

**RENAISSANCE NEIGHBORHOOD
DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Audits of Consolidated Financial Statements

June 30, 2018 and 2017



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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) (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and 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 Apartments, a wholly-owned subsidiary, as of and for the years ended June 30, 2018 and 2017, which reflect total assets of \$1,851,969 and \$1,879,258, as of June 30, 2018 and 2017, respectively, and total revenues of \$322,451 and \$335,553, for the years ended June 30, 2018 and 2017, respectively. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for 2901 Dee, Inc., d/b/a Embassy House Apartments as of and for the years ended June 30, 2018 and 2017, is based on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Renaissance Neighborhood Development Corporation and Subsidiaries as of June 30, 2018 and 2017 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 relates to 2901 Dee, Inc., d/b/a Embassy House 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 12, 2018 on our consideration of RNDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RNDC's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Metairie, LA
October 12, 2018

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Consolidated Statements of Financial Position
June 30, 2018 and 2017

	2018	2017
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 2,560,030	\$ 3,313,874
Accounts Receivable, Net	128,526	67,164
Prepaid Expenses	84,203	17,095
Other Assets	-	2,040
General and Limited Partnerships' Current Assets	<u>2,264,395</u>	<u>1,999,109</u>
Total Current Assets	<u>5,037,154</u>	<u>5,399,282</u>
Fixed Assets		
Fixed Assets, Net	5,855,727	5,936,903
General and Limited Partnerships' Fixed Assets, Net	<u>82,685,222</u>	<u>82,802,594</u>
Total Fixed Assets	<u>88,540,949</u>	<u>88,739,497</u>
Other Assets		
Designated and Restricted Assets	41,160	50,691
Long-Term Investments	1,518,521	1,206,542
Notes Receivable	11,779,669	11,560,262
General and Limited Partnerships' Other Assets	<u>3,009,260</u>	<u>2,675,992</u>
Total Other Assets	<u>16,348,610</u>	<u>15,493,487</u>
Total Assets	<u>\$ 109,926,713</u>	<u>\$ 109,632,266</u>

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, 2018 and 2017

	2018	2017
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 71,853	\$ 124,315
Mortgages and Notes Payable	3,301,135	3,758,334
Accrued Expenses	185,594	165,208
Other Current Liabilities	20,297	15,487
General and Limited Partnerships' Current Liabilities	4,620,711	10,457,045
	<u>8,199,590</u>	<u>14,520,389</u>
Total Current Liabilities		
Other Liabilities		
Due to VOASELA, Inc.	1,160,404	1,295,692
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	6,386,746	6,911,347
General and Limited Partnerships' Other Liabilities	58,339,525	56,986,501
	<u>65,886,675</u>	<u>65,193,540</u>
Total Other Liabilities		
	<u>74,086,265</u>	<u>79,713,929</u>
Total Liabilities		
Net Assets		
Unrestricted Net Assets	35,840,448	29,918,337
	<u>35,840,448</u>	<u>29,918,337</u>
Total Net Assets		
	<u>\$ 109,926,713</u>	<u>\$ 109,632,266</u>
Total Liabilities and Net Assets		

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, 2018 and 2017

	2018	2017
Revenues		
Revenues from Operations		
Revenues and Grants	\$ 520,875	\$ 57,050
Other Revenue		
Program Service Fees	2,071,567	93,965
Rental Income	316,031	318,491
Other Operating Income	271,333	579,677
Other Revenue - General and Limited Partnerships	5,290,479	4,191,928
Total Other Revenue	7,949,410	5,184,061
Total Operating Revenue	8,470,285	5,241,111
Operating Expenses		
Program Services		
Promoting Self-Sufficiency	2,363,828	2,297,382
Promoting Self-Sufficiency - General and Limited Partnerships	6,860,908	5,590,511
Total Operating Expenses	9,224,736	7,887,893
Deficit from Operations	(754,451)	(2,646,782)
Other Activities		
Interest and Dividend Income	403,302	407,710
Interest and Dividend Income - General and Limited Partnerships	9,962	9,017
Gain on Investments	69,814	83,802
Income from Sale of Tax Credits	-	214,036
Income Tax Expense	(17,940)	-
Surplus from Other Activities	465,138	714,565
Change in Net Assets from Operations and Other Activities	(289,313)	(1,932,217)
Other Changes in Net Assets - General and Limited Partnerships	6,211,424	(44,386)
Total Other Changes in Net Assets	6,211,424	(44,386)
Change in Net Assets	5,922,111	(1,976,603)
Net Assets, Beginning of Year	29,918,337	31,894,940
Net Assets, End of Year	\$ 35,840,448	\$ 29,918,337

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, 2018 and 2017

	2018		2017	
	Promoting Self-Sufficiency		Promoting Self-Sufficiency	
	Pre- Development	General and Limited Partnerships	Pre- Development	General and Limited Partnerships
Legal Fees	\$ 2,066	\$ -	\$ 3,933	\$ -
Accounting Fees	117,563	25,412	108,677	92,193
Other Professional Fees	1,375,368	1,078,850	1,337,030	875,712
Supplies	15,766	78,729	33,511	136,155
Telecommunications	3,598	41,622	4,350	39,403
Postage	494	915	522	339
Occupancy	234,108	666,629	153,225	438,019
Interest	347,210	799,264	368,698	732,128
Insurance	23,053	627,616	17,441	461,113
Equipment Rental and Maintenance	133,919	570,570	125,487	414,886
Printing and Publications	-	-	3,258	-
Travel and Transportation	881	9,512	5,944	7,953
Other	9,317	74,607	41,066	59,958
Depreciation and Amortization	100,485	2,887,182	94,240	2,332,652
Total	\$ 2,363,828	\$ 6,860,908	\$ 2,297,382	\$ 5,590,511

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, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Change in Net Assets	\$ 5,922,111	\$ (1,976,603)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization Expense	100,485	94,240
Bad Debt Expense	-	15,785
Forgiveness of Debt	(200,000)	-
Net Gain on Investments	(69,814)	(83,802)
(Increase) Decrease in Operating Assets		
General and Limited Partnerships' Assets	(481,182)	(12,349,882)
Accounts Receivable	(61,362)	103,428
Prepaid Expenses	(67,108)	(5,187)
Other Current Assets	2,040	(2,040)
Designated and Restricted Assets	9,531	5,094
Increase (Decrease) in Operating Liabilities		
General and Limited Partnerships' Liabilities	(4,483,310)	14,384,709
Accounts Payable	(52,462)	40,410
Accrued Expenses	20,386	(248,317)
Amounts Due to VOASELA, Inc.	(135,288)	121,883
Other Current Liabilities	4,810	3,425
Net Cash Provided by Operating Activities	508,837	103,143
Cash Flows from Investing Activities		
Increase in Notes Receivable	(219,407)	(197,323)
Acquisition of Fixed Assets	(17,059)	(461,396)
Proceeds from Sale of Fixed Assets	-	78,477
Purchases of Investments	(242,165)	(20,917)
Net Cash Used in Investing Activities	(478,631)	(601,159)
Cash Flows from Financing Activities		
Proceeds from Notes Payable	-	750,000
Principal Reductions in Notes Payable	(782,175)	(754,072)
Payments of Loan Origination Fees	(1,875)	(11,850)
Net Cash Used in Financing Activities	(784,050)	(15,922)
Net Decrease in Cash and Cash Equivalents	(753,844)	(513,938)
Cash and Cash Equivalents, Beginning of Year	3,313,874	3,827,812
Cash and Cash Equivalents, Ending of Year	\$ 2,560,030	\$ 3,313,874
Supplemental Disclosures of Cash Flow Information		
Interest Paid	\$ 349,132	\$ 362,988
General and Limited Partnerships' Interest Paid	\$ 643,679	\$ 674,645

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 and Volunteers of America Southeast Louisiana, Inc. 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 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, and Riverfront Self Storage, LLC.

