



OFFICE OF AUDITOR OF STATE  
STATE OF IOWA

David A. Vaudt, CPA  
Auditor of State

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Independent Auditor's Report

Andy Baumert, Interim Executive Director  
Board of Regents  
State of Iowa

I, David A. Vaudt, CPA, the duly elected Auditor of State, State of Iowa, being first duly sworn, do hereby depose and certify that I am a duly qualified and practicing certified public accountant; and that I am not in the regular employ of the Board of Regents, State of Iowa, or of Iowa State University of Science and Technology.

We have audited the accompanying schedule of Debt Service and Coverage (schedule) for Iowa State University of Science and Technology as of February 7, 2008 for the Academic Building Revenue Bond Funds Series I.S.U. 1988 dated October 27, 1988; 1998, dated February 1, 1998; 2001A, dated May 1, 2001; 2001B, dated May 1, 2001; 2003, dated November 1, 2003; 2004A, dated May 1, 2004; 2004B, dated May 1, 2004; 2005, dated December 1, 2005; 2006, dated September 1, 2006; and 2007, dated April 1, 2007 (collectively, the "Parity Bonds") and for the Academic Building Revenue Bonds, Series I.S.U. 2008 which are scheduled for settlement (collectively the "Bonds") prepared pursuant to the Parity Bonds section of the resolutions adopted by the Board of Regents, State of Iowa authorizing the Bonds. The schedule is the responsibility of Iowa State University of Science and Technology's management. Our responsibility is to express an opinion on the schedule based on our audit.

We conducted our audit of the schedule in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedule. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying schedule has been prepared in accordance with the Parity Bonds section of the resolutions adopted by the Board of Regents, State of Iowa authorizing the Bonds and Iowa State University of Science and Technology is in compliance with the requirement that the aggregate student fees and charges collected by Iowa State University of Science and Technology during the year ended June 30, 2007 are equal to at least 125% of the maximum amount for both principal and interest that will become due in any fiscal year during the life of (a) the Parity Bonds outstanding as of February 7, 2008 and (b) the Academic Building Revenue Bonds Series I.S.U. 2008 which are scheduled for settlement pursuant to a resolution adopted by the Board of Regents, State of Iowa dated February 7, 2008.

This report is solely for the information and use of the Board of Regents, State of Iowa, management of Iowa State University of Science and Technology and Ahlers & Cooney, P.C., and should not be used for any other purpose.

A handwritten signature in cursive script that reads "David A. Vaudt".

DAVID A. VAUDT, CPA  
Auditor of State

February 18, 2008

Iowa State University of Science and Technology  
Academic Building System

Schedule of Debt Service and Coverage

Fiscal Year Ending June 30,	The Bonds		Debt	Total	Coverage
	Principal	Principal and Interest (a)	Service Outstanding Parity Bonds (b)	Debt Service	Fiscal Year 2007 Student Fees and Charges (c)
2008	\$ -	-	11,083,864	11,083,864	11.71
2009	-	1,389,083	9,648,254	11,037,337	11.76
2010	-	1,041,813	9,858,329	10,900,142	11.91
2011	100,000	1,141,813	10,262,546	11,404,359	11.38
2012	200,000	1,238,312	8,660,521	9,898,833	13.11
2013	300,000	1,331,313	8,252,149	9,583,462	13.55
2014	400,000	1,420,812	5,724,616	7,145,428	18.17
2015	525,000	1,531,813	5,582,685	7,114,498	18.25
2016	750,000	1,738,437	4,227,794	5,966,231	21.76
2017	775,000	1,737,188	4,235,781	5,972,969	21.73
2018	800,000	1,731,187	4,234,959	5,966,146	21.76
2019	850,000	1,749,188	3,502,919	5,252,107	24.72
2020	875,000	1,740,187	3,497,394	5,237,581	24.79
2021	925,000	1,755,188	3,002,144	4,757,332	27.29
2022	950,000	1,743,187	2,996,506	4,739,693	27.39
2023	1,000,000	1,755,188	3,011,493	4,766,681	27.24
2024	1,050,000	1,765,187	3,001,500	4,766,687	27.24
2025	1,100,000	1,770,563	3,015,625	4,786,188	27.12
2026	1,150,000	1,773,812	3,024,250	4,798,062	27.06
2027	1,200,000	1,774,938	3,027,375	4,802,313	27.03
2028	1,275,000	1,798,937	-	1,798,937	72.17
2029	1,325,000	1,794,750	-	1,794,750	72.33
2030	1,400,000	1,813,438	-	1,813,438	71.59
2031	1,450,000	1,802,188	-	1,802,188	72.04
2032	1,525,000	1,813,750	-	1,813,750	71.58
2033	1,600,000	1,822,031	-	1,822,031	71.25
2034	1,700,000	1,852,031	-	1,852,031	70.10
2035	1,775,000	1,852,656	-	1,852,656	70.07
	<u>\$ 25,000,000</u>	<u>44,678,990</u>	<u>109,850,704</u>	<u>154,529,694</u>	

(a) Includes the bond principal and interest at a TIC rate of 4.3207%

(b) Excludes Series I.S.U. 2008 Academic Building Revenue Bonds. As of February 7, 2008, the outstanding principal is in the aggregate amount of \$79,950,000.

(c) The student fees and charges revenues for the year ended June 30, 2007, reported in the Academic Building Revenue Fund were \$129,821,530, net of \$45,291,303 scholarship allowance.