

Contact: Joan Racki

**USE OF FUNDS IN UNIVERSITY OF IOWA HANCHER AUDITORIUM
ESCROW ACCOUNT**

Action Requested: Consider approving the use of remaining funds in the Hancher Auditorium Escrow Account to fund flood-related or general operating expenses of Hancher Auditorium.

Executive Summary: At its November 1968 meeting, the Board authorized the issuance of \$5.5 million in Auditorium (subsequently named Hancher Auditorium) Revenue Bonds to pay the cost of constructing an Auditorium on the campus of the University of Iowa. In February 1986, the Board approved a resolution authorizing the execution of an escrow agreement to provide for the defeasement of the Hancher Auditorium Revenue bonds.

Funds residing in a Hancher Auditorium escrow account at Iowa State Bank & Trust Company were used to make the final payment to bondholders on July 1, 2008. The balance remaining in the escrow account after making this payment is \$149,632.84. Ahlers Law Firm has reviewed the Escrow Agreement and determined that the Board of Regents must approve disposition of funds residing in the escrow account in order to be in full compliance with the bond resolution and the escrow agreement.

Therefore, the University requests permission to deposit these funds in Hancher Auditorium's operating account with priority given to using this amount to fund flood-related expenses. In the unlikely event flood-related expenses are less than this amount, funds would be used to pay normal operating expenses of Hancher Auditorium.