

**RENAISSANCE NEIGHBORHOOD
DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Audits of Consolidated Financial Statements

June 30, 2021 and 2020



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Independent Auditor's Report

To the Board of Directors
Renaissance Neighborhood Development Corporation
and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Renaissance Neighborhood Development Corporation and Subsidiaries (RNDC), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

LOUISIANA • TEXAS

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Renaissance Neighborhood Development Corporation and Subsidiaries as of June 30, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information as listed in the table of contents, is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2021 on our consideration of RNDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RNDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RNDC's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA
October 12, 2021

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Consolidated Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 4,488,138	\$ 2,810,330
Accounts Receivable, Net	376,793	206,366
Prepaid Expenses	466,448	468,266
Due from Projects in Development	2,434,335	-
Other Current Assets	1,206,125	2,011,950
Total Current Assets	8,971,839	5,496,912
Fixed Assets, Net	103,480,296	87,085,524
Other Assets		
Designated and Restricted Deposits	16,412,033	3,446,370
Long-Term Investments	1,987,941	1,611,174
Deferred Tax Asset	278,061	-
Total Other Assets	18,678,035	5,057,544
Total Assets	\$ 131,130,170	\$ 97,639,980

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, 2021 and 2020

	2021	2020
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 1,248,808	\$ 780,053
Mortgages and Notes Payable	988,003	6,205,648
Accrued Expenses	414,087	332,542
Other Current Liabilities	1,230,192	512,883
Due to Projects in Development	55,004	-
Total Current Liabilities	3,936,094	7,831,126
Other Liabilities		
Due to VOASELA, Inc.	2,802,241	2,988,065
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	67,941,527	43,557,173
Total Other Liabilities	70,743,768	46,545,238
Total Liabilities	74,679,862	54,376,364
Net Assets Without Donor Restrictions		
Attributable to RNDC	23,726,085	19,504,945
Attributable to Non-Controlling Interests	32,724,223	23,758,671
Total Net Assets Without Donor Restrictions	56,450,308	43,263,616
Total Liabilities and Net Assets	\$ 131,130,170	\$ 97,639,980

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, 2021 and 2020

	2021	2020
Net Assets Without Donor Restrictions		
Revenue, Support, and Gains Without Donor Restrictions		
Revenues and Grants	\$ 153,000	\$ 50,000
Other Revenue		
Program Service Fees	4,654,455	536,389
Rental Income	5,429,194	5,812,194
Other Operating Income	544,682	539,439
Total Other Revenue	10,628,331	6,888,022
Total Revenue, Support, and Gains Without Donor Restrictions	10,781,331	6,938,022
Operating Expenses		
Program Services		
Promoting Self-Sufficiency	8,232,486	7,252,726
Supporting Services		
Management and General	1,932,954	1,727,622
Total Operating Expenses	10,165,440	8,980,348
Surplus (Deficit) from Operations	615,891	(2,042,326)
Other Activities		
Net Investment Return	392,106	54,051
Income Tax Benefit (Expense)	277,701	(389)
Cancellation of Debt Income	-	750,000
Gain (Loss) from Disposal of Fixed Assets	510,367	(66,935)
Surplus from Other Activities	1,180,174	736,727
Change in Net Assets from Operations and Other Activities	1,796,065	(1,305,599)
Other Changes in Net Assets	11,390,627	522,755
Total Other Changes in Net Assets	11,390,627	522,755
Change in Net Assets Without Donor Restrictions	13,186,692	(782,844)
Net Assets Without Donor Restrictions, Beginning of Year	43,263,616	44,046,460
Net Assets Without Donor Restrictions, End of Year	\$ 56,450,308	\$ 43,263,616

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

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

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

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

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020

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

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

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in Net Assets	\$ 13,186,692	\$ (782,844)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization Expense	2,889,819	2,790,909
Bad Debt Expense	134,554	97,656
Cancellation of Debt Income	-	(750,000)
Income Tax Benefit	(278,061)	-
Net (Gain) Loss on Investments	(352,229)	16,577
(Gain) Loss from Disposal of Fixed Assets	(510,367)	66,935
(Increase) Decrease in Operating Assets:		
Accounts Receivable, Net	(304,981)	(177,594)
Prepaid Expenses	1,818	38,197
Other Current Assets	805,825	(1,109,030)
Due from Projects in Development	(2,434,335)	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	468,755	397,059
Accrued Expenses	81,545	203,594
Due to VOASELA, Inc.	(185,824)	(247,723)
Other Current Liabilities	717,309	273,108
Due to Projects in Development	55,004	-
Net Cash Provided by Operating Activities	14,275,524	816,844
Cash Flows from Investing Activities		
Acquisition of Fixed Assets	(21,271,369)	(3,997,688)
Proceeds from Disposal of Fixed Assets	2,600,000	-
Purchases of Investments	(24,538)	(57,083)
Net Cash Used in Investing Activities	(18,695,907)	(4,054,771)

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

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Consolidated Statements of Cash Flows (Continued)
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Financing Activities		
Proceeds from Mortgages and Notes Payable	24,602,278	9,543,764
Principal Reductions in Mortgages and Notes Payable	(4,720,931)	(6,421,776)
Payments of Debt Issuance Costs	(817,493)	(69,227)
	<u>19,063,854</u>	<u>3,052,761</u>
Net Cash Provided by Financing Activities		
	<u>19,063,854</u>	<u>3,052,761</u>
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	14,643,471	(185,166)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	6,256,700	6,441,866
	<u>6,256,700</u>	<u>6,441,866</u>
Cash, Cash Equivalents and Restricted Cash, Ending of Year	\$ 20,900,171	\$ 6,256,700
	<u>\$ 20,900,171</u>	<u>\$ 6,256,700</u>
Supplemental Disclosure of Cash Flow Information		
Interest Paid	\$ 974,807	\$ 882,097
	<u>\$ 974,807</u>	<u>\$ 882,097</u>
Non-Cash Transactions		
Cancellation of Debt Income	\$ -	\$ 750,000
	<u>\$ -</u>	<u>\$ 750,000</u>

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

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1. Organization

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

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

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

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

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

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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, LLLP as the Limited Partner.

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

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

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

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1. Organization (Continued)

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

In October 2018, RNDC established 1770 Tchoupitoulas, Inc. RNDC is the sole member of 1770 Tchoupitoulas, Inc. and holds full ownership of the project. 1770 Tchoupitoulas, Inc. was formed under Louisiana Nonprofit Corporation Law specifically to provide decent housing that is affordable to low- and moderate-income persons and to acquire, own, develop, hold, sell, lease, transfer, exchange, operate, and manage affordable housing projects. The Corporation qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986.

