

TOWN OF IOWA, LOUISIANA

ANNUAL FINANCIAL REPORT

JUNE 30, 2025

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TOWN OF IOWA, LOUISIANA

ANNUAL FINANCIAL REPORT
Year Ended June 30, 2025

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TOWN OF IOWA, LOUISIANA

June 30, 2025

MAYOR

The Honorable Neal Watkins

TOWN COUNCIL

Mr. Gerald Guidry
Ms. Julie Fontenot
Mr. Joe Becnel

Mr. Daniel Hennigan
Ms. Vernessa Guillory

LEGAL COUNSEL

Mr. Russell J. Stutes, III

TOWN CLERK

Ms. Cynthia Mallett

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Mollie C. Broussard, CPA
Jason L. Guillory, CPA
Greg P. Naquin, CPA, CFP™
Billy D. Fisher, CPA
Joe G. Peshoff, II, CPA, CVA
David M. DesOrmeaux, CPA
Samuel W. Harrison, CPA, CVA
Caitlin D. Guillory, CPA, CFE

Robert M. Gani, CPA, MT

Paula J. Thompson, CPA

MT - Masters of Taxation
CVA - Certified Valuation Analyst
CFP - Certified Financial Planner
CFE - Certified Fraud Examiner

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Town Council
Town of Iowa
Iowa, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Iowa, Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town'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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Iowa, Louisiana, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Sales Tax-Water Improvements, Sales Tax II-Streets, Sales Tax III, and Fire Protection for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Iowa, Louisiana, 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Iowa, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Town of Iowa, Louisiana'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Iowa, Louisiana'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Employer's Proportionate Share of Net Pension Liability and the Schedule of Employer's Pension Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the Town of Iowa, Louisiana's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, Schedule of Compensation, Benefits and Other Payments to Mayor, and Justice System Funding Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of

the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, justice system funding schedules, and the schedule of compensation, benefits, other payments to Mayor are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and 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 December 15, 2025, on our consideration of the Town of Iowa'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 Town of Iowa'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 Town of Iowa's internal control over financial reporting and compliance.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Lake Charles, Louisiana
December 15, 2025

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF IOWA, LOUISIANA

GOVERNMENT-WIDE
STATEMENT OF NET POSITION
June 30, 2025

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 4,788,050	\$ 534,207	\$ 5,322,257
Certificates of deposit	201,701	-	201,701
Investments	6,788,204	850,136	7,638,340
Receivables (net, where applicable, of allowance for uncollectibles):			
Taxes	27,241	-	27,241
Accounts	226,967	163,754	390,721
Intergovernmental	909	-	909
Lease	305,256	-	305,256
Internal balance	(26,753)	26,753	-
Prepaid expenses	790	24,864	25,654
Deposits	-	100	100
Restricted assets:			
Customers' deposits-cash	-	152,077	152,077
Police evidence	56,022	-	56,022
Construction deposit	5,000	-	5,000
Fire Protection	2,370,716	-	2,370,716
Right to use leased asset, net of amortization	259,481	47,408	306,889
Capital assets:			
Land, improvements and construction in progress	1,163,846	571,224	1,735,070
Other capital assets, net of depreciation	6,228,996	3,689,516	9,918,512
 Total assets	 22,396,426	 6,060,039	 28,456,465
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	795,373	69,878	865,251
 <u>LIABILITIES</u>			
Accounts payables	204,342	11,058	215,400
Accrued interest	-	-	-
Retainage payable	27,822	-	27,822
Other payables	134,173	2,796	136,969
Payable from restricted assets:			
Customer deposits	-	152,077	152,077
Police evidence payable	56,022	-	56,022
Construction deposit payable	5,000	-	5,000
Fire Protection	37,388	-	37,388
Noncurrent liabilities:			
Due within one year	204,332	13,775	218,107
Due in more than one year	2,592,026	69,835	2,661,861
Net pension liability	1,910,794	245,497	2,156,291
 Total liabilities	 5,171,899	 495,038	 5,666,937

(continued on next page)

TOWN OF IOWA, LOUISIANA

GOVERNMENT-WIDE
STATEMENT OF NET POSITION
June 30, 2025
(Continued)

	Governmental Activities	Business Type Activities	Total
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	128,283	78,437	206,720
Deferred inflows related to right to use leased asset liabilities	<u>304,990</u>	<u>-</u>	<u>304,990</u>
Total deferred inflows	<u>433,273</u>	<u>78,437</u>	<u>511,710</u>
<u>NET POSITION</u>			
Investment in capital assets, net of related debt	7,392,842	4,260,740	11,653,582
Restricted for:			
Special revenue	9,664,708	-	9,664,708
Capital projects	3,156	-	3,156
Unrestricted	<u>525,921</u>	<u>1,295,702</u>	<u>1,821,623</u>
Total net position	<u>\$ 17,586,627</u>	<u>\$ 5,556,442</u>	<u>\$ 23,143,069</u>

See accompanying notes to financial statements

TOWN OF IOWA, LOUISIANA

GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Government activities:				
General government	\$ 1,141,874	\$ 448,032	\$ -	\$ 20,271
Public safety	3,319,073	755,244	106,190	-
Highway and streets	738,177	-	-	-
Culture and recreation	293,069	-	16,300	-
Drainage	318,516	-	-	-
Total governmental activities	<u>5,810,709</u>	<u>1,203,276</u>	<u>122,490</u>	<u>20,271</u>
Business-type activities:				
Water utility	749,135	730,063	-	-
Sanitation	961,239	1,003,155	-	-
Total business-type activities	<u>1,710,374</u>	<u>1,733,218</u>	<u>-</u>	<u>-</u>
Total government	<u>\$ 7,521,083</u>	<u>\$ 2,936,494</u>	<u>\$ 122,490</u>	<u>\$ 20,271</u>
General revenues:				
Ad valorem taxes				
Sales taxes				
Franchise taxes				
Gaming taxes				
Other taxes				
Intergovernmental				
Interest earned				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position at beginning of year				
Net position at end of year				

See accompanying notes to financial statements

Net (Expenses) Revenue and
Changes in Net Position

Governmental Activities	Business Type Activities	Total
\$ (673,571)	\$ -	\$ (673,571)
(2,457,639)	-	(2,457,639)
(738,177)	-	(738,177)
(276,769)	-	(276,769)
<u>(318,516)</u>	<u>-</u>	<u>(318,516)</u>
<u>(4,464,672)</u>		<u>(4,464,672)</u>
-	(19,072)	(19,072)
<u>-</u>	<u>41,916</u>	<u>41,916</u>
-	22,844	22,844
<u>\$ (4,464,672)</u>	<u>\$ 22,844</u>	<u>\$ (4,441,828)</u>
\$ 320,239	\$ -	\$ 320,239
2,801,000	-	2,801,000
260,415	-	260,415
191,521	-	191,521
23,038	-	23,038
398,002	-	398,002
325,947	34,862	360,809
672,730	55,355	728,085
<u>(584,775)</u>	<u>584,775</u>	<u>-</u>
<u>4,408,117</u>	<u>674,992</u>	<u>5,083,109</u>
(56,555)	697,836	641,281
<u>17,643,182</u>	<u>4,858,608</u>	<u>22,501,790</u>
<u>\$ 17,586,627</u>	<u>\$ 5,556,444</u>	<u>\$ 23,143,071</u>

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FUND FINANCIAL STATEMENTS

TOWN OF IOWA, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025

<u>ASSETS</u>	<u>General</u>	<u>Water Improvements</u>	<u>Streets II</u>
Cash	\$ 1,061,229	\$ 587,670	\$ 900,853
Certificate of deposit	-	-	-
Investments	755,230	4,155,666	867,348
Receivables (net, where applicable, of allowance for uncollectibles):			
Taxes	334	26,455	-
Accounts	203,922	-	23,045
Intergovernmental	-	909	-
Due from other funds	764	-	2,412
Prepays	790	-	-
Restricted assets:			
Construction deposit	5,000	-	-
Police evidence	56,022	-	-
Fire Protection	-	-	-
Total assets	<u>\$ 2,083,291</u>	<u>\$ 4,770,700</u>	<u>\$ 1,793,658</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	\$ 55,350	\$ 113,212	\$ 785
Retainage payable	-	26,231	-
Other payables	131,605	-	978
Payable from restricted assets:			
Construction deposit payable	5,000	-	-
Police evidence payable	56,022	-	-
Fire Protection	-	-	-
Due to other funds	29,074	418	-
Total liabilities	<u>277,051</u>	<u>139,861</u>	<u>1,763</u>
Fund balances:			
Restricted for:			
Water improvements	-	4,630,839	-
Streets	-	-	1,791,895
Flood control, economic development and capital improvements to City Hall	-	-	-
Parks and streets	-	-	-
Police drug enforcement	-	-	-
Fire protection	-	-	-
Sewer improvements	-	-	-
LCDBG	-	-	-
Unassigned	1,806,240	-	-
Total fund balance	<u>1,806,240</u>	<u>4,630,839</u>	<u>1,791,895</u>
Total liabilities and fund balances	<u>\$ 2,083,291</u>	<u>\$ 4,770,700</u>	<u>\$ 1,793,658</u>

Amounts reported for governmental activities in the statement of net position is different because:

Total fund balance - total governmental funds

Right to use leased asset in governmental activities are not financial resources, and therefore are not reported in the funds

Amounts related to long term lease receivable, net of Related deferred inflow of resources

Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds

Amounts related to pension recognition are not due and payable in the current period and, therefore, are not reported in the funds

Long-term liabilities, including bonds payable and accrued leave, are not due and payable in the current period and, therefore, are not reported in the funds

Total net position - governmental activities

See accompanying notes to financial statements

Sales Tax III	Fire Protection	Non-Major Governmental Funds	Total Governmental Funds
\$ 846,504	\$ 991,409	\$ 400,385	\$ 4,788,050
-	192,595	9,106	201,701
1,009,960	-	-	6,788,204
-	452	-	27,241
-	-	-	226,967
-	-	-	909
-	-	6,311	9,487
-	-	-	790
-	-	-	5,000
-	-	-	56,022
-	2,370,716	-	2,370,716
<u>\$ 1,856,464</u>	<u>\$ 3,555,172</u>	<u>\$ 415,802</u>	<u>\$ 14,475,087</u>

