

**RENAISSANCE NEIGHBORHOOD
DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Audits of Consolidated Financial Statements

June 30, 2020 and 2019



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Independent Auditor's Report

To the Board of Directors
Renaissance Neighborhood Development Corporation
and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Renaissance Neighborhood Development Corporation and Subsidiaries (RNDC), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, 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).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Renaissance Neighborhood Development Corporation and Subsidiaries as of June 30, 2020 and 2019 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.

Other Matters

Other 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 September 30, 2020 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, 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 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
September 30, 2020

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Consolidated Statements of Financial Position
June 30, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 2,852,789	\$ 3,119,320
Accounts Receivable, Net	206,366	126,428
Prepaid Expenses	468,266	506,463
Other Current Assets	2,011,950	902,920
	<hr/>	<hr/>
Total Current Assets	5,539,371	4,655,131
Fixed Assets		
Fixed Assets, Net	87,085,524	85,841,697
	<hr/>	<hr/>
Total Fixed Assets	87,085,524	85,841,697
Other Assets		
Designated and Restricted Assets	3,446,370	3,322,546
Long-Term Investments	1,568,715	1,570,668
	<hr/>	<hr/>
Total Other Assets	5,015,085	4,893,214
	<hr/>	<hr/>
Total Assets	\$ 97,639,980	\$ 95,390,042

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, 2020 and 2019

	2020	2019
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 780,053	\$ 382,994
Mortgages and Notes Payable	6,205,648	6,499,814
Accrued Expenses	332,542	128,948
Other Current Liabilities	512,883	239,775
	<hr/>	<hr/>
Total Current Liabilities	7,831,126	7,251,531
Other Liabilities		
Due to VOASELA, Inc.	2,988,065	3,235,788
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	43,557,173	40,856,263
	<hr/>	<hr/>
Total Other Liabilities	46,545,238	44,092,051
	<hr/>	<hr/>
Total Liabilities	54,376,364	51,343,582
Net Assets Without Donor Restrictions		
Attributable to RNDC	19,504,945	19,617,078
Attributable to Non-Controlling Interests	23,758,671	24,429,382
	<hr/>	<hr/>
Total Net Assets Without Donor Restrictions	43,263,616	44,046,460
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 97,639,980	\$ 95,390,042
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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, 2020 and 2019

	2020	2019
Net Assets Without Donor Restrictions		
Revenue, Support, and Gains Without Donor Restrictions		
Revenues and Grants	\$ 50,000	\$ -
Other Revenue		
Program Service Fees	536,389	62,675
Rental Income	5,812,194	5,555,135
Other Operating Income	539,439	509,380
Total Other Revenue	6,888,022	6,127,190
Total Revenue, Support, and Gains Without Donor Restrictions	6,938,022	6,127,190
Operating Expenses		
Program Services		
Promoting Self-Sufficiency	7,252,726	7,125,030
Supporting Services		
Management and General	1,727,622	1,798,175
Total Operating Expenses	8,980,348	8,923,205
Deficit from Operations	(2,042,326)	(2,796,015)
Other Activities		
Net Investment Return	54,051	281,355
Income Tax Expense	(389)	(408)
Cancellation of Debt Income	750,000	6,089,650
Loss from Disposal of Fixed Assets	(66,935)	-
Surplus from Other Activities	736,727	6,370,597
Change in Net Assets from Operations and Other Activities	(1,305,599)	3,574,582
Other Changes in Net Assets	522,755	4,650,078
Total Other Changes in Net Assets	522,755	4,650,078
Change in Net Assets Without Donor Restrictions	(782,844)	8,224,660
Net Assets Without Donor Restrictions, Beginning of Year	44,046,460	35,821,800
Net Assets Without Donor Restrictions, End of Year	\$ 43,263,616	\$ 44,046,460

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, 2020

	Program Services	Supporting Services	
	Promoting Self-Sufficiency	Management and General	2020
Professional Services	\$ 1,598,633	\$ 1,479,284	\$ 3,077,917
Office Supplies and Expenses	44,323	23,824	68,147
Occupancy	937,826	40,636	978,462
Interest	736,562	146,154	882,716
Program Supplies and Equipment	986,342	6,493	992,835
Travel, Conferences, and Meetings	9,425	17,226	26,651
Other	159,418	3,293	162,711
Depreciation and Amortization	2,780,197	10,712	2,790,909
Total	\$ 7,252,726	\$ 1,727,622	\$ 8,980,348

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, 2019

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Promoting Self-Sufficiency</u>	<u>Management and General</u>	2019
Professional Services	\$ 1,538,235	\$ 1,428,249	\$ 2,966,484
Office Supplies and Expenses	49,083	1,640	50,723
Occupancy	668,257	32,758	701,015
Interest	737,637	263,725	1,001,362
Program Supplies and Equipment	1,123,567	2,722	1,126,289
Travel, Conferences, and Meetings	12,453	807	13,260
Other	115,161	53,720	168,881
Depreciation and Amortization	2,880,637	14,554	2,895,191
Total	\$ 7,125,030	\$ 1,798,175	\$ 8,923,205

