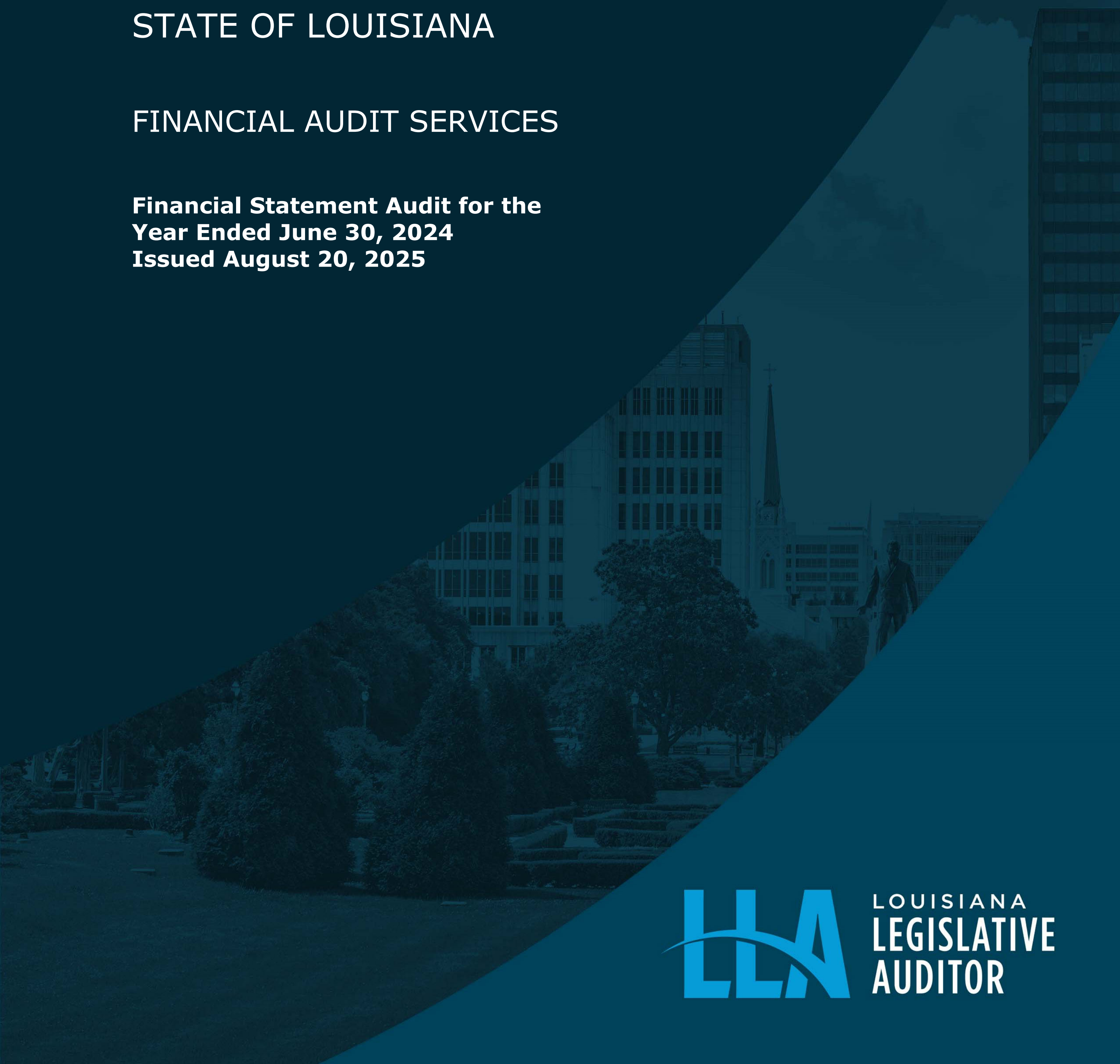
ROAD HOME CORPORATION D/B/A LOUISIANA LAND TRUST

A COMPONENT UNIT OF THE
STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

Financial Statement Audit for the
Year Ended June 30, 2024
Issued August 20, 2025



LOUISIANA LEGISLATIVE AUDITOR

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LOUISIANA LEGISLATIVE AUDITOR

MICHAEL J. "MIKE" WAGUESPACK, CPA
LOUISIANA LEGISLATIVE AUDITOR

August 15, 2025

Independent Auditor's Report

LOUISIANA LAND TRUST
STATE OF LOUISIANA
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Road Home Corporation d/b/a Louisiana Land Trust (LLT), a component unit of the state of Louisiana, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise LLT's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of LLT as of June 30, 2024, and the changes in financial position, and its 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. 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 LLT, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of LLT'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 LLT'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

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2025, on our consideration of LLT'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 LLT'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 LLT's internal control over financial reporting and compliance.

