



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
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NEWS RELEASE

Contact: Ernest Ruben
515/281-5834

FOR RELEASE

July 18, 2023

Auditor of State Rob Sand today released an audit report on the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program for the Little Sioux Drainage District, Iowa.

The Drainage District’s Disaster Grants – Public Assistance (Presidentially Declared Disasters) program disbursements totaled \$802,780 for the year ended June 30, 2022.

A copy of the audit report is available for review on the Auditor of State’s website at [Audit Reports – Auditor of State](#).

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**LITTLE SIOUX DRAINAGE DISTRICT
DISASTER GRANTS – PUBLIC ASSISTANCE
(PRESIDENTIALLY DECLARED DISASTERS)**

**INDEPENDENT AUDITOR'S REPORTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2022

**LITTLE SIOUX DRAINAGE DISTRICT
DISASTER GRANTS - PUBLIC ASSISTANCE
(PRESIDENTIALLY DECLARED DISASTERS)**



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Rob Sand
Auditor of State

June 22, 2023

To the Trustees of the Little Sioux Drainage District:

Dear Trustees:

I am pleased to submit to you the financial and compliance audit report for the Little Sioux Drainage District for the year ended June 30, 2022. The audit was performed per the request of Little Sioux Drainage District 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 Little Sioux Drainage District 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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Little Sioux Drainage District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Tim Hodgson	Board Trustee	Jan 2027
Wayne Macclure	Board Trustee	Jan 2025
Robert Pekarek	Board Trustee	Jan 2026
Lisa Jones	Drainage Clerk	Indefinite
Brian Kepner	Drainage Superintendent	Indefinite
Leon Freeman	Disaster Specialist	Indefinite



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Independent Auditor's Report

To the Trustees of the Little Sioux Drainage District:

Report on the Audit of the Schedule of Expenditures of Federal Awards

Opinion

We have audited the accompanying Schedule of Expenditures of Federal Awards for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program of the Little Sioux Drainage District, Iowa for the year ended June 30, 2022, and the related note to the schedule (Schedule).

In our opinion, the accompanying Schedule presents fairly, in all material respects, the expenditures of federal awards for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program for the Little Sioux Drainage District for the year ended June 30, 2022, on the basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative requirements, Cost Principles, and the Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the Little Sioux Drainage District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 opinion is not modified with respect to this matter.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the basis of accounting described in Note 1 and for determining that the cash basis of accounting is an acceptable basis for the presentation of the schedule in the circumstances. Management is also responsible for the design, implementation, and the maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

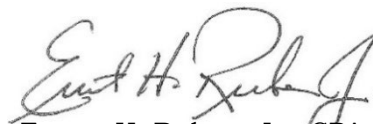
Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance 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 judgement made by a reasonable user based on the Schedule.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, and the Uniform Guidance we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, 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 Schedule.
- 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 Little Sioux Drainage District'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 Schedule.

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.


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

June 22, 2023

Little Sioux Drainage District
Disaster Grants – Public Assistance
(Presidentially Declared Disasters)

Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Homeland Security: Passed through Iowa Department of Homeland Security and Emergency Management: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4421-DR-IA	<u>\$ 802,780</u>

See note to the Schedule of Expenditures of Federal Awards.

Little Sioux Drainage District
Disaster Grants – Public Assistance
(Presidentially Declared Disasters)

Note to Schedule of Expenditures of Federal Awards

June 30, 2022

(1) Summary of Significant Accounting Policies

The Little Sioux Drainage District is a political subdivision of the State of Iowa located in Monona County. A Board of Trustees elected on a non-partisan basis is responsible for managing the Drainage District. The Drainage District collects drainage assessments from landowners for the purpose of maintaining ditches and draining water from the land within the District

A. Reporting Entity

The Schedule of Expenditures of Federal Awards includes only the program disbursements of the District's Disaster Grants – Public Assistance (Presidentially Declared Disaster) program.

B. Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal award activity of the District under the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Little Sioux Drainage District, it is not intended to and does not present the financial position, changes in financial position or cash flows of the Little Sioux Drainage District.

C. Basis of Accounting

Expenditures reported in the Schedule are reported on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Little Sioux Drainage District has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**LITTLE SIOUX DRAINAGE DISTRICT
DISASTER GRANTS - PUBLIC ASSISTANCE
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Independent Auditor's Report on Compliance
for Each Major Federal Program and on Internal Control over Compliance
Required by the Uniform Guidance

To the Trustees of the Little Sioux Drainage District:

Report on Compliance for the Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Program

Opinion on Compliance for the Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Program

We have audited the Little Sioux Drainage District compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its Disaster Grants – Public Assistance (Presidentially Declared Disasters) program for the year ended June 30, 2022.

In our opinion, Little Sioux Drainage District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Disaster Grants – Public Assistance (Presidentially Declared Disasters) program for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Little Sioux Drainage District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for Disaster Grants – Public Assistance (Presidentially Declared Disasters) program. Our audit does not provide a legal determination of Little Sioux Drainage District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Little Sioux Drainage District's compliance based on our audit. 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 generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgement made by a reasonable user of the report on compliance about Little Sioux Drainage District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Little Sioux Drainage District's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of Little Sioux Drainage District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Little Sioux Drainage District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance we identified during the audit.

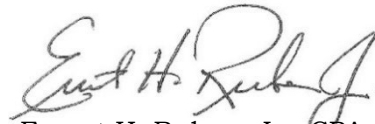
Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



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

June 22, 2023

Little Sioux Drainage District
Disaster Grants – Public Assistance
(Presidentially Declared Disasters)

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Part I: Summary of the Independent Auditor's Results:

- (a) An unmodified opinion was issued on the Schedule of Expenditures of Federal Awards, which was prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles.
- (b) No material weaknesses in internal control over the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program were disclosed by the audit of the Schedule of Expenditures of Federal Awards.
- (c) The audit did not disclose any non-compliance which is material to the Schedule of Expenditures of Federal Awards.
- (d) An unmodified opinion was issued on compliance with requirements applicable to the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program.
- (e) The audit disclosed no audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (f) The major program was CFDA Number 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters).

Little Sioux Drainage District
Disaster Grants – Public Assistance
(Presidentially Declared Disasters)

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Part II: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Little Sioux Drainage District
Disaster Grants – Public Assistance
(Presidentially Declared Disasters)

Staff

This audit was performed by:

Ernest H. Ruben, Jr., CPA, Deputy
Deborah J. Moser, CPA, Manager
Nichole D. Tucker, Senior Auditor II