

**RENAISSANCE NEIGHBORHOOD  
DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**

Audits of Consolidated Financial Statements

June 30, 2022 and 2021



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## Independent Auditor's Report

To the Board of Directors  
Renaissance Neighborhood Development Corporation  
and Subsidiaries

### Opinion

We have audited the consolidated financial statements of Renaissance Neighborhood Development Corporation and Subsidiaries (RNDC), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of RNDC as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits 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 (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 RNDC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RNDC's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

### **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information as listed in the table of contents, is fairly stated, in all material respects, in relation to the 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 October 13, 2022 on our consideration of RNDC'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 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 RNDC'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 RNDC's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA  
October 13, 2022

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**  
Consolidated Statements of Financial Position  
June 30, 2022 and 2021

	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 3,786,940	\$ 4,488,138
Accounts Receivable	419,711	376,793
Prepaid Expenses	591,689	466,448
Due from Projects in Development	3,258,992	198,841
Other Current Assets	1,354,795	1,206,125
<b>Total Current Assets</b>	<b>9,412,127</b>	<b>6,736,345</b>
<b>Fixed Assets, Net</b>	<b>131,608,298</b>	<b>103,480,296</b>
<b>Other Assets</b>		
Designated and Restricted Deposits	16,954,232	16,412,033
Due from Projects in Development	1,582,435	2,235,494
Long-Term Investments	1,708,303	1,987,941
Deferred Tax Asset	309,885	278,061
<b>Total Other Assets</b>	<b>20,554,855</b>	<b>20,913,529</b>
<b>Total Assets</b>	<b>\$ 161,575,280</b>	<b>\$ 131,130,170</b>

The accompanying notes are an integral part of these consolidated financial statements.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**  
Consolidated Statements of Financial Position (Continued)  
June 30, 2022 and 2021

<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 2,936,225	\$ 1,248,808
Mortgages and Notes Payable	10,692,395	988,003
Accrued Expenses	685,483	414,087
Other Current Liabilities	3,788,638	1,230,192
Due to Projects in Development	676,478	55,004
<b>Total Current Liabilities</b>	<b>18,779,219</b>	<b>3,936,094</b>
<b>Other Liabilities</b>		
Due to VOASELA, Inc.	2,617,791	2,802,241
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	82,449,186	67,941,527
<b>Total Other Liabilities</b>	<b>85,066,977</b>	<b>70,743,768</b>
<b>Total Liabilities</b>	<b>103,846,196</b>	<b>74,679,862</b>
<b>Net Assets Without Donor Restrictions</b>		
Attributable to RNDC	24,372,349	23,726,085
Attributable to Non-Controlling Interests	33,356,735	32,724,223
<b>Total Net Assets Without Donor Restrictions</b>	<b>57,729,084</b>	<b>56,450,308</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 161,575,280</b>	<b>\$ 131,130,170</b>

The accompanying notes are an integral part of these consolidated financial statements.



**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**  
Consolidated Statements of Activities  
For the Years Ended June 30, 2022 and 2021

	2022	2021
<b>Net Assets Without Donor Restrictions</b>		
<b>Revenue, Support, and Gains Without Donor Restrictions</b>		
Revenues and Grants	\$ -	\$ 153,000
<b>Other Revenue</b>		
Program Service Fees	1,966,076	4,654,455
Rental Income	5,842,192	5,429,194
Other Operating Income	794,979	544,682
<b>Total Other Revenue</b>	<b>8,603,247</b>	10,628,331
<b>Total Revenue, Support, and Gains Without Donor Restrictions</b>	<b>8,603,247</b>	10,781,331
<b>Operating Expenses</b>		
<b>Program Services</b>		
Promoting Self-Sufficiency	7,880,132	8,232,486
<b>Supporting Services</b>		
Management and General	2,050,140	1,932,954
<b>Total Operating Expenses</b>	<b>9,930,272</b>	10,165,440
<b>(Deficit) Surplus from Operations</b>	<b>(1,327,025)</b>	615,891
<b>Other Activities</b>		
Net Investment Return	(260,091)	392,106
Income Tax Benefit	25,574	277,701
(Loss) Gain from Disposal of Fixed Assets	(1,934,916)	510,367
Other Non-Operating Gains	1,189,149	-
<b>(Deficit) Surplus from Other Activities</b>	<b>(980,284)</b>	1,180,174
<b>Change in Net Assets from Operations and Other Activities</b>	<b>(2,307,309)</b>	1,796,065
<b>Other Changes in Net Assets</b>	<b>3,586,085</b>	11,390,627
<b>Change in Net Assets Without Donor Restrictions</b>	<b>1,278,776</b>	13,186,692
<b>Net Assets Without Donor Restrictions, Beginning of Year</b>	<b>56,450,308</b>	43,263,616
<b>Net Assets Without Donor Restrictions, End of Year</b>	<b>\$ 57,729,084</b>	\$ 56,450,308

The accompanying notes are an integral part of these consolidated financial statements.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**  
Consolidated Statement of Functional Expenses  
For the Year Ended June 30, 2022

	<b>Program Services</b>	<b>Supporting Services</b>	
	<b>Promoting Self-Sufficiency</b>	<b>Management and General</b>	<b>2022</b>
Professional Services	\$ 1,692,067	\$ 1,885,331	\$ 3,577,398
Office Supplies and Expenses	61,857	27,258	89,115
Occupancy	713,500	26,585	740,085
Interest	824,663	6,333	830,996
Program Supplies and Equipment	1,245,209	18,149	1,263,358
Travel, Conferences, and Meetings	8,124	14,129	22,253
Other	324,473	61,820	386,293
Depreciation and Amortization	3,010,239	10,535	3,020,774
<b>Total</b>	<b>\$ 7,880,132</b>	<b>\$ 2,050,140</b>	<b>\$ 9,930,272</b>

The accompanying notes are an integral part of these consolidated financial statements.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**  
Consolidated Statement of Functional Expenses  
For the Year Ended June 30, 2021

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Promoting Self-Sufficiency</u>	<u>Management and General</u>	<u>2021</u>
Professional Services	\$ 2,378,932	\$ 1,534,116	\$ 3,913,048
Office Supplies and Expenses	50,149	27,939	78,088
Occupancy	780,553	41,398	821,951
Interest	914,651	75,448	990,099
Program Supplies and Equipment	1,088,535	11,261	1,099,796
Travel, Conferences, and Meetings	12,795	10,913	23,708
Other	127,587	221,344	348,931
Depreciation and Amortization	2,879,284	10,535	2,889,819
<b>Total</b>	<u>\$ 8,232,486</u>	<u>\$ 1,932,954</u>	<u>\$ 10,165,440</u>

The accompanying notes are an integral part of these consolidated financial statements.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended June 30, 2022 and 2021**

	2022	2021
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 1,278,776	\$ 13,186,692
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization Expense	3,020,774	2,889,819
Bad Debt Expense	204,053	134,554
Forgiveness of Debt Income	(83,222)	(83,222)
Income Tax (Benefit)	(31,824)	(278,061)
Net Loss (Gain) on Investments	312,568	(352,229)
Loss (Gain) from Disposal of Fixed Assets	1,934,916	(510,367)
(Increase) Decrease in Operating Assets		
Accounts Receivable, Net	(246,971)	(304,981)
Prepaid Expenses	(125,241)	1,818
Other Current Assets	(148,670)	805,825
Due from Projects in Development	(2,407,092)	(2,434,335)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	1,687,417	468,755
Accrued Expenses	271,396	81,545
Due to VOASELA, Inc.	(184,450)	(185,824)
Other Current Liabilities	2,558,446	717,309
Due to Projects in Development	621,474	55,004
<b>Net Cash Provided by Operating Activities</b>	<b>8,662,350</b>	<b>14,192,302</b>
<b>Cash Flows from Investing Activities</b>		
Acquisition of Fixed Assets	(8,043,836)	(9,071,067)
Proceeds from Disposal of Fixed Assets	-	2,600,000
Purchases of Investments	(32,931)	(24,538)
<b>Net Cash Used in Investing Activities</b>	<b>(8,076,767)</b>	<b>(6,495,605)</b>

The accompanying notes are an integral part of these consolidated financial statements.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the Years Ended June 30, 2022 and 2021**

	2022	2021
<b>Cash Flows from Financing Activities</b>		
Proceeds from Mortgages and Notes Payable	-	12,401,976
Principal Reductions in Mortgages and Notes Payable	(744,582)	(4,637,709)
Payments of Debt Issuance Costs	-	(817,493)
	<hr/>	<hr/>
<b>Net Cash (Used in) Provided by Financing Activities</b>	<b>(744,582)</b>	<b>6,946,774</b>
	<hr/>	<hr/>
<b>Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash</b>	<b>(158,999)</b>	<b>14,643,471</b>
	<hr/>	<hr/>
<b>Cash, Cash Equivalents and Restricted Cash, Beginning of Year</b>	<b>20,900,171</b>	<b>6,256,700</b>
	<hr/>	<hr/>
<b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	<b>\$ 20,741,172</b>	<b>\$ 20,900,171</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash Paid for Interest	<b>\$ 779,268</b>	<b>\$ 974,807</b>
Purchases of Fixed Assets with Proceeds from Mortgages and Notes Payable	<b>\$ 24,928,500</b>	<b>\$ 12,200,302</b>
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The accompanying notes are an integral part of these consolidated financial statements.

# RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

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### Note 1. Organization

Renaissance Neighborhood Development Corporation and Subsidiaries (RNDC) is a nonprofit corporation organized under the laws of the State of Louisiana exclusively for charitable, religious, educational, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. This includes, without limitation, the ownership and operation of housing facilities on a nonprofit basis, the provision of housing-related services on a nonprofit basis, and including for such purposes the making of distributions and contributions to organizations described in Section 501(c)(3) of the Internal Revenue Code and exempt from taxation under Section (a) of the Internal Revenue Code.

RNDC was formed by Volunteers of America National Services (VOANS) and Volunteers of America Southeast Louisiana, Inc. (VOASELA) to respond to the devastation of Hurricane Katrina so as to construct, rehabilitate, or acquire housing in the greater New Orleans area that is affordable to very low-, low-, and moderate-income families. RNDC is owned 51% by VOASELA and 49% by VOANS.

RNDC consists of Consolidated Pre-Development and Consolidated General and Limited Partnerships. The entities which comprise Consolidated Pre-Development include Projects in Pre-Development, Millennium Properties, Inc., 2901 Dee, Inc. d/b/a Embassy House Apartments, Riverfront Self Storage, LLC, and 1770 Tchoupitoulas, Inc. The entities which comprise Consolidated General and Limited Partnerships include Embassy Apartments Shreveport, LLC, Elysian Courtyards of Gentilly, The Groves at Mile Branch Creek, Wisdom Manor, LLC, Bayou Cane Apartments LP, Houma School Apartments, LLC, The Cottages at Mile Branch, LLC, Valencia Park, LLC, FSJ Homes, LLC, and RNDC BR, LLC.

In August 2008, RNDC established Chateau Carre' Apartments LP d/b/a Elysian Courtyards of Gentilly, as the ownership entity for the Chateau Carre' project. The General Partner was established as Chateau Carre' GP, LLC, whose sole member is RNDC and maintains a 0.1% ownership interest in the Chateau Carre' project. The project financing was closed in August 2009, with Hudson Chateau Carre', LLC as the Investment Limited Partner.

In August 2008, RNDC established New Covington Apartments LP d/b/a The Groves at Mile Branch Creek, as the ownership entity for the New Covington project. The General Partner was established as New Covington GP, LLC, whose sole member is RNDC and maintains a 0.1% ownership interest in the New Covington project. The project financing was closed in May 2010, with First NBC Tax Partners, LLC as the Investment Limited Partner.

# RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

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### Note 1. Organization (Continued)

In June 2013, RNDC assumed the role of Manager of WM Manager, LLC, the Managing Member of Wisdom Manor, LLC, the ownership entity of the Wisdom Manor property. WM Manager, LLC, whose sole member is RNDC, maintains a 0.01% ownership interest in the Wisdom Manor property. The transfer of ownership was closed on June 26, 2013. Enterprise Housing Alliance Fund II LP is the Investor Member.

In October 2013, RNDC established 2901 Dee, Inc. d/b/a Embassy House Apartments, as the ownership entity for the Embassy House project. RNDC is the sole member of 2901 Dee, Inc. and holds full ownership in the project. 2901 Dee, Inc. was formed under Louisiana Nonprofit Corporation Law specifically for the acquisition and rehabilitation of the project and operating and leasing the project to persons of low and very low income in accordance with the safe harbor established under Internal Revenue Service Procedure 96-32, 1996-1 C.B. 717. The project was acquired in November 2013. During the year ended June 30, 2022, 2901 Dee, Inc. was dissolved and is no longer active.

In December 2013, RNDC established Bayou Cane Apartments LP, as the ownership entity for the Bayou Cane Apartments project. The General Partner was established as Bayou Cane GP, LLC, whose sole member is RNDC and maintains a 0.01% ownership interest in the Bayou Cane project. The project financing was closed in June 2014, with Wincopin Circle, LLLP as the Limited Partner.

In the summer of 2014, the RNDC Board of Directors authorized RNDC to establish a property management arm to provide management services to RNDC and affiliated properties. In October 2014, Millennium Properties, Inc. was formed. Millennium Properties is a corporation which is wholly owned by RNDC. Millennium Properties is not exempt from federal taxation. Millennium Properties, Inc. was organized to develop market rate projects.

In November 2015, RNDC established Houma School Apartments, LLC, as the ownership entity for the Houma School Apartments project. The General Partner was established as Enterprise GP, LLC and maintains a 0.01% ownership interest in the Houma School Apartments project.

In March 2016, RNDC established Riverfront Self Storage, LLC, as the ownership entity for Riverfront Self Storage. RNDC is the sole member of the LLC and holds full ownership in the project.

In June 2016, RNDC assumed the role of Manager of The Cottages at Mile Branch MM, LLC, the ownership entity of The Cottages at Mile Branch, LLC. The Cottages at Mile Branch MM, LLC, whose sole member is RNDC, maintains a 0.01% ownership interest in The Cottages at Mile Branch property, as the ownership entity for The Cottages at Mile Branch project. The transfer of ownership was closed on September 9, 2016. PNC Real Estate Tax Credit Capital Institutional Fund 64, LLC and Columbia Housing SLP Corporation are the Investor Members.

# RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

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### Note 1. Organization (Continued)

In July 2018, RNDC established Valencia Park, LLC, as the ownership entity for the Valencia Park project. The Managing Member was established as Valencia Park MM, LLC, whose sole member is RNDC and maintains a 0.01% ownership interest in the Valencia Park project. The project financing closed in October 2020, with NHT Equity, LLC as the Investor Member with a 99.99% ownership interest.

In October 2018, RNDC established 1770 Tchoupitoulas, Inc. RNDC is the sole member of 1770 Tchoupitoulas, Inc. and holds full ownership of the project. 1770 Tchoupitoulas, Inc. was formed under Louisiana Nonprofit Corporation Law specifically to provide decent housing that is affordable to low- and moderate-income persons and to acquire, own, develop, hold, sell, lease, transfer, exchange, operate, and manage affordable housing projects.

In January 2019, RNDC established Embassy Apartments Shreveport, LLC. On September 25, 2019, Embassy Apartments Shreveport, LLC entered into the first amended and restated operating agreement admitting Wincopin Circle, LLLP as the Investor Member of the entity. Wincopin Circle, LLLP maintains a 99.99% ownership interest. The Embassy Apartments Shreveport MM, LLC, 100% owned by RNDC, is the Managing Member of Embassy Apartments Shreveport, LLC, and maintains a 0.01% ownership interest. On December 12, 2019, Wincopin Circle, LLLP assigned its ownership interest to Enterprise Housing Partners XXXII Limited Partnership. On September 25, 2019, 2901 Dee Inc. transferred ownership of Embassy House Apartments through an Act of Cash Sale to Embassy Apartments Shreveport, LLC.

In August 2020, RNDC established FSJ Homes, LLC, as the ownership entity for the FSJ I and FSJ II projects. The Managing Member was established as FSJ Homes MM, LLC, whose sole member is RNDC and maintains a 0.01% ownership interest in the FSJ I and FSJ II projects. The project financing closed in August 2020, with Wincopin Circle, LLLP as the Investor Member with a 99.99% ownership interest.

In August 2020, RNDC established RNDC BR, LLC, as the ownership entity for the Motor City project. The Managing Member was established as RNDC BR MM, LLC, whose sole member is RNDC and maintains a 0.01% ownership interest in the Motor City project. The project financing closed in August 2020, with RAH Investor 299, LLC, as the Investor Member with a 99.98% ownership interest and Stirling Corporate Services, LLC as the Special Member with a .01% ownership interest.

RNDC operates one program, Promoting Self-Sufficiency. RNDC provides housing management services for multi-family housing complexes.



# RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

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### Note 2. Summary of Significant Accounting Policies

#### **Basis of Accounting**

RNDC prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, involving the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

#### **Basis of Presentation**

Financial statement presentation is in accordance with the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Accordingly, RNDC is required to report information regarding its financial position and activities according to the existence or absence of donor-imposed restrictions.

Net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets available for general use and not subject to donor restrictions.

*Net Assets With Donor Restrictions* - Net assets whose use is limited by donor- or grantor- imposed time and/or purpose restrictions. Contributions with donor restrictions are reported as revenues with donor restrictions. Once funds are expended for their restricted purpose, these net assets with donor restrictions are released to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. As of June 30, 2022 and 2021, there were no net assets with donor restrictions.

#### **Principles of Consolidation**

The accompanying financial statements present the consolidated financial position and changes in net assets and cash flows of RNDC and its subsidiaries, Elysian Courtyards of Gentilly, The Groves at Mile Branch Creek, Wisdom Manor, LLC, Embassy House Apartments, Bayou Cane Apartments LP, Millennium Properties, Inc., Houma School Apartments, LLC, The Cottages at Mile Branch, LLC, Riverfront Self Storage, 1770 Tchoupitoulas, Inc., Embassy Apartments Shreveport, LLC, Valencia Park, LLC, FSJ Homes, LLC, and RNDC BR, LLC. All significant intercompany transactions and balances have been eliminated.

#### **Non-Controlling Interest**

The financial statements include assets, liabilities, revenues, and expenses of entities that are controlled by RNDC and therefore consolidated. Non-controlling interests in the consolidated statements of financial position represent the portion of net assets owned by entities outside of RNDC, for those entities in which RNDC's ownership interest is less than 100%.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Cash, Cash Equivalents and Restricted Cash**

RNDC considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, pledged to secure loan agreements, or otherwise designated or restricted. The carrying amount approximates fair value because of the short-term maturity of those instruments.

**Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated statements of financial position. See Note 13 for discussion of fair value measurement. Net investment return (including realized and unrealized gains and losses on investments, interest, dividends, and expenses) is included in the change in net assets without donor restrictions.

**Fixed Assets**

Land, buildings, building improvements, vehicles, furniture, and equipment purchased by RNDC are recorded at cost. Pre-Development entities follow the practice of capitalizing all expenditures for land, buildings, and equipment over \$2,500. The General and Limited Partnership entities follow the practice of capitalizing all expenditures for land, buildings, and equipment over \$500. The fair value of donated fixed assets is similarly capitalized. Depreciation and amortization are computed using the straight-line method based upon the following estimated useful lives of the assets:

Building and Improvements	10 - 30 Years
Vehicles	5 Years
Furniture and Equipment	3 - 8 Years

**Operations**

RNDC defines operations as all program services and supporting activities undertaken. Revenues that result from these activities and their related expenses are reported as operations. Gains, losses, and other revenue that result from ancillary activities, such as investing liquid assets and disposing of fixed or other assets are reported as other activities.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Revenue Recognition**

RNDC's revenue is derived primarily from grants, rental income, program service fees, and management fees.

In May 2014, the FASB issued ASC Topic 606, *Revenue from Contracts with Customers*, which introduced a five-step model to recognize revenue from customer contracts in an effort to increase consistency and comparability throughout global capital markets and across industries. The model identifies the contract, any separate performance obligations in the contract, determines the transaction price, allocates the transaction price, and recognizes revenue when the performance obligations are satisfied. However, this standard does not affect revenue streams that are addressed by other standards such as Leases under Topic 840 and Contributions under Topic 958. Consequently, the new standard did not impact the timing of revenue recognition for grants and rental income. Management determined that the new standard applies to revenues from program service fees and management fees.

RNDC's rental income is derived from the leasing of commercial and residential properties and is accounted for on an accrual basis in accordance with Topic 840. Lease agreements may include escalation provisions, and as such, rental income is recognized on a straight-line basis with an offset to straight-line rent receivables.

Grants and donations received from private foundations and nonprofit entities are accounted for in accordance Topic 958. Contributions are recognized when received. Contributions are recorded as without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Program service revenue and management fee revenue are accounted for in accordance with Topic 606.

# RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

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### Note 2. Summary of Significant Accounting Policies (Continued)

#### Revenue Recognition (Continued)

RNDC earns a development fee under the development services agreement entered into with the third-party investors to develop a qualified affordable housing project (QAHP), which upon the completion is qualified for a certain tax credit. The performance obligation associated with the development services agreement is the combination of necessary actions RNDC should take to enable the QAHP to be eligible for a tax credit. The transaction price is the fixed fee specified in the development services agreement, subject to any contract adjustments contemplated in the agreement with the third-party investor. The revenue is recognized over the period of the agreement using the output measurement method, which measures progress toward completion based on project phases as specified in the development services agreement.

Property management fees are earned for managing the operations of real estate assets and are generally based on a fixed percentage of the revenues generated from the respective real estate assets. Property management fees are recorded based on a percentage of collected rents at the properties under management, and not on a straight-line basis, because such fees are contingent upon the collection of rents.

The opening accounts receivable balance at July 1, 2020 totaled \$376,793.

#### Income Taxes

Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, RNDC is exempt from income taxes, except for net income from unrelated business income. There was no material unrelated business net income during the years ended June 30, 2022 and 2021.

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

RNDC recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

# RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

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### Note 2. Summary of Significant Accounting Policies (Continued)

#### Income Taxes (Continued)

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. RNDC believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

#### Deferred Financing Costs

RNDC defers debt issuance costs related to its mortgages payable and amortizes the cost over the term of the respective mortgages payable to amortization expense. Deferred financing costs associated with term debt are netted against the corresponding liability on the consolidated statements of financial position. Deferred financing costs associated with lines of credit are reported as an asset on the consolidated statements of financial position.

#### Advertising Expenses

RNDC expenses the costs of advertising as incurred. Advertising expense totaled \$75,305 and \$63,459 for the years ended June 30, 2022 and 2021, respectively.

#### Allocation of Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. All costs are directly attributable to a function.

#### Summary Financial Information for 2021

The financial statements and supplementary information for the year ended June 30, 2022 contain certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles in the United States of America. Accordingly, such information should be read in conjunction with RNDC's financial statements and related notes or the financial statements for the year ended June 30, 2021, from which the summarized information was derived.

