



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004
Telephone (515) 281-5834

NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

October 21, 2024

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

FINANCIAL HIGHLIGHTS:

The Rural Improvement Zone's receipts totaled \$14,289,273 for the year ended June 30, 2024, a 283.3% increase over the prior year. Disbursements for the year ended June 30, 2024 totaled \$4,857,870, a 28.03% increase over the prior year. The significant increase to receipts is due primarily to the receipt of debt proceeds. The significant increase to disbursements is due to the issuance costs of debt and land acquisition costs.

AUDIT FINDINGS:

Sand reported no findings related to the receipt and disbursement of taxpayer funds.

The Rural Improvement Zone Trustees have a fiduciary responsibility to provide oversight of the Rural Improvement Zone's 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 website at [Audit Reports – Auditor of State](#).

###

LAKE PANORAMA RURAL IMPROVEMENT ZONE

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

JUNE 30, 2024

Lake Panorama Rural Improvement Zone



OFFICE OF AUDITOR OF STATE
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Des Moines, Iowa 50319-0004
Telephone (515) 281-5834

Rob Sand
Auditor of State

October 9, 2024

Officials of Lake Panorama Rural Improvement Zone
Panora, Iowa

Dear Trustees:

I am pleased to submit to you the financial and compliance audit report for Lake Panorama Rural Improvement Zone, Iowa, for the year ended June 30, 2024. 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 and employees of the Lake Panorama 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", written in a cursive style.

Rob Sand
Auditor of State

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Lake Panorama Rural Improvement Zone

Board of Trustees

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Doug Hemphill	President	January 2027
Corey Welberg	Clerk	January 2026
JoAnn Johnson	Treasurer	January 2027
Larry Peterson	Trustee	January 2025
Bill Dahl	Trustee	January 2026

Lake Panorama Rural Improvement Zone



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Rob Sand
Auditor of State

Independent Auditor's Report

To the Trustees of the Lake Panorama Rural Improvement Zone:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Lake Panorama Rural Improvement Zone, as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the Rural Improvement Zone's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and the major fund of Lake Panorama Rural Improvement Zone as of June 30, 2024, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Lake Panorama Rural Improvement Zone, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Lake Panorama Rural Improvement Zone's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lake Panorama Rural Improvement Zone's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Budgetary Comparison Information on pages 18 and 19 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 9, 2024 on our consideration of the Lake Panorama Rural Improvement Zone's internal control over financial reporting and on 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 Rural Improvement Zone's 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 Lake Panorama Rural Improvement Zone's internal control over financial reporting and compliance.



Brian R. Brustkern, CPA
Deputy Auditor of State

October 9, 2024

Lake Panorama Rural Improvement Zone

Basic Financial Statements

Exhibit A

Lake Panorama Rural Improvement Zone

Cash Basis Statement of Activities and Net Position

As of and for the year ended June 30, 2024

	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	\$ 884,461	-	-	(884,461)
Erosion control	1,050,861	-	-	(1,050,861)
Land Acquisition	591,179	-	-	(591,179)
Water quality	21,030	-	-	(21,030)
Administration	501,719	-	-	(501,719)
Professional fees	239,878	-	-	(239,878)
Debt service				
Certification principal repayments	420,000	-	-	(420,000)
Interest and fees	1,148,742	-	-	(1,148,742)
Total	<u>\$ 4,857,870</u>	-	-	<u>(4,857,870)</u>
General Receipts:				
Tax increment financing				2,990,702
Rental income				124,036
Unrestricted interest on investments				771,153
Lake Panorama Association security deposit				506,670
Tax increment improvement zone certificate proceeds, including \$191,712 of premium				<u>9,896,712</u>
Total general receipts				<u>14,289,273</u>
Change in cash basis net position				9,431,403
Cash basis net position beginning of year				<u>7,188,912</u>
Cash basis net position end of year				<u>\$ 16,620,315</u>
Cash Basis Net Position				
Restricted for rural improvement zone purposes				<u>\$ 16,620,315</u>

See notes to financial statements.

