



OFFICE OF AUDITOR OF STATE

STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

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 August 13, 2010 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; 2009, dated September 1, 2009; and 2009A, dated October 1, 2009 (collectively, the "Parity Bonds") and for the Academic Building Revenue Bonds Series I.S.U. 2010 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 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 August 13, 2010 and (b) the Academic Building Revenue Bonds Series I.S.U. 2010 which are scheduled for settlement pursuant to a resolution adopted by the Board of Regents, State of Iowa dated August 5, 2010.

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.

DAVID A. VAUDT, CPA
Auditor of State

August 13, 2010

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 2009 Student Fees and Charges (c)
2011	\$ -	983,383	9,303,416	10,286,799	15.23
2012	-	1,072,782	9,718,729	10,791,511	14.52
2013	-	1,072,782	9,335,091	10,407,873	15.05
2014	-	1,072,782	12,269,604	13,342,386	11.74
2015	-	1,072,782	12,212,597	13,285,379	11.79
2016	75,000	1,147,781	12,629,662	13,777,443	11.37
2017	225,000	1,295,531	12,471,281	13,766,812	11.38
2018	275,000	1,338,781	12,422,771	13,761,552	11.38
2019	675,000	1,730,531	12,008,981	13,739,512	11.40
2020	1,000,000	2,035,281	9,191,062	11,226,343	13.95
2021	1,050,000	2,054,031	9,316,737	11,370,768	13.78
2022	1,075,000	2,046,219	9,324,800	11,371,019	13.78
2023	1,100,000	2,036,281	9,345,687	11,381,968	13.76
2024	1,150,000	2,049,981	9,339,043	11,389,024	13.75
2025	1,325,000	2,185,881	9,368,894	11,554,775	13.56
2026	1,350,000	2,164,506	9,393,994	11,558,500	13.55
2027	1,775,000	2,540,906	9,433,445	11,974,351	13.08
2028	1,850,000	2,544,906	6,456,232	9,001,138	17.40
2029	1,925,000	2,545,906	6,471,919	9,017,825	17.37
2030	2,000,000	2,543,906	6,506,119	9,050,025	17.31
2031	2,075,000	2,538,906	3,880,820	6,419,726	24.40
2032	2,175,000	2,555,906	3,909,319	6,465,225	24.23
2033	2,275,000	2,568,906	3,941,031	6,509,937	24.06
2034	2,375,000	2,575,063	3,974,531	6,549,594	23.92
2035	2,475,000	2,577,094	3,978,906	6,556,000	23.89
Total	\$ 28,225,000	48,350,814	216,204,671	264,555,485	

(a) Includes the bond principal and interest at a TIC rate of 3.9665%.

(b) Excludes Series I.S.U. 2010 Academic Building Revenue Bonds. As of August 13, 2010, the outstanding principal is in the aggregate amount of \$140,050,000.

(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 of scholarship allowances.