#### Reclassifications

Certain amounts in the prior year financial statements have been reclassified in order to be comparable with the current year presentation.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Implementation of Accounting Pronouncement**

Effective July 1, 2021 RNDC retrospectively adopted ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard addresses measurement of contributed nonfinancial assets recognized by not-for-profit organizations and enhances disclosures with respect to these contributions. The adoption of this ASU did not have any effect on the financial statements of RNDC.

**Recent Accounting Pronouncements**

In January 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as financing or operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. In June 2020, the FASB issued ASU 2020-05 which defers the effective date of ASU 2016-02 one year, making it effective for annual reporting periods beginning after December 15, 2021. Management is currently evaluating the impact ASU 2016-02 will have on its financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848)*, which provides optional expedients and exceptions for contracts, hedging relationships, and other transactions affected by reference rate reform due to the anticipated cessation of LIBOR on or before December 31, 2021. This guidance is effective as of March 12, 2020 through December 31, 2022 and could impact the accounting for LIBOR provisions in RNDC's credit agreements. Management does not expect that the adoption of this guidance will have a significant impact on its financial statements.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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**Notes to Consolidated Financial Statements**

**Note 3. Liquidity and Availability**

RNDC regularly monitors liquidity required to meet its operating needs and other contractual commitments. RNDC manages its cash available to meet general expenditures using the following:

- Operating within a prudent range of financial soundness and stability;
- Maintaining adequate liquid assets; and
- Maintaining sufficient reserves to provide reasonable assurance of sustainability.

Assets not available to meet general expenditures within one year of the consolidated statements of financial position date include amounts in nonspendable form.

As of June 30, 2022 and 2021, financial assets available for general operating purposes within one year of the consolidated statement of financial position dates comprise the following:

	<b>2022</b>	2021
Cash and Cash Equivalents	<b>\$ 3,786,940</b>	\$ 4,488,138
Accounts Receivable, Net	<b>419,711</b>	376,793
<b>Total</b>	<b>\$ 4,206,651</b>	\$ 4,864,931

**Note 4. Fixed Assets**

At June 30, 2022 and 2021, fixed assets consisted of the following:

	<b>2022</b>	2021
Land	<b>\$ 8,611,403</b>	\$ 8,242,650
Buildings and Improvements	<b>94,636,137</b>	96,051,297
Furniture and Equipment	<b>4,956,416</b>	4,902,168
Construction in Progress	<b>48,373,551</b>	16,714,447
	<b>156,577,507</b>	125,910,562
Less: Accumulated Depreciation	<b>(24,969,209)</b>	(22,430,266)
<b>Total Fixed Assets, Net</b>	<b>\$ 131,608,298</b>	\$ 103,480,296

Depreciation expense totaled \$2,909,419 and \$2,786,965 for the years ended June 30, 2022 and 2021, respectively.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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**Notes to Consolidated Financial Statements**

**Note 5. Cash, Cash Equivalents, and Restricted Cash**

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts show in the consolidated statements of cash flows as of June 30, 2022 and 2021.

	<b>2022</b>	<b>2021</b>
Cash and Cash Equivalents	<b>\$ 3,786,940</b>	\$ 4,488,138
Designated and Restricted Deposits	<b>16,954,232</b>	16,412,033
<b>Total</b>	<b>\$ 20,741,172</b>	<b>\$ 20,900,171</b>

RNDC has agreements with agencies that require funded reserves and the restriction of certain deposits which are custodial in nature. At June 30, 2022 and 2021, designated and restricted deposits were as follows:

	<b>2022</b>	<b>2021</b>
Escrow	<b>\$ 1,002,215</b>	\$ 1,317,975
Security Deposits	<b>291,180</b>	246,040
Replacement Reserve Funds	<b>15,660,837</b>	14,848,018
<b>Total</b>	<b>\$ 16,954,232</b>	<b>\$ 16,412,033</b>

**Note 6. Mortgages and Notes Payable**

At June 30, 2022 and 2021, mortgages and notes payable consisted of the following:

	<b>2022</b>	<b>2021</b>
Two (2) notes payable to the Louisiana Housing Finance Agency, secured by CDBG Piggyback Program Leasehold Mortgage, with interest rates of -0-%, and maturity dates of August 31, 2044 and May 20, 2045, for Chateau Carre' and New Covington.	<b>\$ 15,413,053</b>	\$ 15,498,839
One (1) bond payable to Whitney Bank, secured by the note payable to CDBG and note payable to ORIX Real Estate Capital with an interest rate of 0.35%, maturing November 1, 2023, for Valencia Park.	<b>12,000,000</b>	12,000,000
One (1) note payable to Terrebonne Parish Consolidated Government, secured by land and buildings, with an interest rate of -0-%, maturing June 1, 2049, for Bayou Cane Apartments.	<b>5,558,633</b>	5,558,633



**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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**Notes to Consolidated Financial Statements**

**Note 6. Mortgages and Notes Payable (Continued)**

	2022	2021
One (1) note payable to Terrebonne Council on Aging, Inc., with an interest rate of -0-%, maturing March 29, 2066, for Houma School Apartments.	<b>5,499,878</b>	5,500,000
One (1) note payable to Home Bank, secured by a first mortgage on 1746-1770 Tchoupitoulas Street, with an interest rate of 4.5%, maturing on September 27, 2024, for 1770 Tchoupitoulas Inc.	<b>4,427,518</b>	4,627,679
One (1) note payable to ORIX Real Estate Capital, with an interest rate of 2.85%, maturing May 1, 2062, for Valencia Park.	<b>10,365,436</b>	3,966,017
One (1) note payable to Capital One Multifamily Finance, secured by land and buildings, with an interest rate of 4.28%, maturing July 1, 2031, for Bayou Cane Apartments.	<b>3,186,491</b>	3,237,871
One (1) deferred payment loan to the Louisiana Housing Corporation, an interest rate of -0-%, maturing on December 31, 2026, \$83,222 annual forgiveness of debt recognized for New Covington.	<b>2,540,382</b>	2,624,124
One (1) note payable to Capital One, National Association, secured by land and buildings, with an interest rate of 5.05%, maturing on November 1, 2033, for Houma School Apartments.	<b>2,544,986</b>	2,590,142
One (1) note payable to Capital One, National Association, secured by land and buildings, with an interest rate of 7.0%, maturing June 16, 2026, for Chateau Carre'.	<b>2,308,753</b>	2,364,552
One (1) note payable to JP Morgan Chase Bank secured by first mortgage on the leasehold improvements with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus 3.0%, maturing November 18, 2022, for FSJ I.	<b>5,164,104</b>	2,044,092
One (1) note payable to JP Morgan Chase Bank secured by first mortgage on the leasehold improvements with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus 3.0%, maturing November 18, 2022, for FSJ II.	<b>4,527,589</b>	1,874,743
One (1) note payable to CDBG, with an interest rate of 0.35%, maturing May 1, 2062, for Valencia Park.	<b>5,700,000</b>	2,162,885
One (1) bond payable to Regions Bank, secured by the first mortgage on the property, with an interest rate of 4.64%, maturing December 1, 2023, for RNDC BR, LLC.	<b>8,746,655</b>	2,152,566
One (1) note payable to Home Bank, secured by cash collateral pledge of \$114,000, with an interest rate of 4.60%, maturing May 28, 2037, for Embassy Apartments Shreveport.	<b>1,169,219</b>	1,184,985

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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**Notes to Consolidated Financial Statements**

**Note 6. Mortgages and Notes Payable (Continued)**

	2022	2021
One (1) note payable to Dougherty Mortgage LLC, insured by HUD under section 207/223(f) of the National Housing Act, with an interest rate of 3.20%, maturing May 1, 2045, for New Covington Apartments.	1,143,123	1,175,412
One (1) note payable to Federal Home Loan Bank of Atlanta, secured by property and the rents, profits, issues, products, and income from the property, with an interest rate of -0%, maturing on July 31, 2038.	500,000	500,000
Four (4) notes payable to Volunteers of America National Services, with interest rates of -0%, payable on demand.	185,000	435,000
One (1) note payable to Federal Home Bank Dallas secured by land and buildings, with an interest rate of -0%, maturing August 31, 2065.	410,000	410,000
One (1) note payable to PNC Bank, National Association, secured by land and buildings, with an interest rate of 4.60%, maturing on October 1, 2033, for The Cottages at Mile Branch.	242,279	246,636
One (1) note payable to the City of Shreveport, with an interest rate of -0%, forgivable at a rate of 6.67% per year over the 15 year affordability period.	198,054	198,054
One (1) note payable to Volunteers of America National Services, unsecured, with an interest rate of -0%, with annual payments of \$5,433 due from net cash flow as defined by the promissory note beginning on September 25, 2019, and the remaining balance due at maturity on May 1, 2051, for Embassy Apartments Shreveport.	163,000	163,000
One (1) note payable to Home Bank, secured by land and buildings (326 Buckeye Lane), with an interest rate of 5.25%, maturing October 19, 2023.	88,632	91,956
One (1) note payable to the Louisiana Housing Finance Agency with an interest rate of -0%, maturing on May 1, 2058, for RNDC BR, LLC.	2,628,423	-
	<b>94,711,208</b>	70,607,186
Less: Debt Issuance Costs, Net of Amortization	<b>(1,569,627)</b>	(1,677,656)
<b>Total</b>	<b>\$ 93,141,581</b>	<b>\$ 68,929,530</b>

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

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**Note 6. Mortgages and Notes Payable (Continued)**

Scheduled annual principal payments due on the above mortgages and notes payable subsequent to June 30, 2022 are as follows:

<b>Year Ending June 30,</b>	<b>Amount</b>
2023	\$ 10,692,395
2024	21,586,771
2025	4,664,902
2026	2,649,855
2027	556,723
Thereafter	<u>54,560,562</u>
<b>Total</b>	<u><u>\$ 94,711,208</u></u>

Interest expense was \$830,996 and \$990,099 for the years ended June 30, 2022 and 2021, respectively.

RNDC was in compliance with debt covenants at June 30, 2022 and 2021.

On September 16, 2020, RNDC entered into a line of credit agreement with Home Bank totaling \$1,000,000, matured September 16, 2022, with an interest rate of 4.5%. There was no balance on this line of credit as of June 30, 2022 or 2021.

**Note 7. Due to VOASELA, Inc.**

Amounts due to VOASELA include amounts from normal operations as well as two (2) notes payable: 1) One note for Houma School Apartments totaling \$2,028,024 at June 30, 2022 and 2021, with an interest rate of 1.0%, maturing March 29, 2051, 2) One note for Projects in Pre-Development totaling \$179,061 and \$429,061 on June 30, 2022 and 2021, respectively, secured by land, with an interest rate of -0-%, maturing April 27, 2039. Amounts due to VOASELA for normal operations at June 30, 2022 and 2021, totaled \$410,706 and \$345,156, respectively. The total amount due to VOASELA at June 30, 2022 and 2021 totaled \$2,617,791 and \$2,802,241, respectively.

**Note 8. Other Changes in Net Assets**

Other changes in net assets consisted of amounts related to distributions and contributions for the years ended June 30, 2022 and 2021.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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**Notes to Consolidated Financial Statements**

**Note 9. Changes in Consolidated Net Assets Without Donor Restrictions**

Changes in consolidated net assets without donor restrictions that are attributable to RNDC and the non-controlling interests in subsidiaries are as follows:

	Attributable to RNDC	Attributable to Non-Controlling Interests	Total Net Assets Without Donor Restrictions
<b>Balance, June 30, 2020</b>	\$ 19,504,945	\$ 23,758,671	\$ 43,263,616
Change in Net Assets from Operations and Other Activities	4,221,140	(2,425,075)	1,796,065
Other Changes in Net Assets	-	11,390,627	11,390,627
<b>Balance, June 30, 2021</b>	23,726,085	32,724,223	56,450,308
Change in Net Assets from Operations and Other Activities	646,264	(2,953,573)	(2,307,309)
Other Changes in Net Assets	-	3,586,085	3,586,085
<b>Balance, June 30, 2022</b>	<u>\$ 24,372,349</u>	<u>\$ 33,356,735</u>	<u>\$ 57,729,084</u>

**Note 10. Related-Party Transactions**

RNDC's owners, Volunteers of America National Services and VOASELA, provide supporting services to RNDC and also served as guarantors of the debt on the early projects of RNDC that closed through 2012.

