



Wednesday, August 8, 2001

Moody's assigns A2 rating to OU bond issue

Moody's Investors Services assigned an A2 underlying rating with a stable outlook to Oakland University's \$48 million General Revenue Bonds, Series 2001, issued through the Board of Trustees. Payment on the bonds is secured by a pledge of general revenues of the university, which include tuition, fees and other legally available funds, but exclude state appropriations. The Series 2001 bonds are expected to be insured by a municipal bond insurer with a financial strength rating of Aaa by Moody's.

The A2 underlying rating and outlook are based on OU's:

- favorable enrollment growth and strong programmatic responsiveness to a strong regional economy
- consistently positive annual operating performance and capital funding, driven by healthy state funding levels
- satisfactory levels of financial reserves relative to debt and operations, with moderate future debt plans and burgeoning fundraising success.

"This is a testament that we are financially strong," said Lynne Schaefer, vice president for Finance and Administration. "This also means we have the ability to obtain the resources we need to expand the university, while not jeopardizing our financial strength."

Moody's expects that Oakland University's growing prominence in one of Michigan's most affluent counties should enable enrollment to continue growing steadily and correspondingly bolster financial reserves. A Moody's **press release** cites OU's comprehensive undergraduate programs, market-driven graduate degree programs, its strong ties to business partners and plans to continue increasing enrollment as reasons.

SUMMARY

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