

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

*SINGLE AUDIT REPORT*

*Year Ended December 31, 2019*

## TABLE OF CONTENTS

---

	Page
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>1</b>
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	2
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>15</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE</b>	<b>18</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>22</b>

---

---

---

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

---

---

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

December 31, 2019

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Receipts or Revenue Recognized</u>	<u>Amounts Passed through to Subrecipients</u>	<u>Federal Disbursements/ Expenditures</u>
<b>Department of Housing and Urban Development</b>						
<b>Awards Received by Dwelling Place of Grand Rapids Nonprofit Housing Corporation:</b>						
Passed through Michigan State Housing Development Authority						
ARRA - Tax Credit Assistance Program	14.258		\$ 2,150,599	\$ -	\$ -	\$ 2,150,599 *
ARRA - Tax Credit Assistance Program	14.258		666,697	-	-	666,697 *
CDBG - Entitlement Grants Cluster						
Community Development Block Grants/Entitlement Grants	14.218		4,127,849	-	-	4,127,849 *
Total CDBG - Entitlement Grants Cluster					-	4,127,849
Passed through City of Grand Rapids						
ARRA - Neighborhood Stabilization Program	14.256	19491F	750,000	-	-	750,000 *

\*Denotes nonmonetary award. See Notes 4 and 5.

See accompanying notes

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

December 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-Through Number	Program or Award Amount	Receipts or Revenue Recognized	Amounts Passed through to Subrecipients	Federal Disbursements/ Expenditures
<b>Awards Received by Related Entities</b>						
Direct Program						
Continuum of Care Program (Heartside NPHC)	14.267	MI0160L5F061710	\$ 63,000	\$ 30,350	\$ -	\$ 30,350
Continuum of Care Program (Heartside NPHC)	14.267	MI0160L5F061811	63,000	41,200	-	41,200
Continuum of Care Program (Heartside NPHC)	14.267	MI0293L5F061709	129,850	94,850	-	94,850
Continuum of Care Program (Heartside NPHC)	14.267	MI0293L5F061810	138,940	34,700	-	34,700
Continuum of Care Program (Heartside NPHC)	14.267	MI28B406001	400,000	400,000	-	400,000 *
Continuum of Care Program (Heartside NPHC)	14.267	0	50,771	50,771	-	50,771 *
Continuum of Care Program (Heartside NPHC)	14.267	MI0374L5F061704	224,028	20,798	-	20,798
Continuum of Care Program (Heartside NPHC)	14.267	MI0374L5F061805	238,774	229,400	-	229,400
Section 8 Project-Based Cluster						
Section 8 New Construction/Substantial						
Rehabilitation (Elmdale NPHC)	14.182	K1578	95,118	95,118	-	95,118
Section 8 New Construction/Substantial	14.182	K1578	244,410	244,410	-	244,410
Rehabilitation (Sawkaw, Inc.)						
Total Section 8 Project-Based Cluster					-	339,528
Mortgage Insurance for the Purchase or Refinancing of						
Existing Multifamily Housing Projects (Elmdale NPHC)	14.155	05CH5560	605,764	-	-	605,764 *
Mortgage Insurance for the Purchase or Refinancing of						
Existing Multifamily Housing Projects (Sawkaw, Inc.)	14.155	05CH5560	1,200,898	-	-	1,200,898 *

\*Denotes nonmonetary award. See Notes 4 and 5.

