



**GRECCIO HOUSING UNLIMITED, INC.  
AND SUBSIDIARY  
dba GRECCIO HOUSING**

**Consolidated Financial Statements,  
Supplemental Information  
For the Year Ended July 31, 2021**

**And**

**Independent Auditors' Report**

**GRECCIO HOUSING UNLIMITED, INC. AND  
SUBSIDIARY dba GRECCIO HOUSING**

**TABLE OF CONTENTS**

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No table of contents entries found.

**Page**

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
Greccio Housing Unlimited, Inc. and Subsidiary  
dba Greccio Housing

We have audited the accompanying consolidated financial statements of Greccio Housing Unlimited, Inc. and Subsidiary dba Greccio Housing (Greccio), which comprise the consolidated statement of financial position as of July 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.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

## **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Greccio as of July 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited Greccio's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Report on Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedules of comparative information and of notes payable and conditional grants are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Stockman Kast Ryan + Co. LLP*

October 27, 2021

**GRECCIO HOUSING UNLIMITED, INC. AND  
SUBSIDIARY dba GRECCIO HOUSING**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
JULY 31, 2021 (with comparative totals for 2020)**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,116,762	\$ 1,266,053
Accounts receivable, net	154,709	95,941
Receivables from related parties	54,011	64,777
Pledges receivable	22,500	13,750
Prepaid expenses	<u>102,429</u>	<u>71,084</u>
Total current assets	1,450,411	1,511,605
PROPERTY AND EQUIPMENT, NET	15,572,015	15,665,747
INVESTMENTS IN COLLABORATIVE ENTITIES	<u>183,075</u>	<u>71,745</u>
TOTAL ASSETS	<u>\$ 17,205,501</u>	<u>\$ 17,249,097</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 158,699	\$ 194,862
Accrued expenses	137,140	140,442
Deferred revenue	62,085	54,278
Current portion of notes payable – serviceable	773,542	485,544
Security deposits	<u>177,420</u>	<u>166,972</u>
Total current liabilities	1,308,886	1,042,098
NOTES PAYABLE – SERVICEABLE	5,787,667	6,659,951
NOTES PAYABLE – FORGIVABLE AND NON-SERVICEABLE	4,948,908	4,857,695
CONDITIONAL GRANTS	<u>4,193,989</u>	<u>4,140,227</u>
Total liabilities	<u>16,239,450</u>	<u>16,699,971</u>
NET ASSETS		
Without donor restrictions	864,936	458,402
With donor restrictions	<u>101,115</u>	<u>90,724</u>
Total net assets	<u>966,051</u>	<u>549,126</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 17,205,501</u>	<u>\$ 17,249,097</u>

See notes to consolidated financial statements.

**GRECCIO HOUSING UNLIMITED, INC. AND  
SUBSIDIARY dba GRECCIO HOUSING**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JULY 31, 2021 (with comparative totals for 2020)**

	<b>2021</b>			<b>2020 Total</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	
<b>REVENUES AND SUPPORT</b>				
Rental property management revenue	\$ 2,838,905		\$ 2,838,905	\$ 2,770,858
Contributions	1,029,025	\$ 279,369	1,308,394	642,452
Developer fees	73,798		73,798	29,984
Other income	155,185		155,185	163,048
Net assets released from restrictions:				
Satisfaction of program restriction	255,228	(255,228)		
Satisfaction of time restriction	13,750	(13,750)		
<b>Total revenues and support</b>	<u>4,365,891</u>	<u>10,391</u>	<u>4,376,282</u>	<u>3,606,342</u>
<b>EXPENSES</b>				
Program services:				
Rental and property management	2,761,779		2,761,779	2,386,465
Resource and Opportunity Center	715,005		715,005	562,285
Purchase and rehabilitation	210,210		210,210	174,298
<b>Total program services</b>	<u>3,686,994</u>	<u>—</u>	<u>3,686,994</u>	<u>3,123,048</u>
Supporting services:				
General and administrative	137,633		137,633	127,619
Fundraising	134,730		134,730	118,009
<b>Total supporting services</b>	<u>272,363</u>	<u>—</u>	<u>272,363</u>	<u>245,628</u>
<b>Total expenses</b>	<u>3,959,387</u>	<u>—</u>	<u>3,959,387</u>	<u>3,368,676</u>
<b>CHANGE IN NET ASSETS</b>	406,534	10,391	416,925	237,666
<b>NET ASSETS, Beginning of year</b>	<u>458,402</u>	<u>90,724</u>	<u>549,126</u>	<u>311,460</u>
<b>NET ASSETS, End of year</b>	<u>\$ 864,936</u>	<u>\$ 101,115</u>	<u>\$ 966,051</u>	<u>\$ 549,126</u>

See notes to consolidated financial statements.

