DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

SINGLE AUDIT REPORT

Year Ended December 31, 2021
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<td>23</td>
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</table>
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, 2021

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

*Denotes nonmonetary award. See Notes 4 and 5.

See accompanying notes
### Awards Received by Related Entities

**Direct Program**

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program Title</th>
<th>Federal Assistance Number</th>
<th>Agency or Pass-Through Number</th>
<th>Program or Award Number</th>
<th>Receipts or Revenue Recognized</th>
<th>Amounts Passed through to Subrecipients</th>
<th>Federal Disbursements/Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuum of Care Program (Heartside NPHC)</td>
<td>14.267</td>
<td>MI0160L5F061912</td>
<td>$63,000</td>
<td>$21,000</td>
<td>-$</td>
<td>$21,000</td>
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<tr>
<td>Continuum of Care Program (Heartside NPHC)</td>
<td>14.267</td>
<td>MI0160L5F062013</td>
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<td>$32,004</td>
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<td>$32,004</td>
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<tr>
<td>Continuum of Care Program (Heartside NPHC)</td>
<td>14.267</td>
<td>MI0293L5F062012</td>
<td>$157,720</td>
<td>$38,430</td>
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<tr>
<td>Continuum of Care Program (Heartside NPHC)</td>
<td>14.267</td>
<td>M28B406001</td>
<td>$400,000</td>
<td></td>
<td>-</td>
<td>$400,000 *</td>
</tr>
<tr>
<td>Continuum of Care Program (Heartside NPHC)</td>
<td>14.267</td>
<td>MI0374L5F061100</td>
<td>$50,771</td>
<td></td>
<td>-</td>
<td>$50,771 *</td>
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<tr>
<td>Continuum of Care Program (Heartside NPHC)</td>
<td>14.267</td>
<td>MI0374L5F062007</td>
<td>$269,241</td>
<td>$269,241</td>
<td>-</td>
<td>$269,241</td>
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<tr>
<td><strong>Total Continuum of Care Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>919,554</td>
</tr>
</tbody>
</table>

**Section 8 Project-Based Cluster**

| Section 8 New Construction/Substantial Rehabilitation (Elmdale NPHC)      | 14.182                    | K1578                         | $98,294                  | $98,294                         | -                                      | $98,294                          |
| Section 8 New Construction/Substantial Rehabilitation (Sawkaw, Inc.)      | 14.182                    | K1578                         | $250,446                 | $250,446                        | -                                      | $250,446                          |
| **Total Section 8 Project-Based Cluster**                                  |                           |                               |                         |                                |                                        | 348,740                          |

**Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects (Elmdale NPHC)**

| 14.155 | 05CH5560 | $574,823 | - | - | $574,823 |

**Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects (Sawkaw, Inc.)**

| 14.155 | 05CH5560 | $1,137,425 | - | - | $1,137,425 |

*Denotes nonmonetary award. See Notes 4 and 5.
## DWELLING PLACE OF GRAND RAPIDS NONPROFIT HOUSING CORPORATION AND RELATED ENTITIES

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

#### December 31, 2021

<table>
<thead>
<tr>
<th>Program Title</th>
<th>Federal Grantor/Pass-Through Grantor/Program Title</th>
<th>Federal Assistance Listing Number</th>
<th>Agency or Pass-Through Number</th>
<th>Program or Award Amount</th>
<th>Receipts or Revenue Recognized</th>
<th>Amounts Passed through to Subrecipients</th>
<th>Federal Disbursements/Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Passed through City of Grand Rapids</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HOME Investment Partnerships Program (Heartside NPHC)</td>
<td>14.239 17765</td>
<td>$394,225</td>
<td>-</td>
<td>-</td>
<td>$394,225</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>HOME Investment Partnerships Program (Heartside NPHC)</td>
<td>14.239 17688ZZW</td>
<td>310,285</td>
<td>-</td>
<td>-</td>
<td>310,285</td>
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</tr>
<tr>
<td></td>
<td>HOME Investment Partnerships Program (Heartside NPHC)</td>
<td>14.239 18062Z0</td>
<td>400,000</td>
<td>-</td>
<td>-</td>
<td>400,000</td>
<td>*</td>
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<tr>
<td></td>
<td>HOME Investment Partnerships Program (Heartside NPHC)</td>
<td>14.239 19155</td>
<td>415,000</td>
<td>-</td>
<td>-</td>
<td>415,000</td>
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</tr>
<tr>
<td></td>
<td>HOME Investment Partnerships Program (Heartside NPHC)</td>
<td>14.239 19172</td>
<td>700,000</td>
<td>-</td>
<td>-</td>
<td>700,000</td>
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<tr>
<td></td>
<td>HOME Investment Partnerships Program (Heartside NPHC)</td>
<td>14.239 19856ZH</td>
<td>527,089</td>
<td>-</td>
<td>-</td>
<td>527,089</td>
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</tr>
<tr>
<td></td>
<td>HOME Investment Partnerships Program (Heartside NPHC)</td>
<td>14.239 87754-8389</td>
<td>300,000</td>
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<td>300,000</td>
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<td></td>
<td>HOME Investment Partnerships Program (LCH36)</td>
<td>14.239 21501ZZH</td>
<td>300,000</td>
<td>-</td>
<td>-</td>
<td>300,000</td>
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<tr>
<td></td>
<td>Passed through Michigan State Housing Development Authority (Heartside NPHC)</td>
<td>14.239 M-2003-0912</td>
<td>620,000</td>
<td>-</td>
<td>-</td>
<td>620,000</td>
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<tr>
<td></td>
<td>HOME Investment Partnerships Program (Heartside NPHC)</td>
<td>14.239 1118</td>
<td>2,000,000</td>
<td>-</td>
<td>-</td>
<td>2,000,000</td>
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<tr>
<td></td>
<td>HOME Investment Partnerships Program (Heartside NPHC)</td>
<td>14.239 3509</td>
<td>2,699,950</td>
<td>-</td>
<td>-</td>
<td>2,699,950</td>
<td>*</td>
</tr>
</tbody>
</table>

