

**RENAISSANCE NEIGHBORHOOD
DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Audits of Consolidated Financial Statements

June 30, 2019 and 2018



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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, 2019 and 2018, 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 did not audit the financial statements of 2901 Dee, Inc., d/b/a Embassy House, a wholly-owned subsidiary of RNDC, whose statements reflect total assets constituting 1.68 percent of consolidated total assets at June 30, 2018, and total revenues constituting 3.8 percent of consolidated total revenues for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion for 2018, insofar as it related to the amounts included for 2901 Dee, Inc., d/b/a Embassy House, is based solely on the report of the other auditors. 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.

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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, 2019 and 2018 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, which insofar as it related to 2901 Dee, Inc., d/b/a Embassy House as of and for the year ended June 30, 2018, is based on the report of other auditors, 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 9, 2019 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.

Emphasis of a Matter

As discussed in Note 2 to the financial statements, in 2019, RNDC adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

As discussed in Note 18 to the financial statements, the 2018 financial statements have been restated to correct an error. Our opinion is not modified with respect to this matter.



A Professional Accounting Corporation

Covington, LA
October 9, 2019

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Consolidated Statements of Financial Position
June 30, 2019 and 2018

	2019	2018 (Restated)
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 3,097,065	\$ 3,806,264
Accounts Receivable, Net	126,428	198,522
Prepaid Expenses	506,463	547,841
Other Current Assets	576,696	484,527
	<hr/>	<hr/>
Total Current Assets	4,306,652	5,037,154
	<hr/>	<hr/>
Fixed Assets		
Fixed Assets, Net	86,167,921	88,540,949
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Total Fixed Assets	86,167,921	88,540,949
	<hr/>	<hr/>
Other Assets		
Designated and Restricted Assets	3,322,546	3,022,698
Long-Term Investments	1,592,923	1,518,521
Notes Receivable	-	11,779,669
Other Assets	-	27,722
	<hr/>	<hr/>
Total Other Assets	4,915,469	16,348,610
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Total Assets	\$ 95,390,042	\$ 109,926,713
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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 Financial Position (Continued)
June 30, 2019 and 2018

	2019	2018 (Restated)
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 382,994	\$ 206,680
Mortgages and Notes Payable	6,499,814	7,350,210
Accrued Expenses	128,948	476,348
Other Current Liabilities	239,775	166,353
	<hr/>	<hr/>
Total Current Liabilities	7,251,531	8,199,591
Other Liabilities		
Due to VOASELA, Inc.	1,207,764	1,351,206
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	42,884,287	64,554,116
	<hr/>	<hr/>
Total Other Liabilities	44,092,051	65,905,322
	<hr/>	<hr/>
Total Liabilities	51,343,582	74,104,913
Net Assets Without Donor Restrictions		
Attributable to RNDC	19,617,078	16,496,307
Attributable to Non-Controlling Interests	24,429,382	19,325,493
	<hr/>	<hr/>
Total Net Assets Without Donor Restrictions	44,046,460	35,821,800
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 95,390,042	\$ 109,926,713

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, 2019 and 2018

	2019	2018 (Restated)
Net Assets Without Donor Restrictions		
Revenue, Support and Gains Without Donor Restrictions		
Revenues and Grants	\$ -	\$ 275,000
Other Revenue		
Program Service Fees	62,675	2,071,567
Rental Income	5,555,135	5,582,466
Other Operating Income	509,380	541,252
Total Other Revenue	6,127,190	8,195,285
Total Revenue, Support and Gains Without Donor Restrictions	6,127,190	8,470,285
Operating Expenses		
Program Services		
Promoting Self-Sufficiency	7,125,030	7,693,849
Supporting Services		
Management and General	1,798,175	1,549,534
Total Operating Expenses	8,923,205	9,243,383
Deficit from Operations	(2,796,015)	(773,098)
Other Activities		
Net Investment Return	281,355	483,077
Income Tax Expense	(408)	(17,940)
Cancellation of Debt Income	6,089,650	-
Surplus from Other Activities	6,370,597	465,137
Change in Net Assets from Operations and Other Activities	3,574,582	(307,961)
Other Changes in Net Assets	4,650,078	6,211,424
Total Other Changes in Net Assets	4,650,078	6,211,424
Change in Net Assets Without Donor Restrictions	8,224,660	5,903,463
Net Assets Without Donor Restrictions, Beginning of Year	35,821,800	29,918,337
Net Assets Without Donor Restrictions, End of Year	\$ 44,046,460	\$ 35,821,800

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

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Consolidated Statements of Functional Expenses
For the Years Ended June 30, 2019 and 2018

	Program Services	Supporting Services		
	Promoting Self- Sufficiency	Management and General	2019 Total	2018 (Restated)
Professional Services	\$ 1,538,235	\$ 1,428,249	\$ 2,966,484	\$ 3,268,575
Office Supplies and Expenses	49,083	1,640	50,723	46,629
Occupancy	668,257	32,758	701,015	900,737
Interest	737,637	263,725	1,001,362	1,146,474
Program Supplies and Equipment	1,123,567	2,722	1,126,289	798,984
Travel, Conferences and Meetings	12,453	807	13,260	10,393
Other	115,161	53,720	168,881	83,924
Depreciation and Amortization	2,880,637	14,554	2,895,191	2,987,667
Total	\$ 7,125,030	\$ 1,798,175	\$ 8,923,205	\$ 9,243,383

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, 2019 and 2018

	2019	2018 (Restated)
Cash Flows from Operating Activities		
Change in Net Assets	\$ 8,224,660	\$ 5,903,463
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization Expense	2,895,191	2,987,667
Bad Debt Expense	47,111	246,786
Forgiveness of Debt	-	(200,000)
Cancellation of Debt Income	(6,089,650)	-
Net Gain on Investments	(41,277)	(69,814)
(Increase) Decrease in Operating Assets		
Accounts Receivable, Net	24,983	(334,340)
Prepaid Expenses	41,378	(177,936)
Other Current Assets	(92,169)	(213,057)
Designated and Restricted Assets	(299,848)	(323,737)
Other Assets	27,722	-
Increase (Decrease) in Operating Liabilities		
Accounts Payable	176,314	(1,025,203)
Accrued Expenses	(347,400)	(410,734)
Amounts Due to VOASELA, Inc.	(143,442)	(7,913)
Other Current Liabilities	73,422	12,033
Net Cash Provided by Operating Activities	4,496,995	6,387,215
Cash Flows from Investing Activities		
Decrease (Increase) in Notes Receivable	9,319	(219,407)
Acquisition of Fixed Assets	(428,610)	(2,791,726)
Purchases of Investments	(33,125)	(242,165)
Net Cash Used in Investing Activities	(452,416)	(3,253,298)
Cash Flows from Financing Activities		
Proceeds from Notes Payable	100,000	4,271,362
Principal Reductions in Notes Payable	(4,819,726)	(8,244,079)
Payments of Loan Origination Fees	(34,052)	(1,875)
Net Cash Used in Financing Activities	(4,753,778)	(3,974,592)
Net Decrease in Cash and Cash Equivalents	(709,199)	(840,675)
Cash and Cash Equivalents, Beginning of Year	3,806,264	4,646,939
Cash and Cash Equivalents, Ending of Year	\$ 3,097,065	\$ 3,806,264
Supplemental Disclosures of Cash Flow Information		
Interest Paid	\$ 1,132,706	\$ 992,811
Non-Cash Transactions		
Cancellation of Debt Income	\$ 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.