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

KJ:MK:BH:BQD:aa

LLT 2024

Statement A

LOUISIANA LAND TRUST
STATE OF LOUISIANA

Statement of Net Position
June 30, 2024

ASSETS	
Current assets:	
Cash (note 2)	$151,932
Receivables, net (note 3)	1,981,570
Prepaid expenses	51,687
Total current assets	2,185,189
Noncurrent assets - capital assets, net (note 4)	43,142,142
TOTAL ASSETS	45,327,331
LIABILITIES	
Current liabilities:	
Accounts payable and accruals (note 3)	1,495,706
Total current liabilities	1,495,706
Noncurrent liabilities:	
Compensated absences (note 5)	79,102
Total noncurrent liabilities	79,102
TOTAL LIABILITIES	1,574,808
NET POSITION	
Net investment in capital assets	43,142,142
Unrestricted	610,381
TOTAL NET POSITION	$43,752,523

The accompanying notes are an integral part of this statement.

Statement B

LOUISIANA LAND TRUST
STATE OF LOUISIANA

Statement of Revenues, Expenses,
and Changes in Net Position
For the Year Ended June 30, 2024

OPERATING REVENUES	
Federal grants and contracts	$6,757,961
OPERATING EXPENSES	
Property portfolio expenses (note 8)	3,509,070
Mitigation project relocation expenses (note 12)	151,141
Salaries and related benefits	624,147
Rent (note 7)	19,705
Advertising	9,162
Insurance	9,870
Travel	5,320
Professional services	684,098
Other	56,559
Total operating expenses	5,069,072
OPERATING INCOME	1,688,889
NONOPERATING REVENUES (EXPENSES)	
Federal grants - land donations	5,297,200
Gain on property dispositions	226,269
Office of Community Development - return of program income	(856,174)
Property disposition expenses	(7,848)
Loss on disposition of properties	(12,716,746)
Net nonoperating revenues (expenses)	(8,057,299)
DECREASE IN NET POSITION	(6,368,410)
NET POSITION - BEGINNING OF YEAR, RESTATED (note 14)	50,120,933
NET POSITION - END OF YEAR	$43,752,523

The accompanying notes are an integral part of this statement.

LOUISIANA LAND TRUST
STATE OF LOUISIANA

Statement of Cash Flows
For the Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash payments to suppliers for goods and services	($4,840,621)
Cash payments to employees for services	(625,787)
Federal grants and contracts	7,490,740
Net cash provided by operating activities	2,024,332
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of fixed assets	(2,144,845)
Net cash used by capital and related financing activities	(2,144,845)
NET DECREASE IN CASH	(120,513)
CASH AT BEGINNING OF YEAR	272,445
CASH AT END OF YEAR	$151,932
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	$1,688,889
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Decrease in receivables, net	752,484
Decrease in prepayments	55,598
(Decrease) in accounts payable and accruals	(471,033)
(Decrease) in compensated absences payable	(1,606)
Net cash provided by operating activities	$2,024,332
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	
Contributions of fixed assets	$5,297,200
Gain on property dispositions	$226,269
Loss on disposition of properties	($12,716,746)
Office of Community Development - return of program income	($856,174)
Disposed assets	($7,848)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The Road Home Corporation d/b/a Louisiana Land Trust (LLT) is a nonprofit organization formed in 2006 to manage the properties that have been purchased by the state of Louisiana under the current Road Home program and other land programs in accordance with the Louisiana Constitution, Art. VII, Section 21 (B)(1). LLT's programmatic scope expanded over the years and now includes:

(1) Community service through the acquisition, disposition, renovation, improvement, leasing, development, and redevelopment of property;

(2) Assisting communities in recovering from natural disasters, relocating to safe sites in the face of natural hazards;

(3) Reducing blighted conditions in communities; developing property in a resilient, sustainable manner;

(4) Retaining and protecting the natural, scenic, or open-space values of immovable property;

(5) Assuring the availability of immovable property for agricultural, forest, recreational, or open-space use;

(6) Protecting natural resources;

(7) Maintaining or enhancing air or water quality;

(8) Preserving the historical, archaeological, or cultural aspects of unimproved immovable property; and

(9) Assisting local, regional, state, and federal governmental entities and other nonprofit organizations in these and related endeavors.