\$ 1,290	32,533	\$ 1,172	\$ 204,342
-	1,591	-	27,822
839	38	713	134,173
-	-	-	5,000
-	-	-	56,022
-	37,388	-	37,388
22	6,722	-	36,236
<u>2,151</u>	<u>78,272</u>	<u>1,885</u>	<u>500,983</u>

-	-	-	4,630,839
-	-	-	1,791,895
1,854,313	-	-	1,854,313
-	-	357,028	357,028
-	-	53,724	53,724
-	3,476,900	-	3,476,900
-	-	9	9
-	-	3,156	3,156
-	-	-	1,806,240
<u>1,854,313</u>	<u>3,476,900</u>	<u>413,917</u>	<u>13,974,104</u>
<u>\$ 1,856,464</u>	<u>\$ 3,555,172</u>	<u>\$ 415,802</u>	<u>\$ 14,475,087</u>

\$ 13,974,104

259,481

262

7,392,842

(1,243,704)

(2,796,358)

\$ 17,586,627

TOWN OF IOWA, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended June 30, 2025

		Special Revenue	
		Water	
	General	Improvements	Streets II
Revenues:			
Tax revenue	\$ 1,566,112	\$ 296,906	\$ 728,260
Licenses and permits	286,711	-	-
Intergovernmental	398,002	20,271	-
Charges for services	47,137	-	-
Fines and forfeits	839,039	-	-
Interest earned	37,450	182,461	41,469
Insurance	59,723	-	-
Grants	30,000	-	-
Miscellaneous	14,751	-	78,549
Total revenues	<u>3,278,925</u>	<u>499,638</u>	<u>848,278</u>
Expenditures:			
Current:			
General government	737,168	-	-
Public safety	2,463,271	-	-
Highways and streets	-	-	745,504
Culture and recreation	-	-	-
Fire protection district	-	-	-
Drainage	-	-	-
Other services and charges	-	330,812	-
Debt service:			
Interest	-	-	-
Total expenditures	<u>3,200,439</u>	<u>330,812</u>	<u>745,504</u>
Excess (deficiency) of revenues over expenditures	<u>78,486</u>	<u>168,826</u>	<u>102,774</u>
Other financing sources (uses):			
Operating transfers in	189,622	-	-
Operating transfers out	-	(599,775)	-
Lease liabilities issued	-	-	57,235
Issuance of debt	-	-	-
Total other financing sources (uses)	<u>189,622</u>	<u>(599,775)</u>	<u>57,235</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	268,108	(430,949)	160,009
Fund balance at beginning of year	<u>1,538,132</u>	<u>5,061,788</u>	<u>1,631,886</u>
Fund balance at end of year	<u>\$ 1,806,240</u>	<u>\$ 4,630,839</u>	<u>\$ 1,791,895</u>

See accompanying notes to financial statements

<u>Sales Tax III</u>	<u>Fire Protection</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 560,200	\$ 192,642	\$ 252,090	\$ 3,596,210
-	-	-	286,711
-	34,084	-	452,357
382	-	-	47,519
-	-	-	839,039
30,079	31,026	3,462	325,947
-	477,742	-	537,465
16,000	50,000	-	96,000
2	-	1,250	94,552
<u>606,663</u>	<u>785,494</u>	<u>256,802</u>	<u>6,275,800</u>
48,939	-	15,736	801,843
-	-	-	2,463,271
-	-	-	745,504
4,419	-	229,279	233,698
-	484,552	-	484,552
255,413	-	-	255,413
2,000	-	-	332,812
-	37,388	-	37,388
<u>310,771</u>	<u>521,940</u>	<u>245,015</u>	<u>5,354,481</u>
<u>295,892</u>	<u>263,554</u>	<u>11,787</u>	<u>921,319</u>
-	-	15,000	204,622
-	(189,622)	-	(789,397)
-	-	-	57,235
-	2,500,000	-	2,500,000
<u>-</u>	<u>2,310,378</u>	<u>15,000</u>	<u>1,972,460</u>
295,892	2,573,932	26,787	2,893,779
<u>1,558,421</u>	<u>902,968</u>	<u>387,130</u>	<u>11,080,325</u>
<u>\$ 1,854,313</u>	<u>\$ 3,476,900</u>	<u>\$ 413,917</u>	<u>\$ 13,974,104</u>

TOWN OF IOWA, LOUISIANA

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

Amounts reported for governmental activities in the
statement of activities different because:

Net change in fund balance - total governmental funds \$ 2,893,779

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (278,492)

Disposal of assets -

Right to use leased asset capital outlay expenditures which were capitalized 57,235

Amortization expense for intangible assets (129,742)

Lease related revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds (1,166)

Net effect of pension liability recognition (146,008)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. (2,448,607)

Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds. (3,554)

Change in net position of governmental activities \$ (56,555)

See accompanying notes to financial statements

TOWN OF IOWA, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2025

	Budgeted Amounts			Variance With Final Budget Positive (Unfavorable)
	Original	Final	Actual	
Revenues:				
Tax revenue	\$ 1,412,000	\$ 1,412,000	\$ 1,566,112	\$ 154,112
Licenses and permits	297,900	297,900	286,711	(11,189)
Intergovernmental	363,000	363,000	398,002	35,002
Charges for services	41,200	41,200	47,137	5,937
Fines and forfeits	964,700	964,700	839,039	(125,661)
Interest earned	35,000	35,000	37,450	2,450
Insurance	-	-	59,723	59,723
Grants received	-	-	30,000	30,000
Miscellaneous	500	500	14,751	14,251
Total revenues	<u>3,114,300</u>	<u>3,114,300</u>	<u>3,278,925</u>	<u>164,625</u>
Expenditures:				
Current:				
General government	801,744	801,744	737,168	64,576
Public safety	<u>2,488,233</u>	<u>2,488,233</u>	<u>2,463,271</u>	<u>24,962</u>
Total expenditures	<u>3,289,977</u>	<u>3,289,977</u>	<u>3,200,439</u>	<u>89,538</u>
Excess (deficiency) of revenues over expenditures	(175,677)	(175,667)	78,486	264,163
Other financing sources (uses):				
Operating transfers in (out)	<u>175,677</u>	<u>175,677</u>	<u>189,622</u>	<u>13,945</u>
Total other financing sources (uses)	<u>175,677</u>	<u>175,677</u>	<u>189,622</u>	<u>13,945</u>
Excess (deficiency) of revenue and other financing sources over expenditures and other uses	-	-	268,108	268,108
Fund balance at beginning of year	<u>1,538,132</u>	<u>1,538,132</u>	<u>1,538,132</u>	-
Fund balance at end of year	<u>\$ 1,538,132</u>	<u>\$ 1,538,132</u>	<u>\$ 1,806,240</u>	<u>\$ 268,108</u>

See accompanying notes to financial statements

TOWN OF IOWA, LOUISIANA
SALES TAX - WATER IMPROVEMENTS

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2025

	Budgeted Amounts			Variance With Final Budget Positive (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Tax revenue	\$ 265,000	\$ 265,000	\$ 296,906	\$ 31,906
Intergovernmental	572,667	72,667	20,271	(52,396)
Interest earned	120,000	120,000	182,461	62,461
Insurance	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>957,667</u>	<u>457,667</u>	<u>499,638</u>	<u>41,971</u>
Expenditures:				
Current:				
Other services and charges	<u>957,667</u>	<u>957,667</u>	<u>330,812</u>	<u>626,855</u>
Excess (deficiency) of revenues over expenditures	-	(500,000)	168,826	668,826
Other financing sources (uses):				
Operating transfers out	<u>-</u>	<u>-</u>	<u>(599,775)</u>	<u>(599,775)</u>
Excess (deficiency) of revenue and other financing sources over expenditures and other uses	-	(500,000)	(430,949)	69,051
Fund balance at beginning of year	<u>5,061,788</u>	<u>5,061,788</u>	<u>5,061,788</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,061,788</u>	<u>\$ 4,561,788</u>	<u>\$ 4,630,839</u>	<u>\$ 69,051</u>

See accompanying notes to financial statements

TOWN OF IOWA, LOUISIANA
SALES TAX II - STREETS

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2025

	Budgeted Amounts			Variance With Final Budget Positive (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Tax revenue	\$ 650,000	\$ 650,000	\$ 728,260	\$ 78,260
Interest earned	35,000	35,000	41,469	6,469
Grants received	-	-	-	-
Miscellaneous	-	-	78,549	78,549
Total revenues	<u>685,000</u>	<u>685,000</u>	<u>848,278</u>	<u>163,278</u>
Expenditures:				
Current:				
Highways and streets	<u>1,613,910</u>	<u>1,613,910</u>	<u>745,504</u>	<u>868,406</u>
Excess (deficiency) of revenues over expenditures	(928,910)	(928,910)	102,774	1,031,684
Other financing sources (uses):				
Operating transfers out	<u>-</u>	<u>-</u>	<u>57,235</u>	<u>57,235</u>
Excess (deficiency) of revenue and other financing sources over expenditures and other uses	(928,910)	(928,910)	160,009	1,088,919
Fund balance at beginning of year	<u>1,631,886</u>	<u>1,631,886</u>	<u>1,631,886</u>	<u>-</u>
Fund balance at end of year	<u>\$ 702,976</u>	<u>\$ 702,976</u>	<u>\$ 1,791,895</u>	<u>\$ 1,088,919</u>

See accompanying notes to financial statements

TOWN OF IOWA, LOUISIANA
SALES TAX III

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2025

	Budgeted Amounts			Variance With Final Budget Positive (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Tax revenue	\$ 500,000	\$ 500,000	\$ 560,200	\$ 60,200
Charges for service	43,000	43,000	382	(42,618)
Interest earned	25,000	25,000	30,079	5,079
Grants received	452,800	16,000	16,000	-
Miscellaneous	-	-	2	2
Total revenues	<u>1,020,800</u>	<u>584,000</u>	<u>606,663</u>	<u>22,663</u>
Expenditures:				
Current:				
General government	-	-	48,939	(48,939)
Culture and recreation	-	-	4,419	(4,419)
Drainage	768,030	768,030	255,413	512,617
Other services and charges	-	-	2,000	(2,000)
Total expenditures	<u>768,030</u>	<u>768,030</u>	<u>310,771</u>	<u>457,259</u>
Excess (deficiency) of revenues over expenditures	252,770	(184,030)	295,892	479,922
Fund balance at beginning of year	<u>1,558,421</u>	<u>1,558,421</u>	<u>1,558,421</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,811,191</u>	<u>\$ 1,374,391</u>	<u>\$ 1,854,313</u>	<u>\$ 479,922</u>

