

**STUDENT HEALTH FACILITY REVENUE BOND FUNDS
IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**INDEPENDENT AUDITOR'S REPORT
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2008

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STATE OF IOWA

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Auditor of State

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Independent Auditor's Report

To the Members of the Board of Regents,
State of Iowa:

We have audited the accompanying statement of net assets, and the related statements of revenues, expenses and changes in fund net assets and cash flows, of the Student Health Facility Revenue Bond Funds of Iowa State University of Science and Technology (Iowa State University) as of and for the year ended June 30, 2008, which collectively comprise the Bond Funds' basic financial statements listed in the table of contents. We have also audited the financial statements of each individual fund of the Student Health Facility Revenue Bond Funds of Iowa State University as of and for the year ended June 30, 2008 presented in the combining fund financial statements in the supplementary information listed in the table of contents. These financial statements are the responsibility of the University's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in note 1, the financial statements present only the Student Health Facility Revenue Bond Funds and do not purport to, and do not, present fairly the financial position of Iowa State University as of June 30, 2008 and the changes in its financial position and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

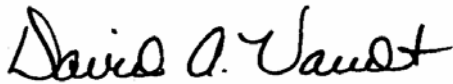
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Student Health Facility Revenue Bond Funds of Iowa State University as of June 30, 2008, and the changes in its financial position and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles. In addition, in our opinion, the combining fund financial statements referred to above present fairly, in all material respects, the respective financial position of each individual fund of the Student Health Facility Revenue Bond Funds of Iowa State University as of June 30, 2008, and the respective changes in financial position of each individual fund for the year then ended in conformity with U.S. generally accepted accounting principles.

In connection with our audit, nothing came to our attention that caused us to believe Iowa State University was not in compliance with the accounting requirements of the Board of Regents Resolution for the issuance of the Student Health Facility Revenue Bonds.

Iowa State University has not presented Management's Discussion and Analysis for the Student Health Facility Revenue Bond Funds that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the financial statements.

This report, a public record by law, is intended solely for the information and use of the officials and employees of Iowa State University, the members of the Board of Regents, citizens of the State of Iowa and other parties to whom Iowa State University may report. This report is not intended to be and should not be used by anyone other than these specified parties.

Our audit was conducted for the purpose of forming opinions on the financial statements taken as a whole. The supplementary information included as Schedules 3 and 4 is presented for purposes of additional analysis and is not a required part of the financial statements. The information included in the schedule of student fee receipts has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The information in the schedule of student enrollment has not been subjected to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on it.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

September 30, 2008

Basic Financial Statements

Exhibit A

Student Health Facility Revenue Bond Funds
Iowa State University of Science and Technology

Statement of Net Assets

June 30, 2008

Assets

Current assets:

Cash and cash equivalents	\$ 2,634,049
Cash with paying agents	366,786
Accounts receivable, less allowance for doubtful accounts of \$17,929	336,408
Interest receivable	129
Prepaid expense	12,014
Inventory	213,514
Total current assets	<u>3,562,900</u>

Noncurrent assets:

Cash, cash equivalents and investments	1,457,943
Interest receivable	639
Capital assets, net	4,333,686
Total noncurrent assets	<u>5,792,268</u>
Total assets	<u>9,355,168</u>

Liabilities

Current liabilities:

Accounts payable	40,874
Accrued salaries and wages	12,694
Interest payable	66,786
Compensated absences payable	381,972
Revenue bonds payable, current portion	300,000
Total current liabilities	<u>802,326</u>

Noncurrent liabilities:

Revenue bonds payable, noncurrent portion	<u>2,175,000</u>
Total liabilities	<u>2,977,326</u>

Net assets

Invested in capital assets, net of related debt	2,158,686
Restricted for debt service	1,458,711
Unrestricted	2,760,445
Total net assets	<u>\$ 6,377,842</u>

See the accompanying notes which are an integral part of these financial statements.