**GRECCIO HOUSING UNLIMITED, INC. AND  
SUBSIDIARY dba GRECCIO HOUSING**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JULY 31, 2021 (with comparative totals for 2020)**

	2021							2020 Total
	Program Services				Support Services			
	Rental and Property Management	Resource and Opportunity Center	Purchase and Rehabilitation	Total	General and Administrative	Fundraising	Total	
Salaries	\$ 484,588	\$ 169,182	\$ 139,989	\$ 793,759	\$ 73,124	\$ 68,014	\$ 934,897	\$ 921,072
Depreciation and amortization	621,099	28,534	2,853	652,486	9,274	3,567	665,327	611,596
General maintenance	411,340	14,572	1,457	427,369	4,736	1,822	433,927	302,687
Direct assistance		298,140		298,140			298,140	114,827
Utilities	339,678	6,016	602	346,296	1,955	752	349,003	323,300
Interest expense	279,190	39,713	3,971	322,874	12,907	4,964	340,745	251,096
Insurance	226,323	12,513	1,251	240,087	4,067	1,564	245,718	194,971
Payroll taxes and fringes	99,668	34,797	28,792	163,257	15,040	13,989	192,286	200,242
Bad debts	77,965			77,965			77,965	45,823
Contract services	38,150	13,319	11,021	62,490	5,757	5,355	73,602	33,680
Audit and accounting fees	27,497	9,600	7,943	45,040	4,149	3,859	53,048	45,431
Office expense	31,681	4,867	4,027	40,575	2,104	1,957	44,636	36,795
Property taxes	43,208	181	18	43,407	59	23	43,489	40,954
Trash	28,153	487	49	28,689	158	61	28,908	22,686
Fundraising	1,887	659	545	3,091	285	25,067	28,443	4,862
Telephone	15,830	4,446	3,679	23,955	1,922	1,787	27,664	25,675
Travel	14,485	1,285	101	15,871	53	49	15,973	14,772
Printing	5,194	1,813	1,500	8,507	784	729	10,020	9,347
Professional fees	7,959	162	134	8,255	70	65	8,390	11,992
Dues and subscriptions	3,243	1,132	937	5,312	489	455	6,256	9,113
Mailing costs	3,209	1,120	927	5,256	484	450	6,190	5,163
Staff training	1,432	500	414	2,346	216	201	2,763	3,067
Miscellaneous	-	71,967	-	71,967	-	-	71,967	137,525
<b>TOTAL</b>	<b>\$ 2,761,779</b>	<b>\$ 715,005</b>	<b>\$ 210,210</b>	<b>\$ 3,686,994</b>	<b>\$ 137,633</b>	<b>\$ 134,730</b>	<b>\$ 3,959,357</b>	
PERCENTAGE	70%	18%	5%	93%	4%	3%	100%	
<b>COMPARATIVE TOTALS FOR 2020</b>	<b>\$ 2,386,465</b>	<b>\$ 562,285</b>	<b>\$ 174,298</b>	<b>\$ 3,123,048</b>	<b>\$ 127,619</b>	<b>\$ 118,009</b>		<b>\$ 3,368,676</b>
PERCENTAGE - 2020	71%	17%	5%	93%	4%	3%	100%	

See notes to financial statements.

**GRECCIO HOUSING UNLIMITED, INC. AND  
SUBSIDIARY dba GRECCIO HOUSING**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JULY 31, 2021 (with comparative totals for 2020)**

	2021	2020
OPERATING ACTIVITIES		
Change in net assets	\$ 416,925	\$ 237,666
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	665,327	611,596
Income on investments in collaborative entities	(92,507)	(142,667)
Loss on impairment of property and equipment		213,636
Forgiveness of note payable	(272,075)	(34,875)
Other	12,405	(1,200)
Changes in operating assets and liabilities:		
Accounts receivable	(58,768)	(41,737)
Receivables from related parties	10,766	(64,777)
Pledges receivable	(8,750)	(4,583)
Prepaid expenses	(31,345)	(39,282)
Accounts payable and accrued expenses	(39,465)	118,740
Deferred revenue	7,807	(499)
Security deposits	<u>10,448</u>	<u>8,466</u>
Net cash provided by operating activities	<u>620,768</u>	<u>860,484</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(385,817)	(246,535)
Distributions from investments in collaborative entities	34,725	109,120
Contributions to investments in collaborative entities	(53,548)	
Proceeds from insurance on impairment of property and equipment		(141,243)
Proceeds from sale of property and equipment		<u>1,200</u>
Net cash used in investing activities	<u>(404,640)</u>	<u>(277,458)</u>
FINANCING ACTIVITIES		
Principal payments on notes payable	(372,941)	(381,681)
Proceeds from notes payable	7,522	327,681
Proceeds from line of credit	70,000	
Repayments on line of credit	<u>(70,000)</u>	
Net cash used in financing activities	<u>(365,419)</u>	<u>(54,000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(149,291)	529,026
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,266,053</u>	<u>737,027</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 1,116,762</u>	<u>\$ 1,266,053</u>

(Continued)



**GRECCIO HOUSING UNLIMITED, INC. AND  
SUBSIDIARY dba GRECCIO HOUSING**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JULY 31, 2021 (with comparative totals for 2020)**

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	<b>2021</b>	<b>2020</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ <u>232,119</u>	\$ <u>201,420</u>
<b>NON-CASH INVESTING ACTIVITIES</b>		
Property and equipment acquired under notes payable	\$ 144,421	1,125,429
Property and equipment acquired with contributions	<u>53,762</u>	<u>495,238</u>
Total	\$ <u>198,183</u>	\$ <u>1,620,667</u>

(Concluded)

See notes to financial statements.

