



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

Contact: Ernest Ruben
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FOR RELEASE

April 26, 2022

Auditor of State Rob Sand today released an audit report on the Holiday Lake Rural Improvement Zone.

FINANCIAL HIGHLIGHTS:

The Rural Improvement Zone (RIZ) had total receipts of \$785,528 for the year ended June 30, 2021, a 12% decrease from the prior year. Disbursements for the year ended June 30, 2021 totaled \$711,905, a 20% decrease from the prior year. The decrease in receipts and disbursements is primarily due to the RIZ restructuring their debt from multiple notes to one line of credit in fiscal year 2020.

AUDIT FINDINGS:

Sand reported three findings related to the receipt and disbursement of taxpayer funds. They are found on pages 18 through 20 of this report. The findings address a lack of segregation of duties, receipts and disbursements not properly recorded in the general ledger and disbursements exceeding budgeted amounts. Sand provided the Rural Improvement Zone with recommendations to address each of the findings.

Two of the three findings discussed above are repeated from the prior year. The Rural Improvement Zone Trustees have a fiduciary responsibility to provide oversight of the Rural Improvement Zone operations and financial transactions. Oversight is typically defined as the “watchful and responsible care” a governing body exercises in its fiduciary capacity.

A copy of the audit report is available for review on the Auditor of State’s web site at <https://auditor.iowa.gov/audit-reports/>.

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HOLIDAY LAKE RURAL IMPROVEMENT ZONE

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND OTHER INFORMATION
SCHEDULE OF FINDINGS**

JUNE 30, 2021

Holiday Lake Rural Improvement Zone



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Rob Sand
Auditor of State

April 6, 2022

Officials of the Holiday Lake Rural Improvement Zone
Brooklyn, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for the Holiday Lake Rural Improvement Zone for the year ended June 30, 2021. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials of the Holiday Lake Rural Improvement Zone throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

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Holiday Lake Rural Improvement Zone

Board of Trustees

(Before August 2020)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Mike Beumer	President	August 2020
Del Sherwood	Clerk	August 2020
Richard Happe	Treasurer	August 2021
Dale Nelson	Trustee	Resigned July 2020
Brian Edelen	Trustee	August 2020

(After August 2020)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Brad Storm (Appointed August 2020)	President	August 2021
Todd Eiler	Clerk	August 2023
Richard Happe	Treasurer	August 2021
Tom Dvorsky	Trustee	August 2023
Cliff Rhoads (Appointed August 2020)	Trustee	August 2021



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Independent Auditor's Report

To the Trustees of the Holiday Lake Rural Improvement Zone:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Holiday Lake Rural Improvement Zone, as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise the Rural Improvement Zone's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. This includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on the financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Rural Improvement Zone's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rural Improvement Zone's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash basis financial position of the governmental activities and the major fund of the Holiday Lake Rural Improvement Zone as of June 30, 2021, and the changes in its cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

As described in Note 1, the financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

The Other Information, the Budgetary Comparison Information on pages 14 and 15, has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 6, 2022 on our consideration of the Holiday Lake Rural Improvement Zone's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Holiday Lake Rural Improvement Zone's internal control over financial reporting and compliance.



Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

April 6, 2022

Holiday Lake Rural Improvement Zone

Basic Financial Statements

Exhibit A

Holiday Lake Rural Improvement Zone

Cash Basis Statement of Activities and Net Position

As of and for the year ended June 30, 2021

	Disbursements	Program Receipts		Net (Disbursements)
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Receipts and Changes in Cash Basis Net Position Governmental Activities
Functions/Programs:				
Governmental activities:				
Maintenance and improvements:				
Dredging	89,702	-	-	(89,702)
Erosion control	\$ 178,634	-	-	(178,634)
Water quality	15,117	-	-	(15,117)
Administration	2,169	-	-	(2,169)
Professional fees	10,253	-	-	(10,253)
Debt service	416,030	-	-	(416,030)
Total	\$ 711,905	-	-	(711,905)
General Receipts:				
Tax increment financing				393,167
Unrestricted interest on investments				111
Loan proceeds				392,250
Total general receipts				785,528
Change in cash basis net position				73,623
Cash basis net position beginning of year				4,049
Cash basis net position end of year				\$ 77,672
Cash Basis Net Position				
Restricted for rural improvement zone purposes				\$ 77,672
See notes to financial statements.				