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

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

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

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

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

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

Basis of Presentation

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

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

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

Net Assets With Donor Restrictions - Net assets whose use is limited by donor- or grantor- imposed time and/or purpose restrictions. Contributions with donor restrictions are reported as revenues with donor restrictions. Once funds are expended for their restricted purpose, these net assets with donor restrictions are released to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. As of June 30, 2021 and 2020, there were no net assets with donor restrictions.

Principles of Consolidation

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

Non-Controlling Interest

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

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Use of Estimates

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

Cash, Cash Equivalents and Restricted Cash

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

Investments

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

Fixed Assets

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

Building and Improvements	15 - 30 Years
Vehicles	5 Years
Furniture and Equipment	5 - 8 Years

Operations

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

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

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

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

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

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

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

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

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

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

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 2021 or 2020 and, accordingly, no tax expense was incurred during the years ended June 30, 2021 and 2020.

Millennium Properties, Inc. and Riverfront Self Storage, LLC are the only subsidiaries subject to federal and state income taxes.

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

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

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

A tax benefit of \$277,701 was recorded for the year ended June 30, 2021. Tax expense of \$389 was recorded for the year ended June 30, 2020.

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

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

Deferred Financing Costs

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

Advertising Expenses

RNDC expenses the costs of advertising as incurred. Advertising expense totaled \$63,459 and \$47,253 for the years ended June 30, 2021 and 2020, respectively.

Allocation of Functional Expenses

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

Summary Financial Information for 2020

The financial statements and supplementary information for the year ended June 30, 2020 contain certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles in the United States of America. Accordingly, such information should be read in conjunction with RNDC's financial statements and related notes or the financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Reclassifications

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

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Implementation of Accounting Pronouncement

Effective July 1, 2020, RNDC retrospectively changed its accounting methods for revenue recognition and financial instruments as a result of implementing the requirements in the FASB Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The new revenue recognition guidance requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which RNDC expects to be entitled in exchange for those goods or services. RNDC adopted ASU 2014-09 using the modified retrospective approach which did not result in any changes to the way revenue is recognized and, as a result, no adjustment to beginning net assets was necessary. A practical expedient was applied for revenue contracts that begin and end in the same year.

Recent Accounting Pronouncements

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

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

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard addresses measurement of contributed nonfinancial assets recognized by not-for-profit organizations, and enhances disclosures with respect to these contributions. The ASU will be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021. Management is currently evaluating the impact ASU 2020-07 will have on its financial statements.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Notes to Consolidated Financial Statements

Note 3. Liquidity and Availability

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

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

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

As of June 30, 2021 and 2020, financial assets available for general operating purposes within one year of the consolidated statement of financial position dates comprise the following:

	2021	2020
Cash and Cash Equivalents	\$ 4,488,138	\$ 2,810,330
Accounts Receivable, Net	376,793	206,366
Total	\$ 4,864,931	\$ 3,016,696

Note 4. Fixed Assets

At June 30, 2021 and 2020, fixed assets consisted of the following:

	2021	2020
Land	\$ 8,242,650	\$ 6,809,122
Buildings and Improvements	96,051,297	95,821,937
Furniture and Equipment	4,902,168	4,097,767
Construction in Progress	16,714,447	-
	125,910,562	106,728,826
Less: Accumulated Depreciation	(22,430,266)	(19,643,302)
Total Fixed Assets, Net	\$ 103,480,296	\$ 87,085,524

Depreciation expense totaled \$2,786,965 and \$2,686,926 for the years ended June 30, 2021 and 2020, respectively.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Notes to Consolidated Financial Statements

Note 5. Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts show in the consolidated statements of cash flows as of June 30, 2021 and 2020.

	2021	2020
Cash and Cash Equivalents	\$ 4,488,138	\$ 2,810,330
Designated and Restricted Deposits	16,412,033	3,446,370
	\$ 20,900,171	\$ 6,256,700

RNDC has agreements with agencies that require funded reserves and the restriction of certain deposits which are custodial in nature. At June 30, 2021 and 2020, designated and restricted deposits were as follows:

	2021	2020
Escrow	\$ 1,317,975	\$ 527,172
Security Deposits	246,040	255,126
Replacement Reserve Funds	14,848,018	2,664,072
Total	\$ 16,412,033	\$ 3,446,370

Note 6. Mortgages and Notes Payable

At June 30, 2021 and 2020, mortgages and notes payable consisted of the following:

	2021	2020
Two (2) notes payable to the Louisiana Housing Finance Agency, secured by CDBG Piggyback Program Leasehold Mortgage, with interest rates of -0-%, and maturity dates of August 31, 2044 and May 20, 2045, for Chateau Carre' and New Covington.	\$ 15,498,839	\$ 15,548,839
One (1) bond payable to Whitney Bank, secured by the note payable to CDBG and note payable to ORIX Real Estate Capital with an interest rate of 0.35%, maturing November 1, 2023, for Valencia Park.	12,000,000	-
One (1) note payable to Terrebonne Parish Consolidated Government, secured by land and buildings, with an interest rate of -0-%, maturing June 1, 2049, for Bayou Cane Apartments.	5,558,633	5,586,005

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 6. Mortgages and Notes Payable (Continued)

	2021	2020
One (1) note payable to Terrebonne Council on Aging, Inc., with an interest rate of -0%, maturing March 29, 2066, for Houma School Apartments.	5,500,000	5,500,000
One (1) note payable to Home Bank, secured by a first mortgage on 1746-1770 Tchoupitoulas Street, with an interest rate of 4.5%, maturing on September 27, 2024, for 1770 Tchoupitoulas Inc.	4,627,679	4,779,086
One (1) note payable to ORIX Real Estate Capital, with an interest rate of 2.85%, maturing May 1, 2062, for Valencia Park.	3,966,017	-
One (1) note payable to Capital One Multifamily Finance, secured by land and buildings, with an interest rate of 4.28%, maturing July 1, 2031, for Bayou Cane Apartments.	3,237,871	3,286,834
One (1) note payable to the Louisiana Housing Finance Agency with an interest rate of -0%, maturing on December 31, 2026, for New Covington.	2,624,124	2,707,850
One (1) note payable to Capital One, National Association, secured by land and buildings, with an interest rate of 5.05%, maturing on November 1, 2033, for Houma School Apartments.	2,590,142	2,633,078
One (1) note payable to Capital One, National Association, secured by land and buildings, with an interest rate of 7.0%, maturing June 16, 2026, for Chateau Carre'.	2,364,552	2,412,534
One (1) note payable to JP Morgan Chase Bank secured by first mortgage on the leasehold improvements with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus 3.0%, maturing November 18, 2022, for FSJ I.	2,044,092	-
One (1) note payable to JP Morgan Chase Bank secured by first mortgage on the leasehold improvements with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus 3.0%, maturing November 18, 2022, for FSJ II.	1,874,743	-
One (1) note payable to CDBG, with an interest rate of 0.35%, maturing May 1, 2062, for Valencia Park.	2,162,885	-
One (1) bond payable to Regions Bank, secured by the first mortgage on the property, with an interest rate of 4.64%, maturing December 1, 2023, for RNDC BR, LLC.	2,152,566	-
One (1) note payable to Home Bank, secured by cash collateral pledge of \$114,000, with an interest rate of 4.60%, maturing May 28, 2037, for Embassy Apartments Shreveport.	1,184,985	3,282,710