See accompanying notes to financial statements

TOWN OF IOWA, LOUISIANA
FIRE PROTECTION

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2025

	Budgeted Amounts			Variance With Final Budget Positive (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Tax revenue	\$ 178,677	\$ 178,677	\$ 192,642	\$ 13,965
Interest earned	4,300	4,300	31,026	26,726
Intergovernmental	61,000	61,000	34,084	(26,916)
Insurance	467,591	467,591	477,742	10,151
Grants received	-	-	50,000	50,000
Total revenues	<u>711,568</u>	<u>711,568</u>	<u>785,494</u>	<u>73,926</u>
Expenditures:				
Current:				
Fire protection	210,777	510,777	484,552	26,225
Debt service				
Interest	-	-	37,388	(37,388)
Total expenditures	<u>210,777</u>	<u>510,777</u>	<u>521,940</u>	<u>(11,163)</u>
Excess (deficiency) of revenues over expenditures	500,791	200,791	263,554	62,763
Other financing sources (uses):				
Operating transfers in (out)	-	(200,000)	(189,622)	10,378
Issuance of debt	-	-	2,500,000	2,500,000
Total other financing sources (uses)	<u>-</u>	<u>(200,000)</u>	<u>2,310,378</u>	<u>2,510,378</u>
Excess (deficiency) of revenue and other financing sources over expenditures and other uses	500,791	791	2,573,932	2,573,141
Fund balance at beginning of year	<u>902,968</u>	<u>902,968</u>	<u>902,968</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,403,759</u>	<u>\$ 903,759</u>	<u>\$ 3,476,900</u>	<u>\$ 2,573,141</u>

See accompanying notes to financial statements

TOWN OF IOWA, LOUISIANA
PROPRIETARY FUND - UTILITY ENTERPRISE FUND

STATEMENT OF NET POSITION
June 30, 2025

ASSETS

Cash and cash equivalents	\$ 534,207
Investments	850,136
Receivables (net, where applicable, of allowance for uncollectibles):	
Accounts	163,754
Due from other funds	26,753
Prepaid expenses	24,864
Deposits	100
Restricted assets:	
Customers' deposits-cash	152,077
Right to use leased asset, net of amortization	47,408
Capital assets:	
Land, improvements and construction in progress	571,224
Other capital assets, net of depreciation	<u>3,689,516</u>
Total assets	<u>6,060,039</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	<u>69,878</u>
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LIABILITIES

Accounts payable	11,058
Other payables	2,796
Payable from restricted assets:	
Customer deposits	152,077
Due to other funds	-
Noncurrent liabilities:	
Due within one year	13,775
Due in more than one year	69,835
Net pension liability	<u>245,497</u>
Total liabilities	<u>495,038</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	<u>78,437</u>
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NET POSITION

Investment in capital assets, net of related debt	4,260,740
Unrestricted	<u>1,295,702</u>
Total net position	<u>\$ 5,556,442</u>

See accompanying notes to financial statements

TOWN OF IOWA, LOUISIANA
PROPRIETARY FUND - UTILITY ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
Year Ended June 30, 2025

Operating revenues:	
Charges for services	<u>\$ 1,733,218</u>
Operating expenses:	
Salaries	316,360
Insurance	53,635
Repairs, maintenance and supplies	155,618
Utilities	71,875
Other services and charges	498,508
Depreciation and amortization	<u>614,377</u>
Total operating expenses	<u>1,710,373</u>
Operating income	<u>22,845</u>
Nonoperating revenues (expenses):	
Interest earned	34,862
Gain on disposal of asset	41,058
Miscellaneous	<u>14,294</u>
Total nonoperating revenues	<u>90,214</u>
Income before transfers	113,059
Operating transfers in	<u>584,775</u>
Change in net position	697,834
Net position at beginning of year	<u>4,858,608</u>
Net position at end of year	<u>\$ 5,556,442</u>

See accompanying notes to financial statements

TOWN OF IOWA, LOUISIANA
 PROPRIETARY FUND - UTILITY ENTERPRISE FUND

STATEMENT OF CASH FLOWS
 Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 1,720,630
Cash payments to suppliers for goods and services	(781,703)
Cash payments to employees for services	<u>(338,894)</u>
Net cash provided by operating activities	<u>600,033</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfer from other funds (net)	-
Interfund payable decrease	<u>(13,379)</u>
Net cash (used in) noncapital financing activities	<u>(13,379)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Miscellaneous proceeds received	63,353
Acquisition of fixed assets	(63,882)
Principal payments on lease liabilities	<u>(5,816)</u>
Net cash (used in) capital and related financing activities	<u>(6,345)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts of interest	34,862
Purchase of investments	<u>(184,251)</u>
Net cash (used in) investing activities	<u>(149,389)</u>
Net increase in cash and cash equivalents	430,920
Cash and cash equivalents:	
Beginning of year	<u>255,364</u>
End of year	<u>\$ 686,284</u>
Cash and cash equivalents at end of year consisted of:	
Unrestricted cash	\$ 534,207
Restricted cash	<u>152,077</u>
	<u>\$ 686,284</u>

(continued on next page)

TOWN OF IOWA, LOUISIANA
PROPRIETARY FUND - UTILITY ENTERPRISE FUND

STATEMENT OF CASH FLOWS
Year Ended June 30, 2025

RECONCILIATION OF OPERATING INCOME TO NET CASH

PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 22,845
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	614,377
Changes in assets and liabilities:	
(Increase) in accounts receivable and other receivables	(22,802)
(Decrease) in accounts payable and other payables	(2,067)
Increase in customer deposits	10,214
Increase in noncurrent liabilities	16,780
(Decrease) in net pension liability	(176,625)
Changes in deferred inflows and outflows of resources:	
Decrease in deferred outflows related to pensions	82,070
Increase in deferred inflows related to pensions	<u>55,241</u>
Net cash provided by operating activities	<u>\$ 600,033</u>

NON CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Transfer in of capital assets	\$ 584,775
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See accompanying notes to financial statements

TOWN OF IOWA, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2025

Note 1. Summary of Significant Accounting Policies

The Town of Iowa, Louisiana was incorporated June 26, 1952, under the provisions of the Lawrason Act. The Town operates under a Mayor-Town Council form of government.

The accounting and reporting policies of the Town of Iowa, Louisiana conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidance set forth in the *Louisiana Municipal Audit and Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies.

A. Financial Reporting Entity

The accompanying financial statements include the various departments, activities, and organizational units that are within the control and authority of the Mayor and Town Council of the Town of Iowa, Louisiana. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Statement No. 14 and No. 61 of the Governmental Accounting Standards Board. This statement defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Consistent with these criteria, the Town of Iowa, Louisiana has determined that the Fire Protection District No. 1 of Ward 8 of Calcasieu Parish is a component unit of the Town.

B. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government.

The Statement of Net Position and the Statement of Activities report financial information for the Town as a whole so that individual funds are not displayed. However, the Statement of Activities reports the expense of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and (2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

FUND FINANCIAL STATEMENTS

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The various funds are grouped, in the financial statements in this report, into three broad fund categories as follows:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specified sources" establishes that one or more specific restricted or committed revenues shall be the foundation for a special revenue fund.

Capital Projects Funds - These funds account for and report financial resources that are restricted, committed, or assigned for capital acquisition or construction of capital facilities and other capital assets.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Measurement Focus and Basis of Accounting

Measurement focus refers to which transactions are recorded within various financial statements. Basis of accounting refers to when revenues and expenditures (or expenses) are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for government funds. The primary effect of internal activity (between or within funds) has been eliminated from the government-wide financial statements.

In the fund financial statements, governmental funds are accounted for using a financial resources measurement focus whereby only current assets and current liabilities generally are included on the balance sheet and increases or decreases in net current assets are presented in the operating statements. These funds utilize the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available to finance expenditures of the current period. Certain revenues such as sales tax, property tax, and charges for services are assessed and collected in such a manner that they can be accrued appropriately. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for principal and interest on general long-term debt which are recognized when due. Also, expenditures for accrued compensated absences are not recognized until they are payable from current available financial resources.

The proprietary fund, also in the fund financial statements, is accounted for and reported using a flow of economic resources measurement focus. This means that all assets and liabilities associated with the operation of these funds are included on the balance sheet. The operating statements for the proprietary fund present increases or decreases in net total assets.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Town has the following items that are reported as deferred inflows or outflows of resources: deferred inflows/outflows of resources related to pensions and lease accounting.

E. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund balances:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net position:

Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

F. Budgets and Budgetary Accounting

The Mayor and Town Clerk prepare a proposed budget and submit same to the Town Council prior to the beginning of each fiscal year. The operating budget includes proposed expenditures and the means of financing them.

A summary of the proposed budget is published, a public hearing is held, and the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is adopted.

Any revisions that alter total expenditures of any fund must be approved by the Councilmen. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. All budgetary appropriations lapse at the end of each fiscal year.

Budgets for the General and Special Revenue Funds are adopted on a modified accrual basis of accounting. Budgeted amounts are as originally adopted, or as amended by the Town Council.

Encumbrance accounting is not used.

G. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits and certificates of deposit. The Town considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Certificates of deposit are stated at cost. At June 30, 2025, the Town had no cash equivalents.

Louisiana State Statutes, as stipulated in R.S. 39:1271, authorize the Town to invest in United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at cost.

H. Bad Debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the receivable.

I. Interfund Activity

Interfund activity is reported as either loans, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

J. Capital Assets and Depreciation

The accounting and reporting treatment applied to capital assets associated with a fund are determined by their measurement focus. General capital assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. The minimum capitalization threshold is any individual item with a total cost greater than \$1,500.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Plant	10 to 33 years
Machinery and equipment	5 to 10 years
Furniture and fixtures	5 to 10 years

K. Property Taxes

Property taxes levied in any one year are recognized as revenues of that year.

