



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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Auditor of State

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Independent Auditor's Report

Mark Braun, Executive Director  
Board of Regents  
State of Iowa


I, Mary Mosiman, 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 the State University of Iowa.

We have audited the accompanying Schedule of Debt Service and Coverage (Schedule) for the State University of Iowa as of November 8, 2017 for the Athletic Revenue Bonds, Series S.U.I. 2010, dated October 1, 2010; Athletic Facilities Revenue Refunding Bonds, Series S.U.I. 2015, dated April 1, 2015; Athletic Facilities Revenue Refunding Bonds, Series S.U.I. 2015A, dated June 1, 2015; Athletic Facilities Revenue Refunding Bonds, Series S.U.I. 2015B (Taxable), dated September 1, 2015; Athletic Facilities Revenue Refunding Bonds, Series S.U.I. 2015C (Taxable), dated November 1, 2015; Athletic Facilities Revenue Refunding Bonds, Series S.U.I. 2015D (Taxable), dated November 1, 2015; and Athletic Facilities Revenue Refunding Bonds, Series S.U.I. 2017A, dated November 1, 2017 (collectively, the "Parity Bonds") and for the Athletic Revenue Bonds Series S.U.I. 2017, 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 the State University of Iowa'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 the State University of Iowa is in compliance with the requirement the net revenues of the Athletic Facilities System (as defined in the Parity Bond Resolutions) collected by the State University of Iowa during the year ended June 30, 2016 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 the Parity Bonds outstanding as of June 30, 2016, which includes the Athletic Facilities Revenue Refunding Bonds, Series S.U.I. 2017A, scheduled for settlement pursuant to a resolution adopted by the Board of Regents, State of Iowa dated October 18, 2017 which refunds the S.U.I. Athletic Revenue Bonds, Series 2009, and the Athletic Facilities Revenue Bonds, Series S.U.I. 2017 which are scheduled for settlement pursuant to a resolution adopted by the Board of Regents, State of Iowa dated October 18, 2017.

This report is solely for the information and use of the Board of Regents, State of Iowa, management of the State University of Iowa and Ahlers & Cooney, P.C., and should not be used for any other purpose.

  
Mary Mosiman, CPA  
Auditor of State

November 8, 2017

State University of Iowa  
Athletic Facilities Revenue Bonds

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 2016 Net Revenues ( c )
2017	\$ -	-	10,152,465	10,152,465	5.52
2018	1,150,000	1,802,950	10,080,513	11,883,463	4.72
2019	1,190,000	2,134,925	10,142,115	12,277,040	4.57
2020	1,230,000	2,139,225	10,257,662	12,396,887	4.52
2021	1,275,000	2,147,325	10,295,550	12,442,875	4.51
2022	1,320,000	2,154,075	10,480,699	12,634,774	4.44
2023	1,365,000	2,159,475	10,486,498	12,645,973	4.43
2024	1,410,000	2,163,525	10,526,989	12,690,514	4.42
2025	1,460,000	2,171,225	10,512,414	12,683,639	4.42
2026	1,515,000	2,182,425	10,553,426	12,735,851	4.40
2027	1,565,000	2,186,975	10,578,796	12,765,771	4.39
2028	1,600,000	2,175,025	10,591,583	12,766,608	4.39
2029	1,640,000	2,167,025	10,633,742	12,800,767	4.38
2030	1,685,000	2,162,825	10,684,897	12,847,722	4.36
2031	1,730,000	2,157,275	8,905,548	11,062,823	5.07
2032	1,780,000	2,155,375	2,896,950	5,052,325	11.10
2033	1,835,000	2,152,525	2,916,900	5,069,425	11.06
2034	1,890,000	2,147,888	2,933,200	5,081,088	11.04
2035	1,950,000	2,146,462	2,940,850	5,087,312	11.02
2036	2,015,000	2,148,088	1,300,000	3,448,088	16.26
2037	2,080,000	2,147,600	-	2,147,600	26.11
Total	\$ 31,685,000	42,802,213	167,870,797	210,673,010	

(a) Includes the bond principal and interest at a TIC rate 2.7525681% for the Series S.U.I. 2017 Bonds.

(b) Excludes Series S.U.I. 2017 Bonds and the S.U.I Series 2009 Athletic Revenue Bonds. Includes the S.U.I. 2017A Athletic Facilities Refunding Bonds scheduled for settlement pursuant to a resolution adopted by the Board of Regents, State of Iowa dated October 18, 2017.

As of November 8, 2017, the outstanding principal is in the aggregate amount of \$129,160,000.

(c) Fiscal Year 2016 Net Revenues	
Operating revenues	\$ 70,674,325
Operating expenditures before depreciation	<u>(15,885,579)</u>
Operating income before depreciation	54,788,746
Add: Investment income	631,309
Add: Allocation of student fees from other University funds	<u>650,000</u>
Net Revenues	<u>\$ 56,070,055</u>