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Notes to Consolidated Financial Statements

Note 6. Mortgages and Notes Payable (Continued)

	2021	2020
One (1) note payable to Dougherty Mortgage LLC, insured by HUD under section 207/223(f) of the National Housing Act, with an interest rate of 3.20%, maturing May 1, 2045, for New Covington Apartments.	1,175,412	1,206,685
One (1) note payable to Federal Home Loan Bank of Atlanta, secured by property and the rents, profits, issues, products, and income from the property, with an interest rate of -0-%, maturing on July 31, 2038.	500,000	500,000
Four (4) notes payable to Volunteers of America National Services, with interest rates of -0-%, payable on demand.	435,000	660,000
One (1) note payable to Federal Home Bank Dallas secured by land and buildings, with an interest rate of -0-%, maturing August 31, 2065.	410,000	-
One (1) note payable to PNC Bank, National Association, secured by land and buildings, with an interest rate of 4.60%, maturing on October 1, 2033, for The Cottages at Mile Branch.	246,636	250,795
One (1) note payable to the City of Shreveport, with an interest rate of -0-%, forgivable at a rate of 6.67% per year over the 15 year affordability period.	198,054	198,054
One (1) note payable to Volunteers of America National Services, unsecured, with an interest rate of -0-%, with annual payments of \$5,433 due from net cash flow as defined by the promissory note beginning on September 25, 2019, and the remaining balance due at maturity on May 1, 2051, for Embassy Apartments Shreveport.	163,000	163,000
One (1) note payable to Volunteers of America North Louisiana, with an interest rate of 1.0%, maturing November 12, 2029, for 2901 Dee, Inc.	-	100,000
One (1) note payable to Home Bank, secured by land and buildings (326 Buckeye Lane), with an interest rate of 5.25%, maturing October 19, 2023.	91,956	95,082
One (1) note payable to Iberia Bank, secured by land, with an interest rate of 4.25%, matured on October 10, 2020.	-	1,315,287
One (1) note payable to Enterprise Community Investment, Inc., with an interest rate of 2.00%, matured on November 20, 2020.	-	500,000
	70,611,228	50,729,879
Less: Debt Issuance Costs, Net of Amortization	(1,677,656)	(963,018)
Total	\$ 68,933,572	\$ 49,766,861

**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, 2021 are as follows:

Year Ending June 30,	Amount
2022	\$ 988,003
2023	18,648,859
2024	680,743
2025	4,533,940
2026	2,481,622
Thereafter	<u>43,274,019</u>
Total	<u><u>\$ 70,607,186</u></u>

Interest expense was \$990,099 and \$882,716 for the years ended June 30, 2021 and 2020, respectively.

RNDC was in compliance with debt covenants at June 30, 2021 and 2020.

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

Note 7. Due to VOASELA, Inc.

Amounts due to VOASELA include amounts from normal operations as well as two (2) notes payable: 1) One note for Houma School Apartments totaling \$2,028,024 at June 30, 2021 and 2020, with an interest rate of 1.0%, maturing March 29, 2051, 2) One note for Projects in Pre-Development totaling \$429,061 and \$654,061 on June 30, 2021 and 2020, respectively, secured by land, with an interest rate of -0-%, maturing April 27, 2039. Amounts due to VOASELA for normal operations at June 30, 2021 and 2020, totaled \$345,156 and \$305,980, respectively. The total amount due to VOASELA at June 30, 2021 and 2020 totaled \$2,802,241 and \$2,988,065, respectively.

Note 8. Other Changes in Net Assets

Other changes in net assets consisted of amounts related to distributions and contributions for the years ended June 30, 2021 and 2020.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 9. Changes in Consolidated Net Assets Without Donor Restrictions

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

	Attributable to RNDC	Attributable to Non-Controlling Interests	Total Net Assets Without Donor Restrictions
Balance, June 30, 2019	\$ 19,617,078	\$ 24,429,382	\$ 44,046,460
Change in Net Assets from Operations and Other Activities	(80,484)	(1,225,115)	(1,305,599)
Other Changes in Net Assets	(31,649)	554,404	522,755
Balance, June 30, 2020	19,504,945	23,758,671	43,263,616
Change in Net Assets from Operations and Other Activities	4,221,140	(2,425,075)	1,796,065
Other Changes in Net Assets	-	11,390,627	11,390,627
Balance, June 30, 2021	<u>\$ 23,726,085</u>	<u>\$ 32,724,223</u>	<u>\$ 56,450,308</u>

Note 10. Related-Party Transactions

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

The following related parties have outstanding loans and advances to RNDC as of June 30, 2021 and 2020:

	2021	2020
Volunteers of America National Services	\$ 598,000	\$ 823,000
Volunteers of America Southeast Louisiana, Inc.	2,802,241	2,988,065
Volunteers of America North Louisiana, Inc. (VOANL)	-	100,000

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

VOANL had an outstanding loan to Embassy House Apartments that was paid off during the year ended June 30, 2021. See Note 6 for further detail.

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

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 10. Related-Party Transactions (Continued)

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, 2021 and 2020, personnel and other general and administrative services provided by Volunteers of America Southeast Louisiana, Inc. were approximately \$994,346 and \$1,095,501, respectively.

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

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

Note 11. Commercial Leases

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

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

Year Ending	Amount
June 30,	
2022	\$ 148,953
2023	153,422
2024	158,024
2025	162,765
2026	167,648
Thereafter	<u>320,155</u>
Total	<u>\$ 1,110,967</u>

Pursuant to FASB ASC 840-20, lease revenue for the non-cancellable lease term is required to be recognized on a straight-line basis. For the years ended June 30, 2021 and 2020, lease revenue earned was \$144,615 and \$207,283, respectively. As of June 30, 2021 and 2020, the cumulative net adjustment to record lease revenue on a straight-line basis amounted to \$118,337 and \$513,175, respectively.

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:

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

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

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

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Notes to Consolidated Financial Statements

Note 13. Fair Value Measurements (Continued)

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

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

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

The following tables set forth, by level within the fair value hierarchy, RNDC's assets at fair value as of June 30, 2021 and 2020:

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

June 30, 2020	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 42,459	-	-	\$ 42,459
Common Stock	543,667	-	-	543,667
Equities	318,826	-	-	318,826
Corporate Bonds	434,473	-	-	434,473
Government Bonds	169,627	-	-	169,627
Government Agencies	74,244	-	-	74,244
Real Estate Funds	27,878	-	-	27,878
Total Investments at Fair Value	\$ 1,611,174	\$ -	\$ -	\$ 1,611,174

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, 2021 and 2020, RNDC had \$4,630,063 and \$2,633,006, respectively, in excess of the FDIC insured limit.