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# GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARY dba GRECCIO HOUSING

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Greccio Housing Unlimited, Inc. dba Greccio Housing (Greccio) provides stable, safe, affordable housing and supportive opportunities and services for its residents to enhance their individual growth. Greccio's significant programs are temporary tenant support and guidance services, and the acquisition, rehabilitation and management of properties for the housing needs of individuals and families with lower incomes. GHU Atrium, LLC and GHU Ridge, LLC are wholly-owned subsidiaries of Greccio which were formed for the purpose of owning, investing in and developing real property.

**Principles of Consolidation** — The consolidated financial statements include the accounts of Greccio, GHU Atrium, LLC and GHU Ridge, LLC (collectively, the Organization). All significant intercompany accounts and transactions have been eliminated in consolidation.

**Basis of Presentation** — The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which represents the expendable resources that are available for operations at management's discretion; net assets with donor restrictions, which represents resources restricted by donors as to purpose or by the passage of time and resources whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

The accompanying consolidated financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended July 31, 2020, from which the summarized information was derived.

**Contributions** — Contributions received are recorded as net assets without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of property and equipment as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

**Conditional Grants** — The Organization receives grants from government organizations to acquire rental properties. These grants contain conditions requiring the property be used for a specified period of time for affordable housing. If the affordability period is not met, the grant conditions require the funds to be returned or transferred to another project or organization at the government agency's option. The Organization recognizes all conditional grants as a liability until all conditions are met. Historically, the Organization has met the affordability conditions of its conditional grants.

**Donated Services and Materials** — Donated services and materials are recorded as both a revenue and expenditure in the accompanying consolidated statements of activities and changes in net assets at their estimated values. Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but are not recognized as contributions in the consolidated financial statements because they do not meet the aforementioned criteria. The Organization received approximately 1,290 and 727 volunteer hours during the fiscal years ended July 31, 2021 and 2020, respectively, with an estimated value of \$39,100 and \$21,447, respectively.

**Cash and Cash Equivalents** — For purposes of the consolidated statement of cash flows, cash is defined as all cash on hand, demand deposits and money market accounts.

**Accounts Receivable** — Accounts receivable are stated net of an allowance for doubtful accounts with the net balance representing the amount management expects to collect. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At July 31, 2021 and 2020, the valuation allowance was \$65,124 and \$42,106, respectively.

**Pledges Receivable** — Pledges receivable are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. All pledges receivable as of July 31, 2021 and 2020 are due in the subsequent year and accordingly are classified as a current asset. Management believes all pledges are fully collectible and accordingly, no allowance has been recorded as of July 31, 2021 and 2020.

**Investments in Collaborative Entities** — Investments in collaborative entities in which the Organization has at least a 20% interest or otherwise exercises significant influence, are accounted for under the equity method of accounting. Under the equity method of accounting investments are recorded at cost and are adjusted for the proportionate share of the undistributed earnings.

**Property and Equipment** — All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are depreciated over the estimated useful lives of the assets (5-40 years) on a straight-line basis. Property and equipment are recorded at cost, and donated property is recorded at fair value at the date of the gift.

**Tax Status** — The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable contribution deduction.

The Organization believes that it does not have any uncertain tax positions that are material to the consolidated financial statements.

**Use of Estimates** — The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

**Revenue and Cost Recognition on Contracts** — The Organization recognizes revenues by applying the following steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract, if applicable; and (5) recognize revenue when (or as) the performance obligation is satisfied.

The Organization recognizes revenue from rental property management during the year in which the related services are provided to residents and property owners. The performance obligation of providing access to housing is satisfied ratably over the year in which the services are provided. Amounts received for subsequent periods are deferred and recognized as revenue in the applicable period. The performance obligation of providing property management is recognized as services are performed and the performance obligations are satisfied.

**Subsequent Events** — The Organization has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the consolidated financial statements were available for issuance.

## 2. LIQUIDITY AND AVAILABILITY

The following table reflects the Organization's financial assets as of July 31, 2021 and 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations. Amounts not available include net assets with donor restrictions and board designated funds that are intended to fund special board initiatives not considered in the annual operating budget. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution. Amounts not available to meet general expenditures within one year also include net assets with donor restrictions.

