from the reporting requirements. To reflect the changes resulting from this implementation the University has added the Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows for the fiscal year ending June 30, 2020 have been restated to conform with this Statement and current year presentation. In addition to the reporting changes described above, net position was restated at July 1, 2019 by a decrease of $15.9 million.

The University also implemented GASB Statement No. 92, "Omnibus 2020" during fiscal year 2021. This Statement addresses a variety of topics, including specific provisions related to leases, certain intra-entity transfers between a primary government and a component unit's post-retirement benefit plan, reporting of post-employment plan assets accumulated outside of a qualified trust, certain requirements related to fiduciary activities' post-employment benefit arrangements, measurement of asset retirement obligations resulting from a government acquisition, public entity risk pools, fair value measurements, and derivative instrument terminology. Implementation of this Statement did not have a material impact on the University's financial statements.

Change in Accounting Estimate

On July 1, 2020, the state of Washington established a trust for contributions paid by the University for the benefit of the University of Washington Supplemental Retirement Plan (UWSRP) in accordance with Revised Code of Washington 41.50.075. As a result, the applicable accounting guidance for the UWSRP has changed to GASB codification section P20 "Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specific Criteria." This event gives rise to a change in the University's estimates of future obligations, deferrals and pension expense related to the UWSRP. Specifically, $61.0 million of contributions paid to the state in prior years and recognized as expense have been attributed to the University by the state and reported as "capital grants, gifts and other" on the Statements of Revenues, Expenses and Changes in Net Position for fiscal year 2021. The University will now report the plan's net pension liability (total pension liability less the plan's fiduciary net position). Prior to this change in estimate the University reported the plan's total pension liability. In addition, under GASB section P20 the discount rate used to value the ending liability has changed to the expected investment return on plan assets. As such, the University has changed from using the Bond Buyer's 20 Bond Index (2.21% for the fiscal year 2020 liability) to using the expected investment return on plan assets (7.40% for the fiscal year 2021 liability).

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 on a consolidated basis in order to focus on 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.

- Statements of Net Position present 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, 2021 and 2020). Their 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.
- Statements of Revenues, Expenses and Changes in Net Position present the total revenues earned and expenses incurred by the University for operating, nonoperating and other related activities, during a period of time (the fiscal years ended June 30, 2021 and 2020). Their purpose is to assess the University's operating and nonoperating activities.
- Statements of Cash Flows present cash receipts and payments of the University during a period of time (the fiscal years ended June 30, 2021 and 2020). Their purpose is to assess the University's ability to generate net cash flows and meet its obligations as they come due.
- Statements of Fiduciary Net Position present 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, 2021 and 2020).
- Statements of Changes in Fiduciary Net Position present the additions and deductions from the University's custodial funds during a period of time (the fiscal years ended June 30, 2021 and 2020).
- 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. GASB standards require that this entity be presented as a discrete component unit of the University since it has a separate board of trustees, it does not provide services exclusively to the University, and it is not a nonprofit corporation of which the University is the sole corporate member; therefore, its financial position at June 30, 2021 and 2020, and results of operations for the fiscal years ended June 30, 2021 and 2020, are reported in a separate column for financial statement presentation purposes (see note 1 to the financial statements). The analysis that follows includes the consolidated balances of the University of Washington and its blended component units, but excludes the financial position and results of operations of Valley Medical Center.

Financial Health

STATEMENTS OF NET POSITION

A summarized comparison of the University's assets, liabilities, deferrals and net position as of June 30, 2021, 2020 and 2019 is shown below:

Summarized Statements of Net Position

(in millions)	**2021**	**2020**	**2019**
Current assets	$ 2,706	$ 2,030	$ 1,574
Noncurrent assets:			
Capital assets, net	4,976	4,972	4,935
Investments, net of current portion	6,764	5,516	5,375
Other	632	567	525
Total assets	15,078	13,085	12,409
Deferred outflows	742	639	414
Total assets and deferred outflows	15,820	13,724	12,823
Current liabilities	1,623	1,488	1,166
Noncurrent liabilities:			
Bonds payable	2,378	2,395	2,353
Pensions and OPEB	2,256	2,740	2,498
Other	476	359	335
Total liabilities	6,733	6,982	6,352
Deferred inflows	1,178	835	893
Total liabilities and deferred inflows	7,911	7,817	7,245
Net position	**$ 7,909**	**$ 5,907**	**$ 5,578**

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 $1,083 million in 2021, and $542 million in 2020, reflects the continuing ability of the University to meet its short-term obligations.

Current assets increased $676 million, or 33%, in 2021, driven by a $365 million increase in short-term investments resulting from a recovery in market values for the University's short term investments. Accounts receivable, net of allowances, also increased $312 million during the year, reflecting $98 million growth in gross patient services receivables, $77 million growth in the receivable for pending investment sales, and a $63 million increase in receivables from sales and services of educational departments (primarily Lab Medicine). Current assets increased $456 million, or 29%, in 2020. Amounts received from federal and state sources pertaining to COVID-19 support drove a $383 million increase in short-term investments. Likewise, a focus on conserving operating cash balances to protect liquidity in light of COVID-19 contributed to an increase of $58 million in cash and cash equivalents.

Current liabilities increased $135 million, or 9%, in 2021. The current portion of long-term liabilities increased $151 million, driven by upcoming recoupment of amounts received for the Medicare Advance Payment Program, and payment of social security taxes deferred according to the CARES Act FICA Deferral. In addition, an increase in other current liabilities of $25 million reflecting commercial paper debt was offset by a reduction in unearned revenues of $49 million associated with funds received in response to the COVID-19 pandemic. Current liabilities increased $322 million, or 28%, in 2020. Accounts payable and accrued liabilities increased $213 million during the year primarily driven by a $160 million increase in pending investment purchases compared to the prior year, and a $38 million increase in the liability for accrued annual leave due to impact from the pandemic on employee travel and vacation plans. A $174 million increase in unearned revenues also contributed to the year over year change, and was primarily attributable to amounts received by the University related to COVID-19 support from the Medicare Advance Payment Program and the FEMA Public Assistance Program.

Noncurrent assets increased $1,317 million, or 12%, in 2021 primarily due to a $1,248 million increase in the market value of the University's long-term investments, combined with a $51 million increase in the value of the University's equity interest in the Seattle Cancer Care Alliance. Noncurrent assets increased $220 million, or 2%, in 2020 primarily due to a $195 million increase in the market value of the University's long-term investments, combined with a $25 million increase in the value of the University's equity interest in the Seattle Cancer Care Alliance.

Noncurrent liabilities decreased $384 million, or 7%, in 2021. Pension liabilities decreased $638 million, driven by a $655 million reduction in the UWSRP portion resulting from favorable experience compared to actuarial assumptions, an increase in the discount rate used to value the ending liability, and recognition of prior and current year pension contributions as an offset to the total pension liability (see note 16). This was offset by an increase in the University's Other Post Employment Benefits (OPEB) liability of $154 million, primarily reflecting an increase in the University's proportionate share of the statewide plan, and an increase in long-term liabilities, net of current portion, of $103 million primarily reflecting the change in presentation of long-term portion of the Medicare advance payments. Noncurrent liabilities increased $308 million, or 6%, in 2020. Pension and OPEB liabilities increased $242 million, reflecting the impact of lower end of year discount rates used in the associated actuarial valuations. Other contributing factors were a $32 million net increase in general revenue bonds outstanding (new issuances less principal payments) and $31 million of social security payments owed but unpaid at year end through the CARES Act FICA tax deferral.

Deferred outflows of resources and deferred inflows of resources primarily represent pension and OPEB-related deferrals, and the University's remainder interest in split-interest agreements. The increase in deferred outflows of $103 million, or 16%, in 2021 primarily pertains to OPEB, which experienced an $89 million increase in deferred outflows due to an increase in the University's proportionate share of the state's overall plan results, and a decrease in the discount rate used to value the total ending liability. The increase in deferred outflows of $225 million, or 54%, in 2020 primarily pertains to the UWSRP and OPEB plans. UWSRP deferred outflows increased $117 million, and OPEB deferred outflows increased $85 million, due to a decrease in the discount rates used to value the respective ending liabilities.

Deferred inflows increased $343 million, or 41%, in 2021, primarily due to increases in the UWSRP portion resulting from better than expected returns on CREF investments and an increase in the discount rate used to value the ending liability. These were offset by a reduction in pension deferred inflows resulting from amortization of amounts recorded in prior years. Deferred inflows decreased $58 million, or 6%, in 2020, primarily due to a $66 million reduction in OPEB deferred inflows resulting from amortization of amounts recorded in prior years.

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.

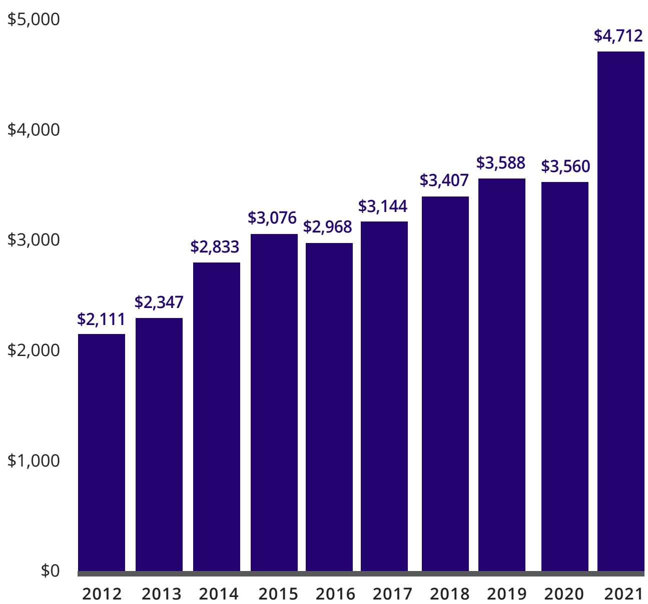
The University of Washington Board of Regents is vested by statute with responsibility for the University's properties and investments, and for establishing investment policy. The University of Washington Investment Management Company (UWINCO), led by the Chief Investment Officer, carries out the day-to-day 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 3,782 at June 30, 2012 to 5,411 at June 30, 2021. The market value of the CEF has similarly increased, from $2.1 billion at June 30, 2012 to $4.7 billion at June 30, 2021.

Consolidated Endowment Fund Market Value

(in millions)



The impact to program support has been substantial with $1.1 billion distributed over the past 10 years, touching every part of the University. Programs supported by endowment returns include academic programs, scholarships, fellowships, professorships, chairs and research activities.

In February 2019, the Board of Regents approved an amendment to the CEF Investment Policy to reduce the total spending rate from 5.0% to 4.5%. A three-year phased reduction was implemented to cushion the impact on University units, starting with a 4.9% spending rate in fiscal year 2020 and then 4.7% in fiscal year 2021. Quarterly distributions to programs are based on an annual percentage rate of 3.76%, applied to the five-year rolling average of the CEF's market value. Additionally, the policy allows for an administrative fee of 0.94% supporting campus-wide fundraising and stewardship activities (0.752%) and offsetting the internal cost of managing endowment assets (0.188%). The spending rate reduction to 4.5% will be in full effect for fiscal year 2022 and beyond.

Endowment portfolios are commonly managed around a core set of objectives focused on the need to provide support for endowed programs in perpetuity. The Board of Regents, in conjunction with the UWINCO Board, establishes the policy asset allocation judged to be most appropriate for the University from a long-term potential return and risk perspective. The policy asset allocation is reviewed annually for its continuing fit with the University's risk profile and with consideration of the changing dynamics of the capital markets.

The CEF asset allocation is divided into two clearly defined categories of investments: those which facilitate growth or appreciation (Capital Appreciation), and those which preserve endowment values (Capital Preservation). At June 30, 2021, 76% of the CEF was invested in Capital Appreciation and 24% in Capital Preservation. Following an expectation that market returns for equities will exceed bonds over the next decade, a medium-term objective is maintained of generally overweighting equity-oriented strategies with a focus on quality companies and downside protection. This is consistent with the CEF policy change approved by the Board of Regents in May, 2021 to shift from a 70/30 to a 75/25 (Capital Appreciation/Capital Preservation) policy target, phased in over a three-year period. The University also maintains ample liquidity within Capital Preservation to meet its funding requirements, as well as to take advantage of market dislocations if opportunities arise.

For the fiscal year ended June 30, 2021, the CEF returned +35.1% versus +26.0% for the passive benchmark. The CEF's Private Equity strategy led absolute returns this year. Public markets rebounded strongly after bottoming in Spring 2020 during the onset of COVID-19. The CEF's Emerging Markets, especially China, and Developed Markets value and small cap managers recovered from a challenging fiscal year 2020. Capital Preservation strategies also outperformed despite government bonds posting a slightly negative return due to rising interest rates.

A portion of the University's operating funds are invested in the CEF. As of June 30, 2021, these funds comprise $812 million of the CEF market 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 2021 included $34 million for construction of the Health Sciences Education Building, and $22 million for construction of Founders Hall (to replace Mackenzie Hall).

Key projects placed in service during fiscal year 2021 include:

- Hans Rosling Center for Population Health (Rosling Center) - $210 million. Made possible by a $210 million gift from the Bill & Melinda Gates Foundation in 2016 as well as funding from the state of Washington and the University, the Rosling Center will house the UW Department of Global Health, the Institute for Health Metrics & Evaluation (IHME), parts of the UW School of Public Health and the offices of the Population Health Initiative. With spaces for collaborative group work, active learning, offices and training for global

Unaudited – see accompanying notes to financial statements

partners and multidisciplinary work in population health across the University, the Rosling Center will be a hub for addressing critical issues like poverty, equity, healthcare access, climate change and government policy.

- Oak Hall - $56 million. As the newest residence hall in North Campus, Oak Hall provides 300 new student beds, a 4,000 square foot multipurpose space for studying and socializing, and a market and cafe similar to the District Market on West Campus.
- Kincaid Hall Psychology Renovation - $43 million. The Kincaid renovation project extends the useful life of a central campus building, consolidates and provides a permanent location for Psychology Clinics and Research Labs, creates office space for Biology administrative staff and consolidates Psychology faculty located in other buildings.
- Parrington Hall Renovation - $23 million. This project upgrades mechanical, electrical, information technology and lighting systems, and modernizes Parrington Hall to current University facility educational standards.

See note 9 for additional information regarding capital asset activity.

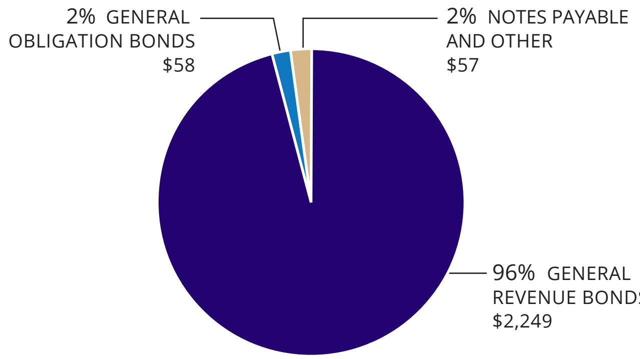
Debt

The University's Debt Policy governs the type and amount of debt the University may incur. The Debt 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, Lease Revenue Bonds and state-issued General Obligation Bonds. As of June 30, 2021, the University had $2.4 billion of bonds and notes payable outstanding, an increase of 0.6% from June 30, 2020. Debt outstanding on the Metropolitan Tract is not included in these amounts (see note 8).

Bonds and Notes Payable

(in millions)



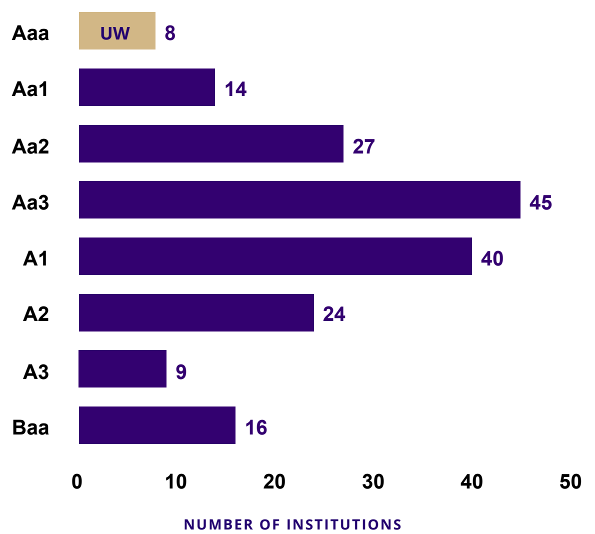
In March 2021, the University issued $77 million of tax-exempt General Revenue and Refunding bonds with an all-in true interest cost of 2.33% and $249 million of taxable General Revenue and Refunding bonds with an all-in true interest cost of 2.13%. Proceeds were used to fund various projects including UW Medicine clinical transformation program "Destination: One", the construction of the Childbirth Center at UW Medical Center Northwest Campus, and the Kincaid Hall renovation. Additionally, the University closed $118 million of tax-exempt General Revenue Refunding Bonds (Delayed Delivery Bonds) issued to refund callable 2011A bonds and achieve debt service savings. The all-in true interest cost of the refunding bonds was 1.84%. These bonds closed in February 2021.

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, 2021, there was $25 million in commercial paper outstanding.

In August 2020, the University entered into two separate $100 million agreements with lenders in order to provide short-term emergency support for COVID-19 impacts and to provide general institutional liquidity. Credit agencies consider this type of liquidity support as a credit positive. To date, no draws have been made on the liquidity lines of credit.

Credit ratings are an indicator of the University's effectiveness in managing its financial resources. During fiscal year 2021, Moody's removed the negative watch on the University's credit rating (Aaa, Stable) and Standard & Poor's reaffirmed the University's credit rating (AA+, Stable). These strong ratings carry substantial advantages for the University: continued and wider access to capital markets, lower interest rates on bonds, and the ability to negotiate favorable bond terms. 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 2020
Public College and University Rating Distribution
(As of the June 2021 Moody's Median Report)



The Board of Regents typically authorizes the long-term debt (excluding commercial paper) issuance on a fiscal year basis, and for fiscal year 2022 has authorized up to $100 million. Any 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.

Debt beyond fiscal year 2022 is managed through an annual process in which the University estimates debt capacity by benchmarking key debt-related financial metrics to credit peer institutions.

See note 10 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, 2021, 2020 and 2019 is summarized as follows:

Categories of Net Position

(in millions)	**2021**	**2020**	**2019**
Net investment in capital assets	$ 2,519	$ 2,532	$ 2,489
Restricted:			
Nonexpendable	1,996	1,883	1,878
Expendable	3,211	2,243	2,192
Unrestricted	182	(751)	(981)
Total net position	**$ 7,909**	**$ 5,907**	**$ 5,578**

Net investment in capital assets decreased $13 million, or 1%, in 2021. 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. This category of net position increased $43 million, or 2%, in 2020, primarily as a result of greater additions to net capital assets during the year than the associated increase in capital asset-related debt, reflecting continued capital spending on previously approved projects.

Restricted nonexpendable net position increased $113 million, or 6%, in 2021 primarily as a result of receiving $67 million in new endowment gifts during the year, together with a $48 million increase in the market value of investments underlying the University's split-interest agreements. This category of net position increased $5 million, or 0.3%, in 2020.

Restricted expendable net position increased $968 million, or 43%, in 2021. New operating and capital gifts, and earnings or losses on restricted investments, including endowments, primarily affect this category of net position. During 2021, unrealized gains in the market value of the CEF (net of unrealized losses) increased $899 million, and unspent operating and capital gifts increased $74 million. Earnings on the Metropolitan Tract also contributed $15 million. This category of net position increased $51 million, or 2%, in 2020. Unspent operating and capital gifts increased $88 million during 2020, together with $4 million from the institutional support portion of the CARES Act HEERF and $15 million from earnings on the Metropolitan Tract. These amounts were partially offset by a $72 million increase in unrealized and realized losses on investments held in the CEF.