Holiday Lake Rural Improvement Zone
 Statement of Cash Receipts, Disbursements
 and Changes in Cash Balances
 Governmental Funds

As of and for the year ended June 30, 2021

	General Fund
Receipts:	
Tax increment financing	\$ 393,167
Use of money and property	111
Total receipts	393,278
Disbursements:	
Maintenance and improvement:	
Dredging	89,702
Erosion control	178,634
Water quality	15,117
Administration	2,169
Professional fees	10,253
Debt service:	
Principal on loans	395,652
Interest on loans	20,378
Total disbursements	711,905
Deficiency of receipts under disbursements	(318,627)
Other financing sources:	
Loan proceeds	392,250
Change in cash balances	73,623
Cash balances beginning of year	4,049
Cash balances end of year	\$ 77,672
Cash Basis Fund Balances	
Restricted for rural improvement zone purposes	\$ 77,672

See notes to financial statements.

Holiday Lake Rural Improvement Zone

Notes to Financial Statements

June 30, 2021

(1) Summary of Significant Accounting Policies

The Holiday Lake Rural Improvement Zone was formed in 2010 pursuant to the provisions of Chapter 357H of the Code of Iowa. The governing body of the Rural Improvement Zone is composed of five elected Trustees. The purpose of the Rural Improvement Zone is to manage maintenance and improvement of the Holiday Lake development in rural Poweshiek County.

A. Reporting Entity

For financial reporting purposes, the Holiday Lake Rural Improvement Zone has included all funds, organizations, agencies, boards, commissions and authorities. The Rural Improvement Zone has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Rural Improvement Zone are such that exclusion would cause the Rural Improvement Zone's financial statement to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the rural Improvement Zone to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Rural Improvement Zone. The Rural Improvement Zone has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

Entity-wide Financial Statement – The Cash Basis Statement of Activities and Net Position reports information on all of the nonfiduciary activities of the Rural Improvement Zone. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities are supported by tax revenues.

Net position is reported in the following categories:

Restricted net position is used to manage maintenance and improvement of the Rural Improvement Zone.

The Cash Basis Statement of Activities and Net Position demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Tax increment financing receipts and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statement – A separate financial statement is provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Rural Improvement Zone reports the following major governmental fund:

The General Fund is the special fund in which all tax increment financing receipts and other receipts are deposited. The fund pays the maintenance and improvement costs of the Rural Improvement Zone.

C. Measurement Focus and Basis of Accounting

The Rural Improvement Zone maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the Rural Improvement Zone are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present the financial position and results of operations of the Rural Improvement Zone in accordance with U. S. generally accepted accounting principles.

D. Budgets and Budgetary Accounting

The budget comparison and related disclosures are reported as Other Information. During the year ended June 30, 2021, disbursements exceeded the amounts budgeted.

(2) Cash and Investments

The Rural Improvement Zone's deposits in banks at June 30, 2021 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The Rural Improvement Zone is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Rural Improvement Zone; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The Rural Improvement Zone had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

(3) Loans Payable

	Beginning			Ending	
	Balance	Increases	Decreases	Balance	Due Within One Year
Line of credit	\$ 339,473	392,250	395,652	336,071	336,071

Direct Borrowings

On September 5, 2019, the Rural Improvement Zone entered into a multiple advance open-end line of credit with the First State Bank of Lynnville, Iowa with a maximum principal amount of \$600,000. The line of credit bears interest at 5.04% per annum and matures on September 22, 2021. During the year ended June 30, 2021, the Rural Improvement Zone drew \$392,250 on the line of credit and paid \$395,652 and \$20,378 of principal and interest, respectively, on the line of credit.