Lake Panorama Rural Improvement Zone

Statement of Cash Receipts, Disbursements
and Changes in Cash Balances
Governmental Funds

As of and for the year ended June 30, 2024

	<u>General Fund</u>
Receipts:	
Tax increment financing	\$ 2,990,702
Rental income	124,036
Use of money and property	771,153
Lake Panorama Association security deposit	<u>506,670</u>
Total receipts	<u>4,392,561</u>
Disbursements:	
Maintenance and improvement:	
Dredging	884,461
Erosion control	1,050,861
Land acquisition	591,179
Water quality	21,030
Administration	501,719
Professional fees	239,878
Debt Service:	
Loan principal repayments	420,000
Interest and fees on loan	<u>1,148,742</u>
Total disbursements	<u>4,857,870</u>
Deficiency of receipts under disbursements	(465,309)
Other financing sources:	
Tax increment improvement zone certificate proceeds, including \$191,712 of premium	<u>9,896,712</u>
Change in cash balances	9,431,403
Cash balances beginning of year	<u>7,188,912</u>
Cash balances end of year	<u>\$ 16,620,315</u>
Cash Basis Fund Balances	
Restricted for rural improvement purposes	<u>\$ 16,620,315</u>

See notes to financial statements.

Lake Panorama Rural Improvement Zone

Notes to Financial Statements

June 30, 2024

(1) Summary of Significant Accounting Policies

The Lake Panorama Rural Improvement Zone was formed on May 19, 1997 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 Lake Panorama private development in rural Guthrie County, Iowa.

A. Reporting Entity

For financial reporting purposes, the Lake Panorama 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

Government-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 category:

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 the governmental fund.

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 statement does not present the financial position and results of operations of the Rural Improvement Zone in accordance with U.S. generally accepted accounting principles.

D. Tax Increment Financing and Governmental Cash Basis Fund Balances

The following accounting policies are followed in preparing the financial statements:

Tax increment financing receipts recognized in these funds become due and collectible in September and March of the current fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects tax asking contained in the budget certified to the Rural Improvement Zone in April 2023.

In the governmental fund financial statements, cash basis fund balances are classified as follows:

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

E. Budgets and Budgetary Accounting

The budget comparison and related disclosures are reported as Other Information. During the year ended June 30, 2024, disbursements did not exceed the amount budgeted.

(2) Cash and Investments

The Rural Improvement Zone’s deposits in banks at June 30, 2024 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) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2024 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Tax Increment Improvement Zone Certificate	\$ 8,750,000	9,705,000	420,000	18,035,000	870,000

On April 11, 2017, the Guthrie County Board of Supervisors approved extension of the Lake Panorama Rural Improvement Zone through June 30, 2039. This extension has allowed Lake Panorama Rural Improvement Zone to issue new debt for the completion of projects allowable under *Code of Iowa* Chapter 357H. On October 11, 2019, Lake Panorama Rural Improvement Zone issued tax increment improvement zone refunding certificates for \$4,000,000 and \$7,000,000. On November 9, 2023, Lake Panorama Rural Improvement Zone issued tax increment improvement zone certificates for \$9,705,000. During the year ended June 30, 2024, the Rural Improvement Zone paid \$420,000 of principal and \$615,623 of interest on these certificates.

Annual debt service to maturity for the tax increment improvement zone certificates are as followed:

Year Ending June 30,	Tax Increment Improvement Zone Certificate Series 2019A Issued Oct 11, 2019			Tax Increment Improvement Zone Certificate Series 2019B Issued Oct 11, 2019		
	Interest	Principal	Interest	Interest	Principal	Interest
	Rates			Rates		
2025	3.00%	\$ 430,000	39,900	3.25-4.00%	\$ -	267,138
2026	3.00	445,000	27,000	3.25-4.00	-	267,138
2027	3.00	455,000	13,650	3.25-4.00	-	267,138
2028		-	-	4.00	470,000	267,137
2029		-	-	4.00	490,000	248,338
2030-2034		-	-	3.25-4.00	2,750,000	947,588
2035-2039		-	-	3.25-4.00	3,290,000	400,425
Total		<u>\$ 1,330,000</u>	<u>80,550</u>		<u>\$ 7,000,000</u>	<u>2,664,902</u>

