

# Greccio Housing Unlimited, Inc. and Subsidiaries

Consolidated Financial Report

July 31, 2024

# Greccio Housing Unlimited, Inc. and Subsidiaries

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Greccio Housing Unlimited, Inc. and Subsidiaries  
Colorado Springs, Colorado

### Opinion

We have audited the accompanying financial statements of Greccio Housing Unlimited, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as of July 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, based on our audits and the reports of the other auditors for the period described below, the financial statements referred to above present fairly, in all material respects, the financial position of Greccio Housing Unlimited, Inc. and Subsidiaries as of July 31, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements as of and for the years ended December 31, 2023 and 2022 of GPR Properties, LLC or GPR Properties II, LLC, real estate joint ventures, investments in which, as discussed in Note C to the financial statements, are accounted for by the equity method of accounting. The investment in GPR Properties, LLC was \$850,225 and \$223,818 as of December 31, 2023 and 2022, respectively, and the equity in its net income was \$588,334 and \$25,106 for the years ended December 31, 2023 and 2022, respectively. The investment in GPR Properties II, LLC was \$91,795 and \$69,769 as of December 31, 2023 and 2022, respectively, and the equity in its net income was \$74,341 and \$16,601 for the years ended December 31, 2023 and 2022, respectively. The financial statements as of and for the years ended December 31, 2023 and 2022 of GPR Properties, LLC and GPR Properties II, LLC were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for GPR Properties, LLC and GPR Properties II, LLC as of December 31, 2023 and 2022, is based solely on the reports of the other auditors.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greccio Housing Unlimited, Inc. and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greccio Housing Unlimited, Inc. and Subsidiaries ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Greccio Housing Unlimited, Inc. and Subsidiaries internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greccio Housing Unlimited, Inc. and Subsidiaries ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of notes payable and refundable advances are presented for purposes of additional analysis and are not a required part of the 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*SVA Certified Public Accountants, S.C.*

Colorado Springs, Colorado

December 4, 2024

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
July 31, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,317,171	\$ 816,228
Accounts receivable, net of allowance for uncollectible accounts of \$90,691 - 2024 and \$56,710 - 2023	123,849	50,587
Developer fees receivable	5,185	134,033
Accrued interest receivable	29,084	18,197
Grants receivable	20,079	35,149
Prepaid expenses	489,137	466,934
Total current assets	1,984,505	1,521,128
<b>PROPERTY AND EQUIPMENT, NET</b>	16,107,606	16,284,411
<b>OTHER ASSETS</b>		
Notes receivable from related party	1,600,000	1,600,000
Investments in collaborative entities	933,336	309,813
Operating lease right-of-use assets	169,510	0
Restricted cash	711,412	625,436
Total other assets	3,414,258	2,535,249
<b>TOTAL ASSETS</b>	<b>\$ 21,506,369</b>	<b>\$ 20,340,788</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 140,289	\$ 116,684
Accrued expenses	212,986	292,437
Prepaid rent	89,126	71,825
Notes payable, current portion - serviceable	288,736	287,642
Operating lease liabilities, current portion	92,213	0
Total current liabilities	823,350	768,588
<b>LONG TERM LIABILITIES</b>		
Line of credit	419,334	0
Notes payable, less current portion - serviceable	6,335,441	6,499,422
Notes payable - forgivable and non-serviceable	4,371,419	4,435,973
Operating lease liabilities, less current portion	76,930	0
Security deposits	184,031	186,892
Refundable advances	5,114,533	5,289,533
Total long-term liabilities	16,501,688	16,411,820
<b>TOTAL LIABILITIES</b>	17,325,038	17,180,408
<b>NET ASSETS</b>		
Without donor restrictions	4,085,313	2,883,855
With donor restrictions	96,018	276,525
Total net assets	4,181,331	3,160,380
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 21,506,369</b>	<b>\$ 20,340,788</b>

The accompanying notes are an integral part of these consolidated financial statements.

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
Year ended July 31, 2024

	Without donor restrictions	With donor restrictions	Total
<b>Changes in net assets:</b>			
<b>Support and other revenue:</b>			
Grants	253,956	\$ 20,079	\$ 274,035
Contributions	198,461	60,657	259,118
In-kind contributions	607,899	0	607,899
Rental income, net of vacancies and bad debt expense	2,950,837	0	2,950,837
Other tenant charges	236,232	0	236,232
Management fee income	182,728	0	182,728
Developer fees	0	0	0
Interest income	13,749	0	13,749
Reimbursement income	247,705	0	247,705
Partnership management fee	52,977	0	52,977
Gain on sale leaseback transaction	890,452	0	890,452
Investment income	671,996	0	671,996
Other income	68,305	0	68,305
<b>Net assets released from restriction:</b>			
Satisfaction of program restriction	225,138	(225,138)	0
Satisfaction of time restriction	36,105	(36,105)	0
<b>Total support and other revenue</b>	<b>6,636,540</b>	<b>(180,507)</b>	<b>6,456,033</b>
<b>Expenses:</b>			
<b>Program services:</b>			
Rental and property management	3,903,498	0	3,903,498
Purchase and rehabilitation	260,898	0	260,898
Resource and opportunity center	719,509	0	719,509
<b>Total program services</b>	<b>4,883,905</b>	<b>0</b>	<b>4,883,905</b>
<b>Supporting services:</b>			
General and administrative	412,502	0	412,502
Fundraising	138,675	0	138,675
<b>Total supporting services</b>	<b>551,177</b>	<b>0</b>	<b>551,177</b>
<b>Total expenses</b>	<b>5,435,082</b>	<b>0</b>	<b>5,435,082</b>
<b>Change in net assets</b>	<b>1,201,458</b>	<b>(180,507)</b>	<b>1,020,951</b>
<b>Net assets, beginning</b>	<b>2,883,855</b>	<b>276,525</b>	<b>3,160,380</b>
<b>Net assets, ending</b>	<b>\$ 4,085,313</b>	<b>\$ 96,018</b>	<b>\$ 4,181,331</b>

The accompanying notes are an integral part of these consolidated financial statements.

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
CONSOLIDATED STATEMENT OF ACTIVITIES  
Year ended July 31, 2023

	Without donor restrictions	With donor restrictions	Total
Changes in net assets:			
Support and other revenue:			
Grants	304,993	\$ 345,980	\$ 650,973
Contributions	212,467	0	212,467
In-kind contributions	354,738	0	354,738
Rental income, net of vacancies and bad debt expense	2,872,610	0	2,872,610
Other tenant charges	294,529	0	294,529
Management fee income	173,482	0	173,482
Developer fees	21,067	0	21,067
Interest income	19,505	0	19,505
Reimbursement income	132,209	0	132,209
Partnership management fee	0	0	0
Gain on sale leaseback transaction	0	0	0
Investment income	50,044	0	50,044
Other income	19,087	0	19,087
Net assets released from restriction:			
Satisfaction of program restriction	92,465	(92,465)	0
Satisfaction of time restriction	36,252	(36,252)	0
<b>Total support and other revenue</b>	<b>4,583,448</b>	<b>217,263</b>	<b>4,800,711</b>
Expenses:			
Program services:			
Rental and property management	3,403,722	0	3,403,722
Purchase and rehabilitation	229,935	0	229,935
Resource and opportunity center	588,738	0	588,738
<b>Total program services</b>	<b>4,222,395</b>	<b>0</b>	<b>4,222,395</b>
Supporting services:			
General and administrative	335,985	0	335,985
Fundraising	98,709	0	98,709
<b>Total supporting services</b>	<b>434,694</b>	<b>0</b>	<b>434,694</b>
<b>Total expenses</b>	<b>4,657,089</b>	<b>0</b>	<b>4,657,089</b>
Change in net assets	(73,641)	217,263	143,622
Net assets, beginning	2,957,496	59,262	3,016,758
Net assets, ending	<u>\$ 2,883,855</u>	<u>\$ 276,525</u>	<u>\$ 3,160,380</u>

The accompanying notes are an integral part of these consolidated financial statements.