Unrestricted net position increased $933 million, or 124%, in 2021. Operating losses associated with unrestricted activities were $93 million and interest expense on capital asset-related debt was $87 million. These amounts were more than offset by $481 million in state operating appropriations, $416 million in investment income on unrestricted investments, and $127 million of other nonoperating revenue from federal sources related to the University's response to the COVID pandemic. This category of net position increased $230 million, or 23%, in 2020. Operating losses associated with unrestricted activities were $511 million and interest expense on capital asset-related debt was $93 million. These amounts were more than offset by $415 million in state operating appropriations, $256 million in investment income on unrestricted investments, and $83 million of federal funds from the CARES Act Provider Relief Fund and the student aid portion of HEERF.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statements of Revenues, Expenses and Changes in Net Position present 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 educational appropriations, private gifts, and investment income. As a result, it is anticipated that the Statements 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, 2021, 2020 and 2019 follows:

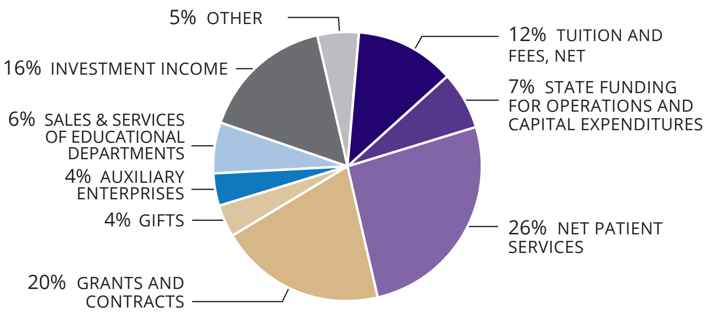
Operating Results

(in millions)	2021	2020	2019
Net patient services	$ 2,208	$ 2,093	$ 2,136
Tuition and fees, net	1,033	1,058	1,052
Grants and contracts	1,567	1,492	1,426
Other operating revenues	1,034	860	871
Total operating revenues	5,842	5,503	5,485
Salaries and benefits	3,748	3,882	3,732
Other Operating Expenses	2,500	2,465	2,332
Operating loss	**(406)**	**(844)**	**(579)**
State appropriations	481	415	379
Gifts	215	220	166
Investment income	1,342	209	340
Other nonoperating revenues	457	438	264
Interest on capital asset-related debt	(87)	(93)	(89)
Increase in net position	**$ 2,002**	**$ 345**	**$ 481**

The University's operating loss decreased to $406 million in 2021, from $844 million in 2020. 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 net operating income of $75 million in 2021, and an operating loss of $429 million in 2020.

The University has a diversified revenue base. No single source generated more than 26% of the total fiscal year 2021 revenues of $8.3 billion.

Sources of Funds



The following table summarizes revenues from all sources for the years ended June 30, 2021, 2020 and 2019:

Revenues from All Sources

(in millions)	2021		2020		2019	
Net patient services	$ 2,208	26%	$ 2,093	31%	$ 2,136	32%
Grants and contracts	1,631	20%	1,555	23%	1,492	22%
Investment income	1,342	16%	209	3%	340	5%
Tuition and fees, net	1,033	12%	1,058	16%	1,052	16%
State funding for operations	481	6%	415	6%	379	6%
Sales and services of educational departments	463	6%	283	4%	260	4%
Gifts	332	4%	452	7%	331	5%
Auxiliary enterprises	297	4%	420	6%	483	7%
State funding for capital projects	70	1%	23	0%	25	0%
Other	480	5%	277	4%	136	3%
Total revenue - all sources	**$ 8,337**	**100%**	**$ 6,785**	**100%**	**$ 6,634**	**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, 13 free standing clinics, an emergency air transport service and the University's share of three 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 an 810-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. Effective January 1, 2020, Northwest Hospital & Medical Center was integrated into UWMC as its second campus, and its assets and liabilities were transferred to UWMC. UWMC also serves as the major clinical, teaching and research site for students and faculty in Health Sciences at the University. More than 27,000 patients receive inpatient care at UWMC each year. Specialized inpatient care needs are met by the Cancer Center, the Regional Heart Center, the Neonatal Intensive Care Unit and the Organ Transplantation program, among others.

Valley Medical Center (VMC) is a 341-bed acute care hospital and network of clinics that treats approximately 16,000 inpatients per year, and is the oldest and largest public hospital district in the state of Washington. VMC's Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position are presented in a discrete column on the financial statements of the University.

UW Neighborhood Clinics (Neighborhood Clinics) is a network of clinics with 13 neighborhood locations throughout the greater Puget Sound area, providing primary, urgent and selected specialty care with a staff of 120 healthcare providers.

UW Physicians (UWP) is the physician practice group for more than 2,600 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 also a participant in three joint ventures: Seattle Cancer Care Alliance, 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) contributed $2.2 billion in net patient services revenue in fiscal year 2021, compared with nearly $2.1 billion in fiscal year 2020, a increase of $115 million, or 5%. UWMC generated 78% of this revenue in 2021 and 76% in 2020. UWMC admissions were 27,320 in 2021 compared with 26,998 in 2020, an increase in admissions of 1%. In addition, surgeries grew 12% for UWMC compared to 2020. The cancellation of non-emergent and elective procedures in 2020, as directed by the Governor of the state of Washington in response to the COVID-19 pandemic, did not occur in 2021 and is the primary reason for the increase in operating revenues and patient volumes during the year.

Grant and Contract Revenue

One of the largest sources of revenue (20%) 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 increased $76 million in 2021, compared to an increase of $63 million in 2020.

Federal grant and contract revenue increased $41 million, or 4%, in 2021 due primarily to National Institutes of Health (NIH) grant activity. A total of 65 new active NIH grants increased revenue by $22 million, supporting a variety of biomedical research initiatives including research focused on the COVID-19 pandemic. Federal grant and contract revenue increased $41 million, or 4%, in 2020 due primarily to NIH grant activity and continued research vessel support from the National Science Foundation (NSF). A total of 31 new NIH grants increased revenue by $13 million, supporting a variety of biomedical research initiatives aiming to enhance health and reduce illness. The University also received a 5-year, $34 million NSF award to perform oceanographic research missions aboard the newly refurbished R/V Thomas G. Thompson.

State and local grant and contract revenue increased $24 million, or 19%, in 2021 largely attributable to the Washington College Grant, formerly called the Washington State Need Grant, which grew $23 million during the year as a result of increased support from the state legislature related to appropriations and a higher number of eligible students. State and local grant and contract revenue increased $16 million, or 14%, in 2020 largely attributable to the Washington College Grant, which grew $15 million during the year also as a result of increased support from the state legislature related to appropriations and a higher number of eligible students.

Nongovernmental grant and contract revenue increased $9 million, or 3%, in 2021. Two grants from the Bill & Melinda Gates Foundation contributed to this increase, with a study on COVID therapeutic drug research and a supplemental increase for the Institute for Health Metrics and Evaluation's (IHME) Global Burden of Disease (GBD) enterprise. The GBD provides a tool to quantify health loss from hundreds of diseases, injuries, and risk factors and aims to improve health systems and eliminate disparities. Nongovernmental grant and contract revenue increased $9 million, or 3%, in 2020. Grants from the Paul G. Allen Family Foundation supporting the UW Medicine Emergency Response Fund for COVID-19 and the Alcohol and Drug Abuse Institute contributed to this increase. The University also received a large consultancy agreement from the Inter-American Development Bank to assist with the Regional Malaria Elimination Initiative. This initiative is funded by the Bill & Melinda Gates Foundation and the Global Fund, with an aim of accelerating progress towards Malaria elimination in Mesoamerica and the Dominican Republic.

Grants and contracts provide the opportunity for graduate and undergraduate students to work with nationally recognized faculty in research as part of their educational experience.

Grant and contract revenue is earned when direct expenditures (such as researchers' compensation or purchases of goods and services) are made; therefore, there is little effect on the University's operating margin as a result of this direct expense reimbursement process.

Facility and administrative expenses necessary to support grants and contracts are reimbursed by sponsors, along with direct costs, by an indirect cost recovery. The 2021 and 2020 indirect cost recovery rate for research grants was approximately 31 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 nongrant-funded educational operating expenses.

Operating Support for Instruction

(in millions)	2021		2020		2019	
Operating tuition and fees	$ 694	46%	$ 701	48%	$ 716	50%
Fees for self-sustaining educational programs	339	22%	357	24%	336	24%
Subtotal - tuition and fees	1,033	68%	1,058	72%	1,052	74%
State operating appropriations	481	32%	415	28%	379	26%
Total educational support	**$1,514**	**100%**	**$1,473**	**100%**	**$1,431**	**100%**

Noncapital state appropriations are considered nonoperating revenue under GASB principles, and are reflected in the nonoperating section of the Statements of Revenues, Expenses and Changes in Net Position; however, they are used solely to fund operating activities.

Revenue from tuition and fees, net of scholarship allowances, decreased $25 million in 2021, compared to an increase of $6 million in 2020. This decrease reflects $50 million of emergency student aid received by the University during 2021 through HEERF I and II, and distributed to students in the form of scholarship allowances which are reported as an offset to tuition revenue. Revenue from tuition and fees before scholarship allowances otherwise increased during 2021, partially due to the state allowing a 2.5% operating fee increase in resident undergraduate tuition in 2021 and a 2.4% increase in 2020. Other tuition categories also contributed to these increases. Nonresident undergraduate operating fees increased 2.5% in 2021. Most graduate and professional operating fees increased 2.5%, while other program rates increased 0-5%. Most fee-based program rates increased 0-6% in 2021. These other fee increases were consistent with those implemented during 2020.

Revenue growth (before scholarship allowances) for both years was also partly due to modest increases in student enrollment. Full-time equivalent (FTE) enrollment in 2021 in undergraduate tuition-and fee-based programs increased by 2.3% in the resident student category, but remained flat in the nonresident student category. FTE enrollment in graduate and professional tuition- and fee-based programs increased by 7.3% in the resident student category and decreased by 0.6% in the nonresident student category. FTE enrollment in 2020 in undergraduate tuition-and fee-based programs were flat in the resident student category, but increased 0.3% in the nonresident student category. FTE enrollment in graduate and professional tuition- and fee-based programs held steady in 2020 in the resident student category and increased by 1.8% in the nonresident student category.

Self-sustaining educational programs (fee-supported programs) include the following amounts for each of the fiscal years 2021, 2020 and 2019: Continuum College (the continuing education branch of the University) $133 million, $132 million and $126 million, respectively, summer quarter tuition $62 million, $81 million and $65 million, respectively, and for Business School and School of Medicine programs $69 million, $66 million and $63 million, respectively.

Gifts, Endowments and Investment Revenues

Net investment income for the years ended June 30, 2021, 2020 and 2019 consisted of the following:

Net Investment Income

(in millions)	2021	2020	2019
Interest and dividends, net	$ 73	$ 63	$ 72
Metropolitan Tract net income	24	25	26
Seattle Cancer Care Alliance change in equity	51	25	24
Realized gains	90	171	169
Unrealized (losses) gains	1,104	(75)	49
Net investment income	**$ 1,342**	**$ 209**	**$ 340**

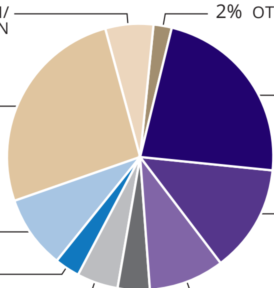
Net investment income increased $1,133 million, or 542%, in 2021 compared to a decrease of $131 million, or 39%, in 2020. A sharp rise in unrealized gains drove the increase in 2021, whereas a much smaller decrease in unrealized gains during 2020 was partly offset by increases in realized gains. Returns on the CEF were +5.8% in fiscal year 2019 and +1.1% in 2020, but jumped to +35.1% in 2021.

In fiscal year 2020, the University concluded a ten-year fundraising campaign titled “Be Boundless - For Washington, For the World” which resulted in more than a half-million donors giving a combined $6.3 billion. 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. Current use gifts decreased $5 million in 2021, but increased $54 million in 2020 primarily due to $24 million received by the School of Medicine that year to support the University’s response to COVID-19, and $12 million related to the Brotman Baty Institute. Capital gifts decreased $117 million in 2021 but increased $138 million in 2020, driven by $125 million of support received from the Bill & Melinda Gates Foundation in 2020 to benefit the University’s Population Health Initiative. Gifts to permanent endowments were mostly unchanged in 2021, compared to a decrease of $70 million in 2020. Two large estate gifts received by the University in 2019, but not repeated in 2020, were the primary reason for the decrease in 2020.

Expenses

Two primary functions of the University, instruction and research, comprised 36% of total operating expenses in 2021. These dollars provided instruction to over 60,000 students and funded nearly 5,500 research awards. Medical-related expenses, such as those related to patient care, continue to be the largest individual component, accounting for 27% of the University's total operating expenses in 2021.

Uses of Funds



A comparative summary of the University's expenses by functional classification (purpose for which the costs are incurred) for the years ended June 30, 2021, 2020 and 2019 follows:

Operating Expenses by Function

(in millions)	2021		2020		2019	
Educational and general instruction	$1,407	23%	$1,361	21%	$1,320	22%
Research	822	13%	796	13%	749	12%
Public service	87	1%	77	1%	66	1%
Academic support	556	9%	542	9%	540	9%
Student services	51	1%	55	1%	54	1%
Institutional support	260	4%	272	4%	226	4%
Operation and maintenance of plant	303	5%	281	4%	252	4%
Scholarships and fellowships	192	3%	154	3%	155	3%
Auxiliary enterprises	518	8%	576	9%	554	9%
Medical-related	1,674	27%	1,845	29%	1,776	29%
Depreciation/ amortization	378	6%	388	6%	372	6%
Total operating expenses	**$6,248**	**100%**	**$6,347**	**100%**	**$6,064**	**100%**

Overall, the University's operating expenses decreased $99 million, or 2%, in 2021 and increased $283 million, or 5%, in 2020. Approximately 60% of amounts incurred for operating expenses in both 2021 and 2020 were related to faculty and staff compensation and benefits.

In 2021, expense associated with faculty and staff salaries decreased $63 million, or 2%, partly reflecting a desire to decrease overall operating expenses where possible in response to revenue declines associated with the COVID pandemic. This resulted in a 1% decrease in University FTE's during 2021, together with forgoing merit increases for professional staff and targeted staff furloughs.

Benefits expense decreased $71 million, or 8% in 2021. Pension-related benefit expenses decreased $85 million, driven by amortization of UWSRP deferred inflows associated with better than expected returns on CREF investments and a favorable change in the discount rate used to value the ending liability. OPEB expense decreased $36 million primarily due to recent legislation which repealed the excise tax previously included in the forecast of future healthcare trends. These were offset by an increase of $50 million in other benefit expense categories, primarily due to higher healthcare costs paid to the Washington State Health Care Authority by the University.

Supplies and materials expense increased $90 million, or 14%, in 2021 primarily driven by higher costs for pharmaceutical expenses and medical supplies associated with growth in contract pharmacy, as well as generally rising costs for pharmaceutical supplies overall.

Purchased services decreased $49 million, or 5%, in 2021, primarily due to lower costs associated with travel reflecting the impact of the COVID-19 pandemic on University operations.

In 2020, expense associated with faculty and staff salaries increased $82 million, or 3% primarily due to merit increases and the need to retain historical staffing levels despite a decrease in UW Medicine volumes as a result of the COVID-19 pandemic.

Benefits expense increased $68 million, or 8% in 2020. Pension-related benefit expenses increased $41 million, driven by amortization of UWSRP deferred outflows reflecting a lower discount rate that had an unfavorable impact on pension expense. OPEB expense decreased $16 million primarily due to lower service cost in 2020. All other benefit expenses, which fluctuate each year in relation to the change in total paid salaries, increased $43 million during 2020.

Supplies and materials expense increased $32 million, or 5%, in 2020 primarily driven by higher costs for pharmaceutical expenses associated with growth in contract pharmacy, as well as generally rising costs for pharmaceutical supplies.

Purchased services increased $70 million, or 8%, in 2020, primarily due to costs associated with information technology and management consulting, as well as contract medical personnel.

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 as defined in the Private Securities Litigation Reform Act of 1995. 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 2021, began to see promising signs of economic recovery in state tax collections after several 2020 revenue forecasts predicted significant declines in state revenue due to the COVID-19 pandemic. In recent biennia, growth in state tax collections and new revenue have largely been consumed by court-mandated increases to K-12 education funding (McCleary v. Washington). As part of the 2019-21 compromise budget package, which was passed during the 2019 legislative session and is effective for fiscal years 2020 and 2021, the legislature approved HB 2158, which created a dedicated source of funding for higher education through an increase to Business and Occupation (B&O) taxes on professional services. In addition to funding foundational support allocations to public colleges and universities, this revenue maintained the legislature's commitment to fully-fund the Washington College Grant program (previously the State Need Grant program), and made significant investments in science, technology, engineering and math (STEM) enrollments across all three UW campuses.

During the 2021 legislative session, the state passed a budget for the 2021-23 biennium (effective for fiscal years 2022 and 2023). State revenue forecasts leading up to the start of the 2021 session projected significant deficits as a result of the COVID-19 pandemic. Because of this, the University was asked to provide the Governor's Office of Financial Management a response to an exercise modeling a 15% reduction to state operating appropriations to the institution. Fortunately, a 15% reduction was avoided due to improvements in revenue projections. The biennial budget provided additional funding for UW Medicine safety net support in fiscal years 2022 and 2023, and included more than 30 direct allocations (provisos) to the University. Compensation increases for non-represented faculty and staff that were originally intended to be implemented in fiscal year 2021 were allowed to take place in fiscal year 2022, but the budget did not include funding for any new salary increases in the biennium.

The June 2021 revenue forecast has since shown a nearly full economic recovery compared to the June 2020 revenue forecast, which forecasted a precipitous economic decline and a nearly $9 billion deficit over the previous and current biennia. The University will continue to monitor state revenue collections as new revenue forecasts are released in September and November of 2021.

The University's fiscal year 2022 general operating appropriation from the state (excluding certain amounts appropriated for specific purposes) currently totals just over $437 million. This amount is an increase from approximately $421 million in 2021 and $397 million in 2020. Recent increases are largely attributable to targeted investments in safety net support for UW Medicine and the School of Dentistry, as well as targeted research investments.

During the 2015-17 biennium, the state approved a new 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. Under this current policy, the state has allowed resident undergraduate tuition to increase by 2%-2.8% in each year. While the legislature can always modify its policy, it has so far chosen to maintain it through the 2021-23 biennium. The University's current expectation is that resident undergraduate tuition increases will continue to be limited to approximately 2%-3% each year for 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 2021-23 biennial capital budget provided state bonding capacity or other funding for several critical capital projects that the University requested for the 2021-23 biennium. These include a behavioral health teaching facility, healthcare infrastructure, STEM-related buildings on the Seattle and Tacoma campuses, and seismic upgrades.

UW MEDICINE

The COVID-19 pandemic continues to evolve and the future impact on UW Medicine's operations and financial position will be driven by many factors, most of which are beyond

UW Medicine's control and are difficult to predict. The spread of COVID-19 and the ensuing response of federal, state and local authorities beginning in March 2020 resulted in a material reduction in patient volumes. Restrictive measures including travel bans, social distancing, quarantines and shelter-in-place orders reduced the number of procedures performed at UW Medicine facilities, as well as the volume of emergency room visits. UW Medicine responded to the pandemic throughout fiscal year 2021 and experienced gradual and continued improvement in patient volumes as stay-at-home restrictions eased and UW Medicine facilities were permitted to resume elective surgeries and other procedures; however, the COVID-19 pandemic continues to impact UW Medicine business as well as patients, communities and employees. Broad economic factors resulting from the pandemic, including increased unemployment rates and reduced consumer spending, continue to impact patient volumes, case mix acuity, service mix and revenue mix.

The pandemic has also continued to have an adverse effect on UW Medicine operating expenses to varying degrees. It has been necessary to utilize higher-cost temporary labor and pay premiums above standard compensation for essential workers. There have also been significant price increases in medical supplies, particularly personal protective equipment ("PPE"), and supply chain disruptions including shortages and delays. Due to these factors and other uncertainties, management cannot estimate the length or severity of the impact of the pandemic on UW Medicine's business.

The ability to increase profitability will depend, in part, on successfully executing UW Medicine strategies. In general, these strategies are intended to improve financial performance through the reduction of costs and streamlining how clinical care is provided, 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 the industry-wide migration to value-based payment models as government and private payers shift risk to providers, UW Medicine's focus is on successfully managing costs and care.