LLT is governed by a board of directors appointed by the governor. The members of the board serve without compensation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting standards. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards* published by GASB. LLT management follows all applicable GASB pronouncements.

B. REPORTING ENTITY

Using the criteria in GASB Codification Section 2100, the Division of Administration, Office of Statewide Reporting and Accounting Policy has defined the governmental reporting entity to be the state of Louisiana. For accounting purposes, LLT is considered a discretely presented component unit of the state of Louisiana because the state exercises oversight responsibility in that the governor appoints the members of the board.[1] The accompanying financial statements present only the activity of LLT. Annually, the state of Louisiana issues an Annual Comprehensive Financial Report, which includes the activity contained in the accompanying financial statements. Those basic financial statements are audited by the Louisiana Legislative Auditor.

Blended Component Units

The LLT Community Service Corporation (LLTCSC), a nonprofit corporation, is considered a blended component unit of LLT and is included in the basic financial statements. LLTCSC is a wholly-owned subsidiary of LLT created on September 9, 2013, for the purpose of minimizing LLT's potential liability exposure associated with ownership of a demolition site located in New Orleans. LLTCSC does not prepare separate financial statements.

The LLT Evergreen, Inc., a nonprofit corporation, is considered a blended component unit of LLT and is included in the basic financial statements. LLT Evergreen, Inc. is a wholly-owned subsidiary of LLT created on December 26, 2018, for the purpose of resettlement of residents of Isle de Jean Charles due to coastal erosion and rising sea levels. LLT Evergreen, Inc. does not prepare separate financial statements.

The LLT Audubon, Inc., a nonprofit corporation, is considered a blended component unit of LLT and is included in the basic financial statements. LLT Audubon, Inc. is a wholly-owned subsidiary of LLT created on March 28, 2020, for the purpose of resettlement of residents of Pecan Acres due to consistent flooding. LLT Audubon, Inc. does not prepare separate financial statements.

The LLT Batture, Inc., a nonprofit corporation, is considered a blended component unit of LLT and is included in the basic financial statements.

[1] Although LLT is considered a component unit of the state of Louisiana for ***accounting*** purposes, by statute [Louisiana Revised Statute 40:600.62(3)], LLT "shall not constitute a state agency, board, or commission; nor shall it constitute an instrumentality of the state or of any political subdivision."

LLT Batture, Inc. is a wholly-owned subsidiary of LLT, created on December 26, 2018, for the purpose of resettlement of residents of Isle de Jean Charles due to coastal erosion and rising sea levels. LLT Batture, Inc. does not prepare separate financial statements. LLT Batture Holding, LLC was also formed on December 26, 2018. In November 2019, LLT Batture Holding, LLC accepted a land donation of the Batture property to be used in conjunction with the Isle de Jean Charles resettlement program. LLT Batture Holding, LLC then transferred the land donation to LLT Batture, Inc. in December 2019. LLT Batture Holding, LLC, does not prepare separate financial statements nor does it hold any assets as of June 30, 2024.

C. BASIS OF ACCOUNTING

Basis of accounting refers to the timing of recognition of revenues and expenses in the accounts and reporting in the financial statements, and the measurement focus refers to what transactions and events should be recorded. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with generally accepted accounting principles. Under this method, revenues are recognized when they are earned, and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

Operating revenues and expenses generally result from providing services and/or producing and delivering goods in connection with LLT's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenues of LLT are federal grants received from the Office of Community Development through the Road Home, Restore Homeowners Solution 4, Pecan Acres Resettlement, Isle De Jean Charles Resettlement, and Community Development Block Grant (CDBG) Mitigation programs. Operating expenses include demolition costs, rehab costs, property maintenance, Solution 4 program acquisition incentive payments, Pecan Acres program acquisition incentive payments, and CDBG relocation expenses. The principal nonoperating revenues and expenses are land donations received through the Road Home and Mitigation programs and costs resulting from the disposition of its properties.

