

**ATHLETIC FACILITIES 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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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 Athletic Facilities 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 Athletic Facilities 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 Athletic Facilities 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 Athletic Facilities 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 Athletic Facilities 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 Athletic Facilities Revenue Bonds.

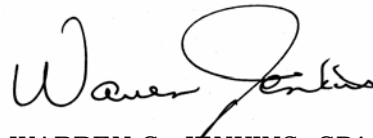
Iowa State University has not presented Management's Discussion and Analysis for the Athletic Facilities Revenue Bond Funds that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the financial statements.

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 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 30, 2008

Basic Financial Statements

Exhibit A

Athletic Facilities Revenue Bond Funds
Iowa State University of Science and Technology

Statement of Net Assets

June 30, 2008

Assets

Current assets:

Cash and cash equivalents	\$ 6,163,615
Cash with paying agents	773,443
Interest receivable	17,782
Total current assets	<u>6,954,840</u>

Noncurrent assets:

Cash, cash equivalents and investments	5,105,231
Capital assets	18,145,047
Total noncurrent assets	<u>23,250,278</u>
Total assets	<u>30,205,118</u>

Liabilities

Current liabilities:

Interest payable	773,443
Deferred revenue	6,163,615
Total current liabilities	<u>6,937,058</u>

Noncurrent liabilities:

Accounts payable, noncurrent portion	2,715,289
Revenue bonds payable, noncurrent portion	20,127,358
Total noncurrent liabilities	<u>22,842,647</u>
Total liabilities	<u>29,779,705</u>

Net assets

Invested in capital assets, net of related debt	400,296
Restricted for debt service	7,335
Unrestricted	17,782
Total net assets	<u>\$ 425,413</u>

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

Athletic Facilities Revenue Bond Funds
Iowa State University of Science and Technology

Statement of Revenues, Expenses and Changes in Fund Net Assets

Year ended June 30, 2008

Operating revenues	\$ 3,797,790
Operating expenses	<u>1,206,638</u>
Operating income	<u>2,591,152</u>
Nonoperating revenues (expenses):	
Investment income	222,593
Net increase in fair value of investments	8,561
Legal and administrative expenses	(90,156)
Interest expense less capitalized interest	<u>(222,594)</u>
Net nonoperating revenues (expenses)	<u>(81,596)</u>
Income before transfers	<u>2,509,556</u>
Other revenues and transfers:	
Additions to capital assets from ISU Foundation	2,500,000
Transfers to other University funds	(2,084,143)
Transfer to ISU Foundation	<u>(2,500,000)</u>
Total revenues and transfers	<u>(2,084,143)</u>
Increase in net assets	425,413
Net assets beginning of year	<u>-</u>
Net assets end of year	<u>\$ 425,413</u>

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

Athletic Facilities 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	\$ 9,961,405
Cash paid for operations	<u>(1,206,638)</u>
Net cash provided by operating activities	<u>8,754,767</u>
Cash flows from capital financing activities:	
Bond proceeds	20,127,358
Additions to capital assets, including capitalized interest	(12,929,758)
Transfers to other University funds	(2,084,143)
Transfer to ISU Foundation	(2,500,000)
Interest paid on capital debt, net of capitalized interest	(222,594)
Other expenses	<u>(90,156)</u>
Net cash provided by capital financing activities	<u>2,300,707</u>
Cash flows from investing activities:	
Interest on investments	204,811
Proceeds from sales of investments	17,900,231
Purchases of investments	<u>(19,400,515)</u>
Net cash used by investing activities	<u>(1,295,473)</u>
Net increase in cash and cash equivalents	9,760,001
Cash and cash equivalents beginning of year	<u>-</u>
Cash and cash equivalents end of year	<u>\$ 9,760,001</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 2,591,152
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Increase in deferred revenue	<u>6,163,615</u>
Net cash provided by operating activities	<u>\$ 8,754,767</u>
Reconciliation of cash and cash equivalents to the Statement of Net Assets:	
Cash and cash equivalents classified as current assets	\$ 6,163,615
Cash and cash equivalents classified as noncurrent assets	<u>3,596,386</u>
Total cash and cash equivalents	<u>\$ 9,760,001</u>
Noncash Capital Financing Activities	
Additions to capital assets from ISU Foundation	<u>\$ 2,500,000</u>

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

Athletic Facilities 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 Athletic Facilities 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 equip improvements at Jack Trice Stadium, the University's intercollegiate football stadium on the campus of Iowa State University of Science and Technology. The bonds were also used to refund a promissory note originally issued by the ISU Foundation on behalf of the University. The revenue bonds are issued on behalf of the University.

