Board of Directors
Iowa State University Research Foundation, Inc.
Ames, Iowa

Attention: Board of Directors

We are pleased to present this report related to our audit of the financial statements of Iowa State University Research Foundation, Inc. for the year ended June 30, 2015. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for Iowa State University Research Foundation, Inc.'s financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to Iowa State University Research Foundation, Inc.

Schnurr & Company, LLP

Ames, Iowa
October 9, 2015
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REQUIRED COMMUNICATIONS

Codification of Statements on Auditing Standards, AU Section 380 requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

Auditor's Responsibility Under Professional Standards

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter dated June 20, 2015.

On April 2, 2015, the FASB Board issued an exposure draft of the proposed accounting standards update for Not-for-Profit Entities. The proposed changes focus on improving net asset classification requirements and information provided in financial statements and notes about liquidity, financial performance and cash flows.

Accounting Practices

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Organization. The Organization did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.

Significant or Unusual Transactions

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Alternative Treatments Discussed with Management

We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached “Summary of Accounting Estimates”.

Audit Adjustments

There were no audit adjustments made to the original trial balance presented to us to begin our audit.
REQUIRED COMMUNICATIONS (CONTINUED)

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management’s judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Uncorrected Misstatements

There are no uncorrected misstatements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management during the audit.

Certain Written Communications Between Management and Our Firm

Copies of certain written communications between our firm and the management of the Organization are attached as Exhibit A.
Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in the Organization’s June 30, 2015 financial statements:

<table>
<thead>
<tr>
<th>Area</th>
<th>Accounting Policy</th>
<th>Estimation Process</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts</td>
<td>Allowance for doubtful accounts</td>
<td>Specific identification of uncollectible balances and estimate of uncollectible accounts.</td>
<td>Management’s estimate is reasonable and appropriate.</td>
</tr>
<tr>
<td>Receivable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts</td>
<td>Accounts payable</td>
<td>Liability is calculated based upon actual or expected receipts.</td>
<td>Management’s estimate is reasonable and appropriate.</td>
</tr>
<tr>
<td>Payable</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Exhibit A - Certain Written Communications Between Management and Our Firm
October 9, 2015

Schnurr & Company, LLP
218 SE 16th Street, Suite 101
Ames IA 50010-6034

This representation letter is provided in connection with your audits of the financial statements of Iowa State University Research Foundation, Inc. which comprise the statements of financial position as of June 30, 2015 and 2014 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of October 9, 2015, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated June 20, 2015, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.

2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. All events subsequent to the date of the financial statements and for which U.S GAAP requires adjustment or disclosure have been adjusted or disclosed.

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

8. We have informed you of all uncorrected misstatements.
As of and for the Year Ended June 30, 2015

We believe that the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate to the financial statements taken as a whole. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

<table>
<thead>
<tr>
<th>Description</th>
<th>Increase (Decrease)</th>
<th></th>
<th>Increase (Decrease)</th>
<th></th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assets</td>
<td>Liabilities</td>
<td>Net Assets</td>
<td>Revenue</td>
<td>Expenses</td>
</tr>
<tr>
<td>Carryover Impact from Previous</td>
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<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Years:</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Current Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Misstatements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Known Errors</td>
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<td>-</td>
<td>- 13,224</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Differences with</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimates</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Projected Errors</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Effect</strong></td>
<td><strong>$ 13,224</strong></td>
<td>$</td>
<td>- $</td>
<td>- $</td>
<td><strong>13,224</strong></td>
</tr>
</tbody>
</table>

Information Provided

9. We have provided you with:
   a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
   b. Additional information that you have requested from us for the purpose of the audit;
   c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
   d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

10. All transactions have been recorded in the accounting records and are reflected in the financial statements.

11. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

12. We have no knowledge of any allegations of fraud or suspected fraud, affecting the entity’s financial statements involving:
   a. Management.
   b. Employees who have significant roles in the internal control.
   c. Others where the fraud could have a material effect on the financial statements.

13. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization’s financial statements received in communications from employees, former employees, regulators, or others.
14. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements. Additionally, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and OMB Circular No. A-133, because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.

15. We are not aware of any pending or threatened litigation and claims whose effects were considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.

16. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.

17. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Organization's ability to record, process, summarize, and report financial data.

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

Supplementary Information

19. With respect to supplementary information presented in relation to the financial statements as a whole:
   a. We acknowledge our responsibility for the presentation of such information.
   b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.

20. We have received a supplemental ruling from the Internal Revenue Service that we are exempt from federal income taxes as long as the Organization is "organized and operated solely for the purpose of providing services to Iowa State University by securing patents on inventions which are the outgrowth of organized University research activities".

21. We are responsible for determining that significant events or transactions that have occurred since the balance sheet date and through October 9, 2015, have been recognized or disclosed in the financial statements. No events or transactions have occurred subsequent to the balance sheet date and through October 9, 2015 that would require recognition or disclosure in the financial statements. We further represent that as of October 9, 2015, the financial statements were complete in a form and format that complied with accounting principles generally accepted in the United States of America, and all approvals necessary for issuance of the financial statements had been obtained.

22. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

IOWA STATE UNIVERSITY RESEARCH FOUNDATION, INC.

_________________________________________  __________________________
LISA LORENZEN, EXECUTIVE DIRECTOR

_________________________________________  __________________________
MARC JOHNSON, ACCOUNTANT