D. CAPITAL ASSETS

Land received through the Road Home and Mitigation programs are recorded at its estimated fair value at the time of donation. Land acquired through the Solution 4, Pecan Acres, and Isle De Jean Charles programs is recorded at its estimated fair value at the time of acquisition. Furniture, equipment, and vehicles are valued at historical cost. Depreciation of all exhaustible capital assets of LLT is charged as an expense against operations. Depreciation is computed using the straight-line method based on the estimated useful lives as follows:

	Years
Furniture	7
Equipment	5
Vehicles	5

E. COMPENSATED ABSENCES

Full-time and certain part-time employees earn vacation leave and sick leave at various rates depending on the employees' number of years of service. There is no limitation on the amount of sick leave that can be accumulated. Upon separation, employees will be compensated for unused vacation leave, up to a maximum of 400 hours. Employees are not paid for accrued sick leave upon termination.

F. NET POSITION

Net position comprises the various net earnings from revenues and expenses. Net position is classified in the following three components:

- Net investment in capital assets consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

- Unrestricted net position is the remaining net position that is not included in the other categories previously mentioned.

G. ACCOUNTING PRONOUNCEMENTS

During the year, LLT implemented the provisions of GASB Statement No. 100, Accounting Changes and Error Corrections, which was issued in June 2022 and is effective for fiscal years beginning after June 15, 2023. The primary objectives of this statement are to enhance accounting and financial reporting requirements for accounting changes and error corrections.

2. CASH

Cash includes noninterest-bearing demand deposits (book balances) of $151,932 at June 30, 2024.

Custodial risk is the risk that, in the event of a bank failure, LLT's deposits may not be recovered. Under state law, demand deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of LLT by a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2024, LLT has $166,208 in deposits (collective bank balances), all of which is secured from risk by federal deposit insurance plus pledged securities.

3. DISAGGREGATION OF RECEIVABLES AND PAYABLES

As reflected on the statement of net position, the receivables as of June 30, 2024, for LLT are as follows:

Due from Office of Community Development	$1,981,570
Total	$1,981,570

As reflected on the statement of net position, the accounts payable and accruals as of June 30, 2024, for LLT are as follows:

Vendors payable	$1,484,707
Accrued salaries and benefits	9,324
Sales deposits	1,675
Total	$1,495,706

4. CAPITAL ASSETS

A summary of changes in capital assets and related depreciation for the fiscal year ended June 30, 2024, follows:

	Balance June 30, 2023	Prior Period Adjustment	Restated Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated:						
Construction-in-Progress	$28,141,948	($701,426)	$27,440,522	$1,996,802	($1,887,161)	$27,550,163
Land	21,689,074	(75,000)	21,614,074	5,445,243	(11,467,338)	15,591,979
Total capital assets not being depreciated	49,831,022	(776,426)	49,054,596	7,442,045	(13,354,499)	43,142,142
Capital assets being depreciated:						
Machinery and equipment	93,622	0	93,622	0	0	93,622
Less accumulated depreciation	(93,622)	0	(93,622)	0	0	(93,622)
Total capital assets being depreciated	0	0	0	0	0	0
Total capital assets, net	$49,831,022	($776,426)	$49,054,596	$7,442,045	($13,354,499)	$43,142,142

5. COMPENSATED ABSENCES

At June 30, 2024, LLT employees have accumulated vacation leave of $79,102. These balances were computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements.

Compensated absences outstanding at June 30, 2024, are as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Compensated absences	$80,708	$26,661	$28,267	$79,102

6. RETIREMENT PLAN

The employees of LLT are members of the Road Home Corporation 401(k) Profit Sharing Plan and Trust (the Plan), a defined-contribution pension plan. LLT is the administrator of the Plan. Contribution requirements for the Plan are established and may be amended by LLT's board of directors. Other benefit terms are established and amended by management. Employees are eligible to become participants in the Plan after completing one month of employment. Participants in the Plan may contribute between 0% and 92% of their eligible compensation up to the limits established by federal law. LLT provides a matching contribution equal to 100% of the first 4% of compensation deferred by each employee. Participants are fully vested immediately. For the fiscal year ended June 30, 2024, employer and employee contributions were $5,029 and $5,029, respectively.

