

HOUSING AUTHORITY OF IOWA, LOUISIANA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED SEPTEMBER 30, 2025

Mike Estes, P.C.
A Professional Accounting Corporation

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

Independent Auditor's Report

Board of Commissioners
Housing Authority of Iowa
Iowa, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Housing Authority of the Town of Iowa, Louisiana as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Housing Authority of Iowa, Louisiana 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 position, of the Housing Authority of the Town of Iowa, Louisiana as of and for the year ended September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority 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 these 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 Housing Authority of 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgment 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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of 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 Managements' Discussion and Analysis on pages 4 to 9 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 general 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the Town of Iowa, Louisiana's basic financial statements. The statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026 on our consideration of the Housing Authority of the Town of Iowa, Louisiana'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 Housing Authority of the Town of Iowa, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of the Town of Iowa, Louisiana's internal control over financial reporting and compliance.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
March 27, 2026

HOUSING AUTHORITY OF IOWA, LA
REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
SEPTEMBER 30, 2025

The management of Housing Authority of Iowa, LA presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2025. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's liabilities exceeded its assets by \$4,754 at the close of the fiscal year ended 2025.
- A developer agreement was signed in 2019 for a Streamlined Voluntary Conversion (SVC) to convert the Authority to Project Based Vouchers. The SVC involves substantial rehab, funded via the Louisiana Housing Corporation. The latter includes a portion of federal tax credits allocated to each state. Individuals buy and fund the tax credits.

Progress was interrupted by hurricanes. Due to the August 27, 2020, Hurricane Laura, 27 units suffered damage. Due to the October 6, 2020, Hurricane Delta, 24 additional units suffered damage and rendered not habitable. The office and the shop were also damaged, and an architect prepared a scope of work. The SVC developer selected the contractor.

An additional contract was for roofing, paid by FEMA and insurance funds. That contract was finished. An additional contract was for interior work, also paid by FEMA and insurance. That contract was also finished.

On June 5, 2023, HUD relinquished property rights by executing a Declaration of Trust. The Authority had established Park Homes of Iowa Development L.P. and after the Declaration of Trust was executed, the fixed assets of the Authority were transferred to Park Homes on July 28, 2023.

The Streamlined Voluntary Conversion will occur through Park Homes. As the units are finished, they are being leased as Project Based Vouchers, administered by the Housing Authority of Lake Charles.

For the audit year ended September 30, 2025 and through the end of the 2024 Capital Fund Program, the Authority receives and accounts for the CFP funds. The Executive Director salaries and employee benefit contributions and retirement contributions are paid by the Authority. Reimbursements of \$15,760 from Park Homes to reimburse the salary and employee benefit contributions paid by the authority for the Assistant Director.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2025?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net position and changes in net position. One can think of the Housing Authority's net position – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

Public Housing Capital Fund Program	\$ 125,949
Low Rent Public Housing	201
FEMA	18,779
Total funding received this current fiscal year	<u>\$ 144,929</u>

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

The Housing Authority's enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net position, is an important financial indicator.

CONDENSED FINANCIAL STATEMENTS

**Condensed Statement of Net Position
 As of September 30, 2025**

	<u>2025</u>	<u>2024</u>
ASSETS		
Current assets	\$ 70,135	\$ 54,801
Capital assets, net of depreciation	-	-
Other Assets	-	-
Total assets	70,135	54,801
LIABILITIES		
Current liabilities	4,899	7,403
Non-current liabilities	69,990	72,184
Total liabilities	74,889	79,587
NET POSITION (DEFICIT)		
Unrestricted net position	(4,754)	(24,786)
Total net position	\$ (4,754)	\$ (24,786)

CONDENSED FINANCIAL STATEMENTS (Continued)

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position
 Fiscal Year Ended September 30, 2025**

	2025	2024
OPERATING REVENUES		
Governmental operating grants	201	162,320
Transfers from Park Homes	15,760	52,523
FEMA grant	18,779	0
Other	0	6,052
	34,740	220,895
OPERATING EXPENSES		
Administration	116,699	167,272
Ordinary maintenance & operations	158	320
General expenses	23,800	15,932
	140,657	183,524
Income (Loss) from Operations	(105,917)	37,371
Total Non-Operating Revenues (Expenses)	0	0
	(105,917)	37,371
Income (Loss) before contribution	(105,917)	37,371
Capital Contribution	125,949	0
	20,032	37,371
Change in net position	20,032	37,371
Total net position - beginning	(24,786)	806,373
Transfer	0	(868,530)
	\$ (4,754)	\$ (24,786)
Total net position - ending	\$ (4,754)	\$ (24,786)

EXPLANATIONS OF FINANCIAL ANALYSIS

- Tenant Revenues was reflected in Park Homes for the audit year.
- HUD operating grants decreased to the substantial decrease in operating Low Rent subsidy, due to the transfer of assets to Park Homes. Low Rent subsidy was \$201, compared to \$21,158 in the prior year.
- All expenses decreased substantially, due to the transfer of assets to Park Homes.