Student Health Facility Revenue Bond Funds
Iowa State University of Science and Technology

Statement of Revenues, Expenditures and Changes in Fund Net Assets

Year ended June 30, 2008

Operating revenues:	
Student health services	\$ 6,183,366
Other operating revenues	2,032,720
Total operating revenues	<u>8,216,086</u>
Operating expenses:	
Student health services	6,200,575
Other operating expenses	1,979,923
Depreciation	255,664
Total operating expenses	<u>8,436,162</u>
Operating loss	<u>(220,076)</u>
Nonoperating revenues (expenses):	
Investment income	218,408
Net increase in fair value of investments	2,797
Interest expense	(133,572)
Administrative expense	(850)
Net nonoperating revenues (expenses)	<u>86,783</u>
Loss before other revenues	(133,293)
Other revenues:	
Allocation of student fees from other University funds	<u>408,181</u>
Increase in net assets	274,888
Net assets beginning of year	<u>6,102,954</u>
Net assets end of year	<u>\$ 6,377,842</u>

See the accompanying notes which are an integral part of these financial statements.

Exhibit CStudent Health Facility Revenue Bond Funds
Iowa State University of Science and Technology

Statement of Cash Flows

Year ended June 30, 2008

Cash flows from operating activities:	
Cash received from operations	\$ 8,314,124
Cash paid for operations	<u>(8,156,935)</u>
Net cash provided by operating activities	<u>157,189</u>
Cash flows from capital financing activities:	
Student fees received from other University funds	408,181
Administrative expense	(850)
Principal paid on capital debt	(300,000)
Interest paid on capital debt	<u>(133,572)</u>
Net cash used by capital financing activities	<u>(26,241)</u>
Cash flows from investing activities:	
Interest on investments	222,512
Proceeds from sales of investments	1,028,265
Purchase of investments	<u>(1,018,979)</u>
Net cash provided by investing activities	<u>231,798</u>
Net increase in cash and cash equivalents	362,746
Cash and cash equivalents beginning of year	<u>3,301,688</u>
Cash and cash equivalents end of year	<u>\$ 3,664,434</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (220,076)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	255,664
Changes in assets and liabilities:	
Decrease in accounts receivable	98,038
Decrease in prepaid expense	3,108
Decrease in inventories	16,253
Increase in accounts payable	1,047
(Decrease) in salaries and wages payable	(7,885)
Increase in compensated absences	<u>11,040</u>
Net cash provided by operating activities	<u>\$ 157,189</u>
Reconciliation of cash and cash equivalents to the Statement of Net Assets:	
Cash and cash equivalents classified as current assets	\$ 2,634,049
Cash and cash equivalents classified as noncurrent assets	<u>1,030,385</u>
Total cash and cash equivalents	<u>\$ 3,664,434</u>

See the accompanying notes which are an integral part of these financial statements.

Student Health Facility Revenue Bond Funds
Iowa State University of Science and Technology

Notes to Financial Statements

June 30, 2008

(1) Summary of Significant Accounting Policies

Reporting Entity

The Student Health Facility Revenue Bond Funds were created by resolution of the Board of Regents, State of Iowa which authorized the issuance of revenue bonds to be used to construct, improve and equip a Student Health Center on the campus of Iowa State University of Science and Technology. The revenue bonds are issued on behalf of the University.

The financial statements of the Student Health Facility Revenue Bond Funds of Iowa State University of Science and Technology (University) include only the financial position and operating activities of the Student Health Facility Revenue Bond Funds. These financial statements present only a portion of the funds of the University.

Basis of Presentation

Basic Financial Statements – The Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Fund Net Assets and the Statement of Cash Flows report information on all of the activities of the Student Health Facility Revenue Bond Funds. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Net Assets presents assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Revenues, Expenses and Changes in Fund Net Assets demonstrates how net assets changed during the fiscal year.

The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, capital financing and investing activities.