LLT may also make Employer Profit Sharing Contributions in amounts determined each year by its board of directors; however, as of June 30, 2024, LLT has not made such contributions. To be eligible for the Employer Profit Sharing Contributions, employees must be contributing to the Plan and must have worked at least 500 hours of service during the plan year or be employed on the last day of the plan year. The vesting schedule for the Employer Profit Sharing Contributions is as follows:

Years of Vesting Service	Nonforfeitable Percentage
Less than 2	0%
2 years, but less than 3	20%
3 years, but less than 4	40%
4 years, but less than 5	60%
5 years, but less than 6	80%
6 years or more	100%

7. LEASE OBLIGATIONS

Operating Leases

LLT had operating leases for office space. Rental expense for the operating leases during the year ended June 30, 2024, totaled $19,705. The lease was an 18-month lease which expired in October 2024. The lease was renewed and will expire in October 2025, with an option to extend for up to an additional six months. The future minimum rental payments are $19,662 for 2025 and $6,555 for 2026.

LLT entered into a three-year lease for office equipment beginning in November 2021. Monthly lease payments were $138. Equipment lease expenses are coded to office expenses. Total equipment lease expense for June 30, 2024 was $690.

8. PROPERTY PORTFOLIO EXPENSES

The following is a summary of property portfolio expenses incurred during the year ended June 30, 2024:

Solution 4 Portfolio Expenses	
Demolitions	$23,100
Insurance	(7,908)
Maintenance	2,220
Closings/Title Work	17,627
Pecan Acres Portfolio Expenses	
Appraisals	600
Design/Construction	124,474
Relocation	13,696
Acquisition	5,922
Closing fees	84,560
Insurance	57,670
Maintenance	59,723
Utilities	909
Isle De Jean Charles Portfolio Expenses	
Appraisals	624
Closing fees	124,236
Insurance	207,935
Infrastructure	112,180
Relocation	23,510
Maintenance	2,360
Road Home Portfolio Expenses	
Demolition costs	10,553
Insurance	5,450
Maintenance	72,860
OCHO Portfolio Expenses	
Construction management	20,923
Insurance	(15,608)
MIT Property Portfolio Expenses	
Appraisals	400
Closing fees	51,350
Insurance	122,181
Demolition costs	2,101,723
Permits	291
Property taxes	11,732
Maintenance	273,777
Total	$3,509,070

9. SOLUTION 4 OF RESTORE HOMEOWNERS PROJECT EXPENSES

The following is a summary of Solution 4 project expenses incurred during the year ended June 30, 2024:

Administration Expenses - Insurance	($3,217)
Administration Expenses - Rent	2,956
Administration Expenses - Travel	164
Administration Expenses - Other	2,642
Portfolio Expenses	35,039
Professional Fees	33,459
Salaries and Related Benefits	13,457
Total	$84,500

The expenses outlined above are included within the operating expense amounts reported on Statement B.

10. ISLE DE JEAN CHARLES PROJECT EXPENSES

The following is a summary of Isle de Jean Charles project expenses incurred during the year ended June 30, 2024:

Administration Expenses - Insurance	$5,251
Administration Expenses - Rent	6,897
Administration Expenses - Travel	1,259
Administration Expenses - Other	3,965
Portfolio Expenses	470,845
Professional Fees	112,916
Salaries and Related Benefits	33,608
Total	$634,741

The expenses outlined above are included within the operating expense amounts reported on Statement B.

11. PECAN ACRES PROJECT EXPENSES

The following is a summary of Pecan Acres project expenses incurred during the year ended June 30, 2024:

Administration Expenses - Insurance	$8,070
Administration Expenses - Rent	6,897
Administration Expenses - Travel	1,842
Administration Expenses - Other	10,898
Portfolio Expenses	347,554
Professional Fees	311,680
Salaries and Related Benefits	184,808
Total	$871,749

The expenses outlined above are included within the operating expense amounts reported on Statement B.