Year Ending June 30,	Tax Increment Improvement Zone Certificate Series 2023 Issued Nov 9, 2023			Total	
	Interest	Principal	Interest	Principal	Interest
	Rates				
2025	5.15%	\$ 440,000	527,498	\$ 870,000	834,536
2026	5.10	465,000	504,838	910,000	798,976
2027	5.10	490,000	481,123	945,000	761,911
2028	5.05	515,000	456,133	985,000	723,270
2029	5.10	540,000	430,125	1,030,000	678,463
2030-2034	5.15-5.40	3,145,000	1,700,733	5,895,000	2,648,321
2035-2039	5.50-5.95	4,110,000	743,298	7,400,000	1,143,723
		<u>\$ 9,705,000</u>	<u>4,843,748</u>	<u>\$ 18,035,000</u>	<u>7,589,200</u>

(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 under the liability and property insurance policies of the Lake Panorama Association, as required by the dredging contract. The Rural Improvement Zone has a public officials liability policy with a coverage limit of \$2,000,000. Settled claims for these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(5) Lake Panorama Association Contracts

The Rural Improvement Zone has entered into annual dredging contracts with the Lake Panorama Association (LPA) which expire on December 31, 2023 and December 31, 2024. Under the contracts, the LPA will remove no less than 150,000 and 130,000 cubic yards, respectively, of sediment during the dredging seasons. The price of sediment removal will be charged at \$1.96 and \$2.40 per cubic yard for a total of \$294,000 and \$312,000, respectively. As of June 30, 2024, 118,818 and 47,245 cubic yards of sediment had been removed under these agreements and \$232,883 and \$113,388 has been paid to LPA, respectively.

The Rural Improvement Zone has entered into annual general lake maintenance and administration services contracts with the Lake Panorama Association (LPA) which expire on December 31, 2023 and December 31, 2024 for general lake maintenance and March 31, 2025 for administrative services. The total contract price of \$185,400 and \$194,670, respectively, will be paid to the LPA in payments beginning on April 1, 2024 and ending on March 31, 2025. As of June 30, 2024, \$145,000 and \$42,420 has been paid to LPA, respectively.

LPA made a cash performance security deposit of \$506,670 at June 30, 2024, held by Panora State Bank in the Rural Improvement Zone’s name, which serves as security in the event of default by the LPA under the 2024 dredging and general lake maintenance and administrative services contracts.

(6) Farm Lease Receivable

The Rural Improvement Zone owns the Lake Panorama Association farm real estate in Guthrie County. Effective February 1, 2016, and February 1, 2017, the Rural Improvement Zone entered into two eleven-year leases, with Lake Panorama Association whereby association operates the land. The Rural Improvement Zone is to receive \$10,000 and \$7,500 respectively in land rent annually with an implicit rate of 3.0%.

On March 1, 2023, the Rural Improvement Zone entered into a three-year lease agreement for crop land. The agreement requires annual payments of \$104,036 with an implicit interest rate of 3.0%.

During the year ended June 30, 2024, the Rural Improvement Zone received \$113,879 of principal and \$7,657 of interest on these leases.