DEBT ADMINISTRATION

As of the end of the 2025 fiscal year, the Authority is still in the process of completing the 2024 HUD grant of \$175,822. A total remainder of \$41,928 will be received and spent for completing these projects after the audit year.

Debt

Non-current liabilities also include accrued annual leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Capital fund program reporting for the authority ends with the 2025 CFP.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Pamela Fontenot, at Housing Authority of Iowa, LA; P.O. Box 730, Iowa, LA 70647.

HOUSING AUTHORITY OF IOWA, LOUISIANA
STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

ASSETS

Current assets

Cash and cash equivalents	\$ 65,437
Prepaid items and other assets	4,698

Total Current Assets	70,135
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Total Assets	\$ 70,135
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LIABILITIES

Current Liabilities

Accounts payable	\$ 2,022
Compensated absences payable	2,877

Total Current Liabilities	4,899
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Noncurrent Liabilities

Compensated absences payable	69,990
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Total Liabilities	74,889
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NET POSITION

Unrestricted	(4,754)
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Net Position	\$ (4,754)
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The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF IOWA, LOUISIANA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2025

OPERATING REVENUES	
Governmental operating grants	\$ 201
Transfers from Park Homes	15,760
FEMA grant	18,779
Total Operating Revenues	34,740
OPERATING EXPENSES	
Administration	116,699
Ordinary maintenance & operations	158
General expenses	23,800
Total Operating Expenses	140,657
Income (Loss) from Operations	(105,917)
Total Non-Operating Revenues (Expenses)	0
Income (Loss) before contribution	(105,917)
Capital Contribution	125,949
Change in net position	20,032
Total net position - beginning	(24,786)
Total net position - ending	(4,754)

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF IOWA, LOUISIANA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Transfers from Park Homes	\$ 15,760
Federal grants	18,980
Payments to vendors	(24,190)
Payments to employees – net	(117,325)
Transfers of security deposits	(1,900)
	(108,675)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Federal Capital grants	125,949
	125,949
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	2
	2
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,276
CASH AND CASH EQUIVALENTS	
Beginning of Fiscal Year	48,161
	48,161
CASH AND CASH EQUIVALENTS	
End of Fiscal Year	\$ 65,437
	65,437

Continued

HOUSING AUTHORITY OF IOWA, LOUISIANA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

**INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING
ACTIVITIES**

Operating income (loss)	\$	(105,917)
Change in assets and liabilities:		
Prepaid items		1,942
Account payables		(2,800)
Deposits due others		(1,900)
Net cash provided (used) by operations	\$	<u>(108,675)</u>

Concluded

HOUSING AUTHORITY OF IOWA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

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HOUSING AUTHORITY OF IOWA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of the Town of Iowa have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the State of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the Town of Iowa, serve staggered multi-year terms.

The Housing Authority transferred 60 Low Rent units to Park Homes as described in Note 8.

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of the Town of Iowa since the Town of Iowa appoints a voting majority of the Housing Authority's governing board. The Town of Iowa is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the Town of Iowa. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the Town of Iowa.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF IOWA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

- 1) Appointing a voting majority of an organization's governing body, and:
 - a) The ability of the government to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the Public Housing Low Rent program and the Capital Fund program. However, see Note 8, which describes the capital asset transfer to Park Homes.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position sheet.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF IOWA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$65,437. This is comprised of \$65,437.

E. REVENUE RECOGNITION Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. “Available” is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

F. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

G. CAPITAL ASSETS Capital assets were transferred during the year, as described in Note 8.

H. COMPENSATED ABSENCES Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

I. POST EMPLOYMENT BENEFITS The Authority does not recognize or pay any post employment benefits.

J. NET POSITION AND FLOW ASSUMPTIONS Net position is reported as restricted when constraints are placed on net position use as either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

HOUSING AUTHORITY OF IOWA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

K. USE OF ESTIMATES 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, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at September 30, 2025. Deposits are stated at cost, which approximates fair value.