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, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Change in Net Assets	\$ (782,844)	\$ 8,224,660
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization Expense	2,790,909	2,895,191
Bad Debt Expense	97,656	47,111
Cancellation of Debt Income	(750,000)	(6,089,650)
Net Loss (Gain) on Investments	16,577	(41,277)
Loss from Disposal of Fixed Assets	66,935	-
(Increase) Decrease in Operating Assets:		
Accounts Receivable, Net	(177,594)	24,983
Prepaid Expenses	38,197	41,378
Other Current Assets	(1,109,030)	(309,310)
Designated and Restricted Assets	(123,824)	(299,848)
Other Assets	-	27,722
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	397,059	176,314
Accrued Expenses	203,594	(347,400)
Due to VOASELA, Inc.	(247,723)	(143,442)
Other Current Liabilities	273,108	73,422
Net Cash Provided by Operating Activities	693,020	4,279,854
Cash Flows from Investing Activities		
Decrease in Notes Receivable	-	9,319
Acquisition of Fixed Assets	(3,997,688)	(211,469)
Purchases of Investments	(14,624)	(10,870)
Net Cash Used in Investing Activities	(4,012,312)	(213,020)
Cash Flows from Financing Activities		
Proceeds from Mortgages and Notes Payable	9,543,764	100,000
Principal Reductions in Mortgages and Notes Payable	(6,421,776)	(4,819,726)
Payments of Debt Issuance Costs	(69,227)	(34,052)
Net Cash Provided By (Used in) Financing Activities	3,052,761	(4,753,778)
Net Decrease in Cash and Cash Equivalents	(266,531)	(686,944)
Cash and Cash Equivalents, Beginning of Year	3,119,320	3,806,264
Cash and Cash Equivalents, Ending of Year	\$ 2,852,789	\$ 3,119,320
Supplemental Disclosure of Cash Flow Information		
Interest Paid	\$ 882,097	\$ 1,132,706
Non-Cash Transactions		
Cancellation of Debt Income	\$ 750,000	\$ 6,089,650

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

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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, and The Cottages at Mile Branch, 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

Note 1. Organization (Continued)

In February 2012, RNDC established 1770 Tchoupitoulas, LLC d/b/a Centennial Place, and the Cotton Press Building, as the ownership entity for the 1770 Tchoupitoulas project. The General Partner was established as 1770 Tchoupitoulas, LLC. RNDC maintains a one percent (1.0%) ownership interest in the 1770 Tchoupitoulas project. The project financing was closed in July 2012, with U.S. Bank and Iberia Bank as the Investment Limited Partners. This entity was dissolved as of October 16, 2018. See Note 15 for further details.

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.

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, LLP 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 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. Riverfront Self Storage is not exempt from federal taxation.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1. Organization (Continued)

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, 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.

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. The Corporation qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986.

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 Apartments through an Act of Cash Sale to Embassy Apartments Shreveport, LLC.

RNDC operates one program, promoting self-sufficiency. RNDC provides housing management services for multi-family housing complexes.

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.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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, 2020 and 2019, 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., and Embassy Apartments Shreveport, 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 interest 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%.

Transactions between Entities Under Common Control

The establishment of 1770 Tchoupitoulas, Inc. constitutes neither a merger nor acquisition because 1770 Tchoupitoulas, LLC was under sole control of RNDC at time of wind up and 1770 Tchoupitoulas, Inc. has been under sole control of RNDC since time of establishment. In 2019, RNDC accounted for the establishment of 1770 Tchoupitoulas, Inc. by measuring the identifiable assets acquired and liabilities assumed at their carrying amounts on the date of transfer.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

RNDC considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, unless held for reinvestment as part of the investment portfolio, 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	15 - 30 Years
Vehicles	5 Years
Furniture and Equipment	5 - 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.

Contributions

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 statements of activities and changes in net assets 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.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

A portion of support for RNDC is provided by grants and donations from private foundations and nonprofit agencies. RNDC utilizes continued funding to help maintain ongoing and continued operations.

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 income in 2020 or 2019 and, accordingly, no tax expense was incurred during the years ended June 30, 2020 and 2019.

Millennium Properties, Inc. and Riverfront Self Storage, LLC are the only subsidiaries subject to federal and state income taxes. Tax expense for the years ended June 30, 2020 and 2019 totaled \$389 and \$408, respectively.

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.

Advertising Expenses

RNDC expenses the costs of advertising as incurred. Advertising expense was \$47,253 and \$70,085 for the years ended June 30, 2020 and 2019, 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.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Summary Financial Information for 2019

The financial statements and supplementary information for the year ended June 30, 2019 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 U.S. generally accepted accounting principles. 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, 2019, from which the summarized information was derived.

Recent Accounting Pronouncements

On May 28, 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 provides a single comprehensive principles-based standard for the recognition of revenue through the application of the following processes:

1. Identify the contract(s) with a customer,
2. Identify the performance obligations in the contract,
3. Determine the transaction price,
4. Allocate the transaction price to the performance obligations in the contract, and
5. Recognize revenue when, or as, the entity satisfies a performance obligation.

ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. The core principle of the guidance in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 requires expanded disclosures about the nature, timing, and uncertainty of revenue, as well as certain additional quantitative and qualitative disclosures. In June 2020, the FASB issued ASU 2020-05 which defers the effective date of ASU 2014-09, making it effective for annual reporting periods beginning after December 15, 2019.

Entities may use one of two methods for applying ASU 2014-09: (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within the scope of ASU 2014-09; or (b) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined within ASU 2014-09. RNDC anticipates adopting the standard using the retrospective method with the cumulative effect of initially applying ASU 2014-09 recognized as a change in beginning net assets at the date of initial application.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements (Continued)

RNDC is utilizing a comprehensive approach to assess the impact of the guidance on each of its significant revenue streams. Additionally, RNDC is evaluating the impact of the new guidance on disclosures, as well as the impact on controls to support the recognition. Based on the foregoing, RNDC does not anticipate this standard having a material impact on its financial statements as of and for the year ending June 30, 2021.

In January 2016, the FASB issued 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 balance sheet 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.

Implementation of Accounting Pronouncement

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determine whether a contribution is conditional. RNDC has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements accordingly. The amendments have been applied retrospectively to all periods presented, with no effect on net assets.