**GRECCIO HOUSING UNLIMITED, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended July 31, 2024

	Rental and Property Management	Purchase and Rehabilitation	Resource and Opportunity Center	Total	General and Administrative	Fundraising	Total
Salaries	\$ 873,966	\$ 158,142	\$ 265,490	\$ 1,297,598	\$ 185,524	\$ 55,590	\$ 1,538,712
Depreciation	681,681	2,993	29,933	714,607	9,728	3,742	728,077
Interest expense	298,171	9,277	92,767	400,215	30,149	11,596	441,960
Utilities	314,449	754	7,541	322,744	2,451	943	326,138
General maintenance	461,891	1,916	19,160	482,967	6,227	2,395	491,589
Insurance	425,478	2,160	21,602	449,240	7,021	2,700	458,961
Payroll taxes and fringes	167,168	30,248	50,781	248,197	35,486	10,633	294,316
Direct assistance	963	0	46,083	47,046	0	0	47,046
Contract services	65,463	277	2,772	68,512	901	346	69,759
Donated goods and services	234,660	42,461	71,284	348,405	49,813	14,926	413,144
Bad debt expense	125,877	0	0	125,877	0	0	125,877
Property taxes	57,983	0	0	57,983	0	0	57,983
Audit and accounting fees	35,658	3,754	37,536	76,948	12,199	4,692	93,839
Trash	87,327	66	663	88,056	215	83	88,354
Office expense	50,964	2,524	25,233	78,721	8,201	3,155	90,077
Legal fees	63,177	683	1,147	65,007	801	240	66,048
Telephone	8,994	855	8,552	18,401	2,780	1,069	22,250
Travel	29,226	1,462	18,685	49,373	4,751	1,827	55,951
Fundraising	3,077	557	935	4,569	653	22,177	27,399
Printing	4,198	442	4,420	9,060	1,437	553	11,050
Staff training	10,293	1,355	7,980	19,628	3,014	1,092	23,734
Dues and subscriptions	4,314	328	3,277	7,919	1,065	410	9,394
Mailing costs	2,954	311	3,109	6,374	1,010	389	7,773
Broker commissions	0	0	0	0	48,685	0	48,685
Miscellaneous	21,443	333	559	22,335	391	117	22,843
<b>Total expenses by function</b>	<b>4,029,375</b>	<b>260,898</b>	<b>719,509</b>	<b>5,009,782</b>	<b>412,502</b>	<b>138,675</b>	<b>5,560,959</b>
Less expenses included with revenues on the statement of activities							
Bad debts	(125,877)	0	0	(125,877)	0	0	(125,877)
<b>Total expenses included in the expense section on the Statement of Activities</b>	<b>\$ 3,903,498</b>	<b>\$ 260,898</b>	<b>\$ 719,509</b>	<b>\$ 4,883,905</b>	<b>\$ 412,502</b>	<b>\$ 138,675</b>	<b>\$ 5,435,082</b>
Percentage	72%	5%	13%	90%	8%	2%	100%

The accompanying notes are an integral part of these consolidated financial statements.

**GRECCIO HOUSING UNLIMITED, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
 Year ended July 31, 2023

	Rental and Property Management	Purchase and Rehabilitation	Resource and Opportunity Center	Total	General and Administrative	Fundraising	Total
Salaries	\$ 781,433	\$ 155,761	\$ 188,636	\$ 1,125,830	\$ 192,133	\$ 42,863	\$ 1,360,826
Depreciation	656,065	1,139	11,390	668,594	3,702	1,424	673,720
Interest expense	284,960	7,121	71,206	363,287	23,142	8,901	395,330
Utilities	377,376	656	6,563	384,595	2,133	820	387,548
General maintenance	393,413	1,737	17,370	412,520	5,645	2,171	420,336
Insurance	351,199	1,586	15,865	368,650	5,156	1,983	375,789
Payroll taxes and fringes	153,408	30,579	37,032	221,019	37,719	8,415	267,153
Direct assistance	552	0	125,270	125,822	0	0	125,822
Contract services	38,692	693	6,927	46,312	2,251	866	49,429
Donated goods and services	102,321	20,395	24,700	147,416	25,158	5,613	178,187
Bad debt expense	80,089	0	0	80,089	0	0	80,089
Property taxes	36,221	3	30	36,254	10	4	36,268
Audit and accounting fees	32,442	3,412	34,123	69,977	11,090	4,265	85,332
Trash	65,184	48	476	65,708	155	60	65,923
Office expense	43,976	2,169	21,686	67,831	7,048	2,711	77,590
Legal fees	32,385	564	683	33,632	695	155	34,482
Telephone	9,330	893	8,927	19,150	2,901	1,116	23,167
Travel	12,773	307	3,594	16,674	999	384	18,057
Fundraising	3,557	709	858	5,124	874	15,167	21,165
Printing	3,676	387	3,867	7,930	1,257	483	9,670
Staff training	8,795	1,315	5,380	15,490	2,491	782	18,763
Dues and subscriptions	4,547	235	2,349	7,131	763	294	8,188
Mailing costs	1,658	175	1,745	3,578	567	218	4,363
Broker commissions	0	0	0	0	10,034	0	10,034
Miscellaneous	9,759	51	61	9,871	62	14	9,947
<b>Total expenses by function</b>	<b>3,483,811</b>	<b>229,935</b>	<b>588,738</b>	<b>4,302,484</b>	<b>335,985</b>	<b>98,709</b>	<b>4,737,178</b>
<b>Less expenses included with revenues on the statement of activities</b>	<b>(80,089)</b>	<b>0</b>	<b>0</b>	<b>(80,089)</b>	<b>0</b>	<b>0</b>	<b>(80,089)</b>
<b>Total expenses included in the expense section on the Statement of Activities</b>	<b>\$ 3,403,722</b>	<b>\$ 229,935</b>	<b>\$ 588,738</b>	<b>\$ 4,222,395</b>	<b>\$ 335,985</b>	<b>\$ 98,709</b>	<b>\$ 4,657,089</b>
<b>Percentage</b>	<b>73%</b>	<b>5%</b>	<b>13%</b>	<b>91%</b>	<b>7%</b>	<b>2%</b>	<b>100%</b>

The accompanying notes are an integral part of these consolidated financial statements.