Interest Rate Risk: The Housing Authority’s policy does not address interest rate risk.

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority’s only investments are certificates of deposit.

Custodial Credit Risk: The Authority’s policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

At September 30, 2025, the Housing Authority’s carrying amount of deposits was \$65,437 and the bank balance was \$69,229. The entire bank balance was covered by FDIC Insurance.

NOTE 3 – ACCOUNTS PAYABLE The payables at September 30, 2025 are as follows:

Vendors	\$	200
Payroll taxes & Retirement withheld		1,822
Total	\$	<u>2,022</u>

HOUSING AUTHORITY OF IOWA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 4 – COMPENSATED ABSENCES At September 30, 2025, employees of the Housing Authority have accumulated and vested \$72,867 of employee leave computed in accordance with GASB, Codification Section C60.

NOTE 5 – LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended September 30, 2025.

		Compensated Absences
Balance, beginning	\$	75,061
Additions		7,226
Deletions		(9,420)
Balance, ending		72,867
Amounts due in one year	\$	2,877

NOTE 6 – RETIREMENT SYSTEM The Housing Authority participates in the Housing Renewal and Local Agency Retirement Plan, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan on the first day of the month after obtaining age 18 and completing six months of continuous and uninterrupted service.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 6% of his effective compensation, and may make additional contributions. The employer is required to make monthly contributions equal to 8.5% of each participant’s effective compensation.

The Housing Authority’s contribution for each employee and income allocated to the employee’s account is fully vested after five years of continuous service. The Housing Authority’s contributions and interest forfeited by employees who leave employment before five years of service are first used to pay for plan expenses and if there is any residual amount, the amount is refunded to the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority’s Joinder Agreement with the Housing Renewal and Local Agency Retirement Plan may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

HOUSING AUTHORITY OF IOWA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

The Housing Authority made the required contributions of \$11,600 for the year ended September 30, 2025, of which \$6,800 was paid by the Housing Authority and \$4,800 was paid by employees. No payments were made out of the forfeiture account.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Commitments On September 25, 2025, the Authority renewed an Employment agreement with the Executive Director, effective October 1, 2025. The agreement is for five years. This agreement may be renewed for additional years. The agreement may be terminated sooner, by either party.

The Board must give due notice and follow certain procedures to terminate the Executive Director for cause. In such event, the Executive Director must be paid salary earned through termination, plus accrued annual leave and other benefits.

The Board may also terminate the Executive Director without cause, when in its judgment; such termination is in the best interest of the Authority. In such event the Director is to be paid the remaining salary for the unexpired portion of the contract, plus accrued annual leave and other benefits.

Litigation The Housing Authority is not presently involved in litigation.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

Construction Projects There are certain renovation or construction projects in progress at September 30, 2025. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Risk Management The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of fidelity bond, public liability, and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

HOUSING AUTHORITY OF IOWA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council, Inc. Group Self Insurance Risk Management Agency risk pool is unable to meet its obligations, the risk to the Housing Authority is only that its own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

The Authority has adopted GASB Statement No. 96, which provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). The adoption of GASB Statement No. 96 had no material effect on the Authority's September 30, 2025 financial statements.

NOTE 8– STREAMLINED VOLUNTARY CONVERSION AND PROPERTY TRANSFER A developer agreement was signed in 2019 for a Streamlined Voluntary Conversion (SVC) to convert the Authority to Project Based Vouchers. The SVC involves substantial rehab, funded via the Louisiana Housing Corporation. The latter includes a portion of federal tax credits allocated to each state. Individuals buy and fund the tax credits.

Progress was interrupted by hurricanes. Due to the August 27, 2020 Hurricane Laura, 27 units suffered damage. Due to the October 6, 2020 Hurricane Delta, 24 additional units suffered damage and rendered not habitable. The office and the shop were also damaged and an architect prepared a scope of work. The SVC developer selected the contractor.

An additional contract was for roofing, paid by FEMA and insurance funds. That contract was finished. An additional contract was for interior work, also paid by FEMA and insurance. That contract was also finished.

On June 5, 2023, HUD relinquished property rights by executing a Declaration of Trust. The Authority had established Park Homes of Iowa Development L.P. and after the Declaration of Trust was executed, the fixed assets of the Authority were transferred to Park Homes on July 28, 2023.

The Streamlined Voluntary Conversion will occur through Park Homes. As the units are finished, they are being leased as Project Based Vouchers, administered by the Housing Authority of Lake Charles.