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 one-tenth of one percent (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 one-tenth of one percent (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.

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 16 for further details.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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.

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.

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.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1. Organization (Continued)

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.

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.

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, 2019 and 2018, there were no net assets with donor restrictions.

The more significant accounting policies of RNDC are described below.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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, 1770 Tchoupitoulas, LLC, 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 and 1770 Tchoupitoulas, Inc., in which RNDC has a controlling interest. 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. 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. All financial information presented for prior years has been retrospectively adjusted to conform to the current year presentation. Intercompany balances and transactions have been eliminated in consolidation.

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.

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.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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 14 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. RNDC follows the practice of capitalizing all expenditures for land, buildings, and equipment over \$2,500. The fair value of donated fixed assets is similarly capitalized. Depreciation and amortization is 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.

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.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Public Support Revenue

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 2019 or 2018 and, accordingly, no tax expense was incurred during the years ended June 30, 2019 and 2018.

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, 2019 and 2018 totaled \$408 and \$17,940, 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 \$70,085 and \$61,921 for the years ended June 30, 2019 and 2018, 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 2018

The financial statements and supplementary information for the year ended June 30, 2018 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, 2018, from which the summarized information was derived.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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. It is effective for the RNDC's annual reporting period beginning July 1, 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.

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, 2020.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides analysis and guidance on how the entity should identify between the two types of transactions which would then determine which standard to follow (ASU 2014-09 or FASB Subtopic 958-605) in recognizing the revenue or expense of the transaction. ASU 2018-08 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. Management is still evaluating the impact implementation of ASU 2018-08 will have on RNDC's financial statements.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements (Continued)

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. ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2019. Management is currently evaluating the impact ASU 2016-02 will have on its financial statements.

Implementation of Accounting Pronouncement

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. RNDC has adopted ASU 2016-14 and has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented. There was no impact to net assets as a whole or the total change in net assets as a result of these reclassifications.

Reclassifications

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

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 statements of financial position date include amounts in nonspendable form.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 3. Liquidity and Availability (Continued)

As of June 30, 2019 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	\$ 3,097,065
Accounts Receivable, Net	126,428
	<hr/>
Total	\$ 3,223,493
	<hr/> <hr/>

Note 4. Note Receivable

The note receivable consists of a note receivable from ESIC New Market Partners XLVII Investment Fund, LLC, which originated through the project financing of 1770 Tchoupitoulas, LLC in July 2012. The balance of the note was \$-0- and \$11,779,669 for the years ended June 30, 2019 and June 30, 2018, respectively. See Note 16 for further detail.

Note 5. Fixed Assets

At June 30, 2019 and 2018, fixed assets consisted of the following:

	2019	2018
Land	\$ 6,987,818	\$ 6,984,163
Buildings and Improvements	91,958,895	91,881,442
Furniture and Equipment	4,502,609	4,168,112
	<hr/>	<hr/>
	103,449,322	103,033,717
Less: Accumulated Depreciation	(17,281,401)	(14,492,768)
	<hr/>	<hr/>
Total Fixed Assets, Net	\$ 86,167,921	\$ 88,540,949
	<hr/> <hr/>	<hr/> <hr/>

Depreciation expense for RNDC Consolidated was \$2,801,638 and \$2,929,628 for the years ended June 30, 2019 and 2018, respectively.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 6. 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, 2019 and 2018, designated and restricted assets were as follows:

	2019	2018
Escrow	\$ 541,400	\$ 1,220,136
Security Deposits	217,640	107,104
Replacement Reserve Funds	2,563,506	1,695,458
Total	\$ 3,322,546	\$ 3,022,698

Note 7. Mortgages and Notes Payable

At June 30, 2019 and 2018, mortgages and notes payable consisted of the following:

	2019	2018
Two (2) notes payable to the Louisiana Housing Finance Agency, with maturity dates of August 31, 2044 and May 20, 2045, with interest rates of -0-%, secured by CDBG Piggyback Program Leasehold Mortgage, for Chateau Carre' and New Covington.	\$ 15,653,320	\$ 15,801,730
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.	5,633,206	5,660,829
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 Capital One Multifamily Finance, secured by land and buildings, with an interest rate of 4.28%, maturing July 1, 2031, for Bayou Cane Apartments.	3,333,808	3,371,578
Two (2) notes payable to the Louisiana Housing Finance Agency with maturity dates ranging from December 31, 2026 to September 1, 2045, with interest rates ranging from -0-% to 4.0%, for Chateau Carre' and New Covington.	2,792,354	2,934,055
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.	2,673,861	2,700,000
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'.	2,465,087	2,460,310

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 7. Mortgages and Notes Payable (Continued)

	2019	2018
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%, maturing November 2, 2019.	2,346,848	2,508,700
One (1) note payable to VOASELA, with an interest rate of 1.0%, for Houma School Apartments, maturing March 29, 2051.	2,028,024	2,028,024
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, maturing on July 2, 2037.	1,992,593	2,091,981
Note payable to Enterprise Community Loan Fund, Inc., with an interest rate of 6.0%, maturing on November 30, 2019.	1,462,463	1,485,263
Note payable to Iberia Bank secured by land, with an interest rate of 5.25%, payable in 26 monthly payments of \$16,433 and one final payment totaling \$1,419,450 due on October 11, 2019.	1,446,133	1,643,333
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.	1,221,945	1,266,314
Four (4) notes payable to Volunteers of America National Services, unsecured, with interest rates of -0-%, with maturity dates ranging from the earlier of the date on which the borrower receives pre-development financing or closes on the real estate and construction and equity financing.	760,000	860,000
Construction loan payable to Whitney Bank, which converted to a note payable on July 6, 2017, with interest rate of 5.25%, maturing July 6, 2022.	456,781	495,079
Two (2) notes payable to PNC Bank, National Association, secured by land and buildings, maturity dates of October 1, 2033, with interest rates ranging from 3.21% to 4.60%, for The Cottages at Mile Branch.	254,395	3,747,217
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 May 1, 2025.	163,000	163,000
Note payable to Volunteers of America North Louisiana, with an interest rate of 1.0%, maturing November 12, 2029.	100,000	200,000
Note payable to Home Bank secured with land and buildings (326 Buckeye Lane) with an interest rate of 5.25%, maturing October 19, 2023.	98,057	-
One (1) note payable to the ESIC New Market Partners XLVII LP, with an interest rate of 1.0%, for 1770 Tchoupitoulas.	-	9,700,000
Three (3) notes payable to the VOANS CDC Sub I National Service, unsecured, with interest rates of 1.0%, for 1770 Tchoupitoulas.	-	8,160,000
Note payable to The Powers Foundation, with an interest rate of 2.0%, matured on December 31, 2017.	-	250,000
	50,381,875	73,027,413
Less: Debt Issuance Costs, Net of Amortization	(997,774)	(1,123,087)
Total	\$ 49,384,101	\$ 71,904,326