Behavioral Health Teaching Facility at UWMC

UW Medicine and the Washington State Legislature are establishing a Behavioral Health Teaching Facility (BHTF) at UW Medical Center which will be located on the Northwest Campus. The BHTF will serve the dual purpose of treating patients with behavioral health needs and training an integrated behavioral health workforce in the new 191,000 square foot facility. The state has awarded $234 million for the planning, design work, construction and equipment necessary to build a new, first of its kind building. Construction has recently begun and is anticipated to be complete in 2023, with patients being seen in the facility in early 2024.

OTHER

In December 2019, the UW Finance Transformation (UWFT) program received approval from the University's Board of Regents to proceed with a broad redesign of finance-related policies and processes, enabled by the implementation of new enterprise resource planning (ERP) technology. Workday Financials has been chosen to support the business objectives for this transformation by providing a seamless, integrated solution for Human Resources and Payroll (previously implemented), Finance and Procurement. The University expects three primary areas of program benefit: functional benefits in the form of new and improved system capabilities, cost avoidance of maintaining and upgrading existing systems, and efficiencies in new business processes and organization. This transformation will move the institution toward a single financial system of record, and is a top administrative priority for the University. Total program costs are estimated at $340 million, which includes all operating and capital costs for implementation and one year of stabilization. Go-live for UWFT is expected to be July 1, 2023.

FINANCIAL STATEMENTS & NOTES

STATEMENTS OF NET POSITION

		UNIVERSITY OF WASHINGTON		DISCRETE COMPONENT UNIT VALLEY MEDICAL CENTER	
		June 30,		June 30,	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		**2021**	**2020**	**2021**	**2020**
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS (NOTE 3)		$ 137,411	$ 143,195	$ 152,700	$ 114,880
INVESTMENTS, CURRENT PORTION (NOTE 7)		1,364,521	999,750	25,335	74,035
ACCOUNTS RECEIVABLE (NET OF ALLOWANCE OF $53,191 and $23,896) (NOTE 6)		1,137,372	825,053	92,091	89,817
OTHER CURRENT ASSETS		66,417	61,868	33,331	31,829
TOTAL CURRENT ASSETS		2,705,721	2,029,866	303,457	310,561
NONCURRENT ASSETS:					
DEPOSIT WITH STATE OF WASHINGTON (NOTE 4)		80,005	78,673	—	—
INVESTMENTS, NET OF CURRENT PORTION (NOTE 7)		6,764,421	5,515,973	150	257
METROPOLITAN TRACT (NOTE 8)		196,146	182,970	—	—
STUDENT LOANS RECEIVABLE (NET OF ALLOWANCE OF $3,564 and $4,520) (NOTE 5)		45,473	48,945	—	—
OTHER NONCURRENT ASSETS		309,951	256,558	128,103	144,978
CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION OF $5,456,450 and $5,103,381) (NOTE 9)		4,975,968	4,971,660	403,584	393,772
TOTAL NONCURRENT ASSETS		12,371,964	11,054,779	531,837	539,007
TOTAL ASSETS		15,077,685	13,084,645	835,294	849,568
DEFERRED OUTFLOWS OF RESOURCES (NOTE 13)		742,444	639,368	14,033	15,112
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		**$ 15,820,129**	**$ 13,724,013**	**$ 849,327**	**$ 864,680**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		$ 970,795	$ 963,443	$ 149,841	$ 136,125
UNEARNED REVENUES		314,886	363,606	45,265	82,186
OTHER CURRENT LIABILITIES		25,000	—	—	—
LONG-TERM LIABILITIES, CURRENT PORTION (NOTES 10-12)		312,165	161,269	9,564	10,570
TOTAL CURRENT LIABILITIES		1,622,846	1,488,318	204,670	228,881
NONCURRENT LIABILITIES:					
U.S. GOVERNMENT GRANTS REFUNDABLE		32,523	34,790	—	—
LONG-TERM LIABILITIES, NET OF CURRENT PORTION (NOTES 10-12)		2,822,042	2,719,287	328,739	328,062
PENSION LIABILITIES (NOTE 16)		559,819	1,198,088	—	—
OTHER POST-EMPLOYMENT BENEFITS (NOTE 17)		1,696,027	1,541,654	—	—
TOTAL NONCURRENT LIABILITIES		5,110,411	5,493,819	328,739	328,062
TOTAL LIABILITIES		6,733,257	6,982,137	533,409	556,943
DEFERRED INFLOWS OF RESOURCES (NOTE 13)		1,178,137	834,820	27,723	29,190
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		**7,911,394**	**7,816,957**	**561,132**	**586,133**
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS		2,519,360	2,531,666	123,279	118,350
RESTRICTED:					
NONEXPENDABLE		1,995,857	1,882,929	—	—
EXPENDABLE		3,211,485	2,243,384	1,112	856
UNRESTRICTED		182,033	(750,923)	163,804	159,341
TOTAL NET POSITION		7,908,735	5,907,056	288,195	278,547
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		**$ 15,820,129**	**$ 13,724,013**	**$ 849,327**	**$ 864,680**

See accompanying notes to financial statements

Dollars in thousands

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	UNIVERSITY OF WASHINGTON		DISCRETE COMPONENT UNIT VALLEY MEDICAL CENTER	
	Year ended June 30,		Year ended June 30,	
REVENUES	**2021**	**2020**	**2021**	**2020**
OPERATING REVENUES:				
NET PATIENT SERVICE REVENUES (NET OF PROVISION FOR UNCOLLECTIBLE ACCOUNTS OF $22,634 and $17,238)	$ 2,207,768	$ 2,092,975	$ 707,368	$ 639,971
STUDENT TUITION AND FEES (NET OF SCHOLARSHIP ALLOWANCE OF $230,927 and $198,769)	1,032,697	1,058,271	—	—
FEDERAL GRANTS AND CONTRACTS	1,123,184	1,081,880	—	—
STATE AND LOCAL GRANTS AND CONTRACTS	156,600	132,119	—	—
NONGOVERNMENTAL GRANTS AND CONTRACTS	287,021	277,624	—	—
SALES AND SERVICES OF EDUCATIONAL DEPARTMENTS	463,060	283,169	—	—
AUXILIARY ENTERPRISES:				
HOUSING AND FOOD SERVICES	71,265	114,726	—	—
SPORTS PROGRAMS (NET OF SCHOLARSHIP ALLOWANCE OF $6,694 and $8,143)	37,732	91,535	—	—
OTHER AUXILIARY ENTERPRISES	188,166	213,887	—	—
OTHER OPERATING REVENUE	273,889	156,863	73,421	67,063
TOTAL OPERATING REVENUES	**5,841,382**	**5,503,049**	**780,789**	**707,034**
EXPENSES				
OPERATING EXPENSES (NOTE 14):				
SALARIES	2,898,297	2,961,040	408,510	381,791
BENEFITS	849,676	920,605	104,859	93,547
SCHOLARSHIPS AND FELLOWSHIPS	192,021	153,869	—	—
UTILITIES	58,866	61,804	6,259	5,563
SUPPLIES AND MATERIALS	753,831	663,676	113,622	108,019
PURCHASED SERVICES	905,707	954,758	103,230	91,190
DEPRECIATION/AMORTIZATION	377,838	388,338	32,319	33,366
OTHER	211,567	243,390	32,528	33,495
TOTAL OPERATING EXPENSES	**6,247,803**	**6,347,480**	**801,327**	**746,971**
OPERATING LOSS	**(406,421)**	**(844,431)**	**(20,538)**	**(39,937)**
NONOPERATING REVENUES (EXPENSES)				
STATE APPROPRIATIONS	480,826	415,030	—	—
GIFTS	214,620	219,542	—	—
INVESTMENT INCOME (NET OF INVESTMENT EXPENSE OF $10,580 and $7,964)	1,341,974	208,987	(2,231)	8,786
INTEREST ON CAPITAL ASSET-RELATED DEBT	(87,093)	(92,739)	(12,701)	(13,961)
PELL GRANT REVENUE	51,969	51,719	—	—
PROPERTY TAX REVENUE	—	—	24,373	24,003
OTHER NONOPERATING REVENUES (EXPENSES)	149,427	118,883	20,745	27,824
NET NONOPERATING REVENUES	**2,151,723**	**921,422**	**30,186**	**46,652**
INCOME BEFORE OTHER REVENUES	**1,745,302**	**76,991**	**9,648**	**6,715**
CAPITAL APPROPRIATIONS	69,557	23,098	—	—
CAPITAL GRANTS, GIFTS AND OTHER	119,803	179,089	—	—
GIFTS TO PERMANENT ENDOWMENTS	67,017	65,425	—	—
TOTAL OTHER REVENUES	**256,377**	**267,612**	**—**	**—**
INCREASE IN NET POSITION	**2,001,679**	**344,603**	**9,648**	**6,715**
NET POSITION				
NET POSITION – BEGINNING OF YEAR (NOTE 1)	5,907,056	5,562,453	278,547	271,832
NET POSITION – END OF YEAR	**$ 7,908,735**	**$ 5,907,056**	**$ 288,195**	**$ 278,547**

See accompanying notes to financial statements

Dollars in thousands

STATEMENTS OF CASH FLOWS

	UNIVERSITY OF WASHINGTON	
	Year Ended June 30,	
CASH FLOWS FROM OPERATING ACTIVITIES	**2021**	**2020**
PATIENT SERVICES	$ 2,116,804	$ 2,105,973
STUDENT TUITION AND FEES	1,001,158	1,013,436
GRANTS AND CONTRACTS	1,568,641	1,517,392
PAYMENTS TO SUPPLIERS	(725,235)	(675,574)
PAYMENTS FOR UTILITIES	(57,414)	(63,570)
PURCHASED SERVICES	(883,137)	(955,809)
OTHER OPERATING DISBURSEMENTS	(208,819)	(243,539)
PAYMENTS TO EMPLOYEES	(2,883,152)	(2,960,222)
PAYMENTS FOR BENEFITS	(850,449)	(850,441)
PAYMENTS FOR SCHOLARSHIPS AND FELLOWSHIPS	(192,021)	(153,173)
LOANS ISSUED TO STUDENTS	(5,310)	(3,805)
COLLECTION OF LOANS TO STUDENTS	8,782	15,597
AUXILIARY ENTERPRISE RECEIPTS	260,554	413,271
SALES AND SERVICES OF EDUCATIONAL DEPARTMENTS	399,882	267,163
RECEIPTS FROM OUTSIDE AFFILIATED AGENCIES	861,530	925,020
DISBURSEMENTS TO OUTSIDE AFFILIATED AGENCIES	(857,506)	(983,117)
OTHER RECEIPTS	139,699	249,732
NET CASH USED BY OPERATING ACTIVITIES	**(305,993)**	**(381,666)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
STATE APPROPRIATIONS	485,910	429,393
GIFTS AND GRANTS FOR OTHER THAN CAPITAL PURPOSES	112,930	51,719
PRIVATE GIFTS	147,585	165,422
PERMANENT ENDOWMENT RECEIPTS	67,017	65,425
DIRECT LENDING RECEIPTS	216,237	234,139
DIRECT LENDING DISBURSEMENTS	(216,237)	(219,568)
FEDERAL STIMULUS FUNDING	172,371	124,575
OTHER	22,804	31,502
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	**1,008,617**	**882,607**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
PROCEEDS FROM CAPITAL DEBT	565,770	172,136
STATE CAPITAL APPROPRIATIONS	67,245	20,346
CAPITAL GRANTS AND GIFTS RECEIVED	55,619	179,001
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(402,947)	(406,338)
PRINCIPAL PAYMENTS ON CAPITAL-RELATED DEBT AND LEASES	(543,254)	(151,988)
INTEREST PAYMENTS ON CAPITAL-RELATED DEBT AND LEASES	(85,012)	(91,221)
OTHER	2,845	(4,294)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	**(339,734)**	**(282,358)**

	UNIVERSITY OF WASHINGTON	
	Year Ended June 30,	
CASH FLOWS FROM INVESTING ACTIVITIES	**2021**	**2020**
PROCEEDS FROM SALES OF INVESTMENTS	8,658,988	8,907,673
DISBURSEMENTS FOR PURCHASES OF INVESTMENTS	(9,124,882)	(9,157,311)
INVESTMENT INCOME	97,220	88,734
NET CASH USED BY INVESTING ACTIVITIES	**(368,674)**	**(160,904)**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(5,784)	57,679
CASH AND CASH EQUIVALENTS-BEGINNING OF THE YEAR	143,195	85,516
CASH AND CASH EQUIVALENTS-END OF THE YEAR	**$ 137,411**	**$ 143,195**
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
OPERATING LOSS	$ (406,421)	$ (844,431)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
DEPRECIATION/AMORTIZATION EXPENSE	377,838	388,338
CHANGES IN ASSETS, LIABILITIES AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES:		
RECEIVABLES	(238,085)	22,190
OTHER ASSETS	(58,014)	(41,685)
PENSION AND OPEB RELATED DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES	233,591	(284,066)
PENSION LIABILITIES	(638,269)	54,605
OPEB LIABILITY	154,373	187,477
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	106,049	(54,633)
UNEARNED REVENUE	(88,837)	143,015
OTHER LONG-TERM LIABILITIES	250,578	44,288
U.S. GOVERNMENTAL GRANTS REFUNDABLE	(2,268)	(8,556)
LOANS TO STUDENTS	3,472	11,792
NET CASH USED BY OPERATING ACTIVITIES	**(305,993)**	**(381,666)**
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
STOCK GIFTS	66,287	51,481
INCREASE IN INTEREST IN SEATTLE CANCER CARE ALLIANCE	50,837	25,062
NET UNREALIZED GAINS (LOSSES)	1,134,329	(82,418)
EXTERNALLY MANAGED TRUSTS	(30,255)	7,257
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	**$ 1,221,198**	**$ 1,382**

See accompanying notes to financial statements

Dollars in thousands

STATEMENTS OF FIDUCIARY NET POSITION

UNIVERSITY OF WASHINGTON

JUNE 30,

	2021			2020		
	CUSTODIAL FUNDS			CUSTODIAL FUNDS		
	EXTERNAL INVESTMENT POOL	OTHER	TOTAL	EXTERNAL INVESTMENT POOL	OTHER	TOTAL
ASSETS:						
POOLED INVESTMENTS AT FAIR VALUE	$ 74,545	$ —	$ 74,545	$ 55,687	$ —	$ 55,687
OTHER ASSETS	—	3,269	3,269	—	837	837
TOTAL ASSETS	**$ 74,545**	**$ 3,269**	**$ 77,814**	**$ 55,687**	**$ 837**	**$ 56,524**
FIDUCIARY NET POSITION:						
POOL PARTICIPANTS	$ 74,545	$ —	$ 74,545	$ 55,687	$ —	$ 55,687
ORGANIZATIONS AND OTHER GOVERNMENTS	—	3,269	3,269	—	837	837
TOTAL FIDUCIARY NET POSITION	**$ 74,545**	**$ 3,269**	**$ 77,814**	**$ 55,687**	**$ 837**	**$ 56,524**

See accompanying notes to financial statements

Dollars in thousands

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

UNIVERSITY OF WASHINGTON

YEAR ENDED JUNE 30,

	2021			**2020**		
	CUSTODIAL FUNDS			CUSTODIAL FUNDS		
	EXTERNAL INVESTMENT POOL	OTHER	TOTAL	EXTERNAL INVESTMENT POOL	OTHER	TOTAL
ADDITIONS:						
GIFTS	$ 2,010	$ 22,350	$ 24,360	$ 1,164	$ 21,953	$ 23,117
COLLATERAL RECEIVED AND RELATED ADDITIONS	—	17,192	17,192	—	15,682	15,682
INVESTMENT EARNINGS:						
CHANGE IN FAIR VALUE	17,528	—	17,528	(2,539)	—	(2,539)
INTEREST, DIVIDENDS, AND OTHER	1,494	—	1,494	2,514	—	2,514
TOTAL INVESTMENT EARNINGS	19,022	—	19,022	(25)	—	(25)
LESS INVESTMENT ACTIVITY COSTS	(71)	—	(71)	(69)	—	(69)
NET INVESTMENT EARNINGS	18,951	—	18,951	(94)	—	(94)
TOTAL ADDITIONS	**20,961**	**39,542**	**60,503**	**1,070**	**37,635**	**38,705**
DEDUCTIONS:						
BENEFITS PAID TO PARTICIPANTS OR BENEFICIARIES	—	22,174	22,174	—	22,094	22,094
DISTRIBUTION TO POOL PARTICIPANTS	2,103	—	2,103	2,064	—	2,064
COLLATERAL DISBURSED AND RELATED DEDUCTIONS	—	14,936	14,936	—	15,992	15,992
TOTAL DEDUCTIONS	**2,103**	**37,110**	**39,213**	**2,064**	**38,086**	**40,150**
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	**18,858**	**2,432**	**21,290**	**(994)**	**(451)**	**(1,445)**
FIDUCIARY NET POSITION:						
FIDUCIARY NET POSITION - BEGINNING OF YEAR	55,687	837	56,524	56,681	1,288	57,969
FIDUCIARY NET POSITION - END OF YEAR	**$ 74,545**	**$ 3,269**	**$ 77,814**	**$ 55,687**	**$ 837**	**$ 56,524**

See accompanying notes to financial statements

Dollars in thousands

NOTES TO FINANCIAL STATEMENTS

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 10-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) code section 2600, "Reporting Entity and Component Unit Presentation and Disclosure", except Valley Medical Center. Valley Medical Center is reported discretely since it has a separate board of trustees, it does not provide services exclusively to the University, and it is not a nonprofit corporation of which the University is the sole corporate member.

CHANGE IN REPORTING ENTITY

On February 8, 2018 the University's Board of Regents approved the dissolution of Northwest Hospital & Medical Center (NWH), a Washington non-profit corporation, and integration of NWH and UWMC. The integration occurred on January 1, 2020, at which time NWH ceased operations and the University accepted the assets, liabilities, and remaining operations of the corporate entity. At the time of the integration, Northwest Hospital became the Northwest Campus of UWMC and ceased to be a blended component unit of the University. The integration was accounted for as a government merger and, as such, is reflected in the University's consolidated financial statements as if the merger had occurred on July 1, 2019.

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 $405.0 million and $354.8 million for the years ended June 30, 2021 and 2020, respectively.

UW Medicine Neighborhood Clinics (Neighborhood Clinics)

Neighborhood Clinics 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. Neighborhood Clinics was organized to coordinate and develop patient care in a community clinical setting. Neighborhood Clinics enhances the academic environment of SOM by providing additional sites of primary care practice and training for faculty, residents and students. Neighborhood Clinics had operating revenues of $33.7 million and $31.1 million for the years ended June 30, 2021 and 2020, respectively.

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, 2021 and 2020, these entities had net capital assets of $315.4 million and $335.6 million, respectively, and long-term debt of $321.1 million and $338.1 million, respectively. These amounts are reflected in the University's financial statements.

DISCRETELY PRESENTED COMPONENT UNIT

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.

JOINT VENTURES

The University, together with Seattle Children's Hospital and Fred Hutchinson Cancer Research Center, are members of the Seattle Cancer Care Alliance (SCCA). The SCCA integrates the cancer research, teaching and clinical cancer programs of all three institutions to provide state-of-the-art cancer care. Each member of the SCCA holds a one-third interest in the joint venture. The University accounts for its interest in the SCCA under the equity method of accounting. As of June 30, 2021 and 2020, the University's investment in the SCCA totaled $259.3 million and $208.4 million, respectively. The University's investment in the SCCA is included in other noncurrent assets in its Statements of Net Position. The University reported investment income of $50.8 million and $25.1 million for its share of the joint venture for the years ended June 30, 2021 and 2020, respectively.

The University and Seattle Children's Hospital 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 6) as of June 30, 2021 and 2020 includes amounts due from CUMG of $12.3 million and $17.8 million, respectively.

In October 2018, the University became an equity member in PNWCIN, LLC dba Embright (Embright), a Limited Liability Company. Embright is jointly owned by the University, MultiCare Health System and LifePoint Health. As a clinically integrated network in the Pacific Northwest owned by healthcare provider organizations, Embright enables the members to partner together to further the Triple Aim of improving the patient care experience and improving the health of populations while reducing costs. Together, the members represent 14 hospitals, more than 6,500 providers and over 600 outpatient sites of care. 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, 2021 and 2020, the University's ownership interest in Embright totaled $2.2 million and $1.8 million, respectively. The University's ownership interest in Embright is recorded in other noncurrent assets in the University's Statements of Net Position.

