

Contact: Andrea Anania

REVENUE BOND FUND AUDITS

Action Requested: Receive the following Revenue Bond Fund Audit Reports for the fiscal year ended June 30, 2007.

UNIVERSITY OF IOWA

- Academic Building
- Athletic Facilities
- Center for University Advancement
- Department of Residence Services
- Iowa Memorial Union
- Parking System
- Recreation Building
- Student Health Facility
- Telecommunications Facilities
- Utility System

IOWA STATE UNIVERSITY

- Academic Building
- Dormitory and Dining Services
- Ice Arena Facility (note)
- Indoor Multipurpose Use and Training Facility
- Memorial Union
- Parking System
- Recreational Facility
- Regulated Materials Facility
- Student Health Facility
- Telecommunications Facilities
- Utility System

UNIVERSITY OF NORTHERN IOWA

- Academic Building
- Field House
- Student Health System
- Student Union
- University Residence System

Executive Summary: Revenue Bond Fund audit reports are presented to the Board as required by Board policy.

All 26 audits were conducted in accordance with generally accepted auditing standards to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements for each of the bonded enterprises for the year ended June 30, 2007, have been prepared using the accrual method of accounting.

Representatives from the firms that conducted the bonded enterprise audits will be available for questions. The firms include: SUI – McGladrey & Pullen; ISU – State Auditor’s Office; and UNI – Carney, Alexander, Marold & Co., L.L.P.

Auditors concluded that the financial statements for each of the listed revenue bond fund audits presented fairly, in all material respects, the financial position as of June 30, 2007, and the related revenues, expenses, and changes in fund balances for the year then ended in conformity with generally accepted accounting principles. No findings were reported regarding financial or compliance issues with the revenue bond resolutions.

Principal payments on each of the bonds are due on July 1 of each year except for the Utility System Revenue Bonds which mature on November 1 of each year.

Bond covenants consider the July 1, 2007, principal payments obligations of the prior fiscal year. The table on the following page shows the principal component of the bonds outstanding as of June 30, 2007, including the July 1 principal payments.

No FY 2007 Revenue Bond Fund Audit was prepared for Hilton Coliseum. Since the bonds were defeased, both legally and from an accounting perspective as of June 30, 2007, bond counsel advised that an audit was not needed.

**Table of Audit Reports
Combined Regent-Wide Summary Report
Audit Reports for University Bonded Enterprise Indebtedness
Year Ended June 30, 2007**

	<u>Report Link</u>	Outstanding Note and <u>Bond Balance</u>
<u>University of Iowa</u>		
Academic Building	http://auditor.iowa.gov/reports/0761-8010-CC01.pdf	\$95,119,397
Athletic Facilities	http://auditor.iowa.gov/reports/0761-8010-CC02.pdf	117,075,000
Center for University Advancement	http://auditor.iowa.gov/reports/0761-8010-CC03.pdf	8,555,000
Department of Residence Services	http://auditor.iowa.gov/reports/0761-8010-CC04.pdf	57,170,000
Iowa Memorial Union	http://auditor.iowa.gov/reports/0761-8010-CC05.pdf	12,510,000
Parking System	http://auditor.iowa.gov/reports/0761-8010-CC06.pdf	25,695,000
Recreation Building	http://auditor.iowa.gov/reports/0761-8010-CC07.pdf	235,000
Student Health Facility	http://auditor.iowa.gov/reports/0761-8010-CC08.pdf	1,840,000
Telecommunications Facilities	http://auditor.iowa.gov/reports/0761-8010-CC09.pdf	20,320,000
Utility System	http://auditor.iowa.gov/reports/0761-8010-CC10.pdf	<u>142,465,000</u>
Subtotal		<u>\$480,984,397</u>
<u>Iowa State University</u>		
Academic Building	http://auditor.iowa.gov/reports/0861-8021-BC01.pdf	\$85,305,000
Dormitory and Dining Services	http://auditor.iowa.gov/reports/0861-8021-BC02.pdf	128,425,000
Ice Arena Facility (note)	http://auditor.iowa.gov/reports/0861-8021-BC11.pdf	911,749
Indoor Multipurpose Use and Training Facility	http://auditor.iowa.gov/reports/0861-8021-BC13.pdf	5,405,000
Memorial Union	http://auditor.iowa.gov/reports/0861-8021-BC15.pdf	24,005,000
Parking System	http://auditor.iowa.gov/reports/0861-8021-BC10.pdf	5,265,000
Recreational Facility	http://auditor.iowa.gov/reports/0861-8021-BC04.pdf	4,290,000
Regulated Materials Facility	http://auditor.iowa.gov/reports/0861-8021-BC14.pdf	6,020,000
Student Health Facility	http://auditor.iowa.gov/reports/0861-8021-BC05.pdf	2,760,000
Telecommunications Facility	http://auditor.iowa.gov/reports/0861-8021-BC08.pdf	915,000
Utility System	http://auditor.iowa.gov/reports/0861-8021-BC06.pdf	<u>35,285,000</u>
Subtotal		<u>\$298,586,749</u>
<u>University of Northern Iowa</u>		
Academic Building	http://auditor.iowa.gov/reports/0761-8030-CC01.pdf	\$47,854,127
Field House	http://auditor.iowa.gov/reports/0761-8030-CC02.pdf	20,690,000
Student Health System	http://auditor.iowa.gov/reports/0761-8030-CC04.pdf	3,585,000
Student Union	http://auditor.iowa.gov/reports/0761-8030-CC05.pdf	10,965,000
University Residence System	http://auditor.iowa.gov/reports/0761-8030-CC03.pdf	<u>34,040,000</u>
Subtotal		<u>\$117,134,127</u>
Total		<u>\$896,705,273</u>

Bonds Issued Subsequent to FY 2007

- ◆ August 2007 - \$26,000,000 in SUI Recreational Facilities Revenue Bonds; issued to partially fund the Campus Recreation and Wellness Center project, for which the Board has approved a project budget of \$69,125,000.
- ◆ September 2007 - \$25,000,000 in SUI Hospital Revenue Bonds; issued to pay the costs of constructing, improving, remodeling, repairing, furnishing, and equipping inpatient and outpatient facilities and patient care facilities, including mechanical and other supporting facilities at the University of Iowa Hospitals and Clinics.
- ◆ September 2007 - \$12,175,000 in ISU Athletic Facilities Revenue Bonds (taxable); issued to partially fund the Jack Trice Stadium, Phase 1 project.
- ◆ October 2007 - \$8,220,000 in ISU Athletic Facilities Revenue Bonds; issued to partially fund the Jack Trice Stadium, Phase 1 project.
- ◆ October 2007 - \$13,400,000 in ISU Dormitory Revenue Bonds; issued to partially fund the East Campus Dining Improvements project, which would renovate the two dining centers that serve the Maple Willow Larch, and Oak Elm residence halls.
- ◆ December 2007 - \$25,000,000 in SUI Utility System Revenue Bonds; issued to fund a portion of the West Campus Chilled Water Plant Expansion – Phase 1B project. Proceeds from the bond issue may also be used for utility projects.