

**DWELLING PLACE OF GRAND RAPIDS  
NONPROFIT HOUSING CORPORATION  
AND RELATED ENTITIES**

*COMBINED FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION*

*Years Ended December 31, 2019 and 2018*

## TABLE OF CONTENTS

---

	Page
<b>INDEPENDENT AUDITORS' REPORT ON COMBINED FINANCIAL STATEMENTS</b>	<b>1</b>
<b>COMBINED FINANCIAL STATEMENTS</b>	<b>3</b>
COMBINED BALANCE SHEETS	4
COMBINED STATEMENTS OF CHANGES IN NET ASSETS AND EQUITY	5
COMBINED STATEMENTS OF OPERATIONS	6
COMBINED STATEMENTS OF CASH FLOWS	8
NOTES TO COMBINED FINANCIAL STATEMENTS	10
<b>ADDITIONAL INFORMATION</b>	<b>39</b>
<b>INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION</b>	<b>40</b>
COMBINING BALANCE SHEET - 2019	41
COMBINING STATEMENT OF OPERATIONS - 2019	49
COMBINING BALANCE SHEET - 2018	57
COMBINING STATEMENT OF OPERATIONS - 2018	65

---

## INDEPENDENT AUDITORS' REPORT ON COMBINED FINANCIAL STATEMENTS

---

Board of Directors  
Dwelling Place of Grand Rapids Nonprofit Housing Corporation  
Grand Rapids, Michigan

### Report on the Financial Statements

We have audited the accompanying combined financial statements of Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities, which comprise the combined balance sheets as of December 31, 2019 and 2018, and the related combined statements of changes in net assets and equity, operations, and cash flows for the years then ended, and the related notes to the combined financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit 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 combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined financial statements.

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

## Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities at December 31, 2019 and 2018, and the results of operations and cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 1, 2020 on our consideration of Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities' internal control over financial reporting and 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 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 Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities' internal control over financial reporting and compliance.

*Beene Garter LLP*

June 1, 2020  
Grand Rapids, Michigan

---

---

**COMBINED FINANCIAL STATEMENTS**

---

---

---

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 5,443,225	\$ 3,533,515
Cash restricted for current construction	3,933,124	107,049
Trading securities	9,587,322	8,370,309
Promises to give	274,360	62,500
Accounts receivable	235,230	1,100,707
Developer fee receivable	-	112,500
Prepaid expenses and deposits	311,318	284,299
<b>TOTAL CURRENT ASSETS</b>	<b>19,784,579</b>	<b>13,570,879</b>
<b>Property and Equipment</b>	<b>109,142,827</b>	<b>96,770,841</b>
<b>Other Assets</b>		
Restricted cash	11,913,214	11,896,842
Promises to give, less current portion	290,000	75,000
Developer fee receivable	24,678	24,678
Investments	5,000	5,000
Beneficial interest	287,952	258,897
Intangibles	556,321	524,839
<b>TOTAL OTHER ASSETS</b>	<b>13,077,165</b>	<b>12,785,256</b>
<b>TOTAL ASSETS</b>	<b><u>\$ 142,004,571</u></b>	<b><u>\$ 123,126,976</u></b>

---

**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING  
CORPORATION AND RELATED ENTITIES**

COMBINED BALANCE SHEETS

December 31, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Current maturities of long-term debt	\$ 247,397	\$ 237,219
Accounts payable		
Trade	576,624	405,806
Construction	2,009,976	338,379
Accrued liabilities	343,936	307,692
Deferred rental revenue	128,612	73,453
	<b>3,306,545</b>	<b>1,362,549</b>
<b>TOTAL CURRENT LIABILITIES</b>		
Tenant Security Deposits	297,089	293,284
Long-Term Debt, net of current maturities (net of unamortized financing fees of \$338,159 and \$350,682)	26,024,016	24,907,884
Long-Term Accrued Interest	5,220,292	4,930,600
Deferred Revenue - Section 1602 Exchange Funds	3,097,429	3,097,429
	<b>34,638,826</b>	<b>33,229,197</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>		
<b>Net Assets and Equity - Controlling Interests</b>		
Without donor restrictions	41,060,986	38,871,436
With donor restrictions	1,023,314	570,453
Deficit	(11,816,413)	(11,273,082)
	<b>30,267,887</b>	<b>28,168,807</b>
<b>Equity - Noncontrolling Interests</b>	<b>73,791,313</b>	<b>60,366,423</b>
	<b>104,059,200</b>	<b>88,535,230</b>
<b>TOTAL NET ASSETS AND EQUITY</b>		
	<b>\$ 142,004,571</b>	<b>\$ 123,126,976</b>
<b>TOTAL LIABILITIES, NET ASSETS AND EQUITY</b>	<b>\$ 142,004,571</b>	<b>\$ 123,126,976</b>

See accompanying notes

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINED STATEMENTS OF CHANGES IN NET ASSETS AND EQUITY

Years Ended December 31, 2019 and 2018

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Controlling Interests - Deficit	Noncontrolling Interests - Equity	Total Net Assets and Equity
<b>BALANCE - January 1, 2018</b>	<b>\$ 35,282,007</b>	<b>\$ 1,005,936</b>	<b>\$ (12,216,064)</b>	<b>\$ 56,853,273</b>	<b>\$ 80,925,152</b>
Contributed capital, net of syndication costs	-	-	-	8,741,778	8,741,778
Partnership exit fees	-	-	(39,400)	-	(39,400)
Distributions	-	-	-	(39,871)	(39,871)
Transfer from Noncontrolling to Controlling	-	-	2,037,930	(2,037,930)	-
Increase (decrease) in net assets and equity	3,589,429	(435,483)	(1,055,548)	(3,150,827)	(1,052,429)
<b>BALANCE - December 31, 2018</b>	<b>38,871,436</b>	<b>570,453</b>	<b>(11,273,082)</b>	<b>60,366,423</b>	<b>88,535,230</b>
Contributed capital, net of syndication costs	-	-	-	16,327,336	16,327,336
Distributions	-	-	-	(41,345)	(41,345)
Increase (decrease) in net assets and equity	2,189,550	452,861	(543,331)	(2,861,101)	(762,021)
<b>BALANCE - December 31, 2019</b>	<b>\$ 41,060,986</b>	<b>\$ 1,023,314</b>	<b>\$ (11,816,413)</b>	<b>\$ 73,791,313</b>	<b>\$ 104,059,200</b>

See accompanying notes



# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINED STATEMENTS OF OPERATIONS

Years Ended December 31, 2019 and 2018

	2019	2018
<b>Revenue and Support</b>		
Rental income		
Market/Gross Residential Rent Potential	\$ 8,151,973	\$ 8,152,177
Rental Gain/Loss	(8,302)	(12,119)
Commercial income	842,317	996,004
Less: Vacancy loss	(331,841)	(520,009)
Less: Concessions	(8,039)	(28,201)
Net rental income	8,646,108	8,587,852
Interest income	497,073	473,630
Contributions/grants	2,891,751	5,136,065
Government funding	451,298	395,533
Developer and management fee income	263,199	471,418
Other	213,002	107,819
Satisfaction of donor restriction		
Expiration of time restriction on United Way funding	37,500	75,000
Expiration of donor imposed restrictions on contributions	131,299	741,983
<b>TOTAL REVENUE AND SUPPORT</b>	<b>13,131,230</b>	<b>15,989,300</b>
<b>Operating Expenses</b>		
Salaries and wages	3,065,497	2,580,072
Fringe benefits	533,996	415,567
Payroll taxes	276,445	247,778
Contract labor	945,298	1,004,136
Fees and services	845,519	809,353
Utilities	1,444,380	1,446,085
Maintenance and repairs	1,800,056	1,682,571
Mortgage interest	338,769	348,233
Rental of space	48,000	52,489
Insurance	523,550	511,289
Taxes	379,718	337,928
Administrative supplies	245,372	203,192
Employee development	101,215	79,980
Bad debt	89,596	186,096
Miscellaneous	34,651	41,863
<b>TOTAL OPERATING EXPENSES</b>	<b>10,672,062</b>	<b>9,946,632</b>
<b>INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS AND EQUITY BEFORE OTHER INCOME AND EXPENSES</b>	<b>2,459,168</b>	<b>6,042,668</b>

See accompanying notes

**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING  
CORPORATION AND RELATED ENTITIES**

COMBINED STATEMENTS OF OPERATIONS (CONTINUED)

Years Ended December 31, 2019 and 2018

	2019	2018
<b>Other Income and (Expenses)</b>		
Construction Loan Interest	\$ -	\$ (212,946)
Deferred Interest Expense	(375,278)	(375,898)
Interest Expense - Amortization of Financing Fees	(11,896)	(12,526)
Unrealized Gain (Loss) on Trading Securities	1,101,621	(750,076)
Gain (Loss) on Sale of Investment/Trading Securities	50,440	(7,538)
Loss on Disposal of Assets	(77,000)	(154,156)
Forgiveness of Debt	585,316	-
Depreciation	(4,878,368)	(5,079,417)
Amortization	(68,885)	(67,057)
<b>DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS AND EQUITY</b>	<b>(1,214,882)</b>	<b>(616,946)</b>
<b>Changes in Net Assets With Donor Restrictions</b>		
Contributions and grants	621,660	381,500
Satisfaction of donor restrictions		
Expiration of time restriction on United Way funding	(37,500)	(75,000)
Expiration of donor imposed restrictions on contributions	(131,299)	(741,983)
<b>NET INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<b>452,861</b>	<b>(435,483)</b>
<b>DECREASE IN NET ASSETS AND EQUITY</b>	<b>\$ (762,021)</b>	<b>\$ (1,052,429)</b>

See accompanying notes

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2019 and 2018

	2019	2018
<b>Cash Flows from Operating Activities</b>		
Change in net assets and equity	\$ (762,021)	\$ (1,052,429)
Adjustments to reconcile change in net assets and equity to net cash provided by operating activities:		
Depreciation and amortization	4,947,253	5,146,474
Amortization of financing fees	11,896	12,526
Forgiveness of debt	(585,316)	-
Contributions and grants restricted for construction	(485,000)	(1,087,500)
(Gain) loss on sale of investment	(50,440)	7,538
Unrealized (gain) loss on trading securities	(1,059,981)	736,191
(Earnings) loss on beneficial interest	(41,640)	13,885
Loss on disposal of assets	77,000	154,156
Changes in operating assets		
Promises to give	33,140	5,212
Accounts receivable	865,477	(152,935)
Prepaid expenses and deposits	(27,019)	24,048
Tenant security deposits	3,805	6,386
Accounts payable	170,818	131,918
Accrued liabilities	410,892	399,566
Deferred revenue	55,159	6,911
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>3,564,023</b>	<b>4,351,947</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(15,667,257)	(1,672,914)
Transfers from beneficial interest fund	12,585	14,640
Decrease (increase) in developer fee receivable	112,500	(112,500)
Net change in trading securities	(106,592)	(2,514,632)
Proceeds from the sale of property and equipment	35,000	2,500
Change in investments	-	120
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(15,613,764)</b>	<b>(4,282,786)</b>

See accompanying notes

**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING  
CORPORATION AND RELATED ENTITIES**

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended December 31, 2019 and 2018

	2019	2018
<b>Cash Flows from Financing Activities</b>		
Payments received on contributions and grants restricted for construction	\$ 25,000	\$ 775,000
Payments on long-term debt	(235,226)	(10,186,500)
Cash paid for other assets	(100,367)	(23,749)
Long-term borrowings	1,826,500	30,000
Partnership exit fees	-	(39,400)
Partners' distributions	(41,345)	(39,871)
Contributed capital	16,327,336	8,741,778
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<b>17,801,898</b>	<b>(742,742)</b>
<b>NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH</b>	<b>5,752,157</b>	<b>(673,581)</b>
<b>Cash and Restricted Cash at Beginning of Year</b>	<b>15,537,406</b>	<b>16,210,987</b>
<b>CASH AND RESTRICTED CASH AT END OF YEAR</b>	<b>\$ 21,289,563</b>	<b>\$ 15,537,406</b>
Cash and cash equivalents	5,443,225	3,533,515
Cash restricted for current construction	3,933,124	107,049
Restricted cash	11,913,214	11,896,842
	<b>\$ 21,289,563</b>	<b>\$ 15,537,406</b>
<b>Supplemental Disclosures</b>		
<b>Noncash Transactions</b>		
<b>Investing Activities</b>		
Property and equipment purchases funded through accounts payable	\$ 2,009,976	\$ 338,379
Property and equipment purchases funded through long-term debt	\$ 23,500	\$ 1,875,443

See accompanying notes

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS

---

December 31, 2019 and 2018

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Organization**

Dwelling Place of Grand Rapids Nonprofit Housing Corporation (“Dwelling Place” or “Organization”) was organized as a nonprofit corporation in 1980.

The mission of the Organization and its related entities is to improve the lives of people by creating quality affordable housing, providing essential support services, and serving as a catalyst for neighborhood revitalization.

#### **Combination Policy - Common Control**

The accompanying combined financial statements include the following entities:

The accounts of Dwelling Place of Grand Rapids Nonprofit Housing Corporation include general programs that provide affordable housing, commercial rental management and administrative services to affiliates and other managed properties. The general programs also provide for development of properties for low income housing residents, fund development for the Organization’s programs, support and case management services for tenants, neighborhood revitalization, and residential services for women and children.

Dwelling Place of Grand Rapids Nonprofit Housing Corporation is related to the following entities either through ownership or common control. Dwelling Place of Grand Rapids Nonprofit Housing Corporation has guaranteed certain obligations of the various affordable housing projects including operating deficits, development cost overruns and any reduction of tax benefits. Controlling interest on the combined financial statements consists of the net assets of Dwelling Place of Grand Rapids Nonprofit Housing Corporation, entities under common control and Dwelling Place’s ownership interest in the related entities (primarily the Limited Dividend Housing Associations (LDHAs). The noncontrolling interests consist of the outside ownership interests in the related entities (primarily the LDHAs).

#### **Dwelling Place Foundation (“Foundation”)**

Dwelling Place Foundation is a nonprofit corporation established to raise funds for Dwelling Place of Grand Rapids Nonprofit Housing Corporation and its related organizations.

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

---

December 31, 2019 and 2018

### **Heartside Nonprofit Housing Corporation (“Heartside NPHC”)**

The corporation is a wholly owned subsidiary of Dwelling Place. Heartside NPHC was organized exclusively for the purpose of providing housing facilities for persons of low and moderate income. Heartside Nonprofit Housing Corporation operates Martineau Holdings which owns Martineau Apartments.

### **Sheldon - Weston, Inc.**

The corporation is a wholly owned subsidiary of Dwelling Place. Sheldon - Weston, Inc. was organized for the purpose of providing housing facilities for persons of low-income as the .49% nonmanaging general partner in Grand Pointe Limited Dividend Housing Association Limited Partnership II. Grand Pointe Limited Dividend Housing Association Limited Partnership II was organized for the purpose of providing 109 residential dwelling units at the Globe Apartments. In addition, the corporation owns 10% of Excel-Dwelling Place, LLC. Excel-Dwelling Place, LLC was organized for the purpose of providing 64 residential dwelling units at Emerald Creek Apartments as the .01% nonmanaging general partner in Excel - Dwelling Place Limited Dividend Housing Association Limited Partnership.

### **Bridge Street Nonprofit Housing Corporation (“NPHC”) and Bridge Street Limited Dividend Housing Association Limited Partnership (“LDHA”) – collectively referred to as “Bridge Street”**

Bridge Street operates a 16-unit special needs low-income housing project in Grand Rapids, Michigan. Dwelling Place, as sole stockholder of the NPHC, exercises complete administrative control of the LDHA. However, approval of the limited partner is required to refinance debt or dispose of the project. The NPHC is the managing general partner of the LDHA.

### **Elmdale Apartments Nonprofit Housing Corporation (“Elmdale”)**

Elmdale is a not-for-profit corporation that operates a rental housing project under Section 223(f) of the National Housing Act. The project is a 19-unit apartment complex for low to middle income individuals and families located in Grand Rapids, Michigan.

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

---

December 31, 2019 and 2018

**Ferguson-Heartside Nonprofit Housing Corporation (“NPHC”) and Ferguson-Heartside Limited Dividend Housing Association Limited Partnership (“LDHA”) – collectively referred to as “Ferguson-Heartside”**

Ferguson-Heartside is comprised of 101 residential dwelling units and several commercial spaces in Grand Rapids, Michigan and operates under the name of Ferguson Apartments. Dwelling Place owns and exercises complete control of the LDHA. The NPHC is the managing general partner of the LDHA.

**Goodrich Nonprofit Housing Corporation (“NPHC”) and Goodrich Limited Dividend Housing Association Limited Partnership (“LDHA”) – collectively referred to as “Goodrich”**

Goodrich operates two buildings, including 14 units of low-income housing and four commercial spaces in Grand Rapids, Michigan. Dwelling Place, as sole stockholder of Goodrich NPHC, exercises complete administrative control of the LDHA. However, approval of the limited partner is required to refinance debt or dispose of the project. The NPHC is the managing general partner of the LDHA.

**Grandville-Heartside Nonprofit Housing Corporation (“NPHC”) and Grandville-Heartside Limited Dividend Housing Association Limited Partnership (“LDHA”) – collectively referred to as “Grandville-Heartside”**

Grandville-Heartside operates 10 residential dwelling units in Grand Rapids, Michigan. Dwelling Place owns and exercises complete control of the LDHA.

**HPFH Nonprofit Housing Corporation (“NPHC”) and HPFH Limited Dividend Housing Association Limited Partnership (“LDHA”) – referred to as “Harrison Park”**

Harrison Park was formed in 2016 to acquire, construct and operate 45 units of low-income housing in Grand Rapids, Michigan, and began operations in 2019. Dwelling Place, as sole stockholder of the NPHC, exercises complete administrative control of the LDHA. However, approval of the limited partner is required to refinance debt or dispose of the project. The NPHC is the managing general partner of the LDHA.

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019 and 2018

---

**Dwelling Place Rural Nonprofit Housing Corporation (“NPHC”) and Harvest Hill Limited Dividend Housing Association Limited Partnership (“LDHA”) – referred to as “Harvest Hill”**

Harvest Hill consists of 46 residential dwelling units located in Rockford, Michigan. Dwelling Place owns and exercises complete control of the LDHA.

**Herkimer Apartments Nonprofit Housing Corporation (“NPHC”) and Herkimer Apartments Limited Dividend Housing Association Limited Partnership (“LDHA”) – collectively referred to as “Herkimer Apartments”**

Herkimer Apartments consists of a 55-unit homeless and special needs low-income housing project and eight commercial spaces in Grand Rapids, Michigan. Dwelling Place, as the sole stockholder of the NPHC, exercises complete administrative control of the LDHA. However, approval of the limited partner is required to refinance debt or dispose of the project. The NPHC is the managing general partner of the LDHA.

**Herkimer Commerce Limited Dividend Housing Association Limited Partnership – referred to as “Herkimer Commerce”**

Herkimer Commerce consists of a 67-unit homeless and/or special needs low-income housing project in Grand Rapids, Michigan. Dwelling Place, as the sole stockholder of the NPHC (Herkimer Apartments Nonprofit Housing Corporation), exercises complete administrative control of the LDHA. However, approval of the limited partner is required to refinance debt or dispose of the project. The NPHC is the managing general partner of the LDHA.