BASIS OF ACCOUNTING

The financial statements of the University have been prepared in accordance with GASB, code 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, Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows, Statements of Fiduciary Net Position, Statements 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 Statements of Revenues, Expenses and Changes in Net Position.

On July 1, 2020, the University implemented GASB Statement No. 84, "*Fiduciary Activities*." This Statement establishes criteria for identifying and reporting fiduciary activities of all state and local governments. Governments with activities meeting the criteria are required to present a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. Custodial assets held for three months or less are exempt from the reporting requirements. To reflect the changes resulting from this implementation, the University has added the Statements of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position for all years presented. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows for fiscal year 2020 have been restated to conform with the requirements of this Statement and current year presentation.

With the adoption of GASB Statement No. 84, net position was restated at July 1, 2019. Below is a reconciliation of total net position as previously reported at June 30, 2019, to the restated net position.

(Dollars in thousands)

NET POSITION AT JUNE 30, 2019, AS PREVIOUSLY REPORTED	$	5,578,326
ADOPTION OF GASB STATEMENT NO. 84		(15,873)
NET POSITION AT JULY 1, 2019, AS RESTATED	$	**5,562,453**

On July 1, 2020, the University implemented GASB Statement No. 92, "*Omnibus 2020*." This Statement addresses a variety of topics, including specific provisions related to leases, certain intra-entity transfers between a primary government and a component unit's post-retirement benefit plan, reporting of post-employment plan assets accumulated outside of a qualified trust, certain requirements related to fiduciary activities' post-employment benefit arrangements, measurement of asset retirement obligations resulting from a government acquisition, public entity risk pools, fair value measurements, and derivative instrument terminology. Implementation of this Statement did not have a material impact on the University's financial statements.

CHANGE IN ACCOUNTING ESTIMATE

On July 1, 2020, the state of Washington established a trust for contributions paid by the University for the benefit of the University of Washington Supplemental Retirement Plan (UWSRP) in accordance with Revised Code of Washington (RCW) 41.50.075. As a result, the guidance governing the accounting for the UWSRP has changed from GASB codification section P22 "*Pension Activities – Reporting for Benefits Not Provided through Trusts That Meet Specific Criteria*" to GASB codification section P20 "*Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specific Criteria*."

This event gives rise to a change in the University's estimates of future obligations, deferrals, and pension expense related to the UWSRP. Specifically, $61.0 million of contributions paid in prior years and recognized as benefits expense have been reported as Capital Grants, Gifts and Other revenue on the Statements of Revenues, Expenses, and Changes in Net Position for the fiscal year ending June 30, 2021. In addition, the University will now report the plan's net pension liability (total pension liability less the plan's fiduciary net position), related deferrals, and pension expense in accordance with GASB codification section P20. Prior to this change in estimate, the University reported the plan's total pension liability.

ACCOUNTING STANDARDS IMPACTING THE FUTURE

In May 2020, the GASB issued Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*," which was effective upon issuance. This Statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018. As a result, the University has postponed implementation of Statements No. 87 and No. 89.

In June 2017, the GASB issued Statement No. 87, "*Leases*," which will be effective for the fiscal year ending June 30, 2022, as amended by the issuance of Statement No. 95. This Statement changes the current classification of lease arrangements as either operating or capital leases, and establishes a single model for lease accounting based on the foundational principle that leases represent a financing transaction associated with the right to use an underlying asset. This Statement applies to contracts that convey the right to use a non-financial asset in an exchange or exchange-like transaction for a term exceeding

12 months. Lessees will be required to recognize a lease liability and an intangible right-to-use (ROU) lease asset, and lessors will be required to recognize a lease receivable and a deferred inflow of resources. The University expects that implementation of this Statement will have a material impact on its financial statements. While the University continues to assess all of the impacts of implementation, it currently believes the most significant impact relates to the recognition of new ROU assets and lease liabilities on its Statements of Net Position for its real estate and equipment leases. When implemented, the University currently expects to recognize lease liabilities with corresponding ROU assets of approximately $700 million. The University also expects to recognize lease receivables with corresponding deferred inflows of resources of approximately $320 million related to real estate agreements in which it is the lessor. The substantial majority of these relate to the University of Washington Metropolitan Tract (see note 8). The estimates above are based on the University's existing lease agreements and its currently estimated incremental borrowing rate. The actual impact could differ materially from these estimates based on future leasing activities as well as any changes in the University's estimated incremental borrowing rate.

In June 2018, the GASB issued Statement No. 89, *"Accounting for Interest Cost Incurred before the End of a Construction Period*," which will be effective for the fiscal year ending June 30, 2022, as amended by the issuance of Statement No. 95. This Statement requires that interest cost incurred before the end of a construction period be recognized as expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, these costs will no longer be included in the capitalized cost of capital assets reported by the University. This Statement will be applied on a prospective basis, and interest costs capitalized prior to implementation will continue to be recognized as those assets are depreciated. The University estimates that implementation of this Statement will result in approximately $2.0 million to $4.0 million of additional interest expense being recognized annually.

In May 2019, the GASB issued Statement No. 91, *"Conduit Debt Obligations,"* which will be effective for the fiscal year ending June 30, 2022. This Statement provides a single method for reporting conduit debt obligations of issuers. The Statement clarifies the existing definition of a conduit debt obligation, creates standards for accounting for commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improves related financial statement disclosures. The Statement provides guidance for arrangements when capital assets are acquired with proceeds of conduit debt obligations and used by a third party that is obligated to pay the debt service. The University has not issued conduit debt; therefore, implementation of this Statement will have no impact on the University's financial statements.

In March 2020, the GASB issued Statement No. 93, *"Replacement of Interbank Offered Rates,"* which will be effective for the fiscal year ending June 30, 2022, as amended by Statement No. 95. This Statement addresses accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate. While the University continues to assess the impact of implementation of this Statement, it does not currently expect it to have a material impact on the University's financial statements.

In March 2020, the GASB issued Statement No. 94, *"Public-Private and Public-Public Partnerships and Availability Payment Arrangements,"* which will be effective for the fiscal year ending June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). APAs are agreements in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The University is currently assessing the impact of implementation of this Statement on its financial statements.

In May 2020, the GASB issued Statement No. 96, "*Subscription-Based Information Technology Arrangements*," which will be effective for the fiscal year ending June 30, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). This Statement defines an SBITA, establishes that an SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments (including implementation costs of an SBITA), and requires note disclosures regarding an SBITA. The University has begun initial work to identify contracts and agreements that are within the scope of this Statement and is currently assessing the impact of the implementation on its financial statements.

In June 2020, the GASB issued Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*." Some requirements of this statement related to defined contribution post-employment benefit plans and fiduciary defined benefit post-employment benefit plans are effective immediately. Management has concluded that these requirements have no material impact on the University. The remaining requirements are effective for the fiscal year ending June 30, 2022. This Statement provides guidance intended to increase consistency and comparability related to reporting of fiduciary component units in situations where a potential component unit does not have a governing board and the primary government performs the duties that a governing board would typically perform. The Statement also intends to mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other post-employment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements. Lastly, the Statement seeks to enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan, and for benefits provided through those plans. While the University continues to assess the impact of implementation of this Statement, it does not currently expect implementation to have a material impact on the 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 10) 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 notes 5 and 6) 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.

The self-insurance reserve (see note 18) 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.

Derivative instruments are recorded on the contract date and are carried at fair value using listed price quotations or amounts that approximate fair value

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 the estimated fair values 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 is excluded from the beginning and ending cash amounts on the Statements of Cash Flows.

Inventories. Inventories are carried at the lower of cost or market 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 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 market value at the date of the gift, less accumulated depreciation and 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 15 to 50 years for building components, 20 to 50 years for infrastructure and land improvements, 5 to 7 years for equipment, 15 years for library materials, and 3 to 15 years for intangibles.

Capital assets that are financed by capital leases are depreciated in the same manner as other capital assets.

Interest incurred on capital asset-related debt was $88.0 million and $94.2 million for the years ended June 30, 2021 and 2020, respectively. The University capitalized $0.9 million and $1.5 million of this cost for the years ended June 30, 2021 and 2020, respectively.

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, unspent cash advances on certain grants and advance Medicare payments as described in note 2.

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 Statements of Net Position (see remediation liabilities, note 10), 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 10 and 15 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). 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 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, 2021, reflects the expected rate of return on investments, to the extent that plan assets are available to pay retiree benefits. The discount rate used for the total pension liability as of June 30, 2020, is the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average credit rating of AA/Aa or higher. The UWSRP liability as of June 30, 2021, represents the total pension liability less the plan's fiduciary net position. The UWSRP liability as of June 30, 2020, represents the total pension liability. 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 (fiscal year 2021 only). The measurement date for the UWSRP liability is the same as the Statements of Net Position date.

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 market 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 ranging from 3.4% to 7.5%. 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, 2021 and 2020 was $198.4 million and $170.2 million, respectively, and is included in accounts payable and accrued liabilities in the University's Statements of Net Position. Sick leave accrued at June 30, 2021 and 2020 was $57.9 million and $54.7 million, respectively, and is included in long-term liabilities (see note 10) in the University's Statements of Net Position.

Scholarship Allowances. Tuition and fees are reported net of scholarship allowances that are applied to students' accounts from external funds that have already been recognized as revenue by the University. Student aid paid directly to students is reported as scholarships and fellowships expense.

Net Patient Service Revenue. Patient service revenue is recorded 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 final settlements are determined. Revenue related to financial assistance provided to patients is excluded from net patient service revenue.

Third-party payer agreements with Medicare and Medicaid provide for payments at amounts different from established rates and are part of contractual adjustments to net patient service revenue. Medicare reimbursements are based on a tentative rate, with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. The estimated final settlements for open years are based on preliminary cost findings after giving consideration to interim payments that have been received on behalf of patients covered under these programs.

For more information about net patient service revenue, see the audited financial statements of the UW Medicine Clinical Enterprise - UW Division, which are contained in the latest Bondholders Report at finance.uw.edu/treasury/bondholders/other-investor-material.

Financial Assistance. Financial assistance 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 the financial assistance policy to the uninsured and the underinsured. Collection of these amounts is not pursued and, as such, they are not reported as net patient service revenue. 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 the years ended June 30, 2021 and 2020 was $20.6 million and $22.9 million, respectively.

State Appropriations. The state of Washington appropriates funds to the University on both annual and biennial basis. This revenue is reported as nonoperating revenue in the Statements of Revenues, Expenses and Changes in Net Position when underlying expenditures are made.

Operating Activities. The University's policy for reporting operating activities in the Statements 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 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.

Reclassifications. Certain amounts in the 2020 financial statement footnotes have have been reclassified for comparative purposes to conform to the presentation in the 2021 financial statements.

NOTE 2:

COVID-19 Pandemic

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) to be a pandemic. The COVID-19 pandemic has had widespread, rapidly evolving, and unpredictable impacts on societal and economic conditions at a local, national, and global level and has had a significant impact on the University's operations. In February 2020, the Governor of the state of Washington declared a state of emergency to ensure the swift deployment of resources necessary to address COVID-19 and in March 2020, mandated the postponement of all non-emergent and elective medical procedures. Elective and non-urgent medical procedures were later resumed in May 2020. Both the national state of emergency and the Washington state of emergency continued throughout fiscal year 2021. In March 2020, University courses shifted to remote instruction and remained remote throughout the rest of the 2020-2021 academic year except for specific exceptions.

In response to financial pressures brought on by the pandemic, the Federal Government and the state of Washington have provided additional sources of liquidity to institutions of higher education and healthcare providers. During the years ended June 30, 2021 and 2020, the University received funds from the following sources as part of that response:

- *Medicare Advance Payment Program.* In order to increase cash flow to providers of services and suppliers impacted by the COVID-19 pandemic, the Centers for Medicare & Medicaid Services (CMS) temporarily expanded its Accelerated and Advance Payment Program. Inpatient acute care hospitals, children's hospitals, and certain cancer hospitals were able to request up to 100% of their Medicare payment amount for a six-month period. Amounts received by the University in April and May of 2020 under the Medicare Advance Payment Program will be recovered by Medicare by offsetting paid claims until the full amount is recouped. The University has up to 29 months from the date of the advance payment to repay the balance. Medicare began recouping these advance payments in April 2021.
- *Coronavirus Aid, Relief and Economic Security Act (CARES Act) Provider Relief Fund*. The Federal government passed the CARES Act in March 2020. The Provider Relief Fund makes funding available to healthcare providers to assist with lost revenues associated with lower volumes and cancelled procedures and services due to COVID-19. Provider relief funds consisted of both general and targeted distributions. The University has received both types of distributions.
- *Federal Emergency Management Agency (FEMA) Public Assistance Program.* The FEMA Public Assistance Program provides partial funding for costs related to emergency protective measures conducted as a result of the COVID-19

pandemic. Amounts received by the University under the FEMA Public Assistance Program represent expedited funding for estimated costs incurred by the University for the period from January through June 2020. Amounts unearned are currently expected to be recognized by the University as federal grant revenue when the claims that were submitted are approved.

- *CARES Act Higher Education Emergency Relief Fund (HEERF).* The CARES Act created the Higher Education Emergency Relief Fund (HEERF I), which makes funding available to colleges and universities to assist eligible students impacted by on-campus financial disruption (student aid) as well as to cover costs associated with significant changes to the delivery of instruction (institutional) due to COVID-19. Subsequently, additional funding was authorized by the Coronavirus Response and Relief Supplemental Appropriations Act, which created HEERF II, and the American Rescue Plan, which created HEERF III. The student portion of these funds is being distributed as emergency financial aid. The majority of the institutional portion has been directed to the University's Housing and Food Services auxiliary operation.
- *State Appropriations.* The state of Washington provided emergency funding in response to the COVID-19 pandemic for purposes of expanding lab capacity for COVID-19 testing, procuring medical supplies and equipment, sanitizing facilities and equipment, and providing information to the public. Additional funding has also been provided to partially cover revenues from clinical operations that were lost as a result of the pandemic and not covered by other funding sources.
- *CARES Act Paycheck Protection Program.* The CARES Act Paycheck Protection Program is a loan program that allows eligible businesses to apply for a loan of up to 2.5 times the average monthly payroll expense of the business.

The table below summarizes amounts recorded by the University as of June 30, 2021 and 2020, and for the years ended June 30, 2021 and 2020:

	University of Washington		**Discrete Component Unit - Valley Medical Center**	
(Dollars in thousands)	**2021**	**2020**	**2021**	**2020**
MEDICARE ADVANCE PAYMENT PROGRAM (1)	$ 108,789	$ 125,300	$ 57,408	$ 64,298
CARES ACT PROVIDER RELIEF FUND (2) (5)	34,574	65,553	19,855	47,929
FEMA PUBLIC ASSISTANCE PROGRAM (6)	31,871	31,890	—	—
CARES ACT HEERF - STUDENT AID (2)	49,691	17,601	—	—
STATE APPROPRIATIONS (3)	48,527	7,629	—	—
CARES ACT PAYCHECK PROTECTION PROGRAM (PPP) (4)	5,293	5,293	—	—
CARES ACT HEERF - INSTITUTIONAL (2)	42,696	4,238	—	—
TOTAL	**$ 321,441**	**$ 257,504**	**$ 77,263**	**$ 112,227**

(1) Included in "long-term liabilities" on the University's Statements of Net Position as of June 30, 2021, and as "unearned revenues" as of June 30, 2020. The change in presentation is the result of the Continuing Appropriations Act, 2021 and Other Extensions Act, effective on Oct. 1, 2020, which extended the repayment period for the advance.

(2) Included in "other nonoperating revenues" on the University's Statements of Revenues, Expenses and Changes in Net Position

(3) Included in "state appropriations" on the University's Statements of Revenues, Expenses and Changes in Net Position

(4) Included in "long-term liabilities" on the University's Statements of Net Position

(5) For the University's discrete component unit, $19.9 million and $30.0 million is included in "other nonoperating revenues" on the University's Statements of Revenues Expenses and Changes in Net Position as of June 30, 2021 and 2020, respectively. $17.9 million is included in "unearned revenues" on the University's Statements of Net Position as of June 30, 2020.

(6) Included in "unearned revenues" on the University's Statements of Net Position

The University and its discrete component unit both elected to defer payment of the employer portion of social security taxes through December 31, 2020, as provided for under the CARES Act. As of June 30, 2021 and 2020, amounts deferred by the University of $113.3 million and $30.7 million, respectively, and by the discrete component unit of $13.0 million and $3.6 million, respectively, were included in long-term liabilities on the University's Statements of Net Position.

NOTE 3:

Cash and Cash Equivalents

Cash includes cash on hand, petty cash and bank deposits. Cash equivalents includes treasury securities with maturities of less than 90 days and money market funds with remaining maturities of one year or less at the time of purchase. Most cash, except for cash held at the University and 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 4:

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 5:

Student Loans Receivable

As of June 30, 2021 and 2020, net student loans of $45.5 million and $48.9 million, respectively, consist of $32.5 million and $34.8 million, respectively, from federal programs, and $13.0 million and $14.1 million, respectively, from University programs. For the years ended June 30, 2021 and 2020, interest income from student loans was $0.6 million and $1.6 million, respectively. These unsecured loans are made primarily to students who reside in the state of Washington.

NOTE 6:

Accounts Receivable

The major components of accounts receivable as of June 30, 2021 and 2020 are as follows:

(Dollars in thousands)	**2021**	**2020**
NET PATIENT SERVICES	$ 445,254	$ 347,394
GRANTS AND CONTRACTS	254,962	189,399
INVESTMENTS	204,111	127,105
SALES AND SERVICES	125,371	62,193
DUE FROM OTHER AGENCIES	58,000	62,023
TUITION	15,329	14,823
STATE APPROPRIATIONS	12,251	15,024
ROYALTIES	2,920	8,071
OTHER	72,365	22,917
SUBTOTAL	1,190,563	848,949
LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS	(53,191)	(23,896)
TOTAL	**$ 1,137,372**	**$ 825,053**

NOTE 7:

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	2021	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	$ 1,759,679	$ 18,629	$ 1,741,050	$ —
U.S. GOVERNMENT AGENCY	406,941	12,798	394,143	—
MORTGAGE BACKED	251,384	—	251,384	—
ASSET BACKED	424,420	—	424,420	—
CORPORATE AND OTHER	206,137	22,774	183,363	—
TOTAL FIXED INCOME SECURITIES	**3,048,561**	**54,201**	**2,994,360**	**—**
EQUITY SECURITIES				
GLOBAL EQUITY INVESTMENTS	639,501	634,313	5,188	—
REAL ESTATE	25,678	20,442	—	5,236
OTHER	10,189	—	—	10,189
TOTAL EQUITY SECURITIES	**675,368**	**654,755**	**5,188**	**15,425**
EXTERNALLY MANAGED TRUSTS	**153,793**	**—**	**—**	**153,793**
TOTAL INVESTMENTS BY FAIR VALUE LEVEL	**3,877,722**	**$ 708,956**	**$ 2,999,548**	**$ 169,218**

INVESTMENTS MEASURED USING NET ASSET VALUE (NAV)	
GLOBAL EQUITY INVESTMENTS	2,062,207
ABSOLUTE RETURN STRATEGY FUNDS	714,894
PRIVATE EQUITY AND VENTURE CAPITAL FUNDS	854,297
REAL ASSET FUNDS	170,996
OTHER	55,270
TOTAL INVESTMENTS MEASURED USING NAV	**3,857,664**
TOTAL INVESTMENTS MEASURED AT FAIR VALUE AND NAV	7,735,386
CASH EQUIVALENTS AT AMORTIZED COST	393,556
TOTAL INVESTMENTS	**$ 8,128,942**

INVESTMENTS BY FAIR VALUE LEVEL	2020	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	$ 1,043,802	$ 15,660	$ 1,028,142	$ —
U.S. GOVERNMENT AGENCY	396,580	11,151	385,429	—
MORTGAGE BACKED	222,329	—	222,329	—
ASSET BACKED	213,099	—	213,099	—
CORPORATE AND OTHER	506,833	21,025	485,808	—
TOTAL FIXED INCOME SECURITIES	**2,382,643**	**47,836**	**2,334,807**	**—**
EQUITY SECURITIES				
GLOBAL EQUITY INVESTMENTS	535,298	532,623	2,675	—
PRIVATE EQUITY AND VENTURE CAPITAL FUNDS	324	—	—	324
REAL ESTATE	23,677	18,800	—	4,877
OTHER	7,546	—	—	7,546
TOTAL EQUITY SECURITIES	**566,845**	**551,423**	**2,675**	**12,747**
EXTERNALLY MANAGED TRUSTS	**123,539**	**—**	**—**	**123,539**
TOTAL INVESTMENTS BY FAIR VALUE LEVEL	**3,073,027**	**$ 599,259**	**$ 2,337,482**	**$ 136,286**