See accompanying notes

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

December 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-Through Number	Program or Award Amount	Receipts or Revenue Recognized	Amounts Passed through to Subrecipients	Federal Disbursements/ Expenditures
Passed through City of Grand Rapids						
HOME Investment Partnerships Program (Heartside NPHC)	14.239	14658	\$ 470,000	\$ -	\$ -	\$ 470,000 *
HOME Investment Partnerships Program (Heartside NPHC)	14.239	16720	500,000	-	-	500,000 *
HOME Investment Partnerships Program (Heartside NPHC)	14.239	17765	394,225	-	-	394,225 *
HOME Investment Partnerships Program (Heartside NPHC)	14.239	17688ZZW	310,285	-	-	310,285 *
HOME Investment Partnerships Program (Heartside NPHC)	14.239	18062Z0	400,000	-	-	400,000 *
HOME Investment Partnerships Program (Heartside NPHC)	14.239	19155	415,000	-	-	415,000 *
HOME Investment Partnerships Program (Heartside NPHC)	14.239	19172	700,000	-	-	700,000 *
HOME Investment Partnerships Program (Heartside NPHC)	14.239	19856ZH	527,089	-	-	527,089 *
HOME Investment Partnerships Program (Pine Avenue)	14.239	87754-8389	300,000	-	-	300,000 *
HOME Investment Partnerships Program (LCH36)	14.239	21501ZZH	300,000	-	-	300,000 *
Passed through Michigan State Housing Development Authority (Heartside NPHC)						
HOME Investment Partnerships Program (Heartside NPHC)	14.239	CSH-009	2,000,000	-	-	2,000,000 *
HOME Investment Partnerships Program (Heartside NPHC)	14.239	M-2003-0912	620,000	-	-	620,000 *
HOME Investment Partnerships Program (Heartside NPHC)	14.239	M-2004-0912	250,000	-	-	250,000 *
HOME Investment Partnerships Program (Heartside NPHC)	14.239	1118	2,000,000	-	-	2,000,000 *
HOME Investment Partnerships Program (Heartside NPHC)	14.239	3509	2,699,950	-	-	2,699,950 *

\*Denotes nonmonetary award. See Notes 4 and 5.

See accompanying notes

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

December 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-Through Number	Program or Award Amount	Receipts or Revenue Recognized	Amounts Passed through to Subrecipients	Federal Disbursements/ Expenditures
<b>U.S. Department of Treasury</b>						
<b>Awards Received by Dwelling Place of Grand Rapids Nonprofit Housing Corporation</b>						
Passed through NeighborWorks America						
Unrestricted Grant Funds	21.XXX	P.L. 95-557, 116-6	\$ 375,100	\$ 375,100	\$ -	\$ 375,100
Restricted Until First Use	21.XXX	P.L. 95-557, 116-6	370,000	<u>35,308</u>	<u>-</u>	<u>35,308</u>
				<u>\$ 1,652,005</u>	<u>\$ -</u>	<u>\$ 23,040,361</u>

BeeneGarter<sup>LLP</sup>

See accompanying notes

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

December 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Program or Award Amount
<b>Total Federal Awards Expended by Program</b>		
Low Income Housing Assistance Program -		
Section 8 New Construction/Substantial Rehabilitation	14.182	\$ 339,528
Continuum of Care Program	14.267	451,298
NeighborWorks	21.XXX	410,408
<b>MONETARY FEDERAL AWARDS EXPENDED DURING 2019</b>		<b>1,201,234</b>
<b>Nonmonetary Awards with Continuing Compliance Requirements (Note 4)</b>		
Continuum of Care Program	14.267	450,771
HOME Investment Partnerships Program	14.239	11,886,549
Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects	14.155	1,806,662
ARRA - (TCAP) Tax Credit Assistance Program	14.258	2,817,296
Community Development Block Grants/Entitlement Grants (NSP3)	14.218	4,127,849
ARRA - Neighborhood Stabilization Program (NSP2)	14.256	750,000
<b>NONMONETARY FEDERAL AWARDS EXPENDED DURING 2019</b>		<b>21,839,127</b>
		<b>\$ 23,040,361</b>

See accompanying notes



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

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

---

December 31, 2019

### **NOTE 1 - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities under programs of the federal government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Dwelling Place, it is not intended to and does not present the combined balance sheets, changes in net assets, or cash flows of Dwelling Place.

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, Cost Principles for Nonprofit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

### **NOTE 3 - RELATED ENTITIES**

The accompanying Schedule of Expenditures of Federal Awards reports activity for Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities. Dwelling Place of Grand Rapids Nonprofit Housing Corporation includes general programs providing certain programmatic, management and administrative services.

Dwelling Place of Grand Rapids Nonprofit Housing Corporation is related to the following entities either through ownership or common control:

Dwelling Place Foundation

Heartside Nonprofit Housing Corporation

Sheldon-Weston, Inc.