**GRECCIO HOUSING UNLIMITED, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
Years ended July 31, 2024 and 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,020,951	\$ 143,622
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	728,077	673,720
Gain on disposal of property and equipment	(890,452)	0
Income on investments in collaborative entities	(671,996)	(50,045)
Distributions from investments in collaborative entities	53,298	27,700
Forgiveness of notes payable	(264,554)	(55,260)
Provision for uncollectible receivables	159,858	14,417
Amortization of operating lease right-of-use	18,968	0
Increase (decrease) in cash due to changes in:		
Accounts receivable	(233,120)	46,233
Developer fees receivable	128,848	887,814
Accrued interest receivable	(10,887)	(18,197)
Grants receivable	15,070	(47)
Prepaid expenses	(22,203)	(374,843)
Accounts payable and accrued expenses	(55,846)	32,503
Operating lease obligation	(19,335)	0
Contract liabilities	0	(288,887)
Prepaid rent	17,301	(9,444)
Refundable advances	(175,000)	0
Security deposits	(2,861)	16,422
Net cash provided by (used in) operating activities	(203,883)	1,045,708
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(826,995)	(1,304,118)
Insurance proceeds received from involuntary conversion	0	556,270
Contributions to investments in collaborative entities	(4,825)	0
Proceeds from sale leaseback transaction	1,166,175	0
Net cash provided by investing activities	334,355	(747,848)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on notes payable	(701,529)	(373,255)
Principal payments on line of credit	(438,938)	0
Proceeds from notes payable	738,642	414,448
Proceeds from line of credit	858,272	0
Net cash provided by financing activities	456,447	41,193
Change in cash, cash equivalents, and restricted cash	586,919	339,053
Cash, cash equivalents, and restricted cash:		
Beginning	1,441,664	1,102,611
Ending	\$ 2,028,583	\$ 1,441,664
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH TO BALANCE SHEET</b>		
Cash and cash equivalents	\$ 1,317,171	\$ 816,228
Restricted cash	711,412	625,436
Total cash, cash equivalents, and restricted cash	\$ 2,028,583	\$ 1,441,664

The accompanying notes are an integral part of these consolidated financial statements.

**GRECCIO HOUSING UNLIMITED, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
Years ended July 31, 2024 and 2023

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	<u>2024</u>	<u>2023</u>
<b>SUPPLEMENTAL SCHEDULE(S) OF CASH FLOW INFORMATION</b>		
Cash payments for interest	<u>\$ 243,549</u>	<u>\$ 210,099</u>
<b>SUPPLEMENTAL DISCLOSURE(S) OF NONCASH FINANCING ACTIVITIES</b>		
Forgiveness of notes payable	<u>\$ 264,554</u>	<u>\$ 55,260</u>

The accompanying notes are an integral part of these consolidated financial statements.

# GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2024

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### **NOTE A – Nature of business and significant accounting policies**

#### **Nature of business**

Greccio Housing Unlimited, Inc. dba Greccio Housing (Greccio) is a nonprofit organization located in Colorado Springs, Colorado. Greccio was incorporated on December 28, 1990, in the State of Colorado for the purpose of providing stable, safe, affordable housing, providing resources for residents, and promoting solutions to the affordable housing needs of its community.

Greccio's focus is affordable housing for which its programs and activities include, acquisition, rehabilitation, and management of properties for the housing needs of individuals and families with lower incomes, and temporary tenant support and guidance services.

GHU Atrium, LLC, and GHU Ridge, Inc. are wholly-owned subsidiaries of Greccio which were formed for the purpose of owning, investing in, and developing affordable housing.

Greccio Commercial Real Estate Services, LLC, is a wholly-owned subsidiary of Greccio which was formed for the purpose of holding and managing affordable real property.

Greccio, GHU Atrium, LLC, GHU Ridge, Inc., and Greccio Commercial Real Estate Services, LLC are referred herein as "the organization".

A summary of significant accounting policies follows:

#### **Basis of accounting**

The financial statements of the organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

#### **Basis of consolidation**

The financial statements include the accounts of Greccio, GHU Atrium, LLC, GHU Ridge, Inc., and Greccio Commercial Real Estate Services, LLC. All significant intercompany transactions have been eliminated in consolidation.

#### **Basis of presentation**

Under accounting principles generally accepted in the United States of America (U.S. GAAP), the organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions have been limited by donor-imposed time or purpose restrictions or are required to be maintained in perpetuity. Included in net assets without donor restrictions are voluntary board-approved designations for specific purposes, projects, or investments.

#### **Use of estimates**

The preparation of financial statements 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 and expenses during the reporting period. Actual results could differ from those estimates.

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

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**NOTE A -- Nature of business and significant accounting policies (Continued)**

**Exempt status**

Greccio is exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(c)(3) as a public charity and not a private foundation. Greccio is also exempt from Colorado income tax. However, income from certain activities not directly related to Greccio's tax-exempt purpose is subject to taxation as unrelated business income.

GHU Atrium, LLC, GHU Ridge, Inc., and Greccio Commercial Real Estate Services, LLC are being operated in a manner consistent with treatment as a disregarded entity for federal and state income tax purposes. Whereby activities of these entities are reported directly by Greccio. As such, the assets, liabilities, and income are exempt from income taxes and are reported on the Greccio informational return.

**Cash and cash equivalents**

For purposes of reporting cash flows, the organization considers all investments purchased with an original maturity of three months or less to be cash equivalents, with the exception of cash not available to the organization due to restrictions placed on it.

The organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash and cash equivalents.

**Accounts receivable and revenue recognition – contracts with customers**

Contract receivables included in accounts receivable on the statement of financial position include property management fees receivable, partnership management receivable, and development fee receivable, net of allowance for credit losses.

Prior to August 1, 2023, contract receivables are reported in the statement of financial position at the outstanding balance less allowance for doubtful accounts. Contract receivables are written off when management determines an account is uncollectible based on its history of past write-offs and collections and current credit conditions. Contract receivables are not interest-bearing. An account receivable is considered past due if payments have not been received by the organization after 30 days.

Beginning August 1, 2023, contract receivables are carried at original invoice amount, less payments received and an estimate made for credit losses. The organization uses a loss rate method as the basis to determine expected credit losses for receivables and believes that the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. Based on reasonable and supportable forward-looking information, management believes the organization is not likely to experience higher credit losses than historically experienced. Accordingly, the organization has not recognized an allowance for credit losses. Receivables are considered past due when they have been outstanding for over 30 days. Interest is not charged on past due receivables.

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

**NOTE A -- Nature of business and significant accounting policies (Continued)**

Accounts receivable from contracts with customers as of December 31, are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Property management fee receivable	50,602	26,591	27,272
Development fee receivable	5,185	134,033	1,021,847
Partnership management fee receivable	<u>12,377</u>	<u>0</u>	<u>0</u>
Totals	<u>\$ 68,164</u>	<u>\$ 160,624</u>	<u>\$ 1,049,119</u>

Developer fees

The organization's development contracts generally have multiple performance obligations, which can be recognized at a point in time or over time depending on the terms of the contract. The organization's developer services, which consist of services such as engineering surveys, development of construction budget, obtaining a construction contract, are recognized as revenue upon completion of the services, which is deemed to be at a point in time when the project reaches initial closing. The organization's construction oversight services are recognized over time when it has an enforceable right to payment for performance of the services, usually defined in the contract. If the organization does not have an enforceable right to payment for performance of the construction oversight services, the revenue is recognized at a point in time when the construction of the building is complete, and a certificate of occupancy is received. All developer fee revenue by the organization for the years ended July 31, 2024 and 2023 was recognized over time.

Management fee and reimbursement income

The organization provides management services on a contractual basis for owners of various properties. The organization is compensated for these services through a monthly management fee earned based on a specified percentage of the monthly rental income or rental receipts generated from the property under management. The organization is also reimbursed for its administrative and payroll costs directly attributable to the properties under management. Property management services represent a series of distinct daily services rendered over time and includes but is not limited to leasing, compliance, maintenance, and supportive programming for residents. Consistent with the transfer of control for distinct, daily services to the customer, revenue is recognized at the end of each period for the fees associated with the services performed.