Reclassifications

Certain amounts in the prior year financial statement 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

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, 2020 financial assets available for general operating purposes within one year of the consolidated statement of financial position date comprise the following:

Cash and Cash Equivalents	\$	2,852,789
Accounts Receivable, Net		<u>206,366</u>
Total	\$	<u>3,059,155</u>

Note 4. Fixed Assets

At June 30, 2020 and 2019, fixed assets consisted of the following:

	2020	2019
Land	\$ 6,809,122	\$ 6,987,818
Buildings and Improvements	95,821,937	91,632,671
Furniture and Equipment	<u>4,097,767</u>	<u>4,502,609</u>
	106,728,826	103,123,098
Less: Accumulated Depreciation	<u>(19,643,302)</u>	<u>(17,281,401)</u>
Total Fixed Assets, Net	\$ 87,085,524	\$ 85,841,697

Depreciation expense totaled \$2,686,926 and \$2,801,638 for the years ended June 30, 2020 and 2019, respectively.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Notes to Consolidated Financial Statements

Note 5. Designated and Restricted Assets

RNDC has agreements with agencies that require funded reserves and the restriction of certain deposits which are custodial in nature. At June 30, 2020 and 2019, designated and restricted assets were as follows:

	2020		2019
Escrow	\$ 527,172	\$	541,400
Security Deposits	255,126		217,640
Replacement Reserve Funds	2,664,072		2,563,506
Total	\$ 3,446,370	\$	3,322,546

Note 6. Mortgages and Notes Payable

At June 30, 2020 and 2019, mortgages and notes payable consisted of the following:

	2020		2019
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.	\$ 15,548,839	\$	15,653,320
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.	5,586,005		5,633,206
One (1) note payable to Terrebonne Council on Aging, Inc., with an interest rate of -0-%, maturing March 29, 2066, for Houma School Apartments.	5,500,000		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.	4,779,086		-
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.	3,286,834		3,333,808
One (1) note payable to Home Bank, secured by cash collateral pledge of \$114,000, with an interest rate of 4.25% maturing on October 1, 2020, for Embassy Apartments Shreveport.	3,282,710		-
One (1) note payable to the Louisiana Housing Finance Agency with an interest rate of -0-%, maturing on December 31, 2026, for New Covington.	2,707,850		2,792,354

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Notes to Consolidated Financial Statements

Note 6. Mortgages and Notes Payable (Continued)

	2020	2019
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.	2,633,078	2,673,861
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'.	2,412,534	2,465,087
One (1) note payable to Iberia Bank, secured by land, with an interest rate of 4.25%, maturing on October 10, 2020.	1,315,287	1,446,133
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.	1,206,685	1,221,945
Four (4) notes payable to Volunteers of America National Services, with interest rates of -0-%, payable on demand.	660,000	760,000
One (1) note payable to Enterprise Community Investment, Inc., with an interest rate of 2.00%, maturing on November 20, 2020.	500,000	-
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	-
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.	250,795	254,395
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	-
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	-
One (1) note payable to Volunteers of America North Louisiana, with an interest rate of 1.0%, maturing November 12, 2029, for 2901 Dee, Inc.	100,000	100,000
One (1) note payable to Home Bank secured with land and buildings (326 Buckeye Lane) with an interest rate of 5.25%, maturing October 19, 2023.	95,082	98,057
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 May 1, 2016, and the remaining balance due at maturity, for 2901 Dee, Inc.	-	163,000

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Notes to Consolidated Financial Statements

Note 6. Mortgages and Notes Payable (Continued)

	2020	2019
One (1) construction loan payable to Whitney Bank, which converted to a note payable on July 6, 2017, with interest rate of 5.25%.	-	456,781
One (1) note payable to Enterprise Community Loan Fund, Inc., with an interest rate of 6.0%, matured on November 30, 2019.	-	1,462,463
One (1) note payable to the state of Louisiana, Division of Administration, Office of Community Development in connection with the acquisition, ownership, development, rehabilitation, construction, and leasing of those certain buildings and other improvements located at 1770 and 1744-46 Tchoupitoulas Street, with an interest rate of 1.0% per annum.	-	1,992,593
One (1) note payable to Iberia Bank secured by land and buildings (Tchoupitoulas) with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus 3.0%, matured on November 2, 2019.	-	2,346,848
	<u>50,725,839</u>	<u>48,353,851</u>
Less: Debt Issuance Costs, Net of Amortization	<u>(963,018)</u>	<u>(997,774)</u>
Total	<u>\$ 49,762,821</u>	<u>\$ 47,356,077</u>

Scheduled annual principal payments due on the above mortgages and notes payable subsequent to June 30, 2020 are as follows:

Year Ending June 30,	Amount
2021	\$ 6,205,648
2022	451,591
2023	469,580
2024	568,777
2025	4,411,279
Thereafter	<u>38,618,964</u>
Total	<u>\$ 50,725,839</u>

Interest expense was \$882,716 and \$1,001,362 for the years ended June 30, 2020 and 2019, respectively.

RNDC was in compliance with debt covenants at June 30, 2020 and 2019.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Notes to Consolidated Financial Statements

Note 7. Due to VOASELA, Inc.

Amounts due to VOASELA include amounts from normal operations as well as two (2) notes payable. One note for Houma School Apartments totaling \$2,028,024 at June 30, 2020 and 2019, with an interest rate of 1.0%, maturing March 29, 2051. One note for Projects in Pre-Development totaling \$654,061 and \$754,061 on June 30, 2020 and 2019, respectively, secured by land, with an interest rate of -0-%, maturing April 27, 2039. Amounts due to VOASELA for normal operations at June 30, 2020 and 2019, totaled \$305,980 and \$453,703, respectively. The total amount due to VOASELA at June 30, 2020 and 2019 totaled \$2,988,065 and \$3,235,788, 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, 2020 and 2019.

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
Balance, June 30, 2018	\$ 16,496,307	\$ 19,325,493	\$ 35,821,800
Change in Net Assets from Operations and Other Activities	5,134,123	(1,559,541)	3,574,582
Other Changes in Net Assets	(148,460)	4,798,538	4,650,078
Assignment of Net Assets upon Combination	(1,864,892)	1,864,892	-
Balance, June 30, 2019	19,617,078	24,429,382	44,046,460
Change in Net Assets from Operations and Other Activities	(80,484)	(1,225,115)	(1,305,599)
Other Changes in Net Assets	(31,649)	554,404	522,755
Balance, June 30, 2020	<u>\$ 19,504,945</u>	<u>\$ 23,758,671</u>	<u>\$ 43,263,616</u>

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 10. Related-Party Transactions

RNDC's owners, Volunteers of America National Services (VOANS) and Volunteers of America Southeast Louisiana, Inc., 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, 2020 and 2019:

	2020	2019
Volunteers of America National Services	\$ 823,000	\$ 923,000
Volunteers of America Southeast Louisiana, Inc.	2,988,065	3,235,788
Volunteers of America North Louisiana, Inc.	100,000	100,000

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

VOANL has an outstanding loan to Embassy House Apartments. 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.