12. MITIGATION PROJECT EXPENSES

The following is a summary of Mitigation project expenses incurred during the year ended June 30, 2024:

Administration Expenses - Insurance	$2,792
Administration Expenses - Rent	985
Administration Expenses - Travel	1,360
Administration Expenses - Other	41,246
Portfolio Expenses	2,561,454
Professional Fees	186,817
Relocation Expenses	151,141
Salaries and Related Benefits	364,424
Total	$3,310,219

The expenses outlined above are included within the operating expense amounts reported on Statement B.

13. OCHO PROJECT EXPENSES

The following is a summary of Office of Community Development CDBG Homeownership (OCHO) project expenses incurred during the year ended June 30, 2024:

Administration Expenses - Insurance	($4,215)
Administration Expenses - Other	2,527
Portfolio Expenses	5,315
Professional Fees	50
Salaries and Related Benefits	3,250
Total	$6,927

The expenses outlined above are included within the operating expense amounts reported on Statement B.

14. RESTATEMENT OF BEGINNING NET POSITION

The beginning net position as reflected on Statement B has been restated to reflect the following changes:

Net position at June 30, 2023	$50,580,133
Reduction of prior-year capital assets	(776,426)
Reduction of prior-year accounts payable	317,226
Net position at June 30, 2023, as restated	$50,120,933

LLT restated beginning net position by $459,200. The change in net position is related to error corrections related to capital assets and estimated accounts payable and is the result of several factors including: (1) an error due to overstating lot, dwelling, and garage values of newly constructed properties transferred to individuals under the Pecan Acres program in fiscal year 2022 but not previously recorded as land and construction in progress deletions and (2) an error due to overstating the beginning accounts payable balance for legal fees in fiscal years 2021, 2022, and 2023. This affects fiscal years 2021, 2022, and 2023 net position, capital assets, loss on disposition of properties, accounts payable, and professional services expenses.

Had the corrections noted above, affecting fiscal year end June 30, 2023, been included in the June 30, 2023, Statement of Revenues, Expenses, and Changes in Net Position, the previously reported change in net position of ($765,165) would have been ($620,836).

15. BLENDED COMPONENT UNITS

LLT Community Services Corporation (LLTCSC) is a blended component unit of LLT, and its capital asset and net position - net investment in capital assets valued at $53,580 as of June 30, 2024, are included in LLT's basic financial statements. These are the only accounts of LLTCSC as of June 30, 2024.

LLT Evergreen, Inc. is a blended component unit of LLT, and its capital asset and net position – net investment in capital assets valued at $7,790,791 as of June 30, 2024, are included in LLT's basic financial statements. These are the only accounts of LLT Evergreen, Inc. as of June 30, 2024, in the statement of net position.

LLT Audubon, Inc. is a blended component unit of LLT. As of June 30, 2024, LLT reported no capital assets. All capital assets have been transferred to individuals living within the Audubon Estates community.

LLT Batture, Inc. is a blended component unit of LLT, and its capital asset and net position - net investment in capital assets valued at $80,000 as of June 30, 2024, are included in LLT's basic financial statements. These are the only accounts of LLT Batture, Inc. as of June 30, 2024, in the statement of net position.

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

Exhibit A

The following pages contain a report on internal control over financial reporting and on compliance with laws and regulations and other matters as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.

August 15, 2025

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

LOUISIANA LAND TRUST
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited, in accordance with the 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 *(Government Auditing Standards)*, the financial statements of the Road Home Corporation d/b/a Louisiana Land Trust (LLT), a component unit of the state of Louisiana, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise LLT's basic financial statements, and have issued our report thereon dated August 15, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered LLT'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 LLT's internal control. Accordingly, we do not express an opinion on the effectiveness of LLT's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in this report, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the following deficiency to be a material weakness.

