



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

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Independent Auditor's Report

Robert Donley, 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 November 1, 2008 for the Academic Building Revenue Bond Funds Series I.S.U. 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; 2007, dated April 1, 2007 and 2008, dated March 1, 2008 (collectively, the "Parity Bonds") and for the Academic Building Revenue Bonds, Series I.S.U. 2008A 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, 2008 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 November 1, 2008 and (b) the Academic Building Revenue Bonds Series I.S.U. 2008A which are scheduled for settlement pursuant to a resolution adopted by the Board of Regents, State of Iowa dated November 1, 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 black ink that reads "David A. Vaudt".

DAVID A. VAUDT, CPA
Auditor of State

November 3, 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 Service Outstanding Parity Bonds (b)	Total Debt Service	Coverage Fiscal Year 2008 Student Fees and Charges (c)
	Principal	Principal and Interest (a)			
2009	\$ -	848,146	11,037,337	11,885,483	11.86
2010	-	1,272,219	10,900,142	12,172,361	11.59
2011	50,000	1,322,219	11,404,359	12,726,578	11.08
2012	50,000	1,319,781	9,898,833	11,218,614	12.57
2013	50,000	1,317,344	9,583,462	10,900,806	12.94
2014	475,000	1,739,906	7,145,428	8,885,334	15.87
2015	500,000	1,741,750	7,114,498	8,856,248	15.92
2016	725,000	1,942,375	5,966,231	7,908,606	17.83
2017	750,000	1,932,031	5,972,969	7,905,000	17.84
2018	800,000	1,945,469	5,966,146	7,911,615	17.82
2019	825,000	1,931,469	5,252,107	7,183,576	19.63
2020	900,000	1,966,250	5,237,581	7,203,831	19.58
2021	1,550,000	2,572,375	4,757,332	7,329,707	19.24
2022	1,650,000	2,594,875	4,739,693	7,334,568	19.23
2023	1,725,000	2,587,375	4,766,681	7,354,056	19.18
2024	1,800,000	2,576,125	4,766,687	7,342,812	19.21
2025	1,900,000	2,583,875	4,786,188	7,370,063	19.13
2026	2,000,000	2,586,500	4,798,062	7,384,562	19.10
2027	2,125,000	2,608,500	4,802,313	7,410,813	19.03
2028	2,250,000	2,624,063	1,798,937	4,423,000	31.88
2029	2,375,000	2,630,938	1,794,750	4,425,688	31.86
2030	2,500,000	2,631,250	1,813,438	4,444,688	31.73
2031	-	-	1,802,188	1,802,188	78.25
2032	-	-	1,813,750	1,813,750	77.75
2033	-	-	1,822,031	1,822,031	77.40
2034	-	-	1,852,031	1,852,031	76.14
2035	-	-	1,852,656	1,852,656	76.12
	<u>\$ 25,000,000</u>	<u>45,274,835</u>	<u>143,445,830</u>	<u>188,720,665</u>	

(a) Includes the bond principal and interest at a TIC rate of 5.2289%.

(b) Excludes Series I.S.U. 2008A Academic Building Revenue Bonds. As of November 1, the outstanding principal is in the aggregate amount of \$98,745,000.

(c) The student fees and charges revenues for the year ended June 30, 2008, reported in the Academic Building Revenue Fund were \$141,021,100, net of \$50,565,107 scholarship allowance.