RNDC receives personnel services and other general and administrative services from Volunteers of America Southeast Louisiana, Inc. related to RNDC's day-to-day operations. During the years ended June 30, 2020 and 2019, personnel and other general and administrative services provided by Volunteers of America Southeast Louisiana, Inc. were approximately \$1,095,501 and \$1,158,988, respectively.

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

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

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 11. Commercial Leases

1770 Tchoupitoulas, Inc. leases a portion of its commercial building to Volunteers of America Southeast Louisiana, Inc. 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 their 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:

Year Ending June 30,	Amount
2021	\$ 144,615
2022	148,953
2023	153,422
2024	158,024
2025	162,765
Thereafter	<u>487,803</u>
Total	<u>\$ 1,255,582</u>

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, 2020 and 2019, lease revenue earned was \$207,283 and \$233,991, respectively. As of June 30, 2020 and 2019, the cumulative net adjustment to record lease revenue on a straight-line basis amounted to \$513,175 and \$419,645, respectively.

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.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 12. Fair Value of Financial Instruments (Continued)

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.

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.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 13. Fair Value Measurements (Continued)

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

- Common stocks, equities, corporate bonds, U.S. government securities, fixed income, preferred stock, 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 table sets forth, by level within the fair value hierarchy, RNDC's assets at fair value as of June 30, 2020 and 2019:

June 30, 2020	Level 1	Level 2	Level 3	Total
Common Stock	\$ 543,667	\$ -	\$ -	\$ 543,667
Equities	318,826	-	-	318,826
Corporate Bonds	434,473	-	-	434,473
Government Bonds	169,627	-	-	169,627
Government Agencies	74,244	-	-	74,244
Real Estate Funds	27,878	-	-	27,878
Total Investments at Fair Value	\$ 1,568,715	\$ -	\$ -	\$ 1,568,715
June 30, 2019	Level 1	Level 2	Level 3	Total
Common Stock	\$ 613,909	\$ -	\$ -	\$ 613,909
Equities	399,757	-	-	399,757
Corporate Bonds	346,211	-	-	346,211
Government Bonds	118,257	-	-	118,257
Government Agencies	42,360	-	-	42,360
Real Estate Funds	40,562	-	-	40,562
Fixed Income	7,853	-	-	7,853
Preferred Stock	1,759	-	-	1,759
Total Investments at Fair Value	\$ 1,570,668	\$ -	\$ -	\$ 1,570,668

Transfers Between Levels

For the years ended June 30, 2020 and 2019, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

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, 2020 and 2019, RNDC had \$2,633,006 and \$2,678,141, respectively, in excess of the FDIC insured limit.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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, the 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. This amount is shown on the accompanying consolidated statement of activities. The asset and liability described above between 1770 Tchoupitoulas, LLC and RNDC are eliminated in the consolidation process.

On September 27, 2019, 1770 Tchoupitoulas, Inc. entered into a promissory note with a bank totaling \$4.9 million. Part of these proceeds were used to pay off RNDC's note payable with the State of Louisiana, Division of Administration, Office of Community Development. Due to the loan forgiveness conditions of this note being met, 30% of the original principal amount of the loan, \$750,000, was forgiven and recognized as cancellation of debt income, for the year ended June 30, 2020 and is shown on the accompanying consolidated statement of activities.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 16. Commitments and Contingencies

During 2019, RNDC entered into a contract with a construction company totaling \$3.6 million for renovations on Embassy Apartments Shreveport, LLC. At June 30, 2020, the amount remaining on the contract totaled \$947,063. Included in other current liabilities is retainage due to this construction company totaling \$290,480 as of June 30, 2020.

Note 17. Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which RNDC operates.

Note 18. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 30, 2020, and determined that the following event occurred that requires disclosure:

On September 16, 2020, RNDC entered into a line of credit with Home Bank totaling \$1,000,000, maturing September 16, 2022, with an initial interest rate of 4.5%.

No subsequent events occurring after September 2, 2020 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, 2020

Louisiana Revised Statute (LRS) 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 LRS 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

Purpose	Amount
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 is 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, 2020

With Summarized Comparative Information at June 30, 2019

	Consolidated Pre-Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2020	2019
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 1,593,627	\$ 1,259,162	\$ -	\$ 2,852,789	\$ 3,119,320
Accounts Receivable, Net	124,521	111,483	(29,638)	206,366	126,428
Prepaid Expenses	103,421	364,845	-	468,266	506,463
Due from Projects in Pre-Development	3,410,512	25,623	(3,436,135)	-	-
Other Current Assets	2,547,145	182,291	(717,486)	2,011,950	902,920
Total Current Assets	7,779,226	1,943,404	(4,183,259)	5,539,371	4,655,131
Fixed Assets, Net	19,055,496	68,030,028	-	87,085,524	85,841,697
Total Fixed Assets	19,055,496	68,030,028	-	87,085,524	85,841,697
Other Assets					
Designated and Restricted Assets	34,696	3,411,674	-	3,446,370	3,322,546
Long-Term Investments	1,568,715	-	-	1,568,715	1,570,668
Investment in Partnerships	8,137	-	(8,137)	-	-
Total Other Assets	1,611,548	3,411,674	(8,137)	5,015,085	4,893,214
Total Assets	\$ 28,446,270	\$ 73,385,106	\$ (4,191,396)	\$ 97,639,980	\$ 95,390,042

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Schedule I

Supplementary Information

Consolidating Statement of Financial Position (Continued)