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 7. Mortgages and Notes Payable (Continued)

Scheduled annual principal payments due on the above mortgages and notes payable subsequent to June 30, 2019, are as follows:

Year Ending June 30,	Amount
2020	\$ 6,502,762
2021	423,071
2022	436,372
2023	707,364
2024	6,006,667
Thereafter	<u>36,305,639</u>
Total	<u><u>\$ 50,381,875</u></u>

Interest expense was \$1,001,362 and \$1,146,474 for the years ended June 30, 2019 and 2018, respectively.

RNDC was in compliance with debt covenants at June 30, 2019 and 2018.

Note 8. Note Due to VOASELA, Inc.

Amounts due to Volunteers of America Southeast Louisiana, Inc. consisted of one (1) note payable, secured by land (Chateau Carre' Property), with an interest rate of -0-%, maturing April 27, 2039.

Note 9. Other Changes in Net Assets

Other changes in net assets primarily consist of amounts related to distributions and contributions for the years ended June 30, 2019 and 2018.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 10. 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, 2017	\$ 14,795,269	\$ 15,123,068	\$ 29,918,337
Change in Net Assets from Operations and Other Activities	1,701,038	(2,008,999)	(307,961)
Other Changes in Net Assets	-	6,211,424	6,211,424
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

Note 11. 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 serve as guarantors of the debt of RNDC.

The following related parties have outstanding loans and advances to RNDC as of June 30, 2019 and 2018:

	2019	2018
Volunteers of America National Services	\$ 923,000	\$ 1,023,000
Volunteers of America Southeast Louisiana, Inc.	1,005,920	1,160,404

VOANS CDE Sub I has an outstanding loan to 1770 Tchoupitoulas, LLC with a balance of \$-0- and \$8,160,000 as of June 30, 2019 and 2018, respectively. See Note 16 for further detail.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 11. Related Party Transactions (Continued)

VOASELA has an outstanding loan to Houma School Apartments, LLC with a balance of \$2,028,024 as of June 30, 2019 and 2018.

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, 2019 and 2018, personnel and other general and administrative services provided by Volunteers of America Southeast Louisiana, Inc. were approximately \$1,158,988 and \$951,241, 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 12.

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

Note 12. Commercial Leases

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 their portion of insurance and real estate taxes in the amount of \$519 per month subject to actual expenses incurred.

1770 Tchoupitoulas, Inc. leases the remaining portion of its commercial building to an unrelated party under a space lease agreement. The commercial lease commenced January 4, 2019 and expires on March 31, 2022. The tenant shall make minimum rent payments in monthly installments beginning on the fourth month through the fifteenth month of lease in the amount of \$6,080. The tenant shall make minimum rent payments in monthly installments beginning on the sixteenth month through the twenty-seventh month of lease in the amount of \$6,460. The tenant shall make minimum rent payments in monthly installments beginning on the twenty-eighth month through the thirty-ninth month of lease in the amount of \$6,840. Annually, the tenant shall make payments for their pro rata portion of utilities. Additionally, the tenant shall make payments for its proportionate share of operating costs which are estimated at \$2,163 per month, and shall not increase by more than 5% in any given year.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 12. Commercial Leases (Continued)

The following is a schedule of minimum future rental receipts and payments between 1770 Tchoupitoulas, Inc. and the commercial subtenants for each of the next five years and thereafter:

Year Ending June 30,	Amount
2020	\$ 214,503
2021	223,275
2022	210,513
2023	153,422
2024	158,024
Thereafter	<u>650,568</u>
Total	<u><u>\$ 1,610,305</u></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, 2019 and 2018, lease revenue earned was \$233,991 and \$236,766, respectively. As of June 30, 2019 and 2018, the cumulative net adjustment to record lease revenue on a straight-line basis amounted to \$419,645 and \$408,562, respectively.

Note 13. 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 14 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.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 14. 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: <ul style="list-style-type: none">• 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.

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

- Common stocks, corporate bonds, and U.S. government securities, when present, are valued at the closing price reported on the active market on which the individual securities are traded.
- Pooled investment accounts are measured at fair value using the net asset value per share (or its equivalent).

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 14. Fair Value Measurements (Continued)

The following tables set forth, by level within the fair value hierarchy, RNDC's assets at fair value as of June 30, 2019 and 2018:

June 30, 2019	Level 1	Level 2	Level 3	Total
Common Stock	\$ 636,164	\$ -	\$ -	\$ 636,164
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	\$ 1,592,923	\$ -	\$ -	\$ 1,592,923
June 30, 2018	Level 1	Level 2	Level 3	Total
Common Stock	\$ 897,840	\$ -	\$ -	\$ 897,840
Government Securities	172,181	-	-	172,181
Corporate Bonds	366,738	-	-	366,738
Total Assets in Fair Value Hierarchy	1,436,759	-	-	1,436,759
Investments Measured at NAV ^(a)	-	-	-	81,762
Total Investments at Fair Value	\$ 1,436,759	\$ -	\$ -	\$ 1,518,521

(a) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Transfers Between Levels

For the years ended June 30, 2019 and 2018, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 14. Fair Value Measurements (Continued)

Investments Using the Net Asset Value per Share Practical Expedient

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient as of June 30, 2018. There were no investments measured at net asset value as of June 30, 2019. There are no redemption restrictions for these investments.

June 30, 2018	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Pooled Investment Fund	\$ 81,762	N/A	Daily	N/A

Investments Using the Net Asset Value per Share Practical Expedient (Continued)

The main objective of the pooled investment fund is to generate, over a three-year moving time period, a return that is equal to or greater than 3% in excess of the consumer price index and 6% overall. The portfolio is invested to create long-term appreciation of assets, consistent returns, and to minimize the likelihood of low or negative returns.