Partnership management fee

The organization provides certain services on a contractual basis subject to the terms and conditions of the Partnership Agreement. The organization is compensated for these services annually, solely to the extent that there are funds available to pay. Consistent with the transfer of control for distinct, daily services to the customer, revenue is recognized at the end of each period for the fees associated with the services performed.

Gain on sale leaseback transaction

The organization entered into a sale leaseback transaction. Revenue from the sale is recognized when the buyer receives and pays for the property (point in time). Payment is due at the time of closing. The contract generally does not have a significant financing component

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

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**NOTE A -- Nature of business and significant accounting policies (Continued)**

In the following table, revenue from contracts with customers is disaggregated by timing of satisfaction of performance obligations for the years ended July 31, 2024 and 2023.

	2024	2023
Performance obligations satisfied over time	\$ 483,410	\$ 326,758
Performance obligations satisfied at a point in time	890,452	0
Total	\$ 1,373,862	\$ 326,758

**Notes receivable**

Notes receivable are reported in the statement of financial position at the outstanding principal balance, less an allowance for uncollectible notes. The credit quality of notes receivable is exceptional and there was no note loss provision recorded as of July 31, 2023. The organization considers a note to be impaired when, based on current information and events, the organization determines that it will not be able to collect all amounts due according to the note contract, including scheduled interest payments. When the organization identifies a note as impaired, it measures the impairment based on the present value of expected future cash flows, discounted at the note's effective interest rate, except when the sole (remaining) source of repayment for the note is the operation or liquidation of the collateral. In these cases, the organization uses the current fair value of the collateral, less priority debt and selling costs. If the organization determines that the value of the impaired note is less than the recorded investment in the note (net of previous charge-offs), it recognizes impairment through a note loss provision or a charge-off to the allowance. There were no impaired loans as of July 31, 2023.

Effective with the adoption of the new credit losses standard, the organization's estimate of its allowance for credit losses include consideration of: past events, including historical loan loss experience and historical concessions; current economic conditions and such other factors, which in management's best judgment, deserve current recognition in estimating loan losses; and certain forward-looking information, including reasonable and supportable forecasts. The organization uses a credit loss model to calculate the allowance based on its internal loss experience and current conditions and forecasts. The organization also considers the impact of current conditions and economic forecasts relating to geographical areas, and client-specific exposures on the note receivable. Under this approach, forecasts of these variables over three years are considered reasonable and supportable. Beyond three years, the organization reverts to long-term average loss experience. The organization's allowances at July 31, 2024, reflect the qualitative process described below. Any changes to economic models that occurred after the balance sheet date will be reflected in future periods.

Note receivable are reported in the balance sheet at the outstanding principal balance less the allowance for credit losses. Notes receivable are generally subordinate to other financial institutions. Note interest income and loan processing fees are recognized as income when earned and loan origination costs are recognized as expense when incurred. There was no allowance for credit loss recorded as of July 31, 2024. There are no qualitative credit risk factors impacting the credit quality of the note receivable.



**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

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**NOTE A -- Nature of business and significant accounting policies (Continued)**

The organization classifies notes receivable as past due if a payment is not received in accordance with the loan terms. The organization's practice is to write off any note or portion of a note when the note is determined by management to be uncollectible due to the borrower's failure to meet repayment terms, the borrower's deteriorating or deteriorated financial condition, the depreciation of underlying collateral, or for other reasons. There are no past due notes as of July 31, 2024.

The organization places notes receivable on nonaccrual status when management believes collection of interest income is not probable. Interest income on those notes is recognized when payments are received rather than when earned. There were no loans on nonaccrual status as of July 31, 2024.

Once note receivable are classified as nonaccrual notes, interest income is recognized under the cash basis of accounting and the resumption of the interest accrual would commence only after all past due interest has been collected or the note has been restructured to where the collection of interest is considered likely. The organization charges off notes receivable balances and accrued interest that are deemed uncollectible.

**Accrued interest receivable**

As a practical expedient, the organization excludes the accrued interest receivable from the amortized cost basis of the notes receivable and separately reports it in another financial statement line item, *Accrued interest receivable*. As of July 31, 2024, the accrued interest receivable for notes receivable was \$29,084. Notes receivable generally pay interest according to the operating agreement of the entity the funds were loaned to, therefore accrued interest is typically subject to the cash flow provisions of the operating agreement.

The organization has elected not to measure an allowance on accrued interest receivable for all asset types, because the uncollectible accrued interest receivable is written off in a timely manner, that is, within 90 days of the due date. The organization has elected to write off accrued interest receivable by reversing interest income. During the year ended July 31, 2024, the organization did not reverse any accrued interest receivable in its notes receivable portfolio.

**Property and equipment**

Property and equipment is stated at cost. Donated assets are recorded at their estimated fair value at the date of donation. Depreciation of property and equipment is computed on the straight-line method based upon the following estimated useful lives of the assets:

	<u>Years</u>
Land improvements	15
Buildings and improvements	5 - 40
Furniture and equipment	5
Vehicles	5

The organization's policy is to capitalize property and equipment with a unit cost of \$1,000 or greater and to expense any items with a unit cost below this threshold.

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

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**NOTE A -- Nature of business and significant accounting policies (Continued)**

Maintenance and repairs of property and equipment are charged to operations, and major improvements are capitalized. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is included in operations.

**Leases (lessee)**

The organization determines if an arrangement is or contains a lease at inception. The organization has entered into an operating lease for the Pikes Peak Apartments. Operating leases are included in right-of-use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term.

The organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less and that do not include an option to purchase the underlying assets that is reasonably certain to be exercised). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. The organization had no short-term leases during the years ended July 31, 2024 and 2023.

The organization has elected to account for the lease and non-lease components as a single lease component. There is variability in future lease payments for the leases as the amount of the non-lease components is dependent on certain factors that are unknown and change from one period to the next. These variable lease payments which are primarily comprised of utilities and real estate taxes that are passed on from the lessor in proportion to the space leased, are recognized in operating expenses in the period in which the obligation for those payments was incurred.

The organization has also made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments for its leases of office spaces. A risk-free rate is used for all leases since the leases do not provide an implicit rate. The risk-free rate is based on the information available at the lease commencement date in determining the present value of the lease payments.

For the purposes of lease classification, the organization defines the major part of the economic life of the underlying asset for all classes to be 75% of the lease term and defines substantially all of the fair value to be equal to or exceeding 90% of the present value of the sum of the lease payments for all classes.

**Impairment of long-lived assets**

The organization reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

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**NOTE A -- Nature of business and significant accounting policies (Continued)**

**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. The organization has elected to classify distributions received from equity methods investees on the statements of cash flows using the nature of distribution approach. Income on investments in collaborative entities is included in other income on the statement of activities.

**Refundable advances**

The organization receives grants from government agencies to acquire or develop rental properties. These grants contain donor-imposed conditions requiring that 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. Amounts received are reported as refundable advances in the statements of financial position until all donor-imposed conditions are met. Historically, the organization has met the affordability conditions of its conditional grants.

**Revenue recognition – grant revenue and contributions**

Contributions and grants with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend on have been met. Support received is recorded as an increase in net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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. Income earned on net assets with donor restrictions is recorded as revenue without donor restrictions.

**Revenue recognition - in-kind contributions**

The organization receives donated services and other in-kind contributions during the year, which are recorded in the statement of activities at their fair value. Fair value is based on the actual cost. 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 financial statements because they do not meet the aforementioned criteria. The organization received approximately 2,421 and 570 volunteer hours during the years ended July 31, 2024 and 2023, respectively, with an estimated value of \$76,294 and \$11,571, respectively.