(4) Risk Management

The Rural Improvement Zone is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors or omissions; and natural disasters. These risks are covered by the purchase of commercial insurance. The Rural Improvement Zone assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims for these risks have not exceeded commercial insurance coverage in any of the past two fiscal years.

(5) COVID-19

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of the Holiday Lake Rural Improvement Zone, remains uncertain.

To date, the outbreak has not created a material disruption to the operations of Holiday Lake Rural Improvement Zone. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to the Holiday Lake Rural Improvement Zone.

(6) Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 87, Leases. This statement will be implemented for the fiscal year ending June 30, 2022. The revised requirements of this statement require reporting of certain potentially significant lease liabilities that are not currently reported.

Other Information

Holiday Lake Rural Improvement Zone
 Budgetary Comparison Schedule
 of Receipts, Disbursements and Changes in Balances –
 Budget and Actual – All Governmental Funds

Other Information

Year ended June 30, 2021

	Actual	Budgeted Amounts Original/ Final	Final Actual Variance
Receipts:			
Tax increment financing	\$ 393,167	380,214	12,953
Use of money and property	111	-	111
Total receipts	<u>393,278</u>	<u>380,214</u>	<u>13,064</u>
Disbursements:			
Maintenance and improvement	295,875	304,440	8,565
Debt service	416,030	225,000	(191,030)
Total disbursements	<u>711,905</u>	<u>529,440</u>	<u>(182,465)</u>
Deficiency of receipts under disbursements	(318,627)	(149,226)	(169,401)
Other financing sources	<u>392,250</u>	<u>200,000</u>	<u>192,250</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements	73,623	50,774	22,849
Cash balance beginning of year	<u>4,049</u>	<u>63,389</u>	<u>(59,340)</u>
Cash balance end of year	<u>\$ 77,672</u>	<u>114,163</u>	<u>(36,491)</u>

See accompanying independent auditor's report.

Holiday Lake Rural Improvement Zone

Notes to Other Information – Budgetary Reporting

June 30, 2021

In accordance with the Code of Iowa, the Board of Trustees annually adopt a budget on the cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon total General Fund disbursements. Disbursements required to be budgeted include disbursements for the General Fund and the Debt Service Fund.

During the year ended June 30, 2021, disbursements exceeded the amount budgeted.



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Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Trustees of the Holiday Lake Rural Improvement Zone:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Holiday Lake Rural Improvement Zone as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, and have issued our report thereon dated April 6, 2022. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Holiday Lake Rural Improvement Zone's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Holiday Lake Rural Improvement Zone's internal control. Accordingly, we do not express an opinion on the effectiveness of the Holiday Lake Rural Improvement Zone's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we identified deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the Holiday Lake Rural Improvement Zone's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as item (A) to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings as item (B) to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Holiday Lake Rural Improvement Zone's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the Rural Improvement Zone's operations for the year ended June 30, 2021 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Rural Improvement Zone. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

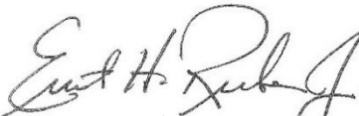
Holiday Lake Rural Improvement Zone's Responses to the Findings

Holiday Lake Rural Improvement Zone's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. Holiday Lake Rural Improvement Zone's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Rural Improvement Zone's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Rural Improvement Zone's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Holiday Rural Improvement Zone during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.


Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

April 6, 2022

Holiday Lake Rural Improvement Zone

Schedule of Findings

Year ended June 30, 2021

Findings Related to the Financial Statement:

INTERNAL CONTROL DEFICIENCY:

(A) Segregation of Duties

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the Rural Improvement Zone’s financial statements.

Condition – Generally, one individual in the Rural Improvement Zone has control over the processing of invoices, check preparation and signing, and preparing bank reconciliations.