June 30, 2020

With Summarized Comparative Information at June 30, 2019

	Consolidated Pre-Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2020	2019
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable	\$ 130,132	\$ 927,778	\$ (277,857)	\$ 780,053	\$ 382,994
Mortgages and Notes Payable	2,637,802	3,567,846	-	6,205,648	6,499,814
Accrued Expenses	135,015	290,187	(92,660)	332,542	128,948
Other Current Liabilities	40,187	480,365	(7,669)	512,883	239,775
Due to Projects in Pre-Development	20,454	3,784,619	(3,805,073)	-	-
Total Current Liabilities	2,963,590	9,050,795	(4,183,259)	7,831,126	7,251,531
Other Liabilities					
Due to VOASELA, Inc.	834,108	2,153,957	-	2,988,065	3,235,788
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	5,143,630	38,413,543	-	43,557,173	40,856,263
Total Other Liabilities	5,977,738	40,567,500	-	46,545,238	44,092,051
Total Liabilities	8,941,328	49,618,295	(4,183,259)	54,376,364	51,343,582
Total Net Assets Without Donor Restrictions	19,504,942	23,766,811	(8,137)	43,263,616	44,046,460
Total Liabilities and Net Assets	\$ 28,446,270	\$ 73,385,106	\$ (4,191,396)	\$ 97,639,980	\$ 95,390,042

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Schedule II

**Supplementary Information
Consolidating Statement of Activities**

For the Year Ended June 30, 2020

With Summarized Comparative Information for June 30, 2019

	Consolidated Pre-Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2020	2019
Net Assets Without Donor Restrictions					
Revenue, Support, and Gains Without Donor Restrictions					
Revenues and Grants	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ -
Other Revenue					
Program Service Fees	546,389	-	(10,000)	536,389	62,675
Rental Income	1,473,082	4,339,112	-	5,812,194	5,555,135
Other Operating Income	565,672	236,457	(262,690)	539,439	509,380
Total Other Revenue	2,585,143	4,575,569	(272,690)	6,888,022	6,127,190
Total Revenue, Support, and Gains Without Donor Restrictions	2,635,143	4,575,569	(272,690)	6,938,022	6,127,190

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, 2020

With Summarized Comparative Information for June 30, 2019

	Consolidated Pre-Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2020	2019
Operating Expenses					
Professional Services	1,985,808	1,354,799	(262,690)	3,077,917	2,966,484
Office Supplies and Expenses	34,110	34,037	-	68,147	50,723
Occupancy	433,347	545,115	-	978,462	701,015
Interest	328,413	663,355	(109,052)	882,716	1,001,362
Program Supplies and Equipment	136,715	856,120	-	992,835	1,126,289
Travel, Conferences, and Meetings	17,851	8,800	-	26,651	13,260
Other	43,104	129,607	(10,000)	162,711	168,881
Depreciation and Amortization	562,438	2,228,471	-	2,790,909	2,895,191
Total Operating Expenses	3,541,786	5,820,304	(381,742)	8,980,348	8,923,205
Deficit from Operations	(906,643)	(1,244,735)	109,052	(2,042,326)	(2,796,015)

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, 2020

With Summarized Comparative Information for June 30, 2019

	Consolidated Pre-Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2020	2019
Other Activities					
Net Investment Return	143,992	19,111	(109,052)	54,051	281,355
Loss from Investment in Subsidiaries	(32,163)	-	32,163	-	-
Income Tax Expense	(389)	-	-	(389)	(408)
Cancellation of Debt Income	750,000	-	-	750,000	6,089,650
Loss from Disposal of Fixed Assets	(66,935)	-	-	(66,935)	-
Surplus from Other Activities	794,505	19,111	(76,889)	736,727	6,370,597
Change in Net Assets from Operations and Other Activities	(112,138)	(1,225,624)	32,163	(1,305,599)	3,574,582
Other Changes in Net Assets	-	554,421	(31,666)	522,755	4,650,078
Change in Net Assets Without Donor Restrictions	(112,138)	(671,203)	497	(782,844)	8,224,660
Net Assets Without Donor Restrictions, Beginning of Year	19,617,080	24,438,014	(8,634)	44,046,460	35,821,800
Net Assets Without Donor Restrictions, End of Year	\$ 19,504,942	\$ 23,766,811	\$ (8,137)	\$ 43,263,616	\$ 44,046,460

See independent auditor's report.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES
Supplementary Information
Consolidating Statement of Financial Position - Pre-Development
June 30, 2020
With Summarized Comparative Information at June 30, 2019

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	
							2020	2019
Assets								
Current Assets								
Cash and Cash Equivalents	\$ 894,042	\$ 436,074	\$ 2,082	\$ 63,028	\$ 198,401	\$ -	\$ 1,593,627	\$ 2,220,678
Accounts Receivable	83,679	-	-	4,063	49,409	(12,630)	124,521	5,600
Prepaid Expenses	17,340	-	-	2,133	83,948	-	103,421	194,379
Due from Projects in Development	4,358,038	-	-	-	256,391	(1,203,917)	3,410,512	3,354,708
Other Current Assets	1,879,800	152,091	-	924	514,330	-	2,547,145	746,883
Total Current Assets	7,232,899	588,165	2,082	70,148	1,102,479	(1,216,547)	7,779,226	6,522,248
Fixed Assets, Net	2,988,742	149,357	-	856,917	15,060,480	-	19,055,496	21,261,304
Other Assets								
Designated and Restricted Assets	-	-	4,530	-	30,166	-	34,696	59,143
Long-Term Investments	1,568,715	-	-	-	-	-	1,568,715	1,570,668
Notes Receivable	11,770,350	-	-	-	-	(11,770,350)	-	-
Investment in Subsidiaries	177,756	-	-	-	-	(169,619)	8,137	8,634
Total Other Assets	13,516,821	-	4,530	-	30,166	(11,939,969)	1,611,548	1,638,445
Total Assets	\$ 23,738,462	\$ 737,522	\$ 6,612	\$ 927,065	\$ 16,193,125	\$ (13,156,516)	\$ 28,446,270	\$ 29,421,997

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - Pre-Development (Continued)
June 30, 2020
With Summarized Comparative Information at June 30, 2019