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

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**NOTE A -- Nature of business and significant accounting policies (Continued)**

**Accounts receivable and revenue recognition – rental income transactions**

The organization follows FASB Codification Topic 842 *Leases* and Topic 450-20 *Loss Contingencies* to account for its operating lease receivables included in accounts receivable. When the organization concludes collectability of specific operating lease receivables is not probable, those receivables are written off to bad debt expense which is presented as a reduction to rental income in the statement of operations. In addition, the organization establishes a general allowance at each reporting date when its individual operating leases are considered probable of collection, but when it expects a portion of the operating receivables will be uncollectible based on historical evidence and expectations of future collections. The allowance for uncollectible operating lease receivables totaled \$90,691 and \$56,710 as of July 31, 2024 and 2023, respectively.

The organization leases apartments to eligible residents under operating leases which are substantially all on a yearly basis. Residential apartment leases often provide residents with the option to have a pet or use the organization's parking, laundry, and/or storage facilities, etc. which are fixed fee lease components. To the extent the organization provides such lease components, they are included in rental income. The operating leases may also provide that the residents reimburse the organization for certain variable costs, such as their share of utilities expenses or provide the transfer of services to the tenants for a fee. These reimbursements and services represent revenue attributable to non-lease components for which the timing and pattern of recognition is the same as revenue for the lease components. The organization utilizes the practical expedient to account for the lease and non-lease components as a single operating lease component. Reimbursement and related expenses are presented on a gross basis in the statement of activities, with the reimbursements included in other tenant charges. The services components are also included in other tenant charges. Rental income is recognized, net of vacancies and concessions and bad debt expense, on a straight-line basis over the term of the leases.

Other tenant charges also consists of various tenant charges provided for in the lease contract, such as late fees, cleaning fees, and damages fees which are variable payments that do not provide a transfer of a good or service to the tenants and are not considered components of the lease contract. These fees are recognized as revenue when assessed. Certain services are also provided to tenants outside of the lease contract and are recognized when the service is complete.

The organization also leases commercial space under a commercial lease (see Note K).

Property and equipment with a cost as of July 31, 2024 and 2023, used for residential and commercial rental purposes and subject to operating leases totaled approximately \$23,527,952 and \$23,648,584, respectively. The carrying value of such property as of July 31, 2024 and 2023 was approximately \$15,047,344 and \$15,261,938, respectively.

The residential leases do not provide extension options. A new lease agreement is executed if both parties wish to continue the tenancy upon expiration of the existing lease term. As of July 31, 2024, the average remaining term of the organization's residential leases is less than 12 months.

# GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2024

### NOTE A -- Nature of business and significant accounting policies (Continued)

The components of rental income for all resident and commercial operating leases are as follows for the years ended July 31:

	<u>2024</u>	<u>2023</u>
Fixed operating lease revenue from apartment and commercial rentals, net of vacancies, concessions, and bad debt expense	\$ 2,950,837	\$ 2,872,610
Fixed operating lease revenue from other rentals and services included in other tenant charges	9,590	14,373
Variable operating lease revenue included in other tenant charges	<u>226,642</u>	<u>280,156</u>
Total lease income	<u>\$ 3,187,069</u>	<u>\$ 3,167,139</u>

Supplemental statement of cash flows information related to leases for the years ended July 31, is as follows:

	<u>2024</u>	<u>2023</u>
Cash received from operating leases		
Operating cash flows from operating leases	\$ 3,183,762	\$ 3,160,529

### Functional allocation of expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. 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 and property management.

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

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**NOTE A -- Nature of business and significant accounting policies (Continued)**

**Adoption of New Accounting Standard – ASU 2016-13 Measurement of Credit Losses on Financial Instruments**

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the organization that are subject to the guidance in FASB ASC 326 were contract receivables and notes receivable.

The organization adopted the standard effective August 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

**Subsequent events**

These financial statements have not been updated for subsequent events occurring after December 4, 2024, which is the date these financial statements were available to be issued. The organization has no responsibility to update these financial statements for events and circumstances occurring after this date.

**Reclassifications**

Some items in the 2023 financial statements have been reclassified to be consistent with the current year's presentation.

**NOTE B -- Restricted cash**

Current restricted cash for the organization is comprised of the following:

	2024	2023
Property replacement reserves	\$ 511,754	\$ 431,588
Insurance and tax escrows	12,464	6,956
Tenants' security deposits	187,194	186,892
	\$ 711,412	\$ 625,436

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

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**NOTE C -- Investments in collaborative entities**

The organization's investments in collaborative entities are comprised of the following as of July 31:

	2024	2023
GPR Properties, LLC	\$ 844,586	\$ 269,076
GPR Properties II, LLC	87,314	40,737
Other investments	1,436	0
	\$ 933,336	\$ 309,813

The organization has a minority interest in GPR Properties, LLC (33.33%, two additional partners) and GPR Properties II, LLC (33%, three additional partners).

Each of these entities provides affordable housing. The investments in the limited liability companies are accounted for under the equity method of accounting. These investments are considered extensions of the organization's exempt purpose. During the years ended July 31, 2024 and 2023, GPR Properties, LLC made cash distributions of \$0 and \$25,000, respectively, and GPR Properties II, LLC made cash distributions of \$3,000 and \$2,700, respectively, to the organization.

The organization's investments in collaborative entities are comprised of the following as of and for the year ended December 31, 2023:

	<b>GPR Properties</b>	<b>GPR Properties II</b>
Assets	\$ 2,558,594	\$ 2,222,239
Less: liabilities	7,918	1,944,072
Members' equity	\$ 2,550,676	\$ 278,167
Total revenue	\$ 1,873,382	\$ 631,679
Net income (loss)	\$ 1,864,747	\$ 225,275
Organization's interest:		
Share of net income (loss)	\$ 621,582	\$ 74,341
Share in members' equity	\$ 850,225	\$ 91,795

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
July 31, 2024

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**NOTE C -- Investments in collaborative entities (Continued)**

The organization's investments in collaborative entities are comprised of the following as of and for the year ended July 31, 2024:

	<b>GPR Properties</b>	<b>GPR Properties II</b>
Assets	\$ 2,537,159	\$ 2,017,656
Less: liabilities	<u>3,401</u>	<u>1,753,068</u>
Members' equity	<u>\$ 2,533,758</u>	<u>\$ 264,588</u>
Total revenue	<u>\$ 1,872,432</u>	<u>\$ 484,940</u>
Net income (loss)	<u>\$ 1,775,003</u>	<u>\$ 141,142</u>
Organization's interest:		
Share of net income (loss)	<u>\$ 591,668</u>	<u>\$ 46,577</u>
Share in members' equity	<u>\$ 844,586</u>	<u>\$ 87,314</u>

The organization's investments in collaborative entities are comprised of the following as of and for the year ended December 31, 2022:

	<b>GPR Properties</b>	<b>GPR Properties II</b>
Assets	\$ 1,686,611	\$ 3,128,319
Less: liabilities	<u>1,015,157</u>	<u>2,916,897</u>
Members' equity	<u>\$ 671,454</u>	<u>\$ 211,422</u>
Total revenue	<u>\$ 84,320</u>	<u>\$ 254,828</u>
Net income (loss)	<u>\$ 75,317</u>	<u>\$ 50,307</u>
Organization's interest:		
Share of net income (loss)	<u>\$ 25,106</u>	<u>\$ 16,601</u>
Share in members' equity	<u>\$ 223,818</u>	<u>\$ 69,769</u>



