



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, 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

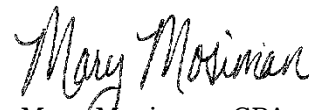
I, Mary Mosiman, CPA, the duly appointed Auditor of State, State of Iowa, being first duly sworn, do hereby depose and certify that I am a duly qualified and practicing certified public accountant and that I am not in the regular employ of the Board of Regents, State of Iowa, or of Iowa State University 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 December 4, 2013 for the Dormitory Revenue Refunding Bonds, Series I.S.U. 2006, dated April 1, 2006; Dormitory Revenue Refunding Bonds, Series 2006A, dated September 1, 2006; Dormitory Revenue Bonds, Series I.S.U. 2007, dated November 1, 2007; Dormitory Revenue Refunding Bonds, Series I.S.U. 2008, dated April 1, 2008; Dormitory Revenue Refunding Bonds, Series I.S.U. 2009, dated May 1, 2009; Dormitory Revenue Refunding Bonds, Series I.S.U. 2010, dated April 1, 2010; Dormitory Revenue Refunding Bonds, Series I.S.U. 2011, dated May 1, 2011; Dormitory Revenue Refunding Bonds, Series I.S.U. 2011A, dated June 1, 2011; Dormitory Revenue Refunding Bonds, Series I.S.U. 2013, dated January 1, 2013; Dormitory Revenue Bonds, Series I.S.U. 2013A, dated April 1, 2013 and Dormitory Revenue Refunding Bonds, Series I.S.U. 2013B, dated June 1, 2013; (collectively, the "Parity Bonds"), and for the Dormitory Revenue Bonds, Series I.S.U. 2013C, which are scheduled for settlement (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 net revenues of the Dormitory System collected by Iowa State University of Science and Technology during the year ended June 30, 2012 is equal to at least 135% 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 December 4, 2013 and (b) the Dormitory Revenue Bonds, Series I.S.U. 2013C which are scheduled for settlement pursuant to a resolution adopted by the Board of Regents, State of Iowa dated December 4, 2013.

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.


Mary Mosiman, CPA
Auditor of State

December 4, 2013

**IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY
DORMITORY SYSTEM**

Schedule of Debt Service and Coverage

Fiscal Year Ending June 30,	The Bonds		Debt	Total Debt Service	Coverage to Fiscal Year 2012 Net Revenues (c)
	Principal	Principal and Interest (a)	Service on Outstanding Parity Bonds (b)		
2014	\$ 340,000	494,694	11,989,724	12,484,418	1.91
2015	350,000	608,390	11,964,828	12,573,218	1.90
2016	355,000	606,390	11,945,740	12,552,130	1.90
2017	360,000	604,290	11,933,733	12,538,023	1.90
2018	365,000	602,090	11,928,383	12,530,473	1.91
2019	370,000	599,790	11,904,920	12,504,710	1.91
2020	380,000	602,390	10,842,075	11,444,465	2.09
2021	390,000	604,790	10,898,381	11,503,171	2.08
2022	400,000	606,015	10,864,706	11,470,721	2.08
2023	415,000	611,015	10,937,694	11,548,709	2.07
2024	425,000	609,603	10,922,334	11,531,937	2.07
2025	440,000	611,852	10,397,085	11,008,937	2.17
2026	450,000	608,213	9,477,198	10,085,411	2.37
2027	465,000	608,587	8,396,400	9,004,987	2.65
2028	485,000	612,313	6,460,300	7,072,613	3.38
2029	510,000	619,125	2,923,100	3,542,225	6.74
2030	530,000	620,000	1,631,588	2,251,588	10.60
2031	550,000	618,800	1,631,947	2,250,747	10.61
2032	570,000	616,800	1,630,913	2,247,713	10.62
2033	600,000	624,000	1,626,187	2,250,187	10.61
Total	\$ 8,750,000	12,089,147	170,307,236	182,396,383	

(a) Includes the bond principal and interest at a TIC rate of 3.5200763% for the Series I.S.U. 2013C Dormitory Revenue Bonds.

(b) Excludes Series I.S.U. 2013C Dormitory Revenue Bonds. As of December 4, 2013, principal on the Outstanding Parity Bonds is outstanding in the aggregate amount of \$131,170,000.

(c) Fiscal Year 2012 Net Revenues:

Operating revenues	\$ 82,735,868
Operating expenses before depreciation	(63,958,504)
Operating income before depreciation	18,777,364
Add: Investment income	231,386
Add back: charges for administrative overhead	1,738,618
Add back: improvement and replacement expenses	3,125,086
Net Revenues	<u>\$ 23,872,454</u>