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 15. New Market Tax Credit Exit

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

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

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

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

RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 16. Commitments and Contingencies

RNDC entered into several contracts with construction companies totaling \$46.7 million and \$3.6 million for 2021 and 2020, respectively, for renovations on General and Limited Partnerships' projects. At June 30, 2021 and 2020, the amount remaining on the contracts totaled \$38,134,450 and \$947,063, respectively. Included in other current liabilities is retainage due to these construction companies totaling \$924,586 and \$290,480 as of June 30, 2021 and 2020, respectively.

Note 17. Income Taxes

RNDC has income tax net operating loss carryforwards related to Millennium Properties, Inc. A deferred tax asset totaling \$278,061 as of June 30, 2021 reflects the benefit of approximately \$1 million available for carryforward to future years. These operating losses begin to expire in 2035.

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

Note 18. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 12, 2021, and determined that the following event occurred that requires disclosure:

In August 2021, Hurricane Ida affected southeast Louisiana. This hurricane caused widespread property damage, flooding, power outages, and water and communication services interruptions, and severely disrupted normal economic activity in this region. Management is in the process of assessing the financial impact to RNDC.

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

SUPPLEMENTARY INFORMATION

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
**Schedule of Compensation, Benefits, and Other Payments
to Agency Head**
For the Year Ended June 30, 2021

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

Agency Head
Victor Smeltz, Executive Director

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 are paid for with public funds.

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Schedule I

Supplementary Information

Consolidating Statement of Financial Position

June 30, 2021

With Summarized Comparative Information at June 30, 2020

	Consolidated Pre-Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2021	2020
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 3,699,438	\$ 788,700	\$ -	\$ 4,488,138	\$ 2,810,330
Accounts Receivable, Net	125,378	265,676	(14,261)	376,793	206,366
Prepaid Expenses	102,123	364,325	-	466,448	468,266
Due from Projects in Development	6,874,054	41,139	(4,480,858)	2,434,335	-
Other Current Assets	249,103	957,022	-	1,206,125	2,011,950
Total Current Assets	11,050,096	2,416,862	(4,495,119)	8,971,839	5,496,912
Fixed Assets, Net	16,317,029	87,163,267	-	103,480,296	87,085,524
Other Assets					
Designated and Restricted Deposits	27,899	16,384,134	-	16,412,033	3,446,370
Long-Term Investments	1,987,941	-	-	1,987,941	1,611,174
Deferred Tax Asset	278,061	-	-	278,061	-
Investment in Partnerships	1,009,573	-	(1,009,573)	-	-
Total Other Assets	3,303,474	16,384,134	(1,009,573)	18,678,035	5,057,544
Total Assets	\$ 30,670,599	\$ 105,964,263	\$ (5,504,692)	\$ 131,130,170	\$ 97,639,980

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**

Schedule I

Supplementary Information

Consolidating Statement of Financial Position (Continued)

June 30, 2021

With Summarized Comparative Information at June 30, 2020

	Consolidated Pre-Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2021	2020
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable	\$ 128,916	\$ 1,152,666	\$ (32,774)	\$ 1,248,808	\$ 780,053
Mortgages and Notes Payable	606,384	381,619	-	988,003	6,205,648
Accrued Expenses	163,015	290,059	(38,987)	414,087	332,542
Other Current Liabilities	80,902	1,149,290	-	1,230,192	512,883
Due to Projects in Development	45,407	4,432,955	(4,423,358)	55,004	-
Total Current Liabilities	1,024,624	7,406,589	(4,495,119)	3,936,094	7,831,126
Other Liabilities					
Due to VOASELA, Inc.	602,856	2,199,385	-	2,802,241	2,988,065
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	5,317,035	62,624,492	-	67,941,527	43,557,173
Total Other Liabilities	5,919,891	64,823,877	-	70,743,768	46,545,238
Total Liabilities	6,944,515	72,230,466	(4,495,119)	74,679,862	54,376,364
Total Net Assets Without Donor Restrictions	23,726,084	33,733,797	(1,009,573)	56,450,308	43,263,616
Total Liabilities and Net Assets	\$ 30,670,599	\$ 105,964,263	\$ (5,504,692)	\$ 131,130,170	\$ 97,639,980

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Activities
For the Year Ended June 30, 2021
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Schedule II

	Consolidated Pre-Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2021	2020
Net Assets Without Donor Restrictions					
Revenue, Support, and Gains					
Without Donor Restrictions					
Revenues and Grants	\$ 153,000	\$ -	\$ -	\$ 153,000	\$ 50,000
Other Revenue					
Program Service Fees	4,654,455	-	-	4,654,455	536,389
Rental Income	880,363	4,548,831	-	5,429,194	5,812,194
Other Operating Income	631,461	195,696	(282,475)	544,682	539,439
Total Other Revenue	6,166,279	4,744,527	(282,475)	10,628,331	6,888,022
Total Revenue, Support, and Gains					
Without Donor Restrictions	6,319,279	4,744,527	(282,475)	10,781,331	6,938,022

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, 2021

With Summarized Comparative Information for June 30, 2020

	Consolidated Pre-Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2021	2020
Operating Expenses					
Professional Services	2,555,943	1,628,823	(271,718)	3,913,048	3,077,917
Office Supplies and Expenses	37,440	40,648	-	78,088	68,147
Occupancy	337,420	484,531	-	821,951	978,462
Interest	302,670	831,049	(143,620)	990,099	882,716
Program Supplies and Equipment	148,466	957,948	(6,618)	1,099,796	992,835
Travel, Conferences, and Meetings	12,222	14,456	(2,970)	23,708	26,651
Other	125,580	224,520	(1,169)	348,931	162,711
Depreciation and Amortization	538,473	2,351,346	-	2,889,819	2,790,909
Total Operating Expenses	4,058,214	6,533,321	(426,095)	10,165,440	8,980,348
Surplus (Deficit) from Operations	2,261,065	(1,788,794)	143,620	615,891	(2,042,326)