Bridge Street Nonprofit Housing Corporation and Bridge Street Limited Dividend Housing Association Limited Partnership

---

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

---

December 31, 2019

Dwelling Place Rural Nonprofit Housing Corporation

Elmdale Apartments Nonprofit Housing Corporation

Ferguson-Heartside Nonprofit Housing Corporation and Ferguson-Heartside Limited Dividend Housing Association Limited Partnership

Goodrich Nonprofit Housing Corporation and Goodrich Limited Dividend Housing Association Limited Partnership

Grandville-Heartside Nonprofit Housing Corporation and Grandville-Heartside Limited Dividend Housing Association Limited Partnership

HPFH Nonprofit Housing Corporation and HPFH Limited Dividend Housing Association Limited Partnership

Harvest Hill Limited Dividend Housing Association Limited Partnership

Herkimer Apartments Nonprofit Housing Corporation and Herkimer Apartments Limited Dividend Housing Association Limited Partnership

Herkimer Commerce Limited Dividend Housing Association Limited Partnership

Kelsey Nonprofit Housing Corporation and Kelsey Limited Dividend Housing Association Limited Partnership

LCH36 Nonprofit Housing Corporation and LCH36 Limited Dividend Housing Association

Martineau Holdings Limited Dividend Housing Association LLC

Midtown Village (Liberty Nonprofit Housing Corporation) and Liberty Limited Dividend Housing Association Limited Partnership

New Hope Homes Nonprofit Housing Corporation and New Hope Homes Limited Dividend Housing Association Limited Partnership

Pine Avenue Nonprofit Housing Corporation and Pine Avenue Limited Dividend Housing Association Limited Partnership

Plaza Franklin Nonprofit Housing Corporation and Plaza Franklin Limited Dividend Housing Association Limited Partnership

---

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

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

---

December 31, 2019

Plaza Grandville Nonprofit Housing Corporation and Plaza Grandville Limited Dividend Housing Association Limited Partnership

Reflections Apartments (Hall Street Nonprofit Housing Corporation) and Hall Street Limited Dividend Housing Association Limited Partnership

Roosevelt Nonprofit Housing Corporation and Roosevelt Limited Dividend Housing Association Limited Partnership

Verne Barry Apartments (KBC Nonprofit Housing Corporation) and KBC Limited Dividend Housing Association Limited Partnership

Villa Esperanza (Sawkaw, Inc.)

West Shore Apartments (Whitehall DP Limited Partnership)

Weston Apartments (44 Ionia Limited Dividend Housing Association Limited Partnership)

White River Estates (Dwelling Place Rural Limited Dividend Housing Association Limited Partnership)

### **NOTE 4 - PROGRAM AUDITS OF RELATED ENTITIES**

In accordance with U.S. Department of Housing and Urban Development requirements, the following entities have been subject to a program-specific compliance audit:

Weston Apartments (44 Ionia Limited Dividend Housing Association Limited Partnership)  
Villa Esperanza (Sawkaw, Inc.)

In accordance with Michigan State Housing Development Authority requirements, the following entities have been subject to program-specific compliance audits:

Ferguson-Heartside Limited Dividend Housing Association Limited Partnership  
Goodrich Limited Dividend Housing Association Limited Partnership  
Hall Street Limited Dividend Housing Association Limited Partnership  
Herkimer Apartments Limited Dividend Housing Association Limited Partnership  
KBC Limited Dividend Housing Association Limited Partnership  
Liberty Village Limited Dividend Housing Association Limited Partnership

---

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

---

December 31, 2019

In accordance with U.S. Department of Agriculture and Rural Development requirements, the following entities have been subject to program-specific compliance audits:

Dwelling Place Rural Limited Dividend Housing Association Limited Partnership

**NOTE 5 - NONMONETARY AWARDS**

**Certain of the Organization's related entities were the recipients of federal loan proceeds under the Continuum of Care Program funded by the Department of Housing and Urban Development (CFDA #14.267) as follows:**

Award received by Heartside Nonprofit Housing Corporation for the benefit of **KBC Limited Dividend Housing Association Limited Partnership** (\$150,000 was received in 2006 and \$250,000 in 2007, but is subject to continuing compliance requirements over a 20-year period).

Award received by Heartside Nonprofit Housing Corporation for the benefit of **Herkimer Commerce Limited Dividend Housing Association Limited Partnership** (\$50,771 was received in 2012, but is subject to continuing compliance requirements over a 20-year period).