**Kelsey Nonprofit Housing Corporation (“NPHC”) and Kelsey Limited Dividend Housing Association Limited Partnership (“LDHA”) – collectively referred to as “Kelsey”**

Kelsey consists of 12 residential dwelling units and 2 live/work spaces in Grand Rapids, Michigan. Dwelling Place, as sole stockholder of the NPHC, exercises complete administrative control of the LDHA. However, approval of the limited partner is required to refinance debt or dispose of the project. The NPHC is the managing general partner of the LDHA. Effective May 31, 2018 the limited partner exited the partnership and transferred its ownership to Dwelling Place.



# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

---

December 31, 2019 and 2018

### **LCH36 Nonprofit Housing Corporation (“NPHC”) and LCH36 Limited Dividend Housing Association Limited Partnership (“LDHA”) – collectively referred to as “LCH36”**

LCH36 consists of 49 residential dwelling units in Grand Rapids, Michigan. Dwelling Place, as sole stockholder of the NPHC, exercises complete administrative control of the LDHA. However, approval of the limited partner is required to refinance debt or dispose of the project. The NPHC is the managing general partner of the LDHA.

### **Martineau Holdings Limited Dividend Housing Association – referred to as “Martineau Holdings” or “Martineau”, respectively**

The Martineau project consists of 23 residential and two commercial spaces in two buildings in Grand Rapids, Michigan. The residential space is owned and operated by Martineau Holdings through Heartside NPHC and the two commercial spaces are owned and operated by Dwelling Place.

### **Midtown Village officially known as Liberty Nonprofit Housing Corporation (“NPHC”) and Liberty Limited Dividend Housing Association Limited Partnership (“LDHA”) – collectively referred to as “Midtown”**

Midtown Village consists of 30 senior residential dwelling units in Holland, Michigan. Dwelling Place, as sole stockholder of the NPHC, exercises complete administrative control of the LDHA. However, approval of the limited partner is required to refinance debt or dispose of the project. The NPHC is the managing general partner of the LDHA.

### **New Hope Homes Nonprofit Housing Corporation (“NPHC”) and New Hope Homes Limited Dividend Housing Association Limited Partnership (“LDHA”) – collectively referred to as “New Hope Homes”**

New Hope Homes operates six buildings consisting of 12 units of low-income housing in Grand Rapids, Michigan. Heartside NPHC exercises complete control of the LDHA. The NPHC is the managing general partner of the LDHA.

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

---

December 31, 2019 and 2018

### **Pine Avenue Nonprofit Housing Corporation (“NPHC”) and Pine Avenue Limited Dividend Housing Association Limited Partnership (“LDHA”) – referred to as “Pine Avenue”**

Pine Avenue was formed in 2017 to acquire, construct and operate 23 units of low-income housing in Grand Rapids, Michigan and began partial operations in 2019. Dwelling Place, as sole stockholder of the NPHC, exercises complete administrative control of the LDHA. However, approval of the limited partner is required to refinance debt or dispose of the project. The NPHC is the managing general partner of the LDHA.

### **Plaza Franklin Nonprofit Housing Corporation (“NPHC”) and Plaza Franklin Limited Dividend Housing Association Limited Partnership (“LDHA”) – referred to as “Plaza Franklin”**

Plaza Franklin was formed in 2019 to acquire, construct and operate 24 units of low-income housing in Grand Rapids, Michigan. Dwelling Place, as sole stockholder of the NPHC, exercises complete administrative control of the LDHA. However, approval of the limited partner is required to refinance debt or dispose of the project. The NPHC is the managing general partner of the LDHA.

### **Plaza Grandville Nonprofit Housing Corporation (“NPHC”) and Plaza Grandville Limited Dividend Housing Association Limited Partnership (“LDHA”) – referred to as “Plaza Grandville”**

Plaza Grandville was formed in 2019 to acquire, construct and operate 24 units of low-income housing in Grand Rapids, Michigan. Dwelling Place, as sole stockholder of the NPHC, exercises complete administrative control of the LDHA. However, approval of the limited partner is required to refinance debt or dispose of the project. The NPHC is the managing general partner of the LDHA.

### **Reflections Apartments officially known as Hall Street Nonprofit Housing Corporation (“NPHC”) and Hall Street Limited Dividend Housing Association Limited Partnership (“LDHA”) – collectively referred to as “Reflections”**

Reflections operates a 60-unit senior housing project in Grand Rapids, Michigan. Dwelling Place, as sole stockholder of the NPHC, exercises complete administrative control of the LDHA. However, approval of the limited partner is required to refinance debt or dispose of the project. The NPHC is the managing general partner of the LDHA.

---

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

---

December 31, 2019 and 2018

### **Roosevelt Nonprofit Housing Corporation (“NPHC”) and Roosevelt Limited Dividend Housing Association Limited Partnership (“LDHA”) – collectively referred to as “Roosevelt”**

Roosevelt consists of a 50 unit low-income housing project in Muskegon, Michigan. Dwelling Place, as sole stockholder of the NPHC, exercises complete administrative control of the LDHA. However, approval of the limited partner is required to refinance debt or dispose of the project. The NPHC is the managing general partner of the LDHA.

### **Verne Barry Apartments officially known as KBC Nonprofit Housing Corporation (“NPHC”) and KBC Limited Dividend Housing Association Limited Partnership (“LDHA”) – collectively referred to as “Verne Barry”**

Verne Barry operates a 116 unit permanent supportive low-income subsidized housing facility for homeless and special needs individuals and ten commercial spaces in Grand Rapids, Michigan. Dwelling Place, as sole stockholder of the NPHC, exercises complete administrative control of the LDHA. However, approval of the limited partner is required to refinance debt or dispose of the project. The NPHC is the managing general partner of the LDHA.

### **Villa Esperanza officially known as Sawkaw, Inc.**

Villa Esperanza is a not-for-profit corporation that operates a rental housing project under Section 223(f) of the National Housing Act. The project is a 40-unit apartment complex for low to middle income elderly or physically disabled individuals located in Wyoming, Michigan.

### **West Shore Apartments officially known as Whitehall DP Limited Partnership (“LP”)**

West Shore consists of 48 residential dwelling units located in Whitehall, Michigan. Dwelling Place, as sole stockholder of the NPHC (DP Rural Nonprofit Housing Corporation), exercises complete administrative control of the LP. However, approval of the limited partner is required to refinance debt or dispose of the project. The NPHC is the managing general partner of the LP. Effective March 31, 2018, the limited partner exited the partnership and transferred its ownership to Dwelling Place.

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

---

December 31, 2019 and 2018

### **Weston Apartments officially known as 44 Ionia Limited Dividend Housing Association Limited Partnership (“Weston”)**

Weston operates two buildings consisting of 190 units of low-income subsidized housing and three commercial spaces in Grand Rapids, Michigan. Heartside Nonprofit Housing Corporation exercises complete administrative control as managing general partner, but approval of the limited partners is required to refinance debt or dispose of the project.

### **White River Estates officially known as Dwelling Place Rural Limited Dividend Housing Association Limited Partnership**

White River Estates consists of 31 residential dwelling units located in Hesperia, Michigan. Dwelling Place owns and exercises complete control of the LDHA.

Material intercompany transactions and balances have been eliminated in combination. All equity interests in the combined entities that are not owned by Dwelling Place of Grand Rapids Nonprofit Housing Corporation or one of the entities under its management have been shown as equity - noncontrolling interests on the basic combined financial statements.

### **Method of Accounting**

The Organization maintains its records on the accrual basis of accounting.

### **Cash and Cash Equivalents**

The Organization maintains its cash accounts at several financial institutions. Cash is insured by the Federal Deposit Insurance Corporation. From time to time, the Organization may have cash on deposit in excess of the federally insured limit. The Organization considers money market funds and other temporary investments purchased with an original maturity date of three months or less to be cash equivalents.

The cash restricted for current construction consists of funds held for the purposes of construction and renovation of Plaza Franklin and Plaza Grandville in 2019 and Harrison Park LDHA and Pine Avenue LDHA projects in 2019 and 2018.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230) - Restricted Cash. The Organization has adopted this standard and retroactively adjusted the statement of cash flows to explain the change in total cash during the year. Total cash includes both cash and other cash accounts considered restricted.

---

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

---

December 31, 2019 and 2018

### **Trading Securities**

The Organization has the intention to sell its securities in the near term with profit or loss being determined on short-term differences in price. Therefore, the Organization has classified all of its securities as “trading” securities. Trading securities are carried at fair value. Fair value is primarily determined using the specific identification method. Unrealized holding gains and losses, interest, and dividends are included in the combined statements of operations.

### **Promises to Give**

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Promises to give are stated at the amount management expects to collect from balances outstanding. Management has reviewed the balances that comprise the various categories of promises to give and has determined such balances to be fully collectible. Accordingly, no provision for uncollectible promises to give is included in the accompanying financial statements. If amounts become uncollectible, a provision for the potential loss will be charged to operations when that determination is made. Promises to give restricted for use on long-term assets are considered long term in the combined balance sheets. The discount to present value for long-term pledges receivable is not material to record for the years ended December 31, 2019 and 2018.

### **Receivables**

Accounts receivable, including developer fee receivable, consist of amounts due from tenants, funding sources, third parties and related parties for services related to residential and commercial rental property management and development. These receivables are stated at the amounts management expects to collect. Management has reviewed the balances that comprise the various categories of accounts receivable and has determined such balances to be fully collectible. Accordingly, no provision for uncollectible accounts is included in the accompanying financial statements. If amounts become uncollectible, a provision for the potential loss will be charged to operations when that determination is made.

### **Property and Equipment**

Property and equipment are stated at cost, if purchased. Donations of property and equipment are recorded as support at estimated fair value at the time received. Fair value is measured in accordance with GAAP guidance relating to “Fair Value Measurements.”

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

---

December 31, 2019 and 2018

Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. The Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. The Organization follows the policy of capitalizing, at cost, all expenditures for property and equipment in excess of \$5,000. The Organization follows the policy of capitalizing interest as a component of the cost of property constructed for its own use. Depreciation is recorded on the straight-line method at rates based on the estimated useful lives of assets.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected future cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the asset's fair value. No such losses were recognized during 2019 or 2018.

### **Investments**

The Organization has generally recorded investments in partnerships at cost because the Organization does not exercise significant influence over operating and financial activities. Certain investments have been recorded using the equity method of accounting. The Organization has guaranteed certain obligations of these entities limited to approximately \$1,560,000 and \$1,400,000 as of December 31, 2019 and 2018.

### **Intangibles**

Intangible assets include costs associated with the construction and development of the projects. These intangible costs include compliance and tax credit fees. These fees are being amortized over the compliance period of 15 years. All intangibles are being amortized using straight-line methods. Accumulated amortization was approximately \$757,000 and \$688,000 for December 31, 2019 and 2018, respectively.

### **Deferred Rental Revenue**

Deferred rental revenue consists of rent received in advance.

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

---

December 31, 2019 and 2018

### **Net Assets**

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor or grantor restrictions. Net assets with donor restriction are subject to donor-imposed or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the resources are maintained in perpetuity. Gifts restricted for acquisition of long-lived assets are released from restriction when the assets are placed in service.

### **Revenue Recognition**

Various entities are lessors of apartments to individuals who meet income requirements of certain regulatory bodies, including the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture (USDA), and various low-income housing tax credit authorities. HUD also provides rental assistance payments to the entities. The leases are operating leases with terms of one year or less. Rental income is recognized for apartment and commercial rentals as it accrues. Advance receipts of rental income are deferred and classified as liabilities until earned. Rental income is shown at its maximum gross rent potential. Vacancy loss is shown as a reduction in rental income.

The Financial Accounting Standards Board (FASB) issued Topic 606, Revenue from Contracts with Customers, which requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. This standard became effective for the year ended December 31, 2019; however, the Organization's revenue is derived primarily from rental income and contributions which are not subject to the new standard.

### **Contributions**

Contributions received are recorded as donations with donor restriction or without donor restriction depending on the existence and/or nature of any donor restrictions.

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

---

December 31, 2019 and 2018

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. If the restriction will be met in the same reporting period, the support will be recorded as without donor restriction. See Note 14 regarding significant contributions.

### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been reported on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited as detailed in Note 5.

### **Income Taxes**

Dwelling Place of Grand Rapids Nonprofit Housing Corporation, Dwelling Place Foundation, Heartside Nonprofit Housing Corporation and Elmdale Apartments Nonprofit Housing Corporation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Sawkaw Inc. is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. In addition, the Organizations (except for the Foundation) qualify for the charitable contribution deduction and have been classified as organizations that are not private foundations under Section 509(a)(2). The Foundation has been classified as an organization that is a public charity under Section 509(a)(1) and 170(b)(1)(A)(vi). Martineau Holding is a single member LLC of which Heartside NPHC is the sole member. Therefore, Martineau is a disregarded entity for tax purposes.

All of the limited dividend housing associations (LDHA) are partnership entities or have elected to be treated as a partnership entity; therefore, income taxes on the net earnings are payable personally by the partners and, accordingly, are not reflected in the combined financial statements. The remaining entities reflected in the combined financial statements are taxable entities under the Internal Revenue Code. A provision for income taxes has not been provided due to operating loss carryovers and permanent differences between book income and taxable income.

Deferred tax assets that might result from such losses are considered immaterial to the combined financial statements.

Tax positions taken are assessed for uncertainty and a provision may be recorded if a tax position is not likely to be sustained upon examination.

---



# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

---

December 31, 2019 and 2018

### **Subsequent Events**

Management has evaluated significant events or transactions occurring subsequent to December 31, 2019, for potential recognition or disclosure in these financial statements. The evaluation was performed through June 1, 2020, the date the financial statements were available for issuance. See Note 17 for further disclosure of a subsequent event.

### **Use of Estimates**

Management uses estimates and assumptions in preparing these financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

### **Recently Issued Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires organizations to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The ASU is effective for annual periods beginning after December 15, 2021.

Dwelling Place NPHC has evaluated this guidance and determined that it will not materially impact the financial statements.

### **NOTE 2 - IMPLEMENTATION OF NEW ACCOUNTING GUIDANCE**

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from Contracts with Customers, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition. It requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, Other Assets and Deferred Costs – Contracts with Customers, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Collectively, the new Topic 606 and Subtopic 340-40 are referred to as the “new guidance.” Contribution and lease revenue is not subject to the new guidance.

---

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019 and 2018

Dwelling Place NPHC adopted FASB ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made as of January 1, 2019. ASU 2018-08 provides guidance on distinguishing between contributions and exchange transactions and guidance to determine whether a contribution is restricted.

Dwelling Place NPHC adopted the requirements of these standards as of January 1, 2019, utilizing the modified retrospective method of transition. The effect of applying the new guidance was not significant to the financial statements. Dwelling Place NPHC applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to the contracts that were not complete as of January 1, 2019.

### NOTE 3 - LIQUIDITY

The Organization's financial assets which are available within one year of the balance sheet date for general expenditures are as follows for December 31:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 5,443,225	\$ 3,533,515
Accounts receivable	235,230	993,503
Developer fee receivable	-	112,500
Pledges receivable	2,500	62,500
Trading securities	<u>9,587,322</u>	<u>8,370,309</u>
	<u>\$ 15,268,277</u>	<u>\$ 13,072,327</u>

As part of Dwelling Place's liquidity management, Dwelling Place has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Dwelling Place of Grand Rapids NPHC shall maintain a minimum balance in cash and/or trading securities and other liquid assets sufficient to fund 100% of operational costs for 12 months. This amount will be based on documented operational expenses (non-capital) for all properties and programs in the most recent fiscal year for which there are audited combined financial statements. Exceptions to the 12-month threshold may be granted by the Dwelling Place Board or Executive Committee.

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

---

December 31, 2019 and 2018

In addition, Dwelling Place has access to a secured line of credit with a bank in the event that liquid balances prove insufficient. See Note 8 for further information on the line of credit.

Cash expenditures and/or financial commitments outside of approved budgets and not related to real estate transactions shall be limited to \$250,000 without formal approval from one of the following: Dwelling Place Board, Executive Committee, or Finance Committee.

Expenditures for real estate development transactions over \$250,000 shall be determined on a case by case basis with authorizations granted through one of the following: Dwelling Place Board, Executive Committee, or Real Estate Development Committee.

Certain nonprofit and limited dividend housing association limited partnership entities affiliated with Dwelling Place have limitations on liquidity based on government regulatory requirements. Government regulatory bodies also may control access to available funds set aside for repairs, replacement or cash flow funding.

### **NOTE 4 - TRADING SECURITIES**

#### **Fair Value Measurements**

Trading securities are recorded at fair value. A framework is used to establish fair value of investments that is based on a hierarchy which prioritizes the use of inputs to various valuation techniques.

The three levels of the fair value hierarchy, with Level 1 given the highest priority, are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Investments held by others where Dwelling Place has no ability to liquidate or redeem the investments.

The fair value measurement level of an investment within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs.

---

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019 and 2018

Dwelling Place's primary investment objectives are to preserve and grow the value of its securities by limiting credit and default risk and to earn a reasonable and stable income to support the operations of Dwelling Place and its related entities. Current investments are held primarily at one institution; the majority of securities being in municipal and corporate bonds and equity securities. The levels within the fair value hierarchy at which Dwelling Place's investments are valued at December 31, 2019 are as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Equity securities	\$ 5,115,518	\$ -	\$ -	\$ 5,115,518
Fixed income				
Corporate/Government	4,332,539	-	-	4,332,539
Other bonds	139,265	-	-	139,265
Beneficial interest	-	-	287,952	287,952
	\$ 9,587,322	\$ -	\$ 287,952	\$ 9,875,274

The levels within the fair value hierarchy at which Dwelling Place's investments are valued at December 31, 2018 are as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Equity securities	\$ 4,158,040	\$ -	\$ -	\$ 4,158,040
Fixed income				
Corporate/Government	4,076,567	-	-	4,076,567
Other bonds	135,702	-	-	135,702
Beneficial interest	-	-	258,897	258,897
	\$ 8,370,309	\$ -	\$ 258,897	\$ 8,629,206

For the valuation of the beneficial interest in net assets, Dwelling Place used the fair value of the underlying investments. The underlying assets cannot be liquidated or redeemed by Dwelling Place. As such, no quoted prices or active markets are available for this asset (Level 3). Management reviewed the values provided by the Grand Rapids Community Foundation, the holder of the assets.

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019 and 2018

Following is a reconciliation of activity for the year ended December 31, 2019 for assets measured at fair value based on significant unobservable (Level 3) information:

<b>Balance at December 31, 2017</b>	<b>\$ 287,422</b>
Loss on investments	(13,885)
Spendable distribution	<u>(14,640)</u>
<b>Balance at December 31, 2018</b>	<b>258,897</b>
Gain on investments	41,640
Spendable distribution	<u>(12,585)</u>
<b>Balance at December 31, 2019</b>	<b><u>\$ 287,952</u></b>

The investments are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the Organization.