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 1,116,762	\$ 1,266,053
Accounts receivable, net	154,709	95,941
Receivables from related parties	54,011	64,777
Pledges receivable	<u>22,500</u>	<u>13,750</u>
Total financial assets	<u>1,347,982</u>	<u>1,440,521</u>
Less amounts unavailable for general expenditures within one year, due to:		
Security deposits	(177,420)	(166,972)
Restricted by donors with purpose restrictions	<u>(78,615)</u>	<u>(76,974)</u>
Total amounts unavailable for general expenditures within one year	<u>(256,035)</u>	<u>(243,946)</u>
Total financial assets available to management to meet cash needs for general expenditures within one year	<u>\$ 1,091,947</u>	<u>\$ 1,196,575</u>

The Organization provides affordable housing to its tenants and the rent revenues from this activity provides the funds needed to sustain its daily activities. In the event of any shortfall, the Organization has lines of credit totaling \$600,000 with a financial institution. The programs provided for residents are supported for the most part by donations and grants.

### **3. FUNCTIONAL EXPENSES ALLOCATION METHODS**

Expenses are summarized and categorized based on their functional classification. The functional classifications are: Rent and Property Management which includes expenses associated with the Organization's primary mission of providing affordable housing, Purchase and Rehabilitation includes expenses incurred in the search for new housing and renovation or construction of a new property, Resource and Opportunity Center which are the expenses associated with supportive services for the residents, General and Administrative are those expenses related to the day to day operation of the business and Fundraising which includes expenses soliciting donations and applying for grants. Some expenses that are readily identifiable to a single classification are charged directly to that that function, other expenses that are attributable to more than one classification are allocated on a reasonable basis, and consistently applied to the appropriate functions. Payroll expenses are allocated based on the functions each individual performs. Most of the other expenses are allocated based on the percentage of the overall payroll. The corporate office expenses are allocated on a square footage basis and the expenses of an individual property are allocated 100% to Rental.

#### 4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at July 31:

	<b>2021</b>	<b>2020</b>
Land	\$ 2,022,296	\$ 2,022,296
Buildings and improvements	21,131,392	20,445,080
Furniture and equipment	210,431	271,568
Construction in progress	<u>5,732</u>	<u>223,270</u>
Total	23,369,851	22,962,214
Less accumulated depreciation	<u>7,797,836</u>	<u>7,296,467</u>
Total	<u>\$ 15,572,015</u>	<u>\$ 15,665,747</u>

#### 5. NOTES PAYABLE

The Organization has entered into multiple note agreements in order to purchase and rehabilitate or construct real property for purposes of fulfilling its mission, which consist of the following as of July 31:

	<b>2021</b>	<b>2020</b>
Twenty-two individual promissory notes payable with outstanding principal balances of \$16,000 to \$2,024,000 as of July 31, 2021, bearing interest rates at 1% to 6.5% with monthly principal and interest payments ranging from \$211 to \$8,072, due at various dates through January 2049 or upon the sale or transfer of property if earlier, secured by its real property. Certain promissory notes require the Organization to meet certain financial covenants related to financial ratios and other matters. At July 31, 2021 the Organization is in compliance with the covenants.	\$ 6,561,209	\$ 7,145,495
Twenty-one individual forgivable and non-serviceable promissory notes payable with outstanding principal balances of \$22,000 to \$650,000 at zero percent interest, with no principal payment due unless sale or transfer of property, secured by its real property.	<u>4,948,908</u>	<u>4,857,695</u>
Total	<u>\$ 11,510,117</u>	<u>\$ 12,003,190</u>

Required annual minimum principal payments are as follows as of July 31, 2021:

2022	\$ 773,542
2023	318,280
2024	829,472
2025	251,231
2026	257,221
Thereafter	<u>4,131,463</u>
Total – serviceable	6,561,209
Note payable – forgivable and non-serviceable	<u>4,948,908</u>
Total	<u>\$ 11,510,117</u>

Interest was calculated at 2.07% and 1.17% during the years ended July 31, 2021 and 2020, respectively, of the outstanding zero percent interest notes and recognized as an expense and a related in-kind contribution. The amount recognized as an expense and revenue was \$105,856 and \$56,835 as of July 31, 2021 and 2020, respectively.

## 6. CONDITIONAL GRANTS

Conditional grants consist of the following at July 31:

	<b>2021</b>	<b>2020</b>
Conditional grants from the State of Colorado Division of Housing requiring the property be used for affordable housing for thirty years, expiring at various dates through 2044. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	\$ 3,934,533	\$ 3,880,771
Conditional grant from the Federal Home Loan Bank of Topeka for rehab of five of the Organization's properties. The grant requires the properties be used for affordable housing for fifteen years, expiring August 24, 2021. If the affordability period is not met, the funds must be returned.	<u>259,456</u>	<u>259,456</u>
Total	<u>\$ 4,193,989</u>	<u>\$ 4,140,227</u>

## 7. LINE OF CREDIT

The Organization had two line of credits which expires in November 2021 and December 2026 in the amount of \$100,000 and \$500,000 with interest at the prime rate plus 1%, and 3.25%, respectively. There are no compensating balance arrangements with the bank. There are no outstanding balances at July 31, 2021 and 2020.