Fund Financial Statements – In order to ensure observance of limitations and restrictions placed on the use of resources available to the University, the accounts of the University are maintained in accordance with the principles of “fund accounting” under which resources for various projects are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified.

The University’s accounts and transactions include those related to the Student Health Facility Revenue Bonds issued by the University. These fund financial statements reflect only those accounts and transactions related to these bonds. These accounts and transactions are included as a portion of the University’s Plant Funds. Plant Funds are used to account for the transactions relating to investment in University properties. Plant Funds include the following funds: (1) Retirement of Indebtedness and (2) Investment in Plant. Retirement of Indebtedness, including the Sinking, Reserve, Excess and Arbitrage Reserve Funds established by the bond resolution, is comprised of amounts to provide for payment of principal and interest. Investment in Plant is comprised of amounts representing the total of buildings and equipment, all net of accumulated depreciation and the related liabilities.

The Current Fund, including the Operations Fund, is classified as a University Auxiliary Enterprise to account for transactions of substantially self-supporting activities that primarily perform a service to students.

The following funds are required by the bond resolution:

Operations Fund - The Operations Fund is used to account for all financial activity of the Student Health Facility, except those to be accounted for in another fund.

Bond Sinking Fund (Sinking Fund) - The bond resolution provides all Student Health Facility Fees received and collected shall be segregated and deposited into the Bond Sinking Fund until there has been accumulated therein an amount equal to the full amount of principal and interest which will become due and payable on and prior to the next succeeding January 1 and July 1 on all Bonds then outstanding. The Bond Sinking Fund shall be used solely and only and is pledged for the purpose of paying the principal of and interest on the Bonds authorized and Bonds ranking on a parity therewith and for no other purpose.

Debt Service Reserve Fund (Reserve Fund) - The bond resolution establishes a Debt Service Reserve Fund as additional security for the Bonds. The Debt Service Reserve Fund will be funded in an amount equal to the lesser of (i) ten percent of the stated principal amount of the Bonds, (ii) the maximum annual payments of principal of and interest on the Bonds or (iii) 125% of the average annual principal and interest requirements on the Bonds (the “Debt Service Reserve Requirement”). The Debt Service Reserve Fund was funded at Bond closing in the amount of \$434,060. All moneys credited to the Debt Service Reserve Fund shall be transferred to the Bond Sinking Fund and used for the payment of the principal of and interest on the Bonds whenever for any reason the funds on deposit in the Bond Sinking Fund are insufficient to pay such principal and interest when due. All amounts in excess of the Debt Service Reserve requirement shall be transferred to the Excess Fund.

Excess Fund - The bond resolution provides all Student Health Facility Fees not required to be deposited into the Bond Sinking Fund be deposited into the Excess Fund. In addition, all excess amounts in the Bond Sinking Fund and Debt Service Reserve Fund shall be deposited in the Excess Fund. All moneys deposited in the Excess Fund shall be (a) transferred and credited to the Bond Sinking Fund whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the Bonds or parity bonds or (b) transferred and credited to the Debt Service Reserve Fund whenever any deficiency may exist in the Debt Service Reserve Fund or whenever necessary to replace funds transferred from the Debt Service Reserve Fund to the Bond Sinking Fund. Until so used, moneys credited to the Excess Fund may be used for any lawful purpose, as determined by the Board of Regents, including without limitation the following: (1) to purchase Bonds or parity bonds prior to maturity and (2) to pay the cost of constructing, acquiring and improving the Project or extraordinary costs of operating, repairing or maintaining the Project.

Arbitrage Reserve Fund - Moneys credited to the Arbitrage Reserve Fund shall be used for the payment of arbitrage rebates and related administrative expenses.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and are reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Revenues are recorded when earned and expenses are recorded when the liability is incurred.

Purchases of facilities and equipment providing future benefits are capitalized and depreciated.