In August 2008, RNDC established Chateau Carre' Apartments LP, d/b/a Elysian Courtyards of Gentilly, as the ownership entity for the Chateau Carre' project. The General Partner was established as Chateau Carre' GP, LLC, whose sole member is RNDC and maintains a 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, whose sole member is RNDC and 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.

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 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.

The more significant accounting policies of RNDC are described below.

Principles of Consolidation

The accompanying consolidated 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, and Riverfront Self Storage, in which RNDC has a controlling interest. All significant intercompany transactions and balances have been eliminated.

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

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.

Contributions

Contributions are recognized when received. All contributions are available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified or released to unrestricted net assets.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Designated and Restricted Assets

Restricted and designated assets represent the total of all assets that are encumbered by donor restrictions, legal agreements, Board of Directors' designation, or otherwise unavailable for general use by RNDC. This category generally includes assets such as client or custodial funds, escrow and reserve account funds, temporarily or permanently restricted assets, and securities that are pledged and held by the lender as collateral for financing.

Net Assets

RNDC classifies net assets into three categories: unrestricted, temporarily restricted, and permanently restricted. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Temporarily restricted net assets include contributions with temporary, donor-imposed time or purpose restrictions. Temporarily restricted net assets become unrestricted and are reported in the consolidated statements of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose. Permanently restricted net assets include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned on the contributions. As of June 30, 2018 and 2017, there were no temporarily or permanently restricted net assets.

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 non-operating.

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 2018 or 2017 and, accordingly, no tax expense was incurred during the years ended June 30, 2018 and 2017.

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, 2018 and 2017, totaled \$17,940 and \$-0-, respectively.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

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

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

Advertising Expenses

RNDC expenses the costs of advertising as incurred. Advertising expense was \$61,921 and \$34,167, for the years ended June 30, 2018 and 2017, respectively.

Investments

RNDC's investments are stated at fair value in the consolidated statements of financial position, with all gains and losses included in the consolidated statements of activities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 13 for discussion of fair value measurement.

Unrealized gains and losses on investments with readily determinable fair values are recorded in the consolidated statements of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or law. Dividend, interest, and other investment income are recorded as increases in unrestricted net assets unless the use is restricted by the donor. Donated investments are recorded at fair value at the date of receipt.

Summary Financial Information for 2017

The consolidated financial statements and supplementary information for the year ended June 30, 2017 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 consolidated financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Allocation of Functional Expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the various functions.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of consolidated 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 consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue Recognition

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

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.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount an entity expects to be entitled to when products are transferred to customers. The new standard is effective for fiscal years beginning after December 15, 2018, though early adoption is permitted. The new revenue standard may be applied retrospectively as of the date of adoption. Management is currently evaluating the impact of adopting the new revenue standard on its consolidated financial statements.

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 consolidated 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 August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, “net assets with donor restrictions” and “net assets without donor restrictions,” and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 is effective for annual periods beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. Management is currently evaluating the impact the adoption of this guidance will have on its consolidated financial statements.

Note 3. Note Receivable

At June 30, 2018, 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. Scheduled annual principal payments due from ESIC New Market Partners XLVII Investment Fund, LLC on the note receivable subsequent to June 30, 2018, are as follows:

Years Ending June 30,	Amount
2019	\$ 321,600
2020	218,238
2021	246,299
2022	274,811
2023	304,849
Thereafter	<u>10,413,872</u>
Total	<u>\$ 11,779,669</u>

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 4. Fixed Assets

At June 30, 2018 and 2017, fixed assets consisted of the following:

	2018	2017
Land	\$ 3,364,777	\$ 3,364,777
Buildings and Improvements	2,553,407	2,540,994
Furniture and Equipment	246,660	242,014
	<u>6,164,844</u>	<u>6,147,785</u>
Less: Accumulated Depreciation	(309,117)	(210,882)
Total Fixed Assets, Net	5,855,727	5,936,903
General and Limited Partnerships'		
Fixed Assets, Net	82,685,222	82,802,594
Total Fixed Assets	\$ 88,540,949	\$ 88,739,497

Depreciation expense for Pre-Development was \$98,235 and \$84,579, for the years ended June 30, 2018 and 2017, respectively.

Note 5. Designated and Restricted Assets

RNDC has agreements with agencies that require funded reserves and the restriction of certain deposits which are custodial in nature. At June 30, 2018 and 2017, designated and restricted assets were as follows:

	2018	2017
Security Deposits	\$ 9,749	\$ 9,420
Replacement Reserve Funds	31,411	41,271
Total	\$ 41,160	\$ 50,691

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 6. Mortgages and Notes Payable

At June 30, 2018 and 2017, mortgages and notes payable consisted of the following:

	2018	2017
Note payable to Iberia Bank secured by land and buildings (Tchoupitoulas) with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus three percent (3.0%), maturing from January 2014 through July 2019.	\$ 2,508,700	\$ 2,670,552
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 one (1.0%) per annum, maturing on July 2, 2037.	2,091,981	2,188,952
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.	1,643,333	1,840,533
Note payable to Enterprise Community Loan Fund, Inc. with an interest rate of 6.0%, matured on November 30, 2017.	1,485,263	1,507,182
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.	860,000	925,000
Construction loan payable to Whitney Bank, which converted to a note payable on July 6, 2017, with an interest rate of 5.25%, maturing on July 6, 2022.	495,079	534,312
Note payable to The Powers Foundation with an interest rate of 2.0%, matured on December 31, 2017.	250,000	250,000
Note payable to Volunteers of America North Louisiana with an interest rate of 1.0%, matured on November 12, 2017.	200,000	200,000
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 on May 1, 2025.	163,000	163,000
Notes payable to Enterprise Community Partners, Inc., with maturity dates of November 30, 2016 and May 31, 2018, and interest rates of -0-%.	-	200,000
Note payable to Living Cities, Inc. with an interest rate of -0-%, maturing on June 30, 2018.	-	200,000
	9,697,356	10,679,531
Less: Debt Issuance Costs, Net of Amortization	(9,475)	(9,850)
Total	\$ 9,687,881	\$ 10,669,681

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 6. Mortgages and Notes Payable (Continued)

Scheduled annual principal payments due on the above mortgages and notes payable subsequent to June 30, 2018, are as follows:

Years Ending June 30,	Amount
2019	\$ 3,301,135
2020	3,934,845
2021	149,574
2022	153,237
2023	408,675
Thereafter	<u>1,749,890</u>
Total	<u>\$ 9,697,356</u>

Interest expense was \$347,210 and \$368,698, for the years ended June 30, 2018 and 2017, respectively.