### NOTE 5 - FUNCTIONAL EXPENSE ALLOCATION

Dwelling Place, Heartside NPHC, Foundation, Elmdale, and Villa Esperanza's expenses are allocated on a functional basis. The expenses that are allocated include the following:

- Based on square footage
  - depreciation and amortization
  - insurance
  - office and occupancy
- Based on estimates of time and effort
  - salaries and benefits
- Based on estimates of time and costs utilized
  - Technology

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019 and 2018

Expenses have been allocated for the not-for-profit entities as follows for the years ended December 31:

	2019			
	Program Services	Management and General	Fundraising	Total Expenses
Payroll, benefits, and taxes	\$ 1,362,184	\$ 1,085,755	\$ 76,786	\$ 2,524,725
Management, legal, and other professional fees	142,798	230,106	887	373,791
Office expenses	128,774	86,524	5,193	220,491
Occupancy	652,177	73,337	483	725,997
Conferences and travel	38,830	35,341	134	74,305
Contract and consulting	21,771	28,863	386	51,020
Depreciation and amortization	510,770	104,479	-	615,249
Repairs and maintenance	297,195	7,164	-	304,359
Grants	363,906	-	-	363,906
Project expenses	14,529	-	-	14,529
Special event	-	-	23,206	23,206
Miscellaneous	129,339	28,280	-	157,619
<b>Total expenses</b>	<b>\$ 3,662,273</b>	<b>\$ 1,679,849</b>	<b>\$ 107,075</b>	<b>\$ 5,449,197</b>

  

	2018			
	Program Services	Management and General	Fundraising	Total Expenses
Payroll, benefits, and taxes	\$ 1,295,279	\$ 787,926	\$ 36,185	\$ 2,119,390
Management, legal, and other professional fees	155,146	185,237	7,919	348,302
Office expenses	106,642	77,185	5,627	189,454
Occupancy	643,539	85,784	113	729,436
Conferences and travel	32,483	37,288	143	69,914
Contract and consulting	14,412	36,496	693	51,601
Depreciation and amortization	513,369	106,451	-	619,820
Repairs and maintenance	231,088	13,734	-	244,822
Grants	330,740	-	849	331,589
Project expenses	-	33,633	-	33,633
Miscellaneous	221,730	31,143	-	252,873
<b>Total expenses</b>	<b>\$ 3,544,428</b>	<b>\$ 1,394,877</b>	<b>\$ 51,529</b>	<b>\$ 4,990,834</b>

**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES**

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019 and 2018

**NOTE 6 - PROPERTY AND EQUIPMENT**

Property and equipment consists primarily of assets held for rent as follows:

	2019	2018
Land and improvements	\$ 12,686,696	\$ 11,282,503
Buildings and building improvements	134,614,141	125,516,125
Furniture, fixtures and equipment	7,622,004	6,400,643
Construction-in-progress	7,788,886	2,262,100
	162,711,727	145,461,371
Accumulated depreciation and amortization	(53,568,900)	(48,690,530)
	\$ 109,142,827	\$ 96,770,841

Depreciation expense for the years ended December 31, 2019 and 2018 was approximately \$4,878,000 and \$5,079,000, respectively.

Construction in progress mainly consists of construction relating to Pine Avenue, Plaza Franklin and Plaza Grandville properties. Related to these costs, the Organization has entered into several contracts for construction and architectural services. At December 31, 2019, approximately \$16,500,000 of cost had been incurred, with an additional \$13,700,000 of commitments specific to such contracts.

**NOTE 7 - RESTRICTED CASH**

Restricted cash consists of the following:

<b>Designated Accounts and Escrow</b>	2019	2018
Designated accounts		
Tenant security deposits	\$ 266,022	\$ 267,949
Reserves for replacement	3,834,527	3,560,168
Residual receipts	7,735	4,771
Tax and insurance escrow deposits	180,769	209,432
Operating deficit escrows	6,659,766	6,818,279
Rent subsidy reserves	-	145,483
Other reserves and donor restricted cash	964,395	890,760
	\$ 11,913,214	\$ 11,896,842

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019 and 2018

Certain of the above designated accounts have been established in accordance with HUD, MSHDA and Rural Development. Withdrawals from the accounts can be made only for project purposes and must be approved by the respective agency. Certain restricted cash accounts may be payable to the regulatory agency when the projects are sold or the mortgages are paid in full or refinanced.

The operating deficit escrow consists of escrow accounts held for the purpose of funding operating deficits of Bridge Street, Ferguson-Heartside, Goodrich, Herkimer Apartments, Herkimer Commerce, LCH36, Midtown, Reflections, Roosevelt, Verne Barry, and Weston.

### NOTE 8 - DEBT

Debt consists of the following at December 31:

	Rate	Required Monthly Payment	Due Date	2019	2018
<b>Dwelling Place of Grand Rapids, Inc.</b>					
Note payable to Grand Rapids Community Foundation	4%	\$ 7,106	January 2024	\$ 333,378	\$ 403,559
<b>Heartside</b>					
Note payable to City of Grand Rapids for Ferguson	1%	none	Forgiven 2019	-	500,360
Note payable to a bank (AHP) for Ferguson renovations	1%	none	December 2030	272,397	272,397
<b>Bridge Street</b>					
HOME note payable to the City of Grand Rapids	none	none	June 2044	415,000	415,000
<b>Elmdale</b>					
HUD insured mortgage note payable to Love Funding	4.27%	\$ 3,393	August 2042	590,623	605,764
<b>Ferguson-Heartside</b>					
HOME mortgage note payable to MSHDA	6.75%	none	November 2030	2,000,000	2,000,000
<b>Goodrich</b>					
TCAP note payable to MSHDA	0% - 3%	none	February 2060	666,697	666,697
HOME note payable to City of Grand Rapids	none	Payable with surplus cash	February 2045	700,000	700,000
<b>Grandville-Heartside</b>					
HOME loans payable to the City of Grand Rapids	.5% - 6.75%	none	January 2039	470,000	470,000
<b>Harvest Hill</b>					
Mortgage note payable to Rural Development	3.50%	\$ 1,703	April 2029	951	492
<b>Herkimer Apartments</b>					
HOME loan payable to the City of Grand Rapids	none	none	December 2029	130,000	130,000
HOME loan payable to MSHDA	3%	To begin in 2030	December 2062	2,699,950	2,699,950
<b>Herkimer Commerce</b>					
HOME loan payable to the City of Grand Rapids	none	none	December 2032	527,089	527,089
<b>Kelsey</b>					
Mortgage note payable to PNC	5.12%	\$ 1,899	December 2023	\$ 226,147	\$ 236,928
HOME note payable to City of Grand Rapids	5.36%	none	November 2040	310,285	310,285
<b>LCH36</b>					
HOME loan payable to the City of Grand Rapids	none	none	June 2061	300,000	300,000



# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019 and 2018

	Rate	Required Monthly Payment	Due Date	2019	2018
<b>Midtown</b>					
Note payable to MSHDA	6.75%	\$ 1,291	September 2045	195,643	197,850
TCAP note payable to MSHDA	0% - 3%	Payable with surplus cash	August 2060	2,150,599	2,150,599
<b>New Hope Homes</b>					
HOME note payable to the City of Grand Rapids	none	none	October 2026	300,000	300,000
<b>Pine Avenue</b>					
HOME note payable to the City of Grand Rapids	none	none	June 2054	150,000	-
<b>Plaza Franklin</b>					
Construction loan payable to Huntington Bank	Libor + 1.75%	none	October 2021	850,000	-
<b>Plaza Grandville</b>					
Construction loan payable to Huntington Bank	Libor + 1.75%	none	October 2021	850,000	-
<b>Reflections</b>					
Note payable to MSHDA	9%	\$ 2,425	March 2048	296,218	298,537
NSP note payable to City of Grand Rapids	none	none	June 2051	750,000	750,000
NSP mortgage to MSHDA	none	none	June 2051	4,127,849	4,127,849
<b>Verne Barry Place</b>					
HOME mortgage note payable to MSHDA	5.29%	none	July 2026	2,000,000	2,000,000
HOME note payable to City of Grand Rapids	5.29%	none	July 2026	400,000	400,000
<b>Villa Esperanza</b>					
HUD insured mortgage note payable to Love Funding	4%	\$ 6,548	August 2042	1,169,795	1,200,898
<b>Weston</b>					
HUD insured mortgage note payable to Pillar	4%	\$ 16,083	September 2050	2,898,468	2,969,564
<b>West Shore</b>					
Mortgage note payable to Fifth Third	7.1%	\$ 1,161	April 2021	225,447	239,379
Mortgage note payable to Rural Development	3.75%	\$ 1,746	February 2024	553	373
<b>White River Estates</b>					
Mortgage note payable to Rural Development	10.75%	\$ 5,992	March 2033	602,482	622,215
				<b>26,609,571</b>	25,495,785
<b>Less: unamortized financing fees</b>				<b>(338,158)</b>	(350,682)
				<b>26,271,413</b>	25,145,103
<b>Less: current maturities</b>				<b>(247,397)</b>	(237,219)
				<b>\$ 26,024,016</b>	\$ 24,907,884

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019 and 2018

The loans above are payable to various banks, corporations, and governmental agencies as indicated. The interest rates range from zero to 10.75%. Several of the loans bear interest based on a variant of LIBOR or the Applicable Federal Rate. The notes are collateralized by substantially all assets of the combined entities. Certain notes payable accrue interest until the conversion to term notes or until the due date of the notes payable. The accrued interest related to these notes is presented as a long term liability on the combined balance sheet.

Net book value of collateral for the respective properties as of December 31, 2019, is as follows:

Dwelling Place of Grand Rapids NPHC, Inc.	\$ 5,215,030
Bridge Street	1,329,197
Elmdale	141,877
Ferguson-Heartside	6,107,553
Goodrich	1,526,473
Grandville-Heartside	201,126
Harrison Park	11,793,412
Harvest Hill	915,344
Herkimer Apartments	10,349,997
Herkimer Commerce	9,162,909
Kelsey	1,923,639
LCH 36 LDHA	8,401,964
Martineau Holding	3,843,481
Midtown	5,295,281
New Hope Homes	115,090
Pine Avenue	5,046,223
Plaza Franklin	1,415,939
Plaza Grandville	1,198,153
Reflections	6,304,015
Roosevelt LDHA	9,856,362
Verne Barry Place	8,552,153
Villa Esperanza	586,637
Weston	7,943,364
West Shore	1,216,205
White River Estates	696,165
	<u><u>\$ 109,137,589</u></u>

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019 and 2018

The Tax Credit Assistance Program (TCAP) mortgage notes for Goodrich and Midtown, and the Neighborhood Stabilization Program (NSP) mortgage notes for Reflections are subject to certain provisions in the debt agreements. On the maturity dates, interest is payable at the lesser of the net estimated value of the property as defined by the partnership agreements or three percent simple interest on the outstanding principal balance. Goodrich, Midtown and Reflections are also required to establish a subordinate debt payment reserve at the earliest of the full repayment of the developer fee or the 13th year following the date the mortgage notes commence. The reserves will be funded annually with no less than 25% of surplus cash, as determined by the certified audit conducted in accordance with MSHDA audit guidelines. The deposits to the reserves must equal the monthly installments previously made on the respective mortgage notes.

The annual maturities of debt are as follows:

Years ending December 31:

2020	\$ 247,397
2021	2,227,971
2022	321,040
2023	505,344
2024	267,829
Thereafter	23,039,990
	<u><u>\$ 26,609,571</u></u>

Cash paid for interest for the years ended December 31, 2019 and 2018 was approximately \$736,000 and \$877,000, respectively. Capitalized interest for the years ended December 31, 2019 and 2018 was approximately \$10,200 and \$500, respectively.

The Organization has available a secured line of credit with a capacity of \$1,500,000 that matures on January 5, 2021. Outstanding borrowings bear interest based on a factor of LIBOR (1.76% at December 31, 2019) plus 2.75%. There were no borrowings as of December 31, 2019 or 2018.

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019 and 2018

### NOTE 9 - DEFERRED REVENUE - SECTION 1602 EXCHANGE FUNDS

In accordance with Section 1602 of the American Recovery and Reinvestment Act, MSHDA has provided a sub-award grant of Section 1602 funds in the aggregate amount of \$3,097,429 for the construction of Midtown, as evidenced by a Section 1602 mortgage note in the same amount. Principal and interest are not due on this mortgage note provided a default does not occur. The partnership, however, may be subject to repayment of the Section 1602 exchange funds if Midtown fails to meet certain requirements of the Grant Agreement during the compliance period. Under the terms of the mortgage note, at such time as MSHDA determines all provisions of the regulatory agreement and 1602 regulations have been complied with and that a recapture obligation cannot arise, the obligations under the 1602 mortgage note payable will be released and fully satisfied. Midtown may be subject to compliance for up to 50 years.

### NOTE 10 - RESTRICTIONS ON ASSETS

Net assets with donor restrictions consist of the following:

	<u>2019</u>	<u>2018</u>
NeighborWorks America Capital Grant restricted for capitalizable real estate activities	\$ 100,000	\$ 35,308
Cash restricted for donor specified purposes	108,954	147,645
Promises to give granted for a specified purpose or future time period	564,360	137,500
Beneficial interest in assets held by community foundation	<u>250,000</u>	<u>250,000</u>
	<u>\$ 1,023,314</u>	<u>\$ 570,453</u>

### NOTE 11 - EQUITY

Equity reflects capital contributions received from investors plus accumulated earnings (deficits) in various projects held by entities included in these financial statements. During 2019, approximately \$9,499,000 from Harrison Park, \$2,942,000 from Pine Avenue, \$1,439,000 from Plaza Grandville, \$1,433,000 from Plaza Franklin, \$518,000 from Roosevelt, and \$606,000 from LCH36 of contributed capital was received from the limited partners, respectively, net of \$110,000 of syndication fees.

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019 and 2018

During 2018, approximately \$7,371,000 from Roosevelt, \$1,372,000 from Harrison Park, and \$103,000 from Pine Avenue of contributed capital was received from the limited partners, respectively, net of \$104,000 of syndication fees.

Additional capital has been committed from the limited partners as follows:

Plaza Franklin	\$ 6,089,241
Plaza Grandville	\$ 5,923,486
Pine Avenue	\$ 3,476,307
Harrison Park	\$ 964,334

Such contributions are subject to certain terms and conditions specified in the partnership agreement.

### NOTE 12 - RETIREMENT PLAN

The Organization has a 403(b) retirement plan that covers substantially all employees. Employees are immediately eligible to make elective deferrals to the plan. Upon completion of one year of service and reaching age 21, employees are eligible to receive matching contributions. Contributions for the year ended December 31, 2019 and 2018 totaled approximately \$83,000 and \$63,000, respectively.

### NOTE 13 - LEASES

The Organization leases multiple commercial spaces throughout the Grand Rapids area under noncancelable operating lease agreements. Gross rent potential income under these agreements for the years ended December 31, 2019 and 2018 totaled approximately \$842,000 and \$996,000, respectively. Approximate future minimum lease receipts expected under noncancelable operating leases are:

#### Years Ended December 31:

2020	\$ 620,453
2021	452,297
2022	325,786
2023	258,675
2024	41,118
	<u>\$ 1,698,329</u>

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

---

December 31, 2019 and 2018

### NOTE 14 - CONCENTRATIONS

The Organization and its related entities operate in an environment dependent upon financial support from governmental agencies, private investors, and philanthropists. Economic conditions that impact the vulnerable populations served by the Organization have a significant impact on the operating results of the housing projects held by the related entities. Certain of the related entities are susceptible to the regulated multi-family housing industry constraints and the limited resources of the governmental agencies that typically fund the projects. These entities are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies.

Management has focused efforts in recent years to secure long-term funding alternatives and to partner with appropriate community resources. Significant effort is expended to develop unique solutions to operational and funding challenges.

HUD and the USDA have committed to make rental assistance payments, either directly or through the Michigan State Housing Development Authority or the Grand Rapids Housing Commission, on behalf of qualified tenants of Bridge Street, Elmdale, Ferguson-Heartside, Goodrich, Harrison Park, Harvest Hill, Herkimer Apartments, Herkimer Commerce, LCH36, Midtown, Pine Avenue, Reflections, Roosevelt, Verne Barry, Villa Esperanza, Weston, West Shore and White River Estates. Annual payments are limited to specified amounts pursuant to individual contracts. Rental assistance and grants originating from the US Department of Housing and Urban Development represent approximately 32% and 28% of total revenue and unrestricted support for the years ended December 31, 2019 and 2018, respectively.

### NOTE 15 - CONTINGENCIES

Dwelling Place of Grand Rapids Nonprofit Housing Corporation and related entities participate in federal grant programs. The programs are subject to program compliance audits. The audits of the programs for the year ended December 31, 2019 have been conducted and various program and Single Audit Reports have been issued. However, the compliance audit reports have not yet been accepted by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although Dwelling Place of Grand Rapids Nonprofit Housing Corporation and related entities expect such amounts, if any, to be immaterial.

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019 and 2018

The Organization has received the proceeds of direct pay subsidies and grants under the Affordable Housing Program of the Federal Home Loan Bank of Indianapolis, the HOME Investment Partnerships Program of HUD, and the Supportive Housing Program of HUD. This funding was provided in the form of repayable grants that were fully recognized as revenue in the years that the funds were received. Such funding is subject to certain requirements and conditions as set forth in the subsidy repayment agreements. Specifically, these agreements require that the grantees agree to the placing of liens on the premises being renovated. The liens are required in order to provide security for the repayment of the grants in the event that the properties are sold to a for-profit entity and/or the units become unaffordable to low-income persons, so as not to violate the intent of the grants.

Specific terms of these grants are as follows:

Date Received	Property Funded	Amount	Compliance Period
2018	Roosevelt Apartments (AHP Funds)	\$ 662,500	15 years
2014	Herkimer Apartments (AHP Funds)	369,258	15 years
2014	Herkimer Commerce (AHP Funds)	484,403	15 years
2012	Herkimer Commerce (SHP Funds)	50,771	20 years
2009	Bridge Street (AHP Funds)	320,000	15 years
2007	Verne Barry (SHP Funds)	250,000	20 years
2006	Verne Barry (SHP Funds)	150,000	20 years
2006	Verne Barry (AHP Funds)	500,000	15 years
2005	West Shore (AHP Funds)	335,000	15 years
2005	Kelsey (HOME Funds)	250,000	15 years
2004	Martineau (HOME Funds)	620,000	15 years
2004	Martineau (HOME Funds)	394,225	15 years

The Organization used the proceeds of these grants to cover development and construction costs not paid by other sources of funding.

A majority of the housing projects were allocated and qualified for low income housing tax credits. Internal Revenue Code Section 42 requires a project to maintain compliance with occupant eligibility and unit gross rent, among other items, or to correct noncompliance within a reasonable time period. Failure to correct noncompliance could result in the recapture of previously claimed tax credits plus interest. Compliance with the regulations is required for each of the fifteen years following the year the project is placed in service.

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019 and 2018

Due to Dwelling Place's involvement in the development of properties financed with low-income housing tax credits, Dwelling Place is subject to certain contingencies related to various requirements over the compliance periods. Exposure associated with these funds is as follows for the year ended December 31, 2019:

<u>Property Funded</u>	<u>Amount</u>	<u>Period End Date</u>
Bridge Street Place	\$ 573,000	December 2025
Goodrich Apartments	417,000	December 2025
Harrison Park	168,000	December 2035
Herkimer Commerce	1,112,000	December 2029
Herkimer Apartments	1,105,000	December 2029
Kelsey Apartments	345,000	December 2021
LCH36	327,000	December 2033
Midtown Village	497,000	December 2027
Pine	91,000	December 2034
Reflections	1,970,000	December 2027
Roosevelt	251,000	December 2033
Verne Barry Place	1,000,000	December 2022
West Shore Apartments	54,000	December 2020
Weston Apartments	1,222,000	December 2022

Compliance with regulations for the TCAP, 1602 and NSP provisions are for the longer of the extended use period, as defined by the agreements, or fifty years. Failure to maintain compliance could cause the TCAP mortgage note payable, the Section 1602 exchange funds, and the NSP mortgage note payable to become subject to a Recapture Obligation.

### **NOTE 16 - INVOLVEMENT IN THE MICHIGAN NONPROFIT HOUSING CORPORATION**

Dwelling Place has been the recipient of limited dividend payments from several unrelated housing entities. During 2015, several of these housing entities were sold and restructured under the low-income housing tax credit program. Dwelling Place received contributions from the nonprofit entity that sponsored the housing entities. The contributions were a result of the proceeds from the sale of the properties. Dwelling Place received \$2,157,607 and \$3,761,675 in 2019 and 2018, respectively as contributions related to the sale of the properties.



# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

---

December 31, 2019 and 2018

Dwelling Place also is a 30% owner of the .01% general partner of the new housing developments. The general partner is entitled to receive a portion of the developer fees and future limited dividend payments. Management of Dwelling Place anticipates future distributions from the general partner in proportion to their ownership interest. Dwelling Place received distributions of \$135,000 and \$35,235 during the years ended December 31 2019 and 2018.

### **NOTE 17 - SUBSEQUENT EVENT**

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions in the U.S and globally. On March 23, 2020, the Governor of the State of Michigan issued an Executive Order to “stay in place and suspend nonessential activities”. While the disruption is currently expected to be temporary, there is uncertainty around the duration. The circumstances surrounding this widespread outbreak of COVID-19 are likely to significantly disrupt the Organization’s operations, beginning March 2020. At this time, given the uncertainty of the lasting effect of this outbreak, the financial impact to the Company cannot be determined.

As of April 2020, the resident and commercial rental receivable has increased to approximately four times the receivable amount of April 2019 and the Organization expects the receivable balance to continue to grow through July 2020. The Organization anticipates this crisis will not be able to be resolved with payment plans for many residents and commercial tenants. The Organization continues to abide by its mission by doing what is possible to protect the interest of the community’s most vulnerable citizens.

In April 2020, the Organization obtained a long-term note payable with a bank and the U.S. Small Business Administration for \$758,087 with a maturity date of April 2022, requiring principal and interest payments beginning November 2020. The note was obtained pursuant to the Paycheck Protection Program (PPP) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Proceeds from the loan may only be used for qualifying expenses that include payroll costs, group health care benefits, interest on mortgage and other debt obligations, rent, and utilities, as defined by the CARES Act. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for these qualifying expenses. The Organization intends to use the entire loan proceeds for qualifying expenses and apply for forgiveness under the terms of the PPP and CARES Act.

---

---

**ADDITIONAL INFORMATION**

---

---

## INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

---

Board of Directors  
Dwelling Place of Grand Rapids Nonprofit Housing Corporation  
Grand Rapids, Michigan

We have audited the combined financial statements of Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities as of and for the years ended December 31, 2019 and 2018, and our report thereon dated June 1, 2020, which expresses an unmodified opinion on those combined financial statements, appears on page one. Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining balance sheets and combining statements of operations are presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and results of operations of the individual entities and are not a required part of the combined 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 combined financial statements. The combining information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the combining information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Beene Garter LLP*

June 1, 2020  
Grand Rapids, Michigan

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING BALANCE SHEET

December 31, 2019

BeeneGarter<sup>LLP</sup>

	Dwelling Place NPHC	Dwelling Place Foundation	Heartside NPHC	Sheldon- Weston, Inc.	Bridge Street	Elmdale	Ferguson- Heartside
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$ 3,755,487	\$ 16,349	\$ 2,826	\$ -	\$ 5,962	\$ 6,012	\$ 53,521
Cash restricted for current construction	-	-	-	-	-	-	-
Trading securities	8,236,579	1,350,743	-	-	-	-	-
Promises to give	274,360	-	-	-	-	-	-
Accounts receivable							
Related parties	2,805,043	-	29,296	-	-	-	-
Other	45,197	-	-	-	540	137	4,446
Developer fee receivable	675,112	-	-	-	-	-	-
Prepaid expenses and deposits	4,229	-	110	-	5,062	6,539	13,534
<b>TOTAL CURRENT ASSETS</b>	<b>15,796,007</b>	<b>1,367,092</b>	<b>32,232</b>	<b>-</b>	<b>11,564</b>	<b>12,688</b>	<b>71,501</b>
<b>Property and Equipment</b>							
Land and land improvements	1,070,010	-	-	-	179,520	62,379	471,641
Buildings and building improvements	7,252,658	-	-	-	2,407,674	722,668	16,651,036
Furniture, fixtures and equipment	533,403	-	-	-	558,626	29,193	145,250
Construction-in-progress	1,069,991	-	-	-	-	-	-
	<b>9,926,062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,145,820</b>	<b>814,240</b>	<b>17,267,927</b>
Accumulated depreciation	(3,778,320)	-	-	-	(1,517,764)	(659,991)	(10,766,964)
	<b>6,147,742</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,628,056</b>	<b>154,249</b>	<b>6,500,963</b>
<b>Other Assets</b>							
Restricted cash	980,914	-	-	-	245,315	168,102	344,447
Promises to give, less current portion	290,000	-	-	-	-	-	-
Developer fee receivable	746,761	-	-	-	-	-	-
Interest receivable	1,326,478	-	1,153,087	-	-	-	-
Accounts receivable - related party	599,148	-	-	-	-	-	-
Notes receivable - related party	12,100,592	-	9,391,518	-	-	-	-
Investments	9,580,616	-	7,952,300	100	-	-	-
Beneficial interest	287,952	-	-	-	-	-	-
Intangibles	-	-	-	-	10,140	-	-
	<b>25,912,461</b>	<b>-</b>	<b>18,496,905</b>	<b>100</b>	<b>255,455</b>	<b>168,102</b>	<b>344,447</b>
	<b>\$ 47,856,210</b>	<b>\$ 1,367,092</b>	<b>\$ 18,529,137</b>	<b>\$ 100</b>	<b>\$ 1,895,075</b>	<b>\$ 335,039</b>	<b>\$ 6,916,911</b>

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING BALANCE SHEET (CONTINUED)

December 31, 2019

	Goodrich	Grandville- Heartside	Harrison Park	Harvest Hill	Herkimer Apartments	Herkimer Commerce	Kelsey
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$ 169,144	\$ 3,646	\$ 570	\$ 37,454	\$ 32,046	\$ 206,164	\$ 77,503
Cash restricted for current construction	-	-	1,030,490	-	-	-	-
Trading securities	-	-	-	-	-	-	-
Promises to give	-	-	-	-	-	-	-
Accounts receivable							
Related parties	42	-	-	-	-	547	-
Other	45	3,078	9,901	16,652	3,872	8,310	2,820
Developer fee receivable	-	-	-	-	-	-	-
Prepaid expenses and deposits	9,516	1,658	11,555	3,416	33,442	2,973	1,555
<b>TOTAL CURRENT ASSETS</b>	<b>178,747</b>	<b>8,382</b>	<b>1,052,516</b>	<b>57,522</b>	<b>69,360</b>	<b>217,994</b>	<b>81,878</b>
<b>Property and Equipment</b>							
Land and land improvements	301,270	1,763	1,896,341	171,663	1,093,353	694,517	80,352
Buildings and building improvements	2,418,108	1,295,421	9,250,844	2,476,461	15,167,255	11,840,817	3,965,347
Furniture, fixtures and equipment	65,118	51,103	1,185,322	12,875	398,595	914,970	89,913
Construction-in-progress	-	-	-	-	-	-	-
	<b>2,784,496</b>	<b>1,348,287</b>	<b>12,332,507</b>	<b>2,660,999</b>	<b>16,659,203</b>	<b>13,450,304</b>	<b>4,135,612</b>
Accumulated depreciation	(929,359)	(986,645)	(51,749)	(1,623,491)	(3,831,585)	(3,583,757)	(1,938,122)
	<b>1,855,137</b>	<b>361,642</b>	<b>12,280,758</b>	<b>1,037,508</b>	<b>12,827,618</b>	<b>9,866,547</b>	<b>2,197,490</b>
<b>Other Assets</b>							
Restricted cash	377,478	5,909	1,736	87,063	1,272,487	1,041,689	12,014
Promises to give, less current portion	-	-	-	-	-	-	-
Developer fee receivable	-	-	-	-	-	-	-
Interest receivable	-	59,253	-	-	-	-	-
Accounts receivable - related party	-	-	-	-	-	-	-
Notes receivable - related party	-	363,058	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Beneficial interest	-	-	-	-	-	-	-
Intangibles	7,098	-	99,527	-	58,835	69,560	8,725
	<b>384,576</b>	<b>428,220</b>	<b>101,263</b>	<b>87,063</b>	<b>1,331,322</b>	<b>1,111,249</b>	<b>20,739</b>
	<b>\$ 2,418,460</b>	<b>\$ 798,244</b>	<b>\$ 13,434,537</b>	<b>\$ 1,182,093</b>	<b>\$ 14,228,300</b>	<b>\$ 11,195,790</b>	<b>\$ 2,300,107</b>

BeeneGarter<sup>LLP</sup>

**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES**

COMBINING BALANCE SHEET (CONTINUED)

December 31, 2019

	LCH 36	Martineau Holdings	Midtown	New Hope Homes	Pine Avenue	Plaza Franklin	Plaza Grandville	Reflections
<b>ASSETS</b>								
<b>Current Assets</b>								
Cash and cash equivalents	\$ 123,104	\$ 104,817	\$ 45,308	\$ 24,517	\$ 1,130	\$ -	\$ -	\$ 109,393
Cash restricted for current construction	-	-	-	-	1,002,047	884,114	1,016,473	-
Trading securities	-	-	-	-	-	-	-	-
Promises to give	-	-	-	-	-	-	-	-
Accounts receivable								
Related parties	-	-	-	-	-	-	-	-
Other	5,734	2,731	1,754	3,982	5,982	-	-	9,147
Developer fee receivable	-	-	-	-	-	-	-	-
Prepaid expenses and deposits	12,928	8,947	16,437	6,632	-	-	-	5,943
<b>TOTAL CURRENT ASSETS</b>	<b>141,766</b>	<b>116,495</b>	<b>63,499</b>	<b>35,131</b>	<b>1,009,159</b>	<b>884,114</b>	<b>1,016,473</b>	<b>124,483</b>
<b>Property and Equipment</b>								
Land and land improvements	2,080,470	221,873	591,382	9,500	260,000	358,193	323,231	514,830
Buildings and building improvements	9,311,513	7,403,082	8,382,045	1,033,317	-	-	-	9,922,125
Furniture, fixtures and equipment	145,761	57,556	201,016	72,450	-	-	-	1,420,306
Construction-in-progress	-	-	-	-	4,892,861	1,311,663	1,108,550	-
	<b>11,537,744</b>	<b>7,682,511</b>	<b>9,174,443</b>	<b>1,115,267</b>	<b>5,152,861</b>	<b>1,669,856</b>	<b>1,431,781</b>	<b>11,857,261</b>
Accumulated depreciation	(995,165)	(3,055,397)	(2,863,021)	(1,000,177)	-	-	-	(4,352,337)
	<b>10,542,579</b>	<b>4,627,114</b>	<b>6,311,422</b>	<b>115,090</b>	<b>5,152,861</b>	<b>1,669,856</b>	<b>1,431,781</b>	<b>7,504,924</b>
<b>Other Assets</b>								
Restricted cash	244,300	17,210	699,902	5,774	1,350	-	-	2,354,074
Promises to give, less current portion	-	-	-	-	-	-	-	-
Developer fee receivable	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	-
Accounts receivable - related party	-	-	-	-	-	-	-	-
Notes receivable - related party	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Beneficial interest	-	-	-	-	-	-	-	-
Intangibles	53,921	-	74,867	-	-	-	-	52,052
	<b>298,221</b>	<b>17,210</b>	<b>774,769</b>	<b>5,774</b>	<b>1,350</b>	<b>-</b>	<b>-</b>	<b>2,406,126</b>
	<b>\$ 10,982,566</b>	<b>\$ 4,760,819</b>	<b>\$ 7,149,690</b>	<b>\$ 155,995</b>	<b>\$ 6,163,370</b>	<b>\$ 2,553,970</b>	<b>\$ 2,448,254</b>	<b>\$ 10,035,533</b>

BeeneGarter LLP

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING BALANCE SHEET (CONTINUED)

December 31, 2019

	Roosevelt	Verne Barry	Villa Esperanza	West Shore	Weston	White River Estates	Eliminations	Combined Totals
<b>ASSETS</b>								
<b>Current Assets</b>								
Cash and cash equivalents	\$ 21,981	\$ 321,981	\$ 5,669	\$ 71,023	\$ 198,949	\$ 48,669	\$ -	\$ 5,443,225
Cash restricted for current construction	-	-	-	-	-	-	-	3,933,124
Trading securities	-	-	-	-	-	-	-	9,587,322
Promises to give	-	-	-	-	-	-	-	274,360
Accounts receivable								
Related parties	-	-	-	-	-	-	(2,766,709)	68,219
Other	3,157	4,542	833	14,357	19,508	286	-	167,011
Developer fee receivable	-	-	-	-	-	-	(675,112)	-
Prepaid expenses and deposits	5,440	27,922	7,846	2,456	121,666	1,512	-	311,318
<b>TOTAL CURRENT ASSETS</b>	<b>30,578</b>	<b>354,445</b>	<b>14,348</b>	<b>87,836</b>	<b>340,123</b>	<b>50,467</b>	<b>(3,441,821)</b>	<b>19,784,579</b>
<b>Property and Equipment</b>								
Land and land improvements	214,086	1,167,922	202,862	219,861	1,104,750	118,004	(723,077)	12,686,696
Buildings and building improvements	11,912,492	16,164,833	1,199,006	2,556,715	15,236,836	1,783,995	(23,740,107)	134,614,141
Furniture, fixtures and equipment	344,075	147,307	279,820	299,436	668,894	1,015	-	7,622,004
Construction-in-progress	-	-	-	-	-	-	(594,179)	7,788,886
	<b>12,470,653</b>	<b>17,480,062</b>	<b>1,681,688</b>	<b>3,076,012</b>	<b>17,010,480</b>	<b>1,903,014</b>	<b>(25,057,363)</b>	<b>162,711,727</b>
Accumulated depreciation	(1,202,307)	(7,560,180)	(1,095,051)	(1,690,660)	(5,485,398)	(1,103,876)	6,502,416	(53,568,900)
	<b>11,268,346</b>	<b>9,919,882</b>	<b>586,637</b>	<b>1,385,352</b>	<b>11,525,082</b>	<b>799,138</b>	<b>(18,554,947)</b>	<b>109,142,827</b>
<b>Other Assets</b>								
Restricted cash	215,138	2,074,301	386,525	47,370	1,114,621	215,495	-	11,913,214
Promises to give, less current portion	-	-	-	-	-	-	-	290,000
Developer fee receivable	-	-	-	-	-	-	(722,083)	24,678
Interest receivable	-	-	-	-	-	-	(2,538,818)	-
Accounts receivable - related party	-	-	-	-	-	-	(599,148)	-
Notes receivable - related party	-	-	-	-	-	-	(21,855,168)	-
Investments	-	-	-	-	-	-	(17,528,016)	5,000
Beneficial interest	-	-	-	-	-	-	-	287,952
Intangibles	72,220	36,604	-	628	12,144	-	-	556,321
	<b>287,358</b>	<b>2,110,905</b>	<b>386,525</b>	<b>47,998</b>	<b>1,126,765</b>	<b>215,495</b>	<b>(43,243,233)</b>	<b>13,077,165</b>
	<b>\$ 11,586,282</b>	<b>\$ 12,385,232</b>	<b>\$ 987,510</b>	<b>\$ 1,521,186</b>	<b>\$ 12,991,970</b>	<b>\$ 1,065,100</b>	<b>\$ (65,240,001)</b>	<b>\$ 142,004,571</b>

BeeneGarter<sup>LLP</sup>

**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES**

COMBINING BALANCE SHEET (CONTINUED)

December 31, 2019

	Dwelling Place NPHC	Dwelling Place Foundation	Heartside NPHC	Sheldon- Weston, Inc.	Bridge Street	Elmdale	Ferguson- Heartside
<b>LIABILITIES AND NET ASSETS AND EQUITY</b>							
<b>Current Liabilities</b>							
Current maturities of long-term debt							
Related party	\$ -	\$ -	\$ 29,296	\$ -	\$ -	\$ -	\$ -
Other	72,993	-	-	-	-	15,800	-
Accounts payable							
Related party	42	3,540	-	-	20,978	11,587	441,212
Trade	325,776	-	-	-	3,633	2,741	6,502
Construction	37,411	-	-	-	-	-	-
Accrued liabilities	282,852	-	-	-	574	3,286	2,320
Developer fee payable	-	-	-	-	-	-	-
Deferred rental revenue	41,069	-	-	-	318	1,392	44,810
<b>TOTAL CURRENT LIABILITIES</b>	<b>760,143</b>	<b>3,540</b>	<b>29,296</b>	<b>-</b>	<b>25,503</b>	<b>34,806</b>	<b>494,844</b>
Tenant security deposits	43,977	-	-	-	750	4,550	10,739
Related party notes	904,432	-	1,101,382	-	621,974	-	2,906,370
Long-term debt, net of current maturities	254,665	-	272,397	-	415,000	574,823	2,000,000
Accrued interest							
Related party	-	-	2,827	-	-	-	49,188
Nonrelated party	-	-	49,188	-	-	-	2,571,163
Deferred revenue - Section 1602 exchange funds	-	-	-	-	-	-	-
Developer fee payable	-	-	-	-	16,495	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,203,074</b>	<b>-</b>	<b>1,425,794</b>	<b>-</b>	<b>1,054,219</b>	<b>579,373</b>	<b>7,537,460</b>
<b>Net Assets and Equity</b>							
Without donor restrictions	44,869,679	1,363,552	17,074,047	-	-	(279,140)	-
With donor restrictions	1,023,314	-	-	-	-	-	-
Equity - controlling interest	-	-	-	100	1,459	-	(1,115,393)
Equity - noncontrolling interest	-	-	-	-	813,894	-	-
	<b>45,892,993</b>	<b>1,363,552</b>	<b>17,074,047</b>	<b>100</b>	<b>815,353</b>	<b>(279,140)</b>	<b>(1,115,393)</b>
	<b>\$ 47,856,210</b>	<b>\$ 1,367,092</b>	<b>\$ 18,529,137</b>	<b>\$ 100</b>	<b>\$ 1,895,075</b>	<b>\$ 335,039</b>	<b>\$ 6,916,911</b>

BeeneGarter<sup>LLP</sup>



# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING BALANCE SHEET (CONTINUED)

December 31, 2019

	Goodrich	Grandville- Heartside	Harrison Park	Harvest Hill	Herkimer Apartments	Herkimer Commerce	Kelsey
<b>LIABILITIES AND NET ASSETS AND EQUITY</b>							
<b>Current Liabilities</b>							
Current maturities of long-term debt							
Related party	\$ -	\$ -	\$ -	\$ 53,886	\$ -	\$ -	\$ -
Other	-	-	-	88	-	-	11,320
Accounts payable							
Related party	777	249,899	273,058	35,623	1,844	2,478	7,678
Trade	351	10,638	24,389	12,344	44,492	14,218	2,590
Construction	-	-	637,354	-	-	-	-
Accrued liabilities	412	285	759	2,807	1,948	2,112	856
Developer fee payable	-	-	599,979	-	-	-	-
Deferred rental revenue	485	160	-	1,556	3,266	4,362	15
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,025</b>	<b>260,982</b>	<b>1,535,539</b>	<b>106,304</b>	<b>51,550</b>	<b>23,170</b>	<b>22,459</b>
Tenant security deposits	7,471	5,444	1,736	17,377	9,693	10,631	11,503
Related party notes	168,786	-	1,154,538	781,466	-	1,082,655	350,000
Long-term debt, net of current maturities	1,354,530	470,000	-	863	2,775,592	527,089	520,860
Accrued interest							
Related party	-	-	4,534	39,228	-	-	174,654
Nonrelated party	-	217,626	-	-	477,637	-	216,469
Deferred revenue - Section 1602 exchange funds	-	-	-	-	-	-	-
Developer fee payable	-	-	-	-	-	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,530,787</b>	<b>693,070</b>	<b>1,160,808</b>	<b>838,934</b>	<b>3,262,922</b>	<b>1,620,375</b>	<b>1,273,486</b>
<b>Net Assets and Equity</b>							
Without donor restrictions	-	-	-	-	-	-	-
With donor restrictions	-	-	-	-	-	-	-
Equity - controlling interest	95,230	(155,808)	92	236,855	2,165,607	(3,571)	1,004,162
Equity - noncontrolling interest	790,418	-	10,738,098	-	8,748,221	9,555,816	-
	<b>885,648</b>	<b>(155,808)</b>	<b>10,738,190</b>	<b>236,855</b>	<b>10,913,828</b>	<b>9,552,245</b>	<b>1,004,162</b>
	<b>\$ 2,418,460</b>	<b>\$ 798,244</b>	<b>\$ 13,434,537</b>	<b>\$ 1,182,093</b>	<b>\$ 14,228,300</b>	<b>\$ 11,195,790</b>	<b>\$ 2,300,107</b>

