



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Independent Auditor's Report

Mark Braun, Executive Director
Board of Regents, State of Iowa:

I, Marlys Gaston, Deputy Auditor of State, State of Iowa, do hereby depose and certify 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 25, 2020 for the Athletic Facilities Revenue Bonds Series I.S.U. 2012, dated March 1, 2012; Athletic Facilities Revenue Bonds Series I.S.U. 2015, dated March 1, 2015; Athletic Facilities Revenue Refunding Bonds Series I.S.U. 2015A, dated April 1, 2015; and Athletic Facilities Revenue Refunding Bonds Series I.S.U. 2017, dated October 1, 2017 (collectively, the "Parity Bonds") and for the Athletic Facilities Revenue Bonds Series I.S.U. 2020, 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 Bond 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 Net Revenues of the Athletic Facilities System (as defined in the Parity Bond Resolutions) collected by Iowa State University of Science and Technology during the year ended June 30, 2019 is 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 25, 2020, and (b) the Athletic Facilities Revenue Bonds, Series I.S.U. 2020, which are scheduled for settlement pursuant to a resolution adopted by the Board of Regents, State of Iowa dated February 5, 2020.

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.

Marlys K. Gaston
Deputy Auditor of State

February 25, 2020

**IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY
ATHLETIC FACILITIES REVENUE BONDS**

Schedule of Debt Service and Coverage

Fiscal Year Ending June 30,	The Bonds		Debt	Total Debt Service	Coverage to Fiscal Year 2019 Net Revenues (c)
	Principal	Principal and Interest (a)	Service on Outstanding Parity Bonds (b)		
2020	\$ -	651,421	3,727,473	4,378,894	3.10
2021	1,995,000	3,949,263	4,703,906	8,653,169	1.57
2022	2,095,000	3,949,512	4,705,376	8,654,888	1.57
2023	2,200,000	3,949,763	4,713,989	8,663,752	1.57
2024	2,310,000	3,949,762	4,714,207	8,663,969	1.57
2025	2,425,000	3,949,263	4,716,358	8,665,621	1.57
2026	2,545,000	3,948,012	4,717,158	8,665,170	1.57
2027	2,675,000	3,950,763	4,714,438	8,665,201	1.57
2028	2,805,000	3,947,012	4,726,088	8,673,100	1.57
2029	2,950,000	3,951,763	4,734,163	8,685,926	1.56
2030	3,035,000	3,948,262	4,743,663	8,691,925	1.56
2031	3,125,000	3,947,213	4,753,481	8,700,694	1.56
2032	3,220,000	3,948,462	4,762,881	8,711,343	1.56
2033	3,315,000	3,946,863	4,774,569	8,721,432	1.56
2034	3,385,000	3,950,562	3,400,037	7,350,599	1.85
2035	3,450,000	3,947,863	3,408,337	7,356,200	1.85
2036	3,525,000	3,949,550	3,428,362	7,377,912	1.84
2037	3,605,000	3,950,237	3,442,831	7,393,068	1.84
2038	3,685,000	3,949,125	1,891,400	5,840,525	2.33
2039	3,770,000	3,951,212	1,897,650	5,848,862	2.32
2040	3,860,000	3,951,675	1,899,800	5,851,475	2.32
Total	\$ 59,975,000	79,637,558	84,576,167	164,213,725	

(a) Includes the bond principal and interest at a TIC rate of 2.1069073%.

(b) Excludes Series I.S.U. 2020 Athletic Facilities Revenue Bonds. As of February 25, 2020, the outstanding principal of the parity bonds is in the aggregate amount of \$64,000,000.

(c) Fiscal Year 2019 Net Revenues:

Operating revenues	\$ 15,652,705
Operating expenses before depreciation	(2,341,016)
Operating income before depreciation	<u>13,311,689</u>
Add: Investment income	278,021
Net Revenues	\$ 13,589,710