RNDC was in compliance with debt covenants at June 30, 2018 and 2017.

Note 7. 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 8. 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, 2018 and 2017.

Note 9. Unrestricted Net Assets

At June 30, 2018 and 2017, unrestricted net assets consisted of the following:

	2018	2017
Operations	\$ 16,522,405	\$ 14,802,055
Non-Controlling Interest in General and Limited Partnerships	<u>19,318,043</u>	<u>15,116,282</u>
Total	<u>\$ 35,840,448</u>	<u>\$ 29,918,337</u>

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 10. Change in Net Assets

For the years ended June 30, 2018 and 2017, the change in net assets consisted of the following:

	<u>2018</u>	<u>2017</u>
Operations	\$ 1,720,350	\$ (540,249)
Non-Controlling Interest in General and Limited Partnerships	<u>4,201,761</u>	<u>(1,436,354)</u>
Total	<u>\$ 5,922,111</u>	<u>\$ (1,976,603)</u>

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, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Volunteers of America National Services	\$ 1,023,000	\$ 1,088,000
Volunteers of America Southeast Louisiana, Inc.	1,160,404	1,295,692

VOANS CDE Sub I has an outstanding loan to 1770 Tchoupitoulas, LLC with a balance of \$8,160,000, as of June 30, 2018 and 2017.

VOASELA has an outstanding loan to Houma School Apartments, LLC with a balance of \$2,028,024 and \$-0-, as of June 30, 2018 and 2017, respectively.

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, 2018 and 2017, personnel and other general and administrative services provided by Volunteers of America Southeast Louisiana, Inc. were approximately \$947,817 and \$932,045, respectively.

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

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 12. Fair Value of Financial Instruments

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

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

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

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

Note 13. Fair Value Measurements

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

The three levels of the fair value hierarchy are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that RNDC has the ability to access.
Level 2	Inputs to the valuation methodology include: <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;• 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.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 13. Fair Value Measurements (Continued)

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

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

- Common stocks, 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).

The following tables set forth, by level within the fair value hierarchy, RNDC's assets at fair value as of June 30, 2018 and 2017:

June 30, 2018	Level 1	Level 2	Level 3	Total
Common Stock	\$ 1,436,759	\$ -	\$ -	\$ 1,436,759
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
June 30, 2017	Level 1	Level 2	Level 3	Total
Common Stock	\$ 1,146,328	\$ -	\$ -	\$ 1,146,328
Total Assets in Fair Value Hierarchy	1,146,328	-	-	1,146,328
Investments Measured at NAV (a)	-	-	-	60,214
Total Investments at Fair Value	\$ 1,146,328	\$ -	\$ -	\$ 1,206,542

(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, 2018 and 2017, 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 13. Fair Value Measurements (Continued)

Investments Using the Net Asset Value per Share Practical Expedient

The following tables summarize investments for which fair value is measured using the net asset value per share practical expedient as of June 30, 2018 and 2017. 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
June 30, 2017	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Pooled Investment Fund	\$ 60,214	N/A	Daily	N/A

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 14. Concentration of Credit Risk

RNDC maintains deposits in financial institutions that at times exceed the insured amount of \$250,000 by the U.S. Federal Deposit Insurance Corporation (FDIC). RNDC believes it is not exposed to any significant credit risk to cash.

At June 30, 2018, RNDC had \$1,999,564 in excess of the FDIC insured limit.

Note 15. Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, October 12, 2018, no subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

SUPPLEMENTARY INFORMATION

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
**Schedule of Compensation, Benefits, and Other Payments
to Agency Head**
For the Year Ended June 30, 2018

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

Agency Head
Victor Smeltz, Executive Director

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

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

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Schedule I

Supplementary Information

Consolidating Statement of Financial Position

June 30, 2018

With Summarized Comparative Information for June 30, 2017

	Consolidated Pre- Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2018	2017
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 2,560,030	\$ 1,246,234	\$ -	\$ 3,806,264	\$ 4,646,939
Accounts Receivable, Net	128,526	69,996	-	198,522	110,968
Prepaid Expenses	84,203	463,638	-	547,841	369,905
Due from Projects in Pre-Development	5,698,429	68,785	(5,767,214)	-	-
Other Assets	-	484,527	-	484,527	271,470
Total Current Assets	8,471,188	2,333,180	(5,767,214)	5,037,154	5,399,282
Fixed Assets, Net	5,855,727	82,685,222	-	88,540,949	88,739,497
Total Fixed Assets	5,855,727	82,685,222	-	88,540,949	88,739,497
Other Assets					
Designated and Restricted Assets	41,160	2,981,538	-	3,022,698	2,698,961
Long-Term Investments	1,518,521	-	-	1,518,521	1,206,542
Notes Receivable	11,779,669	-	-	11,779,669	11,560,262
Investment in Partnership	547,052	-	(547,052)	-	-
Other Assets	-	27,722	-	27,722	27,722
Total Other Assets	13,886,402	3,009,260	(547,052)	16,348,610	15,493,487
Total Assets	\$ 28,213,317	\$ 88,027,662	\$ (6,314,266)	\$ 109,926,713	\$ 109,632,266

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Schedule I

Supplementary Information

Consolidating Statement of Financial Position (Continued)

June 30, 2018

With Summarized Comparative Information for June 30, 2017

	Consolidated Pre- Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2018	2017
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable	\$ 89,684	\$ 134,826	\$ (17,831)	\$ 206,679	\$ 1,231,882
Mortgages and Notes Payable	3,301,135	4,049,075	-	7,350,210	12,247,105
Accrued Expenses	185,594	290,754	-	476,348	887,082
Other Current Liabilities	20,297	146,056	-	166,353	154,320
Due to Projects in Pre-Development	-	5,749,383	(5,749,383)	-	-
Total Current Liabilities	3,596,710	10,370,094	(5,767,214)	8,199,590	14,520,389
Other Liabilities					
Due to VOASELA, Inc.	1,160,404	172,155	-	1,332,559	1,359,119
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	6,386,746	58,167,370	-	64,554,116	63,834,421
Total Other Liabilities	7,547,150	58,339,525	-	65,886,675	65,193,540
Total Liabilities	11,143,860	68,709,619	(5,767,214)	74,086,265	79,713,929
Net Assets					
Unrestricted Net Assets	17,069,457	19,318,043	(547,052)	35,840,448	29,918,337
Total Net Assets	17,069,457	19,318,043	(547,052)	35,840,448	29,918,337
Total Liabilities and Net Assets	\$ 28,213,317	\$ 88,027,662	\$ (6,314,266)	\$ 109,926,713	\$ 109,632,266