The following related parties have outstanding loans and advances to RNDC as of June 30, 2022 and 2021:

	2022	2021
Volunteers of America National Services	<b>\$ 348,000</b>	\$ 598,000
Volunteers of America Southeast Louisiana, Inc.	<b>2,617,791</b>	2,802,241

VOANS has an outstanding loan to Projects in Pre-Development and to Embassy Apartments Shreveport, LLC. See Note 6 for further detail.

VOASELA has outstanding loans to Houma School Apartments, LLC and Projects in Pre-Development. See Note 7 for further detail.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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**Notes to Consolidated Financial Statements**

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**Note 10. Related-Party Transactions (Continued)**

RNDC receives personnel services and other general and administrative services from VOASELA related to RNDC's day-to-day operations. During the years ended June 30, 2022 and 2021, personnel and other general and administrative services provided by VOASELA were approximately \$887,826 and \$994,346, respectively.

1770 Tchoupitoulas, Inc. subleases a portion of commercial space, which is operated as office space, a food processing service, and a warehouse, to VOASELA. See Note 11 for further detail.

There are various intercompany receivables and payables in the normal course of business which are eliminated in consolidation.

**Note 11. Commercial Lease**

1770 Tchoupitoulas, Inc. leases a portion of its commercial building to VOASELA under a space lease agreement. The commercial lease commenced May 13, 2012 and has a term of 15 years that expires on May 12, 2027. The tenant shall make annual minimum rent payments in monthly installments beginning May 12, 2013 in the amount of \$117,000 per annum. Annually, the base rent shall increase by 3%. In addition, the tenant shall make payments for its portion of insurance and real estate taxes in the amount of \$519 per month subject to actual expenses incurred.

The following is a schedule of minimum future rental receipts and payments:

<b>Year Ending</b>	<b>Amount</b>
<b>June 30,</b>	
2023	\$ 153,422
2024	158,024
2025	162,765
2026	167,648
2027	172,678
Thereafter	<u>147,477</u>
<b>Total</b>	<b><u>\$ 962,014</u></b>

Pursuant to FASB ASC 840-20, lease revenue for the non-cancellable lease term is required to be recognized on a straight-line basis. For the years ended June 30, 2022 and 2021, lease revenue earned was \$148,953 and \$144,615, respectively. As of June 30, 2022 and 2021, the cumulative net adjustment to record lease revenue on a straight-line basis amounted to \$112,603 and \$118,337, respectively.

# RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

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### Note 12. Fair Value of Financial Instruments

The following methods and assumptions were used by RNDC in estimating the fair value of its financial instruments:

*Current Assets and Liabilities:* RNDC considers the carrying amounts of financial instruments classified as current assets and liabilities to be reasonable estimates of their fair values.

*Investments:* The carrying amounts of investments approximate fair value. See Note 13 for further details.

*Long-Term Debt:* When practicable to estimate, the fair values of RNDC's long-term financial instruments are based on (a) currently traded values of similar financial instruments, or (b) discounted cash flow methodologies utilizing currently available borrowing rates.

### Note 13. Fair Value Measurements

The fair value measurements are based on a framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that RNDC has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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**Notes to Consolidated Financial Statements**

**Note 13. Fair Value Measurements (Continued)**

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

A description of the valuation methodologies used for assets measured at fair value is as follows:

- Common stocks, equities, corporate bonds, government bonds and agencies, and real estate funds, when present, are valued at the closing price reported on the active market on which the individual securities are traded.

The following tables set forth, by level within the fair value hierarchy, RNDC's assets at fair value as of June 30, 2022 and 2021:

June 30, 2022	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 47,897	\$ -	\$ -	\$ 47,897
Common Stock	597,142	-	-	597,142
Equities	391,236	-	-	391,236
Corporate Bonds	502,892	-	-	502,892
Government Bonds	124,562	-	-	124,562
Government Agencies	10,554	-	-	10,554
Real Estate Funds	34,020	-	-	34,020
<b>Total Investments at Fair Value</b>	<b>\$ 1,708,303</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,708,303</b>

  

June 30, 2021	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 20,308	\$ -	\$ -	\$ 20,308
Common Stock	800,614	-	-	800,614
Equities	492,562	-	-	492,562
Corporate Bonds	412,278	-	-	412,278
Government Bonds	186,450	-	-	186,450
Government Agencies	36,279	-	-	36,279
Real Estate Funds	39,450	-	-	39,450
<b>Total Investments at Fair Value</b>	<b>\$ 1,987,941</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,987,941</b>

# RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

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### Note 14. Concentration of Credit Risk

RNDC maintains deposits in financial institutions that at times exceed the insured amount of \$250,000 by the U.S. Federal Deposit Insurance Corporation (FDIC). RNDC believes it is not exposed to any significant credit risk to cash. At June 30, 2022 and 2021, RNDC had \$3,345,045 and \$4,630,063, respectively, in excess of the FDIC insured limit.

### Note 15. New Market Tax Credit Exit

1770 Tchoupitoulas, LLC and 1770 Tchoupitoulas Master Tenant, LLC (the Companies), were formed on February 29, 2012 and March 12, 2012, respectively. Pursuant to the Operating Agreement dated July 2, 2012, the Landlord is formed between RNDC and VOANS Investor Corp. (VIC). Pursuant to the Amended and Restated Operating Agreement dated July 2, 2012 (the Tenant Operating Agreement), the Tenant is formed between 1770 Tchoupitoulas Manager, LLC and ESIC New Markets Partners XLVII Investment Fund, LLC (the Investment Fund). At the original closing, October 12, 2011, 1770 Tchoupitoulas, LLC entered into certain Qualified Low-Income Community Investment Loan Agreements (QLICI Loans) in the aggregate sum of \$17,860,000 with VOANS CDE Subsidiary 1, LLC and ESIC New Markets Partners XLVII LP (the CDEs). These loans were funded by a combination of sources including new market tax credit (NMTC) equity and historic tax credit (HTC) equity. RNDC used several sources of funds to make a loan to the Investment Fund in the amount of \$13,233,050.

At the date of unwind described below, the outstanding balance owed RNDC totaled \$11,770,350, due to payments being made on the note.

On October 13, 2018, the seven-year credit period terminated. The members distributed the assets of the Companies in complete redemption and liquidation of the member interests to dissolve the Companies. Prior to October 11, 2018, VIC sold its interest in 1770 Tchoupitoulas, LLC to RNDC for \$1.00 since the fair market value of the assets were less than the outstanding QLICI Loans of \$17,860,000. The QLICI Loans were distributed from the CDEs to the Investment Fund through the execution of the CDE Redemption Agreement. 1770 Tchoupitoulas, LLC was now obligated to its sole member, RNDC, in the amount of \$17,860,000, and RNDC carried the corresponding note receivable of \$11,770,350 owed to it from 1770 Tchoupitoulas, LLC. However, because the intercompany balances did not net to zero, 1770 Tchoupitoulas, LLC was required to recognize \$6,089,650 in cancellation of debt income for the year ended June 30, 2019.

During the year ended June 30, 2022, the asset and liability described above between 1770 Tchoupitoulas, LLC and RNDC were written off. 1770 Tchoupitoulas, LLC recognized cancellation of debt income and RNDC recognized the loss totaling \$11,770,350. The amounts were eliminated in the consolidation process.



# RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

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### Note 16. Commitments and Contingencies

RNDC entered into several contracts with construction companies totaling \$50.5 million and \$46.7 million for 2022 and 2021, respectively, for renovations on General and Limited Partnerships' projects. At June 30, 2022 and 2021, the amount remaining on the contracts totaled \$14,063,887 and \$38,134,450, respectively. Included in other current liabilities is retainage due to these construction companies totaling \$3,413,302 and \$924,586 as of June 30, 2022 and 2021, respectively.

### Note 17. Income Taxes

RNDC has income tax net operating loss carryforwards related to Millennium Properties, Inc. A deferred tax asset totaling \$309,885 as of June 30, 2022 reflects the benefit of approximately \$1.2 million available for carryforward to future years. These operating losses begin to expire in 2035.

In assessing the realizability of deferred tax assets, management considers whether it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more-likely-than-not that RNDC will realize the benefits of these deductible differences. The amount of the deferred tax asset is considered realizable; however, it could be reduced in the near-term if estimates of future taxable income during the carryforward period are reduced.

A tax benefit of \$25,574 and \$277,701 was recorded for the years ended June 30, 2022 and 2021, respectively.

### Note 18. Hurricane Ida

On August 29, 2021, three of RNDC's properties incurred wind and water damage from Hurricane Ida. During the year ended June 30, 2022, insurance proceeds received totaled approximately \$4.5 million and hurricane related expenses totaled approximately \$3.3 million. The net of these is presented on the consolidated statement of activities in other non-operating gains. The three properties recognized a loss on the buildings totaling approximately \$1.9 million which is presented on the consolidated statement of activities in loss from disposal of fixed assets.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

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**Note 19. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 13, 2022, and determined that the following event occurred that requires disclosure:

Millennium Properties, Inc. received an award of funding from the State of Louisiana Office of Community Development (OCD) Middle Market Loan Program dated June 10, 2022. The funding is for the development of Denham Townhomes (the Project). The principal amount of the loan is \$12,000,000 bearing interest at the rate of .5%. OCD will fund up to 90% of the loan during the construction of the Project. Construction will begin in fiscal year June 30, 2023.

No other subsequent events occurring after October 13, 2022 have been evaluated for inclusion in these financial statements.

## **SUPPLEMENTARY INFORMATION**

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**  
**Schedule of Compensation, Benefits, and Other Payments  
to Agency Head**  
**For the Year Ended June 30, 2022**

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Louisiana Revised Statute (R.S.) 24:513(A)(3), as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees, be reported as a supplemental report within the financial statements of local governmental and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that receive public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

**Agency Head**

Victor Smeltz, Executive Director - July 2021 - December 2021

Vanessa Levine, Executive Director - January 2022 - June 2022

<b>Purpose</b>	<b>Amount</b>
Salary	\$0
Bonus	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Organization	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Miscellaneous Expenses	\$0

None of the compensation or expenses for the Agency Head are paid for with public funds.