BeeneGarter LLP

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

COMBINING BALANCE SHEET (CONTINUED)

December 31, 2019

	LCH 36	Martineau Holdings	Midtown	New Hope Homes	Pine Avenue	Plaza Franklin	Plaza Grandville	Reflections
<b>LIABILITIES AND NET ASSETS AND EQUITY</b>								
<b>Current Liabilities</b>								
Current maturities of long-term debt								
Related party	\$ -	\$ 29,296	\$ -	\$ -	\$ 1,797,736	\$ -	\$ -	\$ -
Other	-	-	2,360	-	-	-	-	2,538
Accounts payable								
Related party	64,102	707	1,149	106,700	38,091	-	-	1,253
Trade	20,900	1,191	7,325	217	636	-	-	17,669
Construction	-	-	-	-	794,707	326,015	214,140	-
Accrued liabilities	1,727	707	3,019	470	719	-	-	4,850
Developer fee payable	65,000	-	-	-	-	-	-	-
Deferred rental revenue	2,399	2,414	643	494	-	-	-	738
<b>TOTAL CURRENT LIABILITIES</b>	<b>154,128</b>	<b>34,315</b>	<b>14,496</b>	<b>107,881</b>	<b>2,631,889</b>	<b>326,015</b>	<b>214,140</b>	<b>27,048</b>
Tenant security deposits	21,530	16,576	17,126	5,100	2,041	-	-	15,631
Related party notes	2,444,547	1,226,382	252,816	80,000	388,777	-	-	-
Long-term debt, net of current maturities	300,000	-	2,250,832	300,000	150,000	850,000	850,000	5,157,740
Accrued interest								
Related party	349,759	265,392	-	75,518	-	-	-	-
Nonrelated party	-	-	-	-	-	-	-	-
Deferred revenue - Section 1602 exchange funds	-	-	3,097,429	-	-	-	-	-
Developer fee payable	112,748	-	-	-	-	-	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,228,584</b>	<b>1,508,350</b>	<b>5,618,203</b>	<b>460,618</b>	<b>540,818</b>	<b>850,000</b>	<b>850,000</b>	<b>5,173,371</b>
<b>Net Assets and Equity</b>								
Without donor restrictions	-	3,218,154	-	-	-	-	-	-
With donor restrictions	-	-	-	-	-	-	-	-
Equity - controlling interest	(12)	-	1,569,875	(412,504)	100	-	-	(119,623)
Equity - noncontrolling interest	7,599,866	-	(52,884)	-	2,990,563	1,377,955	1,384,114	4,954,737
	<b>7,599,854</b>	<b>3,218,154</b>	<b>1,516,991</b>	<b>(412,504)</b>	<b>2,990,663</b>	<b>1,377,955</b>	<b>1,384,114</b>	<b>4,835,114</b>
	<b>\$ 10,982,566</b>	<b>\$ 4,760,819</b>	<b>\$ 7,149,690</b>	<b>\$ 155,995</b>	<b>\$ 6,163,370</b>	<b>\$ 2,553,970</b>	<b>\$ 2,448,254</b>	<b>\$ 10,035,533</b>

BeeneGarter LLP

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING BALANCE SHEET (CONTINUED)

December 31, 2019

	Roosevelt	Verne Barry	Villa Esperanza	West Shore	Weston	White River Estates	Eliminations	Combined Totals
<b>LIABILITIES AND NET ASSETS AND EQUITY</b>								
<b>Current Liabilities</b>								
Current maturities of long-term debt								
Related party	\$ -	\$ -	\$ -	\$ 15,550	\$ -	\$ -	\$ (1,925,764)	\$ -
Other	-	-	32,370	14,057	74,104	21,767	-	247,397
Accounts payable								
Related party	139,263	3,410	20,619	6,901	7,538	1,644	(1,440,093)	-
Trade	24,236	27,590	1,890	5,981	18,597	2,718	-	576,624
Construction	349	-	-	-	-	-	-	2,009,976
Accrued liabilities	2,130	4,538	5,087	3,093	15,470	5,488	(1,573)	343,936
Developer fee payable	10,133	-	-	-	-	-	(675,112)	-
Deferred rental revenue	1,491	3,326	2,114	758	14,950	1,852	-	128,612
<b>TOTAL CURRENT LIABILITIES</b>	<b>177,602</b>	<b>38,864</b>	<b>62,080</b>	<b>46,340</b>	<b>130,659</b>	<b>33,469</b>	<b>(4,042,542)</b>	<b>3,306,545</b>
Tenant security deposits	17,253	9,441	9,574	13,391	37,921	7,634	-	297,089
Related party notes	1,916,047	1,450,000	-	357,028	4,465,664	202,303	(21,855,167)	-
Long-term debt, net of current maturities	-	2,400,000	1,137,425	211,943	2,669,542	580,715	-	26,024,016
Accrued interest								
Related party	172,767	938,745	-	98,267	334,731	31,635	(2,537,245)	-
Nonrelated party	-	1,688,209	-	-	-	-	-	5,220,292
Deferred revenue - Section 1602 exchange funds	-	-	-	-	-	-	-	3,097,429
Developer fee payable	592,840	-	-	-	-	-	(722,083)	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,698,907</b>	<b>6,486,395</b>	<b>1,146,999</b>	<b>680,629</b>	<b>7,507,858</b>	<b>822,287</b>	<b>(25,114,495)</b>	<b>34,638,826</b>
<b>Net Assets and Equity</b>								
Without donor restrictions	-	-	(221,569)	-	-	-	(24,963,737)	41,060,986
With donor restrictions	-	-	-	-	-	-	-	1,023,314
Equity - controlling interest	(77)	930,464	-	794,217	2,018,567	209,344	(19,035,497)	(11,816,413)
Equity - noncontrolling interest	8,709,850	4,929,509	-	-	3,334,886	-	7,916,270	73,791,313
	<b>8,709,773</b>	<b>5,859,973</b>	<b>(221,569)</b>	<b>794,217</b>	<b>5,353,453</b>	<b>209,344</b>	<b>(36,082,964)</b>	<b>104,059,200</b>
	<b>\$ 11,586,282</b>	<b>\$ 12,385,232</b>	<b>\$ 987,510</b>	<b>\$ 1,521,186</b>	<b>\$ 12,991,970</b>	<b>\$ 1,065,100</b>	<b>\$ (65,240,001)</b>	<b>\$ 142,004,571</b>

BeeneGarter LLP

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING STATEMENT OF OPERATIONS

Year Ended December 31, 2019

	General Admin	Affordable Management	Housing Development	Fund Development	Supportive Services	Neighborhood Revitalization	DP Owned Residential	Eliminations	<b>Dwelling Place NPHC Total</b>
<b>Revenue and Support</b>									
Rental income									
Market/Gross Residential Rent Potential	\$ 194,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,006	\$ (194,900)	\$ 120,006
Rental Gain/Loss	-	-	-	-	-	227	674	-	901
Commercial income	-	-	-	-	-	930,824	22,964	(131,440)	822,348
Less: Vacancy loss	-	-	-	-	-	(86,882)	(4,990)	-	(91,872)
Less: Concessions	-	-	-	-	-	(5,274)	-	-	(5,274)
Net rental income	194,900	-	-	-	-	838,895	138,654	(326,340)	846,109
Interest income	500,783	-	-	-	-	-	-	-	500,783
Contributions/grants	2,551,826	40,464	50,349	868,445	218,360	474,189	-	(1,197,041)	3,006,592
Government funding	-	-	-	-	87,392	-	-	-	87,392
Developer and management fee income	-	1,062,077	1,007,651	-	301,531	33,063	110	(24,315)	2,380,117
Other income	169,565	6,000	-	2,309	-	3,445	-	(1,200)	180,119
Transfer of net assets	-	-	-	-	-	-	-	-	-
Satisfaction of donor restrictions									
Expiration of time restriction on United Way funding	-	-	-	-	37,500	-	-	-	37,500
Expiration of donor imposed restriction on contributions	12,413	300	22,895	25,000	1,849	68,842	-	-	131,299
<b>Total Revenue and Support</b>	<b>3,429,487</b>	<b>1,108,841</b>	<b>1,080,895</b>	<b>895,754</b>	<b>646,632</b>	<b>1,418,434</b>	<b>138,764</b>	<b>(1,548,896)</b>	<b>7,169,911</b>

BeeneGarter<sup>LLP</sup>

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING STATEMENT OF OPERATIONS (CONTINUED)

Year Ended December 31, 2019

	Dwelling Place Foundation	Heartside NPHC	Bridge Street	Elmdale	Ferguson- Heartside	Goodrich	Grandville- Heartside	Harrison Park	Harvest Hill
<b>Revenue and Support</b>									
Rental income									
Market/Gross Residential Rent Potential	\$ -	\$ -	\$ 129,728	\$ 154,892	\$ 381,202	\$ 117,684	\$ 86,460	\$ 18,785	\$ 357,360
Rental Gain/Loss	-	-	-	108	-	(1,691)	(5,080)	-	-
Commercial income	-	-	-	-	200,004	26,889	-	-	-
Less: Vacancy loss	-	-	(2,857)	(1,482)	(14,872)	(2,517)	(12,662)	(16,840)	(10,289)
Less: Concessions	-	-	-	-	-	-	(542)	-	(1,174)
Net rental income	-	-	126,871	153,518	566,334	140,365	68,176	1,945	345,897
Interest income	30,154	34,313	714	135	9,084	10,707	5	-	415
Contributions/grants	150	6,705	-	300	-	-	-	-	-
Government funding	-	451,298	-	-	-	-	-	-	-
Developer and management fee income	-	-	679	2,056	8,050	405	390	-	4,878
Other income	518	-	-	-	1,685	-	-	-	18,735
Transfer of net assets	-	-	-	-	-	-	-	-	-
Satisfaction of donor restrictions									
Expiration of time restriction on United Way funding	-	-	-	-	-	-	-	-	-
Expiration of donor imposed restriction on contributions	-	-	-	-	-	-	-	-	-
<b>Total Revenue and Support</b>	<b>30,822</b>	<b>492,316</b>	<b>128,264</b>	<b>156,009</b>	<b>585,153</b>	<b>151,477</b>	<b>68,571</b>	<b>1,945</b>	<b>369,925</b>

BeeneGarter<sup>LLP</sup>

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING STATEMENT OF OPERATIONS (CONTINUED)

Year Ended December 31, 2019

	Herkimer Apartments	Herkimer Commerce	Kelsey	LCH36	Martineau Holdings	Midtown	New Hope Homes	Pine Avenue	Reflections
<b>Revenue and Support</b>									
Rental income									
Market/Gross Residential Rent Potential	\$ 457,930	\$ 580,812	\$ 113,784	\$ 438,456	\$ 211,548	\$ 248,934	\$ 91,608	\$ 6,217	\$ 601,560
Rental Gain/Loss	-	-	748	2,876	(1,125)	(2,002)	(3,578)	-	(416)
Commercial income	75,912	17,371	19,968	38,491	11,316	-	-	-	-
Less: Vacancy loss	(3,575)	(18,360)	(4,747)	(20,603)	(5,510)	(3,590)	(3,648)	(4,754)	(7,698)
Less: Concessions	-	-	(77)	-	-	-	-	(3)	-
Net rental income	530,267	579,823	129,676	459,220	216,229	243,342	84,382	1,460	593,446
Interest income	37,076	17,235	767	324	689	20,066	224	-	66,402
Contributions/grants	-	-	-	-	-	-	-	-	-
Government funding	-	234,356	-	-	-	-	-	-	-
Developer and management fee income	4,164	1,398	1,829	4,644	9,049	355	870	-	2,612
Other income	-	-	1,680	-	-	-	-	-	-
Transfer of net assets	-	-	-	-	-	-	-	-	-
Satisfaction of donor restrictions									
Expiration of time restriction on United Way funding	-	-	-	-	-	-	-	-	-
Expiration of donor imposed restriction on contributions	-	-	-	-	-	-	-	-	-
<b>Total Revenue and Support</b>	<b>571,507</b>	<b>832,812</b>	<b>133,952</b>	<b>464,188</b>	<b>225,967</b>	<b>263,763</b>	<b>85,476</b>	<b>1,460</b>	<b>662,460</b>

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING STATEMENT OF OPERATIONS (CONTINUED)

Year Ended December 31, 2019

	Roosevelt	Verne Barry	Villa Esperanza	West Shore	Weston	White River Estates	Eliminations	<b>Combined Totals</b>
<b>Revenue and Support</b>								
Rental income								
Market/Gross Residential Rent Potential	\$ 402,112	\$ 843,888	\$ 348,640	\$ 347,040	\$ 1,810,400	\$ 297,456	\$ (14,529)	<b>\$ 8,151,973</b>
Rental Gain/Loss	957	-	-	-	-	-	-	<b>(8,302)</b>
Commercial income	-	56,557	-	-	46,304	-	(472,843)	<b>842,317</b>
Less: Vacancy loss	(21,783)	(18,673)	(3,377)	(20,229)	(35,348)	(6,555)	-	<b>(331,841)</b>
Less: Concessions	-	(173)	-	(796)	-	-	-	<b>(8,039)</b>
Net rental income	<u>381,286</u>	<u>881,599</u>	<u>345,263</u>	<u>326,015</u>	<u>1,821,356</u>	<u>290,901</u>	<u>(487,372)</u>	<b>8,646,108</b>
Interest income	187	64,481	214	857	7,005	999	(305,763)	<b>497,073</b>
Contributions/grants	-	-	-	-	-	-	(121,996)	<b>2,891,751</b>
Government funding	-	129,550	-	-	-	-	(451,298)	<b>451,298</b>
Developer and management fee income	1,180	3,100	1,693	3,265	22,658	2,007	(2,192,200)	<b>263,199</b>
Other income	-	288	-	13,966	811	-	(4,800)	<b>213,002</b>
Transfer of net assets								
Satisfaction of donor restrictions								
Expiration of time restriction on United Way funding	-	-	-	-	-	-	-	<b>37,500</b>
Expiration of donor imposed restriction on contributions	-	-	-	-	-	-	-	<b>131,299</b>
<b>Total Revenue and Support</b>	<b>382,653</b>	<b>1,079,018</b>	<b>347,170</b>	<b>344,103</b>	<b>1,851,830</b>	<b>293,907</b>	<b>(3,563,429)</b>	<b>13,131,230</b>

BeeneGarter<sup>LLP</sup>

**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES**

COMBINING STATEMENT OF OPERATIONS (CONTINUED)

Year Ended December 31, 2019

	General Admin	Affordable Management	Housing Development	Fund Development	Supportive Services	Neighborhood Revitalization	DP Owned Residential	Eliminations	Dwelling Place NPHC Total
<b>Operating Expenses</b>									
Salaries and wages	\$ 192,773	\$ 693,366	\$ 305,169	\$ 72,537	\$429,994	\$ 214,552	\$ 17,600	\$ -	\$ 1,925,991
Fringe benefits	24,740	112,526	44,354	10,119	99,689	38,267	4,346	-	334,041
Payroll taxes	4,778	60,038	28,018	5,502	37,635	19,996	1,604	-	157,571
Contract labor	9,286	-	-	-	-	13,765	2,164	-	25,215
Fees and services	156,530	36,044	80,185	9,437	2,516	79,487	4,869	(24,915)	344,153
Dwelling Place subsidy	14,529	-	-	-	-	-	-	-	14,529
Utilities	22,340	2,399	1,685	494	1,644	19,301	3,591	-	51,454
Maintenance and repairs	7,085	559	521	1	6	141,401	13,377	-	162,950
Mortgage interest	7,473	-	-	-	-	14,856	-	-	22,329
Rental of space	46,785	70,948	35,451	20,248	17,758	569,786	86,807	(326,940)	520,843
Insurance	11,527	3	28	6	3	11,468	1,411	-	24,446
Taxes	2,723	-	-	-	-	53,020	3,220	-	58,963
Administrative supplies	42,181	25,641	4,175	8,454	14,047	53,587	1,439	-	149,524
Employee development	23,088	18,620	3,594	11,119	4,492	22,280	536	-	83,729
Event expense	-	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	-	270	880	-	1,150
Other expenses	6,700	-	466,003	731,039	-	-	-	(1,197,041)	6,701
Miscellaneous	9,301	390	-	2,944	-	2,942	-	-	15,577
<b>Total Operating Expenses</b>	<b>581,839</b>	<b>1,020,534</b>	<b>969,183</b>	<b>871,900</b>	<b>607,784</b>	<b>1,254,978</b>	<b>141,844</b>	<b>(1,548,896)</b>	<b>3,899,166</b>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS AND EQUITY BEFORE OTHER INCOME AND EXPENSES</b>	<b>2,847,648</b>	<b>88,307</b>	<b>111,712</b>	<b>23,854</b>	<b>38,848</b>	<b>163,456</b>	<b>(3,080)</b>	<b>-</b>	<b>3,270,745</b>
Construction Loan Interest	-	-	-	-	-	-	-	-	-
Restricted Funds Remitted to MSHDA	-	-	-	-	-	-	-	-	-
Deferred Interest Income (Expense)	146,586	-	-	-	-	-	-	-	146,586
Financing Fees - Accumulated Interest	-	-	-	-	-	(1,388)	-	-	(1,388)
Unrealized Gain (Loss) on Investments	970,860	-	-	-	-	-	-	-	970,860
Gain (Loss) on Sale of Investment	22,753	-	-	-	-	-	-	-	22,753
Gain (Loss) on Disposal of Assets	(77,000)	-	-	-	-	-	-	-	(77,000)
Forgiveness of Debt	-	-	-	-	-	-	-	-	-
Depreciation	(104,479)	(7,440)	-	-	-	(218,328)	(8,843)	-	(339,090)
Amortization	-	-	-	-	-	-	-	-	-
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>3,806,368</b>	<b>80,867</b>	<b>111,712</b>	<b>23,854</b>	<b>38,848</b>	<b>(56,260)</b>	<b>(11,923)</b>	<b>-</b>	<b>3,993,466</b>
<b>Net Changes in Net Assets with Donor Restrictions Contributions, and Grants,</b>	<b>(12,413)</b>	<b>(300)</b>	<b>77,105</b>	<b>464,359</b>	<b>(38,848)</b>	<b>(37,042)</b>	<b>-</b>	<b>-</b>	<b>452,861</b>
<b>CHANGES IN NET ASSETS AND EQUITY</b>	<b>\$ 3,793,955</b>	<b>\$ 80,567</b>	<b>\$ 188,817</b>	<b>\$ 488,213</b>	<b>\$ -</b>	<b>\$ (93,302)</b>	<b>\$ (11,923)</b>	<b>\$ -</b>	<b>\$ 4,446,327</b>