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, 2021

With Summarized Comparative Information for June 30, 2020

	Consolidated Pre-Development	Consolidated General and Limited Partnerships	Eliminations	Consolidated	
				2021	2020
Other Activities					
Net Investment Return	530,685	5,038	(143,617)	392,106	54,051
Income from Investment in Subsidiaries	641,324	-	(641,324)	-	-
Income Tax Benefit (Expense)	277,701	-	-	277,701	(389)
Cancellation of Debt Income	-	-	-	-	750,000
Gain (Loss) from Disposal of Fixed Assets	510,367	-	-	510,367	(66,935)
Surplus from Other Activities	1,960,077	5,038	(784,941)	1,180,174	736,727
Change in Net Assets from Operations and Other Activities	4,221,142	(1,783,756)	(641,321)	1,796,065	(1,305,599)
Other Changes in Net Assets	-	11,750,742	(360,115)	11,390,627	522,755
Change in Net Assets Without Donor Restrictions	4,221,142	9,966,986	(1,001,436)	13,186,692	(782,844)
Net Assets Without Donor Restrictions, Beginning of Year	19,504,942	23,766,811	(8,137)	43,263,616	44,046,460
Net Assets Without Donor Restrictions, End of Year	\$ 23,726,084	\$ 33,733,797	\$ (1,009,573)	\$ 56,450,308	\$ 43,263,616

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - Pre-Development
June 30, 2021
With Summarized Comparative Information at June 30, 2020

Schedule III

	Projects in Pre-Development	Millennium Properties, Inc.	2901 Dee, Inc.				Consolidated	
			d/b/a Embassy House Apartments	Riverfront Self Storage, LLC	1770 Tchoupitoulas, Inc.	Eliminations	2021	2020
Assets								
Current Assets								
Cash and Cash Equivalents	\$ 3,344,191	\$ 60,957	\$ 57	\$ 20,048	\$ 274,185	\$ -	\$ 3,699,438	\$ 1,593,627
Accounts Receivable, Net	76,593	-	6,272	3,918	38,595	-	125,378	124,521
Prepaid Expenses	19,995	-	-	2,470	79,658	-	102,123	103,421
Due from Projects in Development	7,459,046	-	-	-	258,413	(843,405)	6,874,054	4,127,998
Other Current Assets	126,083	-	-	3,528	119,492	-	249,103	1,829,659
Total Current Assets	11,025,908	60,957	6,329	29,964	770,343	(843,405)	11,050,096	7,779,226
Fixed Assets, Net	888,575	-	-	841,668	14,586,786	-	16,317,029	19,055,496
Other Assets								
Designated and Restricted Deposits	-	-	-	-	27,899	-	27,899	34,696
Long-Term Investments	1,987,941	-	-	-	-	-	1,987,941	1,568,715
Notes Receivable	11,770,350	-	-	-	-	(11,770,350)	-	-
Deferred Tax Asset	-	278,061	-	-	-	-	278,061	-
Investment in Subsidiaries	547,973	-	-	-	-	461,600	1,009,573	8,137
Total Other Assets	14,306,264	278,061	-	-	27,899	(11,308,750)	3,303,474	1,611,548
Total Assets	\$ 26,220,747	\$ 339,018	\$ 6,329	\$ 871,632	\$ 15,385,028	\$ (12,152,155)	\$ 30,670,599	\$ 28,446,270

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Consolidating Statement of Financial Position - Pre-Development (Continued)
June 30, 2021
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Schedule III

	Projects in Pre-Development	Millennium Properties, Inc.	2901 Dee, Inc. d/b/a Embassy House Apartments	Riverfront Self Storage, LLC	1770 Tchoupitoulas, Inc.	Eliminations	Consolidated	
							2021	2020
Liabilities and Net Assets								
Current Liabilities								
Accounts Payable	\$ 45,148	\$ 13,721	\$ 16,007	\$ 4,366	\$ 129,252	\$ (79,578)	\$ 128,916	\$ 130,132
Mortgages and Notes Payable	438,774	-	-	-	167,610	-	606,384	2,637,802
Accrued Expenses	112,974	-	-	-	50,041	-	163,015	135,015
Other Current Liabilities	44,589	-	-	7,340	28,973	-	80,902	40,187
Due to Projects in Development	-	214,526	32,777	411,315	150,615	(763,826)	45,407	20,454
Total Current Liabilities	641,485	228,247	48,784	423,021	526,491	(843,404)	1,024,624	2,963,590
Other Liabilities								
Due to VOASELA, Inc.	536,941	40,122	-	3,829	21,964	-	602,856	834,108
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	1,196,236	-	-	-	15,891,149	(11,770,350)	5,317,035	5,143,630
Total Other Liabilities	1,733,177	40,122	-	3,829	15,913,113	(11,770,350)	5,919,891	5,977,738
Total Liabilities	2,374,662	268,369	48,784	426,850	16,439,604	(12,613,754)	6,944,515	8,941,328
Total Net Assets Without Donor Restrictions	23,846,085	70,649	(42,455)	444,782	(1,054,576)	461,599	23,726,084	19,504,942
Total Liabilities and Net Assets	\$ 26,220,747	\$ 339,018	\$ 6,329	\$ 871,632	\$ 15,385,028	\$ (12,152,155)	\$ 30,670,599	\$ 28,446,270

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Schedule IV

	Projects in Pre-Development	Millennium Properties, Inc.	2901 Dee, Inc. d/b/a Embassy House Apartments	Riverfront Self Storage, LLC	1770 Tchoupitoulas, Inc.	Eliminations	Consolidated	
							2021	2020
Net Assets Without Donor Restrictions								
Revenue, Support, and Gains								
Without Donor Restrictions								
Revenues and Grants	\$ 153,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,000	\$ 50,000
Other Revenue								
Program Service Fees	4,654,455	-	-	-	-	-	4,654,455	546,389
Rental Income	-	-	6,070	416,180	672,152	(214,039)	880,363	1,473,082
Other Operating Income	640,738	36	112,000	19,824	7,376	(148,513)	631,461	565,672
Total Other Revenue	5,295,193	36	118,070	436,004	679,528	(362,552)	6,166,279	2,585,143
Total Revenue, Support, and Gains								
Without Donor Restrictions	5,448,193	36	118,070	436,004	679,528	(362,552)	6,319,279	2,635,143

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Consolidating Statement of Activities - Pre-Development (Continued)
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With Summarized Comparative Information for June 30, 2020

Schedule IV

	Projects in Pre-Development	Millennium Properties, Inc.	2901 Dee, Inc. d/b/a Embassy House Apartments	Riverfront Self Storage, LLC	1770 Tchoupitoulas, Inc.	Eliminations	Consolidated	
							2021	2020
Operating Expenses								
Professional Services	1,534,116	719,859	(318)	97,491	240,883	(36,088)	2,555,943	1,985,808
Office Supplies and Expenses	27,939	-	-	1,807	7,694	-	37,440	34,110
Occupancy	41,398	120,035	-	233,777	156,249	(214,039)	337,420	433,347
Interest	75,448	-	(15)	2	227,235	-	302,670	328,413
Program Supplies and Equipment	11,261	-	-	10,867	126,338	-	148,466	136,715
Travel, Conferences, and Meetings	10,913	-	15	-	1,528	(234)	12,222	17,851
Other	221,344	-	(197)	11,270	5,354	(112,191)	125,580	43,104
Depreciation and Amortization	10,535	-	-	27,232	500,706	-	538,473	562,438
Total Operating Expenses	1,932,954	839,894	(515)	382,446	1,265,987	(362,552)	4,058,214	3,541,786
Surplus (Deficit) from Operations	3,515,239	(839,858)	118,585	53,558	(586,459)	-	2,261,065	(906,643)