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**

Schedule I

**Supplementary Information**

**Consolidating Statement of Financial Position**

**June 30, 2022**

**With Summarized Comparative Information at June 30, 2021**

	Consolidated Pre-Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2022	2021
<b>Assets</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	\$ 2,499,917	\$ 1,287,023	\$ -	\$ 3,786,940	\$ 4,488,138
Accounts Receivable	149,324	279,642	(9,255)	419,711	376,793
Prepaid Expenses	156,186	435,503	-	591,689	466,448
Due from Projects in Development	6,963,221	24,598	(3,728,827)	3,258,992	198,841
Other Current Assets	354,426	1,000,369	-	1,354,795	1,206,125
<b>Total Current Assets</b>	<b>10,123,074</b>	<b>3,027,135</b>	<b>(3,738,082)</b>	<b>9,412,127</b>	<b>6,736,345</b>
<b>Fixed Assets, Net</b>	<b>16,199,480</b>	<b>115,408,818</b>	<b>-</b>	<b>131,608,298</b>	<b>103,480,296</b>
<b>Other Assets</b>					
Designated and Restricted Deposits	21,526	16,932,706	-	16,954,232	16,412,033
Due from Projects in Development	1,582,435	-	-	1,582,435	2,235,494
Long-Term Investments	1,708,303	-	-	1,708,303	1,987,941
Deferred Tax Asset	309,885	-	-	309,885	278,061
Investment in Partnerships	983,275	-	(983,275)	-	-
<b>Total Other Assets</b>	<b>4,605,424</b>	<b>16,932,706</b>	<b>(983,275)</b>	<b>20,554,855</b>	<b>20,913,529</b>
<b>Total Assets</b>	<b>\$ 30,927,978</b>	<b>\$ 135,368,659</b>	<b>\$ (4,721,357)</b>	<b>\$ 161,575,280</b>	<b>\$ 131,130,170</b>

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**

Schedule I

Supplementary Information

Consolidating Statement of Financial Position (Continued)

June 30, 2022

With Summarized Comparative Information at June 30, 2021

	Consolidated Pre-Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2022	2021
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities</b>					
Accounts Payable	\$ 204,109	\$ 2,825,651	\$ (93,535)	\$ 2,936,225	\$ 1,248,808
Mortgages and Notes Payable	362,783	10,329,612	-	10,692,395	988,003
Accrued Expenses	290,757	479,835	(85,109)	685,483	414,087
Other Current Liabilities	115,069	3,673,569	-	3,788,638	1,230,192
Due to Projects in Development	50,345	4,185,571	(3,559,438)	676,478	55,004
<b>Total Current Liabilities</b>	<b>1,023,063</b>	<b>21,494,238</b>	<b>(3,738,082)</b>	<b>18,779,219</b>	<b>3,936,094</b>
<b>Other Liabilities</b>					
Due to VOASELA, Inc.	398,610	2,219,181	-	2,617,791	2,802,241
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	5,133,957	77,315,229	-	82,449,186	67,941,527
<b>Total Other Liabilities</b>	<b>5,532,567</b>	<b>79,534,410</b>	<b>-</b>	<b>85,066,977</b>	<b>70,743,768</b>
<b>Total Liabilities</b>	<b>6,555,630</b>	<b>101,028,648</b>	<b>(3,738,082)</b>	<b>103,846,196</b>	<b>74,679,862</b>
<b>Total Net Assets Without Donor Restrictions</b>					
	24,372,348	34,340,011	(983,275)	57,729,084	56,450,308
<b>Total Liabilities and Net Assets</b>	<b>\$ 30,927,978</b>	<b>\$ 135,368,659</b>	<b>\$ (4,721,357)</b>	<b>\$ 161,575,280</b>	<b>\$ 131,130,170</b>

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**  
Supplementary Information  
Consolidating Statement of Activities  
For the Year Ended June 30, 2022  
With Summarized Comparative Information for June 30, 2021

Schedule II

	Consolidated Pre-Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2022	2021
<b>Net Assets Without Donor Restrictions</b>					
<b>Revenue, Support, and Gains</b>					
<b>Without Donor Restrictions</b>					
Revenues and Grants	\$ -	\$ -	\$ -	\$ -	\$ 153,000
<b>Other Revenue</b>					
Program Service Fees	1,966,076	-	-	1,966,076	4,654,455
Rental Income	1,362,962	4,479,230	-	5,842,192	5,429,194
Other Operating Income	851,494	261,684	(318,199)	794,979	544,682
<b>Total Other Revenue</b>	<b>4,180,532</b>	<b>4,740,914</b>	<b>(318,199)</b>	<b>8,603,247</b>	<b>10,628,331</b>
<b>Total Revenue, Support, and Gains</b>					
<b>Without Donor Restrictions</b>	<b>4,180,532</b>	<b>4,740,914</b>	<b>(318,199)</b>	<b>8,603,247</b>	<b>10,781,331</b>

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**

**Schedule II**

**Supplementary Information**

**Consolidating Statement of Activities (Continued)**

**For the Year Ended June 30, 2022**

**With Summarized Comparative Information for June 30, 2021**

	Consolidated Pre-Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2022	2021
<b>Operating Expenses</b>					
Professional Services	2,162,049	1,733,548	(318,199)	3,577,398	3,913,048
Office Supplies and Expenses	36,459	52,656	-	89,115	78,088
Occupancy	197,530	542,555	-	740,085	821,951
Interest	212,472	778,272	(159,748)	830,996	990,099
Program Supplies and Equipment	171,772	1,091,586	-	1,263,358	1,099,796
Travel, Conferences, and Meetings	14,681	7,572	-	22,253	23,708
Other	92,592	293,701	-	386,293	348,931
Depreciation and Amortization	540,799	2,479,975	-	3,020,774	2,889,819
<b>Total Operating Expenses</b>	<b>3,428,354</b>	<b>6,979,865</b>	<b>(477,947)</b>	<b>9,930,272</b>	<b>10,165,440</b>
<b>Surplus (Deficit) from Operations</b>	<b>752,178</b>	<b>(2,238,951)</b>	<b>159,748</b>	<b>(1,327,025)</b>	<b>615,891</b>

See independent auditor's report.



**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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**Schedule II**

**Supplementary Information**

**Consolidating Statement of Activities (Continued)**

**For the Year Ended June 30, 2022**

**With Summarized Comparative Information for June 30, 2021**

	Consolidated Pre-Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2022	2021
<b>Other Activities</b>					
Net Investment (Loss) Return	(105,190)	4,847	(159,748)	(260,091)	392,106
Loss from Investment in Subsidiaries	(26,298)	-	26,298	-	-
Income Tax Benefit	25,574	-	-	25,574	277,701
(Loss) Gain from Disposal of Fixed Assets	-	(1,934,916)	-	(1,934,916)	510,367
Other Non-Operating Gains	-	1,189,149	-	1,189,149	-
<b>(Deficit) Surplus from Other Activities</b>	<b>(105,914)</b>	<b>(740,920)</b>	<b>(133,450)</b>	<b>(980,284)</b>	<b>1,180,174</b>
<b>Change in Net Assets from Operations and Other Activities</b>	<b>646,264</b>	<b>(2,979,871)</b>	<b>26,298</b>	<b>(2,307,309)</b>	<b>1,796,065</b>
<b>Other Changes in Net Assets</b>	<b>-</b>	<b>3,586,085</b>	<b>-</b>	<b>3,586,085</b>	<b>11,390,627</b>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>646,264</b>	<b>606,214</b>	<b>26,298</b>	<b>1,278,776</b>	<b>13,186,692</b>
<b>Net Assets Without Donor Restrictions, Beginning of Year</b>	<b>23,726,084</b>	<b>33,733,797</b>	<b>(1,009,573)</b>	<b>56,450,308</b>	<b>43,263,616</b>
<b>Net Assets Without Donor Restrictions, End of Year</b>	<b>\$ 24,372,348</b>	<b>\$ 34,340,011</b>	<b>\$ (983,275)</b>	<b>\$ 57,729,084</b>	<b>\$ 56,450,308</b>

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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June 30, 2022  
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**Schedule III**

	Projects in Pre-Development	Millennium Properties, Inc.	2901 Dee, Inc. d/b/a Embassy House Apartments	Riverfront Self Storage, LLC	1770 Tchoupitoulas, Inc.	Eliminations	Consolidated	
							2022	2021
<b>Assets</b>								
<b>Current Assets</b>								
Cash and Cash Equivalents	\$ 2,275,972	\$ 31,736	\$ -	\$ 13,230	\$ 178,979	\$ -	\$ 2,499,917	\$ 3,699,438
Accounts Receivable	87,339	-	-	3,226	58,759	-	149,324	125,378
Prepaid Expenses	38,434	-	-	4,721	113,031	-	156,186	102,123
Due from Projects in Development	7,303,612	-	-	-	204,017	(544,408)	6,963,221	4,638,560
Other Current Assets	239,710	10,000	-	958	113,758	(10,000)	354,426	249,103
<b>Total Current Assets</b>	<b>9,945,067</b>	<b>41,736</b>	<b>-</b>	<b>22,135</b>	<b>668,544</b>	<b>(554,408)</b>	<b>10,123,074</b>	<b>8,814,602</b>
<b>Fixed Assets, Net</b>	<b>878,040</b>	<b>-</b>	<b>-</b>	<b>813,416</b>	<b>14,508,024</b>	<b>-</b>	<b>16,199,480</b>	<b>16,317,029</b>
<b>Other Assets</b>								
Designated and Restricted Deposits	-	-	-	-	21,526	-	21,526	27,899
Due from Projects in Development	1,582,435	-	-	-	-	-	1,582,435	2,235,494
Long-Term Investments	1,708,303	-	-	-	-	-	1,708,303	1,987,941
Deferred Tax Asset	-	309,885	-	-	-	-	309,885	278,061.00
Investment in Subsidiaries	12,387,207	-	-	-	-	(11,403,932)	983,275	1,009,573
<b>Total Other Assets</b>	<b>15,677,945</b>	<b>309,885</b>	<b>-</b>	<b>-</b>	<b>21,526</b>	<b>(11,403,932)</b>	<b>4,605,424</b>	<b>5,538,968</b>
<b>Total Assets</b>	<b>\$ 26,501,052</b>	<b>\$ 351,621</b>	<b>\$ -</b>	<b>\$ 835,551</b>	<b>\$ 15,198,094</b>	<b>\$ (11,958,340)</b>	<b>\$ 30,927,978</b>	<b>\$ 30,670,599</b>

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**  
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Consolidating Statement of Financial Position - Pre-Development (Continued)  
June 30, 2022  
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Schedule III

	Projects in Pre-Development	Millennium Properties, Inc.	2901 Dee, Inc. d/b/a Embassy House Apartments	Riverfront Self Storage, LLC	1770 Tchoupitoulas, Inc.	Eliminations	Consolidated	
							2022	2021
<b>Liabilities and Net Assets</b>								
<b>Current Liabilities</b>								
Accounts Payable	\$ 87,623	\$ -	\$ -	\$ 242	\$ 116,244	\$ -	\$ 204,109	\$ 128,916
Mortgages and Notes Payable	188,594	-	-	-	174,189	-	362,783	606,384
Accrued Expenses	240,716	-	-	-	50,041	-	290,757	163,015
Other Current Liabilities	86,024	-	-	6,174	22,871	-	115,069	80,902
Due to Projects in Development	-	216,145	-	337,993	50,615	(554,408)	50,345	45,407
<b>Total Current Liabilities</b>	<b>602,957</b>	<b>216,145</b>	<b>-</b>	<b>344,409</b>	<b>413,960</b>	<b>(554,408)</b>	<b>1,023,063</b>	<b>1,024,624</b>
<b>Other Liabilities</b>								
Due to VOASELA, Inc.	332,655	40,162	-	3,829	21,964	-	398,610	602,856
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	1,193,092	-	-	-	3,940,865	-	5,133,957	5,317,035
<b>Total Other Liabilities</b>	<b>1,525,747</b>	<b>40,162</b>	<b>-</b>	<b>3,829</b>	<b>3,962,829</b>	<b>-</b>	<b>5,532,567</b>	<b>5,919,891</b>
<b>Total Liabilities</b>	<b>2,128,704</b>	<b>256,307</b>	<b>-</b>	<b>348,238</b>	<b>4,376,789</b>	<b>(554,408)</b>	<b>6,555,630</b>	<b>6,944,515</b>
<b>Total Net Assets Without Donor Restrictions</b>	<b>24,372,348</b>	<b>95,314</b>	<b>-</b>	<b>487,313</b>	<b>10,821,305</b>	<b>(11,403,932)</b>	<b>24,372,348</b>	<b>23,726,084</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 26,501,052</b>	<b>\$ 351,621</b>	<b>\$ -</b>	<b>\$ 835,551</b>	<b>\$ 15,198,094</b>	<b>\$ (11,958,340)</b>	<b>\$ 30,927,978</b>	<b>\$ 30,670,599</b>