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	
							2020	2019
Liabilities and Net Assets								
Current Liabilities								
Accounts Payable	\$ 102,628	\$ -	\$ 35,096	\$ 232	\$ 76,830	\$ (84,654)	\$ 130,132	\$ 122,036
Mortgages and Notes Payable	2,478,776	-	-	-	159,026	-	2,637,802	6,166,998
Accrued Expenses	72,974	-	12,000	-	50,041	-	135,015	168,972
Due to Projects in Development	-	315,033	20,556	516,143	300,615	(1,131,893)	20,454	-
Other Current Liabilities	8,961	-	-	5,637	25,589	-	40,187	50,904
Total Current Liabilities	2,663,339	315,033	67,652	522,012	612,101	(1,216,547)	2,963,590	6,508,910
Other Liabilities								
Due to VOASELA, Inc	780,534	14,683	-	13,829	25,062	-	834,108	1,038,864
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	789,647	-	100,000	-	16,024,333	(11,770,350)	5,143,630	2,257,143
Total Other Liabilities	1,570,181	14,683	100,000	13,829	16,049,395	(11,770,350)	5,977,738	3,296,007
Total Liabilities	4,233,520	329,716	167,652	535,841	16,661,496	(12,986,897)	8,941,328	9,804,917
Net Assets								
Without Donor Restrictions	19,504,942	407,806	(161,040)	391,224	(468,371)	(169,619)	19,504,942	19,617,080
Total Net Assets Without Donor Restrictions	19,504,942	407,806	(161,040)	391,224	(468,371)	(169,619)	19,504,942	19,617,080
Total Liabilities and Net Assets	\$ 23,738,462	\$ 737,522	\$ 6,612	\$ 927,065	\$ 16,193,125	\$ (13,156,516)	\$ 28,446,270	\$ 29,421,997

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Schedule IV

Supplementary Information

Consolidating Statement of Activities - Pre-Development

For the Year Ended June 30, 2020

With Summarized Comparative Information for June 30, 2019

	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	
							2020	2019
Net Assets Without Donor Restrictions								
Revenue, Support, and Gains								
Without Donor Restrictions								
Revenues and Grants	\$ 4,045,760	\$ -	\$ -	\$ -	\$ -	\$ (3,995,760)	\$ 50,000	\$ -
Other Revenue								
Program Service Fees	546,389	-	-	-	-	-	546,389	62,675
Rental Income	-	-	61,459	407,323	1,216,624	(212,324)	1,473,082	1,266,372
Other Operating Income	592,469	33	3,424	24,758	15,729	(70,741)	565,672	555,336
Total Other Revenue	1,138,858	33	64,883	432,081	1,232,353	(283,065)	2,585,143	1,884,383
Total Revenue, Support, and Gains								
Without Donor Restrictions	5,184,618	33	64,883	432,081	1,232,353	(4,278,825)	2,635,143	1,884,383

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, 2020
With Summarized Comparative Information for June 30, 2019

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	
							2020	2019
Operating Expenses								
Professional Services	1,479,284	113,790	26,583	88,085	4,309,567	(4,031,501)	1,985,808	1,772,123
Office Supplies and Expenses	23,824	-	45	1,491	8,750	-	34,110	11,570
Occupancy	40,636	-	12,240	229,484	398,311	(247,324)	433,347	245,107
Interest	146,154	6	1,099	9,323	179,823	(7,992)	328,413	424,240
Program Supplies and Equipment	6,493	-	13,360	6,224	110,638	-	136,715	206,952
Travel, Conferences, and Meetings	17,226	-	164	-	461	-	17,851	3,581
Other	597,063	-	24,049	11,883	3,879	(593,770)	43,104	76,231
Depreciation and Amortization	10,712	-	16,243	36,082	499,401	-	562,438	484,454
Total Operating Expenses	2,321,392	113,796	93,783	382,572	5,510,830	(4,880,587)	3,541,786	3,224,258
Surplus (Deficit) from Operations	2,863,226	(113,763)	(28,900)	49,509	(4,278,477)	601,762	(906,643)	(1,339,875)

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Activities - Pre-Development (Continued)
For the Year Ended June 30, 2020
With Summarized Comparative Information for June 30, 2019

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	
							2020	2019
Other Activities								
Net Investment Return	151,279	316	43	-	346	(7,992)	143,992	385,485
(Loss) Gain from Investment in Subsidiaries	(3,876,643)	-	-	-	-	3,844,480	(32,163)	17,544
Income Tax Expense	-	(389)	-	-	-	-	(389)	(408)
Cancellation of Debt Income	750,000	-	593,770	-	-	(593,770)	750,000	6,089,650
Loss from Disposal of Fixed Assets	-	-	(66,935)	-	-	-	(66,935)	-
Surplus (Deficit) from Other Activities	(2,975,364)	(73)	526,878	-	346	3,242,718	794,505	6,492,271
Change in Net Assets from Operations and Other Activities	(112,138)	(113,836)	497,978	49,509	(4,278,131)	3,844,480	(112,138)	5,152,396
Other Changes in Net Assets	-	300,000	(31,667)	448,845	-	(717,178)	-	(148,460)
Change in Net Assets Without Donor Restrictions	(112,138)	186,164	466,311	498,354	(4,278,131)	3,127,302	(112,138)	5,003,936
Net Assets Without Donor Restrictions, Beginning of Year	19,617,080	221,642	(627,351)	(107,130)	3,809,760	(3,296,921)	19,617,080	16,494,847
Assignment of Net Assets Upon Combination	-	-	-	-	-	-	-	(1,881,703)
Net Assets Without Donor Restrictions, End of Year	\$ 19,504,942	\$ 407,806	\$ (161,040)	\$ 391,224	\$ (468,371)	\$ (169,619)	\$ 19,504,942	\$ 19,617,080

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - General and Limited Partnerships
June 30, 2020
With Summarized Comparative Information at June 30, 2019