Note 15. 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, 2019, RNDC had \$2,678,141 in excess of the FDIC insured limit.

Note 16. 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.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 16. New Market Tax Credit Exit (Continued)

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 statements of activities. The asset and liability described above between 1770 Tchoupitoulas, LLC and RNDC are eliminated in the consolidation process.

Note 17. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 9, 2019, and determined that the following events occurred that require disclosures:

On September 25, 2019, 2901 Dee Inc. transferred ownership of Embassy Apartments through an Act of Cash Sale to the single asset tax credit entity, The Embassy Apartments Shreveport, LLC for the price of \$1,500,000. The Embassy Apartments Shreveport, LLC entered into a loan agreement with a bank for a \$4,542,490 conventional construction loan, which will convert to a \$1,503,634 permanent conventional loan at the conversion date, which is projected to be October 1, 2020. Also on September 25, 2019, The Embassy Apartments Shreveport, LLC entered into the First Amended and Restated Operating Agreement with The Embassy Apartments Shreveport MM, LLC as the Managing Member and Wincopin Circle LLLP as the substitute Investor Member. This agreement includes the terms for the total \$3,908,925 LIHTC equity to be invested into the Embassy Apartments rehabilitation, of which \$100 was funded at closing. RNDC loaned \$198,054 to The Embassy Apartments Shreveport, LLC to be used for construction costs. RNDC also made a \$31,666 managing member capital contribution, which was funded from the existing Embassy Replacement Reserve and used for development expenses. 2901 Dee Inc.'s Enterprise Community Loan Fund existing debt of \$1,471,895 was paid off from a draw on the bank Construction Loan, which was also funded at the closing on September 25, 2019.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 17. Subsequent Events (Continued)

On September 27, 2019, 1770 Tchoupitoulas, Inc. entered into a promissory note with a bank totaling \$4.9 million. Debt totaling \$4,796,222 at June 30, 2019 was paid off with this new promissory note entered into on 1770 Tchoupitoulas, Inc. The interest rate is 4.5% and the principal and interest are due monthly based on a twenty-year amortization. The balance is due at maturity, September 2024.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 18. Prior Period Adjustment

The accompanying financial statements for 2018 have been restated to include the affiliate fee accrual as of June 30, 2018. The effect of the restatement was to decrease the change in net assets for 2018 by \$18,648.

SUPPLEMENTARY INFORMATION

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
**Schedule of Compensation, Benefits, and Other Payments
to Agency Head**
For the Year Ended June 30, 2019

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

For the Year Ended June 30, 2019

With Summarized Comparative Information for June 30, 2018

	Consolidated Pre- Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated 2019	2018 (Restated)
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 2,198,423	\$ 898,642	\$ -	\$ 3,097,065	\$ 3,806,264
Accounts Receivable, Net	5,600	120,828	-	126,428	198,522
Prepaid Expenses	194,379	312,084	-	506,463	547,841
Due from Projects in Pre-Development	3,354,708	8,066	(3,362,774)	-	-
Other Current Assets	420,659	156,037	-	576,696	484,527
Total Current Assets	6,173,769	1,495,657	(3,362,774)	4,306,652	5,037,154
Fixed Assets, Net	21,587,528	64,580,393	-	86,167,921	88,540,949
Total Fixed Assets	21,587,528	64,580,393	-	86,167,921	88,540,949
Other Assets					
Designated and Restricted Assets	59,143	3,263,403	-	3,322,546	3,022,698
Long-Term Investments	1,592,923	-	-	1,592,923	1,518,521
Notes Receivable	-	-	-	-	11,779,669
Investment in Partnerships	8,634	-	(8,634)	-	-
Other Assets	-	-	-	-	27,722
Total Other Assets	1,660,700	3,263,403	(8,634)	4,915,469	16,348,610
Total Assets	\$ 29,421,997	\$ 69,339,453	\$ (3,371,408)	\$ 95,390,042	\$ 109,926,713

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Schedule I

Supplementary Information

Consolidating Statement of Financial Position (Continued)

For the Year Ended June 30, 2019

With Summarized Comparative Information for June 30, 2018

	Consolidated Pre- Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated 2019	2018 (Restated)
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable	\$ 122,036	\$ 260,958	\$ -	\$ 382,994	\$ 206,680
Mortgages and Notes Payable	6,166,998	332,816	-	6,499,814	7,350,210
Accrued Expenses	168,972	324,718	(364,742)	128,948	476,348
Other Current Liabilities	50,904	188,871	-	239,775	166,353
Due to Projects in Pre-Development	-	2,998,032	(2,998,032)	-	-
Total Current Liabilities	6,508,910	4,105,395	(3,362,774)	7,251,531	8,199,591
Other Liabilities					
Due to VOASELA, Inc.	1,038,864	168,900	-	1,207,764	1,351,206
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	2,257,143	40,627,144	-	42,884,287	64,554,116
Total Other Liabilities	3,296,007	40,796,044	-	44,092,051	65,905,322
Total Liabilities	9,804,917	44,901,439	(3,362,774)	51,343,582	74,104,913
Total Net Assets Without Donor Restrictions	19,617,080	24,438,014	(8,634)	44,046,460	35,821,800
Total Liabilities and Net Assets	\$ 29,421,997	\$ 69,339,453	\$ (3,371,408)	\$ 95,390,042	\$ 109,926,713

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, 2019

With Summarized Comparative Information for June 30, 2018

	Consolidated Pre- Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2019	2018 (Restated)
Revenues					
Revenues from Operations					
Revenues and Grants	\$ -	\$ -	\$ -	\$ -	\$ 275,000
Other Revenue					
Program Service Fees	62,675	-	-	62,675	2,071,567
Rental Income	1,266,372	4,329,394	(40,631)	5,555,135	5,582,466
Other Operating Income	555,336	269,140	(315,096)	509,380	541,252
Total Other Revenue	1,884,383	4,598,534	(355,727)	6,127,190	8,195,285
Total Operating Revenue	1,884,383	4,598,534	(355,727)	6,127,190	8,470,285

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, 2019

With Summarized Comparative Information for June 30, 2018

	Consolidated Pre- Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2019	2018 (Restated)
Expenses					
Operating Expenses					
Program Services					
Professional Services	1,772,123	1,497,980	(303,619)	2,966,484	3,268,575
Office Supplies and Expenses	11,570	39,153	-	50,723	46,629
Occupancy	245,107	508,016	(52,108)	701,015	900,737
Interest	424,240	708,733	(131,611)	1,001,362	1,146,474
Program Supplies and Equipment	206,952	919,337		1,126,289	798,984
Travel, Conferences and Meetings	3,581	9,679	-	13,260	10,393
Other	76,231	92,650	-	168,881	83,924
Depreciation and Amortization	484,454	2,410,737	-	2,895,191	2,987,667
Total Operating Expenses	3,224,258	6,186,285	(487,338)	8,923,205	9,243,383
Surplus (Deficit) from Operations	(1,339,875)	(1,587,751)	131,611	(2,796,015)	(773,098)