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**  
Supplementary Information  
Consolidating Statement of Activities - Pre-Development  
For the Year Ended June 30, 2022  
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**Schedule IV**

	Projects in Pre-Development	Millennium Properties, Inc.	2901 Dee, Inc. d/b/a Embassy House Apartments	Riverfront Self Storage, LLC	1770 Tchoupitoulas, Inc.	Eliminations	Consolidated	
							2022	2021
<b>Net Assets Without Donor Restrictions</b>								
<b>Revenue, Support, and Gains</b>								
<b>Without Donor Restrictions</b>								
Revenues and Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,000
<b>Other Revenue</b>								
Program Service Fees	1,966,076	-	-	-	-	-	1,966,076	4,654,455
Rental Income	-	-	-	423,235	1,159,775	(220,048)	1,362,962	880,363
Other Operating Income	646,757	-	48,784	21,997	172,689	(38,733)	851,494	631,461
<b>Total Other Revenue</b>	<b>2,612,833</b>	<b>-</b>	<b>48,784</b>	<b>445,232</b>	<b>1,332,464</b>	<b>(258,781)</b>	<b>4,180,532</b>	<b>6,166,279</b>
<b>Total Revenue, Support, and Gains</b>								
<b>Without Donor Restrictions</b>	<b>2,612,833</b>	<b>-</b>	<b>48,784</b>	<b>445,232</b>	<b>1,332,464</b>	<b>(258,781)</b>	<b>4,180,532</b>	<b>6,319,279</b>

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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**Supplementary Information**  
**Consolidating Statement of Activities - Pre-Development (Continued)**  
**For the Year Ended June 30, 2022**  
**With Summarized Comparative Information for June 30, 2021**

**Schedule IV**

	Projects in Pre-Development	Millennium Properties, Inc.	2901 Dee, Inc. d/b/a Embassy House Apartments	Riverfront Self Storage, LLC	1770 Tchoupitoulas, Inc.	Eliminations	Consolidated	
							2022	2021
<b>Operating Expenses</b>								
Professional Services	1,885,331	1,625	-	98,342	215,484	(38,733)	2,162,049	2,555,943
Office Supplies and Expenses	27,258	-	-	1,758	7,443	-	36,459	37,440
Occupancy	26,585	34	-	238,245	152,714	(220,048)	197,530	337,420
Interest	6,333	-	-	36	206,103	-	212,472	302,670
Program Supplies and Equipment	18,149	5,500	6,329	22,442	119,352	-	171,772	148,466
Travel, Conferences, and Meetings	14,129	-	-	-	552	-	14,681	12,222
Other	61,820	-	-	13,626	17,146	-	92,592	125,580
Depreciation and Amortization	10,535	-	-	28,252	502,012	-	540,799	538,473
<b>Total Operating Expenses</b>	<b>2,050,140</b>	<b>7,159</b>	<b>6,329</b>	<b>402,701</b>	<b>1,220,806</b>	<b>(258,781)</b>	<b>3,428,354</b>	<b>4,058,214</b>
<b>Surplus (Deficit) from Operations</b>	<b>562,693</b>	<b>(7,159)</b>	<b>42,455</b>	<b>42,531</b>	<b>111,658</b>	<b>-</b>	<b>752,178</b>	<b>2,261,065</b>

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**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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Consolidating Statement of Activities - Pre-Development (Continued)  
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**Schedule IV**

	Projects in Pre-Development	Millennium Properties, Inc.	2901 Dee, Inc. d/b/a Embassy House Apartments	Riverfront Self Storage, LLC	1770 Tchoupitoulas, Inc.	Eliminations	Consolidated	
							2022	2021
<b>Other Activities</b>								
Net Investment (Loss) Return	(105,313)	-	-	-	123	-	(105,190)	530,685
Gain (Loss) from Investment in Subsidiaries	11,839,233	-	-	-	-	(11,865,531)	(26,298)	641,324
Income Tax Benefit (Expense)	-	31,824	-	-	(6,250)	-	25,574	277,701
Cancellation of Debt (Expense) Income	(11,770,350)	-	-	-	11,770,350	-	-	-
Gain from Disposal of Fixed Assets	-	-	-	-	-	-	-	510,367
<b>(Deficit) Surplus from Other Activities</b>	<b>(36,430)</b>	<b>31,824</b>	<b>-</b>	<b>-</b>	<b>11,764,223</b>	<b>(11,865,531)</b>	<b>(105,914)</b>	<b>1,960,077</b>
<b>Change in Net Assets from Operations and Other Activities</b>	<b>526,263</b>	<b>24,665</b>	<b>42,455</b>	<b>42,531</b>	<b>11,875,881</b>	<b>(11,865,531)</b>	<b>646,264</b>	<b>4,221,142</b>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>526,263</b>	<b>24,665</b>	<b>42,455</b>	<b>42,531</b>	<b>11,875,881</b>	<b>(11,865,531)</b>	<b>646,264</b>	<b>4,221,142</b>
<b>Net Assets Without Donor Restrictions, Beginning of Year</b>	<b>23,846,085</b>	<b>70,649</b>	<b>(42,455)</b>	<b>444,782</b>	<b>(1,054,576)</b>	<b>461,599</b>	<b>23,726,084</b>	<b>19,504,942</b>
<b>Net Assets Without Donor Restrictions, End of Year</b>	<b>\$ 24,372,348</b>	<b>\$ 95,314</b>	<b>\$ -</b>	<b>\$ 487,313</b>	<b>\$ 10,821,305</b>	<b>\$ (11,403,932)</b>	<b>\$ 24,372,348</b>	<b>\$ 23,726,084</b>

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Schedule V

	Embassy Apartments Shreveport	Elysian Courtyards of Gentilly	Consolidated The Groves at Mile Branch Creek	Wisdom Manor	Bayou Cane Apartments	Houma School Apartments	The Cottages at Mile Branch	Valencia Park	FSJ Homes	RNDC BR	Eliminations	Consolidated	
												2022	2021
<b>Assets</b>													
<b>Current Assets</b>													
Cash and Cash Equivalents	\$ 2,383	\$ 138,498	\$ 92,535	\$ 69,006	\$ 43,230	\$ 38,930	\$ 27,736	\$ 18,447	\$ 162,459	\$ 693,799	\$ -	\$ 1,287,023	\$ 788,700
Accounts Receivable	2,244	106,771	52,432	4,367	-	79,463	23,693	2,614	14,658	-	(6,600)	279,642	265,676
Prepaid Expenses	17,898	166,945	95,680	36,621	-	73,037	33,116	12,206	-	-	-	435,503	364,325
Due from Projects in Development	-	-	24,598	-	-	-	-	-	-	-	-	24,598	41,139
Other Current Assets	35,423	53,911	-	2,177	27,722	47,500	23,977	93,629	-	716,030	-	1,000,369	957,022
<b>Total Current Assets</b>	<b>57,948</b>	<b>466,125</b>	<b>265,245</b>	<b>112,171</b>	<b>70,952</b>	<b>238,930</b>	<b>108,522</b>	<b>126,896</b>	<b>177,117</b>	<b>1,409,829</b>	<b>(6,600)</b>	<b>3,027,135</b>	<b>2,416,862</b>
<b>Fixed Assets, Net</b>	<b>6,162,808</b>	<b>12,703,974</b>	<b>12,350,122</b>	<b>2,782,584</b>	<b>9,902,645</b>	<b>15,611,578</b>	<b>3,957,561</b>	<b>20,291,643</b>	<b>16,867,773</b>	<b>14,778,130</b>	<b>-</b>	<b>115,408,818</b>	<b>87,163,267</b>
<b>Other Assets</b>													
Designated and Restricted Deposits	79,273	1,270,666	395,423	705,853	718,337	952,710	131,396	12,670,554	8,494	-	-	16,932,706	16,384,134
<b>Total Other Assets</b>	<b>79,273</b>	<b>1,270,666</b>	<b>395,423</b>	<b>705,853</b>	<b>718,337</b>	<b>952,710</b>	<b>131,396</b>	<b>12,670,554</b>	<b>8,494</b>	<b>-</b>	<b>-</b>	<b>16,932,706</b>	<b>16,384,134</b>
<b>Total Assets</b>	<b>\$ 6,300,029</b>	<b>\$ 14,440,765</b>	<b>\$ 13,010,790</b>	<b>\$ 3,600,608</b>	<b>\$ 10,691,934</b>	<b>\$ 16,803,218</b>	<b>\$ 4,197,479</b>	<b>\$ 33,089,093</b>	<b>\$ 17,053,384</b>	<b>\$ 16,187,959</b>	<b>\$ (6,600)</b>	<b>\$ 135,368,659</b>	<b>\$ 105,964,263</b>

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Consolidating Statement of Financial Position - General and Limited Partnerships (Continued)  
June 30, 2022  
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Schedule V

	Embassy	Elysian	Consolidated	Wisdom	Bayou Cane	Houma School	The Cottages	Valencia	FSJ	RNDC BR	Eliminations	Consolidated	
	Apartments Shreveport	Courtyards of Gentilly	The Groves at Mile Branch Creek	Manor	Apartments	Apartments	at Mile Branch	Park	Homes			2022	2021
<b>Liabilities and Net Assets</b>													
<b>Current Liabilities</b>													
Accounts Payable	\$ 38,895	\$ 33,073	\$ 25,106	\$ 20,368	\$ 15,219	\$ 131,210	\$ 13,482	\$ 500,239	\$ 506,184	\$ 1,548,475	\$ (6,600)	\$ 2,825,651	\$ 1,152,666
Mortgages and Notes Payable	93,633	65,250	130,769	-	74,961	47,489	17,272	208,545	9,691,693	-	-	10,329,612	381,619
Accrued Expenses	72,909	22,133	32,483	702	138,117	190,312	21,679	-	1,500	-	-	479,835	290,059
Other Current Liabilities	15,846	61,766	60,766	12,612	58,730	28,571	22,139	1,654,337	644,097	1,114,705	-	3,673,569	1,149,290
Due to Projects in Development	1,227,455	389,571	318,338	1,682,089	3,441	-	6,600	557,877	200	-	-	4,185,571	4,432,955
<b>Total Current Liabilities</b>	<b>1,448,738</b>	<b>571,793</b>	<b>567,462</b>	<b>1,715,771</b>	<b>290,468</b>	<b>397,582</b>	<b>81,172</b>	<b>2,920,998</b>	<b>10,843,674</b>	<b>2,663,180</b>	<b>(6,600)</b>	<b>21,494,238</b>	<b>7,406,589</b>
<b>Other Liabilities</b>													
Due to VOASELA, Inc.	-	30,921	-	2,348	11,933	2,173,979	-	-	-	-	-	2,219,181	2,199,385
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	1,206,540	10,319,694	10,649,190	987	8,571,247	7,940,035	217,372	27,035,086	-	11,375,078	-	77,315,229	62,624,492
<b>Total Other Liabilities</b>	<b>1,206,540</b>	<b>10,350,615</b>	<b>10,649,190</b>	<b>3,335</b>	<b>8,583,180</b>	<b>10,114,014</b>	<b>217,372</b>	<b>27,035,086</b>	<b>-</b>	<b>11,375,078</b>	<b>-</b>	<b>79,534,410</b>	<b>64,823,877</b>
<b>Total Liabilities</b>	<b>2,655,278</b>	<b>10,922,408</b>	<b>11,216,652</b>	<b>1,719,106</b>	<b>8,873,648</b>	<b>10,511,596</b>	<b>298,544</b>	<b>29,956,084</b>	<b>10,843,674</b>	<b>14,038,258</b>	<b>(6,600)</b>	<b>101,028,648</b>	<b>72,230,466</b>
<b>Total Net Assets Without Donor Restrictions</b>	<b>3,644,751</b>	<b>3,518,357</b>	<b>1,794,138</b>	<b>1,881,502</b>	<b>1,818,286</b>	<b>6,291,622</b>	<b>3,898,935</b>	<b>3,133,009</b>	<b>6,209,710</b>	<b>2,149,701</b>	<b>-</b>	<b>34,340,011</b>	<b>33,733,797</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,300,029</b>	<b>\$ 14,440,765</b>	<b>\$ 13,010,790</b>	<b>\$ 3,600,608</b>	<b>\$ 10,691,934</b>	<b>\$ 16,803,218</b>	<b>\$ 4,197,479</b>	<b>\$ 33,089,093</b>	<b>\$ 17,053,384</b>	<b>\$ 16,187,959</b>	<b>\$ (6,600)</b>	<b>\$ 135,368,659</b>	<b>\$ 105,964,263</b>

