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Report to the
Board of Directors

DHIC Inc., and Subsidiaries

December 31, 2021

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Communication with Those Charged with Governance

June 29, 2022

Board of Directors
DHIC Inc., and Subsidiaries
Raleigh, NC

We have audited the consolidated financial statements of DHIC Inc., and Subsidiaries (the "Corporation") for the year ended December 31, 2021, and have issued our report thereon dated June 29, 2022. We did not audit the financial statements of certain subsidiaries, which statements reflect total assets of $11,206,932 constituting 3.5% of consolidated total assets as of December 31, 2021, and revenues of $1,797,434, constituting 7.0% of consolidated total revenues for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the reports of the other auditors. We have had communications with the other auditors during planning and throughout the audit regarding their qualifications to perform the audits, including independence, and consideration of materiality as a basis for referring to their audit reports. Professional standards require that we provide you with information about our responsibilities in accordance with auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 6, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 1 to the consolidated financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus, other than the item described below related to accounting for the ground lease liability for Capital Towers III, LLC, a consolidated subsidiary of DHIC, Inc.

The land upon which the Capital Towers III, LLC project sits is being leased from Capital Towers, Inc., the former owner of the project, for a term of 75 years. In accordance with ASC 840-10-25-37, "If land is the sole item of property leased and either the transfer-of-ownership criterion in paragraph 840-10-25-1(a) or the bargain-purchase-option criterion in paragraph 840-10-25-1(b) is met, the lessee shall account for the lease as a capital lease. Otherwise, the lessee shall account for the lease as an operating lease." This guidance points toward the land lease for Capital Towers III, LLC being recorded as an operating lease, as there is no bargain purchase option or transfer of ownership under the ground lease agreement. However, the transaction in question is more complex than a typical capital lease, and additional authoritative guidance surrounding a similar transaction does not exist. In accordance with the capital lease agreement, Capital Towers III, LLC agrees to pay Capital Towers, Inc. a total of $6,250,000, of which $4,150,000 is included in a rent payment promissory note, which is secured by the rental property, and the balance of which, $2,100,000, is included in the $6,500,000 Series B bonds payable to Capital Towers, Inc. If recorded as an operating lease, the financial statements would not include the liability for bonds payable of $2,100,000, or the rent payment promissory note secured by the rental property of $4,150,000, which management believes would be misleading. As such, the general capital lease classification criteria in ASC 840-10-25-1 was followed, under which the ground lease is recorded as a capital lease. Our opinion is not modified with respect to this matter.

Accounting estimates are an integral part of the consolidated financial statements prepared by management, and are based on management's knowledge and experience about past and current events, and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the consolidated financial statements were:

Management's estimate of the the fair value of inventory is based on current market conditions. We evaluated the key factors and assumptions used to develop the the fair value of inventory in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.

Management's estimate of the depreciable lives of property and equipment is based on management's knowledge of the industry and industry guidelines. We evaluated the key factors and assumptions used to develop the depreciable lives of property and equipment in determining that they are reasonable in relation to the consolidated financial statements taken as a whole..

Management's estimate of the percentage of project costs covered by development fee income to determine the amount of profit to eliminate in consolidation of the limited partnerships/liability companies with DHIC, Inc., is based on the allocation of salary expense. We evaluated the key factors and assumptions used to develop the percentage of project costs covered by development fee income in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to consolidated financial statements users. The most sensitive disclosures affecting the consolidated financial statements were:

The disclosures of fair value measurements.

The disclosure of the capital lease liability.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the consolidated financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the consolidated financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain written representations from management that are included in the management representation letter included at Appendix A.

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Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's consolidated financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Matters, Findings, or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of DHIC Inc., and Subsidiaries, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

FORVIS, LLP

High Point, NC

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Appendix A
Management Representation Letter

June 29, 2022

FORVIS, LLP
1829 Eastchester Drive
High Point, NC 27265

This representation letter is provided in connection with your audit of the consolidated financial statements of DHIC Inc., and Subsidiaries (the "Corporation"), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, for the purpose of expressing an opinion on whether the consolidated financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 6, 2021, for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. GAAP.