**Certain of the Organization's related entities were the recipients of federal loan proceeds under the HOME Investment Partnerships Program funded by the Department of Housing and Urban Development (CFDA #14.239) as follows:**

Awards received by Heartside Nonprofit Housing Corporation for the benefit of **Grandville-Heartside Limited Dividend Housing Association Limited Partnership** (the awards were received in 1998 and 1999, but are subject to continuing compliance requirements over a 42-year period).

Passed through City of Grand Rapids \$ 470,000

Award sponsored by Heartside Nonprofit Housing Corporation for the benefit of **Ferguson-Heartside Limited Dividend Housing Association Limited Partnership** (award was received in 2000, but is subject to continuing compliance requirements over a 30-year period).

Passed through Michigan State Housing  
Development Authority \$ 2,000,000

---

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

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

---

December 31, 2019

Award received by Heartside Nonprofit Housing Corporation for the benefit of **Ferguson-Heartside Limited Dividend Housing Association Limited Partnership**. During 2019, the HOME loan was forgiven by the City of Grand Rapids.

Passed through City of Grand Rapids \$ 500,000

Awards received by Heartside Nonprofit Housing Corporation for the benefit of the **Martineau Project** (awards were received in 2004 but are subject to continuing compliance requirements over a 15-year period).

Passed through Michigan State Housing Development Authority \$ 620,000

Passed through City of Grand Rapids \$ 394,225

Award sponsored by Heartside Nonprofit Housing Corporation for the benefit of **Kelsey Limited Dividend Housing Association Limited Partnership** (award was received in 2005 but is subject to continuing compliance requirements over a 15-year period).

Passed through Michigan State Housing Development Authority \$ 250,000

Award sponsored by Heartside Nonprofit Housing Corporation for the benefit of **Kelsey Limited Dividend Housing Association Limited Partnership** (award was received in 2007 and prior but is subject to continuing compliance requirements over a 15-year period).

Passed through City of Grand Rapids \$ 310,285

Award sponsored by Heartside Nonprofit Housing Corporation for the benefit of **KBC Limited Dividend Housing Association Limited Partnership** (award was received in 2006 but is subject to continuing compliance requirements over a 15-year period).

Passed through City of Grand Rapids \$ 400,000

Award sponsored by Heartside Nonprofit Housing Corporation for the benefit of **KBC Limited Dividend Housing Association Limited Partnership** (award was received in 2006 but is subject to continuing compliance requirements over a 20-year period).

Passed through Michigan State Housing Development Authority \$ 2,000,000

---

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

---

December 31, 2019

Award sponsored by Heartside Nonprofit Housing Corporation for the benefit of **Bridge Street Limited Dividend Housing Association Limited Partnership** (award was received in 2009 but is subject to continuing compliance requirements over a 15-year period).

Passed through City of Grand Rapids \$ 415,000

Award sponsored by Heartside Nonprofit Housing Corporation for the benefit of **Goodrich Limited Dividend Housing Association Limited Partnership** (award was received in 2010 but is subject to continuing compliance requirements over a 15-year period).

Passed through City of Grand Rapids \$ 700,000

Award sponsored by Heartside Nonprofit Housing Corporation for the benefit of **Herkimer Commerce Limited Dividend Housing Association Limited Partnership** (award was received in 2013 and 2014 but is subject to continuing compliance requirements over a 20-year period).

Passed through City of Grand Rapids \$ 527,089

Award sponsored by Heartside Nonprofit Housing Corporation for the benefit of **Herkimer Apartments Limited Dividend Housing Association Limited Partnership** (award was received in 2013 and 2014 but is subject to continuing compliance requirements over a 15-year period).

Passed through Michigan State Housing  
Development Authority \$ 2,699,950

Award received by **LCH36 Limited Dividend Housing Association Limited Partnership** (award was received in 2017 but is subject to continuing compliance requirements over a 15-year period).

Passed through City of Grand Rapids \$ 300,000

Award received by **Pine Avenue Limited Dividend Housing Association Limited Partnership** (award was received in 2019 but is subject to continuing compliance requirements over a 15-year period).

