

**HILTON COLISEUM REVENUE BOND FUNDS
IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY**

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

JUNE 30, 2006

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OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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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 Hilton Coliseum Revenue Bond Funds of Iowa State University of Science and Technology (Iowa State University) as of and for the year ended June 30, 2006, 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 Hilton Coliseum Revenue Bond Funds of Iowa State University as of and for the year ended June 30, 2006 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 Hilton Coliseum Revenue Bond Funds and do not purport to, and do not, present fairly the financial position of Iowa State University as of June 30, 2006 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.

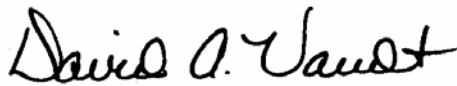
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hilton Coliseum Revenue Bond Funds of Iowa State University as of June 30, 2006, and the changes in its financial position and its cash flows for the year then ended in conformity 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 Hilton Coliseum Revenue Bond Funds of Iowa State University as of June 30, 2006, 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 Hilton Coliseum Revenue Bonds, except the bond resolution requires insurance coverage with a maximum \$5,000 deductible whereas the University has a \$10,000 deductible policy. As noted in Schedule 4, University management considers the difference to be self-insured.

Iowa State University has not presented Management's Discussion and Analysis for the Hilton Coliseum 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 through 5 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 insurance coverage and 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 29, 2006

Basic Financial Statements

Exhibit A

Hilton Coliseum Revenue Bond Funds
Iowa State University of Science and Technology

Statement of Net Assets

June 30, 2006

Assets

Current assets:

Cash with paying agents	\$ 387,878
Inventories	55,407
Total current assets	<u>443,285</u>

Noncurrent assets:

Cash, cash equivalents and investments	3,016,632
Interest receivable	13,267
Capital assets, net	3,491,175
Total noncurrent assets	<u>6,521,074</u>
Total assets	<u>6,964,359</u>

Liabilities

Current liabilities:

Accounts payable	3,009
Interest payable	27,878
Revenue bonds payable, current portion	360,000
Total current liabilities	<u>390,887</u>

Noncurrent liabilities:

Revenue bonds payable, noncurrent portion	720,000
Total liabilities	<u>1,110,887</u>

Net assets:

Invested in capital assets, net of related debt	2,771,175
Restricted for debt service	1,265,490
Restricted for improvements	1,816,807
Total net assets	<u>\$ 5,853,472</u>

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

Hilton Coliseum Revenue Bond Funds
Iowa State University of Science and Technology

Statement of Revenues, Expenses and Changes in Fund Net Assets

Year ended June 30, 2006

Operating revenues	\$ 2,110,607
Operating expenses:	
Operating expenses	2,677,483
Depreciation	127,689
Total operating expenses	<u>2,805,172</u>
Operating loss	<u>(694,565)</u>
Nonoperating revenues (expenses):	
Investment income	102,475
Net decrease in fair value of investments	(1,587)
Interest expense	(51,700)
Net nonoperating revenues (expenses)	<u>49,188</u>
Loss before other revenues and transfers	<u>(645,377)</u>
Other revenues and transfers:	
Transfers from other University funds	472,033
Allocation of student fees from other University funds	434,371
Total other revenues and transfers	<u>906,404</u>
Increase in net assets	261,027
Net assets beginning of year	<u>5,592,445</u>
Net assets end of year	<u>\$ 5,853,472</u>

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

Exhibit CHilton Coliseum Revenue Bond Funds
Iowa State University of Science and Technology

Statement of Cash Flows

Year ended June 30, 2006

Cash flows from operating activities:	
Cash received from operations	\$ 2,110,607
Cash paid for operations	(2,699,769)
Net cash used by operating activities	<u>(589,162)</u>
Cash flows from capital financing activities:	
Transfers from other University funds	472,033
Student fees received from other University funds	434,371
Additions to capital assets	(200,737)
Principal paid on capital debt	(350,000)
Interest paid on capital debt	(51,700)
Net cash provided by capital financing activities	<u>303,967</u>
Cash flows from investing activities:	
Interest on investments	104,363
Proceeds from sales of investments	4,093,092
Purchases of investments	(2,315,828)
Net cash provided by investing activities	<u>1,881,627</u>
Net increase in cash and cash equivalents	1,596,432
Cash and cash equivalents beginning of year	<u>255,120</u>
Cash and cash equivalents end of year	<u>\$ 1,851,552</u>
Reconciliation of operating loss to net cash used by operating activities	
Operating loss	\$ (694,565)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	127,689
Changes in assets and liabilities:	
(Increase) in inventories	(13,180)
(Decrease) in accounts payable	(9,106)
Net cash used by operating activities	<u>\$ (589,162)</u>
Reconciliation of cash and cash equivalents to the Statement of Net Assets	
Cash and cash equivalents classified as noncurrent assets	<u>\$ 1,851,552</u>