L. Compensated Absences

It is the Town's policy to permit employees to accumulate earned, but unused, paid time off (PTO). All PTO is accrued when incurred in the government-wide and proprietary fund financial statements.

Each full-time employee shall earn PTO at the following rates for each quarter, based on years of employment with the Town:

Post probation - 1 year	44 hours per quarter
1-5 years	57 hours per quarter
5-10 years	69 hours per quarter
10+ years	81 hours per quarter

Employees may also receive compensatory time off with pay in lieu of overtime pay for work in excess of regular scheduled hours. Compensatory time may be accumulated up to 240 hours for regular employees and 480 hours for police and fire.

Upon separation of employment, the employee shall be paid for unused PTO/compensatory time.

M. Right to Use Assets

The Town has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

N. Leases

The Town is a lessor for leases of Town property. The Town recognizes a lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. Under the lease agreements, the Town may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over life of the lease term.

The Town uses the incremental borrowing rate as the discount rate for the lease. The lease term includes the non-cancellable period of the lease.

The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

O. Adoption of New Accounting Principles

For the year ended June 30, 2025, the following statement was implemented: GASB Statement No. 101, Compensated Absences. This statement updated the recognition and measurement guidance for compensated absences to include any leave that is attributable to services already rendered, accumulated, or is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. All outstanding leaves at year end is valued at the employee's rate of pay in effect as of the balance sheet date. Applicable salary related payments are also calculated.

Note 2. Cash, Cash Equivalents and Investments

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

In accordance with a fiscal agency agreement which is approved by the Town Council, the Town of Iowa maintains demand and time deposits through local depository banks which are members of the Federal Reserve System.

Deposits in excess of federally insured amounts are required by Louisiana state statute to be protected by collateral of equal market value. Authorized collateral includes general obligations of the U.S. government, obligations issued or guaranteed by an agency established by the U.S. government, general obligation bonds of any state of the U.S., or of any Louisiana parish, municipality, or school district. The Town's bank demand and time deposits at year end were fully collateralized.

The deposits at June 30, 2025 are as follows:

June 30, 2025	<u>Demand Deposits</u>	<u>Time Deposits</u>
Carrying amount	\$ <u>7,899,677</u>	\$ <u>201,701</u>
Bank balances:		
a. Federally insured	\$ 3,120,716	\$ 201,701
b. Collateralized by securities held by the pledging financial institution	4,950,229	-
c. Uncollateralized and uninsured	<u>-</u>	<u>-</u>
Total bank balances	\$ <u>8,070,945</u>	\$ <u>201,701</u>

Investments held at June 30, 2025, consist of \$7,643,340 in the Louisiana Asset Management Pool Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). Of this amount, \$5,000 was restricted for a construction deposit. LAMP is administered by LAMP Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Interest rate risk. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. State law limits investments to United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having a principal office in the State of Louisiana. Local governments in Louisiana are authorized to invest in LAMP. The Town has no investment policy that would further limit its investment choices. As of June 30 2025, the Town's investment in LAMP was rated AAA by Standard & Poor's.

Concentration of credit risk. The Town places no limit on the amount the Town may invest in any one issuer. All of the Town's investments are in LAMP.

As of June 30, 2025, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Certificates of deposit	\$ 201,701	\$ 201,701	\$ -	\$ -	\$ -
LAMP	<u>7,643,340</u>	<u>7,643,340</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,845,041</u>	<u>\$ 7,845,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 3. Individual Fund Transactions

Individual fund interfund receivables and payables are as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ -	\$ 28,307
Sales Tax Fund - Water Improvements	-	418
Sales Tax Fund - Streets II	2,407	-
Sales Tax Fund - Sales Tax III	-	24
Fire Protection	-	6,722
Non-major Governmental funds	6,311	-
Water Utility Fund	<u>26,753</u>	<u>-</u>
	<u>\$ 35,471</u>	<u>\$ 35,471</u>

Operating transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Fire Protection	\$ 189,622	\$ -
Sales Tax Water Improvements:		
Water Utility Fund	-	584,775
Non-major Governmental Fund	-	15,000
Fire Protection Fund		
General Fund	-	189,622
Water Utility Fund:		
Sales Tax Water Improvements	584,775	-
Non-major Governmental Fund:		
Sales Tax Water Improvements	<u>15,000</u>	<u>-</u>
Grand totals	<u>\$ 789,397</u>	<u>\$ 789,397</u>

Note 4. Restricted Assets

Restricted assets were applicable to the following at June 30, 2025:

General Fund:	
Construction deposit	\$ 5,000
Police evidence	56,022
Fire Protection Fund:	
Bond Proceeds	2,370,716
Enterprise Fund:	
Customers deposits-water and sewer maintenance services	152,077

Note 5. Changes in Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning of Year	Additions	Deletions	End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 1,021,955	\$ -	\$ -	\$ 1,021,955
Construction in progress	<u>16,885</u>	<u>141,891</u>	<u>16,885</u>	<u>141,891</u>
Total capital assets not being depreciated/amortized	<u>1,038,840</u>	<u>141,891</u>	<u>16,885</u>	<u>1,163,846</u>
Capital assets being depreciated/amortized:				
Buildings	2,541,453	-	-	2,541,453
Improvements other than buildings	2,717,208	37,205	-	2,754,413
Furniture and equipment	2,087,070	255,301	76,244	2,266,127
Vehicles	1,713,749	29,999	165,996	1,577,752
Infrastructure	3,923,219	39,314	-	3,962,533
Right to use leased assets	<u>430,694</u>	<u>57,235</u>	<u>-</u>	<u>487,929</u>
Total capital assets being depreciated/amortized	<u>13,413,393</u>	<u>419,054</u>	<u>242,240</u>	<u>13,590,207</u>
Less accumulated depreciation/amortization for:				
Buildings	1,207,071	63,739	-	1,270,810
Improvements other than buildings	638,624	119,424	-	758,048
Furniture and equipment	1,469,396	217,847	76,244	1,610,999
Vehicles	1,089,145	177,621	165,996	1,100,770
Infrastructure	1,945,968	186,687	-	2,132,655
Right to use leased assets	<u>98,707</u>	<u>129,741</u>	<u>-</u>	<u>228,448</u>
Total accumulated depreciation/amortization	<u>6,448,911</u>	<u>895,059</u>	<u>242,240</u>	<u>7,101,730</u>
Capital assets, being depreciated/amortized, net	<u>6,964,482</u>	<u>(476,005)</u>	<u>-</u>	<u>6,488,477</u>
Government activities capital assets, net	<u>\$ 8,003,322</u>	<u>\$ (334,114)</u>	<u>\$ 16,885</u>	<u>\$ 7,652,323</u>

	Beginning of Year	Additions	Deletions	End of Year
Business-type activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 4,002	\$ -	\$ -	\$ 4,002
Construction in progress	-	567,222	-	567,222
Total Capital assets not being depreciated/amortized	4,002	567,222	-	571,224
Capital assets being depreciated/amortized:				
Plant and equipment	14,697,362	81,439	-	14,778,801
Machinery	523,580	-	139,320	384,260
Right to use leased assets	27,082	28,492	-	55,574
Total capital assets being depreciated/amortized	15,248,024	109,931	139,320	15,218,635
Less accumulated depreciation/amortization for:				
Plant and equipment	10,589,834	557,633	-	11,147,467
Machinery	407,013	50,384	131,319	326,078
Right to use leased assets	1,804	6,362	-	8,166
Total accumulated depreciation/amortization	10,998,651	614,379	131,319	11,481,711
Capital assets, being depreciated/amortized, net	4,249,373	(504,448)	8,001	3,736,924
Business-type activities capital assets, net	<u>\$ 4,253,375</u>	<u>\$ 62,774</u>	<u>\$ 8,001</u>	<u>\$ 4,308,148</u>

Depreciation expense was charged to governmental and business-type activities as follows:

General government	\$ 56,852
Public safety	289,337
Highway and streets	215,327
Culture and recreation	101,384
Drainage	102,417
Water Utility	608,017
Total depreciation	<u>\$ 1,373,334</u>

Amortization expense was charged to governmental and business-type activities as follows:

Public safety	\$ 125,926
Highway and Streets	3,816
Water Utility	6,362
Total amortization	<u>\$ 136,104</u>

Note 6. Leases

The Town leases to others a portion of its land. The lease agreement qualifies as other than short-term lease under GASB 87, and therefore, has been recorded at the present value of the future minimum lease payments of the date of their inception.

The agreement was executed on May 1, 2020, to lease land and required 60 monthly payments of \$1,025 for a term of 5 years. The agreement will be renewed for five additional five year terms. Each term, the monthly payment will increase by 5%.

The Town recognized \$10,746 in lease revenue and \$849 in interest revenue during the year ended June 30, 2025. As of June 30, 2025, the Town's receivable for lease payments was \$305,256. Also, the Town has a deferred inflow of resources associated with the lease what will be recognized as revenue over the lease terms.

As of June 30, 2025, the balance of deferred inflow of resources was \$304,990.

