



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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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 September 24, 2009 for the Academic Building Revenue Bond Funds Series I.S.U. 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; 2008, dated March 1, 2008; 2008A, dated November 1, 2008; and 2009, dated September 1, 2009 (collectively, the "Parity Bonds") and for the Academic Building Revenue Bonds Series I.S.U. 2009A 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, 2009 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 September 24, 2009 and (b) the Academic Building Revenue Bonds Series I.S.U. 2009A which are scheduled for settlement pursuant to a resolution adopted by the Board of Regents, State of Iowa dated October 1, 2009.

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.

Handwritten signature of David A. Vaudt in black ink.
DAVID A. VAUDT, CPA
Auditor of State

October 1, 2009

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	Total Debt Service	Coverage Fiscal Year 2009 Student Fees and Charges (c)
	Principal	Principal and Interest (a)	Parity Bonds (b)		
2010	\$ -	808,842	7,643,900	8,452,742	18.53
2011	-	1,078,456	8,224,960	9,303,416	16.84
2012	-	1,078,456	8,640,273	9,718,729	16.12
2013	-	1,078,456	8,256,635	9,335,091	16.78
2014	-	1,078,456	11,191,148	12,269,604	12.77
2015	-	1,078,456	11,134,141	12,212,597	12.83
2016	760,000	1,838,456	10,791,206	12,629,662	12.40
2017	650,000	1,705,656	10,765,625	12,471,281	12.56
2018	620,000	1,656,156	10,766,615	12,422,771	12.61
2019	965,000	1,981,006	10,027,975	12,008,981	13.04
2020	1,005,000	1,987,231	7,203,831	9,191,062	17.04
2021	1,045,000	1,987,031	7,329,706	9,316,737	16.81
2022	1,090,000	1,990,231	7,334,569	9,324,800	16.80
2023	1,135,000	1,991,631	7,354,056	9,345,687	16.76
2024	1,185,000	1,996,231	7,342,812	9,339,043	16.77
2025	1,235,000	1,998,831	7,370,063	9,368,894	16.72
2026	1,295,000	2,009,431	7,384,563	9,393,994	16.68
2027	1,360,000	2,022,632	7,410,813	9,433,445	16.61
2028	1,425,000	2,033,232	4,423,000	6,456,232	24.26
2029	1,495,000	2,046,232	4,425,687	6,471,919	24.20
2030	1,570,000	2,061,432	4,444,687	6,506,119	24.08
2031	1,650,000	2,078,632	1,802,188	3,880,820	40.37
2032	1,735,000	2,095,569	1,813,750	3,909,319	40.07
2033	1,830,000	2,119,000	1,822,031	3,941,031	39.75
2034	1,925,000	2,122,500	1,852,031	3,974,531	39.41
2035	2,025,000	2,126,250	1,852,656	3,978,906	39.37
	<u>\$ 26,000,000</u>	<u>46,048,492</u>	<u>178,608,921</u>	<u>224,657,413</u>	

(a) Includes the bond principal and interest at a TIC rate of 4.0897%.

(b) Excludes Series I.S.U. 2009A Academic Building Revenue Bonds. As of September 24, 2009, the outstanding principal is in the aggregate amount of \$116,765,000.

(c) The student fees and charges revenues for the year ended June 30, 2009, reported in the Academic Building Revenue Fund were \$156,650,920, net of \$56,638,893 scholarship allowance.