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**Schedule VI**

	Embassy Apartments Shreveport	Elysian Courtyards of Gentilly	Consolidated The Groves at Mile Branch Creek	Wisdom Manor	Bayou Cane Apartments	Houma School Apartments	The Cottages at Mile Branch	Valencia Park	FSJ Homes	RNDC BR	Eliminations	Consolidated	
												2022	2021
<b>Net Assets Without Donor Restrictions</b>													
<b>Other Revenue</b>													
Rental Income	\$ 332,826	\$ 1,379,706	\$ 828,922	\$ 321,905	\$ 606,669	\$ 667,767	\$ 279,614	\$ 2,910	\$ 58,911	\$ -	\$ -	\$ 4,479,230	\$ 4,548,831
Other Operating Income	2,843	26,925	155,612	5,334	38,327	17,891	5,704	2,862	16,986	-	(10,800)	261,684	195,696
<b>Total Other Revenue</b>	<b>335,669</b>	<b>1,406,631</b>	<b>984,534</b>	<b>327,239</b>	<b>644,996</b>	<b>685,658</b>	<b>285,318</b>	<b>5,772</b>	<b>75,897</b>	<b>-</b>	<b>(10,800)</b>	<b>4,740,914</b>	<b>4,744,527</b>
<b>Total Revenue, Support, and Gains Without Donor Restrictions</b>	<b>335,669</b>	<b>1,406,631</b>	<b>984,534</b>	<b>327,239</b>	<b>644,996</b>	<b>685,658</b>	<b>285,318</b>	<b>5,772</b>	<b>75,897</b>	<b>-</b>	<b>(10,800)</b>	<b>4,740,914</b>	<b>4,744,527</b>

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**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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**Schedule VI**

**Supplementary Information**

**Consolidating Statement of Activities - General and Limited Partnerships (Continued)**

**For the Year Ended June 30, 2022**

**With Summarized Comparative Information for June 30, 2021**

	Embassy Apartments Shreveport	Elysian Courtyards of Gentilly	Consolidated The Groves at Mile Branch Creek	Wisdom Manor	Bayou Cane Apartments	Houma School Apartments	The Cottages at Mile Branch	Valencia Park	FSJ Homes	RNDC BR	Eliminations	Consolidated	
												2022	2021
<b>Operating Expenses</b>													
Professional Services	108,521	397,058	386,830	107,751	264,099	239,729	110,924	53,163	65,473	-	-	1,733,548	1,628,823
Office Supplies and Expenses	5,535	10,880	8,847	4,229	7,867	12,573	154	1,225	1,346	-	-	52,656	40,648
Occupancy	54,474	225,040	87,054	41,350	55,377	62,694	16,356	-	210	-	-	542,555	484,531
Interest	95,553	170,211	60,071	82,798	140,413	156,125	11,592	61,506	3	-	-	778,272	831,049
Program Supplies and Equipment	128,975	266,477	190,136	132,916	132,722	157,570	57,839	9,114	26,637	-	(10,800)	1,091,586	957,948
Travel, Conferences, and Meetings	892	1,565	1,196	319	1,746	1,363	246	165	80	-	-	7,572	14,456
Other	75,274	93,016	29,281	17,324	25,425	33,684	13,773	300	3,211	2,413	-	293,701	224,520
Depreciation and Amortization	270,716	512,351	505,146	192,840	337,339	527,421	134,162	-	-	-	-	2,479,975	2,351,346
<b>Total Operating Expenses</b>	<b>739,940</b>	<b>1,676,598</b>	<b>1,268,561</b>	<b>579,527</b>	<b>964,988</b>	<b>1,191,159</b>	<b>345,046</b>	<b>125,473</b>	<b>96,960</b>	<b>2,413</b>	<b>(10,800)</b>	<b>6,979,865</b>	<b>6,533,321</b>
<b>Deficit from Operations</b>	<b>(404,271)</b>	<b>(269,967)</b>	<b>(284,027)</b>	<b>(252,288)</b>	<b>(319,992)</b>	<b>(505,501)</b>	<b>(59,728)</b>	<b>(119,701)</b>	<b>(21,063)</b>	<b>(2,413)</b>	<b>-</b>	<b>(2,238,951)</b>	<b>(1,788,794)</b>

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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**Schedule VI**

**Supplementary Information**

**Consolidating Statement of Activities - General and Limited Partnerships (Continued)**

**For the Year Ended June 30, 2022**

**With Summarized Comparative Information for June 30, 2021**

	Embassy Apartments Shreveport	Elysian Courtyards of Gentilly	Consolidated The Groves at Mile Branch Creek	Wisdom Manor	Bayou Cane Apartments	Houma School Apartments	The Cottages at Mile Branch	Valencia Park	FSJ Homes	RNDC BR	Eliminations	Consolidated	
												2022	2021
<b>Other Activities</b>													
Net Investment Return	22	1,625	411	912	145	459	29	1,143	40	61	-	4,847	5,038
(Loss) from Disposal of Fixed Assets	-	(758)	-	(105,946)	(828,979)	(999,233)	-	-	-	-	-	(1,934,916)	-
Other Non-Operating Gains	-	-	-	322,229	280,323	586,597	-	-	-	-	-	1,189,149	-
<b>Surplus from Other Activities</b>	<b>22</b>	<b>867</b>	<b>411</b>	<b>217,195</b>	<b>(548,511)</b>	<b>(412,177)</b>	<b>29</b>	<b>1,143</b>	<b>40</b>	<b>61.00</b>	<b>-</b>	<b>(740,920)</b>	<b>5,038</b>
<b>Change in Net Assets from Operations and Other Activities</b>	<b>(404,249)</b>	<b>(269,100)</b>	<b>(283,616)</b>	<b>(35,093)</b>	<b>(868,503)</b>	<b>(917,678)</b>	<b>(59,699)</b>	<b>(118,558)</b>	<b>(21,023)</b>	<b>(2,352)</b>	<b>-</b>	<b>(2,979,871)</b>	<b>(1,783,756)</b>
<b>Other Changes in Net Assets</b>	<b>256,783</b>	<b>(35,293)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50,205)</b>	<b>1,194,171</b>	<b>2,220,629</b>	<b>-</b>	<b>-</b>	<b>3,586,085</b>	<b>11,750,742</b>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>(147,466)</b>	<b>(304,393)</b>	<b>(283,616)</b>	<b>(35,093)</b>	<b>(868,503)</b>	<b>(917,678)</b>	<b>(109,904)</b>	<b>1,075,613</b>	<b>2,199,606</b>	<b>(2,352)</b>	<b>-</b>	<b>606,214</b>	<b>9,966,986</b>
<b>Net Assets Without Donor Restrictions, Beginning of Year</b>	<b>3,792,217</b>	<b>3,822,750</b>	<b>2,077,754</b>	<b>1,916,595</b>	<b>2,686,789</b>	<b>7,209,300</b>	<b>4,008,839</b>	<b>2,057,396</b>	<b>4,010,104</b>	<b>2,152,053</b>	<b>-</b>	<b>33,733,797</b>	<b>23,766,811</b>
<b>Net Assets Without Donor Restrictions, End of Year</b>	<b>\$ 3,644,751</b>	<b>\$ 3,518,357</b>	<b>\$ 1,794,138</b>	<b>\$ 1,881,502</b>	<b>\$ 1,818,286</b>	<b>\$ 6,291,622</b>	<b>\$ 3,898,935</b>	<b>\$ 3,133,009</b>	<b>\$ 6,209,710</b>	<b>\$ 2,149,701</b>	<b>-</b>	<b>\$ 34,340,011</b>	<b>\$ 33,733,797</b>

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**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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Consolidating Statement of Financial Position - The Groves at Mile Branch Creek  
June 30, 2022  
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Schedule VII

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2022	2021
<b>Assets</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	\$ 90,517	\$ 2,018	\$ -	\$ 92,535	\$ 51,150
Accounts Receivable	44,499	7,933	-	52,432	96,552
Prepaid Expenses	95,578	102	-	95,680	87,602
Due from Projects in Development	1,200	38,062	(14,664)	24,598	10,466
<b>Total Current Assets</b>	<b>231,794</b>	<b>48,115</b>	<b>(14,664)</b>	<b>265,245</b>	<b>245,770</b>
<b>Fixed Assets, Net</b>	<b>12,350,122</b>	<b>-</b>	<b>-</b>	<b>12,350,122</b>	<b>12,798,738</b>
<b>Other Assets</b>					
Designated and Restricted Deposits	395,423	-	-	395,423	371,120
<b>Total Other Assets</b>	<b>395,423</b>	<b>-</b>	<b>-</b>	<b>395,423</b>	<b>371,120</b>
<b>Total Assets</b>	<b>\$ 12,977,339</b>	<b>\$ 48,115</b>	<b>\$ (14,664)</b>	<b>\$ 13,010,790</b>	<b>\$ 13,415,628</b>

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**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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**Schedule VII**

**Supplementary Information**

**Consolidating Statement of Financial Position - The Groves at Mile Branch Creek (Continued)**

**June 30, 2022**

**With Summarized Comparative Information at June 30, 2021**

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2022	2021
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities</b>					
Accounts Payable	\$ 25,106	\$ -	\$ -	\$ 25,106	\$ 16,680
Mortgages and Notes Payable	130,769	-	-	130,769	129,273
Accrued Expenses	32,483	-	-	32,483	39,668
Other Current Liabilities	60,766	-	-	60,766	53,928
Due to Projects in Development	333,002	-	(14,664)	318,338	306,549
<b>Total Current Liabilities</b>	<b>582,126</b>	<b>-</b>	<b>(14,664)</b>	<b>567,462</b>	<b>546,098</b>
<b>Other Liabilities</b>					
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	10,649,190	-	-	10,649,190	10,791,776
<b>Total Other Liabilities</b>	<b>10,649,190</b>	<b>-</b>	<b>-</b>	<b>10,649,190</b>	<b>10,791,776</b>
<b>Total Liabilities</b>	<b>11,231,316</b>	<b>-</b>	<b>(14,664)</b>	<b>11,216,652</b>	<b>11,337,874</b>
<b>Total Net Assets Without Donor Restrictions</b>	<b>1,746,023</b>	<b>48,115</b>	<b>-</b>	<b>1,794,138</b>	<b>2,077,754</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 12,977,339</b>	<b>\$ 48,115</b>	<b>\$ (14,664)</b>	<b>\$ 13,010,790</b>	<b>\$ 13,415,628</b>