The financial statements of the Athletic Facilities Revenue Bond Funds of Iowa State University of Science and Technology (University) include only the financial position and operating activities of the Athletic Facilities 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 Athletic Facilities 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 Athletic Facilities 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) Unexpended, (2) Retirement of Indebtedness and (3) Investment in Plant. Unexpended, including the Project and System Funds established by the bond resolution, is comprised of amounts allocated or designated for constructing and equipping improvements to Jack Trice Stadium. Retirement of Indebtedness, including the Sinking and 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 construction in progress and the related liabilities.

The Current Fund, including the Revenue Fund established by the bond resolution, is 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:

Revenue Fund - The Revenue Fund is used to account for the gross revenues from the operations of the Athletic Facilities. All monies credited to the Revenue Fund must first be disbursed to pay current expenses of the Athletic Facilities and thereafter must be deposited in the Sinking Fund, Reserve Fund or System Fund as needed. The Revenue Fund will be used to account for the operations of the Athletic Facilities. The revenue-producing element of the Athletic Facilities is primarily Jack Trice Stadium. In the event revenue from attendance at the events held at Jack Trice Stadium declines, it may be necessary for the Board of Regents, State of Iowa to impose an Athletic Facilities student fee to satisfy the covenants set forth in the bond resolution.

Project Fund - The Project Fund accounts for the bond proceeds, less the initial deposits required in the Reserve Fund. These proceeds, together with such other funds as may be lawfully available for the purpose, are disbursed and used to pay project construction costs and bond issuance costs as required by the bond resolution.

Athletic Facilities System Fund (System Fund) - The bond resolution provides all net revenues not required to be deposited into the Sinking Fund or the Reserve Fund shall be deposited into the System Fund. All moneys deposited in the System Fund shall be (a) transferred and credited to the 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 Reserve Fund whenever any deficiency may exist in the Reserve Fund or whenever necessary to replace funds transferred from the Reserve Fund to the Sinking Fund. Until so used, moneys credited to the System Fund may be used for any lawful purpose, as determined by the Board of Regents, including without limitation the following: (1) to pay principal of and interest on any other obligations which by their terms shall be payable from the net revenues and which have been issued to retire the bonds in advance of maturity, to pay for extraordinary repairs or replacements to the System or to pay for extensions and improvements to the System or (2) for any lawful University purpose related to the System or related to intercollegiate or intramural athletics or student fee supported recreation or activities..

Sinking Fund - The bond resolution provides the required amount to be deposited from the Revenue Fund to the Sinking Fund during any fiscal year shall be the amount necessary to pay in full the installment of principal and interest coming due on the next January 1 and July 1.

Reserve Fund - The bond resolution provides money in the Revenue Fund shall next be disbursed to maintain a debt service reserve in an amount equal to the Reserve Fund requirement. All monies credited to the Reserve Fund shall be used solely for the purpose of paying principal at maturity of or interest on the Bonds and any Parity Bonds for which there are insufficient funds available in the Sinking Fund.

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.

Capital Assets

Capital assets are defined by the University as assets with an initial individual cost of more than \$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, interest costs of \$490,452 were capitalized.

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

<u>Assets</u>	<u>Years</u>
Building	25

Deferred Revenue

Deferred revenue includes advanced football ticket and chair back rental sales.

(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 \$3,959,286 is combined with other University funds. The money market balance for the Athletic Facilities Revenue Bond Funds is \$5,800,715 and is considered to be a cash equivalent.

At June 30, 2008, the Athletic Facilities Revenue Bond Funds had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Fixed Income:	
U.S. Government Treasury Notes	<u>\$ 1,508,845</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 Athletic Facilities 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>\$1,508,845</u>	<u>1.38</u>

(3) Capital Assets

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

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>
Capital assets, nondepreciable:				
Construction in progress	<u>\$ -</u>	<u>18,145,047</u>	<u>-</u>	<u>18,145,047</u>

The cost of land used for the Athletic Facilities is not reflected on the Statement of Net Assets. This land is included in other accounts of the University.