Future payments included in the measurement of the lease receivable as of June 30, 2025 for each of the next 5 fiscal years and in five-year increments thereafter are as follows:

<u>Years Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 9,914	\$ 2,986	\$ 12,900
2027	10,523	2,377	12,900
2028	11,173	1,727	12,900
2029	11,863	1,037	12,900
2030	12,479	888	13,367
2031-2035	58,402	9,411	67,813
2036-2040	61,257	9,869	71,126
2041-2045	64,256	10,362	74,618
2046-2050	<u>65,389</u>	<u>10,158</u>	<u>75,547</u>
Total	<u>\$ 305,256</u>	<u>\$ 48,815</u>	<u>\$ 354,071</u>

Note 7. Long-Term Obligations

Leases

The Town has entered into an agreement to lease certain equipment and vehicles. The lease agreement qualifies as other than short-term lease under GASB Statement No. 87 and, therefore, has been recorded at the present value of the future minimum lease payments of the date of their inception. The terms of the leases range from 36 months to 60 months.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

GOVERNMENTAL ACTIVITIES				
<u>Year Ending</u> <u>June 30</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>	
2026	121,746	10,582	132,328	
2027	56,411	4,767	61,178	
2028	17,373	2,067	19,440	
2029	16,353	1,011	17,364	
2030	8,615	193	8,808	
	<u>\$ 220,498</u>	<u>\$ 18,620</u>	<u>\$ 239,118</u>	

BUSINESS-TYPE ACTIVITIES				
<u>Year Ending</u> <u>June 30</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>	
2026	10,221	2,607	12,828	
2027	10,853	1,975	12,828	
2028	11,522	1,306	12,828	
2029	10,130	612	10,742	
2030	5,341	148	5,489	
	<u>\$ 48,067</u>	<u>\$ 6,648</u>	<u>\$ 54,715</u>	

Long-term debt is comprised of the following at June 30, 2025:

\$2,500,000 General Obligation Bond, Series 2025 interest payable not exceeding 5%, principal and interest payable through the year 2045	\$ 2,500,000
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The following is a summary of the long-term obligation activity for the year ended June 30, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Ending One Year</u>
Governmental activities:					
General Obligation \$	-	\$2,500,000	\$ -	\$2,500,000	\$ 75,000
Accrued leave payable	72,306	3,554	-	75,860	7,586
Right to use lease asset liabilities	271,890	57,235	108,627	220,498	121,746
Net pension liabilities	<u>1,964,690</u>	<u>-</u>	<u>53,896</u>	<u>1,910,794</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$2,308,886</u>	<u>\$2,560,789</u>	<u>\$ 162,523</u>	<u>\$4,707,152</u>	<u>\$ 204,332</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Ending One Year</u>
Business-type activities:					
Accrued leave payable	\$ 18,763	\$ 16,780	\$ -	\$ 35,543	\$ 3,554
Right to use lease asset liabilities	25,391	28,492	5,816	48,067	10,221
Net pension liabilities	<u>422,122</u>	<u>-</u>	<u>176,625</u>	<u>245,497</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 466,276</u>	<u>\$ 45,272</u>	<u>\$ 182,441</u>	<u>\$ 329,107</u>	<u>\$ 13,775</u>

Note 8. Ad Valorem Taxes

For the year ended June 30, 2025, taxes of 5.59 mills were levied by the Town of Iowa on property with assessed valuations totaling \$22,918,690 and were dedicated for general corporate purposes. Taxes of 10.02 mills were levied by the Fire Protection District No. 1 of Ward 8 of Calcasieu Parish on property with assessed valuations-net of exemptions totaling \$19,889,995 and were dedicated for the purpose of providing fire protection to the District.

Total taxes levied were \$128,116 and \$192,740 respectively for the Town and the District. Taxes receivable at June 30, 2025 consisted of the following:

	<u>2025</u>
Taxes receivable current roll	\$ 334
Taxes receivable prior years	<u>1,265</u>
	1,599
Allowance for uncollectible taxes	<u>(1,265)</u>
	<u>\$ 334</u>

Property taxes are levied November 1 and attach as an enforceable lien on property as of April 30.

Note 9. Fund Balance

In accordance with Government Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Town classifies governmental fund balances as follows:

Non-spendable -

includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted -

includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained or due to constitutional provisions or enabling legislation.

Committed -

includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority (the Town Council) and does not lapse at year end. Formal action by the same authority is required to rescind such a commitment.

Assigned -

includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Mayor.

Unassigned -

includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The Town uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the government would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Town does not have a formal minimum fund balance policy.

The purpose of each major special revenue fund and revenue source is listed below:

Major special revenue fund	Revenue source
Water improvements	Portion of sales tax described in Note 10
Streets II	Portion of sales tax described in Note 10
Sales Tax III	Portion of sales tax described in Note 10

Note 10. Dedication of Proceeds and Flow of Funds - 2.5% Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the Town of Iowa, Louisiana approved by voters in perpetuity beginning January 2017 (2025 collections \$1,120,400) is dedicated to the following purposes:

1. Capital and other improvements of the Town's Water Works, Sewer, and Wastewater Systems
2. Keeping in repair the Town's Streets and further improvements to the Town's park system.
3. Other lawful expenditures of the town, including economic development and the ability to fund avails of the tax into debt.

Proceeds of a 1% sales and use tax levied by the Town of Iowa, Louisiana approved by voters beginning July 2017 set to expire June 2027 (2025 collections \$1,120,400 are dedicated to the following purposes:

1. Maintenance and construction of streets, sidewalks, and street lighting
2. Maintenance and construction of sewerage treatment facilities, systems, pumps and sewer lines.
3. General administrative and general fund needs.

Proceeds of a 1/2% sales and use tax levied by the Town of Iowa, Louisiana approved by voters in perpetuity beginning July 2022 (2025 collections \$560,200 are dedicated to the following purposes:

1. Flood control maintenance and flood control improvements.
2. Economic development activities.
3. Capital improvements and maintenance to the Town Hall and Town Park situated in the Town of Iowa

Note 11. Pension Plans

Plan Descriptions

Substantially all employees of the Town of Iowa are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana (MERS), Municipal Police Employees Retirement System of Louisiana (MPERS), or Firefighters' Retirement System of Louisiana (FRS). These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The systems issue annual, publicly available financial reports that include financial statements and required supplementary information for the systems. The reports for MERS, MPERS, and FRS may be obtained at www.mersla.com, www.lampers.org, and www.fffret.com, respectively.

Plan Description- MERS

MERS was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana and is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Town of Iowa are members of Plan B. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in MERS.

Plan Description- MPERS

All full-time police department employees engaged in law enforcement are required to participate in MPERS providing he or she does not have to pay social security and providing he or she meets the statutory criteria. MPERS provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through MPERS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

Plan Description- FRS

The Firefighters' Retirement System (FRS) is the administrator of a cost-sharing, multiple-employer, defined benefit pension plan. Membership in the System is a condition of employment for any full-time firefighters who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability include all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in LRS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment.

No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

Any person who has retired from service under any retirement or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements of membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Benefits Provided

Retirement Benefits- MERS

Any member of Plan B hired before January 1, 2013 may retire at any age with 30 years of creditable service or at age 60 with at least 10 years of creditable service. Any member of Plan B hired on or after January 1, 2013 may retire at age 67 with at least 7 years of creditable service, at age 62 with at least 10 years of creditable service, or at age 55 with at least 30 years of creditable service. Members hired on or after January 1, 2013 are also eligible to retire at any age with at least 25

years of creditable service, but their benefit will be actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any of the previously-mentioned provisions, if the member had continued in service to that age. Members are entitled to a retirement benefit, payable monthly for life, equal to 2% of the member's final compensation (defined below) multiplied by the member's years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination.

Final compensation is the employee's average salary over the 36 consecutive or joined months that produce the highest average for a member whose first employment made him or her eligible for membership in the system on or before June 30, 2006. Final compensation is the employee's average salary over the 60 consecutive or joined months that produce the highest average for a member whose first employment made him or her eligible for membership in the system after June 30, 2006. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination.

Retirement Benefits- MPERS

Members of MPERS with membership beginning prior to January 1, 2013 are eligible for regular retirement after he or she has been a member of MPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years of creditable service and is age 55. A member is eligible for early retirement after he or she has been a member of MPERS for 20 years of creditable service at any age with an actuarially reduced benefit. Members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent (3.33%) of the member's final compensation (employee's average salary over the 36 consecutive or joined months that produce the highest average) multiplied by the member's years of creditable service.

Members of MPERS with membership beginning on or after January 1, 2013 are eligible for regular retirement, early retirement, disability and survivor benefits based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he or she has been a member of MPERS and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he or she has been a member of MPERS and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he or she has been a member of MPERS for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates

are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

In 1999, the State Legislature authorized MPERS to establish an Initial Benefit Option program. This is available to MPERS members who are eligible for regular retirement but have not participated in DROP. This program provides both a one-time single sum payment of up to 46 months of the regular monthly retirement benefit, plus a reduced monthly retirement benefit for life.

Retirement Benefits- FRS

Members of FRS with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333 percent of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement.

Deferred Retirement Options

In lieu of terminating employment and accepting a service retirement allowance, any member of MERS who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. A MERS member may participate in DROP only once. During participation in the plan, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment, are credited to the MERS member's individual DROP account. Interest is earned when the member has completed DROP participation. Upon termination of employment prior to or at the end of the participation period, the member may receive a lump sum from the account, or a true annuity based on the account balance. If employment is not terminated at the end of the three year DROP participation period, payments into the DROP account cease and the person resumes active contributing membership in MERS.

A member of MPERS is eligible to enter DROP when he or she is eligible for regular retirement based on the members' sub plan participation. At the entry date into DROP, employee and employer contributions cease. The amount deposited into the DROP account for MPERS members is equal to the benefit computed under the retirement plan elected by participant date of application. Interest is earned when the MPERS member has completed DROP participation. Upon termination of employment prior to or at the end of the participation period, the MPERS member may receive a lump sum from the account, or a true annuity based on the account balance.

A member of FRS may elect to participate in the deferred retirement option plan (DROP) for up to 36 months, after completing 20 years of creditable service and age 50 or 25 years at any age. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program has several options to receive their DROP benefits. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires. Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Disability Benefits

A member of MERS Plan B is eligible to retire and receive a disability benefit if he or she has at least 10 years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. The monthly maximum retirement benefit under Plan B of MERS is the lesser of an amount equal to two percent of member's final compensation multiplied by years of service (not less than 30% of member's final compensation) or an amount equal to what the member's normal retirement benefit would be based on final compensation at time of disability, but assuming continuous service until member's earliest normal retirement age.

A member of MPERS is eligible to retire and receive a disability benefit if he or she has been certified as disabled by the State Medical Disability Board. If the disability incurred is job-related, there is no minimum creditable service requirement. If the disability is non-job-

related, a minimum of 10 years of creditable service is required if the member was employed on or after July 1, 2008. Members of MPERS employed prior to July 1, 2008 must have a minimum of 5 years of creditable service to be eligible to retire with disability benefits if the disability incurred is non-job-related. The disability benefit received by a MPERS member is equal to three percent of his or her final average compensation multiplied by years of creditable service (not less than 40%, nor more than 60% of final average compensation). At the time the disabled MPERS member reaches normal retirement age, he or she will have the option to continue to receive the disability retirement benefit or to receive his or her vested retirement benefit.