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, 2018

With Summarized Comparative Information for June 30, 2017

	Consolidated Pre- Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2018	2017
Revenues					
Revenues from Operations					
Revenues and Grants	\$ 520,875	\$ -	\$ -	\$ 520,875	\$ 57,050
Other Revenue					
Program Service Fees	2,071,567	-	-	2,071,567	93,965
Rental Income	316,031	5,020,560	-	5,336,591	4,454,208
Other Operating Income	584,211	269,919	(312,878)	541,252	635,888
Total Other Revenue	2,971,809	5,290,479	(312,878)	7,949,410	5,184,061
Total Operating Revenue	3,492,684	5,290,479	(312,878)	8,470,285	5,241,111

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, 2018

With Summarized Comparative Information for June 30, 2017

	Consolidated Pre- Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2018	2017
Expenses					
Operating Expenses					
Program Services					
Legal Fees	2,066	-	-	2,066	3,933
Accounting Fees	117,563	42,962	(17,550)	142,975	200,870
Other Professional Fees	1,375,368	1,374,178	(295,328)	2,454,218	2,212,742
Supplies	15,766	78,729	-	94,495	169,666
Telecommunications	3,598	41,622	-	45,220	43,753
Postage	494	915	-	1,409	861
Occupancy	234,108	666,629	-	900,737	591,244
Interest	347,210	937,082	(137,818)	1,146,474	1,100,826
Insurance	23,053	627,616	-	650,669	478,554
Equipment Rental and Maintenance	133,919	570,570	-	704,489	540,373
Printing and Publications	-	-	-	-	3,258
Travel and Transportation	881	9,512	-	10,393	13,897
Other	9,317	74,607	-	83,924	101,024
Depreciation and Amortization	100,485	2,887,182	-	2,987,667	2,426,892
Total Operating Expenses	2,363,828	7,311,604	(450,696)	9,224,736	7,887,893
Surplus (Deficit) from Operations	1,128,856	(2,021,125)	137,818	(754,451)	(2,646,782)

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, 2018

With Summarized Comparative Information for June 30, 2017

	Consolidated Pre- Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2018	2017
Other Activities					
Non-Operating Revenue (Expense)					
Interest and Dividend Income	541,120	9,962	(137,818)	413,264	416,727
Gain on Investments	69,814	-	-	69,814	83,802
Income from Sale of Tax Credits	-	-	-	-	214,036
Income Tax Expense	(17,940)	-	-	(17,940)	-
Surplus from Other Activities	592,994	9,962	(137,818)	465,138	714,565
Change in Net Assets from Operations and Other Activities	1,721,850	(2,011,163)	-	(289,313)	(1,932,217)
Other Changes in Net Assets	-	6,212,924	(1,500)	6,211,424	(44,386)
Change in Net Assets	1,721,850	4,201,761	(1,500)	5,922,111	(1,976,603)
Net Assets, Beginning of Year	15,347,607	15,116,282	(545,552)	29,918,337	31,894,940
Net Assets, End of Year	\$ 17,069,457	\$ 19,318,043	\$ (547,052)	\$ 35,840,448	\$ 29,918,337

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - Pre-Development
June 30, 2018
With Summarized Comparative Information for June 30, 2017

Schedule III

	Projects in Pre-Development	Millennium Properties, Inc.	2901 Dee, Inc., d/b/a Embassy House Apartments	Riverfront Self Storage, LLC	Eliminations	Consolidated	
						2018	2017
Assets							
Current Assets							
Cash and Cash Equivalents	\$ 2,127,215	\$ 396,686	\$ 1,288	\$ 34,841	\$ -	\$ 2,560,030	\$ 3,313,874
Accounts Receivable	124,400	-	487	3,639	-	128,526	187,436
Prepaid Expenses	50,434	-	30,135	3,634	-	84,203	17,095
Due from Related Parties	-	-	-	-	-	-	23,956
Due from Projects in Development	6,651,702	-	-	-	(953,273)	5,698,429	4,777,324
Other Assets	-	-	-	-	-	-	2,040
Total Current Assets	8,953,751	396,686	31,910	42,114	(953,273)	8,471,188	8,321,725
Fixed Assets, Net	3,019,934	149,357	1,778,901	907,535		5,855,727	5,936,903
Other Assets							
Designated and Restricted Assets	-	-	41,160	-	-	41,160	50,691
Long-Term Investments	1,518,521	-	-	-	-	1,518,521	1,206,542
Notes Receivable	11,779,669	-	-	-	-	11,779,669	11,560,262
Investment in Partnership	1,057,052	-	-	-	(510,000)	547,052	547,052
Total Other Assets	14,355,242	-	41,160	-	(510,000)	13,886,402	13,364,547
Total Assets	\$ 26,328,927	\$ 546,043	\$ 1,851,971	\$ 949,649	\$ (1,463,273)	\$ 28,213,317	\$ 27,623,175

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - Pre-Development (Continued)
June 30, 2018
With Summarized Comparative Information for June 30, 2017

Schedule III

	Projects in Pre-Development	Millennium Properties, Inc.	2901 Dee, Inc., d/b/a Embassy House Apartments	Riverfront Self Storage, LLC	Eliminations	Consolidated	
						2018	2017
Liabilities and Net Assets							
Current Liabilities							
Accounts Payable	\$ 5,414	\$ 779	\$ 17,354	\$ 66,137	\$ -	\$ 89,684	\$ 124,315
Mortgages and Notes Payable	1,322,197	-	1,935,263	43,675	-	3,301,135	3,758,334
Accrued Expenses	140,500	-	45,094	-	-	185,594	165,208
Due to Projects in Development	-	317,996	244,775	390,502	(953,273)	-	5,185
Other Current Liabilities	-	-	11,412	8,885	-	20,297	15,487
Total Current Liabilities	1,468,111	318,775	2,253,898	509,199	(953,273)	3,596,710	4,068,529
Other Liabilities							
Due to VOASELA, Inc.	1,110,227	-	-	50,177	-	1,160,404	1,295,692
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	5,781,817	-	162,375	442,554	-	6,386,746	6,911,347
Total Other Liabilities	6,892,044	-	162,375	492,731	-	7,547,150	8,207,039
Total Liabilities	8,360,155	318,775	2,416,273	1,001,930	(953,273)	11,143,860	12,275,568
Net Assets							
Unrestricted Net Assets	17,968,772	227,268	(564,302)	(52,281)	(510,000)	17,069,457	15,347,607
Total Net Assets	17,968,772	227,268	(564,302)	(52,281)	(510,000)	17,069,457	15,347,607
Total Liabilities and Net Assets	\$ 26,328,927	\$ 546,043	\$ 1,851,971	\$ 949,649	\$ (1,463,273)	\$ 28,213,317	\$ 27,623,175