Included in additions is \$2,500,000 of capital assets originally paid for by the ISU Foundation and subsequently transferred to the Athletic Facilities.

(4) Revenue Bonds Payable

On October 1 and November 1, 2007, the University issued Athletic Facilities Revenue Bonds, Series I.S.U. 2007 and Series I.S.U. 2007A, for \$12,175,000 and \$8,220,000, respectively, to construct and equip improvements at Jack Trice Stadium, the University's intercollegiate football stadium, and to refund the outstanding \$2,500,000 promissory note originally issued by the ISU Foundation to finance improvements to Jack Trice Stadium. The proceeds from the debt were \$20,127,358. The discount on the bonds issued was \$267,642.

The bonds bear interest at rates ranging from 4.10% to 6.10% per year, payable semi-annually on January 1 and July 1. The bonds mature on July 1 of each year, in annual amounts as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ -	1,308,751	1,308,751
2010	420,000	1,060,396	1,480,396
2011	440,000	1,039,441	1,479,441
2012	465,000	1,017,354	1,482,354
2013	480,000	994,271	1,474,271
2014	505,000	970,194	1,475,194
2015	530,000	944,881	1,474,881
2016	560,000	918,196	1,478,196
2017	585,000	890,055	1,475,055
2018	615,000	860,453	1,475,453
2019	645,000	829,330	1,474,330
2020	675,000	796,688	1,471,688
2021	715,000	761,759	1,476,759
2022	755,000	724,271	1,479,271
2023	790,000	684,581	1,474,581
2024	840,000	641,926	1,481,926
2025	880,000	596,186	1,476,186
2026	930,000	547,776	1,477,776
2027	980,000	496,651	1,476,651
2028	1,030,000	442,557	1,472,557
2029	1,090,000	384,850	1,474,850
2030	1,150,000	323,490	1,473,490
2031	1,220,000	258,525	1,478,525
2032	1,290,000	189,650	1,479,650
2033	1,365,000	116,713	1,481,713
2034	1,440,000	39,600	1,479,600
	20,395,000	17,838,545	38,233,545
Unamortized discount	(267,642)		
Total	\$ 20,127,358		

Under the provisions of the bond resolution, these bonds will be retired solely from the net revenues and other system income of the Athletic Facilities. In the event revenue

from attendance at the events held at Jack Trice Stadium declines, the bond resolution allows the Board of Regents, State of Iowa to impose an Athletic Facilities student fee to satisfy the covenants set forth in the bond resolution.

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, 2008, cash with paying agents of \$773,443 was on deposit in the Agency Fund of the University for the purpose of paying current obligations of bond interest.

(5) Debt Service Coverage

Athletic Facilities Revenue Bond interest payments totaling \$713,046 due July 1, 2008 require debt service coverage of a minimum of 120%, or \$856,655. Revenue Fund operating income of \$2,591,152 and investment income of \$222,593 provided debt service coverage of \$2,813,745, or 395% of the interest due for the year ended June 30, 2008.

The debt service coverage for the current year is as follows:

Year Ended June 30,	Interest	Required Debt Service Coverage	Actual Debt Service Coverage	Required Coverage Percentage	Actual Coverage Percentage
2008	\$ 713,046	855,655	2,813,745	120%	395%

Supplementary Information

Athletic Facilities Revenue Bond Funds
Iowa State University of Science and Technology

Combining Statement of Net Assets

June 30, 2008

	Current Revenue Fund	Unexpended Project Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,163,615	-
Cash with paying agents	-	-
Interest receivable	17,782	-
Total current assets	6,181,397	-
Noncurrent assets:		
Cash, cash equivalents and investments	-	3,576,846
Capital assets, net	-	-
Total noncurrent assets	-	3,576,846
Total assets	6,181,397	3,576,846
Liabilities		
Current liabilities:		
Interest payable	-	-
Deferred revenue	6,163,615	-
Total current liabilities	6,163,615	-
Noncurrent liabilities:		
Accounts payable, noncurrent portion	-	2,715,289
Revenue bonds payable, noncurrent portion	-	861,557
Total noncurrent liabilities	-	3,576,846
Total liabilities	6,163,615	3,576,846
Net assets		
Net investment in plant	-	-
Restricted for debt service	-	-
Unrestricted	17,782	-
Total net assets	\$ 17,782	-