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	Eliminations	Consolidated	
									2020	2019
Assets										
Current Assets										
Cash and Cash Equivalents	\$ 1,910	\$ 385,155	\$ 127,130	\$ 20,898	\$ 540,892	\$ 143,327	\$ 39,850	\$ -	\$ 1,259,162	\$ 898,642
Accounts Receivable, Net	11,749	17,018	59,057	1,372	4,932	12,071	5,284	-	111,483	120,828
Prepaid Expenses	142	164,096	89,096	32,506	-	58,136	20,869	-	364,845	312,084
Due from Projects in Pre-Development	20,556	-	9,866	-	-	-	-	(4,799)	25,623	8,066
Other Current Assets	27,754	53,161	-	2,177	27,722	47,500	23,977	-	182,291	156,037
Total Current Assets	62,111	619,430	285,149	56,953	573,546	261,034	89,980	(4,799)	1,943,404	1,495,657
Fixed Assets, Net	5,616,314	13,617,590	13,260,823	2,970,987	11,123,775	17,228,720	4,211,819	-	68,030,028	64,580,393
Other Assets										
Designated and Restricted Assets	11,801	1,306,113	315,098	825,558	260,372	506,364	186,368	-	3,411,674	3,263,403
Total Other Assets	11,801	1,306,113	315,098	825,558	260,372	506,364	186,368	-	3,411,674	3,263,403
Total Assets	\$ 5,690,226	\$ 15,543,133	\$ 13,861,070	\$ 3,853,498	\$ 11,957,693	\$ 17,996,118	\$ 4,488,167	\$ (4,799)	\$ 73,385,106	\$ 69,339,453

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - General and Limited Partnerships (Continued)
June 30, 2020
With Summarized Comparative Information at June 30, 2019

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	Eliminations	Consolidated	
									2020	2019
Liabilities and Net Assets										
Current Liabilities										
Accounts Payable	\$ 333,635	\$ 298,140	\$ 59,456	\$ 27,728	\$ 158,779	\$ 30,428	\$ 23,211	\$ (3,599)	\$ 927,778	\$ 260,958
Mortgages and Notes Payable	3,288,143	52,355	127,824	-	51,765	42,936	4,823	-	3,567,846	332,816
Accrued Expenses	7,167	33,418	32,162	7,402	161,303	30,838	17,897	-	290,187	324,718
Other Current Liabilities	304,234	52,166	40,142	18,976	26,288	24,993	13,566	-	480,365	188,871
Due to Projects in Pre-Development	1,075,599	638,361	280,633	1,684,850	-	105,176	1,200	(1,200)	3,784,619	2,996,032
Total Current Liabilities	5,008,778	1,074,440	540,217	1,738,956	398,135	234,371	60,697	(4,799)	9,050,795	4,105,395
Other Liabilities										
Due to VOASELA, Inc.	-	19,431	-	1,630	-	2,132,896	-	-	2,153,957	2,196,924
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	100,367	10,472,134	10,897,498	-	8,699,265	8,011,876	232,403	-	38,413,543	38,599,120
Total Other Liabilities	100,367	10,491,565	10,897,498	1,630	8,699,265	10,144,772	232,403	-	40,567,500	40,796,044
Total Liabilities	5,109,145	11,566,005	11,437,715	1,740,586	9,097,400	10,379,143	293,100	(4,799)	49,618,295	44,901,439
Net Assets										
Without Donor Restrictions	581,081	3,977,128	2,423,355	2,112,912	2,860,293	7,616,975	4,195,067	-	23,766,811	24,438,014
Total Net Assets Without Donor Restrictions	581,081	3,977,128	2,423,355	2,112,912	2,860,293	7,616,975	4,195,067	-	23,766,811	24,438,014
Total Liabilities and Net Assets	\$ 5,690,226	\$ 15,543,133	\$ 13,861,070	\$ 3,853,498	\$ 11,957,693	\$ 17,996,118	\$ 4,488,167	\$ (4,799)	\$ 73,385,106	\$ 69,339,453

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Activities - General and Limited Partnerships
For the Year Ended June 30, 2020
With Summarized Comparative Information for June 30, 2019

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	Eliminations	Consolidated	
									2020	2019
Net Assets Without Donor Restrictions										
Other Revenue										
Rental Income	\$ 171,977	\$ 1,330,363	\$ 790,489	\$ 289,223	\$ 733,903	\$ 768,615	\$ 254,542	\$ -	\$ 4,339,112	\$ 4,329,394
Other Operating Income	973	29,799	139,283	862	35,212	32,484	8,644	(10,800)	236,457	269,140
Total Other Revenue	172,950	1,360,162	929,772	290,085	769,115	801,099	263,186	(10,800)	4,575,569	4,598,534
Total Revenue, Support, and Gains Without Donor Restrictions	172,950	1,360,162	929,772	290,085	769,115	801,099	263,186	(10,800)	4,575,569	4,598,534

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Activities - General and Limited Partnerships (Continued)
For the Year Ended June 30, 2020
With Summarized Comparative Information for June 30, 2019

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	Eliminations	Consolidated	
									2020	2019
Operating Expenses										
Professional Services	56,456	347,435	306,558	82,092	221,934	229,288	111,036	-	1,354,799	1,497,990
Office Supplies and Expenses	1,614	7,972	7,622	3,269	5,352	8,019	189	-	34,037	39,153
Occupancy	29,336	226,431	122,466	35,369	55,908	56,491	19,114	-	545,115	508,016
Interest	12,859	195,210	58,255	81,210	143,803	160,169	11,849	-	663,355	708,733
Program Supplies and Equipment	28,612	169,272	246,365	70,773	172,485	131,414	47,999	(10,800)	856,120	919,337
Travel, Conferences, and Meetings	711	545	1,445	1,027	1,608	3,340	124	-	8,800	9,679
Other	10,503	59,046	22,547	10,082	11,832	10,332	5,265	-	129,607	92,650
Depreciation and Amortization	49,783	482,182	479,824	193,119	350,233	543,974	129,356	-	2,228,471	2,410,737
Total Operating Expenses	189,874	1,488,093	1,245,082	476,941	963,155	1,143,027	324,932	(10,800)	5,820,304	6,186,285
Deficit from Operations	(16,924)	(127,931)	(315,310)	(186,856)	(194,040)	(341,928)	(61,746)	-	(1,244,735)	(1,587,751)