INVESTMENTS MEASURED USING NET ASSET VALUE (NAV)	
GLOBAL EQUITY INVESTMENTS	1,527,184
ABSOLUTE RETURN STRATEGY FUNDS	649,895
PRIVATE EQUITY AND VENTURE CAPITAL FUNDS	532,244
REAL ASSET FUNDS	147,283
OTHER	70,654
TOTAL INVESTMENTS MEASURED USING NAV	**2,927,260**
TOTAL INVESTMENTS MEASURED AT FAIR VALUE AND NAV	6,000,287
CASH EQUIVALENTS AT AMORTIZED COST	515,436
TOTAL INVESTMENTS	**$ 6,515,723**

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. Private equity, real assets and 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. The valuation method 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)*

2021	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
GLOBAL EQUITY INVESTMENTS	$ 2,062,207	$ —	MONTHLY TO ANNUALLY	15-180 days
ABSOLUTE RETURN STRATEGY FUNDS	714,894	—	QUARTERLY TO ANNUALLY	30-90 days
PRIVATE EQUITY AND VENTURE CAPITAL FUNDS	854,297	554,603	N/A	—
REAL ASSETS FUNDS	170,996	85,166	N/A	—
OTHER	55,270	2,156	QUARTERLY TO ANNUALLY	30-95 days
TOTAL INVESTMENTS MEASURED USING NAV	**$ 3,857,664**			
2020	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency (if Currently Eligible)**	**Redemption Notice Period**
GLOBAL EQUITY INVESTMENTS	$ 1,527,184	$ —	MONTHLY TO ANNUALLY	15-180 days
ABSOLUTE RETURN STRATEGY FUNDS	649,895	13,095	QUARTERLY TO ANNUALLY	30-90 days
PRIVATE EQUITY AND VENTURE CAPITAL FUNDS	532,244	370,381	N/A	—
REAL ASSETS FUNDS	147,283	58,753	N/A	—
OTHER	70,654	32,674	QUARTERLY TO ANNUALLY	30-95 days
TOTAL INVESTMENTS MEASURED USING NAV	**$ 2,927,260**			

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, 2021 and 2020, approximately 79% and 78%, respectively, of the value of the investments in this category can be redeemed within 90 days. As of June 30, 2021 and 2020, approximately 94% and 92%, respectively, 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, 2021 and 2020, approximately 82% and 83%, respectively, 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, 2021 and 2020, approximately 37% and 25%, respectively, 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, 2021 and 2020, the Short-term and Intermediate-term Invested Funds Pools totaled $2.5 billion and $2.1 billion, respectively. The Invested Funds - Long-term Pool also owns units in the Consolidated Endowment Fund (CEF) valued at $812.0 million and $625.0 million at June 30, 2021 and 2020, respectively. In addition, the Long-term Pool also owns a passive global equity index valued at $141.0 million as of June 30, 2021. 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 years 2021 and 2020. University Advancement received 3.0% of the average balances in endowment operating and gift accounts in fiscal years 2021 and 2020. 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.

In February 2019, the Board of Regents approved an amendment to the CEF Investment Policy to reduce the total spending rate from 5.0% to 4.5%. A three-year phased reduction was implemented to cushion the impact on University units starting with a 4.9% spending rate in fiscal year 2020, followed by a 4.7% spend rate in fiscal 2021. Quarterly distributions during fiscal year 2021 to programs are based on an annual percentage rate of 3.76%, applied to the five-year rolling average of the CEF's market value. Additionally, the policy allows for an administrative fee of 0.94% to support campus-wide fundraising and stewardship activities (0.752%) and to offset the internal cost of managing endowment assets (0.188%). The reduction to 4.5% will be in full effect for fiscal year 2022 and beyond.

The University records its permanent endowments at the lower of original gift value or current market value in the Restricted Nonexpendable Net Position category. All endowments are recorded at the original gift value at June 30, 2021. Of the endowments that are recorded at current market value at June 30, 2020, the net deficiency from the original gift value was $5.5 million.

Net appreciation in the fair value of investments includes both realized and unrealized gains and losses on investments. The University realized net gains of $89.8 million and $170.0 million in fiscal years 2021 and 2020, respectively, 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 years ended June 30, 2021 and 2020 was $1,193.9 million and $95.0 million, respectively.

FUNDING COMMITMENTS

The University enters into contracts with investment managers to fund alternative investments. As of June 30, 2021 and 2020, the University had outstanding commitments to fund alternative investments of $641.9 million and $474.9 million, respectively. 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, 2021 and 2020, the University had outstanding futures contracts with notional amounts totaling $232.6 million and $65.1 million, respectively. As of June 30, 2021 and 2020, accumulated unrealized gains on these contracts totaled $760 thousand and $20 thousand, respectively. These accumulated unrealized gains are included in Investments on the Statements 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, 2021 or 2020. 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 1.95 years and 1.99 years at June 30, 2021 and 2020, respectively.

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. The Invested Funds' intermediate-term pool requires each manager to maintain an average quality rating of "A" and to hold 25% of their portfolios in government and government agency issues. 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 4 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, 2021 and 2020 exclude $31.5 million and $32.3 million, respectively, of fixed income securities held by component units. These amounts make up 1.03% and 1.36%, respectively, of the University's fixed income investments, and are not included in the duration figures detailed in Table 4.

The composition of fixed income securities at June 30, 2021 and 2020, along with credit quality and effective duration measures, is summarized as follows:

TABLE 4 – FIXED INCOME: CREDIT QUALITY AND EFFECTIVE DURATION *(Dollars in thousands)*

2021

Investments	U.S. Government	Investment Grade*	Non-Investment Grade	Not Rated	Total	Duration (In years)
U.S. TREASURY SECURITIES	$ 1,741,050	$ —	$ —	$ —	$ 1,741,050	1.76
U.S. GOVERNMENT AGENCY	402,551	—	—	—	402,551	3.66
MORTGAGE BACKED	—	129,171	58,852	63,361	251,384	2.00
ASSET BACKED	—	367,299	14,682	42,439	424,420	0.83
CORPORATE AND OTHER	—	87,908	27,684	82,068	197,660	2.51
TOTAL	**$ 2,143,601**	**$ 584,378**	**$ 101,218**	**$ 187,868**	**$ 3,017,065**	**1.95**

2020

Investments	U.S. Government	Investment Grade*	Non-Investment Grade	Not Rated	Total	Duration (In years)
U.S. TREASURY SECURITIES	$ 1,028,142	$ —	$ —	$ —	$ 1,028,142	2.25
U.S. GOVERNMENT AGENCY	391,240	—	—	—	391,240	3.02
MORTGAGE BACKED	—	177,087	14,037	31,205	222,329	1.78
ASSET BACKED	—	190,520	3,400	19,179	213,099	1.16
CORPORATE AND OTHER	—	427,629	22,703	45,199	495,531	1.06
TOTAL	**$ 1,419,382**	**$ 795,236**	**$ 40,140**	**$ 95,583**	**$ 2,350,341**	**1.99**

*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 and $1.4 billion at June 30, 2021 and 2020, respectively.

TABLE 5 – INVESTMENTS DENOMINATED IN FOREIGN CURRENCY

(Dollars in thousands)	**2021**	**2020**
CHINESE RENMINBI (CNY)	$ 390,837	$ 299,324
JAPANESE YEN (JPY)	258,092	229,546
INDIAN RUPEE (INR)	199,687	119,874
EURO (EUR)	176,789	150,466
BRITISH POUND (GBP)	138,836	96,832
BRAZIL REAL (BRL)	102,402	79,831
SOUTH KOREAN WON (KRW)	67,748	53,471
CANADIAN DOLLAR (CAD)	60,192	54,539
HONG KONG DOLLAR (HKD)	58,543	47,526
SINGAPORE DOLLAR (SGD)	54,863	24,635
SWEDISH KRONA (SEK)	45,463	30,295
SWISS FRANC (CHF)	43,872	33,393
TAIWANESE DOLLAR (TWD)	36,479	29,441
AUSTRALIAN DOLLAR (AUD)	26,735	37,665
SOUTH AFRICAN RAND (ZAR)	21,624	14,154
NORWEGIAN KRONE (NOK)	21,369	11,641
RUSSIAN RUBLE (RUB)	19,404	18,141
REMAINING CURRENCIES	91,819	80,837
TOTAL	**$ 1,814,754**	**$ 1,411,611**

NOTE 8:

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 balances included on the Statements of Net Position as of June 30, 2021 and 2020 of $196.1 million and $183.0 million, respectively, represent the asset value net of operating liabilities and long-term debt on the property. The asset value is comprised primarily of land, buildings, building improvements and operating assets.

As of June 30, 2021 and 2020, total debt outstanding on the Metropolitan Tract was $29.0 million and $29.8 million, respectively. This debt will be repaid by income generated from the properties. The debt was issued in 2015 to refund commercial paper and to acquire the leasehold on the Cobb Building. These amounts are reflected in the balances for Metropolitan Tract on the Statements of Net Position, and are therefore not included in Note 10 or Note 12.

On September 12, 2017, the University executed a ground lease with a developer to construct a 58-story multi-use office tower (Rainier Square Tower). The Rainier Square Tower lease has an eighty-year term, required completion of the building in four years, is unsubordinated, and provides minimum ground rent during construction and 8% of adjusted gross revenue to the University thereafter. Completion of the building occurred in November 2020.

On October 10, 2019, the University signed an additional ground lease with the same developer on the Rainier Square block authorizing the construction of an 11-story office building (400 University Building). The 400 University Building lease commenced on January 1, 2020 for a seventy-eight year term, required completion of the building in three years, is unsubordinated, and provides minimum ground rent during construction and 10% of adjusted gross revenue to the University thereafter. Construction commenced in June 2020 and was completed in July 2021.

NOTE 9:

Capital Assets

Capital asset activity for the years ended June 30, 2021 and 2020 is summarized as follows:

(Dollars in thousands)	**Balance as of July 1, 2019**	**Additions/ Transfers**	**Retirements**	**Balance as of June 30, 2020**	**Additions/ Transfers**	**Retirements**	**Balance as of June 30, 2021**
LAND	$ 146,318	$ (227)	$ 2,854	$ 143,237	$ —	$ —	$ 143,237
INFRASTRUCTURE	314,386	602	401	314,587	3,769	20	318,336
BUILDINGS	7,030,386	97,261	11,115	7,116,532	363,152	3,884	7,475,800
FURNITURE, FIXTURES AND EQUIPMENT	1,560,863	45,786	174,948	1,431,701	108,937	45,438	1,495,200
LIBRARY MATERIALS	391,351	14,808	2,143	404,016	16,391	2,217	418,190
CAPITALIZED COLLECTIONS	7,678	(67)	—	7,611	23	—	7,634
INTANGIBLE ASSETS	215,432	7,014	140	222,306	2,219	—	224,525
CONSTRUCTION IN PROGRESS	132,333	230,974	6,452	356,855	(154,209)	5,084	197,562
INTANGIBLES IN PROCESS	34,743	43,453	—	78,196	73,738	—	151,934
TOTAL COST	**9,833,490**	**439,604**	**198,053**	**10,075,041**	**414,020**	**56,643**	**10,432,418**
LESS ACCUMULATED DEPRECIATION/ AMORTIZATION:							
INFRASTRUCTURE	137,609	8,338	392	145,555	8,451	20	153,986
BUILDINGS	3,029,540	275,487	9,641	3,295,386	248,088	3,701	3,539,773
FURNITURE, FIXTURES AND EQUIPMENT	1,303,036	72,617	171,337	1,204,316	97,243	19,324	1,282,235
LIBRARY MATERIALS	296,764	13,423	1,671	308,516	13,624	1,724	320,416
INTANGIBLE ASSETS	131,205	18,473	70	149,608	10,432	—	160,040
TOTAL ACCUMULATED DEPRECIATION/ AMORTIZATION	**4,898,154**	**388,338**	**183,111**	**5,103,381**	**377,838**	**24,769**	**5,456,450**
CAPITAL ASSETS, NET	**$ 4,935,336**	**$ 51,266**	**$ 14,942**	**$ 4,971,660**	**$ 36,182**	**$ 31,874**	**$ 4,975,968**

NOTE 10:

Long-Term Liabilities

UNIVERSITY OF WASHINGTON

Long-term liability activity for the years ended June 30, 2021 and 2020 is summarized as follows:

(Dollars in thousands)	Balance as of July 1, 2019	Additions	Reductions	Balance as of June 30, 2020	Additions	Reductions	Balance as of June 30, 2021	Current portion as of June 30, 2020	Current portion as of June 30, 2021
BONDS PAYABLE:									
GENERAL OBLIGATION BONDS PAYABLE (NOTE 12)	$ 81,390	$ 12,410	$ 24,215	$ 69,585	$ 13,475	$ 25,375	$ 57,685	$ 10,685	$ 10,995
REVENUE BONDS PAYABLE (NOTE 12)	2,207,490	102,000	63,015	2,246,475	444,585	442,145	2,248,915	70,000	64,570
UNAMORTIZED PREMIUM ON BONDS	153,742	14,673	17,130	151,285	51,474	37,229	165,530	16,001	18,139
TOTAL BONDS PAYABLE	**2,442,622**	**129,083**	**104,360**	**2,467,345**	**509,534**	**504,749**	**2,472,130**	**96,686**	**93,704**
NOTES PAYABLE AND CAPITAL LEASES:									
NOTES PAYABLE & OTHER -CAPITAL ASSET RELATED (NOTE 12)	38,013	28,053	5,428	60,638	6,235	11,482	55,391	10,965	11,220
NOTES PAYABLE & OTHER – NONCAPITAL ASSET RELATED (NOTE 12)	1,494	114	100	1,508	362	98	1,772	1,508	1,738
CAPITAL LEASE OBLIGATIONS (NOTE 11)	7,651	—	2,200	5,451	—	2,024	3,427	1,964	1,836
TOTAL NOTES PAYABLE AND CAPITAL LEASES	**47,158**	**28,167**	**7,728**	**67,597**	**6,597**	**13,604**	**60,590**	**14,437**	**14,794**
OTHER LONG-TERM LIABILITIES:									
OBLIGATIONS UNDER SPLIT-INTEREST AGREEMENTS	57,636	3,301	5,978	54,959	15,385	6,270	64,074	5,978	6,270
COVID-19 RELIEF (NOTE 2)	—	35,976	—	35,976	207,923	16,511	227,388	—	157,031
REMEDIATION LIABILITIES (NOTE 1)	33,153	632	—	33,785	—	—	33,785	—	—
HMC ITS FUNDING (NOTE 15)	23,822	447	—	24,269	—	—	24,269	9,600	7,600
SICK LEAVE (NOTE 1)	51,272	18,251	14,834	54,689	21,009	17,754	57,944	9,174	16,294
SELF-INSURANCE (NOTE 18)	100,163	41,339	16,421	125,081	71,805	16,372	180,514	25,323	16,396
OTHER NONCURRENT LIABILITIES	29,987	565	13,697	16,855	313	3,655	13,513	71	76
TOTAL OTHER LONG-TERM LIABILITIES	**296,033**	**100,511**	**50,930**	**345,614**	**316,435**	**60,562**	**601,487**	**50,146**	**203,667**
TOTAL LONG-TERM LIABILITIES	**$2,785,813**	**$ 257,761**	**$ 163,018**	**$2,880,556**	**$ 832,566**	**$ 578,915**	**$3,134,207**	**$ 161,269**	**$ 312,165**

DISCRETE COMPONENT UNIT

Long-term liability activity for the years ended June 30, 2021 and 2020 is summarized as follows:

	Balance as of July 1, 2019	Additions	Reductions	Balance as of June 30, 2020	Additions	Reductions	Balance as of June 30, 2021	Current portion as of June 30, 2020	Current portion as of June 30, 2021
VALLEY MEDICAL CENTER *(Dollars in thousands)*									
LIMITED TAX GENERAL OBLIGATION BONDS	$ 331,195	$ 6,680	$ 10,698	$ 327,177	$ —	$ 12,623	$ 314,554	$ 10,271	$ 8,376
REVENUE BONDS	10,773	—	10,773	—	—	—	—	—	—
BUILD AMERICA BONDS	—	—	—	—	—	—	—	—	—
NOTES PAYABLE & OTHER	6,956	4,781	282	11,455	19,831	7,537	23,749	299	1,188
TOTAL LONG-TERM LIABILITIES	**$ 348,924**	**$ 11,461**	**$ 21,753**	**$ 338,632**	**$ 19,831**	**$ 20,160**	**$ 338,303**	**$ 10,570**	**$ 9,564**

NOTE 11:

Leases

Future minimum lease payments under capital leases, and the present value of the net minimum lease payments as of June 30, 2021, are as follows:

CAPITAL LEASES

Year *(Dollars in thousands)*		**Future Payments**
2022	$	1,896
2023		1,494
2024		119
TOTAL MINIMUM LEASE PAYMENTS		3,509
LESS: AMOUNT REPRESENTING INTEREST COSTS		82
PRESENT VALUE OF MINIMUM PAYMENTS	**$**	**3,427**

OPERATING LEASES

The University has entered into certain lease agreements that are considered to be operating leases, primarily for leased building space. For the years ended June 30, 2021 and 2020, the University recorded rent expense of $96.8 million and $94.6 million, respectively, for these leases.

Future lease payments as of June 30, 2021 are as follows:

Year *(Dollars in Thousands)*		
2022	$	74,265
2023		71,770
2024		60,167
2025		56,844
2026		43,113
2027-2031		137,285
2032-2036		94,960
2037-2041		98,354
2042-2046		113,858
2047-2051		131,813
2052-2056		152,603
2057-2061		196,367
2062-2066		55,286
TOTAL MINIMUM LEASE PAYMENTS	**$**	**1,286,685**

NOTE 12:

Bonds and Notes Payable

The bonds and notes payable at June 30, 2021consist of state of Washington General Obligation Bonds, University Revenue Bonds, and Notes Payable. These obligations have fixed interest rates ranging from 0.19% to 8.00%. As of June 30, 2021, substantially all of the University's debt was publicly offered debt. Amounts from direct borrowings and direct placements were not material. Debt service requirements as of June 30, 2021 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**
2022	$ 10,995	$ 2,604	$ 64,570	$ 97,966	$ 12,958	$ 785
2023	11,400	2,081	64,840	97,462	9,708	621
2024	11,855	1,497	64,440	94,511	9,603	519
2025	8,930	977	79,890	91,487	7,649	425
2026	5,350	560	83,500	88,317	3,626	354
2027-2031	9,155	429	426,030	388,190	12,364	879
2032-2036	—	—	447,915	299,527	1,008	60
2037-2041	—	—	487,885	188,258	247	12
2042-2046	—	—	374,720	83,919	—	—
2047-2051	—	—	155,125	20,597	—	—
TOTAL PAYMENTS	**$ 57,685**	**$ 8,148**	**$ 2,248,915**	**$ 1,450,234**	**$ 57,163**	**$ 3,655**

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 medical center patient revenues, tuition, timber sales and other revenues.

ISSUANCE AND REFUNDING ACTIVITY

On March 4, 2021, the University issued $326.8 million in General Revenue and Refunding Bonds, 2021A and 2021B (Taxable), at a premium of $23.5 million. The average coupon of these bonds is 2.83%. Part of the proceeds refunded existing callable debt. The par amount of the refunded bonds was $229.5 million; the amount of refunding bonds was $244.8 million (plus premium of $1.7 million). The refunded bonds had coupon rates ranging from 4.0% to 5.0% with an average coupon of 5.0%; the new bonds have an average coupon of 2.18%. The refunding reduced the total debt service payments to be made by the University over the next 21 years by $48.9 million and resulted in a total economic gain of $50.2 million. The average life of the 2021A and 2021B (Taxable) bonds is 13.8 years with final maturity on April 1, 2051. The remainder of the proceeds were used to fund various projects such as the UW Medicine clinical transformation program ("Destination: One"), as well as construction of the Childbirth Center at UW Medical Center Northwest Campus and the renovation of Kincaid Hall. Some of the proceeds were also used to pay off $25.0 million in commercial paper.