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Consolidating Statement of Activities - Pre-Development (Continued)
For the Year Ended June 30, 2021
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Schedule IV

	Projects in Pre-Development	Millennium Properties, Inc.	2901 Dee, Inc. d/b/a Embassy House Apartments	Riverfront Self Storage, LLC	1770 Tchoupitoulas, Inc.	Eliminations	Consolidated	
							2021	2020
Other Activities								
Net Investment Return	530,431	-	-	-	254	-	530,685	143,992
Gain (Loss) from Investment in Subsidiaries	(214,894)	-	-	-	-	856,218	641,324	(32,163)
Income Tax Benefit (Expense)	-	277,701	-	-	-	-	277,701	(389)
Cancellation of Debt Income	-	-	-	-	-	-	-	750,000
Gain (Loss) from Disposal of Fixed Assets	510,367	-	-	-	-	-	510,367	(66,935)
Surplus from Other Activities	825,904	277,701	-	-	254	856,218	1,960,077	794,505
Change in Net Assets from Operations and Other Activities	4,341,143	(562,157)	118,585	53,558	(586,205)	856,218	4,221,142	(112,138)
Other Changes in Net Assets	-	225,000	-	-	-	(225,000)	-	-
Change in Net Assets Without Donor Restrictions	4,341,143	(337,157)	118,585	53,558	(586,205)	631,218	4,221,142	(112,138)
Net Assets Without Donor Restrictions, Beginning of Year	19,504,942	407,806	(161,040)	391,224	(468,371)	(169,619)	19,504,942	19,617,080
Net Assets Without Donor Restrictions, End of Year	\$ 23,846,085	\$ 70,649	\$ (42,455)	\$ 444,782	\$ (1,054,576)	\$ 461,599	\$ 23,726,084	\$ 19,504,942

See independent auditor's report.

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

Schedule V

	Embassy	Elysian	Consolidated	Wisdom	Bayou Cane	Houma School	The Cottages	Valencia	FSJ	RNDC BR	Eliminations	Consolidated	
	Apartments Shreveport	Courtyards of Gentilly	The Groves at Mile Branch Creek	Manor	Apartments	Apartments	at Mile Branch	Park	Homes			2021	2020
Assets													
Current Assets													
Cash and Cash Equivalents	\$ 24,753	\$ 143,837	\$ 51,150	\$ 9,072	\$ 421,700	\$ 108,609	\$ 19,292	\$ -	\$ 9,787	\$ 500	\$ -	\$ 788,700	\$ 1,259,162
Accounts Receivable, Net	20,620	99,906	96,552	3,414	6,656	18,077	20,451	-	-	-	-	265,676	111,483
Prepaid Expenses	15,874	153,942	87,602	35,997	-	67,453	3,457	-	-	-	-	364,325	364,845
Due from Projects in Development	32,773	-	10,466	-	-	-	-	-	-	-	(2,100)	41,139	25,623
Other Current Assets	35,423	53,911	-	2,177	27,722	47,500	23,977	50,282	-	716,030	-	957,022	182,291
Total Current Assets	129,443	451,596	245,770	50,660	456,078	241,639	67,177	50,282	9,787	716,530	(2,100)	2,416,862	1,943,404
Fixed Assets, Net	6,434,051	13,159,410	12,798,738	2,771,243	10,784,987	16,694,799	4,085,430	7,426,707	9,007,543	4,000,359	-	87,163,267	68,030,028
Other Assets													
Designated and Restricted Deposits	18,396	1,349,881	371,120	815,844	298,489	545,826	156,812	12,827,766	-	-	-	16,384,134	3,411,674
Total Other Assets	18,396	1,349,881	371,120	815,844	298,489	545,826	156,812	12,827,766	-	-	-	16,384,134	3,411,674
Total Assets	\$ 6,581,890	\$ 14,960,887	\$ 13,415,628	\$ 3,637,747	\$ 11,539,554	\$ 17,482,264	\$ 4,309,419	\$ 20,304,755	\$ 9,017,330	\$ 4,716,889	\$ (2,100)	\$ 105,964,263	\$ 73,385,106

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - General and Limited Partnerships (Continued)
June 30, 2021
With Summarized Comparative Information at June 30, 2020

Schedule V

	Embassy Apartments Shreveport	Elysian Courtyards of Gentilly	Consolidated The Groves at Mile Branch Creek	Wisdom Manor	Bayou Cane Apartments	Houma School Apartments	The Cottages at Mile Branch	Valencia Park	FSJ Homes	RNDC BR	Eliminations	Consolidated	
												2021	2020
Liabilities and Net Assets													
Current Liabilities													
Accounts Payable	\$ 4,392	\$ 50,182	\$ 16,680	\$ 1,143	\$ 6,742	\$ 36,131	\$ 27,878	\$ -	\$ 688,435	\$ 321,083	\$ -	\$ 1,152,666	\$ 927,778
Mortgages and Notes Payable	55,603	60,851	129,273	-	69,957	45,155	16,342	4,438	-	-	-	381,619	3,567,846
Accrued Expenses	63,538	24,020	39,668	2	112,190	30,710	19,931	-	-	-	-	290,059	290,187
Other Current Liabilities	15,113	60,119	53,928	18,570	31,992	30,345	14,637	433,443	399,956	91,187	-	1,149,290	480,365
Due to Projects in Development	1,394,333	523,621	306,549	1,698,172	3,461	-	2,100	506,819	-	-	(2,100)	4,432,955	3,784,619
Total Current Liabilities	1,532,979	718,793	546,098	1,717,887	224,342	142,341	80,888	944,700	1,088,391	412,270	(2,100)	7,406,569	9,050,795
Other Liabilities													
Due to VOASELA, Inc.	-	30,444	-	3,265	12,238	2,153,438	-	-	-	-	-	2,199,385	2,153,957
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	1,256,694	10,388,900	10,791,776	-	8,616,185	7,977,185	219,692	17,302,659	3,918,835	2,152,566	-	62,624,492	38,413,543
Total Other Liabilities	1,256,694	10,419,344	10,791,776	3,265	8,628,423	10,130,623	219,692	17,302,659	3,918,835	2,152,566	-	64,823,877	40,567,500
Total Liabilities	2,789,673	11,138,137	11,337,874	1,721,152	8,852,765	10,272,964	300,580	18,247,359	5,007,226	2,564,836	(2,100)	72,230,466	49,618,295
Total Net Assets Without Donor Restrictions	3,792,217	3,822,750	2,077,754	1,916,595	2,686,789	7,209,300	4,008,839	2,057,396	4,010,104	2,152,053	-	33,733,797	23,766,811
Total Liabilities and Net Assets	\$ 6,581,890	\$ 14,960,887	\$ 13,415,628	\$ 3,637,747	\$ 11,539,554	\$ 17,482,264	\$ 4,309,419	\$ 20,304,755	\$ 9,017,330	\$ 4,716,889	\$ (2,100)	\$ 105,964,263	\$ 73,385,106