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, 2019

With Summarized Comparative Information for June 30, 2018

	Consolidated Pre- Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2019	2018 (Restated)
Other Activities					
Non-Operating Revenue (Expense)					
Net Investment Return	385,485	27,481	(131,611)	281,355	483,077
Income from Investment in Subsidiaries	17,544	-	(17,544)	-	-
Income Tax Expense	(408)	-	-	(408)	(17,940)
Cancellation of Debt Income	6,089,650	-	-	6,089,650	-
Surplus from Other Activities	6,492,271	27,481	(149,155)	6,370,597	465,137
Change in Net Assets from Operations and Other Activities	5,152,396	(1,560,270)	(17,544)	3,574,582	(307,961)
Other Changes in Net Assets	(148,460)	4,798,538	-	4,650,078	6,211,424
Change in Net Assets	5,003,936	3,238,268	(17,544)	8,224,660	5,903,463
Net Assets Without Donor Restrictions, Beginning of Year	16,494,847	19,318,043	8,910	35,821,800	29,918,337
Assignment of Net Assets Upon Combination	(1,881,703)	1,881,703	-	-	-
Net Assets Without Donor Restrictions, End of Year	\$ 19,617,080	\$ 24,438,014	\$ (8,634)	\$ 44,046,460	\$ 35,821,800

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - Pre-Development
For the Year Ended June 30, 2019
With Summarized Comparative Information for June 30, 2018

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	
							2019	2018 (Restated)
Assets								
Current Assets								
Cash and Cash Equivalents	\$ 1,604,004	\$ 291,601	\$ 3,437	\$ 12,560	\$ 286,821	\$ -	\$ 2,198,423	\$ 2,560,030
Accounts Receivable	149,652	-	9,789	4,773	1,811	(160,425)	5,600	128,526
Prepaid Expenses	82,684	-	28,616	2,050	81,029	-	194,379	84,203
Due from Projects in Development	5,560,337	-	-	-	189,335	(2,394,964)	3,354,708	5,698,429
Other Current Assets	-	-	-	(141)	420,800	-	420,659	-
Total Current Assets	7,396,677	291,601	41,842	19,242	979,796	(2,555,389)	6,173,769	8,471,188
Fixed Assets, Net	3,325,001	149,357	1,718,073	880,303	15,514,794	-	21,587,528	5,855,727
Other Assets								
Designated and Restricted Assets	-	-	39,547	-	19,596	-	59,143	41,160
Long-Term Investments	1,592,923	-	-	-	-	-	1,592,923	1,518,521
Notes Receivable	11,770,350	-	-	-	-	(11,770,350)	-	11,779,669
Investment in Subsidiaries	3,305,555	-	-	-	-	(3,296,921)	8,634	(8,911)
Total Other Assets	16,668,828	-	39,547	-	19,596	(15,067,271)	1,660,700	13,330,439
Total Assets	\$ 27,390,506	\$ 440,958	\$ 1,799,462	\$ 899,545	\$ 16,514,186	\$ (17,622,660)	\$ 29,421,997	\$ 27,657,354

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - Pre-Development (Continued)
For the Year Ended June 30, 2019
With Summarized Comparative Information for June 30, 2018

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	
							2019	2018 (Restated)
Liabilities and Net Assets								
Current Liabilities								
Accounts Payable	\$ -	\$ -	\$ 65,400	\$ (277)	\$ 56,913	\$ -	\$ 122,036	\$ 89,684
Mortgages and Notes Payable	4,656,056	-	1,464,947	45,995	-	-	6,166,998	3,301,135
Accrued Expenses	119,084	-	32,906	-	16,982	-	168,972	185,594
Due to Projects in Development	-	219,316	593,770	536,412	1,205,891	(2,555,389)	-	-
Other Current Liabilities	8,961	-	9,274	8,818	23,851	-	50,904	20,297
Total Current Liabilities	4,784,101	219,316	2,166,297	590,948	1,303,637	(2,555,389)	6,508,910	3,596,710
Other Liabilities								
Due to VOASELA, Inc.	1,001,750	-	-	13,791	23,323	-	1,038,864	1,179,051
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	1,987,575	-	260,516	401,936	11,377,466	(11,770,350)	2,257,143	6,386,746
Total Other Liabilities	2,989,325	-	260,516	415,727	11,400,789	(11,770,350)	3,296,007	7,565,797
Total Liabilities	7,773,426	219,316	2,426,813	1,006,675	12,704,426	(14,325,739)	9,804,917	11,162,507
Net Assets								
Without Donor Restrictions	19,617,080	221,642	(627,351)	(107,130)	3,809,760	(3,296,921)	19,617,080	16,494,847
Total Net Assets Without Donor Restrictions	19,617,080	221,642	(627,351)	(107,130)	3,809,760	(3,296,921)	19,617,080	16,494,847
Total Liabilities and Net Assets	\$ 27,390,506	\$ 440,958	\$ 1,799,462	\$ 899,545	\$ 16,514,186	\$ (17,622,660)	\$ 29,421,997	\$ 27,657,354

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, 2019

With Summarized Comparative Information for June 30, 2018

	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	
							2019	2018 (Restated)
Revenues								
Revenues from Operations								
Revenues and Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,000
Other Revenue								
Program Service Fees	62,675	-	-	-	-	-	62,675	2,071,567
Rental Income	-	-	309,263	341,882	741,184	(125,957)	1,266,372	561,906
Other Operating Income	769,084	-	27,151	21,734	9,804	(272,437)	555,336	584,211
Total Other Revenue	831,759	-	336,414	363,616	750,988	(398,394)	1,884,383	3,217,684
Total Operating Revenue	831,759	-	336,414	363,616	750,988	(398,394)	1,884,383	3,492,684

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, 2019
With Summarized Comparative Information for June 30, 2018

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	
							2019	2018 (Restated)
Expenses								
Operating Expenses								
Program Services								
Professional Services	1,428,249	5,620	71,870	86,824	210,027	(30,467)	1,772,123	1,536,697
Office Supplies and Expenses	1,640	-	2,022	83	7,825	-	11,570	4,092
Occupancy	32,758	-	62,312	225,239	292,725	(367,927)	245,107	234,108
Interest	263,725	(67)	112,372	40,387	7,823	-	424,240	347,210
Program Supplies and Equipment	2,722	-	87,997	17,740	98,493	-	206,952	149,685
Travel, Conferences and Meetings	807	-	1,648	159	967	-	3,581	881
Other	53,720	-	-	20,856	1,655	-	76,231	9,317
Depreciation and Amortization	14,554	-	61,453	27,177	381,270	-	484,454	100,485
Total Operating Expenses	1,798,175	5,553	399,674	418,465	1,000,785	(398,394)	3,224,258	2,382,475
Surplus (Deficit) from Operations	(966,416)	(5,553)	(63,260)	(54,849)	(249,797)	-	(1,339,875)	1,110,209