Cash, Cash Equivalents and Investments

The University deposits the cash of most funds in commingled bank accounts and makes disbursements from the combined cash balances. An individual fund's cash balance represents that fund's cumulative deposits to and disbursements from the University's bank accounts. For purposes of the Statement of Net Assets and the Statement of Cash Flows, the University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments are reported at fair value.

Accounts Receivable

Accounts receivable represent unpaid pharmacy services from customers and unpaid student health fees.

Inventory

Inventory is stated at the lower of cost (weighted average) or market.

Capital Assets

Capital assets are defined by the University as assets with an initial individual cost of more than \$5,000 for equipment or \$50,000 for buildings. Such assets are recorded at historical cost when purchased or constructed.

The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized.

Outlays for capital assets are capitalized as projects are constructed. During the year ended June 30, 2008, no interest costs were capitalized.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	25-40
Equipment	5-15

(2) Cash, Cash Equivalents and Investments

The University's deposits were covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. In the unlikely event a bank fails, the State Treasurer first determines the amount of the loss and validates the amount of applicable FDIC insurance. He is empowered by this chapter to cover the remaining loss from the State Sinking Fund for public deposits in banks. If the balance in the State Sinking Fund is inadequate to pay the entire loss, he is empowered to make assessments against other banks to insure there will be no loss of public funds. Cash in banks of \$3,655,406 is combined with other University funds. The money market balance for the Student Health Facility Revenue Bond Funds is \$9,028, which is considered to be a cash equivalent.

At June 30, 2008, the Student Health Facility Revenue Bond Funds had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Fixed Income:	
U.S. Government Treasury Notes	<u>\$ 427,558</u>

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations to the University. At June 30, 2008, the Student Health Facility Revenue Bond Funds fixed income assets were 100% government guaranteed.

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the University's investment in a single issue. Except for U.S. Government investments, no one issuer represents 5% or more of the total assets.

Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio using the effective duration. It is widely used in the management of fixed income portfolios in that it quantifies to a much greater degree the risk of interest rate changes.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Duration</u>
Fixed Income:		
U.S. Government Treasury Notes	<u>\$ 427,558</u>	<u>0.46</u>

(3) Capital Assets

The following is a summary of capital assets activity in the Investment in Plant Fund for the Student Health Center for the year ended June 30, 2008:

	Balance July 1, 2007	Additions	Transfers	Deletions	Balance June 30, 2008
Capital assets, depreciable:					
Buildings	\$ 6,566,173	-	-	-	6,566,173
Equipment	864,368	-	-	(15,950)	848,418
Total capital assets, depreciable	7,430,541	-	-	(15,950)	7,414,591
Less accumulated depreciation:					
Buildings	(2,313,655)	(149,448)	-	-	(2,463,103)
Equipment	(527,536)	(106,216)	-	15,950	(617,802)
Total accumulated depreciation	(2,841,191)	(255,664)	-	15,950	(3,080,905)
Total capital assets, net	\$ 4,589,350	(255,664)	-	-	4,333,686

The cost of land is not reflected in the Statement of Net Assets. This land is included in other accounts of the University.

(4) Revenue Bonds Payable

The bonds, issued on July 1, 1995 for \$5,140,000, were used to construct, improve and equip a Student Health Center on the campus of the University. The bonds bear interest at rates ranging from 5.20% to 5.50% per year, payable semi-annually on January 1 and July 1. The bonds mature on July 1, in annual amounts as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 300,000	125,772	425,772
2010	315,000	109,625	424,625
2011	330,000	92,450	422,450
2012	345,000	74,308	419,308
2013	365,000	55,046	420,046
2014	820,000	22,550	842,550
Total	\$ 2,475,000	479,751	2,954,751

Under the provisions of the bond resolution, these bonds will be retired solely from proceeds of Student Health Facility Fees and project income from Student Health Center operations. The bonds are also payable from, but not secured by, gift and other income. The bonds are subject to redemption prior to their respective maturities at the option of the Board of Regents, State of Iowa.