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**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
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Consolidating Statement of Activities - The Groves at Mile Branch Creek  
For the Year Ended June 30, 2022  
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Schedule VIII

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2022	2021
<b>Net Assets Without Donor Restrictions</b>					
<b>Other Revenue</b>					
Rental Income	\$ 828,922	\$ -	\$ -	\$ 828,922	\$ 806,583
Other Operating Income	143,493	44,447	(32,328)	155,612	110,238
<b>Total Other Revenue</b>	<b>972,415</b>	<b>44,447</b>	<b>(32,328)</b>	<b>984,534</b>	<b>916,821</b>
<b>Total Revenue, Support, and Gains Without Donor Restrictions</b>	<b>972,415</b>	<b>44,447</b>	<b>(32,328)</b>	<b>984,534</b>	<b>916,821</b>

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**

**Schedule VIII**

**Supplementary Information**

**Consolidating Statement of Activities - The Groves at Mile Branch Creek (Continued)**

**For the Year Ended June 30, 2022**

**With Summarized Comparative Information for June 30, 2021**

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2022	2021
<b>Operating Expenses</b>					
Professional Services	385,609	4,221	(3,000)	386,830	305,762
Office Supplies and Expenses	8,847	-	-	8,847	6,622
Occupancy	87,054	-	-	87,054	127,685
Interest	60,071	-	-	60,071	59,815
Program Supplies and Equipment	200,056	19,408	(29,328)	190,136	206,872
Travel, Conferences, and Meetings	1,196	-	-	1,196	2,145
Other	29,215	66	-	29,281	68,010
Depreciation and Amortization	505,146	-	-	505,146	486,270
<b>Total Operating Expenses</b>	<b>1,277,194</b>	<b>23,695</b>	<b>(32,328)</b>	<b>1,268,561</b>	<b>1,263,181</b>
<b>(Deficit) Surplus from Operations</b>	<b>(304,779)</b>	<b>20,752</b>	<b>-</b>	<b>(284,027)</b>	<b>(346,360)</b>

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**

**Schedule VIII**

**Supplementary Information**

**Consolidating Statement of Activities - The Groves at Mile Branch Creek (Continued)**

**For the Year Ended June 30, 2022**

**With Summarized Comparative Information for June 30, 2021**

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2022	2021
<b>Other Activities</b>					
Net Investment Return	407	4	-	411	759
<b>Surplus from Other Activities</b>	407	4	-	411	759
<b>Change in Net Assets from Operations and Other Activities</b>	(304,372)	20,756	-	(283,616)	(345,601)
<b>Change in Net Assets Without Donor Restriction:</b>	(304,372)	20,756	-	(283,616)	(345,601)
<b>Net Assets Without Donor Restrictions, Beginning of Year</b>	2,050,395	27,359	-	2,077,754	2,423,355
<b>Net Assets Without Donor Restrictions, End of Year</b>	<b>\$ 1,746,023</b>	<b>\$ 48,115</b>	-	<b>\$ 1,794,138</b>	<b>\$ 2,077,754</b>

See independent auditor's report.



RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES

Schedule IX

Supplementary Information

Consolidating Statement of Financial Position - FSJ Homes, LLC

June 30, 2022

With Summarized Comparative Information at June 30, 2021

	FSJ I	FSJ II	Consolidated	
			2022	2021
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 62,923	\$ 99,536	\$ 162,459	\$ 9,787
Accounts Receivable	7,908	6,750	14,658	-
<b>Total Current Assets</b>	<b>70,831</b>	<b>106,286</b>	<b>177,117</b>	<b>9,787</b>
<b>Fixed Assets, Net</b>	<b>8,703,828</b>	<b>8,163,945</b>	<b>16,867,773</b>	<b>9,007,543</b>
<b>Total Fixed Assets</b>	<b>8,703,828</b>	<b>8,163,945</b>	<b>16,867,773</b>	<b>-</b>
<b>Other Assets</b>				
Designated and Restricted Assets	2,226	6,268	8,494	-
<b>Total Other Assets</b>	<b>2,226</b>	<b>6,268</b>	<b>8,494</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 8,776,885</b>	<b>\$ 8,276,499</b>	<b>\$ 17,053,384</b>	<b>\$ 9,017,330</b>

See independent auditor's report.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES

Schedule IX

Supplementary Information

Consolidating Statement of Financial Position - FSJ Homes, LLC (Continued)

June 30, 2022

With Summarized Comparative Information at June 30, 2021

	FSJ I	FSJ II	Consolidated	
			2022	2021
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 198,291	\$ 307,893	\$ 506,184	\$ 688,435
Mortgages and Notes Payable	5,164,104	4,527,589	9,691,693	-
Accrued Expenses	750	750	1,500	-
Other Current Liabilities	320,531	323,566	644,097	399,956
Due to Projects in Pre-Development	100	100	200	-
<b>Total Current Liabilities</b>	<b>5,683,776</b>	<b>5,159,898</b>	<b>10,843,674</b>	<b>1,088,391</b>
<b>Other Liabilities</b>				
Mortgages and Notes Payable	-	-	-	3,918,835
<b>Total Other Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,918,835</b>
<b>Total Liabilities</b>	<b>5,683,776</b>	<b>5,159,898</b>	<b>10,843,674</b>	<b>5,007,226</b>
<b>Total Net Assets Without Donor Restrictions</b>	<b>3,093,109</b>	<b>3,116,601</b>	<b>6,209,710</b>	<b>4,010,104</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 8,776,885</b>	<b>\$ 8,276,499</b>	<b>\$ 17,053,384</b>	<b>\$ 9,017,330</b>

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**

Schedule X

**Supplementary Information**

**Consolidating Statement of Activities - FSJ Homes, LLC**

**For the Year Ended June 30, 2022**

**With Summarized Comparative Information for June 30, 2021**

	FSJ I	FSJ II	Consolidated	
			2022	2021
<b>Net Assets Without Donor Restrictions</b>				
<b>Other Revenue</b>				
Rental Income	\$ 20,309	\$ 38,602	\$ 58,911	\$ -
Other Operating Income	10,059	6,927	16,986	-
<b>Total Other Revenue</b>	<b>30,368</b>	<b>45,529</b>	<b>75,897</b>	<b>-</b>
<b>Total Revenue, Support, and Gains Without Donor Restrictions</b>	<b>30,368</b>	<b>45,529</b>	<b>75,897</b>	<b>-</b>

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
 AND SUBSIDIARIES**  
**Supplementary Information**  
**Consolidating Statement of Activities - FSJ Homes, LLC (Continued)**  
**For the Year Ended June 30, 2022**  
**With Summarized Comparative Information for June 30, 2021**

Schedule X

	FSJ I	FSJ II	Consolidated	
			2022	2021
<b>Operating Expenses</b>				
Professional Services	\$ 36,195	\$ 29,278	\$ 65,473	\$ -
Office Supplies and Expenses	1,176	170	1,346	-
Occupancy	105	105	210	-
Interest	(5)	8	3	-
Program Supplies and Equipment	13,487	13,150	26,637	-
Travel, Conferences, and Meetings	40	40	80	-
Other	1,639	1,572	3,211	-
<b>Total Operating Expenses</b>	<b>52,637</b>	<b>44,323</b>	<b>96,960</b>	<b>-</b>
<b>(Deficit) Surplus from Operations</b>	<b>(22,269)</b>	<b>1,206</b>	<b>(21,063)</b>	<b>-</b>

See independent auditor's report.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES  
Supplementary Information  
Consolidating Statement of Activities - FSJ Homes, LLC (Continued)  
For the Year Ended June 30, 2022  
With Summarized Comparative Information for June 30, 2021

Schedule X

	FSJ I	FSJ II	Consolidated	
			2022	2021
<b>Other Activities</b>				
Net Investment Return	12	28	40	-
<b>Surplus from Other Activities</b>	12	28	40	-
<b>Change in Net Assets from Operations and Other Activities</b>	(22,257)	1,234	(21,023)	-
<b>Other Changes in Net Assets</b>	1,161,700	1,058,929	2,220,629	4,010,104
<b>Change in Net Assets Without Donor Restrictions</b>	1,139,443	1,060,163	2,199,606	4,010,104
<b>Net Assets Without Donor Restrictions, Beginning of Year</b>	1,953,666	2,056,438	4,010,104	-
<b>Net Assets Without Donor Restrictions, End of Year</b>	<b>\$ 3,093,109</b>	<b>\$ 3,116,601</b>	<b>\$ 6,209,710</b>	<b>\$ 4,010,104</b>

See independent auditor's report.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Renaissance Neighborhood Development Corporation  
and Subsidiaries

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, the consolidated financial statements of Renaissance Neighborhood Development Corporation and Subsidiaries (RNDC), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 13, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered RNDC'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of RNDC's internal control. Accordingly, we do not express an opinion on the effectiveness of RNDC'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as finding 2022-001, that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether RNDC's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **RNDC's Response to the Finding**

RNDC's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. RNDC's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 RNDC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RNDC'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.



A Professional Accounting Corporation

Covington, LA  
October 13, 2022

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**  
**Schedule of Findings and Responses**  
**For the Year Ended June 30, 2022**

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**Section I - Summary of Auditor's Results**

Financial Statements

- |  |               |
|--|---------------|
| 1. Type of auditors' report issued:                          | Unmodified    |
| 2. Internal control over financial reporting:                |               |
| a. Material weaknesses identified?                           | Yes           |
| b. Significant deficiencies identified?                      | None Reported |
| 3. Noncompliance material to the financial statements noted? | No            |

Federal Awards - Not applicable

**Section II - Financial Statement Findings**

2022-001 - Proposed Audit Adjustments

*Condition:* The proposed audit adjustments had material effects on the consolidated financial statements. Several of the proposed audit adjustments included routine bookkeeping and reclassification entries that should have been posted by management prior to the year-end closing.

*Criteria:* On a monthly basis, management should review the balances on every entity ensuring that all closing adjustments are recorded properly and make any adjustments as needed throughout the year.

*Effect:* Due to the factors listed above, further investigation was needed on various account balances across several entities after the year-end closing and several adjustments were needed to reconcile the trial balances.

*Cause:* In the current year, the accounting staff was new and management's review process was limited.

*Recommendation:* We recommend that management take the opportunity to evaluate the operations of the accounting function. Management should perform a comprehensive review of the financial statements, account reconciliations, and journal entries before closing the fiscal year. In addition, general ledger activity should be reviewed to reduce the likelihood of misstatements within the consolidated financial statements.



**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**  
**Schedule of Findings and Responses (Continued)**  
**For the Year Ended June 30, 2022**

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*Management Response:*

In September 2022, RNDC's former senior accountant was reassigned from VOASELA to support RNDC on a temporary basis while we find our permanent candidate.

RNDC had also hired and onboarded an additional junior accountant in August 2022 to ensure that routine bookkeeping is maintained, including routing reconciliations and adjusting journal entries.

The financial statement preparation for RNDC at September 30, 2022 and subsequent quarters will include a review by the Vice-President of Accounting and Finance and Volunteers of America National housing staff of the following additional material:

- A review of updated audit roll-forward schedules updated for the quarter;
- A review of updated Hurricane Ida subsequent repairs and renovation entries, and;
- A review the combining partnership financial statements.

The controls that RNDC had in place in the year ended June 30, 2022 are adequate and appropriate for the normal program operations, but it was the infrequent and extraordinary hurricane event and new personnel that caused the audit finding.

Management will continue to look for ways to strengthen our internal controls going forward.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**  
**Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2022**

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None.