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
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Consolidating Statement of Activities - General and Limited Partnerships
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Schedule VI

	Embassy Apartments Shreveport	Elysian Courtyards of Gentilly	Consolidated The Groves at Mile Branch Creek	Wisdom Manor	Bayou Cane Apartments	Houma School Apartments	The Cottages at Mile Branch	Valencia Park	FSJ Homes	RNDC BR	Eliminations	Consolidated		
												2021	2020	
Net Assets Without Donor Restrictions														
Other Revenue														
Rental Income	\$ 275,331	\$ 1,365,960	\$ 806,583	\$ 320,401	\$ 750,894	\$ 772,719	\$ 256,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,548,831	\$ 4,339,112
Other Operating Income	4,038	26,211	110,238	821	28,633	35,810	745	-	-	-	(10,800)		195,696	236,457
Total Other Revenue	279,369	1,392,171	916,821	321,222	779,527	808,529	257,688	-	-	-	(10,800)		4,744,527	4,575,569
Total Revenue, Support, and Gains Without Donor Restrictions	279,369	1,392,171	916,821	321,222	779,527	808,529	257,688	-	-	-	(10,800)		4,744,527	4,575,569

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, 2021

With Summarized Comparative Information for June 30, 2020

	Embassy	Elysian	Consolidated	Wisdom	Bayou Cane	Houma School	The Cottages	Valencia	FSJ	RNDC BR	Eliminations	Consolidated	
	Apartments Shreveport	Courtyards of Gentilly	The Groves at Mile Branch Creek	Manor	Apartments	Apartments	at Mile Branch	Park	Homes			2021	2020
Operating Expenses													
Professional Services	131,903	411,769	305,762	99,520	246,892	291,827	141,150	-	-	-	-	1,628,823	1,354,799
Office Supplies and Expenses	5,391	9,436	6,622	3,800	6,290	8,920	189	-	-	-	-	40,648	34,037
Occupancy	44,681	160,841	127,685	28,628	51,376	52,901	18,419	-	-	-	-	484,531	545,115
Interest	216,332	159,872	59,815	82,261	142,876	158,129	11,764	-	-	-	-	831,049	663,355
Program Supplies and Equipment	77,754	254,205	206,872	101,709	133,108	133,331	61,769	-	-	-	(10,800)	957,948	856,120
Travel, Conferences, and Meetings	3,439	2,250	2,145	756	2,184	3,236	446	-	-	-	-	14,456	8,800
Other	24,706	37,247	68,010	8,914	20,232	23,720	16,690	25,001	-	-	-	224,520	129,607
Depreciation and Amortization	169,665	482,182	486,270	192,580	350,235	544,383	126,031	-	-	-	-	2,351,346	2,228,471
Total Operating Expenses	673,871	1,517,802	1,263,181	518,168	953,193	1,216,447	376,458	25,001	-	-	(10,800)	6,533,321	5,820,304
Deficit from Operations	(394,502)	(125,631)	(346,360)	(196,946)	(173,666)	(407,918)	(118,770)	(25,001)	-	-	-	(1,788,794)	(1,244,735)

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, 2021

With Summarized Comparative Information for June 30, 2020

	Embassy Apartments Shreveport	Elysian Courtyards of Gentilly	Consolidated The Groves at Mile Branch Creek	Wisdom Manor	Bayou Cane Apartments	Houma School Apartments	The Cottages at Mile Branch	Valencia Park	FSJ Homes	RNDC BR	Eliminations	Consolidated		
												2021	2020	
Other Activities														
Net Investment Return	-	3,220	759	629	162	243	25	-	-	-	-	5,038	19,111	
Surplus from Other Activities	-	3,220	759	629	162	243	25	-	-	-	-	5,038	19,111	
Change in Net Assets from Operations and Other Activities	(394,502)	(122,411)	(345,601)	(196,317)	(173,504)	(407,675)	(118,745)	(25,001)	-	-	-	(1,783,756)	(1,225,624)	
Other Changes in Net Assets	3,605,638	(31,967)	-	-	-	-	(67,483)	2,082,397	4,010,104	2,152,053	-	11,750,742	554,421	
Change in Net Assets Without Donor Restrictions	3,211,136	(154,378)	(345,601)	(196,317)	(173,504)	(407,675)	(186,228)	2,057,396	4,010,104	2,152,053	-	9,966,986	(671,203)	
Net Assets Without Donor Restrictions, Beginning of Year	581,081	3,977,128	2,423,355	2,112,912	2,860,293	7,616,975	4,195,067	-	-	-	-	23,766,811	24,438,014	
Net Assets Without Donor Restrictions, End of Year	\$ 3,792,217	\$ 3,822,750	\$ 2,077,754	\$ 1,916,595	\$ 2,686,789	\$ 7,209,300	\$ 4,008,839	\$ 2,057,396	\$ 4,010,104	\$ 2,152,053	-	\$ 33,733,797	\$ 23,766,811	

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, 2021
With Summarized Comparative Information at June 30, 2020

Schedule VII

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2021	2020
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 47,064	\$ 4,086	\$ -	\$ 51,150	\$ 127,130
Accounts Receivable	90,734	5,818	-	96,552	59,057
Prepaid Expenses	87,501	101	-	87,602	89,096
Due from Projects in Development	1,200	9,266	-	10,466	9,866
Total Current Assets	226,499	19,271	-	245,770	285,149
Fixed Assets, Net	12,798,738	-	-	12,798,738	13,260,823
Other Assets					
Designated and Restricted Deposits	371,120	-	-	371,120	315,098
Total Other Assets	371,120	-	-	371,120	315,098
Total Assets	\$ 13,396,357	\$ 19,271	\$ -	\$ 13,415,628	\$ 13,861,070