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Activities - General and Limited Partnerships (Continued)
For the Year Ended June 30, 2020
With Summarized Comparative Information for June 30, 2019

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	Eliminations	Consolidated	
									2020	2019
Other Activities										
Net Investment Return	-	7,732	1,555	8,068	576	805	375	-	19,111	27,481
Surplus from Other Activities	-	7,732	1,555	8,068	576	805	375	-	19,111	27,481
Change in Net Assets from Operations and Other Activities	(16,924)	(120,199)	(313,755)	(178,788)	(193,464)	(341,123)	(61,371)	-	(1,225,624)	(1,560,270)
Other Changes in Net Assets	598,005	(43,584)	-	-	-	-	-	-	554,421	4,798,538
Change in Net Assets Without Donor Restrictions	581,081	(163,783)	(313,755)	(178,788)	(193,464)	(341,123)	(61,371)	-	(671,203)	3,238,268
Net Assets Without Donor Restrictions, Beginning of Year	-	4,140,911	2,737,110	2,291,700	3,053,757	7,958,098	4,256,438	-	24,438,014	19,318,043
Assignment of Net Assets upon Combination	-	-	-	-	-	-	-	-	-	1,881,703
Net Assets Without Donor Restrictions, End of Year	\$ 581,081	\$ 3,977,128	\$ 2,423,355	\$ 2,112,912	\$ 2,860,293	\$ 7,616,975	\$ 4,195,067	-	\$ 23,766,811	\$ 24,438,014

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - The Groves at Mile Branch Creek
June 30, 2020
With Summarized Comparative Information at June 30, 2019

Schedule VII

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2020	2019
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 88,758	\$ 38,372	\$ -	\$ 127,130	\$ 94,885
Accounts Receivable	70,436	5,895	(17,274)	59,057	48,681
Prepaid Expenses	88,995	101	-	89,096	81,896
Due from Projects in Pre-Development	1,200	8,666	-	9,866	8,066
Total Current Assets	249,389	53,034	(17,274)	285,149	233,528
Fixed Assets, Net	13,260,823	-	-	13,260,823	13,762,732
Total Fixed Assets	13,260,823	-	-	13,260,823	13,762,732
Other Assets					
Designated and Restricted Assets	315,098	-	-	315,098	303,037
Total Other Assets	315,098	-	-	315,098	303,037
Total Assets	\$ 13,825,310	\$ 53,034	\$ (17,274)	\$ 13,861,070	\$ 14,299,297

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Schedule VII

Supplementary Information

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

June 30, 2020

With Summarized Comparative Information at June 30, 2019

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2020	2019
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable	\$ 56,640	\$ 20,090	\$ (17,274)	\$ 59,456	\$ 37,741
Mortgages and Notes Payable	127,824	-	-	127,824	113,918
Accrued Expenses	32,162	-	-	32,162	48,011
Other Current Liabilities	40,142	-	-	40,142	44,704
Due to Projects in Pre-Development	280,633	-	-	280,633	251,696
Total Current Liabilities	537,401	20,090	(17,274)	540,217	496,070
Other Liabilities					
Due to VOASELA, Inc.	-	-	-	-	8,278
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	10,897,498	-	-	10,897,498	11,057,839
Total Other Liabilities	10,897,498	-	-	10,897,498	11,066,117
Total Liabilities	11,434,899	20,090	(17,274)	11,437,715	11,562,187
Net Assets					
Without Donor Restrictions	2,390,411	32,944	-	2,423,355	2,737,110
Total Net Assets Without Donor Restrictions	2,390,411	32,944	-	2,423,355	2,737,110
Total Liabilities and Net Assets	\$ 13,825,310	\$ 53,034	\$ (17,274)	\$ 13,861,070	\$ 14,299,297

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Activities - The Groves at Mile Branch Creek
For the Year Ended June 30, 2020
With Summarized Comparative Information for June 30, 2019

Schedule VIII

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2020	2019
Net Assets Without Donor Restrictions					
Other Revenue					
Rental Income	\$ 790,489	\$ -	\$ -	\$ 790,489	\$ 738,754
Other Operating Income	137,963	44,448	(43,128)	139,283	114,168
Total Other Revenue	928,452	44,448	(43,128)	929,772	852,922
Total Revenue, Support, and Gains Without Donor Restrictions	928,452	44,448	(43,128)	929,772	852,922

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, 2020

With Summarized Comparative Information for June 30, 2019

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2020	2019
Operating Expenses					
Professional Services	304,193	5,365	(3,000)	306,558	318,167
Office Supplies and Expenses	7,622	-	-	7,622	6,838
Occupancy	105,309	17,157	-	122,466	74,273
Interest	58,255	-	-	58,255	58,255
Program Supplies and Equipment	268,292	18,201	(40,128)	246,365	269,708
Travel, Conferences, and Meetings	1,445	-	-	1,445	799
Other	22,547	-	-	22,547	8,450
Depreciation and Amortization	479,824	-	-	479,824	478,728
Total Operating Expenses	1,247,487	40,723	(43,128)	1,245,082	1,215,218
(Deficit) Surplus from Operations	(319,035)	3,725	-	(315,310)	(362,296)

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, 2020

With Summarized Comparative Information for June 30, 2019

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2020	2019
Other Activities					
Net Investment Return	1,555	-	-	1,555	598
Surplus from Other Activities	1,555	-	-	1,555	598
(Deficit) Surplus from Operations	(317,480)	3,725	-	(313,755)	(361,698)
Change in Net Assets from Operations and Other Activities	(317,480)	3,725	-	(313,755)	(361,698)
Change in Net Assets Without Donor Restrictions	(317,480)	3,725	-	(313,755)	(361,698)
Net Assets Without Donor Restrictions, Beginning of Year	2,707,891	29,219	-	2,737,110	3,098,808
Net Assets Without Donor Restrictions, End of Year	\$ 2,390,411	\$ 32,944	\$ -	\$ 2,423,355	\$ 2,737,110

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 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, 2020, 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 September 30, 2020.

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) to determine the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
September 30, 2020