Future principal and interest lease payments as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 117,295	4,241	121,536
2026	16,778	722	17,500
2027	7,282	218	7,500
Total	\$ 141,355	5,181	146,536

Other Information

Lake Panorama 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, 2024

	Actual	Budgeted Amounts Original/ Final	Final to Actual Variance
Receipts:			
Tax increment financing	\$ 2,990,702	2,940,000	50,702
Use of money and property	771,153	200,000	571,153
Farm income	124,036	128,500	(4,464)
Miscellaneous - other	506,670	480,000	26,670
Total receipts	4,392,561	3,748,500	644,061
Disbursements:			
Maintenance and improvement	3,289,128	7,050,000	3,760,872
Debt service	1,568,742	739,638	(829,104)
Total disbursements	4,857,870	7,789,638	2,931,768
Excess of receipts over disbursements	(465,309)	(4,041,138)	3,575,829
Other financing Sources:			
Tax increment improvement zone certificate proceeds	9,896,712	-	9,896,712
Change in balances	9,431,403	(4,041,138)	13,472,541
Cash balance beginning of year	7,188,912	6,283,128	905,784
Cash balance end of year	\$ 16,620,315	2,241,990	14,378,325

See accompanying independent auditor's report.

Lake Panorama Rural Improvement Zone

Notes to Other Information – Budgetary Reporting

June 30, 2024

In accordance with the Code of Iowa, the Board of Trustees annually adopts 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 disbursements by fund. Disbursements required to be budgeted include disbursements for the General Fund.

During the year ended June 30, 2024, disbursements did not exceed the amount budgeted.



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Rob Sand
Auditor of State

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 Lake Panorama Rural Improvement Zone:

We have audited in accordance with auditing standards generally accepted in the United States of America 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 each major fund of Lake Panorama Rural Improvement Zone, as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the Rural Improvement Zone's basic financial statements, and have issued our report thereon dated October 9, 2024. 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lake Panorama Rural Improvement Zone's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lake Panorama Rural Improvement Zone's internal control. Accordingly, we do not express an opinion on the effectiveness of Lake Panorama Rural Improvement Zone's internal control.

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 that a material misstatement of the Rural Improvement Zone's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

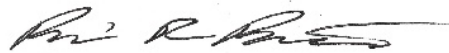
As part of obtaining reasonable assurance about whether Lake Panorama Rural Improvement Zone’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 noncompliance or other matters which are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Rural Improvement Zone’s operations for the year ended June 30, 2024 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.

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 Lake Panorama 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.



Brian R. Brustkern, CPA
Deputy Auditor of State

October 9, 2024

Lake Panorama Rural Improvement Zone

Schedule of Findings

Year ended June 30, 2024

Findings Related to the Financial Statement:

INTERNAL CONTROL DEFICIENCIES:

No material weakness in internal control over financial reporting were noted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Lake Panorama Rural Improvement Zone

Schedule of Findings

Year ended June 30, 2024

Other Findings Related to Required Statutory Reporting:

2024-A Certified Budget – Disbursements during the year ended June 30, 2024 did not exceed the amount budgeted.

2024-B Questionable Disbursements – No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

2024-C Travel Expense – No disbursements of Rural Improvement Zone money for travel expenses of spouses of Rural Improvement Zone officials or employees were noted.

2024-D 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.

2024-E Bond Coverage – Surety bond coverage for the Trustees was not maintained as required by Chapter 64 of the Code of Iowa.

Recommendation – The Rural Improvement Zone should obtain surety bond coverage in compliance with Chapter 64 of the Code of Iowa and periodically review the coverage for adequacy.

Response – We are working with our insurance agent to obtain coverage, which is in compliance with the Code of Iowa.

Conclusion – Response accepted.

2024-F Rural Improvement Zone Minutes – No transactions were found that we believe should have been approved in the Rural Improvement Zone minutes but were not.

2024-G Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa.

2023-H Annual Urban Renewal Report – The Annual Urban Renewal report was properly approved and certified to the Iowa Department of Management on or before December 1.

2023-I Tax Increment Financing – The Lake Panorama Rural Improvement Zone properly disbursed payments for TIF loans and rebates. Also, the Lake Panorama Rural Improvement Zone properly completed the Tax Increment Debt Certificate Forms to request TIF property taxes.

Lake Panorama Rural Improvement Zone

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Deputy
Cole L. Hocker, CPA, Manager
Enoch D.N. Duval, Staff Auditor
Benjamin L. Albrecht, Staff Auditor