On March 17, 2020, the University issued $102.0 million in General Revenue Bonds, 2020A and 2020B (Taxable), at a premium of $12.8 million. The 2020A and 2020B (Taxable) bonds have coupon rates ranging from 1.31% to 5.00% with an average coupon rate of 3.63%. The proceeds were used to fund various projects such as the UW Medicine clinical transformation program ("Destination: One"), as well as construction of the Childbirth Center at UW Medical Center Northwest Campus and renovation of Kincaid Hall. Some of the proceeds were also used to pay off $40.0 million in commercial paper.

On February 27, 2020, the University entered into a Delayed Delivery Bond Purchase Agreement with Bank of America Securities, Inc. (the "Purchase Agreement") in relation to the sale of General Revenue Bonds, 2020C (Delayed Delivery Bonds). The transaction closed on February 9, 2021. The proceeds of the 2020C bonds were used to refund existing callable debt. The 2020C bonds have a par value of $117.8 million and were issued at a premium of $26.4 million; the amount of refunded bonds was $142.7 million with an average coupon of 4.8%; the new bonds have an average coupon of 5.0%. The refunding decreased the total debt service payments to be made over the next 24 years by $33.1 million and resulted in a total economic gain of $27.6 million. The average life of the 2020C bonds is 7.6 years with a final maturity on April 1, 2035.

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. As of June 30, 2021, the University had $25.0 million, in outstanding commercial paper. The University had no outstanding commercial paper as of June 30, 2020.

During fiscal year 2021, the University issued $50.0 million of commercial paper debt. The University refunded $25.0 million of commercial paper debt with General Revenue and Refunding Bonds, series 2021A and 2021B (Taxable) during the same period.

During fiscal year 2020, the University issued $15.0 million of commercial paper debt. The University refunded $40.0 million of commercial paper debt with General Revenue Bonds, series 2020A&B during the same period.

SUBSEQUENT DEBT ACTIVITY

On July 20, 2021, the University issued $24.5 million in commercial paper debt; the proceeds were used to partially fund expenditures related to the University's Finance Transformation program.

CREDIT LINES

Effective August 13, 2020, the University entered into a Master Financing Agreement (the "2020 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 2020 Master Financing Agreement provides financing for the University's FAST Program. The 2020 Master Financing Agreement allows for draws in an aggregate amount not to exceed $40.0 million. The Bank and the University entered into two prior master financing agreements, one dated July 7, 2017 (the "2017 Master Financing Agreement") and the other dated November 14, 2014 (the "2014 Master Financing Agreement"), which allowed for draws up to an aggregate amount not to exceed $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, 2021 and 2020 totaled $26.1 million and $25.0 million, respectively.

On August 13, 2020, the University entered into a Revolving Loan Agreement with Washington Federal Bank, National Association which provides a revolving loan through August 1, 2023, for up to $100.0 million to be used for providing additional liquidity and short-term emergency support for COVID-19 impacts. Taxable borrowings under the agreement bear interest at 2.21%; tax-exempt borrowings bear interest at 1.75%. 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, 2021.

On August 13, 2020, the University entered into a Revolving Credit Agreement with U.S. Bank National Association which provides a revolving line of credit through August 12, 2022, for up to $100.0 million to be used for providing additional liquidity and short-term emergency support for COVID-19 impacts. Borrowings for tax-exempt projects under the agreement bear interest at a fluctuating rate equal to 84% of the daily one-month LIBOR rate plus a margin of 1.22%; borrowings for taxable projects bear interest at a fluctuating rate equal to the daily one-month LIBOR rate plus a margin of 1.45%. 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, 2021.

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, 2021, $222.3 million of bonds outstanding are considered defeased. As of June 30, 2020, there were no defeased bonds outstanding.

NOTE 13:

Deferred Outflows and Deferred Inflows of Resources

The composition of deferred outflows and deferred inflows of resources as of June 30, 2021 and 2020 are summarized as follows:

DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES *(Dollars in thousands)*

2021	Pensions	OPEB	Split-Interest Agreements	Other	Total
DEFERRED OUTFLOWS OF RESOURCES	$ 446,683	$ 272,332	$ —	$ 23,429	$ 742,444
DEFERRED INFLOWS OF RESOURCES	708,092	426,949	43,096	—	1,178,137
2020	**Pensions**	**OPEB**	**Split-Interest Agreements**	**Other**	**Total**
DEFERRED OUTFLOWS OF RESOURCES	$ 450,491	$ 157,383	$ —	$ 31,494	$ 639,368
DEFERRED INFLOWS OF RESOURCES	321,859	469,116	43,845	—	834,820

NOTE 14:

Operating Expenses by Function

Operating expenses by functional classification for the years ended June 30, 2021 and 2020 are summarized as follows:

OPERATING EXPENSES *(Dollars in thousands)*	2021	2020
INSTRUCTION	$ 1,406,567	$ 1,361,466
RESEARCH	821,588	795,899
PUBLIC SERVICE	87,091	77,326
ACADEMIC SUPPORT	556,249	542,180
STUDENT SERVICES	50,711	55,446
INSTITUTIONAL SUPPORT	260,413	271,842
OPERATION & MAINTENANCE OF PLANT	302,649	280,683
SCHOLARSHIPS & FELLOWSHIPS	192,021	153,869
AUXILIARY ENTERPRISES	517,531	575,692
MEDICAL-RELATED	1,675,145	1,844,739
DEPRECIATION/AMORTIZATION	377,838	388,338
TOTAL OPERATING EXPENSES	**$ 6,247,803**	**$ 6,347,480**

Instruction

Instruction includes expenses for all activities that are part of an institution's instructional programs. Expenses for credit and noncredit courses; academic, vocational, and technical instruction; and tutorial instruction are included in this category. The University's professional and continuing education programs are also included.

Research

The research category includes all expenses for activities specifically organized to produce research, which are funded by federal, state, and private institutions.

Public Service

Public service includes activities conducted primarily to provide non-instructional services to individuals and groups other than the University and its students, such as community service programs, conferences, institutes and general advisory services.

The activities of the University's public radio stations, Center for Educational Leadership and clinical trials are included in this category.

Academic Support

Academic support includes expenses incurred to provide support services for the institution's primary missions: instruction, research, and public service. The activities of the University's academic administration, libraries, museums and galleries, and information technology support for academic activities are included in this category.

Student Services

The student services category includes the Offices of Admissions and the University Registrar. The activities of the Center for Undergraduate Advising, Diversity, and Student Success, and the operations of the Rubenstein Pharmacy in the student health center are also included in this category.

Institutional Support

The institutional support category includes central activities that manage long-range planning for the institution, such as planning and programming operations, legal services, fiscal operations, space management, procurement and activities concerned with community and alumni relations. The University's central administration departments and information technology support for non-academic activities are included in this category.

Operation and Maintenance of Plant

The operation and maintenance of plant category includes the administration, operation, maintenance, preservation, and protection of the institution's physical plant.

Scholarships and Fellowships

This category includes expenses for scholarships and fellowships and other financial aid not funded from existing University resources. Expenditure of amounts received from the Washington College Grant, Washington Higher Education Grant, and Pell grants are reflected in this manner. Financial aid funded from existing University resources are considered scholarship allowances, which are reflected as an offset to tuition revenues.

Auxiliary Enterprises

Auxiliary enterprises furnish goods or services to students, faculty, staff or the general public. These units charge a fee directly related to the cost of the goods or services. A distinguishing characteristic of an auxiliary enterprise is that it operates as a self-supporting activity. The activities of the University's Intercollegiate Athletics, UW Medicine Shared Services, Commuter Services and Housing and Food Services departments, among others, are included in this category.

Medical-related

The medical-related category includes all expenses associated with patient-care operations, including nursing and other professional services. The activities of UWMC, UWP, Airlift Northwest and Neighborhood Clinics are included in this category.

Depreciation/Amortization

Depreciation and amortization reflect a periodic expensing of the cost of capitalized assets such as buildings, equipment, software or other intangible assets, spread over their estimated useful lives.

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 of June 30, 2021, the University's financial statements included accounts receivable and long-term receivables from HMC of $56.8 million and $25.3 million, respectively, HMC investments of $5.7 million and current accrued liabilities and long-term liabilities of $45.6 million and $24.3 million, respectively, related to HMC. As of June 30, 2020, the University's financial statements included accounts receivable and long-term receivables from HMC of $27.7 million and $8.9 million, respectively, HMC investments of $4.2 million and current accrued liabilities and long-term liabilities of $38.1 million and $24.3 million, respectively, related to HMC

Under an annual agreement, HMC provides strategic funding to Neighborhood Clinics. Funding from HMC to Neighborhood Clinics was $13.3 million and $13.8 million during fiscal years 2021 and 2020, respectively, and is included in other operating revenue in the Statements 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 long-term liabilities (see note 10) of $24.3 million at June 30, 2021 and 2020, 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 2021 and 2020, the UWF transferred $171.1 million and $175.9 million, respectively, 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 $4.3 million and $4.4 million from the University in support of its operations in fiscal years 2021 and 2020, respectively. These amounts were expensed by the University.

NOTE 16:

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, 2021 and 2020, the University's share of the total unfunded liability associated with the defined-benefit pension plans administered by the DRS was $433.5 million and $416.3 million, respectively. As of June 30, 2021 and 2020, the liability associated with the defined benefit pension plan administered by the University was $126.3 million and $781.8 million, respectively. Assets held by the University to pay retiree benefits in connection with the pension plan administered by the University of $344.8 million, in both years, have been segregated in a separate investment account and are in addition to those now residing with the Washington State Investment Board. For the years ended June 30, 2021 and 2020, total pension expense recorded by the University related to both the DRS and University plans was $6.2 million and $91.3 million, respectively.

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 Comprehensive Annual 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/administration/annual-report/.

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 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 2021 pension liabilities are based on an OSA valuation performed as of June 30, 2019, with the results rolled forward to the measurement date of June 30, 2020. Likewise, the University's 2020 pension liabilities are based on a valuation performed as of June 30, 2018, with the results rolled forward to the measurement date of June 30, 2019. The following actuarial assumptions have been applied to all prior periods included in the measurement:

INFLATION	2.75% TOTAL ECONOMIC INFLATION, 3.50% SALARY INFLATION
SALARY INCREASE	EXPECTED TO GROW BY PROMOTIONS AND LONGEVITY IN ADDITION TO SALARY INFLATION ASSUMPTION OF 3.50%
INVESTMENT RATE OF RETURN	7.40%

Mortality rates as of June 30, 2019 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.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the 2013-2018 Experience Study Report and 2019 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the dates of the respective actuarial valuation reports.

Mortality rates as of June 30, 2018 were based on the RP-2000 Combined Healthy Table and Combined Disabled Table published by the Society of Actuaries' Retirement Plans Experience Committee (RPEC). As recommended by the RPEC, the OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetimes.

The actuarial assumptions used in the June 30, 2018 valuations were based on the results of the 2007-2012 Experience Study Report and the 2017 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, but including inflation) are developed for each major asset class. Those expected returns make up one component of WSIB's Capital Market Assumptions (CMAs). 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 7.40% as of June 30, 2020 and 2019, 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 dates, are summarized in the following table:

	2021 *(Measurement Date 2020)*		**2020** *(Measurement Date 2019)*	
Asset Class	**Target Allocation**	**Long-Term Expected Arithmetic Real Rate of Return**	**Target Allocation**	**Long-Term Expected Arithmetic Real Rate of Return**
FIXED INCOME	20.00%	2.20%	20.00%	2.20%
TANGIBLE ASSETS	7.00%	5.10%	7.00%	5.10%
REAL ESTATE	18.00%	5.80%	18.00%	5.80%
GLOBAL EQUITY	32.00%	6.30%	32.00%	6.30%
PRIVATE EQUITY	23.00%	9.30%	23.00%	9.30%

The inflation component used to create the above table was 2.20% for both years, and represents WSIB's most recent long-term estimate of broad economic inflation.

DISCOUNT RATE

The discount rate used to measure the total pension liabilities as of June 30, 2021 and 2020 was 7.40%. 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 7.40% future investment rate of return on pension plan investments was assumed as of June 30, 2020 and 2019. 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 net pension liabilities and assets calculated using the discount rate of 7.40% as of June 30, 2020 and 2019, 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)*

	2021			2020		
Plan	**1% Decrease**	**Current Discount Rate**	**1% Increase**	**1% Decrease**	**Current Discount Rate**	**1% Increase**
PERS 1	$ 361,443	$ 288,564	$ 225,006	$ 387,806	$ 309,671	$ 241,878
PERS 2/3	833,106	133,891	(441,913)	758,531	98,901	(442,369)
TRS 1	8,616	6,800	5,216	7,925	6,200	4,705
TRS 2/3	12,476	4,233	(2,490)	8,104	1,487	(3,893)
LEOFF 2	(90)	(4,535)	(8,175)	(998)	(5,365)	(8,930)

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 that is currently set at 0.18%. 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 years ended June 30, 2021 and 2020:

(Dollars in Thousands)	**PERS 1**	**PERS 2/3[a]**	**TRS 1**	**TRS 2/3[a]**	**LEOFF 2**
2021					
CONTRIBUTION RATE	12.86 %	12.86 %	15.51 %	15.51 %	8.77 %
CONTRIBUTIONS MADE	$ 65,546	$ 105,944	$ 1,907	$ 2,048	$ 360
2020					
CONTRIBUTION RATE	12.83 %	12.83 %	15.41 %	15.41 %	8.93 %
CONTRIBUTIONS MADE	$ 59,236	$ 96,443	$ 1,483	$ 1,604	$ 435

(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 recorded by the University as of June 30, 2021 was June 30, 2020. Employer contributions received and processed by the DRS during the fiscal year ended June 30, 2020 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, 2020 Schedules of Employer and Nonemployer Allocations. Likewise, the measurement date for the net pension liabilities recorded by the University as of June 30, 2020 was June 30, 2019, with employer contributions received and processed by the DRS during the fiscal year ended June 30, 2019 used as the basis for determining each employer's proportionate share of the collective pension amounts. 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, 2021	8.17 %	10.47 %	0.28 %	0.28 %	0.22 %
YEAR ENDED JUNE 30, 2020	8.05 %	10.18 %	0.25 %	0.25 %	0.23 %

UNIVERSITY AGGREGATED BALANCES

The table below presents the University's aggregated balance of net pension liability and net pension asset as of June 30 2021 and 2020:

(Dollars in Thousands)	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	TOTAL
2021						
NET PENSION LIABILITY	$ 288,564	$ 133,891	$ 6,800	$ 4,233	$ —	$ 433,488
NET PENSION ASSET	—	—	—	—	4,535	4,535
2020						
NET PENSION LIABILITY	$ 309,671	$ 98,901	$ 6,200	$ 1,487	$ —	$ 416,259
NET PENSION ASSET	—	—	—	—	5,365	5,365

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 EXPENSE *(Dollars in Thousands)*

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	TOTAL
YEAR ENDED JUNE 30, 2021	$ 19,048	$ 13,614	$ 1,651	$ 1,585	$ (130)	$ 35,768
YEAR ENDED JUNE 30, 2020	7,139	22,617	557	1,183	(217)	31,279

DEFERRED OUTFLOWS OF RESOURCES *(Dollars in Thousands)*

2021	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	TOTAL
CHANGE IN ASSUMPTIONS	$ —	$ 1,907	$ —	$ 546	$ 7	$ 2,460
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	—	47,931	—	2,675	627	51,233
CHANGE IN UNIVERSITY'S PROPORTIONATE SHARE	—	212	—	858	102	1,172
UNIVERSITY CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATE OF THE COLLECTIVE NET PENSION LIABILITY [a]	65,546	105,944	1,907	2,048	360	175,805
TOTAL	**$ 65,546**	**$ 155,994**	**$ 1,907**	**$ 6,127**	**$ 1,096**	**$ 230,670**
2020						
CHANGE IN ASSUMPTIONS	$ —	$ 2,533	$ —	$ 561	$ 9	$ 3,103
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	—	28,335	—	1,034	386	29,755
CHANGE IN UNIVERSITY'S PROPORTIONATE SHARE	—	—	—	927	—	927
UNIVERSITY CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATE OF THE COLLECTIVE NET PENSION LIABILITY [b]	59,236	96,443	1,483	1,604	435	159,201
TOTAL	**$ 59,236**	**$ 127,311**	**$ 1,483**	**$ 4,126**	**$ 830**	**$ 192,986**

(a) Recognized as a reduction of the net pension liability as of June 30, 2022
(b) Recognized as a reduction of the net pension liability as of June 30, 2021

DEFERRED INFLOWS OF RESOURCES *(Dollars in Thousands)*						
2021	**PERS 1**	**PERS 2/3**	**TRS 1**	**TRS 2/3**	**LEOFF 2**	**TOTAL**
DIFFERENCE BETWEEN PROJECTED AND ACTUAL EARNINGS ON PLAN INVESTMENTS, NET	$ 1,607	$ 6,800	$ 44	$ 41	$ 51	$ 8,543
CHANGE IN ASSUMPTIONS	—	91,459	—	464	702	92,625
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	—	16,780	—	15	80	16,875
CHANGE IN UNIVERSITY'S PROPORTIONATE SHARE	—	—	—	—	—	—
TOTAL	**$ 1,607**	**$ 115,039**	**$ 44**	**$ 520**	**$ 833**	**$ 118,043**
2020						
DIFFERENCE BETWEEN PROJECTED AND ACTUAL EARNINGS ON PLAN INVESTMENTS, NET	$ 20,689	$ 143,960	$ 476	$ 1,284	$ 1,100	$ 167,509
CHANGE IN ASSUMPTIONS	—	41,496	—	395	604	42,495
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	—	21,263	—	48	96	21,407
CHANGE IN UNIVERSITY'S PROPORTIONATE SHARE	—	6,957	—	—	87	7,044
TOTAL	**$ 20,689**	**$ 213,676**	**$ 476**	**$ 1,727**	**$ 1,887**	**$ 238,455**

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**
2022	$ (7,291)	$ (55,795)	$ (192)	$ 61	$ (367)	$ (63,584)
2023	(229)	(13,518)	(6)	434	(23)	(13,342)
2024	2,225	2,141	59	581	89	5,095
2025	3,688	11,445	95	702	173	16,103
2026	—	(4,447)	—	448	(9)	(4,008)
THEREAFTER	—	(4,815)	—	1,333	40	(3,442)
TOTAL	**$ (1,607)**	**$ (64,989)**	**$ (44)**	**$ 3,559**	**$ (97)**	**$ (63,178)**

(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, 2021 and 2020 was 18,871 and 18,298, respectively.

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 years ended June 30, 2021 and 2020 were $137.8 million and $132.1 million, respectively.

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, 2021 net pension liability, 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. The table below shows the number of participants in the UWSRP as of June 30, 2021 and 2020:

NUMBER OF PARTICIPANTS	June 30, 2021	June 30, 2020
ACTIVE EMPLOYEES	5,081	6,132
INACTIVE EMPLOYEES RECEIVING BENEFITS	1,076	853
INACTIVE EMPLOYEES ENTITLED TO, BUT NOT RECEIVING, BENEFITS	160	188

VESTING AND BENEFITS PROVIDED

UWSRP retirement benefit provisions are contained in RCW 28B.10.400, et. seq. which assigns the authority to establish and amend benefit provisions to the University of Washington Board of Regents. 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 years ended June 30, 2021 and 2020 were $9.7 million and $8.3 million, respectively.

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, 2021 per RCW 28B.10.423 was 0.38% of UWRP covered salaries. Contributions made in the fiscal year ended June 30, 2021 were $7.1 million. Prior to fiscal year 2021 employer contributions were not required.

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 footnote 3.B of 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. For the year ended June 30, 2021, the annual money-weighted rate of return on UWSRP investments, net of pension plan investment expense, was 34.90 percent. 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.

UWSRP PENSION LIABILITY

The University has 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, 2021 and 2020, the University had set aside $344.8 million and $344.8 million, respectively, to pay future UWSRP retiree benefits. These assets are physically segregated in a separate investment account, and included in investments, net of current portion on the Statements of Net Position. These assets are in addition to those amounts now residing with the WSIB, which are reflected as a reduction of the TPL beginning in fiscal year 2021.