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, 2021

With Summarized Comparative Information at June 30, 2020

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2021	2020
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable	\$ 16,680	\$ (8,088)	8,088	\$ 16,680	\$ 59,456
Mortgages and Notes Payable	129,273	-	-	129,273	127,824
Accrued Expenses	39,668	-	-	39,668	32,162
Other Current Liabilities	53,928	-	-	53,928	40,142
Due to Projects in Development	314,637	-	(8,088)	306,549	280,633
Total Current Liabilities	554,186	(8,088)	-	546,098	540,217
Other Liabilities					
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	10,791,776	-	-	10,791,776	10,897,498
Total Other Liabilities	10,791,776	-	-	10,791,776	10,897,498
Total Liabilities	11,345,962	(8,088)	-	11,337,874	11,437,715
Total Net Assets Without Donor Restrictions	2,050,395	27,359	-	2,077,754	2,423,355
Total Liabilities and Net Assets	\$ 13,396,357	\$ 19,271	\$ -	\$ 13,415,628	\$ 13,861,070

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Activities - The Groves at Mile Branch Creek
For the Year Ended June 30, 2021
With Summarized Comparative Information for June 30, 2020

Schedule VIII

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2021	2020
Net Assets Without Donor Restrictions					
Other Revenue					
Rental Income	\$ 806,583	\$ -	\$ -	\$ 806,583	\$ 790,489
Other Operating Income	96,990	44,448	(31,200)	110,238	139,283
Total Other Revenue	903,573	44,448	(31,200)	916,821	929,772
Total Revenue, Support, and Gains Without Donor Restrictions	903,573	44,448	(31,200)	916,821	929,772

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Activities - The Groves at Mile Branch Creek (Continued)
For the Year Ended June 30, 2021
With Summarized Comparative Information for June 30, 2020

Schedule VIII

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2021	2020
Operating Expenses					
Professional Services	303,439	5,323	(3,000)	305,762	306,558
Office Supplies and Expenses	6,622	-	-	6,622	7,622
Occupancy	108,015	19,670	-	127,685	122,466
Interest	59,750	65	-	59,815	58,255
Program Supplies and Equipment	212,016	23,056	(28,200)	206,872	246,365
Travel, Conferences, and Meetings	2,145	-	-	2,145	1,445
Other	66,091	1,919	-	68,010	22,547
Depreciation and Amortization	486,270	-	-	486,270	479,824
Total Operating Expenses	1,244,348	50,033	(31,200)	1,263,181	1,245,082
Deficit from Operations	(340,775)	(5,585)	-	(346,360)	(315,310)

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 (Continued)
For the Year Ended June 30, 2021
With Summarized Comparative Information for June 30, 2020

Schedule VIII

	New Covington Apartments	Homeowners Association	Eliminations	Consolidated	
				2021	2020
Other Activities					
Net Investment Return	759	-	-	759	1,555
Surplus from Other Activities	759	-	-	759	1,555
Deficit from Operations	(340,016)	(5,585)	-	(345,601)	(313,755)
Change in Net Assets from Operations and Other Activities	(340,016)	(5,585)	-	(345,601)	(313,755)
Change in Net Assets Without Donor Restrictions	(340,016)	(5,585)	-	(345,601)	(313,755)
Net Assets Without Donor Restrictions, Beginning of Year	2,390,411	32,944	-	2,423,355	2,737,110
Net Assets Without Donor Restrictions, End of Year	\$ 2,050,395	\$ 27,359	\$ -	\$ 2,077,754	\$ 2,423,355

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - FSJ Homes, LLC
June 30, 2021
With Summarized Comparative Information at June 30, 2020

Schedule IX

	FSJ I	FSJ II	Eliminations	Consolidated	
				2021	2020
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 5,223	\$ 4,564	\$ -	\$ 9,787	\$ -
Total Current Assets	5,223	4,564	-	9,787	-
Fixed Assets, Net	4,534,854	4,472,689	-	9,007,543	-
Total Assets	\$ 4,540,077	\$ 4,477,253	\$ -	\$ 9,017,330	\$ -

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Financial Position - FSJ Homes, LLC (Continued)
June 30, 2021
With Summarized Comparative Information at June 30, 2020

Schedule IX

	FSJ I	FSJ II	Eliminations	Consolidated	
				2021	2020
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable	\$ 339,340	\$ 349,095	\$ -	\$ 688,435	\$ -
Other Current Liabilities	202,979	196,977	-	399,956	-
Total Current Liabilities	542,319	546,072	-	1,088,391	-
Other Liabilities					
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	2,044,092	1,874,743	-	3,918,835	-
Total Other Liabilities	2,044,092	1,874,743	-	3,918,835	-
Total Liabilities	2,586,411	2,420,815	-	5,007,226	-
Total Net Assets Without Donor Restrictions	1,953,666	2,056,438	-	4,010,104	-
Total Liabilities and Net Assets	\$ 4,540,077	\$ 4,477,253	\$ -	\$ 9,017,330	\$ -

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Activities - FSJ Homes, LLC
For the Year Ended June 30, 2021
With Summarized Comparative Information for June 30, 2020

Schedule X

	FSJ I	FSJ II	Eliminations	Consolidated	
				2021	2020
Net Assets Without Donor Restrictions					
Other Revenue					
Rental Income	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Income	-	-	-	-	-
Total Other Revenue	-	-	-	-	-
Total Revenue, Support, and Gains Without Donor Restrictions	-	-	-	-	-

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Activities - FSJ Homes, LLC (Continued)
For the Year Ended June 30, 2021
With Summarized Comparative Information for June 30, 2020

Schedule X

	FSJ I	FSJ II	Eliminations	Consolidated	
				2021	2020
Operating Expenses					
Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -
Office Supplies and Expenses	-	-	-	-	-
Occupancy	-	-	-	-	-
Interest	-	-	-	-	-
Program Supplies and Equipment	-	-	-	-	-
Travel, Conferences, and Meetings	-	-	-	-	-
Other	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-
Total Operating Expenses	-	-	-	-	-
Surplus from Operations	-	-	-	-	-

See independent auditor's report.

**RENAISSANCE NEIGHBORHOOD DEVELOPMENT CORPORATION
AND SUBSIDIARIES**
Supplementary Information
Consolidating Statement of Activities - FSJ Homes, LLC (Continued)
For the Year Ended June 30, 2021
With Summarized Comparative Information for June 30, 2020

Schedule X

	FSJ I	FSJ II	Eliminations	Consolidated	
				2021	2020
Other Changes in Net Assets	\$ 1,953,666	\$ 2,056,438	\$ -	\$ 4,010,104	\$ -
Change in Net Assets Without Donor Restrictions	1,953,666	2,056,438	-	4,010,104	-
Net Assets Without Donor Restrictions, Beginning of Year	-	-	-	-	-
Net Assets Without Donor Restrictions, End of Year	\$ 1,953,666	\$ 2,056,438	\$ -	\$ 4,010,104	\$ -

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, 2021, 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, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered RNDC's internal control over financial reporting (internal control) as a basis for designing 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 "LaPorte".

A Professional Accounting Corporation

Covington, LA
October 12, 2021