**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

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**NOTE C -- Investments in collaborative entities (Continued)**

The organization's investments in collaborative entities are comprised of the following as of and for the year ended July 31, 2023:

	<b>GPR Properties</b>	<b>GPR Properties II</b>
Assets	\$ 1,811,130	\$ 3,038,489
Less: liabilities	<u>1,003,902</u>	<u>2,915,043</u>
Members' equity	<u>\$ 807,228</u>	<u>\$ 123,446</u>
Total revenue	<u>\$ 108,951</u>	<u>\$ 484,940</u>
Net income (loss)	<u>\$ 70,353</u>	<u>\$ 36,930</u>
Organization's interest:		
Share of net income (loss)	<u>\$ 23,451</u>	<u>\$ 12,310</u>
Share in members' equity	<u>\$ 269,076</u>	<u>\$ 40,737</u>

**NOTE D -- Property and equipment, net**

Property and equipment, net is comprised of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 1,852,296	\$ 2,022,296
Land improvements	372,876	369,031
Buildings and improvements	22,394,154	22,194,232
Furniture and equipment	154,867	150,491
Vehicles	204,975	98,808
Construction in progress	<u>99,955</u>	<u>177,949</u>
	25,079,123	25,012,807
Less accumulated depreciation	<u>(8,971,517)</u>	<u>(8,728,396)</u>
	<u>\$ 16,107,606</u>	<u>\$ 16,284,411</u>

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

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**NOTE E -- Notes payable**

The organization has entered into multiple note agreements in order to purchase and rehabilitate or develop real property for purposes of fulfilling its mission. Notes payable consist of the following:

	2024	2023
Twenty-one individual promissory notes payable with outstanding principal balances ranging from \$9,733 to \$1,759,050 as of July 31, 2024, bearing interest rates at 1% to 6.5% (effective interest rates of approximately 1% to 6.7%); with monthly principal payments ranging from \$0 to \$7,877, due at various dates through January 2050 or upon 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, 2024 the organization is in compliance with the covenants.	\$ 6,624,177	\$ 6,787,064
Nineteen individual forgivable and non-serviceable promissory notes payable with outstanding principal balances ranging from \$11,916 to \$650,000 at zero percent interest, with no principal payment due unless sale or transfer of property, secured by its real property.	4,371,419	4,435,973
	10,995,596	11,223,037
Less current maturities	288,736	287,642
	\$ 10,706,860	\$ 10,935,395

Repayment of principal on notes payable as of July 31, 2024, is as follows:

Year ending July 31:

2025	\$ 288,736
2026	316,252
2027	489,011
2028	1,686,381
2029	953,595
Thereafter	7,261,621
	\$ 10,995,596

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

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**NOTE F -- Refundable advances**

Refundable advances consist of the following:

	2024	2023
Refundable advances under nine and ten separate grant agreements as of July 31, 2024 and 2023, respectively, from the State of Colorado Division of Housing requiring the property be used for affordable housing for thirty years, expiring at various dates through 2051. 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>\$ 5,114,533</u>	<u>\$ 5,289,533</u>

**NOTE G -- Line of credit**

The organization had one line of credit with Ent Credit Union which expires in December 2025 in the amount of \$500,000 with interest at the prime rate plus 1% (8.5% at July 31, 2024). There are no compensating balance arrangements with the bank. The outstanding balance on line of credit was \$419,334 and \$0 as of July 31, 2024 and 2023, respectively.

Subsequent to year end, the organization opened a new line of credit with Ent Credit Union on August 21, 2024, in the amount of \$500,000. Interest accrues at a rate of 6.375% per annum. The line of credit is due August 1, 2034. There are no compensating balance arrangements with the bank.

**NOTE H -- Net assets**

Net assets without donor restrictions

Net assets without donor restrictions consists of net assets available for operations of the organization and net assets designated by the organization's board of directors for the following purposes as of July 31:

	2024	2023
Board-designated – long-term reserves	\$ 1,081,534	\$ 595,584
Undesignated	<u>3,003,779</u>	<u>2,288,271</u>
Total	<u>\$ 4,085,313</u>	<u>\$ 2,883,855</u>

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

**NOTE H -- Net assets (Continued)**

Net assets with donor restrictions – time or use

Net assets with donor restrictions – time or use include assets set aside in accordance with donor restrictions as to time or use and are available for the following purposes as of July 31:

	2024	2023
Time restricted	\$ 19,124	\$ 35,150
Program:		
Capital improvements	13,000	181,460
Forrest Rogers scholarship	2,785	5,285
Animal welfare	2,667	5,000
EPP, food & education	44,195	38,174
Children’s literacy	5,565	5,565
Adopt-A-Family	3,128	891
Other	5,554	5,000
	\$ 96,018	\$ 276,525

**NOTE I -- In-kind contributions**

The organization received the following in-kind contributions for the years ended July 31:

	2024	2023
Food	\$ 388,654	\$ 174,023
Goods	22,091	3,130
Imputed interest	194,755	176,552
Donated services	2,399	1,033
	\$ 607,899	\$ 354,738

The organization’s policy related to in-kind contributions is to utilize the assets given to carry out the mission of the organization. If an asset is provided that does not allow the organization to utilize it in its normal course of business, the asset will be disposed or the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

Imputed interest was calculated at 4.61% and 3.98%, the long-term applicable federal rates as of the year ended July 31, 2024 and 2023 on the outstanding zero percent interest notes payable discussed in Note E and recognized as an expense and a related in-kind contribution.

The organization uses the wholesale value of one pound of donated product, based upon an internal study of food prices. The price per pound for items was between \$1.88 and \$5.87 and \$1.70 and \$2.70 for the years ended July 31, 2024 and 2023, respectively.

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

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**NOTE I -- In-kind contributions (Continued)**

The organization estimates the value of goods received based on fair market value of item donated.

All in-kind contributions received by the organization for the years ended July 31, 2024 and 2023 were considered without donor restrictions and able to be used by the organization as determined by the board of directors and management.

**NOTE J -- Employee benefit plan**

The organization has established a qualified 401(k) profit sharing plan (the plan) under the provisions of Section 401(k) of the Internal Revenue Code. The plan covers all employees who have completed 250 hours of service during the first three months of employment or employees who have completed one year 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 \$29,538 and \$40,198 for the years ended July 31, 2024 and 2023, respectively.

**NOTE K – Leases**

Commercial lease (lessor)

The organization entered into a lease agreement with a third party to lease a portion of the organization's building. The lease is classified as an operating lease. The lease requires escalating monthly payments ranging from of \$8,619 to \$9,702 over the lease term of the lease beginning February 19, 2021. The lease expires February 18, 2026. The lease does not provide an option for the tenant to purchase the space. The lease does not provide an option for the tenant extend the lease term. Lease income was \$111,240 and \$108,000 for the years ended July 31, 2024 and 2023, respectively.

The undiscounted cash flows to be received from lease payments on the organization's commercial operating lease as of July 31, are as follows:

Year ending July 31,

2025	\$ 114,583
2026	<u>63,068</u>
	<u>\$ 177,651</u>

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

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**NOTE K -- Leases (Continued)**

Operating lease (lessee)

The organization entered into a sale-leaseback transaction to lease a 23 unit apartment complex with a lease term of 2 years commencing May 2024 with a discount rate of 4.86%. The lease is classified as an operating lease and does not contain any renewal options. Variable payments are not determinable at the lease commencement and are not included in the measurement of the lease assets and liabilities. These payments are recognized in the period in which the related obligation was incurred. The lease agreement does not include any material residual value guarantees or restrictive covenants.