Cause – The Rural Improvement Zone has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect the Rural Improvement Zone’s ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – The Board should review its control activities to obtain the maximum internal control possible under the circumstances utilizing current members to provide additional control through review of financial transactions, reconciliations, and reports.

Response – Holiday RIZ will continue to have the monthly bank statement, bank reconciliation and the disbursement report reviewed by the President, or another officer, at each monthly meeting to assure accuracy of the Treasurer Reports and as an additional control measure.

Conclusion – Response acknowledged. The Rural Improvement Zone could improve segregation of duties by involving additional Board members in the processing of disbursements. Independent reviews of reconciliations should be documented by the signature or initials of the reviewer and the date of the review.

(B) Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the entity’s financial statements.

Condition – During the audit, we identified material amounts of receipts and certain disbursements which were not recorded in the general ledger. Adjustments were subsequently made by the Rural Improvement Zone to properly report the amounts in the entity’s financial statements.

Holiday Lake Rural Improvement Zone

Schedule of Findings

Year ended June 30, 2021

Cause – Policies and procedures have not been established to require independent review of the recording of transactions to ensure the financial statements are accurate and reliable.

Effect – Lack of policies and procedures resulted in board members not detecting the errors in the normal course of performing their assigned functions requiring material adjustments to the Rural Improvement Zone’s financial records.

Recommendation – The Rural Improvement Zone should implement procedures to ensure transactions are properly recorded and classified in the financial records.

Response – Holiday Rural Improvement Zone has engaged the assistance of an accountant familiar with QuickBooks to assist our Treasurer. Bank reconciliations have been brought up to date and corrections made to improve our account procedures. We feel this will correct this finding going forward.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Holiday Lake Rural Improvement Zone

Schedule of Findings

Year ended June 30, 2021

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2021 exceeded the amount budgeted. In addition, the notice for the public hearing on the budget was not published in a newspaper ten to twenty days prior to the hearing as required by Chapter 24.9 of the Code of Iowa.

Recommendation – The budget should have been amended in sufficient amounts in accordance with Chapter 24.9 of the Code of Iowa before disbursements were allowed to exceed the budget. Also, the notice for the public hearing on the budget should be published in a newspaper ten to twenty days prior to the hearing in accordance with Chapter 24.9 of the Code of Iowa.

Response – The Rural Improvement Zone overlooked reporting the loan repayments made throughout the year due to the fact that we did not renew our loan but rather extended the maturity for one year. The difficulty in budgeting repayments of principal a year ahead is they are based on the amount of the tax revenue we will receive that far ahead which we then apply to principal. We have discussed this and will amend our budgets every year when the taxes are set and allocated. Proper notice for the public hearing is now being done. We have published on February 17th in the Montezuma Record our notice for a public hearing of our 2023 Budget at our meeting on March 2nd. That notice complies with Chapter 24.9 requirements.

Conclusion – Response accepted.

- (2) Questionable Disbursements – No disbursements we believe may not meet the requirements of public purpose as defined in the Attorney General’s opinion dated April 25, 1979 were noted.
- (3) Travel Expense – No disbursements of Rural Improvement Zone money for travel expenses of spouses of Rural Improvement Zone officials or employees were noted.
- (4) Restricted Donor Activity – No transactions were noted between the Board of Trustees, Rural Improvement Zone officials, Rural Improvement Zone employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- (5) Bond Coverage – Surety bond coverage for Board members is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- (6) Rural Improvement Zone Minutes – No transactions were found that we believe should have been approved in the Rural Improvement Zone minutes but were not.
- (7) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa were noted.
- (8) Annual Urban Renewal Report (AURR) – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1.

Holiday Lake Rural Improvement Zone

Staff

This audit was performed by:

- Ernest H. Ruben, Jr., CPA, Deputy
- Gwen D. Fangman, CPA, Manager
- William R. Bamber, Staff Auditor