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 is now applying accounting guidance for single employer plans that have trusted assets and reports the pension liability net of plan assets as of June 30, 2021.

The components of the UWSRP liability were as follows:

SCHEDULE OF CHANGES IN NET PENSION LIABILITIES (NPL) *(Dollars in Thousands)*

		TPL (a)		PLAN FIDUCIARY NET POSITION (b)		NPL (a) minus (b)
BALANCE AS OF JULY 1, 2020	**$**	**781,829**	**$**	**60,961**	**$**	**720,868**
SERVICE COST		22,877		—		22,877
INTEREST ON TPL		17,677		—		17,677
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE		(372,651)		—		(372,651)
CHANGE IN ASSUMPTIONS		(223,327)		—		(223,327)
EMPLOYER CONTRIBUTIONS		—		7,105		(7,105)
INVESTMENT INCOME		—		22,275		(22,275)
BENEFIT PAYMENTS		(9,733)		—		(9,733)
NET CHANGES		(565,157)		29,380		(594,537)
BALANCE AS OF JUNE 30, 2021	**$**	**216,672**	**$**	**90,341**	**$**	**126,331**

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY (TPL) *(Dollars in thousands)*

BALANCE AS OF JULY 1, 2019	**$**	**594,040**
SERVICE COST		16,698
INTEREST ON TPL		21,232
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE		31,426
CHANGE IN ASSUMPTIONS		126,749
BENEFIT PAYMENTS		(8,316)
BALANCE AS OF JUNE 30, 2020	**$**	**781,829**

The June 30, 2021 TPL is based on an actuarial valuation performed as of June 30, 2020 with update procedures performed by the OSA to roll forward the TPL to the measurement date of June 30, 2021. The June 30, 2020 TPL is based on an actuarial valuation performed as of June 30, 2018 with update procedures performed to roll forward the TPL to the measurement date of June 30, 2020. Both valuations were prepared using the entry age actuarial cost method.

UWSRP pension expense for the years ended June 30, 2021 and 2020 was $(29.6) million and $60.0 million, respectively.

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 June 30, 2021 and the TPL as of June 30, 2020:

SIGNIFICANT ASSUMPTIONS USED TO MEASURE THE UWSRP PENSION LIABILITY *(Dollars in thousands)*		
	2021	**2020**
INFLATION	2.75%	2.75%
SALARY CHANGES	4.00%	4.25%
SOURCE OF MORTALITY ASSUMPTIONS	PUB. H-2010 TABLES, WITH THE MP-2017 MORTALITY IMPROVEMENT SCALE	RP-2000 COMBINED HEALTHY TABLE, WITH GENERATIONAL MORTALITY IMPROVEMENTS USING SCALE BB
DATE OF EXPERIENCE STUDY	AUGUST 2021	APRIL 2016
DISCOUNT RATE	7.40%	2.21%
CHANGE IN DISCOUNT RATE SINCE PRIOR MEASUREMENT DATE	5.19%	(1.29)%
SOURCE OF DISCOUNT RATE	2019 REPORT ON FINANCIAL CONDITION AND ECONOMIC EXPERIENCE STUDY	BOND BUYER'S 20 BOND INDEX AS OF 6/30/2020
INVESTMENT RATE OF RETURN	7.40%	NA
NPL MEASUREMENT AT DISCOUNT RATE	$126,331	NA
NPL DISCOUNT RATE INCREASED 1%	$106,289	NA
NPL DISCOUNT RATE DECREASED 1%	$149,669	NA
TPL MEASUREMENT AT DISCOUNT RATE	NA	$781,829
TPL DISCOUNT RATE INCREASED 1%	NA	$678,878
TPL DISCOUNT RATE DECREASED 1%	NA	$906,918

Material assumption changes during the measurement period ending June 30, 2021 included updating the discount rate from 2.21% to 7.40%. The source for the discount rate changed 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. Material assumption changes during the measurement period ending June 30, 2020 included updating the discount rate from 3.50% to 2.21%, as well as updated investment assumptions. Additionally, actual returns for CREF investments, which are used in determining a member's "assumed income", were significantly higher than expected for the measurement period ending June 30, 2021, but were lower than expected for the period ending June 30, 2020 (reflected as "Difference between expected and actual experience" in the Schedule of Changes in the UWSRP Liability).

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) are 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 June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
FIXED INCOME	20.00%	2.20%
TANGIBLE ASSETS	7.00%	5.10%
REAL ESTATE	18.00%	5.80%
GLOBAL EQUITY	32.00%	6.30%
PRIVATE EQUITY	23.00%	9.30%

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)*		
2021		
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	$	87,128
CHANGE IN ASSUMPTIONS		128,885
TOTAL	**$**	**216,013**
2020		
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	$	104,214
CHANGE IN ASSUMPTIONS		153,291
TOTAL	**$**	**257,505**

DEFERRED INFLOWS OF RESOURCES *(Dollars in thousands)*		
2021		
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	$	365,021
CHANGE IN ASSUMPTIONS		211,024
NET DIFFERENCE BETWEEN PROJECTED AND ACTUAL EARNINGS ON PLAN INVESTMENTS		14,004
TOTAL	**$**	**590,049**
2020		
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	$	58,518
CHANGE IN ASSUMPTIONS		24,886
TOTAL	**$**	**83,404**

AMORTIZATION OF DEFERRED INFLOWS AND DEFERRED OUTFLOWS OF RESOURCES *(a) (Dollars in thousands)*		
Year		
2022	$	(65,346)
2023		(65,346)
2024		(65,346)
2025		(51,766)
2026		(42,448)
THEREAFTER		(83,784)
TOTAL	**$**	**(374,036)**

(a) Negative amounts shown in the table above represent a reduction of expense

NOTE 17:

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 which lowers the monthly premium paid by members enrolled in Medicare Parts A and B. 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 $168 per member per month for the first half of fiscal year 2020, and increased in the second half of fiscal year 2020 to $183 per member per month. The amount of the explicit subsidy remained unchanged during fiscal year 2021.

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 include 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, 2021 and 2020:

NUMBER OF PARTICIPANTS	**2021** *(Measurement Date: 2020)*	**2020** *(Measurement Date: 2019)*
ACTIVE EMPLOYEES	36,491	33,289
INACTIVE EMPLOYEES RECEIVING BENEFITS	10,039	8,961
INACTIVE EMPLOYEES ENTITLED TO, BUT NOT RECEIVING, BENEFITS	1,681	1,594

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 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 total OPEB liability (TOL) as of June 30, 2021 and 2020:

SIGNIFICANT ASSUMPTIONS USED TO MEASURE THE TOTAL OPEB LIABILITY (TOL) *(Dollars in thousands)*		
	2021	**2020**
INFLATION	2.75%	2.75%
HEALTHCARE COST TREND	INITIAL RATE RANGES FROM 2% - 11% REACHING AN ULTIMATE RATE OF 4.30% IN 2075.	TREND RATE ASSUMPTIONS VARY SLIGHTLY BY MEDICAL PLAN. INITIAL RATE IS APPROXIMATELY 8.00%, REACHING AN ULTIMATE RATE OF APPROXIMATELY 4.50% IN 2080.
SALARY INCREASE	3.50% PLUS SERVICE-BASED SALARY INCREASES	3.50% 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.	RP-2000 COMBINED HEALTHY TABLE AND COMBINED DISABLED TABLE, WITH FUTURE IMPROVEMENTS IN MORTALITY PROJECTED USING 100 PERCENT SCALE BB AND UPDATED BASED ON RESULTS OF THE 2007-2012 EXPERIENCE STUDY REPORT
DATE OF EXPERIENCE STUDY	2013-2018 EXPERIENCE STUDY REPORT	2007-2012 EXPERIENCE STUDY REPORT
DISCOUNT RATE	2.21%	3.50%
SOURCE OF DISCOUNT RATE	BOND BUYER GENERAL OBLIGATION 20-BOND MUNICIPAL BOND INDEX AS OF 6/30/20 (MEASUREMENT DATE)	BOND BUYER GENERAL OBLIGATION 20-BOND MUNICIPAL BOND INDEX AS OF 6/30/19 (MEASUREMENT DATE)
POST-RETIREMENT PARTICIPATION PERCENTAGE	65.00%	65.00%
TOL MEASUREMENT AT DISCOUNT RATE	$1,696,027	$1,541,654
TOL DISCOUNT RATE INCREASED 1%	$1,417,706	$1,289,041
TOL DISCOUNT RATE DECREASED 1%	$2,053,470	$1,866,891
TOL MEASUREMENT AT HEALTHCARE COST TREND RATE	$1,696,027	$1,541,654
TOL HEALTHCARE COST TREND RATE INCREASED 1%	$2,116,928	$1,937,224
TOL HEALTHCARE COST TREND RATE DECREASED 1%	$1,382,082	$1,247,735

Material assumption changes during the measurement period ending June 30, 2020 include updating the discount rate, updating the forecasts of healthcare cost trend rate, and the mortality assumptions as required by GASB 75. Material assumption changes during the measurement period ending June 30, 2019 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, 2021 was determined by an actuarial valuation, conducted by the OSA, using data as of June 30, 2020. The measurement date for the TOL as of June 30, 2021 was the same as the valuation date. The TOL for the state of Washington as of June 30, 2020 was determined by an actuarial valuation, conducted by the OSA, using data as of June 30, 2018, with the results rolled forward to the measurement date of June 30, 2019. 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 28.0% and 26.6% as of June 30, 2021 and 2020, respectively.

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 total OPEB liability.

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY (TOL) *(Dollars in thousands)*		
BALANCE AS OF JULY 1, 2019	**$**	**1,354,177**
SERVICE COST		62,422
INTEREST ON TOL		54,148
CHANGE IN ASSUMPTIONS		100,838
BENEFIT PAYMENTS		(24,769)
CHANGE IN PROPORTIONATE SHARE		(5,162)
BALANCE AS OF JUNE 30, 2020		**1,541,654**
SERVICE COST		70,380
INTEREST ON TOL		58,874
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE		(9,022)
CHANGE IN ASSUMPTIONS		38,164
BENEFIT PAYMENTS		(28,031)
CHANGE IN PROPORTIONATE SHARE		83,976
OTHER		(59,968)
BALANCE AS OF JUNE 30, 2021	**$**	**1,696,027**

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, 2021	$	27,089
YEAR ENDED JUNE 30, 2020		62,806

DEFERRED OUTFLOWS OF RESOURCES *(Dollars in Thousands)*		
2021		
DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE IN THE MEASUREMENT OF THE TOTAL OPEB LIABILITY	$	37,208
CHANGE IN ASSUMPTIONS		116,624
UNIVERSITY CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATE OF THE COLLECTIVE TOTAL OPEB LIABILITY		29,832
CHANGE IN PROPORTIONATE SHARE		88,668
TOTAL	**$**	**272,332**
2020		
DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE IN THE MEASUREMENT OF THE TOTAL OPEB LIABILITY	$	41,167
CHANGE IN ASSUMPTIONS		89,633
UNIVERSITY CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATE OF THE COLLECTIVE TOTAL OPEB LIABILITY		26,583
TOTAL	**$**	**157,383**

DEFERRED INFLOWS OF RESOURCES *(Dollars in Thousands)*		
2021		
DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE IN THE MEASUREMENT OF THE TOTAL OPEB LIABILITY	$	8,019
CHANGE IN ASSUMPTIONS		399,994
CHANGE IN PROPORTIONATE SHARE		18,936
TOTAL	**$**	**426,949**
2020		
CHANGE IN ASSUMPTIONS	$	446,992
CHANGE IN PROPORTIONATE SHARE		22,124
TOTAL	**$**	**469,116**

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		
2022	$	(42,197)
2023		(42,197)
2024		(42,197)
2025		(42,197)
2026		(42,197)
THEREAFTER		26,536
TOTAL	**$**	**(184,449)**

(a) Negative amounts shown in the table above represent a reduction of expense

NOTE 18:

Commitments and Contingencies

Authorized expenditures for construction projects unexpended as of June 30, 2021 and 2020 were $172.3 million and $173.6 million, respectively. 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, Medical Center 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 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. The University's self-insurance reserve (see note 10) represents the estimated ultimate cost of settling all self-insured claims resulting from events that have occurred on or before the Statements 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 Statements of Net Position. Changes in the self-insurance reserve for the years ended June 30, 2021 and 2020 are noted below:

(Dollars in thousands)	2021	2020
RESERVE AT BEGINNING OF FISCAL YEAR	$ 125,081	$ 100,163
INCURRED CLAIMS AND CHANGES IN ESTIMATES	71,805	41,339
CLAIM PAYMENTS	(16,372)	(16,421)
RESERVE AT END OF FISCAL YEAR	**$ 180,514**	**$ 125,081**

REGULATORY COMPLIANCE

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.

Between April 4 and April 12, 2018, the Washington State Department of Health, on behalf of CMS, conducted a survey at UW Medical Center. In a letter dated May 15, 2018, CMS informed UW Medical Center that based on the results of the survey, UW Medical Center was not in compliance with certain Medicare Conditions of Participation. The deficiencies identified within the survey relate primarily to UW Medical Center's relationship with the SCCA inpatient hospital located within the same building as UW Medical Center, including related policies, clinical areas, support services and personnel sharing between the two organizations. UW Medical Center submitted a Plan of Correction (the Plan) in response to the CMS survey findings, and CMS accepted the Plan on January 15, 2020. In September 2021, UW Medical Center was notified by Washington State Department of Health that they are in compliance with the Plan and no additional findings were identified.

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NOTE 19:

Blended Component Units

Condensed combining statements for the University and its blended component units are shown below:

(Dollars in thousands) **Statements of Net Position – June 30, 2021**	**Combined Entities**	**Eliminations**	**University of Washington**	**Total Blended Component Units**	**Medical Entities**	**Real Estate Entities**
ASSETS						
TOTAL CURRENT ASSETS	$ 2,705,721	$ (39,038)	$ 2,567,264	$ 177,495	$ 174,649	$ 2,846
NONCURRENT ASSETS:						
TOTAL OTHER ASSETS	7,395,996	—	7,239,162	156,834	143,669	13,165
CAPITAL ASSETS, NET	4,975,968	—	4,649,302	326,666	11,221	315,445
TOTAL ASSETS	15,077,685	(39,038)	14,455,728	660,995	329,539	331,456
DEFERRED OUTFLOWS OF RESOURCES	742,444	—	742,444	—	—	—
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 15,820,129**	**$ (39,038)**	**$ 15,198,172**	**$ 660,995**	**$ 329,539**	**$ 331,456**
LIABILITIES						
TOTAL CURRENT LIABILITIES	$ 1,622,846	$ (13,685)	$ 1,543,685	$ 92,846	$ 68,077	$ 24,769
TOTAL NONCURRENT LIABILITIES	5,110,411	(14,056)	4,796,455	328,012	10,375	317,637
TOTAL LIABILITIES	6,733,257	(27,741)	6,340,140	420,858	78,452	342,406
DEFERRED INFLOWS OF RESOURCES	1,178,137	—	1,178,137	—	—	—
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	7,911,394	(27,741)	7,518,277	420,858	78,452	342,406
NET POSITION						
NET INVESTMENT IN CAPITAL ASSETS	2,519,360	—	2,514,358	5,002	10,656	(5,654)
RESTRICTED:						
NONEXPENDABLE	1,995,857	—	1,995,857	—	—	—
EXPENDABLE	3,211,485	—	3,211,485	—	—	—
UNRESTRICTED	182,033	(11,297)	(41,805)	235,135	240,431	(5,296)
TOTAL NET POSITION	7,908,735	(11,297)	7,679,895	240,137	251,087	(10,950)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**$ 15,820,129**	**$ (39,038)**	**$ 15,198,172**	**$ 660,995**	**$ 329,539**	**$ 331,456**

(Dollars in thousands) **Statements of Net Position – June 30, 2020**	**Combined Entities**	**Eliminations**	**University of Washington**	**Total Blended Component Units**	**Medical Entities**	**Real Estate Entities**
ASSETS						
TOTAL CURRENT ASSETS	$ 2,029,866	$ (33,910)	$ 1,914,125	$ 149,651	$ 144,623	$ 5,028
NONCURRENT ASSETS:						
TOTAL OTHER ASSETS	6,083,119	—	5,938,400	144,719	111,871	32,848
CAPITAL ASSETS, NET	4,971,660	—	4,622,937	348,723	13,172	335,551
TOTAL ASSETS	13,084,645	(33,910)	12,475,462	643,093	269,666	373,427
DEFERRED OUTFLOWS OF RESOURCES	639,368	—	639,368	—	—	—
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 13,724,013**	**$ (33,910)**	**$ 13,114,830**	**$ 643,093**	**$ 269,666**	**$ 373,427**
LIABILITIES						
TOTAL CURRENT LIABILITIES	1,488,318	(3,083)	1,393,455	97,946	73,449	24,497
TOTAL NONCURRENT LIABILITIES	5,493,819	(14,294)	5,158,144	349,969	10,244	339,725
TOTAL LIABILITIES	6,982,137	(17,377)	6,551,599	447,915	83,693	364,222
DEFERRED INFLOWS OF RESOURCES	834,820	—	834,820	—	—	—
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	7,816,957	(17,377)	7,386,419	447,915	83,693	364,222
NET POSITION						
NET INVESTMENT IN CAPITAL ASSETS	2,531,666	—	2,521,560	10,106	12,607	(2,501)
RESTRICTED:						
NONEXPENDABLE	1,882,929	—	1,882,929	—	—	—
EXPENDABLE	2,243,384	—	2,243,384	—	—	—
UNRESTRICTED	(750,923)	(16,533)	(919,462)	185,072	173,366	11,706
TOTAL NET POSITION	5,907,056	(16,533)	5,728,411	195,178	185,973	9,205
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**$ 13,724,013**	**$ (33,910)**	**$ 13,114,830**	**$ 643,093**	**$ 269,666**	**$ 373,427**

(Dollars in thousands) **Statements of Revenues, Expenses and Changes in Net Position - Year Ended June 30, 2021**	**Combined Entities**	**Eliminations**	**University of Washington**	**Total Blended Component Units**	**Medical Entities**	**Real Estate Entities**
REVENUES						
OPERATING REVENUES:						
STUDENT TUITION AND FEES	$ 1,032,697	$ —	$ 1,032,697	$ —	$ —	$ —
PATIENT SERVICES	2,207,768	11,854	1,773,945	421,969	421,969	—
GRANT REVENUE	1,566,805	—	1,566,805	—	—	—
OTHER OPERATING REVENUE	1,034,112	(155,529)	1,101,347	88,294	55,875	32,419
TOTAL OPERATING REVENUES	**5,841,382**	**(143,675)**	**5,474,794**	**510,263**	**477,844**	**32,419**
EXPENSES						
OPERATING EXPENSES:						
OTHER OPERATING EXPENSES	5,869,965	(109,816)	5,512,945	466,836	446,145	20,691
DEPRECIATION / AMORTIZATION	377,838	—	355,766	22,072	1,961	20,111
TOTAL OPERATING EXPENSES	**6,247,803**	**(109,816)**	**5,868,711**	**488,908**	**448,106**	**40,802**
OPERATING INCOME (LOSS)	**(406,421)**	**(33,859)**	**(393,917)**	**21,355**	**29,738**	**(8,383)**
NONOPERATING REVENUES (EXPENSES)						
STATE APPROPRIATIONS	480,826	—	480,826	—	—	—
GIFTS	214,620	—	214,268	352	352	—
INVESTMENT INCOME	1,341,974	—	1,314,843	27,131	27,131	—
OTHER NONOPERATING REVENUES (EXPENSES)	114,303	40,295	79,387	(5,379)	6,393	(11,772)
NET NONOPERATING REVENUES (EXPENSES)	**2,151,723**	**40,295**	**2,089,324**	**22,104**	**33,876**	**(11,772)**
INCOME BEFORE OTHER REVENUES	**1,745,302**	**6,436**	**1,695,407**	**43,459**	**63,614**	**(20,155)**
CAPITAL APPROPRIATIONS, GRANTS, GIFTS AND OTHER	189,360	(1,200)	189,060	1,500	1,500	—
GIFTS TO PERMANENT ENDOWMENTS	67,017	—	67,017	—	—	—
TOTAL OTHER REVENUES	**256,377**	**(1,200)**	**256,077**	**1,500**	**1,500**	**—**
INCREASE IN NET POSITION	**2,001,679**	**5,236**	**1,951,484**	**44,959**	**65,114**	**(20,155)**
NET POSITION						
NET POSITION – BEGINNING OF YEAR	5,907,056	(16,533)	5,728,411	195,178	185,973	9,205
NET POSITION – END OF YEAR	**$ 7,908,735**	**$ (11,297)**	**$ 7,679,895**	**$ 240,137**	**$ 251,087**	**$ (10,950)**