Inaccurate Financial Reporting

For the fifth consecutive year, LLT did not have adequate controls over financial reporting to ensure its financial statements were accurate and complete. As a result, LLT submitted an inaccurate Annual Fiscal Report (AFR) to the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP) that contained the following errors requiring adjustment:

- LLT's non-depreciable capital assets balance was overstated by $2,545,471, as a result of the following:
    - Beginning balance was understated by $513,998 for Pecan Acres properties erroneously removed by LLT from the previous year and overstated by $776,425 for the lot, dwelling, and garage values of newly constructed properties transferred to individuals under the Pecan Acres program during fiscal year 2022 but not previously recorded as land and construction in progress deletions.
    - Current year construction in progress deletions were understated by $1,699,249. Of that amount, $1,887,161 was an understatement for the dwelling and garage values of newly constructed properties transferred to individuals under the Pecan Acres and Isle de Jean Charles programs that were not recorded. That understatement was offset by the misclassification of $187,912 in Road Home and Solution 4 land deletions as construction in progress
    - Current year land additions were overstated by $180,957 in Pecan Acres properties recorded at the incorrect value.
    - Current year land deletions were understated by $402,838. Of that amount, $214,926 was for the lot values of newly constructed properties transferred to individuals under the Pecan Acres and Isle de Jean Charles programs that were not recorded. The remaining $187,912 was due to the misclassification of Road Home and Solution 4 land deletions as construction in progress.
- LLT's accounts receivables were understated by $241,468 due to erroneous credits to receivables instead of operating revenue for OCD receipts.
- LLT's accounts payables were overstated by $317,226, due to LLT overstating the beginning accounts payable balance.

- LLT misclassified $856,148 in program income returned to OCD as property sale proceeds transferred to local governments, did not record $26 in program income to OCD for a Solution 4 property, and did not record $7,848 in disposition costs for Road Home, Isle De Jean Charles, and Solution 4 properties.

- As a result of these misstatements, operating grants and contracts were understated by $389,511, nonoperating federal grants – land donations were overstated by $329,000, gain on sale of properties was understated by $3,365, loss on disposition of properties was understated by $2,097,578, and beginning net position was understated by $54,799.

In addition to the errors identified above, LLT's financial statements and note disclosures required the following adjustments:

- LLT made multiple errors in the presentation of its statement of cash flows, including errors in recording rent revenue and improper classification of accrued wages and compensated absences.

- The disaggregation of receivables and payables, capital assets, restatement of beginning net position, and blended component units note disclosures required adjustments due to misstatements in the financial statement account balances and transaction classes.

These errors occurred because management did not have an adequate process to review journal entries recorded in the general ledger to ensure the entries were accurate, based on sufficient support, and, where applicable, based on reasonable estimation methods. In addition, management did not perform an adequate review of the AFR, financial statements, and note disclosures, which were prepared by a contracted CPA. Failure to implement adequate internal controls over the financial reporting process increases the likelihood that errors and omissions, either intentional or unintentional, may occur and remain undetected.

Good internal control over financial reporting should include adequate procedures and oversight to record, process, and transmit financial data needed to prepare accurate and complete financial statements. In addition, controls should include a review process that will identify preparation errors and correct those errors before submitting the AFR to OSRAP and issuing financial statements and note disclosures.

LLT management should establish and perform adequate procedures to provide oversight of the recorded general ledger entries and perform a thorough review of the AFR, financial statements, and note disclosures to identify and correct errors before issuance. Management concurred with the finding and outlined a corrective action plan (see Appendix A, pages 1-2).

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. We consider the following deficiency to be a significant deficiency.

Inadequate Controls over Credit Cards and Bank Accounts

LLT does not have adequate controls in place to ensure that LLT credit card transactions and bank accounts are properly monitored and comply with its own policies and federal program regulations, increasing the risk of theft and fraud. In a review of credit card statements between April 2023 and July 2024, we noted the following:

- In May 2023, there was a $110 charge to the credit card assigned to an employee whose employment ended with LLT in December 2016.

- Between July 2023 and October 2023, $12,166 in charges were made to the credit card assigned to LLT's Chief Financial Officer (CFO), of which $9,255 appeared to be non-business related. We found that the CFO concealed certain charges from the auditors and from the Office of Community Development-Disaster Recovery (OCD-DR), who LLT submits its reimbursement requests to. Other charges were marked as disputed; however, the CFO could not provide evidence of the dispute with the bank.