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, 2018

With Summarized Comparative Information for June 30, 2017

	Projects in Pre-Development	Millennium Properties, Inc.	2901 Dee, Inc., d/b/a Embassy House Apartments	Riverfront Self Storage, LLC	Eliminations	Consolidated	
						2018	2017
Revenues							
Revenues from Operations							
Revenues and Grants	\$ 275,000	\$ -	\$ -	\$ 245,875	\$ -	\$ 520,875	\$ 57,050
Other Revenue							
Program Service Fees	2,071,567	-	-	-	-	2,071,567	93,965
Rental Income	-	-	316,031	-	-	316,031	318,491
Other Operating Income	529,691	39	6,282	49,819	(1,620)	584,211	579,677
Total Other Revenue	2,601,258	39	322,313	49,819	(1,620)	2,971,809	992,133
Total Operating Revenue	2,876,258	39	322,313	295,694	(1,620)	3,492,684	1,049,183

See independent auditor's report.

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Supplementary Information
Consolidating Statement of Activities - Pre-Development (Continued)
For the Year Ended June 30, 2018
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Schedule IV

	Projects in Pre-Development	Millennium Properties, Inc.	2901 Dee, Inc., d/b/a Embassy House Apartments	Riverfront Self Storage, LLC	Eliminations	Consolidated	
						2018	2017
Expenses							
Operating Expenses							
Program Services							
Legal Fees	1,823	-	243	-	-	2,066	3,933
Accounting Fees	108,805	-	8,758	-	-	117,563	108,677
Other Professional Fees	1,170,987	8,899	90,241	106,861	(1,620)	1,375,368	1,337,030
Supplies	2,965	779	11,216	806	-	15,766	33,511
Telecommunications	-	-	3,035	563	-	3,598	4,350
Postage	-	-	121	373	-	494	522
Occupancy	23,040	-	263	210,805	-	234,108	153,225
Interest	212,669	19	99,860	34,662	-	347,210	368,698
Insurance	2,188	540	13,625	6,700	-	23,053	17,441
Equipment Rental and Maintenance	488	-	124,345	9,086	-	133,919	125,487
Printing and Publications	-	-	-	-	-	-	3,258
Travel and Transportation	347	-	534	-	-	881	5,944
Other	128	13	-	9,176	-	9,317	41,066
Depreciation and Amortization	7,447	-	66,066	26,972	-	100,485	94,240
Total Operating Expenses	1,530,887	10,250	418,307	406,004	(1,620)	2,363,828	2,297,382
Surplus (Deficit) from Operations	1,345,371	(10,211)	(95,994)	(110,310)	-	1,128,856	(1,248,199)

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Supplementary Information
Consolidating Statement of Activities - Pre-Development (Continued)
For the Year Ended June 30, 2018
With Summarized Comparative Information for June 30, 2017

Schedule IV

	Projects in Pre-Development	Millennium Properties, Inc.	2901 Dee, Inc., d/b/a Embassy House Apartments	Riverfront Self Storage, LLC	Eliminations	Consolidated	
						2018	2017
Other Activities							
Non-Operating Revenue							
Interest and Dividend Income	540,578	401	141	-	-	541,120	558,612
Gain on Investments	69,814	-	-	-	-	69,814	83,802
Income from Sale of Tax Credits	-	-	-	-	-	-	214,036
Income Tax Expense	-	(1,892)	-	(16,048)	-	(17,940)	-
Surplus (Deficit) from Other Activities	610,392	(1,491)	141	(16,048)	-	592,994	856,450
Change in Net Assets from Operations and Other Activities	1,955,763	(11,702)	(95,853)	(126,358)	-	1,721,850	(391,749)
Change in Net Assets	1,955,763	(11,702)	(95,853)	(126,358)	-	1,721,850	(391,749)
Net Assets, Beginning of Year	16,013,009	238,970	(468,449)	74,077	(510,000)	15,347,607	15,739,356
Net Assets, End of Year	\$ 17,968,772	\$ 227,268	\$ (564,302)	\$ (52,281)	\$ (510,000)	\$ 17,069,457	\$ 15,347,607

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Consolidating Statement of Financial Position - General and Limited Partnerships
June 30, 2018
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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	
								2018	2017
Assets									
Current Assets									
Cash and Cash Equivalents	\$ 175,749	\$ 148,533	\$ 283,070	\$ 41,246	\$ 427,773	\$ 112,240	\$ 57,623	\$ 1,246,234	\$ 1,333,065
Accounts Receivable, Net	3,085	46,296	1,811	1,173	12,627	3,326	1,678	69,996	43,804
Prepaid Expenses	157,556	83,072	127,574	42,734	-	52,702	-	463,638	352,810
Due from Projects in Pre-Development	-	8,314	60,471	-	-	-	-	68,785	-
Other Assets	-	-	409,717	3,333	-	47,500	23,977	484,527	269,430
Total Current Assets	336,390	286,215	882,643	88,486	440,400	215,768	83,278	2,333,180	1,999,109
Fixed Assets, Net	14,545,070	14,207,639	15,987,493	3,328,219	11,895,405	18,258,678	4,462,718	82,685,222	82,802,594
Other Assets									
Designated and Restricted Assets	1,214,214	285,642	313,577	754,330	191,983	221,792	-	2,981,538	2,648,270
Other Assets	-	-	-	-	27,722	-	-	27,722	27,722
Total Other Assets	1,214,214	285,642	313,577	754,330	219,705	221,792	-	3,009,260	2,675,992
Total Assets	\$ 16,095,674	\$ 14,779,496	\$ 17,183,713	\$ 4,171,035	\$ 12,555,510	\$ 18,696,238	\$ 4,545,996	\$ 88,027,662	\$ 87,477,695