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, 2019
With Summarized Comparative Information for June 30, 2018

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	
							2019	2018 (Restated)
Other Activities								
Non-Operating Revenue								
Net Investment Return	384,869	335	211	-	70	-	385,485	610,934
Gain (Loss) from Investment in Subsidiaries	3,703,780	-	-	-	-	(3,686,236)	17,544	(2,125)
Income Tax Expense	-	(408)	-	-	-	-	(408)	(17,940)
Cancellation of Debt Income	-	-	-	-	6,089,650	-	6,089,650	-
Surplus (Deficit) from Other Activities	4,088,649	(73)	211	-	6,089,720	(3,686,236)	6,492,271	590,869
Change in Net Assets from Operations and Other Activities	3,122,233	(5,626)	(63,049)	(54,849)	5,839,923	(3,686,236)	5,152,396	1,701,078
Other Changes in Net Assets	-	-	-	-	(148,460)	-	(148,460)	-
Change in Net Assets	3,122,233	(5,626)	(63,049)	(54,849)	5,691,463	(3,686,236)	5,003,936	1,701,078
Net Assets Without Donor Restrictions, Beginning of Year	16,494,847	227,268	(564,302)	(52,281)	-	389,315	16,494,847	14,793,769
Assignment of Net Assets Upon Combination	-	-	-	-	(1,881,703)	-	(1,881,703)	-
Net Assets Without Donor Restrictions, End of Year	\$ 19,617,080	\$ 221,642	\$ (627,351)	\$ (107,130)	\$ 3,809,760	\$ (3,296,921)	\$ 19,617,080	\$ 16,494,847

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - General and Limited Partnerships
For the Year Ended June 30, 2019
With Summarized Comparative Information for June 30, 2018

Schedule V

	Elysian Courtyards of Gentilly	Consolidated The Groves at Mile Branch Creek	Consolidated 1770 Tchoupitoulas	Wisdom Manor	Bayou Cane Apartments	Houma School Apartments	The Cottages at Mile Branch	Consolidated	
								2019	2018
Assets									
Current Assets									
Cash and Cash Equivalents	\$ 183,823	\$ 94,885	\$ -	\$ 58,559	\$ 448,776	\$ 95,171	\$ 17,428	\$ 898,642	\$ 1,246,234
Accounts Receivable, Net	42,753	48,681	-	2,422	13,869	7,997	5,106	120,828	69,996
Prepaid Expenses	153,148	81,896	-	26,751	3,275	36,174	10,840	312,084	463,638
Due from Projects in Pre-Development	-	8,066	-	-	-	-	-	8,066	68,785
Other Current Assets	54,661	-	-	2,177	27,722	47,500	23,977	156,037	484,527
Total Current Assets	434,385	233,528	-	89,909	493,642	186,842	57,351	1,495,657	2,333,180
Fixed Assets, Net	14,090,080	13,762,732	-	3,147,776	11,478,911	17,762,685	4,338,209	64,580,393	82,685,222
Other Assets									
Designated and Restricted Assets	1,244,354	303,037	-	828,439	229,775	484,849	172,949	3,263,403	2,981,538
Other Assets	-	-	-	-	-	-	-	-	27,722
Total Other Assets	1,244,354	303,037	-	828,439	229,775	484,849	172,949	3,263,403	3,009,260
Total Assets	\$ 15,768,819	\$ 14,299,297	\$ -	\$ 4,066,124	\$ 12,202,328	\$ 18,434,376	\$ 4,568,509	\$ 69,339,453	\$ 88,027,662

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Schedule V

Supplementary Information

Consolidating Statement of Financial Position - General and Limited Partnerships (Continued)

For the Year Ended June 30, 2019

With Summarized Comparative Information for June 30, 2018

	Elysian Courtyards of Gentilly	Consolidated The Groves at Mile Branch Creek	Consolidated 1770 Tchoupitoulas	Wisdom Manor	Bayou Cane Apartments	Houma School Apartments	The Cottages at Mile Branch	Consolidated	
								2019	2018
Liabilities and Net Assets									
Current Liabilities									
Accounts Payable	\$ 92,351	\$ 37,741	\$ -	\$ 32,643	\$ 20,189	\$ 34,590	\$ 43,444	\$ 260,958	\$ 134,826
Mortgages and Notes Payable	98,535	113,918	-	-	74,069	42,044	4,250	332,816	4,049,075
Accrued Expenses	17,905	48,011	-	15,359	203,069	23,805	16,569	324,718	290,754
Other Current Liabilities	58,367	44,704	-	13,748	31,585	26,718	13,749	188,871	146,056
Due to Projects in Pre-Development	803,639	251,696	-	1,708,970	38,281	194,371	1,075	2,998,032	5,749,383
Total Current Liabilities	1,070,797	496,070	-	1,770,720	367,193	321,528	79,087	4,105,395	10,370,094
Other Liabilities									
Due to VOASELA, Inc.	51,848	8,278	-	3,380	21,689	84,331	(626)	168,900	172,155
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	10,505,263	11,057,839	-	324	8,759,689	10,070,419	233,610	40,627,144	58,167,370
Total Other Liabilities	10,557,111	11,066,117	-	3,704	8,781,378	10,154,750	232,984	40,796,044	58,339,525
Total Liabilities	11,627,908	11,562,187	-	1,774,424	9,148,571	10,476,278	312,071	44,901,439	68,709,619
Net Assets									
Without Donor Restrictions	4,140,911	2,737,110	-	2,291,700	3,053,757	7,958,098	4,256,438	24,438,014	19,318,043
Total Net Assets Without Donor Restrictions	4,140,911	2,737,110	-	2,291,700	3,053,757	7,958,098	4,256,438	24,438,014	19,318,043
Total Liabilities and Net Assets	\$ 15,768,819	\$ 14,299,297	\$ -	\$ 4,066,124	\$ 12,202,328	\$ 18,434,376	\$ 4,568,509	\$ 69,339,453	\$ 88,027,662

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, 2019
With Summarized Comparative Information for June 30, 2018