**8. LEASE AGREEMENT**

The Organization has a building for which a portion of the building is being leased to others under an operating lease extended for an additional five years expiring in February 2026. The building has a cost of \$1,548,335 and accumulated depreciation of \$201,406 as of July 31, 2021.

Minimum future rentals to be received under this lease as of July 31, 2021 are as follows:

2022	\$	104,853
2023		108,000
2024		111,240
2025		114,583
2026		<u>63,068</u>
Total	\$	<u>501,744</u>

**9. NET ASSETS WITH DONOR RESTRICTIONS**

As of July 31, net assets with donor restrictions are available for the following purposes:

	2021	2020
Time restricted	\$ 22,500	\$ 13,750
Program:		
Capital improvements	12,417	38,500
Eviction prevention	21,605	4,691
Single Parent Advancing Career and Education	8,988	29,257
Forrest Rogers scholarship	2,785	2,785
Other	<u>32,820</u>	<u>1,741</u>
Total	<u>\$ 101,115</u>	<u>\$ 90,724</u>

**10. RELATED PARTY TRANSACTIONS**

The Organization has a collaborative arrangement with an entity, Atrium Apartments, LLLP (Atrium Apartments) where the Organization serves as the administrative and managing general partner. The purpose of Atrium Apartments is owning, developing, and leasing real property. At July 31, 2021 and 2020, the Organization has a receivable from Atrium Apartments, in the amount of \$54,011 and \$64,777, respectively, for predevelopment expenses incurred on behalf of Atrium Apartments. Management believes that the receivable is fully collectible, and no allowance is deemed necessary. The Organization also received \$277,902 during the year ended July 31, 2020 as part of the reimbursement arrangement for direct development costs of \$247,918 and other costs incurred related to the Atrium Apartments.



**11. EMPLOYEE BENEFIT PLAN**

The Organization has established a qualified 401(k) profit sharing plan (the Plan) covering all employees who have completed three months of service. The employees may make elective contributions of up to 100% of compensation, subject to statutory limitations. Greccio may make discretionary contributions to the Plan. The Plan provides for full vesting of discretionary contributions after five years of service. Contributions to the Plan were \$26,396 and \$26,669 for the years ended July 31, 2021 and 2020, respectively.

**12. CONTINGENCIES**

The Organization has received several governmental grants to purchase rental properties. The grants contain conditions requiring the property be used for affordable housing for a specified period. If the affordability period is not met, the grant conditions require the funds be returned or transferred to another project or organization at the government agency's option. Such grants are recorded as liabilities until the affordability period is met.

**13. COMMITMENTS**

The Organization has a collaborative arrangement with an entity, Atrium Apartments, LLLP where the Organization acts as the guarantor. Atrium at Austin Bluffs Apartments, the sole purpose entity of the LLLP, is a new-construction, LIHTC-funded affordable housing development. The Organization guarantees payment and performance of all the duties and obligations of the General Partner under the Partnership Agreement, including, without limitation, various guarantees and obligations related to specific financial performance, construction, and other obligations, to ensure the viability of the development. Financial guarantees include a maximum cumulative amount of \$225,457 as an Operating Deficit Guaranty (recorded as a loan, and applicable to the first 3 years of operation), a positive net worth, and a liquidity guaranty of \$315,000. The full extent of the Agreement may be found in the Limited Partnership Agreement with the LLLP.

**GRECCIO HOUSING UNLIMITED, INC. AND  
SUBSIDIARY dba GRECCIO HOUSING**

**SUPPLEMENTAL SCHEDULES**

**GRECCIO HOUSING UNLIMITED, INC. AND  
SUBSIDIARY dba GRECCIO HOUSING**

**SCHEDULE OF FINANCIAL POSITION  
FIVE YEAR COMPARISON AS OF JULY 31**

	2021	2020	2019	2018	2017
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,116,762	\$ 1,266,253	\$ 737,027	\$ 661,188	\$ 640,253
Accounts receivable, net	154,709	95,941	54,204	23,622	23,713
Receivables from related parties	54,011	64,777			
Pledges receivable	22,500	13,750	9,167	54,313	115,641
Prepaid expenses	102,429	71,084	31,802	55,048	26,722
Other current assets				8,099	12,198
Property and equipment, net	15,572,015	15,665,747	14,482,534	14,711,472	14,445,386
Investments in collaborative entities	183,075	71,545	38,198	36,526	27,720
<b>TOTAL ASSETS</b>	<b>\$ 17,205,501</b>	<b>\$ 17,249,097</b>	<b>\$ 15,352,932</b>	<b>\$ 15,550,268</b>	<b>\$ 15,291,633</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 158,699	\$ 194,862	\$ 114,607	\$ 159,380	\$ 85,943
Accrued expenses	137,140	140,442	101,957	57,390	54,491
Deferred revenue	62,085	54,278	54,777	53,062	49,113
Notes payable - serviceable	6,561,209	7,145,495	6,608,003	6,977,983	4,599,755
Notes payable - forgivable and non-serviceable	4,948,908	4,857,695	4,358,633	4,218,106	4,129,097
Bonds payable					2,188,083
Conditional grants	4,193,989	4,140,227	3,644,989	3,659,489	3,644,989
Security deposits	177,420	166,972	158,506	154,368	148,752
Interest rate swap agreement					97,175
<b>Total liabilities</b>	<b>16,239,450</b>	<b>16,699,971</b>	<b>15,041,472</b>	<b>15,279,778</b>	<b>14,997,398</b>
<b>NET ASSETS</b>					
Without donor restrictions	864,936	458,402	235,230	239,400	157,514
With donor restrictions	101,115	90,724	76,230	31,090	136,721
<b>Total net assets</b>	<b>966,051</b>	<b>549,126</b>	<b>311,460</b>	<b>270,490</b>	<b>294,235</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 17,205,501</b>	<b>\$ 17,249,097</b>	<b>\$ 15,352,932</b>	<b>\$ 15,550,268</b>	<b>\$ 15,291,633</b>