After auditors informed LLT management of the apparent credit card misuse and requested LLTs original bank statements for fiscal year 2024, LLT management conducted a separate review of the statements between May 2021 and May 2025 and noted that the LLT CFO had concealed $162,210 in deposits and made unauthorized withdrawals totaling the same amount. The sources of the deposits included payments for mineral rights held by LLT, refunds from insurance and utility companies, and refunds of property taxes, all of which should have been recorded as revenue and/or a reduction of expenses, and considered program income to the applicable grant program. LLT's activities are exclusively supported by federal funds appropriated to the U.S. Department of Housing and Urban Development, from whom LLT receives grant funding for disaster recovery and sustainability programs through OCD-DR. The funds were associated with properties owned by LLT that had previously been acquired with federal grant funds.

Good internal control includes ensuring that accurate records are maintained to reconcile monthly credit card and bank statements. LLT's credit card policy provides that credit cards may be used for Community Development Block Grant approved expenses and are not for personal use. LLT's policy also requires the cardholder to reconcile purchases made during the monthly billing cycle by matching the purchases listed on the statement to actual receipts. The documentation must then be reviewed by the cardholder's supervisor. LLT's bank reconciliation policy provides that at the end of each month, the accounting specialist will be responsible for obtaining a month-end bank statement for each account used by LLT and reconcile it to the general ledger. Management is not ensuring these policies are followed.

Management should ensure established policies and procedures are followed, including segregation of duties, to ensure that LLT credit card transactions and bank accounts are properly monitored and comply with its own policies and program regulations. Management should pursue recoupment of misappropriated funds and continue to work with OCD-DR and the U.S. Department of Housing and Urban Development for the return of those funds to the federal grantor agency. Management concurred with the finding and outlined a corrective action plan (see Appendix A, page 3).

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether LLT's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the finding above titled *Inadequate Controls over Credit Cards and Bank Accounts.*

LLT's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on LLT's responses to the findings identified in our audit and described previously. LLT's responses, attached in Appendix A, were not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the responses.

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

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

KJ:MK:BH:BQD:aa
LLT 2024

APPENDIX A: MANAGEMENT'S RESPONSES

LOUISIANA LAND TRUST

Jonathan Rouege

Executive Director

August 5, 2025

Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70804

Audit Period: Year End June 30, 2024

The Road Home Corporation d/b/a Louisiana Land Trust (LLT) respectively submits the following corrective action plan for the year ended June 30, 2024.

Condition: For the fifth consecutive year, LLT did not have adequate controls over financial reporting to ensure its financial statements were accurate and complete. As a result, LLT submitted an inaccurate Annual Fiscal Report (AFR) to the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP).

Actions to be taken –

1. Management concurs and has procured a new CPA (External Accountant) that has come on board during the fiscal year.
2. The new external accountant will be responsible to provide detailed internal training with all financial staff on finances, assist with books and accurate financial reporting.
3. Management is in the process of making the corrective entries and will submit a corrected Annual Financial Report to the Office of Financial Reporting.
4. Management has already put into place a process for monthly meetings to review finances, income/expenses, and asset accounting as well as review of all financial statements and the AFR before submission to OSRAP.

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If there are any questions regarding the actions taken, please feel free to reach out and let me know

Thanks,

Jonathan Rouege
Executive Director

LOUISIANA LAND TRUST

Jonathan Rouege

Executive Director

August 5, 2025

Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70804

Audit Period: Year End June 30, 2024

The Road Home Corporation d/b/a Louisiana Land Trust (LLT) respectively submits the following corrective action plan for the year ended June 30, 2024.

Condition: Louisiana Land Trust (LLT) does not have adequate controls in place to ensure that LLT credit card transactions and bank accounts are properly monitored and comply with its own policies and federal program regulations, increasing the risk of theft and fraud.

Actions to be taken –

1. Management concurs and has taken action to make certain that all credit card transactions/ statements as well as all bank accounts are monitored on a regular basis to ensure that each account reconciles properly.
2. Management has changed its internal procedures and reassigned responsibilities to staff to help ensure proper checks and balance take place on a regular basis.
3. Management has worked with our new outside CPA firm to integrate all accounts into our bookkeeping system to allow for automatic transaction reconciliations.

If there are any questions regarding the actions taken, please feel free to reach out and let me know.

Thanks,

Jonathan Rouege
Executive Director

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