BeeneGarter LLP



# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING STATEMENT OF OPERATIONS (CONTINUED)

Year Ended December 31, 2019

	Dwelling Place Foundation	Heartside NPHC	Bridge Street	Elmdale	Ferguson- Heartside	Goodrich	Grandville- Heartside	Harrison Park	Harvest Hill
<b>Operating Expenses</b>									
Salaries and wages	\$ -	\$ -	\$ 16,674	\$ 14,758	\$ 93,883	\$ 17,447	\$ 9,219	\$ 8,219	\$ 33,862
Fringe benefits	-	-	3,676	2,445	21,046	4,052	2,805	773	5,940
Payroll taxes	-	-	1,771	1,484	9,951	1,898	965	605	3,432
Contract labor	-	-	5,606	4,407	164,208	4,187	1,148	-	18,094
Fees and services	1,251	6,720	38,296	23,750	67,070	41,129	11,314	4,071	47,909
Dwelling place subsidy	-	-	-	-	-	-	-	-	-
Utilities	-	-	36,415	15,210	189,579	19,434	8,968	512	39,415
Maintenance and repairs	-	-	58,057	38,963	118,901	37,880	23,429	3,828	79,909
Mortgage interest	-	34,313	-	25,518	-	-	-	-	20,087
Rental of space	-	-	-	-	-	-	-	-	-
Insurance	-	43	19,506	8,770	35,484	9,937	7,663	-	18,867
Taxes	-	-	3,549	-	-	4,766	2,554	-	35,013
Administrative supplies	-	-	879	1,953	9,259	1,044	576	5,382	4,098
Employee development	-	-	263	485	1,362	136	89	245	835
Event expense	-	-	-	-	-	-	-	-	-
Bad debt	-	-	1,601	1,843	3,849	420	1,172	-	8,347
Other expenses	40,000	526,594	-	-	-	-	-	-	-
Miscellaneous	-	-	-	3,231	205	-	-	1,942	-
<b>Total Operating Expenses</b>	<b>41,251</b>	<b>567,670</b>	<b>186,293</b>	<b>142,817</b>	<b>714,797</b>	<b>142,330</b>	<b>69,902</b>	<b>25,577</b>	<b>315,808</b>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS AND EQUITY BEFORE OTHER INCOME AND EXPENSES</b>	<b>(10,429)</b>	<b>(75,354)</b>	<b>(58,029)</b>	<b>13,192</b>	<b>(129,644)</b>	<b>9,147</b>	<b>(1,331)</b>	<b>(23,632)</b>	<b>54,117</b>
Construction Loan Interest	-	-	-	-	-	-	-	-	-
Restricted Funds Remitted to MSHDA	-	-	-	-	-	-	-	-	-
Deferred Interest Income (Expense)	-	136,689	-	-	(141,474)	-	6,851	(4,534)	(2,266)
Financing Fees - Accumulated Interest	-	-	-	-	-	(290)	-	-	-
Unrealized Gain (Loss) on Investments	130,761	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Investment	27,687	-	-	-	-	-	-	-	-
Gain (Loss) on Disposal of Assets	-	-	-	-	-	-	-	-	-
Forgiveness of Debt	-	360	-	-	584,956	-	-	-	-
Depreciation	-	-	(96,719)	(11,595)	(586,776)	(92,616)	(44,094)	(51,749)	(94,355)
Amortization	-	-	(1,995)	-	-	(1,253)	-	(838)	-
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>148,019</b>	<b>61,695</b>	<b>(156,743)</b>	<b>1,597</b>	<b>(272,938)</b>	<b>(85,012)</b>	<b>(38,574)</b>	<b>(80,753)</b>	<b>(42,504)</b>
<b>Net Changes in Net Assets with Donor Restrictions Contributions, and Grants,</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGES IN NET ASSETS AND EQUITY</b>	<b>\$ 148,019</b>	<b>\$ 61,695</b>	<b>\$ (156,743)</b>	<b>\$ 1,597</b>	<b>\$ (272,938)</b>	<b>\$ (85,012)</b>	<b>\$ (38,574)</b>	<b>\$ (80,753)</b>	<b>\$ (42,504)</b>

BeeneGarter LLP

**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES**

COMBINING STATEMENT OF OPERATIONS (CONTINUED)

Year Ended December 31, 2019

	Herkimer Apartments	Herkimer Commerce	Kelsey	LCH36	Martineau Holdings	Midtown	New Hope Homes	Pine Avenue	Reflections
<b>Operating Expenses</b>									
Salaries and wages	\$ 67,935	\$ 70,849	\$ 12,552	\$ 57,837	\$ 23,224	\$ 59,494	\$ 14,598	\$ 1,693	\$ 77,751
Fringe benefits	10,322	11,078	3,801	16,869	6,861	2,835	3,866	148	22,999
Payroll taxes	6,661	7,017	1,321	5,938	2,437	6,182	1,566	190	7,791
Contract labor	71,856	116,089	3,076	33,179	6,344	6,582	2,206	-	73,375
Fees and services	115,519	198,673	23,464	79,598	19,429	39,462	13,990	96	157,518
Dwelling place subsidy	-	-	-	-	-	-	-	-	-
Utilities	112,633	141,930	14,517	59,955	24,893	32,894	9,258	742	64,943
Maintenance and repairs	148,401	112,092	17,965	104,155	51,623	41,340	21,186	625	106,844
Mortgage interest	-	-	12,021	-	34,313	13,287	-	-	26,774
Rental of space	-	-	-	-	-	-	-	-	-
Insurance	36,751	31,421	8,083	30,222	11,523	17,885	6,375	-	34,081
Taxes	14,251	2,434	4,447	17,151	10,311	8,405	20,735	-	20,620
Administrative supplies	5,178	6,736	828	3,631	2,760	2,398	928	121	6,818
Employee development	1,385	1,192	119	768	225	564	117	11	1,818
Event expense	-	-	-	-	-	-	-	-	-
Bad debt	1,193	12,182	-	16,834	-	-	-	-	5,048
Other expenses	-	-	-	-	-	-	-	-	-
Miscellaneous	10	-	-	316	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>592,095</b>	<b>711,693</b>	<b>102,194</b>	<b>426,453</b>	<b>193,943</b>	<b>231,328</b>	<b>94,825</b>	<b>3,626</b>	<b>606,380</b>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS AND EQUITY BEFORE</b>									
<b>OTHER INCOME AND EXPENSES</b>	<b>(20,588)</b>	<b>121,119</b>	<b>31,758</b>	<b>37,735</b>	<b>32,024</b>	<b>32,435</b>	<b>(9,349)</b>	<b>(2,166)</b>	<b>56,080</b>
Construction Loan Interest	-	-	-	-	-	-	-	-	-
Restricted Funds Remitted to MSHDA	-	-	-	-	-	-	-	-	-
Deferred Interest Income (Expense)	(80,999)	-	(28,953)	(98,581)	-	-	(1,256)	-	-
Financing Fees - Accumulated Interest	(1,195)	-	-	-	-	(3,468)	-	-	(506)
Unrealized Gain (Loss) on Investments	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Investment	-	-	-	-	-	-	-	-	-
Gain (Loss) on Disposal of Assets	-	-	-	-	-	-	-	-	-
Forgiveness of Debt	-	-	-	-	-	-	-	-	-
Depreciation	(575,654)	(449,898)	(140,715)	(370,117)	(231,850)	(325,995)	(4,001)	-	(378,327)
Amortization	(6,629)	(7,729)	(3,259)	(6,939)	-	(6,767)	-	-	(7,180)
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>(685,065)</b>	<b>(336,508)</b>	<b>(141,169)</b>	<b>(437,902)</b>	<b>(199,826)</b>	<b>(303,795)</b>	<b>(14,606)</b>	<b>(2,166)</b>	<b>(329,933)</b>
<b>Net Changes in Net Assets with Donor Restrictions Contributions, and Grants,</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGES IN NET ASSETS AND EQUITY</b>	<b>\$ (685,065)</b>	<b>\$ (336,508)</b>	<b>\$ (141,169)</b>	<b>\$ (437,902)</b>	<b>\$ (199,826)</b>	<b>\$ (303,795)</b>	<b>\$ (14,606)</b>	<b>\$ (2,166)</b>	<b>\$ (329,933)</b>

BeeneGarter<sup>LLP</sup>

**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES**

**COMBINING STATEMENT OF OPERATIONS (CONTINUED)**

Year Ended December 31, 2019

	Roosevelt	Verne Barry	Villa Esperanza	West Shore	Weston	White River Estates	Eliminations	Combined Totals
<b>Operating Expenses</b>								
Salaries and wages	\$ 68,783	\$ 148,236	\$ 42,649	\$ 58,482	\$ 202,485	\$ 38,876	\$ -	\$ 3,065,497
Fringe benefits	13,401	14,558	8,813	9,656	30,457	3,554	-	533,996
Payroll taxes	6,864	15,772	4,450	6,450	21,810	4,319	-	276,445
Contract labor	58,783	117,236	6,402	-	227,305	-	-	945,298
Fees and services	92,174	366,262	47,819	43,915	212,472	38,815	(1,189,350)	845,519
Dwelling place subsidy	-	-	-	-	-	-	(14,529)	-
Utilities	95,354	229,210	29,442	32,755	213,433	21,434	-	1,444,380
Maintenance and repairs	62,052	176,219	59,619	59,208	272,551	42,259	-	1,800,056
Mortgage interest	-	-	47,366	17,297	121,649	51,996	(88,181)	338,769
Rental of space	-	-	-	-	-	-	(472,843)	48,000
Insurance	28,765	31,639	20,012	26,132	100,585	15,360	-	523,550
Taxes	12,507	7,091	-	45,244	87,235	24,442	-	379,718
Administrative supplies	8,510	9,631	2,117	5,025	14,379	3,597	-	245,372
Employee development	719	1,136	1,049	934	2,746	1,288	-	101,215
Event expense	-	-	-	-	-	-	-	-
Bad debt	11,587	2,656	699	1,501	18,240	1,274	-	89,596
Other expenses	-	-	-	-	-	-	(573,295)	-
Miscellaneous	8,213	-	5,107	-	50	-	-	34,651
<b>Total Operating Expenses</b>	<b>467,712</b>	<b>1,119,646</b>	<b>275,544</b>	<b>306,599</b>	<b>1,525,397</b>	<b>247,214</b>	<b>(2,338,198)</b>	<b>10,672,062</b>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS AND EQUITY BEFORE</b>								
<b>OTHER INCOME AND EXPENSES</b>	<b>(85,059)</b>	<b>(40,628)</b>	<b>71,626</b>	<b>37,504</b>	<b>326,433</b>	<b>46,693</b>	<b>(1,225,231)</b>	<b>2,459,168</b>
Construction Loan Interest	-	-	-	-	-	-	-	-
Restricted Funds Remitted to MSHDA	-	-	-	-	-	-	-	-
Deferred Interest Income (Expense)	(56,432)	(197,742)	-	(6,700)	(44,657)	(1,810)	-	(375,278)
Financing Fees - Accumulated Interest	-	-	-	-	(5,049)	-	-	(11,896)
Unrealized Gain (Loss) on Investments	-	-	-	-	-	-	-	1,101,621
Gain (Loss) on Sale of Investment	-	-	-	-	-	-	-	50,440
Gain (Loss) on Disposal of Assets	-	-	-	-	-	-	-	(77,000)
Forgiveness of Debt	-	-	-	-	-	-	-	585,316
Depreciation	(515,374)	(620,605)	(32,715)	(99,271)	(402,692)	(68,551)	654,391	(4,878,368)
Amortization	(9,188)	(9,153)	-	(1,883)	(6,072)	-	-	(68,885)
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>(666,053)</b>	<b>(868,128)</b>	<b>38,911</b>	<b>(70,350)</b>	<b>(132,037)</b>	<b>(23,668)</b>	<b>(570,840)</b>	<b>(1,214,882)</b>
<b>Net Changes in Net Assets with Donor Restrictions Contributions, and Grants,</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>452,861</b>
<b>CHANGES IN NET ASSETS AND EQUITY</b>	<b>\$ (666,053)</b>	<b>\$ (868,128)</b>	<b>\$ 38,911</b>	<b>\$ (70,350)</b>	<b>\$ (132,037)</b>	<b>\$ (23,668)</b>	<b>\$ (570,840)</b>	<b>\$ (762,021)</b>

BeeneGarter LLP

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING BALANCE SHEET

December 31, 2018

	Dwelling Place NPHC	Dwelling Place Foundation	Heartside NPHC	Sheldon- Weston, Inc.	Bridge Street	Elmdale	Ferguson- Heartside
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$ 1,932,716	\$ 46,525	\$ 2,954	\$ -	\$ 5,968	\$ 15,578	\$ 105,281
Cash restricted for current construction	-	-	-	-	-	-	-
Trading securities	7,199,012	1,171,297	-	-	-	-	-
Promises to give	62,500	-	-	-	-	-	-
Accounts receivable							
Related parties	712,355	-	28,431	-	-	-	-
Other	730,659	-	92,000	-	545	422	4,085
Developer fee receivable	1,229,086	-	-	-	-	-	-
Prepaid expenses and deposits	13,819	-	41	-	4,674	41	10,588
<b>TOTAL CURRENT ASSETS</b>	<b>11,880,147</b>	<b>1,217,822</b>	<b>123,426</b>	<b>-</b>	<b>11,187</b>	<b>16,041</b>	<b>119,954</b>
<b>Property and Equipment</b>							
Land and land improvements	1,075,997	-	-	-	179,520	62,379	471,641
Buildings and building improvements	6,813,662	-	-	-	2,407,674	722,668	16,651,036
Furniture, fixtures and equipment	503,219	-	-	-	558,626	23,338	145,250
Construction-in-progress	236,350	-	-	-	-	-	-
	<b>8,629,228</b>	-	-	-	<b>3,145,820</b>	<b>808,385</b>	<b>17,267,927</b>
Accumulated depreciation	(3,439,231)	-	-	-	(1,421,045)	(648,396)	(10,180,188)
	<b>5,189,997</b>	-	-	-	<b>1,724,775</b>	<b>159,989</b>	<b>7,087,739</b>
<b>Other Assets</b>							
Restricted cash	930,158	-	-	-	296,384	168,663	316,865
Promise to give, less current portion	75,000	-	-	-	-	-	-
Developer fee receivable	1,180,505	-	-	-	-	-	-
Interest receivable	1,180,085	-	1,170,244	-	-	-	-
Accounts receivable - related party	461,644	-	-	-	-	-	-
Note receivable - related party	12,540,595	-	9,920,814	-	-	-	-
Investments	9,486,561	-	7,952,302	100	-	-	-
Beneficial interest	258,897	-	-	-	-	-	-
Intangibles	-	-	-	-	12,134	-	-
	<b>26,113,445</b>	-	<b>19,043,360</b>	<b>100</b>	<b>308,518</b>	<b>168,663</b>	<b>316,865</b>
	<b>\$ 43,183,589</b>	<b>\$ 1,217,822</b>	<b>\$ 19,166,786</b>	<b>\$ 100</b>	<b>\$ 2,044,480</b>	<b>\$ 344,693</b>	<b>\$ 7,524,558</b>

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING BALANCE SHEET (CONTINUED)

December 31, 2018

	Goodrich	Grandville- Heartside	Harrison Park	Harvest Hill	Herkimer Apartments	Herkimer Commerce	Kelsey
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$ 38,991	\$ 4,467	\$ -	\$ 11,075	\$ 45,093	\$ 116,807	\$ 108,532
Cash restricted for current construction	-	-	73,624	-	-	-	-
Trading securities	-	-	-	-	-	-	-
Promises to give	-	-	-	-	-	-	-
Accounts receivable							
Related parties	-	-	-	131	-	57,000	-
Other	2,956	1,913	-	32,163	663	18,479	4,995
Developer fee receivable	-	-	-	-	-	-	-
Prepaid expenses and deposits	7,688	1,377	-	3,435	31,568	2,625	1,423
<b>TOTAL CURRENT ASSETS</b>	<b>49,635</b>	<b>7,757</b>	<b>73,624</b>	<b>46,804</b>	<b>77,324</b>	<b>194,911</b>	<b>114,950</b>
<b>Property and Equipment</b>							
Land and land improvements	301,270	1,763	1,167,585	171,663	1,093,353	694,517	80,352
Buildings and building improvements	2,418,108	1,198,958	-	2,476,461	15,167,255	11,840,817	3,965,347
Furniture, fixtures and equipment	65,118	51,103	-	12,875	398,595	914,970	89,913
Construction-in-progress	-	-	1,981,194	-	-	-	-
	<b>2,784,496</b>	<b>1,251,824</b>	<b>3,148,779</b>	<b>2,660,999</b>	<b>16,659,203</b>	<b>13,450,304</b>	<b>4,135,612</b>
Accumulated depreciation	(836,743)	(942,551)	-	(1,529,136)	(3,255,931)	(3,133,859)	(1,797,406)
	<b>1,947,753</b>	<b>309,273</b>	<b>3,148,779</b>	<b>1,131,863</b>	<b>13,403,272</b>	<b>10,316,445</b>	<b>2,338,206</b>
<b>Other Assets</b>							
Restricted cash	524,750	6,937	-	81,596	1,260,965	977,871	11,602
Promise to give, less current portion	-	-	-	-	-	-	-
Developer fee receivable	-	-	-	-	-	-	-
Interest receivable	-	42,552	-	-	-	-	-
Accounts receivable - related party	-	-	-	-	-	-	-
Note receivable - related party	-	363,058	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Beneficial interest	-	-	-	-	-	-	-
Intangibles	8,351	-	-	-	65,464	77,289	11,984
	<b>533,101</b>	<b>412,547</b>	<b>-</b>	<b>81,596</b>	<b>1,326,429</b>	<b>1,055,160</b>	<b>23,586</b>
	<b>\$ 2,530,489</b>	<b>\$ 729,577</b>	<b>\$ 3,222,403</b>	<b>\$ 1,260,263</b>	<b>\$ 14,807,025</b>	<b>\$ 11,566,516</b>	<b>\$ 2,476,742</b>

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING BALANCE SHEET (CONTINUED)