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

Hilton Coliseum Revenue Bond Funds
Iowa State University of Science and Technology

Notes to Financial Statements

June 30, 2006

(1) Summary of Significant Accounting Policies

Reporting Entity

The Hilton Coliseum 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 and furnish a multi-purpose fieldhouse-auditorium 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 Hilton Coliseum Revenue Bond Funds of Iowa State University of Science and Technology (University) include only the financial position and operating activities of the Hilton Coliseum 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 Hilton Coliseum 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, non-capital financing, 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 according to the activities or objectives specified.

The University's accounts and transactions include those related to the Hilton Coliseum Revenue Bonds issued by the University. These fund financial statements reflect only those accounts and transactions related to these bonds. Certain of 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) Renewals and Replacements, (2) Retirement of Indebtedness and (3) Investment in Plant. Renewals and Replacements, including the Surplus Fund established by the bond resolution, is comprised of amounts allocated or designated for buildings, improvements other than buildings and equipment. Retirement of Indebtedness, including the Reserve and Sinking 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, infrastructure and equipment, all net of accumulated depreciation and the related liabilities.

Current Funds, including the Hilton Coliseum Operating and Student Special Building Funds established by the bond resolution, are classified as a University Auxiliary Enterprise to account for transactions of substantially self-supporting activities that primarily perform a service to students, faculty and staff.

The following funds are required by the bond resolution:

Hilton Coliseum Operating Fund - The Hilton Coliseum Operating Fund is used to account for all financial activity resulting from the operation of Hilton Coliseum except activity to be accounted for in another Fund.

Student Special Building Fund - The Student Special Building Fund is used to collect Student Fieldhouse-Auditorium Fees for allocation to the Sinking, Reserve and Surplus Funds in accordance with the bond resolution.

Surplus Fund - The bond resolution provides any remaining Student Fieldhouse-Auditorium Fees and net income revenues from the Hilton Coliseum Operations Fund are to be deposited to the Surplus Fund. Monies deposited to the Surplus Fund may be used to: (1) purchase bonds prior to maturity, (2) create a fund for the construction of extensions, additions or improvements to Hilton Coliseum, (3) transfer to the Sinking Fund or Reserve Fund and (4) pay the principal and interest on subordinate bonds of the Board of Regents, State of Iowa issued in connection with Hilton Coliseum.

Bond and Interest Reserve Fund (Reserve Fund) - The bond resolution provides the annual sum of \$30,000 shall be deposited into the Reserve Fund from the balance of the Student Fieldhouse-Auditorium fees remaining after first making the required payment into the Sinking Fund. Also, for each fiscal year, one-half of the remaining Student Fieldhouse-Auditorium fees will be deposited into the Reserve Fund until the fund is equal to the maximum amount of principal and interest due in any succeeding fiscal year. All monies credited to the Reserve Fund are to be used for payment of principal and interest on the bonds. If the funds on deposit in the Sinking Fund are insufficient, for any reason, to pay such principal and interest when due, then amounts on deposit in the Reserve Fund in excess of the maximum amount of principal and interest due on the outstanding bonds may be used to service the indebtedness due.

Bond Sinking Fund (Sinking Fund) - The bond resolution provides the proceeds from the Student Fieldhouse-Auditorium Fees are to be deposited into the Sinking Fund until an amount equal to the principal and interest payment due on and prior to the next succeeding July 1 of each succeeding year has been accumulated. The Sinking Fund shall be used solely for the purpose of paying principal and interest on the bonded indebtedness.

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.

Inventories

Inventories are stated at average cost, which approximates the value that would be reported had inventories been stated at lower of cost or market, as required by U.S. generally accepted accounting principles.

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 and infrastructure. Such assets are recorded at historical cost when purchased or constructed.

The costs of normal maintenance and repairs 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, 2006, 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
Infrastructure	30
Equipment	10

(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 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 \$7,984 is combined with other University funds. The money market balance for the Hilton Coliseum Revenue Bond Funds is \$1,843,568.