In accordance with the provisions of the bond resolution, all principal and interest maturing July 1 of each year shall be considered to be obligations of the then immediately preceding fiscal year. Therefore, such debt is reflected in the Sinking Fund.

At June 30, 2008, cash with paying agents of \$366,786 was on deposit in the Agency Fund of the University for the purpose of paying current obligations of bond principal and interest.

(5) Debt Service Coverage

Student Health Facility Revenue Bond principal and interest payments totaling \$433,572 due January 1 and July 1, 2008 require debt service coverage of a minimum of 120%, or \$520,286. Student Health Facility fees of \$408,181, investment income of \$218,408 and excess funds available of \$965,129 provided debt service coverage of \$1,591,718, or 367% of the principal and interest due for the year ended June 30, 2008.

The debt service coverage for the current and two prior years is as follows:

Year Ended June 30,	Principal and Interest	Required Debt Service Coverage	Actual Debt Service Coverage	Required Coverage Percentage	Actual Coverage Percentage
2008	\$ 433,572	520,286	1,591,718	120%	367%
2007	433,108	519,730	1,553,345	120	359
2006	431,607	517,928	1,456,044	120	337

Supplementary Information

Student Health Facility Revenue Bond Funds
Iowa State University of Science and Technology

Combining Statement of Net Assets

June 30, 2008

	Plant Funds			
	Current	Retirement of Indebtedness		
		Operations Fund	Sinking Fund	Reserve Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ 2,634,049	-	-	-
Cash with paying agents	-	366,786	-	-
Accounts receivable, less allowance for doubtful accounts of \$17,929	336,408	-	-	-
Interest receivable	-	129	-	-
Prepaid expense	12,014	-	-	-
Inventory	213,514	-	-	-
Total current assets	3,195,985	366,915	-	-
Noncurrent assets:				
Cash, cash equivalents and investments	-	-	435,917	1,022,026
Interest receivable	-	-	639	-
Capital assets, net	-	-	-	-
Total noncurrent assets	-	-	436,556	1,022,026
Total assets	3,195,985	366,915	436,556	1,022,026
Liabilities				
Current liabilities:				
Accounts payable	40,874	-	-	-
Accrued salaries and wages	12,694	-	-	-
Interest payable	-	66,786	-	-
Compensated absences payable	381,972	-	-	-
Revenue bonds payable, current portion	-	300,000	-	-
Total current liabilities	435,540	366,786	-	-
Noncurrent liabilities:				
Revenue bonds payable, noncurrent portion	-	-	-	-
Total liabilities	435,540	366,786	-	-
Net assets				
Net investment in plant	-	-	-	-
Restricted for debt service	-	129	436,556	1,022,026
Unrestricted	2,760,445	-	-	-
Total net assets	\$ 2,760,445	129	436,556	1,022,026

See the accompanying notes which are an integral part of these financial statements.

Investment in Plant	Total
-	2,634,049
-	366,786
-	336,408
-	129
-	12,014
-	213,514
-	3,562,900
-	1,457,943
-	639
4,333,686	4,333,686
4,333,686	5,792,268
4,333,686	9,355,168
-	40,874
-	12,694
-	66,786
-	381,972
-	300,000
-	802,326
2,175,000	2,175,000
2,175,000	2,977,326
2,158,686	2,158,686
-	1,458,711
-	2,760,445
2,158,686	6,377,842

Student Health Facility Revenue Bond Funds
Iowa State University of Science and Technology