**GRECCIO HOUSING UNLIMITED, INC. AND  
SUBSIDIARY dba GRECCIO HOUSING**

**SCHEDULE OF ACTIVITIES  
FIVE YEAR COMPARISON FOR THE YEARS ENDED JULY 31**

	2021	2020	2019	2018	2017
<b>REVENUE AND SUPPORT</b>					
Rental property management revenue	\$ 2,838,905	\$ 2,770,858	\$ 2,744,324	\$ 2,607,897	\$ 2,492,943
Contributions	1,308,394	642,452	600,365	492,955	717,334
Developer fees	73,798	29,984	29,246		
Other income (loss)	155,185	163,048	28,623	33,423	(11,296)
Total revenues and support	<u>4,376,282</u>	<u>3,606,342</u>	<u>3,402,558</u>	<u>3,134,275</u>	<u>3,198,981</u>
<b>EXPENSES</b>					
Program services:					
Rental and property management	2,761,779	2,386,465	2,443,889	2,460,299	2,353,653
Resource and Opportunity Center	715,005	562,285	501,972	409,421	313,568
Purchase and rehabilitation	210,210	174,298	172,002	94,484	94,776
General and administrative	137,633	127,619	126,130	124,780	146,911
Fundraising	134,730	118,009	117,595	110,311	98,780
Total expenses	<u>3,959,357</u>	<u>3,368,676</u>	<u>3,361,588</u>	<u>3,199,295</u>	<u>3,007,688</u>
Other gains:					
Gain on sale of property and equipment					430,226
Gain on interest rate swap agreement				41,275	82,552
Total	<u>—</u>	<u>—</u>	<u>—</u>	<u>41,275</u>	<u>512,778</u>
Change in net assets	416,925	237,666	40,970	(23,745)	704,071
Beginning net assets (deficit)	549,126	311,460	270,490	294,235	(409,836)
Ending net assets	<u>\$ 966,051</u>	<u>\$ 549,126</u>	<u>\$ 311,460</u>	<u>\$ 270,490</u>	<u>\$ 294,235</u>

**GRECCIO HOUSING UNLIMITED, INC. AND  
SUBSIDIARY dba GRECCIO HOUSING**

**SCHEDULE OF EXPENSES  
FIVE YEAR COMPARISON FOR THE YEARS ENDED JULY 31**

	2021	2020	2019	2018	2017
Salaries	\$ 934,897	\$ 921,072	\$ 927,905	\$ 805,359	\$ 765,825
Depreciation and amortization	665,327	612,489	620,467	614,450	593,705
General maintenance	433,927	302,687	323,136	287,602	260,667
Direct assistance	409,523	114,827	62,720	36,323	41,409
Utilities	349,003	323,300	334,801	312,013	293,984
Interest expense	340,745	251,096	305,159	336,722	369,443
Insurance	245,718	194,971	173,698	165,546	171,327
Payroll taxes and fringes	192,286	200,242	201,786	188,823	178,019
Bad debts	77,965	45,823	32,592	35,663	30,428
Contract services	73,602	33,680	32,714	31,657	28,716
Audit and accounting fees	53,048	45,431	43,396	44,290	45,671
Office expense	44,636	36,795	38,394	52,674	23,678
Property taxes	43,489	40,954	39,616	38,672	38,710
Trash	28,908	22,686	23,740	22,149	21,288
Fundraising	28,443	4,862	6,696	4,264	6,567
Telephone	27,664	25,675	26,458	28,591	29,842
Travel	15,973	14,772	17,165	19,357	15,146
Printing	10,020	9,347	8,790	6,782	6,745
Professional fees	8,390	11,992	21,344	23,119	18,630
Dues and subscriptions	6,256	9,113	7,987	6,552	7,902
Mailing costs	6,190	5,163	5,181	5,153	4,852
Staff training	2,763	3,067	3,725	3,694	5,854
Miscellaneous	71,967	138,632	104,118	129,840	49,280
<b>TOTAL</b>	<u>\$ 4,070,740</u>	<u>\$ 3,368,676</u>	<u>\$ 3,361,588</u>	<u>\$ 3,199,295</u>	<u>\$ 3,007,688</u>