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Schedule V

Supplementary Information

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

June 30, 2018

With Summarized Comparative Information for June 30, 2017

	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	
								2018	2017
Liabilities and Net Assets									
Current Liabilities									
Accounts Payable	\$ 15,304	\$ 1,998	\$ 52,462	\$ 2,289	\$ 25,831	\$ 8,390	\$ 28,552	\$ 134,826	\$ 1,107,567
Mortgages and Notes Payable	95,262	112,953	249,035	-	56,973	39,978	3,494,874	4,049,075	8,488,771
Accrued Expenses	33,503	54,369	15,763	7,713	78,479	59,811	41,116	290,754	721,874
Other Current Liabilities	52,736	42,733	20,629	13,645	2,369	-	13,944	146,056	138,833
Due to Projects in Pre-Development	931,740	237,477	1,409,935	1,652,062	185,228	1,100,180	232,761	5,749,383	4,917,867
Total Current Liabilities	1,128,545	449,530	1,747,824	1,675,709	348,880	1,208,359	3,811,247	10,370,094	15,374,912
Other Liabilities									
Due to VOASELA, Inc.	51,289	21,024	17,771	8,309	24,674	47,062	2,026	172,155	63,427
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	10,599,649	11,210,134	17,187,445	-	8,827,253	10,108,896	233,993	58,167,370	56,923,074
Total Other Liabilities	10,650,938	11,231,158	17,205,216	8,309	8,851,927	10,155,958	236,019	58,339,525	56,986,501
Total Liabilities	11,779,483	11,680,688	18,953,040	1,684,018	9,200,807	11,364,317	4,047,266	68,709,619	72,361,413
Net Assets									
Unrestricted Net Assets	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
Total Net Assets	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
Total Liabilities and Net Assets	\$ 16,095,674	\$ 14,779,496	\$ 17,183,713	\$ 4,171,035	\$ 12,555,510	\$ 18,696,238	\$ 4,545,996	\$ 88,027,662	\$ 87,477,695

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Supplementary Information
Consolidating Statement of Activities - General and Limited Partnerships
For the Year Ended June 30, 2018
With Summarized Comparative Information for June 30, 2017

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	
								2018	2017
Revenues									
Other Revenue									
Rental Income	\$ 1,286,816	\$ 761,886	\$ 1,339,631	\$ 236,709	\$ 686,632	\$ 505,675	\$ 203,211	\$ 5,020,560	\$ 4,245,650
Other Operating Income	30,440	181,590	21,951	769	26,797	4,005	4,367	269,919	297,330
Total Other Revenue	1,317,256	943,476	1,361,582	237,478	713,429	509,680	207,578	5,290,479	4,542,980
Total Operating Revenue	1,317,256	943,476	1,361,582	237,478	713,429	509,680	207,578	5,290,479	4,542,980

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Schedule VI

Supplementary Information

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

For the Year Ended June 30, 2018

With Summarized Comparative Information for June 30, 2017

	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	
								2018	2017
Expenses									
Operating Expenses									
Program Services									
Accounting Fees	5,520	3,520	21,539	2,853	3,230	3,600	2,700	42,962	106,518
Other Professional Fees	328,777	215,401	233,839	80,569	211,867	246,667	57,058	1,374,178	1,102,506
Supplies	14,380	41,487	3,871	3,769	7,702	7,009	511	78,729	136,155
Telecommunications	11,326	5,067	7,219	4,869	2,387	9,965	789	41,622	39,403
Postage	285	290	180	101	10	49	-	915	339
Occupancy	200,903	60,967	208,418	40,426	54,501	78,482	22,932	666,629	549,452
Interest	204,281	61,455	212,264	78,450	147,957	135,949	96,726	937,082	883,030
Insurance	112,858	118,733	202,497	24,096	63,882	79,864	25,686	627,616	461,113
Equipment Rental and Maintenance	77,515	140,088	71,982	36,863	96,618	116,164	31,340	570,570	414,886
Travel and Transportation	2,539	3,125	1,255	410	891	1,013	279	9,512	7,953
Other	5,763	(2,986)	4,764	-	3,507	39,421	24,138	74,607	59,958
Depreciation and Amortization	507,765	477,580	562,082	224,756	350,234	631,121	133,644	2,887,182	2,332,652
Total Operating Expenses	1,471,912	1,124,727	1,529,910	497,162	942,786	1,349,304	395,803	7,311,604	6,093,965
Deficit from Operations	(154,656)	(181,251)	(168,328)	(259,684)	(229,357)	(839,624)	(188,225)	(2,021,125)	(1,550,985)

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, 2018

With Summarized Comparative Information for June 30, 2017

	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	
								2018	2017
Other Activities									
Non-Operating Revenue									
Interest and Dividend Income	3,598	762	248	3,958	800	596	-	9,962	9,017
Surplus from Other Activities	3,598	762	248	3,958	800	596	-	9,962	9,017
Change in Net Assets from Operations and Other Activities	(151,058)	(180,489)	(168,080)	(255,726)	(228,557)	(839,028)	(188,225)	(2,011,163)	(1,541,968)
Other Changes in Net Assets	1,362	-	(58,985)	-	-	5,896,032	374,515	6,212,924	105,614
Change in Net Assets	(149,696)	(180,489)	(227,065)	(255,726)	(228,557)	5,057,004	186,290	4,201,761	(1,436,354)
Net Assets, Beginning of Year	4,465,887	3,279,297	(1,542,262)	2,742,743	3,583,260	2,274,917	312,440	15,116,282	16,552,636
Net Assets, End 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

See independent auditor's report.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES
 Supplementary Information
 Consolidating Statement of Financial Position - The Groves at Mile Branch Creek
 June 30, 2018
 With Summarized Comparative Information for June 30, 2017

Schedule VII

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2018	2017
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 132,434	\$ 16,099	\$ -	\$ 148,533	\$ 246,711
Accounts Receivable	42,328	3,968	-	46,296	8,158
Prepaid Expenses	82,905	167	-	83,072	77,332
Due from Projects in Pre-Development	600	27,072	(19,358)	8,314	-
Total Current Assets	258,267	47,306	(19,358)	286,215	332,201
Fixed Assets, Net	14,207,639	-	-	14,207,639	14,651,937
Total Fixed Assets	14,207,639	-	-	14,207,639	14,651,937
Other Assets					
Designated and Restricted Assets	285,642	-	-	285,642	241,815
Total Other Assets	285,642	-	-	285,642	241,815
Total Assets	\$ 14,751,548	\$ 47,306	\$ (19,358)	\$ 14,779,496	\$ 15,225,953

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Schedule VII

Supplementary Information

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

June 30, 2018

With Summarized Comparative Information for June 30, 2017

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2018	2017
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable	\$ 1,998	\$ -	\$ -	\$ 1,998	\$ 5,446
Mortgages and Notes Payable	112,953	-	-	112,953	112,099
Accrued Expenses	54,369	-	-	54,369	81,497
Other Current Liabilities	42,733	-	-	42,733	40,696
Due to Projects in Pre-Development	256,835	-	(19,358)	237,477	377,229
Total Current Liabilities	468,888	-	(19,358)	449,530	616,967
Other Liabilities					
Due to VOASELA, Inc.	21,024	-	-	21,024	3,094
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	11,210,134	-	-	11,210,134	11,326,595
Total Other Liabilities	11,231,158	-	-	11,231,158	11,329,689
Total Liabilities	11,700,046	-	(19,358)	11,680,688	11,946,656
Net Assets					
Unrestricted Net Assets	3,051,502	47,306	-	3,098,808	3,279,297
Total Net Assets	3,051,502	47,306	-	3,098,808	3,279,297
Total Liabilities and Net Assets	\$ 14,751,548	\$ 47,306	\$ (19,358)	\$ 14,779,496	\$ 15,225,953