A member of FRS disability benefit or any member who has been officially certified as totally disabled solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contribution member, is entitled to disability benefits. Any member under the age of fifty who becomes totally disabled will receive a disability benefit equal to 60 percent of final compensation for an injury received in the line of duty; of 75 percent of his accrued retirement benefit with a minimum of 25 percent of average salary for any injury received, even though not in the line of duty. Any member age fifty or older who becomes totally disabled from an injury sustained in the line of duty is entitled to a disability benefit equal to the greater of 60 percent final compensation or his accrued retirement benefit. Any member age fifty or older who becomes totally disabled as a result of any injury, even though not in the line of duty, is entitled to a disability benefit equal to his accrued retirement benefit with a minimum of 25 percent of average salary. The surviving spouse of a member who was on disability retirement at the time of death receives a benefit of \$200 per month. When the member takes disability retirement, he may, in addition, take an actuarially reduced benefit being paid immediately prior to the death of the disability retiree. The retirement system may reduce benefits paid to a disability retiree who is also receiving workers compensation payments.

Survivor's Benefit

The surviving spouse (defined as someone married to the deceased member for at least 12 months immediately preceding the member's death) of a MERS Plan B member (not eligible for retirement at the time of death) will receive a survivor benefit, provided that the member had 5 or more years of creditable service. The surviving spouse will be paid either a monthly benefit equals to 30% of member's final compensation, payable when surviving spouse attains the age of 60 or becomes disabled, or a monthly benefit equal to actuarial equivalent of the benefit described previously (not less than 15% of member's final compensation), payable upon the death of the member. A MERS Plan B member who is eligible for normal retirement at the time of death will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse upon

the date of death. Benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Survivor benefits for MPERS members are payable to the surviving spouse or surviving minor child/children of a deceased active contributing member or a deceased disability retiree. Survivor benefits are not payable to survivors of retirees receiving benefits under the provisions of early or normal service retirement. The maximum benefit for a surviving spouse of a MPERS member is equal to the regular retirement formula, regardless of age, but not less than 40% or more than 60% of the deceased member's final average compensation. There is no requirement for minimum years of creditable service. If the MPERS member is killed in the line of duty, the surviving spouse shall receive a benefit equal to 100% of the deceased member's final average compensation, less any survivor benefits payable to a child or children. Each surviving minor child of the MPERS member will receive a benefit equal to 10% of deceased member's final average compensation or \$200 per month, whichever is greater. Benefits for a surviving child cease upon the child's attainment of age 18 or upon marriage, whichever occurs first. The benefit may continue after age 18 if the child meets certain educational or disability requirements. The surviving minor child may receive an increased benefit if there is no surviving spouse of the MPERS member.

Survivor benefits for FRS are payable to survivors of a deceased member who dies and is not eligible for retirement as follows. If any member is fatally injured in the line of duty and leaves a surviving eligible spouse, the spouse is entitled to an annual benefit equal to two-thirds of the deceased member's final compensation. If any member dies from a cause not in the line of duty, the surviving spouse is entitled to an annual benefit equal to 3 percent of the deceased member's average final compensation multiplied by his total years of creditable service; however, in no event is the annual benefit less than 40 percent nor more than 60 percent of the deceased member's average final compensation. Children of the deceased member who are under the age of eighteen years are entitled to the greater of \$200 per month or 10 percent of average final compensation (not to exceed 100 percent of average final compensation) until reaching the age of eighteen or until the age of twenty-two if enrolled full-time in an institution of higher learning, unless the surviving child is physically handicapped or mentally disabled in which case the benefit is payable regardless of age. If a deceased member dies leaving no surviving spouse, but at least one minor child, each child is entitled to receive forty percent of the deceased's average final compensation, not to exceed an aggregate of sixty percent of average final compensation.

Cost of Living Increases

MERS is authorized under state law to grant an annual cost of living adjustment to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit and may

only be granted if sufficient funds are available. The cost of living increase must be paid from investment income in excess of normal requirements.

MPERS is authorized to provide annual cost of living adjustments to members who have been retired for at least one full fiscal year. The adjustment cannot exceed 3% in any given year. MPERS members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

FRS is authorized to grant retired members and widows of members who have retired an annual cost of living increase up to 3% of their current benefit, and all retired members and widows who are 65 year of age and older a 2% increase in their annual benefits. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to finding status and interest earnings.

Contributions

The MERS, MPERS, and FRS employer contribution rates are established annually under La R.S 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the system's actuary. Each plan pays a separate actuarially-determined employer contribution rate. For the year ending June 30, 2025 the employer contribution rate for MERS Plan B was 14.00%, MPERS was 35.60%, and FRS was 33.25%. Employer contributions to MERS, MPERS, and FRS were \$117,421, \$205,994, and \$14,633, respectively, for the year ended June 30, 2025. Employees participating in MERS are required to contribute 5.00%, employees participating in MPERS are required to contribute 10.00%, and employees participating in FRS are required to contribute 10.00%.

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. MERS receives ad valorem taxes and state revenue sharing funds. MPERS receives insurance premium tax monies appropriated by the legislature each year based on an actuarial study. FRS receives insurance premium tax monies appropriated by the legislature each year based on an actuarial study. The Town of Iowa recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2025, the Town of Iowa recognized revenue as a result of support received from non-employer contributing entities of \$28,590 for its participation in MERS, \$45,457 for its participation in MPERS, and \$4,540 for its participation in FRS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the Town of Iowa reported a liability for MERS, MPERS, and FRS of \$490,994, \$1,583,309, and \$81,988, respectively, for its proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2024 and the total pension liabilities used to calculate the net pension liability were determined by actuarial valuations as of that date. The Town of Iowa's proportion of the net pension liability for each retirement system was based on a projection of the Town of Iowa's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Town of Iowa's proportion for MERS, MPERS, and FRS was 0.809188%, 0.174759%, and 0.014561%, respectively. This reflects an decrease for MERS of 0.243667%, an increase for MPERS of 0.029356%, and an increase for FRS of 0.013582% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the Town of Iowa recognized pension expense, for which there were no forfeitures, as follows:

	<u>Pension Expense</u>
MERS	\$ 67,384
MPERS	429,800
FRS	<u>26,145</u>
Total	<u>\$ 523,329</u>

At June 30, 2025, the Town of Iowa reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>			
	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>Total</u>
Differences between expected and actual experience	4,661	85,725	6,155	96,541
Changes in assumptions	-	-	3,507	3,507
Net difference between projected and actual earnings on pension plan investments	17,672	44,015	829	62,516
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	299,708	64,928	364,636
Employer contributions subsequent to measurement date	<u>117,421</u>	<u>205,995</u>	<u>14,635</u>	<u>338,051</u>
Total	<u>\$ 139,754</u>	<u>\$ 635,443</u>	<u>\$ 90,054</u>	<u>\$ 865,251</u>

	<u>Deferred Inflows of Resources</u>			
	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>Total</u>
Differences between expected and actual experience	4,015	47,897	1,949	53,861
Changes in assumptions	18,277	-	-	18,277
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>134,582</u>	<u>-</u>	<u>-</u>	<u>134,582</u>
Total	<u>\$ 156,874</u>	<u>\$ 47,897</u>	<u>\$ 1,949</u>	<u>\$ 206,720</u>

During the year ended June 30, 2025, employer contributions totaling \$117,421, \$205,995, and \$14,635 were made subsequent to the measurement date for MERS, MPERS, and FRS, respectively. These contributions are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>
2026	\$ (85,861)	\$ 138,918	\$ 11,256
2027	(22,957)	261,556	21,182
2028	(14,646)	8,826	8,856
2029	(11,077)	(27,749)	9,362
2030	-	-	11,975
2031	<u>-</u>	<u>-</u>	<u>10,839</u>
Total	<u>\$ (134,541)</u>	<u>\$ 381,551</u>	<u>\$ 73,470</u>

Actuarial Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. The components of the net pension liability of MERS, MPERS, and FRS employers as of June 30, 2025 are as follows:

	<u>MERS Plan B</u>	<u>MPERS</u>	<u>FRS</u>
Total pension liability	\$ 304,909,334	\$ 3,750,021,042	\$3,073,207,753
Plan fiduciary net position	<u>244,232,011</u>	<u>2,844,025,169</u>	<u>2,510,150,455</u>
Total net pension liability	<u>\$ 60,677,323</u>	<u>\$ 905,995,873</u>	<u>\$ 563,057,298</u>

The Town of Iowa's allocation is 0.809188% of the Total Net Pension Liability for MERS, 0.174759% of the Total Net Pension Liability for MPERS, and 0.014561% of Total Net Pension Liability for FRS.

The total pension liabilities for MERS, MPERS, and FRS in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions:

	MERS	MPERS	FRS						
Actuarial cost method	Entry Age Normal	Entry Age Normal Cost	Entry Age Normal						
Expected remaining service lives	3 years for Plan B	4 years	7 years						
Investment rate of return	6.85%, net of investment expense	6.75%, net of investment expense	6.90%, net of investment expense						
Inflation rate	2.50%	2.50%	2.50%						
Projected salary increases	9.5% for 1-2 years of service, 4.6% more than 2 years of service.	<table><tr><td>Years of Service</td><td>Salary Growth Rate</td></tr><tr><td>1-2</td><td>12.30</td></tr><tr><td>Above 2</td><td>4.70%</td></tr></table>	Years of Service	Salary Growth Rate	1-2	12.30	Above 2	4.70%	14.10% in the first two years of service and 5.20% more than 3 years of service
Years of Service	Salary Growth Rate								
1-2	12.30								
Above 2	4.70%								
Cost of living adjustments	None	None	None						
Mortality	<p>PubG-2010(B) Employee Table for active members (equal to 115% for males and 120% for females, each adjusted using respective MP2021 scales):</p> <p>Pub 2010(B) Healthy Retiree Table for annuitants (equal to 115% for males and females, each adjusted using respective MP2021 scales):</p> <p>PubNS-2010 (B) Disabled Retiree Table for disabled</p>	<p>Pub-2010 Employee Table for active members (equal to 115% for males and 125% for females using MP2019 scales)</p> <p>Pub-2010 Healthy Retiree Table for healthy annuitants (equal 115% for males and 125% for females using MP2019 scales)</p> <p>Pub-2010 Disabled Retiree Table for disabled annuitants (equal to 105% for males</p>	<p>Pub-2010 Employee for active members (equal to 105% for males and 115% for females, each adjusted using MP-2019 scale):</p> <p>Pub-2010 Healthy Retiree Table for annuitants and beneficiaries</p> <p>Pub-2010 Safety Disables Retirees for disabled retirees</p>						

	lives (equal to 115% for males and 120% for females with the full generation MP2021 scale).	and 115% for females using MP2019 scales)	
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The MERS actuarial assumptions used were based on the results of an experience study for the period July 1, 2018 through June 30, 2023. The MPERS actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2019. The FRS actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2019.