Passed through City of Grand Rapids \$ 300,000

---

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

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

---

December 31, 2019

The federal funds under the HOME Investment Partnerships Program are payable to the Department of Housing and Urban Development. These funds have a combined outstanding balance of \$11,386,549 as of December 31, 2019.

**Two of the Organization's related entities were the recipients of federal loan proceeds under the Tax Credit Assistance Program funded by the Department of Housing and Urban Development (CFDA #14.258) as follows:**

Award received by **Liberty Limited Dividend Housing Association Limited Partnership** (award was received in 2010 and 2011 but is subject to continuing compliance requirements over a 50-year period).

Passed through Michigan State Housing  
Development Authority \$ 2,150,599

Award received by **Goodrich Limited Dividend Housing Association Limited Partnership** (award was received in 2010 but is subject to continuing compliance requirements for up to a 50-year period).

Passed through Michigan State Housing  
Development Authority \$ 666,697

**One of the Organization's related entities was the recipient of federal loan proceeds under the Community Development Block Grants/Entitlement Grants funded by the Department of Housing and Urban Development (CFDA #14.218) as follows:**

Award received by **Hall Street Limited Dividend Housing Association Limited Partnership** (award was received in 2011 and 2012, and is subject to continuing compliance requirements over a 40-year period).

Passed through Michigan State Housing  
Development Authority \$ 4,127,849

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

---

December 31, 2019

**One of the Organization's related entities was the recipient of federal loan proceeds under the Neighborhood Stabilization Program funded by the Department of Housing and Urban Development (CFDA #14.256) as follows:**

Award received by **Hall Street Limited Dividend Housing Association Limited Partnership** (award was received in 2011 and 2012, and is subject to continuing compliance requirements over a 15-year period).

Passed through City of Grand Rapids	\$ 750,000
-------------------------------------	------------

**NOTE 6 - HUD INSURED MORTGAGE**

Included in the amounts shown on the accompanying Schedule of Expenditures of Federal Awards, are two Section 223(f) loans – CFDA 14.155 payable to the Department of Housing and Urban Development for the benefit of **Elmdale Apartments Nonprofit Housing Corporation** and **Sawkaw, Inc.** The mortgages have a combined outstanding balance of \$1,760,418 as of December 31, 2019.



---

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

---

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

---

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the combined financial statements of Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities, which comprise the combined balance sheet as of December 31, 2019 and the related combined statements of operations, changes in net assets and equity, and cash flows for the year then ended, and the related notes to the combined financial statements and have issued our report thereon dated June 1, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the combined financial statements, we considered Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

*Beene Garter LLP*

June 1, 2020  
Grand Rapids, Michigan

---

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

---

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

---

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

### Report on Compliance for Each Major Federal Program

We have audited Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities' compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2019. Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities' major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

### Management's Responsibility

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

### Auditors' Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities' compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

## **Report on Internal Control Over Compliance**

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

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

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

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

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

We have audited the combined financial statements of Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities as of and for the year ended December 31, 2019, and have issued our report thereon dated June 1, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is not a required part of the 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 financial statements. The 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects, in relation to the combined financial statements as a whole.

*Beene Garter LLP*

June 1, 2020  
Grand Rapids, Michigan

---

---

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

---

---



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

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2019

### A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on whether the combined financial statements of Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities were prepared in accordance with GAAP.
2. No material weaknesses were identified during the audit of the combined financial statements.
3. No instances of noncompliance material to the combined financial statements of Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities expresses an unmodified opinion.
6. No audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) for Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities are reported in this schedule.
7. The programs tested as major programs were:

<u>Name of Federal Program</u>	<u>CFDA Numbers</u>
Community Development Block Grants/Entitlement Grants	14.218
Neighborhood Stabilization Program (ARRA funded)	14.256
Continuum of Care Program	14.267

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Dwelling Place of Grand Rapids Nonprofit Housing Corporation was determined to be a low-risk auditee.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

---

Year Ended December 31, 2019

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**Current Year**

Our audit disclosed no findings.

**Prior Year**

Our audit disclosed no findings.

**C. FINDINGS - MAJOR FEDERAL AWARD PROGRAM AUDIT**

**Current Year**

Our audit disclosed no findings.

**Prior Year**

Our audit disclosed no findings.