**GRECCIO HOUSING UNLIMITED, INC.**  
**dba GRECCIO HOUSING**

**SCHEDULE OF NOTES PAYABLE AND CONDITIONAL GRANTS**  
**AS OF JULY 31, 2021**

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**1224 – 1228 Delaware Drive (Santa Fe)**

Note payable — ENT Federal Credit Union, monthly payments of \$4,319 which includes principal and interest at 5.75%, due May 16, 2024, collateralized by a deed of trust.	\$ 584,865
Note payable — El Paso County Housing Authority, monthly payments of \$2,213 which include principal and interest at 3%, due July 1, 2044, collateralized by a deed of trust.	439,798
Note payable — City of Colorado Springs, monthly payments of \$2,024 which includes principal and interest at 1%, due July 1, 2034, collateralized by a deed of trust.	301,220
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust. Note is being forgiven over twenty years.	307,125
Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2044. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	<u>560,000</u>
	<u>2,193,008</u>

**3010 North Hancock Avenue (Enfield)**

Note payable — El Paso County Housing Authority, monthly payments of \$1,476 which includes principal and interest at 3%, due September 1, 2038, collateralized by a deed of trust.	237,345
Note Payable — ENT Federal Credit Union, monthly payments of \$8,731, which includes principle and interest at 3.75%, due February 1, 2028 collateralized by a deed in trust.	1,313,106
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	600,000
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	<u>52,394</u>
	<u>2,202,845</u>

(Continued)

**GRECCIO HOUSING UNLIMITED, INC.**  
**dba GRECCIO HOUSING**

**SCHEDULE OF NOTES PAYABLE AND CONDITIONAL GRANTS**  
**AS OF JULY 31, 2021**

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**2525 and 2531 East Uintah Street (Uintah Park & Uintah Terrace)**

Note payable — ENT Federal Credit Union, monthly payments of \$2,923 which includes principal and interest at 4%, due February 15, 2022, collateralized by a deed of trust. 412,672

Note payable — El Paso County Housing Authority, monthly payments of \$1,476 which includes principal and interest at 3%, due September 1, 2042, collateralized by a deed of trust. 272,536

Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust. 400,000

Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2043. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option. 398,958

1,484,166

**2020 East Bijou Street (Woodbine)**

Note payable — City of Colorado Springs, monthly payments of \$3,827 which includes principal and interest at 2.5%, due January 18, 2032, collateralized by a deed of trust. 52,750

Note Payable — City of Colorado Springs, no interest, principle due on sale, Collateralized by a deed of trust. Note is being forgiven over fifteen years. 164,890

Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2043. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option. 1,126,075

1,343,715

**2508 Platte Avenue (Plaza on Platte)**

Note payable — City of Colorado Springs, monthly payments of \$1,572 which includes principal and interest at 2.5%, due by February 1, 2038, collateralized by a deed of trust. 258,008

Note payable — State of Colorado Division of Housing, no interest, principal due on sale, collateralized by a deed of trust. 305,000

(Continued)

**GRECCIO HOUSING UNLIMITED, INC.**  
**dba GRECCIO HOUSING**

**SCHEDULE OF NOTES PAYABLE AND CONDITIONAL GRANTS**  
**AS OF JULY 31, 2021**

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**2508 Platte Avenue (Plaza on Platte) - continued**

Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust. Note is being forgiven over twenty years. 129,375

Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust. 300,000

992,383

**2914 North Arcadia Street (Kittyhawk)**

Note payable — El Paso County Housing Authority, monthly payments of \$738 which includes principal and interest at 3%, due July 1, 2034, collateralized by a deed of trust. 95,211

Note Payable – ENT Federal Credit Union, monthly payments of \$4,729 which include principle and interest at 3.75% due February 1, 2028, collateralized by a deed in trust. 711,265

Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust. 230,000

Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust. 80,568

Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2034. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option. 250,000

1,364,044

**3631 Marion Drive (Citadel Arms)**

Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2039. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option. 738,000

(Continued)



**GRECCIO HOUSING UNLIMITED, INC.**  
**dba GRECCIO HOUSING**

**SCHEDULE OF NOTES PAYABLE AND CONDITIONAL GRANTS**  
**AS OF JULY 31, 2021**

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**2631 West Pikes Peak**

Note payable — El Paso County Housing Authority, monthly payments of \$278 which includes principal and interest at 3%, due August 1, 2030, collateralized by a deed of trust.	26,522
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	195,000
Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2030. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	<u>175,000</u>
	<u>396,522</u>