At June 30, 2006, the Hilton Coliseum Revenue Bond Funds had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Fixed Income:	
U.S. Government Treasury Notes	<u>\$ 1,165,080</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, 2006, the Hilton Coliseum 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>\$1,165,080</u>	<u>1.32</u>

(3) Capital Assets

The following is a summary of capital assets activity in the Investment in Plant Fund for Hilton Coliseum assets for the year ended June 30, 2006:

	Balance			Balance
	July 1,	Additions	Deletions	June 30,
	2005			2006
Capital assets, nondepreciable:				
Construction in progress	\$ -	200,737	-	200,737
Capital assets, depreciable:				
Buildings	12,305,304	-	-	12,305,304
Infrastructure	223,000	-	-	223,000
Equipment	519,571	-	-	519,571
Capital assets, depreciable	13,047,875	-	-	13,047,875
Accumulated depreciation:				
Buildings	(8,887,177)	(127,689)	-	(9,014,866)
Infrastructure	(223,000)	-	-	(223,000)
Equipment	(519,571)	-	-	(519,571)
Total accumulated depreciation	(9,629,748)	(127,689)	-	(9,757,437)
Depreciable capital assets, net	3,418,127	(127,689)	-	3,290,438
Total capital assets, net	\$ 3,418,127	73,048	-	3,491,175

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 were issued on July 1, 1968 for \$6,800,000 and bear interest at rates ranging from 4.5% to 5.00% per year, payable semiannually on January 1 and July 1. The bonds mature on July 1, in annual amounts as follows:

Year Ending June 30,	Principal	Interest	Total
2007	\$ 360,000	44,978	404,978
2008	360,000	25,200	385,200
2009	360,000	8,100	368,100
Total	\$ 1,080,000	78,278	1,158,278

Under the provisions of the bond resolution, these bonds will be retired solely from proceeds of Student Fieldhouse-Auditorium fees, revenues derived from Hilton Coliseum operations and interest on invested funds. The bonds are subject to redemption prior to their respective maturities, at the option of the Board of Regents, State of Iowa, upon payment of certain premium rates ranging from 1% to 4% over the stated bond value.

The principal and interest amounts for the year ended June 30, 2007 of \$360,000 and \$44,978, respectively, include due and unpaid principal of \$10,000 and due and unpaid interest coupons of \$2,028 at June 30, 2006.

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 and, as such, are reflected in the Sinking Fund.

At June 30, 2006, cash with paying agents of \$387,878 was on deposit in the Agency Fund of the University for the purpose of paying current obligations of bond principal and interest.

(5) Commitments

The Board of Regents entered into a management agreement with SMG Corporation, effective August 1, 2001 through June 30, 2006. The agreement provides for SMG Corporation to receive a management fee, initially established at \$120,000 per year. The management fee is subject to annual adjustments during the term of the agreement, not to exceed the annual percentage increase or decrease reflected in the consumer price index, with a maximum annual increase of 2.75% to be applied to the following year's payment. In addition, SMG Corporation is to receive a 10% commission on net concession and merchandise sales, limited to the amount of the management fee for that year. The agreement was renewed and now extends through June 30, 2011.

(6) Related Party Transactions

Included in operating expenses are costs for utilities purchased from the University's Utility System of \$390,167. Included in operating revenues are certain revenues generated from other auxiliary enterprises and current funds of the University.

Supplementary Information

Hilton Coliseum Revenue Bond Funds
Iowa State University of Science and Technology

Combining Statement of Net Assets

June 30, 2006

	Plant Funds		
	Renewals and Replacement	Retirement of Indebtedness	
	Surplus Fund	Reserve Fund	Sinking Fund
Assets			
Current assets:			
Cash with paying agents	\$ -	-	387,878
Inventories	55,407	-	-
Total current assets	55,407	-	387,878
Noncurrent assets:			
Cash, cash equivalents and investments	1,751,142	1,265,490	-
Interest receivable	13,267	-	-
Capital assets, net	-	-	-
Total noncurrent assets	1,764,409	1,265,490	-
Total assets	1,819,816	1,265,490	387,878
Liabilities			
Current liabilities:			
Accounts payable	3,009	-	-
Interest payable	-	-	27,878
Revenue bonds payable, current portion	-	-	360,000
Total current liabilities	3,009	-	387,878
Noncurrent liabilities:			
Revenue bonds payable, noncurrent portion	-	-	-
Total liabilities	3,009	-	387,878
Net assets:			
Net investment in plant	-	-	-
Restricted for debt service	-	1,265,490	-
Restricted for improvements	1,816,807	-	-
Total net assets	\$ 1,816,807	1,265,490	-

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

Investment in Plant	Total
-	387,878
-	55,407
-	443,285
-	3,016,632
-	13,267
3,491,175	3,491,175
3,491,175	6,521,074
3,491,175	6,964,359
-	3,009
-	27,878
-	360,000
-	390,887
720,000	720,000
720,000	1,110,887
2,771,175	2,771,175
-	1,265,490
-	1,816,807
2,771,175	5,853,472