December 31, 2018

	LCH36	Martineau Holdings	Midtown	New Hope Homes	Pine Avenue	Reflections	Roosevelt
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$ 201,720	\$ 105,453	\$ 42,447	\$ 26,644	\$ -	\$ 161,503	\$ 20,033
Cash restricted for current construction	-	-	-	-	33,425	-	-
Trading securities	-	-	-	-	-	-	-
Promises to give	-	-	-	-	-	-	-
Accounts receivable							
Related parties	-	-	-	-	-	-	-
Other	15,166	1,395	82	687	-	1,957	12,229
Developer fee receivable	-	-	-	-	-	-	-
Prepaid expenses and deposits	11,957	7,050	14,632	6,136	-	5,585	3,906
<b>TOTAL CURRENT ASSETS</b>	<b>228,843</b>	<b>113,898</b>	<b>57,161</b>	<b>33,467</b>	<b>33,425</b>	<b>169,045</b>	<b>36,168</b>
<b>Property and Equipment</b>							
Land and land improvements	2,080,470	221,873	591,382	9,500	260,000	514,830	214,086
Buildings and building improvements	9,311,513	7,403,082	8,382,045	1,033,317	-	9,922,125	11,912,492
Furniture, fixtures and equipment	145,761	57,556	201,016	72,450	-	1,420,306	344,075
Construction-in-progress	-	-	-	-	275,885	-	-
	<b>11,537,744</b>	<b>7,682,511</b>	<b>9,174,443</b>	<b>1,115,267</b>	<b>535,885</b>	<b>11,857,261</b>	<b>12,470,653</b>
Accumulated depreciation	(625,048)	(2,823,546)	(2,537,025)	(996,176)	-	(3,974,010)	(686,933)
	<b>10,912,696</b>	<b>4,858,965</b>	<b>6,637,418</b>	<b>119,091</b>	<b>535,885</b>	<b>7,883,251</b>	<b>11,783,720</b>
<b>Other Assets</b>							
Restricted cash	232,148	17,538	682,102	6,666	-	2,286,884	197,161
Promise to give, less current portion	-	-	-	-	-	-	-
Developer fee receivable	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-
Accounts receivable - related party	-	-	-	-	-	-	-
Note receivable - related party	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Beneficial interest	-	-	-	-	-	-	-
Intangibles	60,860	-	81,634	-	-	59,231	81,408
	<b>293,008</b>	<b>17,538</b>	<b>763,736</b>	<b>6,666</b>	<b>-</b>	<b>2,346,115</b>	<b>278,569</b>
	<b>\$ 11,434,547</b>	<b>\$ 4,990,401</b>	<b>\$ 7,458,315</b>	<b>\$ 159,224</b>	<b>\$ 569,310</b>	<b>\$ 10,398,411</b>	<b>\$ 12,098,457</b>

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING BALANCE SHEET (CONTINUED)

December 31, 2018

	Verne Barry	Villa Esperanza	West Shore	Weston	White River Estates	Eliminations	Combined Totals
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$ 262,963	\$ 6,431	\$ 55,756	\$ 179,329	\$ 37,249	\$ -	\$ 3,533,515
Cash restricted for current construction	-	-	-	-	-	-	107,049
Trading securities	-	-	-	-	-	-	8,370,309
Promises to give	-	-	-	-	-	-	62,500
Accounts receivable							
Related parties	35,000	-	135	-	88	(725,936)	107,204
Other	6,097	1,131	28,662	36,281	936	-	993,503
Developer fee receivable	-	-	-	-	-	(1,116,586)	112,500
Prepaid expenses and deposits	26,086	7,944	2,168	120,271	1,285	-	284,299
<b>TOTAL CURRENT ASSETS</b>	<b>330,146</b>	<b>15,506</b>	<b>86,721</b>	<b>335,881</b>	<b>39,558</b>	<b>(1,842,522)</b>	<b>13,570,879</b>
<b>Property and Equipment</b>							
Land and land improvements	1,167,922	202,862	219,861	1,104,750	118,004	(723,077)	11,282,503
Buildings and building improvements	16,164,833	1,187,692	2,556,715	15,074,060	1,783,995	(22,877,730)	125,516,125
Furniture, fixtures and equipment	147,307	279,820	299,436	668,894	1,015	-	6,400,643
Construction-in-progress	-	-	-	-	-	(231,329)	2,262,100
	<b>17,480,062</b>	<b>1,670,374</b>	<b>3,076,012</b>	<b>16,847,704</b>	<b>1,903,014</b>	<b>(23,832,136)</b>	<b>145,461,371</b>
Accumulated depreciation	(6,939,575)	(1,062,336)	(1,591,389)	(5,082,706)	(1,035,325)	5,848,025	(48,690,530)
	<b>10,540,487</b>	<b>608,038</b>	<b>1,484,623</b>	<b>11,764,998</b>	<b>867,689</b>	<b>(17,984,111)</b>	<b>96,770,841</b>
<b>Other Assets</b>							
Restricted cash	2,162,357	367,364	41,275	1,126,869	200,687	-	11,896,842
Promise to give, less current portion	-	-	-	-	-	-	75,000
Developer fee receivable	-	-	-	-	-	(1,155,827)	24,678
Interest receivable	-	-	-	-	-	(2,392,881)	-
Accounts receivable - related party	-	-	-	-	-	(461,644)	-
Note receivable - related party	-	-	-	-	-	(22,824,467)	-
Investments	-	-	-	-	-	(17,433,963)	5,000
Beneficial interest	-	-	-	-	-	-	258,897
Intangibles	45,757	-	2,511	18,216	-	-	524,839
	<b>2,208,114</b>	<b>367,364</b>	<b>43,786</b>	<b>1,145,085</b>	<b>200,687</b>	<b>(44,268,782)</b>	<b>12,785,256</b>
	<b>\$ 13,078,747</b>	<b>\$ 990,908</b>	<b>\$ 1,615,130</b>	<b>\$ 13,245,964</b>	<b>\$ 1,107,934</b>	<b>\$ (64,095,415)</b>	<b>\$ 123,126,976</b>

**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES**

COMBINING BALANCE SHEET (CONTINUED)

December 31, 2018

	Dwelling Place NPHC	Dwelling Place Foundation	Heartside NPHC	Sheldon- Weston, Inc.	Bridge Street	Elmdale	Ferguson- Heartside
<b>LIABILITIES AND NET ASSETS AND EQUITY</b>							
<b>Current Liabilities</b>							
Current maturities of long-term debt							
Related party	\$ -	\$ -	\$ 28,431	\$ -	\$ -	\$ -	\$ -
Other	70,181	-	-	-	-	15,141	-
Accounts payable							
Related party	-	2,289	92,000	-	10,911	1,350	291,834
Trade	61,832	-	-	-	5,017	9,909	77,788
Construction	50,843	-	-	-	-	-	-
Accrued liabilities	252,849	-	-	-	437	2,444	2,565
Developer fee payable	-	-	-	-	-	-	-
Deferred rental revenue	24,242	-	-	-	1,750	1,573	9,036
<b>TOTAL CURRENT LIABILITIES</b>	<b>459,947</b>	<b>2,289</b>	<b>120,431</b>	<b>-</b>	<b>18,115</b>	<b>30,417</b>	<b>381,223</b>
Tenant security deposits	46,275	-	-	-	800	4,390	15,587
Related party notes	904,432	-	1,130,678	-	621,974	-	3,406,370
Long-Term Debt, net of current maturities	326,269	-	772,757	-	415,000	590,623	2,000,000
Accrued interest							
Related party	-	-	2,898	-	-	-	127,670
Nonrelated party	-	-	127,670	-	-	-	2,436,163
Deferred revenue - Section 1602 exchange funds	-	-	-	-	-	-	-
Developer fee payable	-	-	-	-	16,495	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,276,976</b>	<b>-</b>	<b>2,034,003</b>	<b>-</b>	<b>1,054,269</b>	<b>595,013</b>	<b>7,985,790</b>
<b>Net Assets and Equity</b>							
Without donor restrictions	40,876,213	1,215,533	17,012,352	-	-	(280,737)	-
With donor restrictions	570,453	-	-	-	-	-	-
Permanently restricted net assets	-	-	-	-	-	-	-
Equity - controlling interest	-	-	-	100	1,474	-	(842,455)
Equity - noncontrolling interest	-	-	-	-	970,622	-	-
	<b>41,446,666</b>	<b>1,215,533</b>	<b>17,012,352</b>	<b>100</b>	<b>972,096</b>	<b>(280,737)</b>	<b>(842,455)</b>
	<b>\$ 43,183,589</b>	<b>\$ 1,217,822</b>	<b>\$ 19,166,786</b>	<b>\$ 100</b>	<b>\$ 2,044,480</b>	<b>\$ 344,693</b>	<b>\$ 7,524,558</b>

BeeneGarter<sup>LLP</sup>



**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES**

COMBINING BALANCE SHEET (CONTINUED)

December 31, 2018

	Goodrich	Grandville- Heartside	Harrison Park	Harvest Hill	Herkimer Apartments	Herkimer Commerce	Kelsey
<b>LIABILITIES AND NET ASSETS AND EQUITY</b>							
<b>Current Liabilities</b>							
Current maturities of long-term debt							
Related party	\$ -	\$ -	\$ -	\$ 52,392	\$ -	\$ -	\$ -
Other	-	-	-	492	-	-	10,817
Accounts payable							
Related party	1,604	245,589	4,459	25,379	3,337	3,686	41,412
Trade	2,826	1,752	-	8,169	19,849	42,132	2,233
Construction	-	-	285,407	-	-	-	-
Accrued liabilities	384	228	-	2,421	1,658	1,928	833
Developer fee payable	-	-	79,873	-	-	-	-
Deferred rental revenue	159	69	-	1,914	3,107	6,238	24
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,973</b>	<b>247,638</b>	<b>369,739</b>	<b>90,767</b>	<b>27,951</b>	<b>53,984</b>	<b>55,319</b>
Tenant security deposits	6,644	6,022	-	17,822	9,145	9,954	9,978
Related party notes	168,786	-	1,532,250	835,353	-	1,082,655	371,800
Other long-term debt	1,354,241	470,000	-	-	2,774,398	527,089	531,514
Accrued interest							
Related party	-	-	-	36,962	-	-	162,404
Nonrelated party	-	207,776	-	-	396,638	-	200,396
Deferred revenue - Section 1602 exchange funds	-	-	-	-	-	-	-
Developer fee payable	-	-	-	-	-	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,529,671</b>	<b>683,798</b>	<b>1,532,250</b>	<b>890,137</b>	<b>3,180,181</b>	<b>1,619,698</b>	<b>1,276,092</b>
<b>Net Assets and Equity</b>							
Without donor restrictions	-	-	-	-	-	-	-
With donor restrictions	-	-	-	-	-	-	-
Permanently restricted net assets	-	-	-	-	-	-	-
Equity - controlling interest	107,804	(201,859)	100	279,359	2,165,674	(271)	1,145,331
Equity - noncontrolling interest	888,041	-	1,320,314	-	9,433,219	9,893,105	-
	<b>995,845</b>	<b>(201,859)</b>	<b>1,320,414</b>	<b>279,359</b>	<b>11,598,893</b>	<b>9,892,834</b>	<b>1,145,331</b>
	<b>\$ 2,530,489</b>	<b>\$ 729,577</b>	<b>\$ 3,222,403</b>	<b>\$ 1,260,263</b>	<b>\$ 14,807,025</b>	<b>\$ 11,566,516</b>	<b>\$ 2,476,742</b>

BeeneGarter<sup>LLP</sup>

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING BALANCE SHEET (CONTINUED)

December 31, 2018

	LCH36	Martineau Holdings	Midtown	New Hope Homes	Pine Avenue	Reflections	Roosevelt
<b>LIABILITIES AND NET ASSETS AND EQUITY</b>							
<b>Current Liabilities</b>							
Current maturities of long-term debt							
Related party	\$ -	\$ 28,431	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	2,207	-	-	2,320	-
Accounts payable							
Related party	63,238	2,717	5,131	94,894	33,954	17,628	53,725
Trade	16,970	3,886	9,329	38,889	-	18,358	15,476
Construction	-	-	-	-	1,854	-	275
Accrued liabilities	1,484	641	2,625	277	-	3,996	1,595
Developer fee payable	356,343	-	-	-	-	-	680,370
Deferred rental revenue	1,454	704	1,529	277	-	411	1,003
<b>TOTAL CURRENT LIABILITIES</b>	<b>439,489</b>	<b>36,379</b>	<b>20,821</b>	<b>134,337</b>	<b>35,808</b>	<b>42,713</b>	<b>752,444</b>
Tenant security deposits	21,723	14,901	16,739	6,103	-	15,479	15,202
Related party notes	2,444,547	1,255,678	252,816	80,000	482,507	-	1,764,076
Other long-term debt	300,000	-	2,249,724	300,000	-	5,159,772	-
Accrued interest							
Related party	251,178	265,463	-	74,262	-	-	116,335
Nonrelated party	-	-	-	-	-	-	-
Deferred revenue - Section 1602 exchange funds	-	-	3,097,429	-	-	-	-
Developer fee payable	546,492	-	-	-	-	-	592,840
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,563,940</b>	<b>1,536,042</b>	<b>5,616,708</b>	<b>460,365</b>	<b>482,507</b>	<b>5,175,251</b>	<b>2,488,453</b>
<b>Net Assets and Equity</b>							
Without donor restrictions	-	3,417,980	-	-	-	-	-
With donor restrictions	-	-	-	-	-	-	-
Permanently restricted net assets	-	-	-	-	-	-	-
Equity - controlling interest	30	-	1,569,912	(435,478)	100	(107,270)	(10)
Equity - noncontrolling interest	7,431,088	-	250,874	-	50,895	5,287,717	8,857,570
	<b>7,431,118</b>	<b>3,417,980</b>	<b>1,820,786</b>	<b>(435,478)</b>	<b>50,995</b>	<b>5,180,447</b>	<b>8,857,560</b>
	<b>\$ 11,434,547</b>	<b>\$ 4,990,401</b>	<b>\$ 7,458,315</b>	<b>\$ 159,224</b>	<b>\$ 569,310</b>	<b>\$ 10,398,411</b>	<b>\$ 12,098,457</b>

BeeneGarter<sup>LLP</sup>

**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES**

COMBINING BALANCE SHEET (CONTINUED)

December 31, 2018

	Verne Barry	Villa Esperanza	West Shore	Weston	White River Estates	Eliminations	Combined Totals
<b>LIABILITIES AND NET ASSETS AND EQUITY</b>							
<b>Current Liabilities</b>							
Current maturities of long-term debt							
Related party	\$ -	\$ -	\$ 15,550	\$ -	\$ -	\$ (124,804)	\$ -
Other	-	31,103	14,304	71,096	19,558	-	237,219
Accounts payable							
Related party	6,939	30,381	7,071	18,937	4,312	(1,062,777)	-
Trade	26,034	3,434	5,758	34,266	1,899	-	405,806
Construction	-	-	-	-	-	-	338,379
Accrued liabilities	3,666	4,972	3,151	15,773	5,459	(1,694)	307,692
Developer fee payable	-	-	-	-	-	(1,116,586)	-
Deferred rental revenue	1,848	2,148	1,399	13,027	1,541	-	73,453
<b>TOTAL CURRENT LIABILITIES</b>	<b>38,487</b>	<b>72,038</b>	<b>47,233</b>	<b>153,099</b>	<b>32,769</b>	<b>(2,305,861)</b>	<b>1,362,549</b>
Tenant security deposits	8,114	9,555	13,738	37,745	7,368	-	293,284
Related party notes	1,450,000	-	372,578	4,465,664	202,303	(22,824,467)	-
Other long-term debt	2,400,000	1,169,795	225,447	2,738,598	602,657	-	24,907,884
Accrued interest							
Related party	867,255	-	91,567	365,368	29,825	(2,391,187)	-
Nonrelated party	1,561,957	-	-	-	-	-	4,930,600
Deferred revenue - Section 1602 exchange funds	-	-	-	-	-	-	3,097,429
Developer fee payable	-	-	-	-	-	(1,155,827)	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>6,287,326</b>	<b>1,179,350</b>	<b>703,330</b>	<b>7,607,375</b>	<b>842,153</b>	<b>(26,371,481)</b>	<b>33,229,197</b>
<b>Net Assets and Equity</b>							
Without donor restrictions	-	(260,480)	-	-	-	(23,109,425)	38,871,436
With donor restrictions	-	-	-	-	-	-	570,453
Permanently restricted net assets	-	-	-	-	-	-	-
Equity - controlling interest	930,552	-	864,567	2,018,594	233,012	(19,002,348)	(11,273,082)
Equity - noncontrolling interest	5,822,382	-	-	3,466,896	-	6,693,700	60,366,423
	<b>6,752,934</b>	<b>(260,480)</b>	<b>864,567</b>	<b>5,485,490</b>	<b>233,012</b>	<b>(35,418,073)</b>	<b>88,535,230</b>
	<b>\$ 13,078,747</b>	<b>\$ 990,908</b>	<b>\$ 1,615,130</b>	<b>\$ 13,245,964</b>	<b>\$ 1,107,934</b>	<b>\$ (64,095,415)</b>	<b>\$ 123,126,976</b>

BeeneGarter<sup>LLP</sup>

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING STATEMENT OF OPERATIONS

Year Ended December 31, 2018

	General Admin	Affordable Management	Housing Development	Fund Development	Supportive Services	Neighborhood Revitalization	DP Owned Residential	Eliminations	Dwelling Place NPHC Total
<b>Revenue and Support</b>									
Rental income									
Market/Gross Residential Rent Potential	\$ 192,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,540	\$ (195,221)	\$ 141,861
Rental Gain/Loss	-	-	-	-	-	780	(818)	-	(38)
Commercial income	-	-	-	-	-	1,093,011	22,295	(138,645)	976,661
Less: Vacancy loss	-	-	-	-	-	(211,056)	(14,907)	-	(225,963)
Less: Concessions	-	-	-	-	-	(19,113)	-	-	(19,113)
Net rental income	192,542	-	-	-	-	863,622	151,110	(333,866)	873,408
Interest income	255,920	-	-	(171)	-	-	-	-	255,749
Contributions/grants	5,572,356	91,517	2,041	896,850	112,240	207,318	65,137	(1,707,287)	5,240,172
Government funding	-	-	-	-	64,793	-	-	-	64,793
Developer and management fee income	-	990,720	429,223	-	257,692	55,335	145	(27,290)	1,705,825
Other income	66,693	6,000	-	-	-	3,875	-	(1,200)	75,368
Satisfaction of donor restrictions									
Expiration of time restriction on United Way funding	-	-	-	-	75,000	-	-	-	75,000
Expiration of donor imposed restriction on contributions	137,587	-	98,105	487,603	15,955	2,733	-	-	741,983
<b>Total Revenue and Support</b>	<b>6,225,098</b>	<b>1,088,237</b>	<b>529,369</b>	<b>1,384,282</b>	<b>525,680</b>	<b>1,132,883</b>	<b>216,392</b>	<b>(2,069,643)</b>	<b>9,032,298</b>

BeeneGarter<sup>LLP</sup>

**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES**

COMBINING STATEMENT OF OPERATIONS (CONTINUED)

Year Ended December 31, 2018

	Dwelling Place Foundation	Heartside NPHC	Bridge Street	Elmdale	Ferguson- Heartside	Goodrich	Grandville- Heartside	Harvest Hill
<b>Revenue and Support</b>								
Rental income								
Market/Gross Residential Rent Potential	\$ -	\$ -	\$ 124,608	\$ 152,252	\$ 595,698	\$ 112,512	\$ 83,640	\$ 350,736
Rental Gain/Loss	-	-	-	-	-	(2,328)	(6,784)	160
Commercial income	-	-	-	-	200,004	26,362	-	-
Less: Vacancy loss	-	-	(2,168)	(705)	(37,664)	(2,235)	(4,250)	(17,594)
Less: Concessions	-	-	-	-	-	(57)	(517)	(2,139)
Net rental income	-	-	122,440	151,547	758,038	134,254	72,089	331,163
Interest income	26,994	35,155	737	113	9,435	11,601	3	623
Contributions/grants	12	6,500	-	-	-	-	-	-
Government funding	-	395,533	-	-	-	-	-	-
Developer and management fee income	-	-	692	2,326	10,198	440	511	5,555
Other income	42	-	-	-	28,284	-	-	-
Satisfaction of donor restrictions								
Expiration of time restriction on United Way funding	-	-	-	-	-	-	-	-
Expiration of donor imposed restriction on contributions	-	-	-	-	-	-	-	-
<b>Total Revenue and Support</b>	<b>27,048</b>	<b>437,188</b>	<b>123,869</b>	<b>153,986</b>	<b>805,955</b>	<b>146,295</b>	<b>72,603</b>	<b>337,341</b>