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Year ended June 30, 2008

	Current Operations Fund	Sinking Fund
Operating revenues:		
Student health services	\$ 6,183,366	-
Other operating revenues	2,032,720	-
Total operating revenues	<u>8,216,086</u>	<u>-</u>
Operating expenses:		
Student health services	6,200,575	-
Other operating expenses	1,979,923	-
Depreciation	-	-
Total operating expenses	<u>8,180,498</u>	<u>-</u>
Operating income (loss)	<u>35,588</u>	<u>-</u>
Nonoperating revenues (expenses):		
Investment income	139,973	1,010
Net increase in fair value of investments	-	-
Interest expense	-	(133,572)
Administrative expense	-	-
Net nonoperating revenues (expenses)	<u>139,973</u>	<u>(132,562)</u>
Income (loss) before other revenues (expenses) and transfers	<u>175,561</u>	<u>(132,562)</u>
Other revenues, (expenses) and transfers:		
Allocation of student fees from other University funds	-	408,181
Non-mandatory transfers	-	-
Mandatory transfers	-	24,045
Transfer of revenue bonds payable	-	(300,000)
Total other revenues (expenses) and transfers	<u>-</u>	<u>132,226</u>
Increase (decrease) in net assets	175,561	(336)
Net assets beginning of year	<u>2,584,884</u>	<u>465</u>
Net assets end of year	<u>\$ 2,760,445</u>	<u>129</u>

See the accompanying notes which are an integral part of these financial statements.

Plant Funds				
Retirement of Indebtedness				
Reserve Fund	Excess Fund	Arbitrage Reserve Fund	Investment in Plant	Total
-	-	-	-	6,183,366
-	-	-	-	2,032,720
-	-	-	-	8,216,086
-	-	-	-	6,200,575
-	-	-	-	1,979,923
-	-	-	255,664	255,664
-	-	-	255,664	8,436,162
-	-	-	(255,664)	(220,076)
16,860	60,565	-	-	218,408
2,797	-	-	-	2,797
-	-	-	-	(133,572)
-	-	(850)	-	(850)
19,657	60,565	(850)	-	86,783
19,657	60,565	(850)	(255,664)	(133,293)
-	-	-	-	408,181
(600)	(250)	850	-	-
(20,627)	(3,418)	-	-	-
-	-	-	300,000	-
(21,227)	(3,668)	850	300,000	408,181
(1,570)	56,897	-	44,336	274,888
438,126	965,129	-	2,114,350	6,102,954
436,556	1,022,026	-	2,158,686	6,377,842

Schedule 3

Student Health Facility Revenue Bond Funds
Iowa State University of Science and Technology

Student Fee Receipts

Year ended June 30, 2008

	Student Health Facility		Student Health Service	
	Fee Rate	Fees Collected	Fee Rate	Fees Collected
Fall Semester, 2007*	\$ 8.00	\$ 202,222	\$ 92.00	\$ 2,275,011
Spring Semester, 2008	8.00	199,950	92.00	2,139,535
Summer Semester 2008**	4.00	<u>6,009</u>	47.50	<u>38,218</u>
Total		<u>\$ 408,181</u>		<u>\$ 4,452,764</u>

* Includes fee receipts for the period from July to December, 2007 primarily related to the Fall Semester.

** Summer Semester 2008 fees collected in June 2008 and not deferred.

See accompanying independent auditor's report.

Student Health Facility Revenue Bond Funds
Iowa State University of Science and Technology

Student Enrollment
(Unaudited)

Year ended June 30, 2008

Enrollment at Iowa State University of Science and Technology for the year ended June 30, 2008 was as follows:

Summer Semester, 2007	9,312
Fall Semester, 2007	26,160
Spring Semester, 2008	24,445

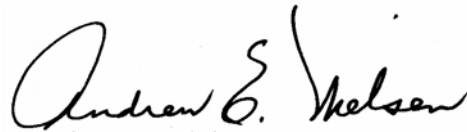
See accompanying independent auditor's report.

Student Health Facility Revenue Bond Funds
Iowa State University of Science and Technology

Staff

This audit was performed by:

Ernest H. Ruben, Jr., CPA, Manager
Adam D. Steffensmeier, Staff Auditor
Scott G. Anderson, Assistant Auditor
Curtis M. Powers, Auditor Intern

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large initial "A".

Andrew E. Nielsen, CPA
Deputy Auditor of State