2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4. The following have been properly accounted for and disclosed in the consolidated financial statements:

    a. We have disclosed to you the identity of all the Corporation's related parties and all the related-party relationships of which we are aware. In addition, we have disclosed to you all related-party transactions of which we are aware, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

    Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

    We understand that the term related party refers to an affiliate; principal owners, management, and members of their immediate families; subsidiaries accounted for by the equity method; and any other party with which the entity may deal if the entity can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

    b. Guarantees, whether written or oral, under which the Corporation is contingently liable

    c. Other liabilities or gain or loss contingencies

5. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the consolidated financial statements. We understand that "near term" means the period within one year of the date of the consolidated financial statements. In addition, we have no knowledge of concentrations existing at the date of the consolidated financial statements that make the Corporation vulnerable to the risk of severe impact that have not been properly disclosed in the consolidated financial statements.

17. There are no regulatory examinations currently in progress for which we have not received examination reports.

18. The Corporation has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

19. We are not aware of any side agreements or other arrangements (either written or oral) that are in place.

20. We have complied with all aspects of contractual agreements that would have a material effect on the consolidated financial statements in the event of noncompliance.

21. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the consolidated financial statements and we have not consulted legal counsel concerning litigation or claims.

22. The Corporation has satisfactory title to all owned assets and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral except has been made known to you and disclosed in the financial statements.

23. We acknowledge our responsibility for presenting the Consolidating and Combining Schedules, as well as the Schedules of Financial Position and Statements of Activities - Neighborworks American Capital Funds in accordance with U.S. GAAP, and we believe that this supplementary information, including its form and content is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

24. The classification of securities between held-to-maturity, available-for-sale, or trading categories accurately reflects management's ability and intent. In addition, we have determined our investments, including cost method investments, are not impaired. We consider the decline in value of debt or equity securities classified as either available-for-sale or held-to-maturity to be temporary. Other-than-temporary declines in the value of the securities have been properly recognized in the consolidated financial statements, as applicable.

25. Receivables recorded in the consolidated financial statements represent valid claims against debtors for rent, sales or other charges arising on or before the balance sheet date and have been appropriately reduced to their estimated net realizable value.

26. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have determined no adjustments are necessary.

27. The Corporation recognizes tax benefits only to the extent that the Corporation believes it is more-likely-than-not (i.e. greater than 50 percent) that its tax positions will be sustained upon examination. We have evaluated the Corporation's tax positions, including its not-for-profit status, and have determined that the Corporation does not have any material uncertain tax positions.

28. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse whose effects should be considered when preparing consolidated financial statements.

29. It is the Corporation's intent to hold the apartment complexes as a long-term investments. Further, based on current projected cash flows, the Corporation believes that the amounts recorded as long-lived assets related to the properties are recoverable from future cash flows from the properties (including the low-income housing tax

33. With respect to the non-attest services performed by you during this engagement, we have received the deliverables from you and have stored these deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

34. We have complied with all eligibility requirements to receive PPP funds under the CARES Act and applicable regulations and have met all requirements for recognition of forgiveness income as of the balance sheet date.

35. The designated cash accounts that have been presented as current assets as of December 31, 2021 are unrestricted, and can be accessed for immediate operational needs, as deemed necessary by management.

We have evaluated subsequent events through the date of this letter, which is the date the consolidated financial statements were available to be issued. No events have occurred subsequent to the consolidated statement of financial position and through the date of this letter that would require adjustment to or disclosure in the aforementioned consolidated financial statements except as made known to you and as disclosed in the consolidated financial statements.

DHIC Inc., and Subsidiaries

Yolanda Winstead, President

Sharon Lorden

Sharon Lorden, CFO/VP of Finance & Administration