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING STATEMENT OF OPERATIONS (CONTINUED)

Year Ended December 31, 2018

	Herkimer Apartments	Herkimer Commerce	Kelsey	LCH36	Martineau Holdings	Midtown	New Hope Homes	Reflections
Revenue and Support								
Rental income								
Market/Gross Residential Rent Potential	\$ 454,740	\$ 553,956	\$ 111,852	\$ 423,876	\$ 197,952	\$ 241,560	\$ 89,064	\$ 587,880
Rental Gain/Loss	-	-	(1,869)	1,266	4,872	(1,265)	(5,223)	(904)
Commercial income	74,468	17,086	19,343	37,736	26,004	-	-	-
Less: Vacancy loss	(3,876)	(62,664)	(10,718)	(12,949)	(2,713)	(5,517)	(811)	(3,485)
Less: Concessions	-	-	-	-	(800)	-	-	-
Net rental income	525,332	508,378	118,608	449,929	225,315	234,778	83,030	583,491
Interest income	39,692	12,108	882	291	571	22,126	184	71,549
Contributions/grants	-	-	-	-	-	-	-	-
Government funding	-	203,864	-	-	-	-	-	-
Developer and management fee income	5,534	1,292	1,905	6,463	9,341	421	1,150	2,529
Other income	-	-	-	-	-	-	-	-
Satisfaction of donor restrictions								
Expiration of time restriction on United Way funding	-	-	-	-	-	-	-	-
Expiration of donor imposed restriction on contributions	-	-	-	-	-	-	-	-
<b>Total Revenue and Support</b>	<b>570,558</b>	<b>725,642</b>	<b>121,395</b>	<b>456,683</b>	<b>235,227</b>	<b>257,325</b>	<b>84,364</b>	<b>657,569</b>

BeeneGarter<sup>LLP</sup>

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING STATEMENT OF OPERATIONS (CONTINUED)

Year Ended December 31, 2018

	Roosevelt	Verne Barry	Villa Esperanza	West Shore	Weston	White River Estates	Eliminations	Combined Totals
<b>Revenue and Support</b>								
Rental income								
Market/Gross Residential Rent Potential	\$ 394,691	\$ 818,760	\$ 342,240	\$ 344,160	\$ 1,771,272	\$ 292,500	\$ (33,633)	\$ 8,152,177
Rental Gain/Loss	-	(6)	-	-	-	-	-	(12,119)
Commercial income	-	55,448	-	-	46,329	-	(483,437)	996,004
Less: Vacancy loss	(34,278)	(19,881)	(4,950)	(11,128)	(52,893)	(3,567)	-	(520,009)
Less: Concessions	(4,714)	-	-	(861)	-	-	-	(28,201)
Net rental income	355,699	854,321	337,290	332,171	1,764,708	288,933	(517,070)	8,587,852
Interest income	54	75,579	178	1,344	5,549	2,490	(99,377)	473,630
Contributions/grants	-	-	-	-	-	-	(110,619)	5,136,065
Government funding	-	126,876	-	-	-	-	(395,533)	395,533
Developer and management fee income	2,287	4,510	2,031	3,389	22,024	1,945	(1,318,950)	471,418
Other income	7,800	215	-	-	910	-	(4,800)	107,819
Satisfaction of donor restrictions								
Expiration of time restriction on United Way funding	-	-	-	-	-	-	-	75,000
Expiration of donor imposed restriction on contributions	-	-	-	-	-	-	-	741,983
<b>Total Revenue and Support</b>	<b>365,840</b>	<b>1,061,501</b>	<b>339,499</b>	<b>336,904</b>	<b>1,793,191</b>	<b>293,368</b>	<b>(2,446,349)</b>	<b>15,989,300</b>

BeeneGarter<sup>LLP</sup>

# DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

## COMBINING STATEMENT OF OPERATIONS (CONTINUED)

Year Ended December 31, 2018

	General Admin	General Admin	General Admin	Fund Development	Supportive Services	Neighborhood Revitalization	DP Owned Residential	Eliminations	Dwelling Place NPHC Total
<b>Operating Expenses</b>									
Salaries and wages	\$ 170,868	\$ 605,041	\$ 278,018	\$ 35,023	\$ 363,532	\$ 162,808	\$ 13,214	\$ -	\$ 1,628,504
Fringe benefits	21,730	92,802	36,626	3,985	75,534	27,131	2,255	-	260,063
Payroll taxes	16,181	55,435	26,220	3,144	32,932	15,812	1,244	-	150,968
Contract labor	12,510	3,772	920	988	484	8,858	3,498	-	31,030
Fees and services	161,572	15,698	39,300	10,904	14,538	93,179	5,481	(24,890)	315,782
Dwelling place subsidy	36,312	-	-	-	-	-	-	(2,679)	33,633
Utilities	26,301	2,308	1,666	113	1,007	20,338	3,616	-	55,349
Maintenance and repairs	13,734	673	362	-	-	63,511	19,345	-	97,625
Mortgage and construction interest	-	-	-	-	-	17,604	-	-	17,604
Rental of space	52,489	70,534	36,082	17,071	19,472	587,733	86,807	(334,787)	535,401
Insurance	10,646	-	-	-	-	11,123	1,601	-	23,370
Taxes	5,803	-	-	-	-	51,944	3,068	-	60,815
Administrative supplies	48,864	20,192	5,042	6,571	8,222	29,975	550	-	119,416
Employee development	29,197	11,578	2,810	299	3,737	21,272	267	-	69,160
Bad debt	-	-	-	-	-	82,415	945	-	83,360
Grants to others	294,637	-	100,000	1,319,999	-	-	-	(1,707,287)	7,349
Miscellaneous	9,253	-	315	-	-	388	-	-	9,956
<b>Total Operating Expenses</b>	<b>910,097</b>	<b>878,033</b>	<b>527,361</b>	<b>1,398,097</b>	<b>519,458</b>	<b>1,194,091</b>	<b>141,891</b>	<b>(2,069,643)</b>	<b>3,499,385</b>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS AND EQUITY BEFORE OTHER INCOME AND EXPENSES</b>	<b>5,315,001</b>	<b>210,204</b>	<b>2,008</b>	<b>(13,815)</b>	<b>6,222</b>	<b>(61,208)</b>	<b>74,501</b>	<b>-</b>	<b>5,532,913</b>
Construction Loan Interest	-	-	-	-	-	-	-	-	-
Deferred Interest Income (Expense)	142,052	-	-	-	-	-	-	-	142,052
Financing Fees - Accumulated Interest	-	-	-	-	-	(1,388)	-	-	(1,388)
Unrealized Gain (Loss) on Investments	(640,614)	-	-	(3,409)	-	-	-	-	(644,023)
Gain (Loss) on Sale of Investment	(15,190)	-	-	3,308	-	-	-	-	(11,882)
Gain (Loss) on Disposal of Assets	-	-	(120,714)	-	-	(3,590)	-	-	(124,304)
Forgiveness of Debt	-	-	-	-	-	-	-	-	-
Depreciation	(106,451)	(7,440)	-	-	-	(215,507)	(6,076)	-	(335,474)
Amortization	-	-	-	-	-	-	-	-	-
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>4,694,798</b>	<b>202,764</b>	<b>(118,706)</b>	<b>(13,916)</b>	<b>6,222</b>	<b>(281,693)</b>	<b>68,425</b>	<b>-</b>	<b>4,557,894</b>
<b>Net Changes in Net Assets with Donor Restrictions Contributions, and Grants,</b>	<b>(137,587)</b>	<b>-</b>	<b>21,895</b>	<b>(362,603)</b>	<b>(5,955)</b>	<b>48,767</b>	<b>-</b>	<b>-</b>	<b>(435,483)</b>
<b>CHANGES IN NET ASSETS AND EQUITY</b>	<b>\$ 4,557,211</b>	<b>\$ 202,764</b>	<b>\$ (96,811)</b>	<b>\$ (376,519)</b>	<b>\$ 267</b>	<b>\$ (232,926)</b>	<b>\$ 68,425</b>	<b>\$ -</b>	<b>\$ 4,122,411</b>

BeeneGarter<sup>LLP</sup>



**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES**

COMBINING STATEMENT OF OPERATIONS (CONTINUED)

Year Ended December 31, 2018

	Dwelling Place Foundation	Heartside NPHC	Bridge Street	Elmdale	Ferguson- Heartside	Goodrich	Grandville- Heartside	Harvest Hill
<b>Operating Expenses</b>								
Salaries and wages	\$ -	\$ -	\$ 14,292	\$ 10,434	\$ 90,569	\$ 12,671	\$ 7,824	\$ 26,894
Fringe benefits	-	-	4,348	2,827	14,768	3,248	2,494	6,621
Payroll taxes	-	-	1,458	947	9,147	1,326	804	2,523
Contract labor	-	-	7,179	2,269	166,603	1,361	1,094	25,561
Fees and services	1,122	6,521	38,118	15,958	80,877	38,287	11,940	42,203
Dwelling place subsidy	-	-	-	-	-	-	-	-
Utilities	-	-	32,487	14,222	205,577	16,253	8,237	40,675
Maintenance and repairs	-	-	31,416	39,785	156,095	25,323	31,516	82,748
Mortgage and construction interest	-	35,155	-	26,152	-	-	-	23,627
Rental of space	-	-	-	-	-	-	-	-
Insurance	-	44	18,382	9,163	32,846	8,872	8,599	19,655
Taxes	-	-	3,061	-	-	4,515	2,969	46,657
Administrative supplies	-	-	609	1,234	8,974	1,199	796	4,519
Employee development	-	-	102	305	1,199	65	41	1,027
Bad debt	-	-	1,230	28	6,498	801	-	6,051
Grants to others	-	499,651	-	-	-	-	-	-
Miscellaneous	-	-	-	17,630	-	-	-	-
<b>Total Operating Expenses</b>	<b>1,122</b>	<b>541,371</b>	<b>152,682</b>	<b>140,954</b>	<b>773,153</b>	<b>113,921</b>	<b>76,314</b>	<b>328,761</b>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS AND EQUITY BEFORE OTHER INCOME AND EXPENSES</b>	<b>25,926</b>	<b>(104,183)</b>	<b>(28,813)</b>	<b>13,032</b>	<b>32,802</b>	<b>32,374</b>	<b>(3,711)</b>	<b>8,580</b>
Construction Loan Interest	-	-	-	-	-	-	-	-
Deferred Interest Income (Expense)	-	137,417	-	-	(142,724)	-	6,851	(2,266)
Financing Fees - Accumulated Interest	-	-	-	-	-	(290)	-	-
Unrealized Gain (Loss) on Investments	(106,053)	-	-	-	-	-	-	-
Gain (Loss) on Sale of Investment	4,344	-	-	-	-	-	-	-
Gain (Loss) on Disposal of Assets	-	-	-	-	-	-	-	-
Forgiveness of Debt	-	-	-	-	-	-	-	-
Depreciation	-	-	(103,298)	(21,509)	(586,776)	(92,616)	(43,509)	(94,355)
Amortization	-	-	(1,995)	-	-	(1,253)	-	-
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>(75,783)</b>	<b>33,234</b>	<b>(134,106)</b>	<b>(8,477)</b>	<b>(696,698)</b>	<b>(61,785)</b>	<b>(40,369)</b>	<b>(88,041)</b>
Net Changes in Net Assets with Donor Restrictions Contributions, and Grants,	-	-	-	-	-	-	-	-
<b>CHANGES IN NET ASSETS AND EQUITY</b>	<b>\$ (75,783)</b>	<b>\$ 33,234</b>	<b>\$ (134,106)</b>	<b>\$ (8,477)</b>	<b>\$ (696,698)</b>	<b>\$ (61,785)</b>	<b>\$ (40,369)</b>	<b>\$ (88,041)</b>

BeeneGarter<sup>LLP</sup>

**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES**

COMBINING STATEMENT OF OPERATIONS (CONTINUED)

Year Ended December 31, 2018

	Herkimer Apartments	Herkimer Commerce	Kelsey	LCH36	Martineau Holdings	Midtown	New Hope Homes	Reflections
<b>Operating Expenses</b>								
Salaries and wages	\$ 51,148	\$ 53,497	\$ 11,792	\$ 50,860	\$ 21,289	\$ 55,206	\$ 9,601	\$ 66,315
Fringe benefits	8,828	5,661	3,115	13,152	5,531	3,127	2,903	17,462
Payroll taxes	4,809	5,140	1,245	5,162	2,234	5,679	979	6,405
Contract labor	84,002	141,257	1,520	26,786	3,689	5,688	5,495	78,274
Fees and services	115,033	120,891	24,429	74,165	19,577	42,909	12,103	160,923
Dwelling place subsidy	-	-	-	-	-	-	-	-
Utilities	118,507	156,790	12,886	62,340	22,485	31,020	8,942	64,444
Maintenance and repairs	91,043	98,073	22,337	62,656	42,072	66,916	27,976	86,713
Mortgage and construction interest	-	-	12,563	-	35,155	13,419	-	26,957
Rental of space	-	-	-	-	-	-	-	-
Insurance	38,572	30,200	8,230	27,780	12,111	18,302	6,247	32,501
Taxes	14,044	2,344	4,624	10,129	10,513	8,430	2,977	20,187
Administrative supplies	6,330	5,653	952	3,205	1,926	1,718	1,313	8,411
Employee development	412	561	107	305	202	186	57	666
Bad debt	1,573	19,175	-	10,745	4,263	-	1,124	3,555
Grants to others	-	-	-	-	-	-	-	-
Miscellaneous	310	470	-	2,708	-	-	-	2,413
<b>Total Operating Expenses</b>	<b>534,611</b>	<b>639,712</b>	<b>103,800</b>	<b>349,993</b>	<b>181,047</b>	<b>252,600</b>	<b>79,717</b>	<b>575,226</b>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS AND EQUITY BEFORE OTHER INCOME AND EXPENSES</b>	<b>35,947</b>	<b>85,930</b>	<b>17,595</b>	<b>106,690</b>	<b>54,180</b>	<b>4,725</b>	<b>4,647</b>	<b>82,343</b>
Construction Loan Interest	-	-	-	1	-	-	-	-
Deferred Interest Income (Expense)	(80,999)	-	(28,323)	(98,581)	-	-	(1,984)	-
Financing Fees - Accumulated Interest	(1,195)	-	(630)	-	-	(3,468)	-	(506)
Unrealized Gain (Loss) on Investments	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Investment	-	-	-	-	-	-	-	-
Gain (Loss) on Disposal of Assets	-	-	-	-	-	-	-	-
Forgiveness of Debt	-	-	-	-	-	-	-	-
Depreciation	(638,853)	(628,195)	(140,714)	(370,082)	(231,753)	(325,995)	(439)	(378,327)
Amortization	(6,629)	(7,729)	(3,259)	(6,939)	-	(6,767)	-	(7,180)
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>(691,729)</b>	<b>(549,994)</b>	<b>(155,331)</b>	<b>(368,911)</b>	<b>(177,573)</b>	<b>(331,505)</b>	<b>2,224</b>	<b>(303,670)</b>
<b>Net Changes in Net Assets with Donor Restrictions Contributions, and Grants,</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGES IN NET ASSETS AND EQUITY</b>	<b>\$ (691,729)</b>	<b>\$ (549,994)</b>	<b>\$ (155,331)</b>	<b>\$ (368,911)</b>	<b>\$ (177,573)</b>	<b>\$ (331,505)</b>	<b>\$ 2,224</b>	<b>\$ (303,670)</b>

BeeneGarter<sup>LLP</sup>

**DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES**

COMBINING STATEMENT OF OPERATIONS (CONTINUED)

Year Ended December 31, 2018

	Roosevelt	Verne Barry	Villa Esperanza	West Shore	Weston	White River Estates	Eliminations	Combined Totals
<b>Operating Expenses</b>								
Salaries and wages	\$ 66,742	\$ 108,801	\$ 30,159	\$ 55,468	\$ 169,795	\$ 38,211	\$ -	\$ 2,580,072
Fringe benefits	4,476	8,945	3,369	6,386	33,746	4,497	-	415,567
Payroll taxes	6,813	11,159	3,065	6,105	17,616	4,194	-	247,778
Contract labor	50,862	166,287	7,219	-	197,960	-	-	1,004,136
Fees and services	71,248	346,727	39,276	50,242	248,077	37,508	(1,104,563)	809,353
Dwelling place subsidy	-	-	-	-	-	-	(33,633)	-
Utilities	64,156	212,188	30,655	30,571	237,242	21,059	-	1,446,085
Maintenance and repairs	52,633	175,083	65,340	52,412	327,728	47,606	(525)	1,682,571
Mortgage and construction interest	-	-	48,588	17,688	124,544	54,016	(87,235)	348,233
Rental of space	-	-	-	-	-	-	(482,912)	52,489
Insurance	27,961	32,405	20,931	24,514	96,163	14,441	-	511,289
Taxes	1,981	6,860	-	44,174	69,029	24,619	-	337,928
Administrative supplies	5,039	9,736	1,259	3,824	13,083	3,147	849	203,192
Employee development	494	1,275	247	1,089	1,747	733	-	79,980
Bad debt	7,146	9,881	4,489	3,238	17,472	5,467	-	186,096
Grants to others	-	-	-	-	-	-	(507,000)	-
Miscellaneous	3,420	-	4,956	-	-	-	-	41,863
<b>Total Operating Expenses</b>	<b>362,971</b>	<b>1,089,347</b>	<b>259,553</b>	<b>295,711</b>	<b>1,554,202</b>	<b>255,498</b>	<b>(2,215,019)</b>	<b>9,946,632</b>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS AND EQUITY BEFORE</b>								
<b>OTHER INCOME AND EXPENSES</b>	<b>2,869</b>	<b>(27,846)</b>	<b>79,946</b>	<b>41,193</b>	<b>238,989</b>	<b>37,870</b>	<b>(231,330)</b>	<b>6,042,668</b>
Construction Loan Interest	(212,947)	-	-	-	-	-	-	(212,946)
Deferred Interest Income (Expense)	(56,432)	(197,742)	-	(6,700)	(44,657)	(1,810)	-	(375,898)
Financing Fees - Accumulated Interest	-	-	-	-	(5,049)	-	-	(12,526)
Unrealized Gain (Loss) on Investments	-	-	-	-	-	-	-	(750,076)
Gain (Loss) on Sale of Investment	-	-	-	-	-	-	-	(7,538)
Gain (Loss) on Disposal of Assets	-	-	(1,350)	-	-	(28,502)	-	(154,156)
Forgiveness of Debt	-	-	-	-	-	-	-	-
Depreciation	(515,311)	(620,605)	(31,084)	(100,830)	(400,110)	(67,979)	648,397	(5,079,417)
Amortization	(8,198)	(9,153)	-	(1,883)	(6,072)	-	-	(67,057)
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>(790,019)</b>	<b>(855,346)</b>	<b>47,512</b>	<b>(68,220)</b>	<b>(216,899)</b>	<b>(60,421)</b>	<b>417,067</b>	<b>(616,946)</b>
<b>Net Changes in Net Assets with Donor Restrictions Contributions, and Grants,</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(435,483)</b>
<b>CHANGES IN NET ASSETS AND EQUITY</b>	<b>\$ (790,019)</b>	<b>\$ (855,346)</b>	<b>\$ 47,512</b>	<b>\$ (68,220)</b>	<b>\$ (216,899)</b>	<b>\$ (60,421)</b>	<b>\$ 417,067</b>	<b>\$ (1,052,429)</b>

BeeneGarter<sup>LLP</sup>