(Dollars in thousands) **Statements of Revenues, Expenses and Changes in Net Position - Year Ended June 30, 2020**	**Combined Entities**	**Eliminations**	**University of Washington**	**Total Blended Component Units**	**Medical Entities**	**Real Estate Entities**
REVENUES						
OPERATING REVENUES:						
STUDENT TUITION AND FEES	$ 1,058,271	$ —	$ 1,058,271	$ —	$ —	$ —
PATIENT SERVICES	2,092,975	(12,619)	1,736,904	368,690	368,690	—
GRANT REVENUE	1,491,623	—	1,491,623	—	—	—
OTHER OPERATING REVENUE	860,180	(112,077)	858,541	113,716	55,001	58,715
TOTAL OPERATING REVENUES	**5,503,049**	**(124,696)**	**5,145,339**	**482,406**	**423,691**	**58,715**
EXPENSES						
OPERATING EXPENSES:						
OTHER OPERATING EXPENSES	5,959,142	(82,518)	5,614,841	426,819	409,608	17,211
DEPRECIATION / AMORTIZATION	388,338	—	365,998	22,340	2,177	20,163
TOTAL OPERATING EXPENSES	**6,347,480**	**(82,518)**	**5,980,839**	**449,159**	**411,785**	**37,374**
OPERATING INCOME (LOSS)	**(844,431)**	**(42,178)**	**(835,500)**	**33,247**	**11,906**	**21,341**
NONOPERATING REVENUES (EXPENSES)						
STATE APPROPRIATIONS	415,030	—	415,030	—	—	—
GIFTS	219,542	—	218,955	587	587	—
INVESTMENT INCOME	208,987	—	207,921	1,066	1,066	—
OTHER NONOPERATING REVENUES (EXPENSES)	77,863	37,695	46,422	(6,254)	5,750	(12,004)
NET NONOPERATING REVENUES (EXPENSES)	**921,422**	**37,695**	**888,328**	**(4,601)**	**7,403**	**(12,004)**
INCOME BEFORE OTHER REVENUES	**76,991**	**(4,483)**	**52,828**	**28,646**	**19,309**	**9,337**
CAPITAL APPROPRIATIONS, GRANTS, GIFTS AND OTHER	202,187	(1,000)	201,937	1,250	1,250	—
GIFTS TO PERMANENT ENDOWMENTS	65,425	—	65,425	—	—	—
TOTAL OTHER REVENUES	**267,612**	**(1,000)**	**267,362**	**1,250**	**1,250**	**—**
INCREASE IN NET POSITION	**344,603**	**(5,483)**	**320,190**	**29,896**	**20,559**	**9,337**
NET POSITION						
NET POSITION – BEGINNING OF YEAR	5,562,453	(11,050)	5,408,221	165,282	165,414	(132)
NET POSITION – END OF YEAR	**$ 5,907,056**	**$ (16,533)**	**$ 5,728,411**	**$ 195,178**	**$ 185,973**	**$ 9,205**

(Dollars in thousands) **Statements of Cash Flows - Year Ended June 30, 2021**	**Combined Entities**	**Eliminations**	**University of Washington**	**Total Blended Component Units**	**Medical Entities**	**Real Estate Entities**
NET CASH PROVIDED (USED) BY:						
OPERATING ACTIVITIES	$ (305,993)	$ —	$ (265,815)	$ (40,178)	$ (37,746)	$ (2,432)
NONCAPITAL FINANCING ACTIVITIES	1,008,617	—	958,226	50,391	50,391	—
CAPITAL AND RELATED FINANCING ACTIVITIES	(339,734)	—	(343,256)	3,522	1,427	2,095
INVESTING ACTIVITIES	(368,674)	—	(364,397)	(4,277)	(4,592)	315
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(5,784)**	**—**	**(15,242)**	**9,458**	**9,480**	**(22)**
CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR	143,195	—	87,789	55,406	52,780	2,626
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 137,411**	**$ —**	**$ 72,547**	**$ 64,864**	**$ 62,260**	**$ 2,604**

(Dollars in thousands) **Statements of Cash Flows - Year Ended June 30, 2020**	**Combined Entities**	**Eliminations**	**University of Washington**	**Total Blended Component Units**	**Medical Entities**	**Real Estate Entities**
NET CASH PROVIDED (USED) BY:						
OPERATING ACTIVITIES	$ (381,666)	$ —	$ (398,322)	$ 16,656	$ 7,468	$ 9,188
NONCAPITAL FINANCING ACTIVITIES	882,607	—	872,204	10,403	10,403	—
CAPITAL AND RELATED FINANCING ACTIVITIES	(282,358)	—	(272,997)	(9,361)	5,534	(14,895)
INVESTING ACTIVITIES	(160,904)	—	(166,738)	5,834	(175)	6,009
NET INCREASE IN CASH AND CASH EQUIVALENTS	**57,679**	**—**	**34,147**	**23,532**	**23,230**	**302**
CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR	85,516	—	53,642	31,874	29,550	2,324
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 143,195**	**$ —**	**$ 87,789**	**$ 55,406**	**$ 52,780**	**$ 2,626**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

PERS 1- SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

(Dollars in thousands)	2021	2020	2019	2018	2017	2016	2015
UNIVERSITY'S PROPORTION OF THE NET PENSION LIABILITY	8.17%	8.05%	8.20%	8.44%	8.46%	8.33%	8.28%
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	$ 288,564	$ 309,671	$ 366,403	$ 400,426	$ 454,341	$ 435,853	$ 417,231
UNIVERSITY'S COVERED PAYROLL	$ 1,227,868	$ 1,116,298	$ 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	23.50%	27.74%	34.09%	38.38%	46.01%	47.02%	47.29%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	68.64%	67.12%	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)	2021	2020	2019	2018	2017	2016	2015
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 710	$ 970	$ 1,231	$ 1,582	$ 1,788	$ 2,155	$ 2,058
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 710	$ 971	$ 1,234	$ 1,578	$ 1,769	$ 2,155	$ 2,059
CONTRIBUTION DEFICIENCY (EXCESS)	$ —	$ (1)	$ (3)	$ 4	$ 19	$ —	$ (1)
UNIVERSITY'S COVERED PAYROLL	$ 1,343,149	$ 1,227,868	$ 1,116,298	$ 1,074,943	$ 1,043,335	$ 987,405	$ 927,002
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	0.05%	0.08%	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)	2021	2020	2019	2018	2017	2016	2015
UNIVERSITY'S PROPORTION OF THE NET PENSION LIABILITY	10.47%	10.18%	10.24%	10.48%	10.36%	10.20%	10.00%
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	$ 133,891	$ 98,901	$ 174,913	$ 364,073	$ 521,777	$ 364,303	$ 202,225
UNIVERSITY'S COVERED PAYROLL	$ 1,220,321	$ 1,106,678	$ 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	10.97%	8.94%	16.46%	35.44%	53.91%	40.27%	23.60%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	97.22%	97.77%	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)	2021	2020	2019	2018	2017	2016	2015
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 173,198	$ 156,919	$ 141,681	$ 134,239	$ 114,852	$ 107,424	$ 83,323
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 173,204	$ 157,000	$ 141,618	$ 134,366	$ 114,968	$ 108,413	$ 83,342
CONTRIBUTION DEFICIENCY (EXCESS)	$ (6)	$ (81)	$ 63	$ (127)	$ (116)	$ (989)	$ (19)
UNIVERSITY'S COVERED PAYROLL	$ 1,337,667	$ 1,220,321	$ 1,106,678	$ 1,062,415	$ 1,027,338	$ 967,955	$ 904,661
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	12.95%	12.86%	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)	2021	2020	2019	2018	2017	2016	2015
UNIVERSITY'S PROPORTION OF THE NET PENSION LIABILITY	0.28%	0.25%	0.24%	0.20%	0.16%	0.13%	0.10%
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	$ 6,800	$ 6,200	$ 7,061	$ 6,076	$ 5,463	$ 4,049	$ 2,881
UNIVERSITY'S COVERED PAYROLL	$ 20,153	$ 16,677	$ 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	33.74%	37.18%	50.49%	55.40%	69.92%	69.93%	73.78%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	70.55%	70.37%	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)	2021	2020	2019	2018	2017	2016	2015
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 56	$ 55	$ 52	$ 48	$ 39	$ 38	$ 44
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 56	$ 55	$ 52	$ 48	$ 40	$ 38	$ 42
CONTRIBUTION DEFICIENCY (EXCESS)	$ —	$ —	$ —	$ —	$ (1)	$ —	$ 2
UNIVERSITY'S COVERED PAYROLL	$ 25,479	$ 20,153	$ 16,677	$ 13,986	$ 10,967	$ 7,813	$ 5,790
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	0.22%	0.27%	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)	2021	2020	2019	2018	2017	2016	2015
UNIVERSITY'S PROPORTION OF THE NET PENSION LIABILITY	0.28%	0.25%	0.24%	0.19%	0.15%	0.12%	0.08%
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	$ 4,233	$ 1,487	$ 1,066	$ 1,796	$ 2,077	$ 969	$ 252
UNIVERSITY'S COVERED PAYROLL	$ 19,800	$ 16,337	$ 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	21.38%	9.10%	7.80%	16.83%	27.67%	18.05%	7.43%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	91.72%	96.36%	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)	2021	2020	2019	2018	2017	2016	2015
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 3,945	$ 3,068	$ 2,511	$ 2,036	$ 1,401	$ 956	$ 558
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 3,943	$ 3,029	$ 2,470	$ 2,029	$ 1,410	$ 985	$ 555
CONTRIBUTION DEFICIENCY (EXCESS)	$ 2	$ 39	$ 42	$ 7	$ (9)	$ (29)	$ 3
UNIVERSITY'S COVERED PAYROLL	$ 25,124	$ 19,800	$ 16,337	$ 13,664	$ 10,669	$ 7,507	$ 5,367
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	15.70%	15.49%	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)	2021	2020	2019	2018	2017	2016	2015
UNIVERSITY'S PROPORTION OF THE NET PENSION ASSET	0.22%	0.23%	0.23%	0.22%	0.25%	0.20%	0.21%
UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET	$ 4,535	$ 5,365	$ 4,590	$ 2,995	$ 1,430	$ 2,083	$ 2,844
UNIVERSITY'S COVERED PAYROLL	$ 5,059	$ 4,882	$ 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	89.64%	109.91%	102.30%	73.74%	31.97%	58.94%	79.42%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION ASSET	115.83%	119.43%	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)	2021	2020	2019	2018	2017	2016	2015
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 367	$ 444	$ 436	$ 400	$ 348	$ 384	$ 303
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 367	$ 446	$ 435	$ 403	$ 352	$ 384	$ 300
CONTRIBUTION DEFICIENCY (EXCESS)	$ —	$ (2)	$ 1	$ (3)	$ (4)	$ —	$ 3
UNIVERSITY'S COVERED PAYROLL	$ 4,187	$ 5,059	$ 4,882	$ 4,487	$ 4,061	$ 4,474	$ 3,534
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	8.77%	8.78%	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)	**2021**
TOTAL PENSION LIABILITY - BEGINNING	$ 781,829
SERVICE COST	22,877
INTEREST ON TPL	17,677
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	(372,651)
CHANGE IN ASSUMPTIONS	(223,327)
BENEFIT PAYMENTS	(9,733)
NET CHANGE IN TOTAL PENSION LIABILITY	(565,157)
TOTAL PENSION LIABILITY - ENDING (a)	**216,672**
PLAN FIDUCIARY NET POSITION - BEGINNING	**60,961**
EMPLOYER CONTRIBUTIONS	7,105
NET INVESTMENT INCOME	22,275
NET CHANGE IN PLAN FIDUCIARY NET POSITION	29,380
PLAN FIDUCIARY NET POSITION - ENDING (b)	**90,341**
UWSRP NET PENSION LIABILITY (a) minus (b)	**$ 126,331**
PLAN FIDUCIARY NET POSITION AS PERCENTAGE OF THE TOTAL PENSION LIABILITY	41.69 %
UWSRP COVERED PAYROLL	$ 1,733,240
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	7.29 %

Unaudited – see accompanying notes to financial statements

UNIVERSITY OF WASHINGTON SUPPLEMENTAL RETIREMENT PLAN (UWSRP) SCHEDULE OF UWSRP CONTRIBUTIONS	
(Dollars in thousands)	**2021**
CONTRACTUALLY REQUIRED CONTRIBUTION	$ 6,586
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	$ 7,105
CONTRIBUTION DEFICIENCY (EXCESS)	$ (519)
UWSRP COVERED PAYROLL	$ 1,733,240
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	0.41 %

(Amounts determined as of the fiscal year end)

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%

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY (TOL)				
(Dollars in thousands)	**2021**	**2020**	**2019**	**2018**
TOTAL OPEB LIABILITY - BEGINNING	$ 1,541,654	$ 1,354,177	$ 1,565,213	$ 1,685,909
SERVICE COST	70,380	62,422	84,665	106,112
INTEREST ON TOL	58,874	54,148	58,207	49,703
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	(9,022)	—	53,132	—
CHANGE IN ASSUMPTIONS	38,164	100,838	(370,652)	(242,454)
BENEFIT PAYMENTS	(28,031)	(24,769)	(24,584)	(25,330)
CHANGE IN PROPORTIONATE SHARE	83,976	(5,162)	(11,804)	(8,727)
OTHER	(59,968)	—	—	—
TOTAL OPEB LIABILITY - ENDING	**$1,696,027**	**$1,541,654**	**$1,354,177**	**$1,565,213**
OPEB COVERED-EMPLOYEE PAYROLL	$ 2,895,664	$ 2,724,791	$ 2,493,991	$ 2,529,127
TOTAL OPEB LIABILITY AS PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	58.57%	56.58%	54.30%	61.89%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2021

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, 2017, valuation date, completed in the fall of 2018, determines the ADC for the period beginning July 1,2019, and ending June 30, 2021.

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.

Unaudited – see accompanying notes to financial statements

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 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 year ending June 30, 2021 is based on the payroll of participants in the University's 403(b) defined contribution UWRP, since the UWSRP required contributions beginning in fiscal year 2021 are based on this payroll. This employee population includes the participants of the UWSRP.

Covered payroll for the fiscal year ending June 30, 2020 and preceding years is based on the payroll of the participants of the UWSRP.

Material assumption changes during the fiscal year 2021 measurement period includes updating the discount rate from 2.21% to 7.40% ("Change in assumption" which decreased the TPL). In addition, CREF investment experience during fiscal year 2021 was significantly higher than expected ("Difference between expected and actual experience" which also decreased the TPL).

In the fiscal year 2020 the UWSRP had no assets accumulated in a trust that meets the criteria in GASB code P20, paragraph 101 to pay related benefits.

Material assumption changes during the fiscal year 2020 measurement period include updating the GASB 73 discount rate from 3.50% to 2.21%, which increased the TPL. Additionally, CREF investment experience during fiscal year 2020 was lower than expected, leading to an increase in the TPL. TIAA investment experience only slightly deviated from OSA's assumption.

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 2021 relate to a decrease in the Bond Buyer General Obligation 20-Bond Municipal Bond Index, from 3.50% for the June 30, 2019 measurement date, to 2.21% for the June 30, 2020 measurement date. This change resulted in an increase in the TOL.

Material assumption changes in fiscal year 2020 relate to a decrease in the Bond Buyer General Obligation 20-Bond Municipal Bond Index, from 3.87% for the June 30, 2018 measurement date, to 3.50% for the June 30, 2019 measurement date. This change resulted in an increase in the TOL.

This publication was prepared by UW Finance. Published November 2021.

The 2021 UW Financial Report and reports from previous years are available at annualreport.uw.edu

For more information, contact Financial Accounting at 206.221.7845 or accountg@uw.edu

PHOTOGRAPHY: UW Photo

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UNIVERSITY *of*
WASHINGTON

APPENDIX D

FORMS OF BOND COUNSEL OPINIONS FOR THE BONDS

2022A Bonds

March 8, 2022

University of Washington
Seattle, Washington

Citigroup Global Markets Inc.
New York, New York

Goldman Sachs & Co. LLC
Seattle, Washington

BofA Securities, Inc.
Seattle, Washington

AmeriVet Securities, Inc.
New York, New York

Re: University of Washington
General Revenue Bonds, 2022A - $75,000,000

To the Addressees:

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 Bonds, 2022A, in the aggregate principal amount of $75,000,000 (the "Bonds"). The Bonds are issued pursuant to a resolution of the Board of Regents of the University adopted on September 9, 2021 (the "Resolution"). 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 February 15, 2022. Simultaneously with the issuance of the Bonds, the University is issuing its General Revenue Refunding Bonds, 2022B (Taxable) and its General Revenue Refunding Bonds, 2022C (Term Rate Bonds) pursuant to the terms of the Resolution. 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, 2022 created pursuant to the Resolution (the "Bond 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 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.

3. 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. 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

2022B Bonds

March 8, 2022

University of Washington
Seattle, Washington

Citigroup Global Markets Inc.
New York, New York

Goldman Sachs & Co. LLC
Seattle, Washington

BofA Securities, Inc.
Seattle, Washington

AmeriVet Securities, Inc.
New York, New York

Re: University of Washington
General Revenue Refunding Bonds, 2022B (Taxable) - $209,090,000

To The Addressees:

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, 2022B (Taxable), in the aggregate principal amount of $209,090,000 (the "Bonds"). The Bonds are issued pursuant to a resolution of the Board of Regents of the University adopted on September 9, 2021 (the "Resolution"). 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 February 15, 2022. Simultaneously with the issuance of the Bonds, the University is issuing its General Revenue Bonds, 2022A and its General Revenue Refunding Bonds, 2022C (Term Rate Bonds) pursuant to the terms of the Resolution.

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, 2022 created pursuant to the Resolution (the "Bond 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 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.

3. Interest on the Bonds is not intended to be excludable from gross income for federal income tax purposes.

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

2022C Bonds

March 8, 2022

University of Washington
Seattle, Washington

Citigroup Global Markets Inc.
New York, New York

Goldman Sachs & Co. LLC
Seattle, Washington

BofA Securities, Inc.
Seattle, Washington

AmeriVet Securities, Inc.
New York, New York

Re: University of Washington
General Revenue Refunding Bonds, 2022C (Term Rate Bonds) - $90,700,000

To the Addressees:

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, 2022C (Term Rate Bonds), in the aggregate principal amount of $90,700,000 (the "Bonds"). The Bonds are issued pursuant to a resolution of the Board of Regents of the University adopted on September 9, 2021 (the "Resolution"). 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 February 15, 2022. Simultaneously with the issuance of the Bonds, the University is issuing its General Revenue Bonds, 2022A and its General Revenue Refunding Bonds, 2022B (Taxable) pursuant to the terms of the Resolution. 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, 2022 created pursuant to the Resolution (the "Bond 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 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.

3. 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. 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 E

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 F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Undertaking (the "Undertaking") dated as of March 8, 2022, is hereby made by the University of Washington (the "University") in connection with the issuance of its General Revenue Bonds, 2022A, General Revenue Refunding Bonds, 2022B (Taxable) and General Revenue Refunding Bonds, 2022C (Term Rate Bonds) (collectively the "Bonds") pursuant to a resolution of the University adopted on September 9, 2021 (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 dated February 15, 2022, with respect to 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, 2023, for the Fiscal Year ending June 30, 2022), 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 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 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 entitled "Student Housing and Dining Data."

- General Revenues and General Revenue components for that Fiscal Year, generally of the type provided in the table 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 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 titled "University Total Revenue by Source, Fiscal Year 2021."

- 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 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 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 heading "LABOR, RISK MANAGEMENT AND RETIREMENT INFORMATION—Risk Management."

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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UNIVERSITY OF WASHINGTON • GENERAL REVENUE BONDS, 2022A AND GENERAL REVENUE REFUNDING BONDS, 2022B (TAXABLE) AND 2022C (TERM RATE BONDS)

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