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, 2018
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Schedule VIII

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2018	2017
Revenues					
Other Revenue					
Rental Income	\$ 761,886	\$ -	\$ -	\$ 761,886	\$ 742,275
Other Operating Income	176,395	48,179	(42,984)	181,590	134,736
Total Other Revenue	938,281	48,179	(42,984)	943,476	877,011
Total Operating Revenue	938,281	48,179	(42,984)	943,476	877,011

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, 2018

With Summarized Comparative Information for June 30, 2017

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2018	2017
Expenses					
Operating Expenses					
Program Services					
Accounting Fees	2,520	1,000	-	3,520	16,800
Other Professional Fees	212,401	3,000	-	215,401	222,248
Supplies	41,487	-	-	41,487	41,330
Telecommunications	5,067	-	-	5,067	5,475
Postage	290	-	-	290	171
Occupancy	85,559	18,392	(42,984)	60,967	87,434
Interest	61,455	-	-	61,455	74,669
Insurance	116,723	2,010	-	118,733	118,710
Equipment Rental and Maintenance	123,191	16,897	-	140,088	127,250
Travel and Transportation	3,125	-	-	3,125	3,797
Other	(2,986)	-	-	(2,986)	11,058
Depreciation and Amortization	477,580	-	-	477,580	549,416
Total Operating Expenses	1,126,412	41,299	(42,984)	1,124,727	1,258,358
(Deficit) Surplus from Operations	(188,131)	6,880	-	(181,251)	(381,347)

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, 2018

With Summarized Comparative Information for June 30, 2017

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2018	2017
Other Activities					
Non-Operating Revenue					
Interest and Dividend Income	762	-	-	762	3,174
Surplus from Other Activities	762	-	-	762	3,174
Deficit from Operations	(187,369)	6,880	-	(180,489)	(378,173)
Change in Net Assets from Operations	(187,369)	6,880	-	(180,489)	(378,173)
Other Changes in Net Assets	-	-	-	-	450
Change in Net Assets	(187,369)	6,880	-	(180,489)	(377,723)
Net Assets, Beginning of Year	3,238,871	40,426	-	3,279,297	3,657,020
Net Assets, End of Year	\$ 3,051,502	\$ 47,306	\$ -	\$ 3,098,808	\$ 3,279,297

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - 1770 Tchoupitoulas
June 30, 2018
With Summarized Comparative Information for June 30, 2017

Schedule IX

	Tchoupitoulas Apartments	Master Tenant	Centennial Place Apartments	Eliminations	Consolidated	
					2018	2017
Assets						
Current Assets						
Cash and Cash Equivalents	\$ 126,047	\$ 111,256	\$ 45,767	\$ -	\$ 283,070	\$ 426,225
Accounts Receivable	-	1,811	-	-	1,811	12,008
Prepaid Expenses	-	125,320	2,254	-	127,574	85,906
Due from Projects in Pre-Development	539,077	60,471	-	(539,077)	60,471	-
Other Assets	601,964	408,717	1,000	(601,964)	409,717	234,523
Total Current Assets	1,267,088	707,575	49,021	(1,141,041)	882,643	758,662
Fixed Assets, Net	15,879,790	99,562	8,141	-	15,987,493	16,546,763
Total Fixed Assets	15,879,790	99,562	8,141	-	15,987,493	16,546,763
Other Assets						
Designated and Restricted Assets	313,577	-	-	-	313,577	319,457
Total Other Assets	313,577	-	-	-	313,577	319,457
Total Assets	\$ 17,460,455	\$ 807,137	\$ 57,162	\$ (1,141,041)	\$ 17,183,713	\$ 17,624,882

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**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - 1770 Tchoupitoulas (Continued)
June 30, 2018
With Summarized Comparative Information for June 30, 2017

Schedule IX

	Tchoupitoulas Apartments	Master Tenant	Centennial Place Apartments	Eliminations	Consolidated	
					2018	2017
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable	\$ 40,300	\$ 5,500	\$ 6,662	\$ -	\$ 52,462	\$ 24,370
Mortgages and Notes Payable	249,035	-	-	-	249,035	-
Accrued Expenses	-	-	15,763	-	15,763	10,078
Other Current Liabilities	-	601,964	20,629	(601,964)	20,629	21,382
Due to Projects in Pre-Development	1,003,638	897,457	47,917	(539,077)	1,409,935	1,665,172
Total Current Liabilities	1,292,973	1,504,921	90,971	(1,141,041)	1,747,824	1,721,002
Other Liabilities						
Due to VOASELA, Inc.	-	-	17,771	-	17,771	4,996
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	17,187,445	-	-	-	17,187,445	17,441,146
Total Other Liabilities	17,187,445	-	17,771	-	17,205,216	17,446,142
Total Liabilities	18,480,418	1,504,921	108,742	(1,141,041)	18,953,040	19,167,144
Net Assets						
Unrestricted Net Assets	(1,019,963)	(697,784)	(51,580)	-	(1,769,327)	(1,542,262)
Total Net Assets	(1,019,963)	(697,784)	(51,580)	-	(1,769,327)	(1,542,262)
Total Liabilities and Net Assets	\$ 17,460,455	\$ 807,137	\$ 57,162	\$ (1,141,041)	\$ 17,183,713	\$ 17,624,882

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Schedule X

Supplementary Information

Consolidating Statement of Activities - 1770 Tchoupitoulas

June 30, 2018

With Summarized Comparative Information for June 30, 2017

	Tchoupitoulas Apartments	Master Tenant	Centennial Place Apartments	Eliminations	Consolidated	
					2018	2017
Revenues						
Other Revenue						
Rental Income	\$ 808,860	\$ 975,791	\$ 590,968	\$ (1,035,988)	\$ 1,339,631	\$ 1,191,758
Other Operating Income	-	100	249,733	(227,882)	21,951	40,560
Total Other Revenue	808,860	975,891	840,701	(1,263,870)	1,361,582	1,232,318
Total Operating Revenue	808,860	975,891	840,701	(1,263,870)	1,361,582	1,232,318

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Activities - 1770 Tchoupitoulas (Continued)
June 30, 2018
With Summarized Comparative Information for June 30, 2017

Schedule X

	Tchoupitoulas Apartments	Master Tenant	Centennial Place Apartments	Eliminations	Consolidated	
					2018	2017
Expenses						
Operating Expenses						
Program Services						
Accounting Fees	18,800	-	2,739	-	21,539	40,540
Other Professional Fees	100,400	34,127	99,312	-	233,839	230,206
Supplies	-	-	3,871	-	3,871	25,551
Telecommunications	-	-	7,219	-	7,219	7,391
Postage	-	-	180	-	180	77
Occupancy	48,920	736,620	458,866	(1,035,988)	208,418	155,205
Interest	208,680	3,393	191	-	212,264	217,433
Insurance	94,643	65,674	42,180	-	202,497	163,256
Equipment Rental and Maintenance	-	1,151	70,831	-	71,982	80,538
Travel and Transportation	-	-	1,255	-	1,255	1,879
Other	-	227,932	4,714	(227,882)	4,764	(1,695)
Depreciation and Amortization	536,567	18,037	7,478	-	562,082	554,421
Total Operating Expenses	1,008,010	1,086,934	698,836	(1,263,870)	1,529,910	1,474,802
(Deficit) Surplus from Operations	(199,150)	(111,043)	141,865	-	(168,328)	(242,484)