The components of lease expense are comprised of the following and are included in general maintenance on the statements of functional expense for the years ended July 31:

	2024	2023
Operating lease cost	\$ 18,968	\$ 0
Variable lease cost	1,971	0
Total	\$ 20,939	\$ 0

The following summarizes the cash flow information related to operating leases for the year ended July 31:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 19,335	\$ 0
Noncash financing and investing cash flow:		
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	\$ 196,000	\$ 0

Future minimum lease payment to be paid under this lease as of July 31, 2024 are as follows:

Year ending July 31:

2025	\$ 98,000	
2026	78,665	
Total future minimum lease payments	176,665	
Less amount of lease payments representing interest	(7,522)	
Present value of future minimum lease payments (operating lease liability)	\$ 169,143	

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

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**NOTE L -- Related-party transactions**

The organization has a collaborative arrangement with an entity, Atrium Apartments, LLLP (Atrium) where Greccio serves as the administrative member and GHU Atrium, LLC serves as the managing general partner. The organization also has a collaborative arrangement with an entity, Broadmoor Bluffs Apartments, LLC (Broadmoor Bluffs) where GHU Ridge, Inc. serves as a member of the managing member. The organization also has a collaborative arrangement with an entity, Bentley Commons, LLC (Bentley Commons) where Greccio serves as a member of the managing member. The purpose of Atrium, Broadmoor Bluffs, and Bentley Commons is owning, developing, and leasing real property.

The organization entered into a development services agreement with Atrium. The entire fee to be paid under the agreement was earned by the organization and recognized into revenue in a prior period. Developer fees receivable related to this agreement were \$0 and \$128,848 as of July 31, 2024 and 2023, respectively.

The organization entered property management agreements with Atrium, Bentley Commons, and Broadmoor Bluffs. Under the agreements, the organization is to receive a management fee equal to 6% of gross monthly receipts, as defined in the agreements, on a monthly basis. Management fees earned by the organizations property management agreements were \$32,492 and \$34,864 for Atrium, \$8,386 and \$0 for Bentley Commons, and \$40,752 and \$37,688 for Broadmoor Bluffs for the years ended July 31, 2024 and 2023, respectively. Under these agreements, the organization is also reimbursed for its administrative and payroll costs directly attributable to these properties. Payroll reimbursements, included in revenue, under these agreements were \$80,442 and \$58,903 for Atrium, \$7,236 and \$0 for Bentley Commons, and \$94,260 and \$73,306 for Broadmoor Bluffs for the years ended July 31, 2024 and 2023, respectively.

The organization is entitled to an annual fee of \$20,000, increasing by 3% annually, for providing management services to the Atrium. The partnership management fee is to be paid out of the Atrium's available cash flow, as defined in the entity's partnership agreement. The amounts earned by the organization, included in revenue, were \$52,977 and \$0 for the years ended July 31, 2024 and 2023, respectively. Partnership management fee receivable were \$12,377 and \$0 as of July 31, 2024 and 2023.

As of July 31, 2024 and 2023, the organization has a note receivable from Atrium in the amount of \$1,050,000, with funds made available by the State of Colorado, Department of Local Affairs for the benefit of the Division of Housing ("CDOH") from the HOME Investment Partnership Program ("HOME"). The note bears interest at 0.5% compounded annually. The loan is due in full on December 31, 2060. As of July 31, 2024 and 2023, the organization has an additional note receivable from Atrium in the amount of \$550,000, with funds made available by the City of Colorado Springs through the "HOME". The note bears interest at 1.00% compounded annually. The loan is due in full on December 31, 2050. Interest income related to these notes receivable amounted to \$10,887 and \$18,197 for the years ended July 31, 2024 and 2023, respectively. Accrued interest receivable totaled \$29,084 and \$18,197 as of July 31, 2024 and 2023, respectively.

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
July 31, 2024

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**NOTE M -- Commitments and contingencies**

**Grant contracts**

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.

**Repayment and completion guaranty**

The Bentley Commons operating agreement requires the guarantors (Bentley Commons MM, LLC (BCMM), Greccio, Rocky Mountain Community Land Trust (RMCLT), and Partners in Housing, Inc. (PIH)) to fund Bentley Commons operating deficits through the stabilization period, as defined therein, and to provide all funds required to achieve construction completion to the extent Bentley Commons lacks sufficient funds from its member capital contributions and proceeds from the construction and convertible loans to pay for the development costs. Any payments made by guarantor shall be deemed development advances repayable only from available cash flow as defined in Bentley Commons operating agreement. There is no limitation on the maximum amount of development advances. There were no development advances from guarantors to Bentley Commons as of July 31, 2024 and 2023. In addition, the guarantors (BCMM, Greccio, RMCLT, and PIH) guarantees and promises to pay Colorado Housing and Finance Authority the principal sum of \$34,000,000 on the conversion date of the loan agreement. No liability has been recognized for obligations under these guarantees as the amount is not deemed to be material to the financial statements.

**Operating deficit guaranty**

In the event that, at any time, or from time to time, there exists an operating deficit, the amount by which Atrium expenses plus any required funding of the replacement reserve exceed the sum of collected gross receipts from the project, for which the general partner is liable, the guarantor (Greccio) shall advance funds to Atrium as a loan in the amount of the required operating deficit advances. The obligation to advance funds shall be limited to the maximum cumulative amount of \$225,457, which amount shall include any prior operating deficit advances made and will expire at the end of the third anniversary of the stabilization period, as defined in Atrium's amended and restated agreement of limited liability limited partnership. There were no operating deficit loans from guarantors to the Atrium as of July 31, 2024 and 2023.

In the event that, at any time, or from time to time, there exists an operating deficit, the amount by which Bentley Commons expenses plus any required funding of the replacement reserve exceed the sum of collected gross receipts from the project, for which the managing member is liable, the guarantors (Greccio, RMCLT, and PIH) shall advance funds to Bentley Commons as a loan in the amount of the required operating deficit advances. The obligation to advance funds shall be limited to the maximum cumulative amount of \$1,040,307, which amount shall include any prior operating deficit advances made and will expire at the time specified in Bentley Commons' operating agreement. There were no operating deficit loans from guarantors to Bentley Commons as of July 31, 2024 and 2023.

No liability has been recognized for obligations under these guarantees as the amount is not deemed to be material to the financial statements.



# GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2024

### NOTE M -- Commitments and contingencies (Continued)

#### Development fee guarantee

In the event that, at any time, or from time to time, to the extent that all or any part of the development fee of Bentley Commons is not paid by the 13<sup>th</sup> anniversary of the completion date of Bentley Commons, the guarantors (Greccio, RMCLT, PIH) shall advance funds to Bentley Commons in an amount equal to the required unpaid development fee. The remaining unpaid portion of the Bentley Commons development fee was \$5,398,966 as of July 31, 2024. No liability has been recognized for obligations under this guarantee as the amount is not deemed to be material to the financial statements.

#### Land use restriction agreements (LURAs)

The organization has entered into LURAs with the City of Colorado Springs and the State of Colorado as a condition to receiving funding for the acquisition and rehabilitation of various properties owned by the organization. Under these agreements, the organization must comply with affordability requirements for specified affordability periods.

