



OFFICE OF AUDITOR OF STATE  
STATE OF IOWA

David A. Vaudt, CPA  
Auditor of State

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Independent Auditor's Report

Gary W. Steinke, Acting 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 October 1, 2005 for the Academic Building Revenue Bond Funds Series I.S.U. 1988 dated October 27, 1988; 1995, dated July 1, 1995; 1998, dated February 1, 1998; 2001A, dated May 1, 2001; 2001B, dated May 1, 2001; 2003, dated November 1, 2003; 2004A, dated May 1, 2004; and 2004B, dated May 1, 2004 (collectively, the "Parity Bonds") and for the Academic Building Revenue Bonds, Series I.S.U. 2005 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 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 student fees and charges collected by Iowa State University of Science and Technology during the year ended June 30, 2005 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 October 1, 2005 and (b) the Academic Building Revenue Bonds Series I.S.U. 2005 which are scheduled for settlement pursuant to a resolution adopted by the Board of Regents, State of Iowa dated November 2, 2005.

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

November 8, 2005

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 2005 Student Fees and Charges (c)
2006	\$ -	499,753	9,402,326	9,902,079	12.55
2007	-	856,719	8,795,941	9,652,660	12.88
2008	125,000	981,719	8,881,273	9,862,992	12.60
2009	125,000	976,719	7,347,980	8,324,699	14.93
2010	150,000	996,719	7,391,695	8,388,414	14.82
2011	500,000	1,340,719	7,451,488	8,792,207	14.14
2012	800,000	1,620,719	5,564,343	7,185,062	17.30
2013	825,000	1,613,719	5,168,180	6,781,899	18.33
2014	925,000	1,680,719	2,585,448	4,266,167	29.14
2015	975,000	1,693,719	2,587,816	4,281,535	29.03
2016	1,000,000	1,679,719	1,229,000	2,908,719	42.74
2017	1,050,000	1,689,719	1,224,588	2,914,307	42.66
2018	1,100,000	1,695,094	1,227,390	2,922,484	42.54
2019	1,150,000	1,698,344	492,100	2,190,444	56.75
2020	1,200,000	1,699,469	496,850	2,196,319	56.60
2021	1,250,000	1,698,469		1,698,469	73.19
2022	1,300,000	1,693,781		1,693,781	73.39
2023	1,375,000	1,711,906		1,711,906	72.62
2024	1,425,000	1,701,750		1,701,750	73.05
2025	1,500,000	1,712,625		1,712,625	72.59
2026	1,575,000	1,720,125		1,720,125	72.27
2027	1,650,000	1,724,250		1,724,250	72.10
	<u>\$ 20,000,000</u>	<u>32,686,475</u>	<u>69,846,418</u>	<u>102,532,893</u>	

- (a) Includes the bond principal and interest at a TIC rate of 4.4643%.
- (b) Excludes Series I.S.U. 2005 Academic Building Revenue Bonds. As of November 1, 2005, the outstanding principal is in the aggregate amount of \$52,690,000.
- (c) The student fees and charges revenues for the year ended June 30, 2005, reported in the Academic Building Revenue Fund were \$124,312,369, net of \$41,614,798 scholarship allowance.