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

Plant Funds			
Retirement of Indebtedness			
Sinking Fund	Reserve Fund	Investment in Plant	Total
-	-	-	6,163,615
773,443	-	-	773,443
-	-	-	17,782
773,443	-	-	6,954,840
-	1,528,385	-	5,105,231
-	-	18,145,047	18,145,047
-	1,528,385	18,145,047	23,250,278
773,443	1,528,385	18,145,047	30,205,118
773,443	-	-	773,443
-	-	-	6,163,615
773,443	-	-	6,937,058
-	-	-	2,715,289
-	1,521,050	17,744,751	20,127,358
-	1,521,050	17,744,751	22,842,647
773,443	1,521,050	17,744,751	29,779,705
-	-	400,296	400,296
-	7,335	-	7,335
-	-	-	17,782
-	7,335	400,296	425,413

Athletic Facilities 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	Unexpended	
	Revenue Fund	Project Fund	System Fund
Operating revenues	\$ 3,797,790	-	-
Operating expenses	1,206,638	-	-
Operating income	2,591,152	-	-
Nonoperating revenues (expenses):			
Investment income	223,819	-	-
Net increase in fair value of investments	-	-	-
Legal and administrative expenses	-	(90,156)	-
Interest expense	-	-	-
Net nonoperating revenues (expenses)	223,819	(90,156)	-
Income (loss) before other revenues (expenses) and transfers	2,814,971	(90,156)	-
Other revenues (expenses) and transfers:			
Additions to capital assets, including capitalized interest	-	(15,154,595)	-
Additions to capital assets from ISU Foundation	-	-	-
Mandatory transfers	(713,046)	-	-
Non-mandatory transfers	(2,084,143)	-	2,084,143
Transfers to other University funds	-	-	(2,084,143)
Transfer to ISU Foundation	-	(2,500,000)	-
Transfer of revenue bonds payable	-	17,744,751	-
Total other revenues (expenses) and transfers	(2,797,189)	90,156	-
Increase in net assets	17,782	-	-
Net assets beginning of year	-	-	-
Net assets end of year	\$ 17,782	-	-

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

Plant Funds			
Retirement of Indebtedness			
Sinking Fund	Reserve Fund	Investment in Plant	Total
-	-	-	3,797,790
-	-	-	1,206,638
-	-	-	2,591,152
-	(1,226)	-	222,593
-	8,561	-	8,561
-	-	-	(90,156)
(222,594)	-	-	(222,594)
(222,594)	7,335	-	(81,596)
(222,594)	7,335	-	2,509,556
(490,452)	-	15,645,047	-
-	-	2,500,000	2,500,000
713,046	-	-	-
-	-	-	-
-	-	-	(2,084,143)
-	-	-	(2,500,000)
-	-	(17,744,751)	-
222,594	-	400,296	(2,084,143)
-	7,335	400,296	425,413
-	-	-	-
-	7,335	400,296	425,413

Schedule 3

Athletic Facilities Revenue Bond Funds
Iowa State University of Science and TechnologyInsurance Coverage
(Unaudited)

June 30, 2008

Term of Policy	Effective 7/01/07 to 7/01/08
Insurer	Travelers Insurance Company
Description of Coverage	General property coverage with a \$100,000 deductible for each occurrence for each item
Amount of Coverage	
Building	\$34,158,521
Business Interruption	4,000,000
Policy Number	KTK-CMB-544D989-2-07

See accompanying independent auditor's report.

Athletic Facilities 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

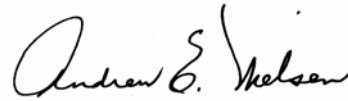
See accompanying independent auditor's report.

Athletic Facilities Revenue Bond Funds
Iowa State University of Science and Technology

Staff

This audit was performed by:

Kay F. Dunn, CPA, Manager
Ernest H. Ruben, Jr., CPA, Manager
Patricia J. King, CPA, Senior Auditor II



Andrew E. Nielsen, CPA
Deputy Auditor of State