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return for MERS is 6.85%, MPERS is 7.86%, and FRS is 7.91% for the year ended June 30, 2024.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for MERS, MPERS, and FRS as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>			<u>Long-Term Expected Real Rate of Return</u>		
	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>
Equity	56%	52%	54%	2.44%	3.14%	3.49%
Fixed income	29%	34%	30%	1.26%	1.07%	0.67%
Alternatives	15%	14%	16%	0.65%	1.03%	1.25%
Subtotal	<u>100%</u>	<u>100%</u>	<u>100%</u>	4.35%	5.24%	5.41%
Inflation adjustment				<u>2.50%</u>	<u>2.62%</u>	<u>2.50%</u>
Total				<u>6.85%</u>	<u>7.86%</u>	<u>7.91%</u>

Discount Rates

The discount rate used to measure the total pension liability for MERS was 6.85%, MPERS was 6.75%, and FRS was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from

participating employers will be made at the actuarially determined rates approved by PERSAC taking into consideration the recommendation of the actuary. Based on those assumptions, the net position of MERS and MPERS was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rates

The following table presents the Town of Iowa's proportionate share of the net pension liability using the discount rate of 6.85% for MERS, 6.75% for MPERS, and 6.90% for FRS, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.85% for MERS, 5.75% for MPERS, and 5.90% for FRS) or one percentage-point higher (7.85% for MERS, 7.75% for MPERS, and 7.90% for FRS) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
MERS	\$ 762,400	\$ 490,994	\$ 261,610
MPERS	2,351,967	1,583,309	941,630
FRS	<u>136,118</u>	<u>81,988</u>	<u>36,839</u>
Total	<u>\$ 3,250,485</u>	<u>\$2,156,291</u>	<u>\$ 1,240,079</u>

Payables to the Pension Plans

At June 30, 2025, payables to MERS, MPERS, and FRS were \$13,335, \$22,764, and \$1,509, respectively, for June 2025 employee and employer legally-required contributions.

Note 12. Compensation of Mayor and Members of the Town Council

Salaries paid to the Mayor and council members during the year are as follows:

Neal Watkins, Mayor	\$ 42,349
Joe Becnel	10,420
Julie Fontenot	10,420
Gerald Guidry	10,420
Vernessa Guillory	10,420
Daniel Hennigan	10,420

The Board members of the Fire Protection District No. 1 of Ward 8 of Calcasieu Parish received no compensation during the year ended June 30, 2025.

Note 13. Subsequent Events

The Town has performed a review of subsequent events through December 15, 2025, which is the date the financial statements were available for issuance.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer's Proportionate
Share of the Net Pension Liability

Schedule of Employer's Pension
Contributions

TOWN OF IOWA, LOUISIANA

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY
Year Ended June 30, 2024*

Plan Year	Employer Proportionate of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of It's Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
MERS:					
2024	0.809188%	\$ 490,994	\$ 737,130	66.6%	80.10%
2023	1.052855%	844,243	902,344	93.6%	73.25%
2022	1.149120%	1,008,908	923,853	109.2%	69.56%
2021	0.872096%	505,213	670,187	75.4%	79.14%
2020	0.802499%	727,246	629,877	115.5%	66.26%
2019	0.650539%	569,100	497,643	114.4%	64.68%
2018	0.624262%	528,021	462,512	114.2%	65.60%
2017	0.544458%	471,083	405,064	116.3%	63.49%
2016	0.494175%	409,626	363,493	112.7%	63.34%
2015	0.616046%	418,694	414,050	101.1%	68.71%
MPERS:					
2024	0.174759%	1,583,309	616,055	257.0%	75.84%
2023	0.145403%	1,536,178	493,919	311.0%	71.30%
2022	0.123792%	1,265,374	380,043	333.0%	70.80%
2021	0.110920%	591,264	336,766	175.6%	84.09%
2020	0.096804%	894,695	298,999	299.2%	70.94%
2019	0.061940%	562,519	205,914	273.2%	71.01%
2018	0.056094%	474,222	150,351	315.4%	71.89%
2017	0.032717%	285,634	97,670	292.4%	70.08%
2016	0.039931%	374,266	103,879	360.3%	66.04%
2015	0.035060%	238,983	88,405	270.3%	70.73%
FRS:					
2024	0.014561%	81,988	41,844	195.9%	81.68%
2023	0.000979%	6,391	-	-	77.69%

* The amounts presented have a measurement date of the previous fiscal year end.

** This schedule will contain ten years of historical information once such information becomes available

TOWN OF IOWA, LOUISIANA

SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
Year Ended June 30, 2025

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a Percent of Covered Employee Payroll</u>
MERS:					
2025	\$ 117,421	\$ 117,421	\$ -	\$ 838,725	14.00%
2024	114,255	114,255	-	737,130	15.50%
2023	139,863	139,863	-	902,344	15.50%
2022	143,197	143,197	-	923,853	15.50%
2021	103,879	103,879	-	670,187	15.50%
2020	88,183	88,183	-	629,877	14.00%
2019	69,670	69,670	-	497,643	14.00%
2018	61,283	61,283	-	462,512	13.25%
2017	44,557	44,557	-	405,064	11.00%
2016	34,532	34,532	-	363,493	9.50%
MPERS:					
2025	205,994	205,994	-	578,674	35.60%
2024	208,997	208,997	-	616,055	33.92%
2023	154,350	154,350	-	493,919	31.25%
2022	113,063	113,063	-	380,043	29.75%
2021	113,658	113,658	-	336,766	33.75%
2020	97,175	97,175	-	298,999	32.50%
2019	66,407	66,407	-	205,914	32.25%
2018	46,233	46,233	-	150,351	30.75%
2017	31,010	31,010	-	97,670	31.75%
2016	30,644	30,644	-	103,879	29.50%
FRS:					
2025	14,633	14,633	-	44,009	33.25%
2024	13,913	13,913	-	41,844	33.25%

* This schedule will contain ten years of historical information once such information becomes available

TOWN OF IOWA, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2025

Changes to benefit terms:

There were no changes in benefit terms for the measurement period ending June 30, 2025.

Changes of Assumptions:

- Long-Term Expected Real Rate of Return for MPERS changed from 5.36% to 5.24%
- Projected salary increases for MERS changed from 7.4% for 1-4 years to 9.5% for 1-2 years and 4.9% more than 4 years to 4.6% more than 2 years
- Actuarial assumptions for MERS were based on the results of an experience study for the period July 1, 2018 through June 30, 2023. Assumptions were previously based on the results of the same study for the period July 1, 2013 through June 30, 2018.

OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Combining Balance Sheet
Combining Statement of
Revenues, Expenditures, and
Changes in Fund Balances

Schedule of Compensation Benefits
and Other Payments to Mayor

Justice System Funding Schedules
Collecting/Disbursing Entity
Schedule Receiving Entity Schedule

TOWN OF IOWA, LOUISIANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

ASSETS	Special Revenues			Capital Projects	Total Non-Major Funds
	Parks and Streets	Police Asset Forfeitures	Sewer Improvements	LCDBG	
Cash	\$ 342,999	\$ 53,724	\$ 9	\$ 3,653	\$ 400,385
Certificate of deposit	9,106	-	-	-	9,106
Due from other funds	<u>6,311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,311</u>
Total assets	<u>\$ 358,416</u>	<u>\$ 53,724</u>	<u>\$ 9</u>	<u>\$ 3,653</u>	<u>\$ 415,802</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payables	\$ 675	\$ -	\$ -	497	\$ 1,172
Other payables	<u>713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>713</u>
Total liabilities	1,388	-	-	497	1,885
Fund balance:					
Restricted	<u>357,028</u>	<u>53,724</u>	<u>9</u>	<u>3,156</u>	<u>413,917</u>
Total liabilities and fund balances	<u>\$ 358,416</u>	<u>\$ 53,724</u>	<u>\$ 9</u>	<u>\$ 3,653</u>	<u>\$ 415,802</u>

TOWN OF IOWA, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	Special Revenue			Capital Projects	Total Non-Major Funds
	Parks and Streets	Police Asset Forfeitures	Sewer Improvements	LCDBG	
Revenues:					
Tax revenue	\$ 252,090	\$ -	\$ -	-	\$ 252,090
Interest earned	2,653	809	-	-	3,462
Intergovernmental	-	-	-	-	-
Fire Insurance	-	-	-	-	-
Miscellaneous	1,250	-	-	-	1,250
Total revenues	<u>255,993</u>	<u>809</u>	<u>-</u>	<u>-</u>	<u>256,802</u>
Expenditures:					
General government	-	3,766	-	11,970	15,736
Culture and recreation	<u>229,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,279</u>
Total expenditures	<u>229,279</u>	<u>3,766</u>	<u>-</u>	<u>11,970</u>	<u>245,015</u>
Excess (deficiency) of revenues over expenditures	26,714	(2,957)	-	(11,970)	11,787
Other financing sources (uses):					
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Excess (deficiency) of revenues and other financing sources over expenditure and other uses	26,714	(2,957)	-	3,030	26,787
Fund balance at beginning of year	<u>330,314</u>	<u>56,681</u>	<u>9</u>	<u>126</u>	<u>387,130</u>
Fund balance at end of year	<u>\$ 357,028</u>	<u>\$ 53,724</u>	<u>\$ 9</u>	<u>\$ 3,156</u>	<u>\$ 413,917</u>