See independent auditor's report.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES
 Supplementary Information
 Consolidating Statement of Activities - 1770 Tchoupitoulas (Continued)
 June 30, 2018
 With Summarized Comparative Information for June 30, 2017

Schedule X

	Tchoupitoulas Apartments	Master Tenant	Centennial Place Apartments	Eliminations	Consolidated	
					2018	2017
Other Activities						
Non-Operating Revenue						
Interest and Dividend Income	-	-	248	-	248	258
Surplus from Other Activities	-	-	248	-	248	258
Change in Net Assets from Operations and Other Activities	(199,150)	(111,043)	142,113	-	(168,080)	(242,226)
Other Changes in Net Assets	-	(58,985)	-	-	(58,985)	(138,844)
Change in Net Assets	(199,150)	(170,028)	142,113	-	(227,065)	(381,070)
Net Assets, Beginning of Year	(820,813)	(527,756)	(193,693)	-	(1,542,262)	(1,161,192)
Net Assets, End of Year	<u>\$ (1,019,963)</u>	<u>\$ (697,784)</u>	<u>\$ (51,580)</u>	<u>\$ -</u>	<u>\$ (1,769,327)</u>	<u>\$ (1,542,262)</u>

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
General and Limited Partnership Debt
June 30, 2018 and 2017

Schedule XI

	2018	2017
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.	\$ 15,801,730	\$ 15,781,719
One (1) note payable to the ESIC New Market Partners XLVII LP, with an interest rate of 1.0%, maturing on July 2, 2047, for 1770 Tchoupitoulas.	9,700,000	9,700,000
Three (3) notes payable to the VOANS CDC Sub I National Service, unsecured, with interest rates of 1.0%, maturing on July 2, 2047, for 1770 Tchoupitoulas.	8,160,000	8,160,000
One (1) note payable to Terrebonne Parish Consolidated Government, secured by land and buildings, with an interest rate of -0-%, maturing on June 1, 2049, for Bayou Cane Apartments.	5,660,829	5,672,667
One (1) note payable to Terrebonne Council on Aging, Inc., with an interest rate of -0-%, maturing on March 29, 2066, for Houma School Apartments.	5,500,000	5,500,000
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.	3,747,217	2,965,397
One (1) note payable to Capital One Multifamily Finance, secured by land and buildings, with an interest rate of 4.28%, maturing on July 1, 2031, for Bayou Cane Apartments.	3,371,578	3,421,757
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.	2,934,055	3,174,725
One (1) note payable to Capital One, National Association, secured by land and buildings, with an interest rate of 5.05%, maturing on March 29, 2018, for Houma School Apartments.	2,700,000	8,291,200
One (1) note payable to Capital One, National Association, secured by land and buildings, with an interest rate of 7.0%, maturing on June 16, 2026, for Chateau Carre'.	2,460,310	2,572,499

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
General and Limited Partnership Debt (Continued)
June 30, 2018 and 2017

Schedule XI

	2018	2017
One (1) note payable to VOASELA, with an interest rate of 1.0%, for Houma School Apartments, maturing on March 29, 2051.	2,028,024	-
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 on May 1, 2045.	1,266,314	1,280,634
	<u>63,330,057</u>	<u>66,520,598</u>
Less: Debt Issuance Costs, Net of Amortization	<u>(1,113,612)</u>	<u>(1,108,753)</u>
Total	<u>\$ 62,216,445</u>	<u>\$ 65,411,845</u>

Scheduled principal payments due on the notes payable above subsequent to June 30, 2018,
are as follows:

Years Ending June 30,	Amount
2019	\$ 4,049,074
2020	706,432
2021	680,384
2022	713,897
2023	749,131
Thereafter	<u>56,431,139</u>
Total	<u>\$ 63,330,057</u>

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, 2018, 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 12, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered RNDC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of RNDC's internal control. Accordingly, we do not express an opinion on the effectiveness of RNDC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RNDC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RNDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
October 12, 2018

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Board of Directors
Renaissance Neighborhood Development Corporation
and Subsidiaries

Report on Compliance for Each Major Federal Program

We have audited Renaissance Neighborhood Development Corporation and Subsidiaries' (RNDC) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on RNDC's major federal program for the year ended June 30, 2018. RNDC's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of RNDC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about RNDC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of RNDC's compliance.

Opinion on Major Federal Program

In our opinion, RNDC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of RNDC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered RNDC's internal control over compliance with types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of RNDC's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of RNDC as of and for the year ended June 30, 2018, and have issued our report thereon dated October 12, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

A handwritten signature in cursive script that reads "LaForte". The letters are fluid and connected, with a prominent loop on the 'L' and a sharp drop on the 't'.

A Professional Accounting Corporation

Metairie, LA
October 12, 2018

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Pass-Through Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
<u>Passed - Through Awards</u>			
State of Louisiana Office of Community Development Community Development Block Grant Loan	14.228	PR-00028	<u>\$ 2,188,952</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 2,188,952</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,188,952</u></u>

See accompanying notes to schedule of expenditures of federal awards.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Renaissance Neighborhood Development Corporation (RNDC) under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of RNDC, it is not intended to and does not present the financial position, changes in net assets, or cash flows of RNDC.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting and the cost accounting principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200. Under these cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures for loan disbursements are recognized when paid.

Note 3. Sub-Recipients

There were no payments to sub-recipients for the fiscal year ended June 30, 2018.

Note 4. Loan Balance

In accordance with 2 CFR 200.502, the loan balance reported on the schedule of expenditures of federal awards represents the loan balance at the beginning of the year. As of June 30, 2018, the outstanding balance of this loan program is \$2,091,981.

Note 5. Indirect Cost Rate

RNDC did not apply indirect costs to this program.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2017

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? None Reported
- Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified? None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
14.228	Community Development Block Grant Loan

Dollar threshold used to distinguish between Type A and B programs: \$750,000

Auditee qualified as low-risk auditee? No

Section II. Findings - Financial Statement Audit

None.

Section III. Findings and Questioned Costs - Major Federal Award Programs Audit

None.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION

Summary Schedule of Prior Year Audit Findings

Federal Award Findings and Questioned Costs

2016-001 CDBG (CFDA 14.228)

Condition: The federal reporting deadline for the RNDC's single audit reporting package was March 31, 2017; however, RNDC did not issue its single audit reporting package by the required deadline.

Status: Resolved.