*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, 2021

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program Title</th>
<th>Federal Assistance Listing Number</th>
<th>Agency or Pass-Through Grantor/Program Title</th>
<th>Program or Award Number</th>
<th>Receipts or Revenue Recognized</th>
<th>Amounts Passed through to Subrecipients</th>
<th>Federal Disbursements/Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Department of Treasury</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Awards Received by Dwelling Place of Grand Rapids Nonprofit Housing Corporation</td>
<td>21.XXX</td>
<td>P.L. 95-557, 116-6, 116-94</td>
<td>$465,000</td>
<td>$465,000</td>
<td>$-</td>
<td>$465,000</td>
</tr>
<tr>
<td>Passed through NeighborWorks America</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted Grant Funds</td>
<td>21.XXX</td>
<td>P.L. 95-557, 116-6</td>
<td>$100,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted Until First Use</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Denotes nonmonetary award. See Notes 4 and 5.

See accompanying notes
### Total Federal Awards Expended by Program

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program Title</th>
<th>Federal Assistance Listing Number</th>
<th>Program or Award Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Income Housing Assistance Program -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section 8 New Construction/Substantial Rehabilitation</td>
<td>14.182</td>
<td>$348,740</td>
</tr>
<tr>
<td>Continuum of Care Program</td>
<td>14.267</td>
<td>468,783</td>
</tr>
<tr>
<td>NeighborWorks</td>
<td>21.XXX</td>
<td>465,000</td>
</tr>
</tbody>
</table>

#### MONETARY FEDERAL AWARDS EXPENDED DURING 2021

1,282,523

#### Nonmonetary Awards with Continuing Compliance Requirements (Note 5)

| Continuum of Care Program                                                            | 14.267                           | 450,771                 |
| HOME Investment Partnerships Program                                                 | 14.239                           | 8,666,549               |
| Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects | 14.155                           | 1,712,248               |
| 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                 |

#### NONMONETARY FEDERAL AWARDS EXPENDED DURING 2021

18,524,713

19,807,236

See accompanying notes
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, 2021. 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 Rural Nonprofit Housing Corporation

Dwelling Place Regional Community Land Trust

Elmdale Apartments Nonprofit Housing Corporation

Ferguson Apartments Limited Dividend Housing Association LLC and New Ferguson LLC

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

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 Apartments Limited Dividend Housing Association LLC
- 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

In accordance with U.S. Department of Agriculture and Rural Development requirements, the following entity has 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 (Federal Assistance Listing #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 (Federal Assistance Listing #14.239) as follows:

Awards received by Heartside Nonprofit Housing Corporation for the benefit of the Martineau Project (award passed through MSHDA was received in 2004 but subject to continuing compliance requirements over a 20-year period and award passed through City of Grand Rapids was received in 2006, subject to continuing compliance requirements over a 15-year period, which ended during 2021)

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 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). The compliance period ended during 2021.

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

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

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 $7,872,324 as of December 31, 2021.
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 (Federal Assistance Listing #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 Program funded by the Department of Housing and Urban Development (Federal Assistance Listing #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

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 (Federal Assistance Listing #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 – Federal Assistance Listing #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 $1,662,070 as of December 31, 2021.
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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, 2021 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 August 3, 2022.

Report on 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) as a basis for designing 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 entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.
Report on 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 combined financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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
A Doeren Mayhew Firm
Grand Rapids, Michigan
August 3, 2022
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
INDEPENDENT AUDITOR’S REPORT 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

Opinion on 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 identified as subject to audit 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, 2021. Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities’ major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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, 2021.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.
Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Dwelling Place Nonprofit Housing Corporation and Related Entities’ federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities’ compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities’ compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities’ compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities’ internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Dwelling Place of Grand Rapids Nonprofit Housing Corporation and Related Entities’ internal control over compliance. Accordingly, no such opinion is expressed.
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on 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 a 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 Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2021, and have issued our report thereon dated August 3, 2022 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
A Doeren Mayhew Firm
Grand Rapids, Michigan
August 3, 2022
A. SUMMARY OF AUDIT RESULTS

1. The auditor’s 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 auditor’s 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:

<table>
<thead>
<tr>
<th>Name of Federal Program</th>
<th>Federal Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 223 (f) Loan - Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Funding Housing Projects</td>
<td>14.155</td>
</tr>
<tr>
<td>Tax Credit Assistance Program (ARRA funded)</td>
<td>14.258</td>
</tr>
</tbody>
</table>

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.
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.