For the audit year ended September 30, 2025 and through the end of the 2024 Capital Fund Program, the Authority receives and accounts for the CFP funds. The Executive Director salaries and employee benefit contributions and retirement contributions are paid by the Authority. Park Homes transfers funds to reimburse the salary and employee benefit contributions paid by the authority for the Assistant Director.

HOUSING AUTHORITY OF IOWA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 9 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$144,929 to the Housing Authority, which represents approximately 90% of the Housing Authority’s total revenue and capital contributions for the year.

NOTE 10 - SUBSEQUENT EVENTS Management has evaluated events and transactions subsequent to the statement of net position date through, March 27, 2026, of the independent auditor's report for potential recognition or disclosure in the financial statements.



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and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

Independent Auditor's Report

Housing Authority 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 Housing Authority of the Town of Iowa, Louisiana, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Iowa, Louisiana's basic financial statements, and have issued our report thereon dated March 27, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the Town of Iowa, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of 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*.

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

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
March 27, 2026

HOUSING AUTHORITY OF IOWA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED YEAR ENDED SEPTEMBER 30, 2025

Section I – Summary of the Auditor’s Results

Financial Statement Audit

1. Type of Auditor’s Report Issued on Financial Statements – Unmodified.
2. Internal Control Over Financial Reporting:
 - a. Material weakness(es) identified? _____ yes ✓ no
 - b. Significant deficiency(ies) identified? _____ yes ✓ none reported
3. Noncompliance material to financial statements noted? _____ yes ✓ no

HOUSING AUTHORITY OF IOWA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2025

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

None

HOUSING AUTHORITY OF IOWA, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED SEPTEMBER 30, 2025

There were no audit findings.

HOUSING AUTHORITY OF IOWA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2025

The following prior audit finding was a significant deficiency, required to be reported, in the prior year in accordance with *Governmental Auditing Standards* generally accepted in the United States of America:

Low Rent Program-CDFA#14.850 and Capital Fund Program-CDFA#14.872

Finding 2024-001-Late Filing of Report- Reporting

Condition

The audit report was due to the Legislative Auditor by March 31, 2025, six months after audit year end.

Recommendation

Audit reports should be timely filed in the future.

Current Status

This finding is not repeated in the current audit.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF IOWA, LOUISIANA
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
ANNUAL CONTRIBUTION CONTRACT

YEAR ENDED SEPTEMBER 30, 2025

		2023 Capital Fund
Funds approved	\$	167,501
Funds expended		167,501
Excess of funds approved	\$	0
Funds advanced	\$	167,501
Funds expended		167,501
Excess (Deficiency) of funds advanced	\$	0

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statement of Modernization Costs dated May 12, 2025 accompanying the Actual Modernization Costs Certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF IOWA, LOUISIANA
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED SEPTEMBER 30, 2025

CASH BASIS

		2024 Capital Fund
Funds approved	\$	175,822
Funds expended		133,894
Excess of funds approved	\$	41,928
Funds advanced	\$	133,894
Funds expended		133,894
Excess (Deficiency) of funds	\$	0

See accountants' report

HOUSING AUTHORITY OF IOWA, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
 OR CHIEF EXECUTIVE DIRECTOR

YEAR ENDED SEPTEMBER 30, 2025

Agency Head Name: Pam Fontenot, Executive Director

Purpose	Amount
Salary	69,480
Benefits-insurance	9,930
Benefits-retirement	5,906
Benefits-<list any other here>	5,315
Car allowance	
Vehicle provided by government	<enter amount reported on W-2>
Per diem	
Reimbursements	
Travel	2,584
Registration fees	1,895
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
Total	95,110

See accountants' report

HOUSING AUTHORITY OF IOWA, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2025

FEDERAL GRANTOR PROGRAM TITLE	ALN NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 201
Capital Fund Program	14.872	\$ 125,949
Total United States Department of Housing and Urban Development		<u>\$ 126,150</u>
FEMA	97.036	<u>18,779</u>
Total Expenditures of Federal Awards		<u><u>\$ 144,929</u></u>

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF IOWA, LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Housing Authority of the Town of Iowa, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended September 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority’s basic financial statements as follows:

	Federal Sources
Enterprise Funds	
Governmental operating grants	\$ 18,980
Capital contributions	125,949
	144,929
Total	\$ 144,929

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 – DE MINIMIS INDIRECT COST RATE The Housing Authority did not elect to use the 15-percent de minimis indirect cost rate allowed under the Uniform Guidance.