Schedule VI

	Elysian Courtyards of Gentilly	Consolidated The Groves at Mile Branch Creek	Consolidated 1770 Tchoupitoulas	Wisdom Manor	Bayou Cane Apartments	Houma School Apartments	The Cottages at Mile Branch	Consolidated	
								2019	2018
Revenues									
Other Revenue									
Rental Income	\$ 1,344,377	\$ 738,754	\$ 323,887	\$ 259,040	\$ 701,710	\$ 731,926	\$ 229,700	\$ 4,329,394	\$ 5,020,560
Other Operating Income	22,096	114,168	51,148	2,698	41,101	22,565	15,364	269,140	269,919
Total Other Revenue	1,366,473	852,922	375,035	261,738	742,811	754,491	245,064	4,598,534	5,290,479
Total Operating Revenue	1,366,473	852,922	375,035	261,738	742,811	754,491	245,064	4,598,534	5,290,479

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Schedule VI

Supplementary Information

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

For the Year Ended June 30, 2019

With Summarized Comparative Information for June 30, 2018

	Elysian Courtyards of Gentilly	Consolidated The Groves at Mile Branch Creek	Consolidated 1770 Tchoupitoulas	Wisdom Manor	Bayou Cane Apartments	Houma School Apartments	The Cottages at Mile Branch	Consolidated	
								2019	2018
Expenses									
Operating Expenses									
Program Services									
Professional Services	403,254	318,167	115,455	88,070	216,541	271,242	85,251	1,497,980	2,044,756
Office Supplies and Expenses	9,199	6,838	2,099	4,413	5,435	10,375	794	39,153	42,537
Occupancy	224,089	74,273	47,157	37,750	56,422	53,523	14,802	508,016	666,629
Interest	191,583	58,255	60,022	77,340	145,908	157,673	17,952	708,733	937,082
Program Supplies and Equipment	195,309	269,708	24,237	53,174	142,732	188,059	46,118	919,337	649,299
Travel, Conferences and Meetings	2,928	799	59	190	2,643	2,872	188	9,679	9,512
Other	8,629	8,450	292	14,075	31,934	10,189	19,081	92,650	74,607
Depreciation and Amortization	482,219	478,728	137,585	198,822	442,844	541,060	129,479	2,410,737	2,887,182
Total Operating Expenses	1,517,210	1,215,218	386,906	473,834	1,044,459	1,234,993	313,665	6,186,285	7,311,604
Deficit from Operations	(150,737)	(362,296)	(11,871)	(212,096)	(301,648)	(480,502)	(68,601)	(1,587,751)	(2,021,125)

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Schedule VI

Supplementary Information

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

For the Year Ended June 30, 2019

With Summarized Comparative Information for June 30, 2018

	Elysian Courtyards of Gentilly	Consolidated The Groves at Mile Branch Creek	Consolidated 1770 Tchoupitoulas	Wisdom Manor	Bayou Cane Apartments	Houma School Apartments	The Cottages at Mile Branch	Consolidated	
								2019	2018
Other Activities									
Non-Operating Revenue									
Net Investment Return	8,560	598	36	16,779	702	508	298	27,481	9,962
Surplus from Other Activities	8,560	598	36	16,779	702	508	298	27,481	9,962
Change in Net Assets from Operations and Other Activities	(142,177)	(361,698)	(11,835)	(195,317)	(300,946)	(479,994)	(68,303)	(1,560,270)	(2,011,163)
Other Changes in Net Assets	(33,103)	-	(100,541)	-	-	1,106,171	3,826,011	4,798,538	6,212,924
Change in Net Assets	(175,280)	(361,698)	(112,376)	(195,317)	(300,946)	626,177	3,757,708	3,238,268	4,201,761
Net Assets Without Donor Restrictions, Beginning of Year	4,316,191	3,098,808	(1,769,327)	2,487,017	3,354,703	7,331,921	498,730	19,318,043	15,116,282
Assignment of Net Assets upon Combination	-	-	1,881,703	-	-	-	-	1,881,703	-
Net Assets Without Donor Restrictions, End 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

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - The Groves at Mile Branch Creek
For the Year Ended June 30, 2019
With Summarized Comparative Information for June 30, 2018

Schedule VII

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2019	2018
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 87,164	\$ 7,721	\$ -	\$ 94,885	\$ 148,533
Accounts Receivable	44,251	4,430	-	48,681	46,296
Prepaid Expenses	81,729	167	-	81,896	83,072
Due from Projects in Pre-Development	1,200	20,282	(13,416)	8,066	8,314
Total Current Assets	214,344	32,600	(13,416)	233,528	286,215
Fixed Assets, Net	13,762,732	-	-	13,762,732	14,207,639
Total Fixed Assets	13,762,732	-	-	13,762,732	14,207,639
Other Assets					
Designated and Restricted Assets	303,037	-	-	303,037	285,642
Total Other Assets	303,037	-	-	303,037	285,642
Total Assets	\$ 14,280,113	\$ 32,600	\$ (13,416)	\$ 14,299,297	\$ 14,779,496

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)

For the Year Ended June 30, 2019

With Summarized Comparative Information for June 30, 2018

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2019	2018
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable	\$ 37,741	\$ -	\$ -	\$ 37,741	\$ 1,998
Mortgages and Notes Payable	113,918	-	-	113,918	112,953
Accrued Expenses	48,011	-	-	48,011	54,369
Other Current Liabilities	44,704	-	-	44,704	42,733
Due to Projects in Pre-Development	261,731	3,381	(13,416)	251,696	237,477
Total Current Liabilities	506,105	3,381	(13,416)	496,070	449,530
Other Liabilities					
Due to VOASELA, Inc.	8,278	-	-	8,278	21,024
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	11,057,839	-	-	11,057,839	11,210,134
Total Other Liabilities	11,066,117	-	-	11,066,117	11,231,158
Total Liabilities	11,572,222	3,381	(13,416)	11,562,187	11,680,688
Net Assets					
Without Donor Restrictions	2,707,891	29,219	-	2,737,110	3,098,808
Total Net Assets Without Donor Restrictions	2,707,891	29,219	-	2,737,110	3,098,808
Total Liabilities and Net Assets	\$ 14,280,113	\$ 32,600	\$ (13,416)	\$ 14,299,297	\$ 14,779,496

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Supplementary Information
Consolidating Statement of Activities - The Groves at Mile Branch Creek
For the Year Ended June 30, 2019
With Summarized Comparative Information for June 30, 2018

Schedule VIII

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2019	2018
Revenues					
Other Revenue					
Rental Income	\$ 738,754	\$ -	\$ -	\$ 738,754	\$ 761,886
Other Operating Income	114,168	38,530	(38,530)	114,168	181,590
Total Other Revenue	852,922	38,530	(38,530)	852,922	943,476
Total Operating Revenue	852,922	38,530	(38,530)	852,922	943,476