TOWN OF IOWA, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO MAYOR
Year Ended June 30, 2025

Mayor Neal Watkins

Purpose	<u>Amount</u>
Salary	\$ 42,349
Conference registration	300
Fuel reimbursement	51
Meal reimbursement	288
Hotels	526
Mileage reimbursement	281
Miscellaneous	<u>764</u>
	<u>\$ 44,559</u>

TOWN OF IOWA, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING SCHEDULE
Year Ended June 30, 2025

	Amount for 7/1/2024 - 12/31/2024	Amount for 1/1/2025 - 6/30/2025
Beginning Cash Balance	\$ 14,796	\$ 14,796
Collections:		
Criminal Court Costs/fees	174,046	132,270
Criminal Fines - Other/Non-Contempt	245,404	201,768
Service Fees	<u>57,772</u>	<u>53,386</u>
Total Collections	477,222	387,424
Deductions: Collections Retained by the Town of Iowa		
III. Other Amounts "Disbursed"		
Criminal Court Costs/Fees	83,240	61,800
Criminal Fines - Other/Non-Contempt	<u>245,404</u>	<u>201,768</u>
Total Collections Retained by the Town of Iowa	328,644	263,568
Deductions: Amounts Disbursed to Individuals and Entities Excluding Governments and Nonprofits		
Collection/Processing Fees Paid to Third Party Entities	<u>57,772</u>	<u>53,386</u>
Total Amounts Disbursed to Individuals and Entities, excluding Governments and Nonprofits	57,772	53,386
Deductions: Total Disbursements to Other Governments and Nonprofits	<u>90,806</u>	<u>70,470</u>
Total Amounts Disbursed/Retained	477,222	387,424
Ending Cash Balance	<u>\$ 14,796</u>	<u>\$ 14,796</u>

TOWN OF IOWA, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - DISBURSEMENT
TO OTHER GOVERNMENTS & NONPROFITS FORM
Year Ended June 30, 2025

<u>Agency</u> <u>Receiving Money</u>	<u>Disbursement</u> <u>Description</u>	<u>Legal</u> <u>Authority</u> <u>Disburse Money</u>	<u>Disbursement</u> <u>Type</u>	<u>Amount for</u> <u>7/1/24 -</u> <u>12/31/24</u>	<u>Amount for</u> <u>1/1/25 -</u> <u>6/30/25</u>
Louisiana Department of Health	\$2633. Traumatic Head and Spinal Cord Injury Trust Fund	R.S.46:2633	f. Criminal Court Costs/ Fees	\$ 3,730	\$ 2,955
Department of the Treasury	\$2583.Disability Affairs Trust Fund	R.S.46:2583	f. Criminal Court Costs/ Fees	50	-
Department of the Treasury	\$887.Defendant's liability for costs; Suspension of costs; No advance costs	CCRP 887(F) (1)	f. Criminal Court Costs/ Fees	5,202	4,746
Supreme Court	\$86.Judicial College education Account; Sources of funds	R.S.13:86	f. Criminal Court Costs/ Fees	1,042	791
LA Commission on Law Enforcement and Administration of Criminal Justice	\$1816.Crime Victims Reparations Fund; creation; sources and use of funds	R.S.46:1816(D)	f. Criminal Court Costs/ Fees	4,152	3,168
14 th Judicial District Public Defender	\$441.Mayor's Court	R.S.33:441(A) (2)	f. Criminal Court Costs/ Fees	20,840	15,820
Criminalistics Laboratory Southwest Louisiana	\$2266.1.1.Fees and costs of court	R.S.0:2266.1.1	f. Criminal Court Costs/ Fees	55,790	42,990

TOWN OF IOWA, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING SCHEDULE
Year Ended June 30, 2025

		Amount for 7/1/2024 - <u>12/31/2024</u>	Amount for 1/1/2025 - <u>6/30/2025</u>
Ending Balance of Amounts Assessed but Not Received		\$ -	\$ -
Details of Receipts from Collecting/Disbursing Agency			
<u>Agency Remitting Money</u>	<u>Remittance Type</u>	Amount for 7/1/2024 - <u>12/31/2024</u>	Amount for 1/1/2025 - <u>6/30/2025</u>
Department of Public Safety and Corrections Correction Service	n. Other	\$ 1,950	\$ 1,665

INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL
AND COMPLIANCE

INDEPENDENT AUDITORS' REPORT OF 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*

Honorable Mayor
and Town Council
Town of Iowa
Iowa, Louisiana

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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Iowa, Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Iowa, Louisiana's basic financial statements and have issued our report thereon dated December 15, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Iowa, Louisiana'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 Town of Iowa, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Iowa, Louisiana'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 Town'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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control described in the accompanying schedule of findings and responses that we consider to be material weaknesses (items 2025-001, 2025-002 and 2025-003).

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Iowa, Louisiana's financial statements are free of 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 that are required to be reported under *Government Auditing Standards*.

Town of Iowa, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Iowa, Louisiana's response to the findings identified in our audit as described in the accompanying schedule of findings and responses. The Town of Iowa, Louisiana's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the
Legislative Auditor as a public document.

McElroy Quil + Bush

Lake Charles, Louisiana
December 15, 2025

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TOWN OF IOWA, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness identified?

 X Yes No

Significant deficiency identified not
considered to be material weakness?

 Yes X None reported

Noncompliance material to financial statements
noted?

 Yes X No

(continued on next page)

TOWN OF IOWA, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2025
(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

2025-001 Segregation of Duties

Condition: Because of the entity's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.

Criteria: Effective internal control requires adequate segregation of duties among client personnel.

Effect: Without proper segregation of duties, errors within the financial records or fraud could go undetected.

Recommendation: To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

Response: As the Town grows and as new positions are added, we will ensure that sufficient segregation of duties are developed and implemented to ensure an optimal and effective control structure.

2025-002 Controls Over Financing Reporting

Condition: In our judgment, the Town's accounting personnel and those charged with governance, in the course of their assigned duties, lack the capable resources to prepare the financial statements and related footnotes in accordance with generally accepted accounting principles and to detect and correct a material misstatement, if present.

Criteria: The Auditing Standards Board recently issued guidance to auditors related to entity's internal controls over financial reporting. Many small organizations rely on their auditor to generate the annual financial statements including footnotes. Auditing guidance emphasizes that the auditor cannot be part of your system of internal control over financial reporting.

Effect: Material misstatements in financial statements could go undetected.

TOWN OF IOWA, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2025
(Continued)

Recommendation: In our judgment, due to the lack of resources available to management to correct this material weakness in financial reporting, we recommend management mitigate this weakness by having a heightened awareness of all transactions being reported.

Response: We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible.

2025-003 Failure to Record Bond Proceeds (Component Unit Finding)

Condition: During audit testwork, we noted that the Iowa Fire Protection District (Component Unit) issued a bond and failed to notify the Town of the debt issuance in order to account for the proceeds properly. This resulted in cash accounts (assets) and bond proceeds (revenue) that were not properly reflected in the accounting records.

Criteria: Accounting records should be complete, accurate, and reflect all transactions of the Town and its component units. As the primary recordkeeper, the District should maintain clear and accurate communication with the Town regarding all financial transactions.

Cause: The District did not communicate effectively with the Town accounting department.

Effect: Town accounting records were inaccurate and the financial statements could have been materially misstated.

Recommendation: The Component Unit should notify the Town of all transactions it enters into, especially nonroutine items, so that the Town may appropriately record the effects of such transactions.

Response: The District will keep the Town informed of all transactions going forward.

TOWN OF IOWA, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
Year Ended June 30, 2025

SECTION IV - FINANCIAL STATEMENT FINDINGS

2024-001 Segregation of Duties

Condition: This finding was a material weakness relating to the entity's size and limited number of accounting personnel which made it impossible to achieve effective internal accounting control.

Recommendation: To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

Current Status: The condition still exists but management is mitigating its effect through review procedures. See finding 2025-001.

2024-002 Controls over Financing Reporting

Condition: This finding was a material weakness relating to the inability of the entity to produce financial statements and footnotes in accordance with generally accepted accounting principles.

Recommendation: We recommend management mitigate the weakness by having a heightened awareness of all transactions being reported.

Current Status: This condition still exists but management is mitigating its effect through review procedures. See finding 2025-002.

2024-003 Deposits in Excess of Federally Insured Amounts

Condition: Deposits in excess of federally insured amounts were not fully collateralized at year end.

Recommendation: We recommend management should ensure that all deposits in excess of federal insured amounts are collateralized.

Current Status: This condition has been resolved.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Town Council of the Town of Iowa
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas of the Town of Iowa identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The Town of Iowa has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5):

No exceptions noted.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies

and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- i. Employees responsible for cash collections do not share cash drawers/registers.

No exceptions noted.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exceptions noted.

- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions is (are) not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.

No exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

No exceptions noted.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions noted.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

2) Non-Payroll Disbursements (excluding credit card purchases/payments, travel reimbursements, and petty-cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

No exceptions noted.

- B. For each location selected above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.

No exceptions noted.

- ii. At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions noted.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted.

- C. For each location selected above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under the procedure above, as applicable.

No exceptions noted..

- D. Using the entity's main operating account for the selected month, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

N/A – No non-payroll-related electronic disbursements to select.

3) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

No exceptions noted.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder.

One credit card statement was not approved in writing by someone other than the authorized card holder.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #3B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

4) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

No exceptions noted.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants):

No exceptions noted.

We were engaged by the Town of Iowa to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town of Iowa and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Mr. Tracy Quil - Bush

Lake Charles, Louisiana
December 15, 2025



Douglas N. Watkins
Mayor

Cynthia Mallett
Clerk

December 15, 2025

Russell J. Stutes III
City Attorney

Council Members

Julie Fontenot
District A

Joe Bechel
District B

Vernessa Guillory
District C

Daniel Hennigan
District D

Gerald Guidry
District E

McElroy, Quirk & Burch
PO Box 3070
Lake Charles, LA 70602-3070

In response to the exception on Procedure #3B(i) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards, we have implemented procedure to ensure that statements are approved in writing by someone other than the authorized card holder.

Signature

Title