**833 West Colorado**

Note payable — El Paso County Housing Authority, monthly payments of \$211 plus interest at 3%, due August 1, 2028, collateralized by a deed of trust.	16,145
Note payable — CDBG and HOME, no interest, principal due on sale, collateralized by a deed of trust.	250,000
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	22,185
Conditional grant — FHLB for rehab of property. Property must be used for affordable housing for 15 years (2021) or the funds must be returned.	<u>72,972</u>
	<u>361,302</u>

**1022 Alexander Road**

Note payable — El Paso County Housing Authority, monthly payments of \$738 which includes principal and interest at 3%, due December 1, 2037, collateralized by a deed of trust.	114,671
Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2037. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	<u>137,500</u>
	<u>252,171</u>

(Continued)

**GRECCIO HOUSING UNLIMITED, INC.**  
**dba GRECCIO HOUSING**

**SCHEDULE OF NOTES PAYABLE AND CONDITIONAL GRANTS**  
**AS OF JULY 31, 2021**

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**817-841 South Cedar Street**

Note payable — CHFA, monthly payments of \$1,896 which includes principal and interest at 6.5%, due August 1, 2032, collateralized by a deed of trust.	152,684
Note payable — CHFA, monthly payments of \$354 which includes principal and interest at 1%, due August 1, 2032, collateralized by a deed of trust.	44,500
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	<u>150,000</u>
	<u>347,184</u>

**218-232 Fountain (Clark Mellen)**

Note payable — El Paso County Housing Authority, monthly payments of \$211 which includes principal and interest at 3%, due July 1, 2030, collateralized by a deed of trust.	19,931
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	200,000
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	<u>21,818</u>
	<u>241,749</u>

**2516 Concorde Street (Pines)**

Note payable — El Paso County Housing Authority, monthly payments of \$940 which includes principal and interest at 3%, due August 1, 2029, collateralized by a deed of trust.	80,837
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	195,000
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	25,000
Conditional grant — FHLB for rehab of property. Property must be used for affordable housing for 15 years (2021) or the funds must be returned.	<u>48,648</u>
	<u>349,485</u>

(Continued)

**GRECCIO HOUSING UNLIMITED, INC.**  
**dba GRECCIO HOUSING**

**SCHEDULE OF NOTES PAYABLE AND CONDITIONAL GRANTS**  
**AS OF JULY 31, 2021**

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**1030 West Moreno**

Note payable — El Paso County Housing Authority, monthly payments of \$211 which includes principal and interest at 3%, due January 1, 2030, collateralized by a deed of trust.	18,936
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	195,000
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	14,968
Conditional grant — FHLB for rehab of property. Property must be used for affordable housing for 15 years (2021) or the funds must be returned.	<u>56,756</u>
	<u>285,660</u>

**320 East Bijou**

Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	151,164
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	40,000
Conditional grant — FHLB for rehab of property. Property must be used for affordable housing for 15 years (2021) or the funds must be returned.	<u>36,486</u>
	<u>227,650</u>

**321 North Weber**

Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	25,000
Conditional grant — FHLB for rehab of property. Property must be used for affordable housing for 15 years (2021) or the funds must be returned.	<u>44,594</u>
	<u>69,594</u>

(Continued)

**GRECCIO HOUSING UNLIMITED, INC.**  
**dba GRECCIO HOUSING**

**SCHEDULE OF NOTES PAYABLE AND CONDITIONAL GRANTS**  
**AS OF JULY 31, 2021**

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**3124 Arcadia Street**

Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust. 100,000

Note Payable City CDBG – No interest, principal due on sale, collateralized by Deed in trust. 144,421

Note payable — ENT Federal Credit Union, 36 monthly payments of principal and interest of \$1,086 at 3%, 36 monthly payments of principal and interest of \$1,183 at 3.875%, 47 monthly payments of principal and interest of \$1,247 at 4.5%, one final payment of remaining principal and interest due December 22, 2026, collateralized by a deed of trust. 202,690

447,111

**Administrative**

Note payable — ENT Federal Credit Union, monthly payments of interest at 4.75%, with principal due March 1, 2024, collateralized by a deed of trust. 146,055

**2812 E. Bijou (Rocky Mountain Apts.)**

Note Payable – El Paso County Housing Authority, monthly payments of \$690 which include principal and interest at 1.5%, due January 1, 2049 collateralized by a deed of trust. 186,551

Note Payable ENT Federal Credit Union, monthly payments of \$4,196 which include principal and interest at 3.75% due February 1, 2019, collateralized by a deed in trust. 872,911

Note Payable City Home – No interest, principal due on sale, collateralized by deed in trust. 650,000

Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for forty five years. 549,000

2,258,462

Total \$ 15,704,106

(Continued)

**GRECCIO HOUSING UNLIMITED, INC.**  
**dba GRECCIO HOUSING**

**SCHEDULE OF NOTES PAYABLE AND CONDITIONAL GRANTS**  
**AS OF JULY 31, 2021**

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**BALANCE SHEET RECONCILIATION**

Notes payable	\$ 11,510,117
Conditional grants	<u>4,193,989</u>
Total	<u>\$ 15,704,106</u>

(Concluded)