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, 2019

With Summarized Comparative Information for June 30, 2018

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2019	2018
Expenses					
Operating Expenses					
Program Services					
Professional Services	308,751	9,416	-	318,167	337,654
Office Supplies and Expenses	6,838	-	-	6,838	5,357
Occupancy	96,356	16,447	(38,530)	74,273	60,967
Interest	58,255	-	-	58,255	61,455
Program Supplies and Equipment	238,954	30,754	-	269,708	181,575
Travel, Conferences and Meetings	799	-	-	799	3,125
Other	8,450	-	-	8,450	(2,986)
Depreciation and Amortization	478,728	-	-	478,728	477,580
Total Operating Expenses	1,197,131	56,617	(38,530)	1,215,218	1,124,727
(Deficit) from Operations	(344,209)	(18,087)	-	(362,296)	(181,251)

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, 2019

With Summarized Comparative Information for June 30, 2018

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2019	2018
Other Activities					
Non-Operating Revenue					
Net Investment Return	598	-	-	598	762
Surplus from Other Activities	598	-	-	598	762
Deficit from Operations	(343,611)	(18,087)	-	(361,698)	(180,489)
Change in Net Assets from Operations	(343,611)	(18,087)	-	(361,698)	(180,489)
Other Changes in Net Assets	-	-	-	-	-
Change in Net Assets	(343,611)	(18,087)	-	(361,698)	(180,489)
Net Assets Without Donor Restrictions, Beginning of Year	3,051,502	47,306	-	3,098,808	3,279,297
Net Assets Without Donor Restrictions, End of Year	\$ 2,707,891	\$ 29,219	\$ -	\$ 2,737,110	\$ 3,098,808

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - 1770 Tchoupitoulas
For the Year Ended June 30, 2019
With Summarized Comparative Information for June 30, 2018

Schedule IX

	Tchoupitoulas Apartments	Master Tenant	Centennial Place Apartments	Eliminations	Consolidated	
					2019	2018
Assets						
Current Assets						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,070
Accounts Receivable	-	-	-	-	-	1,811
Prepaid Expenses	-	-	-	-	-	127,574
Due from Projects in Pre-Development	-	-	-	-	-	60,471
Other Current Assets	-	-	-	-	-	409,717
Total Current Assets	-	-	-	-	-	882,643
Fixed Assets, Net	-	-	-	-	-	15,987,493
Total Fixed Assets	-	-	-	-	-	15,987,493
Other Assets						
Designated and Restricted Assets	-	-	-	-	-	313,577
Total Other Assets	-	-	-	-	-	313,577
Total Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,183,713

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - 1770 Tchoupitoulas (Continued)
For the Year Ended June 30, 2019
With Summarized Comparative Information for June 30, 2018

Schedule IX

	Tchoupitoulas Apartments	Master Tenant	Centennial Place Apartments	Eliminations	Consolidated	
					2019	2018
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,462
Mortgages and Notes Payable	-	-	-	-	-	249,035
Accrued Expenses	-	-	-	-	-	15,763
Other Current Liabilities	-	-	-	-	-	20,629
Due to Projects in Pre-Development	-	-	-	-	-	1,409,935
Total Current Liabilities	-	-	-	-	-	1,747,824
Other Liabilities						
Due to VOASELA, Inc.	-	-	-	-	-	17,771
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	-	-	-	-	-	14,187,445
Total Other Liabilities	-	-	-	-	-	14,205,216
Total Liabilities	-	-	-	-	-	18,953,040
Net Assets						
Without Donor Restrictions	-	-	-	-	-	(1,769,327)
Total Net Assets Without Donor Restrictions	-	-	-	-	-	(1,769,327)
Total Liabilities and Net Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,183,713

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Schedule X

Supplementary Information

Consolidating Statement of Activities - 1770 Tchoupitoulas

For the Year Ended June 30, 2019

With Summarized Comparative Information for June 30, 2018

	Tchoupitoulas Apartments	Master Tenant	Centennial Place Apartments	Eliminations	Consolidated	
					2019	2018
Revenues						
Other Revenue						
Rental Income	\$ 207,600	\$ 266,300	\$ 153,727	\$ (303,740)	\$ 323,887	\$ 1,339,631
Other Operating Income	-	-	51,148	-	51,148	21,951
Total Other Revenue	207,600	266,300	204,875	(303,740)	375,035	1,361,582
Total Operating Revenue	207,600	266,300	204,875	(303,740)	375,035	1,361,582

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Activities - 1770 Tchoupitoulas (Continued)
For the Year Ended June 30, 2019
With Summarized Comparative Information for June 30, 2018

Schedule X

	Tchoupitoulas Apartments	Master Tenant	Centennial Place Apartments	Eliminations	Consolidated	
					2019	2018
Expenses						
Operating Expenses						
Program Services						
Professional Services	39,382	32,798	43,275	-	115,455	457,875
Office Supplies and Expenses	-	-	2,099	-	2,099	7,399
Occupancy	-	238,066	112,831	(303,740)	47,157	208,418
Interest	59,009	993	20	-	60,022	212,264
Program Supplies and Equipment	-	3,599	20,638	-	24,237	75,853
Travel, Conferences and Meetings	-	-	59	-	59	1,255
Other	-	-	292	-	292	4,764
Depreciation and Amortization	138,262	(677)	-	-	137,585	562,082
Total Operating Expenses	236,653	274,779	179,214	(303,740)	386,906	1,529,910
(Deficit) Surplus from Operations	(29,053)	(8,479)	25,661	-	(11,871)	(168,328)

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Activities - 1770 Tchoupitoulas (Continued)
For the Year Ended June 30, 2019
With Summarized Comparative Information for June 30, 2018

Schedule X

	Tchoupitoulas Apartments	Master Tenant	Centennial Place Apartments	Eliminations	Consolidated	
					2019	2018
Other Activities						
Non-Operating Revenue						
Net Investment Return	-	-	36	-	36	248
Surplus from Other Activities	-	-	36	-	36	248
Change in Net Assets from Operations and Other Activities	(29,053)	(8,479)	25,697	-	(11,835)	(168,080)
Other Changes in Net Assets	-	(100,541)	-	-	(100,541)	(58,985)
Change in Net Assets	(29,053)	(109,020)	25,697	-	(112,376)	(227,065)
Net Assets Without Donor Restrictions, Beginning of Year	(1,019,963)	(697,784)	(51,580)	-	(1,769,327)	(1,542,262)
Assignment of Net Assets upon Combination	1,049,016	806,804	25,883	-	1,881,703	-
Net Assets Without Donor Restrictions, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,769,327)

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, 2019, 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 9, 2019.

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.

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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 Professional Accounting Corporation

Covington, LA
October 9, 2019