Hilton Coliseum 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, 2006

	Current Funds		
	Hilton Coliseum Operating Fund	Student Special Building Fund	Renewals and Replacements Surplus Fund
Operating revenues	\$ 2,110,607	-	-
Operating expenses:			
Operating expenses	2,677,483	-	-
Depreciation	-	-	-
Total operating expenses	2,677,483	-	-
Operating loss	(566,876)	-	-
Nonoperating revenues (expenses):			
Investment income	-	-	102,475
Net decrease in fair value of investments	-	-	(1,587)
Interest on expense	-	-	-
Net nonoperating revenues (expenses)	-	-	100,888
Income (loss) before other revenues, (expenses) and transfers	(566,876)	-	100,888
Other revenues, (expenses) and transfers:			
Additions to capital assets	-	-	(200,737)
Mandatory transfers	-	(434,371)	2,671
Non-mandatory transfers	94,843	-	(94,843)
Transfers from other University funds	472,033	-	-
Allocation of student fees from other University funds	-	434,371	-
Transfer of revenue bonds payable	-	-	-
Total other revenues, (expenses) and transfers	566,876	-	(292,909)
Increase (decrease) in net assets	-	-	(192,021)
Net assets beginning of year	-	-	2,008,828
Net assets end of year	\$ -	-	1,816,807

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

Plant Funds			
Retirement of Indebtedness			
Reserve Fund	Sinking Fund	Investment in Plant	Total
-	-	-	2,110,607
-	-	-	2,677,483
-	-	127,689	127,689
-	-	127,689	2,805,172
-	-	(127,689)	(694,565)
-	-	-	102,475
-	-	-	(1,587)
-	(51,700)	-	(51,700)
-	(51,700)	-	49,188
-	(51,700)	(127,689)	(645,377)
-	-	200,737	-
30,000	401,700	-	-
-	-	-	-
-	-	-	472,033
-	-	-	434,371
-	(350,000)	350,000	-
30,000	51,700	550,737	906,404
30,000	-	423,048	261,027
1,235,490	-	2,348,127	5,592,445
1,265,490	-	2,771,175	5,853,472

Schedule 3

Hilton Coliseum Revenue Bond Funds
Iowa State University of Science and Technology

Schedule of Student Fee Receipts

Year ended June 30, 2006

	Student Fees
Spring Semester, 2005*	\$ 213
Summer Semester, 2005**	12,743
Fall Semester, 2005	219,618
Spring Semester, 2006	178,986
Summer Semester, 2006***	22,811
Total	<u>\$ 434,371</u>

Student Fieldhouse-Auditorium Fees (\$4.50 for Summer and \$9.00 for Spring and Fall) are collected from students who are enrolled for more than two credit hours.

* Spring Semester 2005 fees that were not paid until Fall Semester 2005.

** Summer Semester 2005 fees exclude \$24,103 of fees recognized in fiscal year 2005.

*** Summer Semester 2006 fees exclude \$11,222 of deferred revenues representing fees applicable to fiscal year 2007.

See accompanying independent auditor's report.

Hilton Coliseum Revenue Bond Funds
Iowa State University of Science and Technology

Schedule of Insurance Coverage
(Unaudited)

June 30, 2006

Insurer

Travelers Insurance Company

Description of Coverage

General property coverage with a \$10,000 deductible for each occurrence for each item. (1)

Amount of Coverage

Building – \$63,670,618

Contents – \$7,958,827

Business interruption – \$970,000

Policy Number

KTK-CMB-544D989-2-05

Term of Policy

July 1, 2005 to July 1, 2006

(1) The bond resolution stipulates a maximum deductible of \$5,000 for each loss. However, University management feels the surplus fund is adequate to constitute self-insurance for the deductible differential.

See accompanying independent auditor's report.

Schedule 5

Hilton Coliseum Revenue Bond Funds
Iowa State University of Science and Technology

Schedule of Student Enrollment
(Unaudited)

Year ended June 30, 2006

Enrollment at Iowa State University of Science and Technology for the year ended June 30, 2006 was as follows:

Summer Semester, 2005	9,364
Fall Semester, 2005	25,741
Spring Semester, 2006	23,709

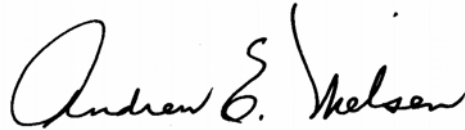
See accompanying independent auditor's report.

Hilton Coliseum Revenue Bond Funds
Iowa State University of Science and Technology

Staff

This audit was performed by:

Kay F. Dunn, CPA, Manager
Jedd D. Moore, Staff Auditor

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

Andrew E. Nielsen, CPA
Deputy Auditor of State