



# 2015 DEBT CAPACITY

ARIZONA STATE UNIVERSITY

## PURPOSE

To demonstrate Arizona State University's ability to finance additional capital investment through debt instruments and to fund the related debt service (principal and interest).

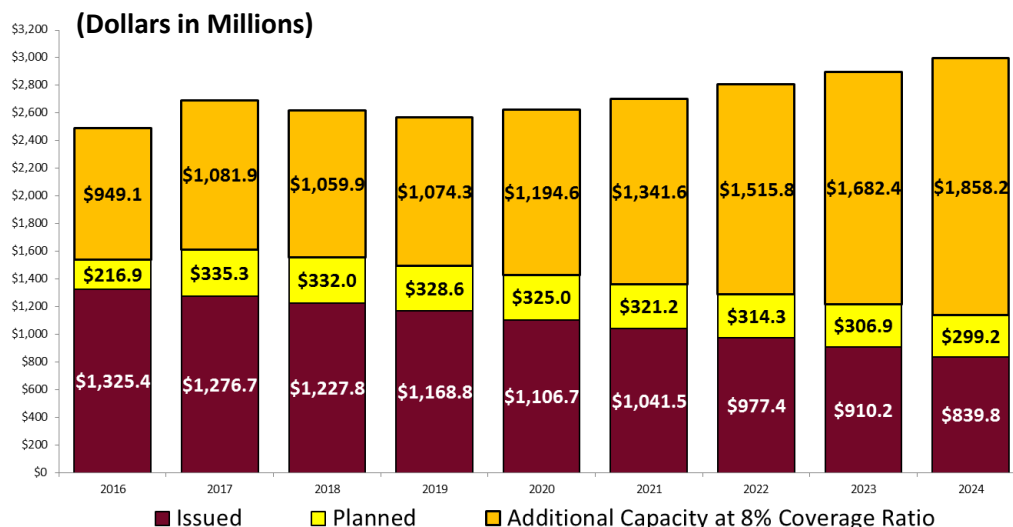
## PROJECTED DEBT CAPACITY

*Maximum Projected Ratio of Debt Service to Total Expenditures Excluding/Including SPEED debt*

4.9%/ 5.4%

Based upon planned financing of approved, CDP and CIP projects totaling \$336.9 million, the maximum projected debt ratio is 4.9 percent in FY 2019, relative to the statutory debt limit of 8 percent. Outstanding debt in FY 2019 is projected to be \$1.5 billion, with total annual debt service of \$122.9 million. The 4.9 percent ratio is within the range used by bond rating firms to confirm an institution's creditworthiness and is below the 8 percent statutory maximum.

Currently outstanding (issued) debt declines from \$1.3 billion in FY 2016 to \$839.8 million in FY 2024 as debt is retired. Outstanding planned debt includes future financing of approved, CDP, and CIP projects. Additional debt capacity represents debt that can be issued in any given year based on the statutory 8 percent debt ratio maximum.



## CREDIT RATINGS

Positive rating factors include ASU's solid enrollment growth and continuing demand driven by strong brand recognition, a growing research presence, demonstrated successful financial flexibility, and consistent positive operating results.

Offsetting factors include high debt levels with narrow reserves relative to debt, and sustained weak state support for operations.

Fiscal Year	Moody's		Standard & Poor's (S&P)	
	Rating	Outlook	Rating	Outlook
2010	Aa3	Stable	AA	Negative
2011	Aa3	Stable	AA	Negative
2012	Aa3	Stable	AA	Stable
2013	Aa3	Stable	AA	Stable
2014	Aa3	Stable	AA	Stable
2015	Aa3	Stable	AA	Negative