### NOTE N -- Availability of financial assets and liquidity

As part of the organization's liquidity management, a policy is generally to maintain financial assets to meet 90 days of operating expenses. The organization has the following financial assets available to meet cash needs for general expenditures within one year of the statement of financial position date.

	2024	2023
Cash and cash equivalents	\$ 1,317,171	\$ 816,228
Accounts receivable, net of allowance for uncollectible accounts of \$90,691 - 2024 and \$56,710 - 2023	123,849	50,587
Developer fees receivable	5,185	134,033
Grants receivable	20,079	35,149
Accrued interest receivable	29,084	18,197
Less those unavailable for general expenditures within one year due to:		
Restricted by donor with time or purpose restrictions	(96,018)	(276,525)
Financial assets available to meet cash needs for general expenditure within one year	\$ 1,399,350	\$ 777,669

None of the financial assets available to meet cash needs for general expenditure within one year noted above are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

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 a \$500,000 line of credit with a financial institution (see Note G). The programs provided for residents are supported for the most part by donations and grants.

SUPPLEMENTARY INFORMATION

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
**SCHEDULES OF NOTES PAYABLE, REFUNDABLE ADVANCES, AND LINE OF CREDIT**  
July 31, 2024 and 2023

	2024	2023
<b>1224 – 1228 Delaware Drive (Santa Fe)</b>		
Note payable — Ent Credit Union, monthly payments of \$3,359 which includes principal and interest at 3.5% (effective interest rate of approximately 3.56%); due January 16, 2032, collateralized by a deed of trust.	\$ 524,312	\$ 545,642
Note payable — El Paso County Housing Authority, monthly payments of \$2,213 which include principal and interest at 3% (effective interest rate of approximately 3.04%); due July 1, 2044; collateralized by a deed of trust.	397,885	412,278
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.	238,273	258,264
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.	236,250	259,875
Refundable advance — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring September 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.	560,000	560,000
	<b>\$ 1,956,720</b>	<b>\$ 2,036,059</b>
<b>3010 North Hancock Avenue (Enfield)</b>		
Note payable — El Paso County Housing Authority, monthly payments of \$1,476 which includes principal and interest at 3% (effective interest rate of approximately 3.04%); due September 1, 2038; collateralized by a deed of trust.	\$ 204,156	\$ 215,553
Balance brought forward	204,156	215,553

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
**SCHEDULES OF NOTES PAYABLE, REFUNDABLE ADVANCES, AND LINE OF CREDIT**  
July 31, 2024 and 2023

	2024	2023
<b>3010 North Hancock Avenue (Enfield) (Continued)</b>		
Balance carried forward	204,156	215,553
Note payable — Ent Credit Union, monthly payments of \$8,731; which includes principal and interest at 3.75% (effective interest rate of approximately 3.82%); due February 1, 2028; collateralized by a deed in trust.	1,143,383	1,197,899
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	600,000	600,000
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	8,731	12,225
	<b>\$ 1,956,270</b>	<b>\$ 2,025,677</b>

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

Note payable — Ent Credit Union, monthly payments of \$2,352 which includes principal and interest at 3.5% (effective interest rate of approximately 3.56%); due January 15, 2032; collateralized by a deed of trust.	\$ 367,244	\$ 382,175
Note payable — El Paso County Housing Authority, monthly payments of \$1,476 which includes principal and interest at 3% (effective interest rate of approximately 3.04%); due September 1, 2042; collateralized by a deed of trust.	242,622	252,857
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	400,000	400,000
Refundable advance — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring January 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	398,958
	<b>\$ 1,408,824</b>	<b>\$ 1,433,990</b>

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
**SCHEDULES OF NOTES PAYABLE, REFUNDABLE ADVANCES, AND LINE OF CREDIT**  
**July 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>2020 East Bijou Street (Woodbine)</b>		
Note payable — City of Colorado Springs; no interest, principal due on sale; collateralized by a deed of trust. Note is being forgiven over fifteen years.	\$ 134,890	\$ 144,890
Refundable advance — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring April 2042. 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>1,126,075</u>	<u>1,126,075</u>
	<u>\$ 1,260,965</u>	<u>\$ 1,270,965</u>
<b>2508 Platte Avenue (Plaza on Platte)</b>		
Note payable — City of Colorado Springs; monthly payments of \$1,572 which includes principal and interest at 2.5% (effective interest rate of approximately 2.53%); due by February 1, 2038; collateralized by a deed of trust.	\$ 219,894	\$ 232,014
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.	95,625	106,875
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	300,000	300,000
Refundable advance — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring February 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.	<u>305,000</u>	<u>305,000</u>
	<u>\$ 920,519</u>	<u>\$ 943,889</u>

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
**SCHEDULES OF NOTES PAYABLE, REFUNDABLE ADVANCES, AND LINE OF CREDIT**  
 July 31, 2024 and 2023

	2024	2023
<b>3631 Marion Drive (Citadel Arms)</b>		
Refundable advance — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring July 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.	<u>\$ 738,000</u>	<u>\$ 738,000</u>
<b>2914 North Arcadia Street (Kittyhawk)</b>		
Note payable — El Paso County Housing Authority, monthly payments of \$738 which includes principal and interest at 3% (effective interest rate of approximately 3.04%); due July 1, 2034; collateralized by a deed of trust.	\$ 76,407	\$ 82,863
Note payable — Ent Credit Union, monthly payments of \$4,729 which include principal and interest at 3.75% (effective interest rate of approximately 3.82%); due February 1, 2028; collateralized by a deed in trust.	615,668	649,322
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	230,000	230,000
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	0	19,665
Note payable – City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust. Beginning in year six, the loan will be forgiven ratably by 20% each year in five equal installments through the end of year ten.	200,000	0
Refundable advance — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring June 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.	<u>250,000</u>	<u>250,000</u>
	<u>\$ 1,372,075</u>	<u>\$ 1,231,850</u>

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
**SCHEDULES OF NOTES PAYABLE, REFUNDABLE ADVANCES, AND LINE OF CREDIT**  
**July 31, 2024 and 2023**

	2024	2023
<b>833 West Colorado</b>		
Note payable — El Paso County Housing Authority, monthly payments of \$211 plus interest at 3% (effective interest rate of approximately 3.04%); due August 1, 2028; collateralized by a deed of trust.	\$ 9,733	\$ 11,935
Note payable — CDBG and HOME; no interest; principal due on sale; collateralized by a deed of trust.	250,000	250,000
Note payable— City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	22,185	22,185
	\$ 281,918	\$ 284,120
<b>1022 Alexander Road</b>		
Note payable — El Paso County Housing Authority; monthly payments of \$738 which includes principal and interest at 3% (effective interest rate of approximately 3.04%); due December 1, 2037; collateralized by a deed of trust.	\$ 97,698	\$ 103,526
Refundable advance — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring November 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.	137,500	137,500
	\$ 235,198	\$ 241,026

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
**SCHEDULES OF NOTES PAYABLE, REFUNDABLE ADVANCES, AND LINE OF CREDIT**  
July 31, 2024 and 2023

	2024	2023
<b>817-841 South Cedar Street</b>		
Note payable — CHFA; monthly payments of \$1,896 which includes principal and interest at 6.5% (effective interest rate of approximately 6.70%); due August 1, 2032; collateralized by a deed of trust.	\$ 110,312	\$ 124,143
Note payable — CHFA; monthly payments of \$354 which includes principal and interest at 1%; due August 1, 2032; collateralized by a deed of trust.	32,930	36,503
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	150,000	150,000
	<b>\$ 293,242</b>	<b>\$ 310,646</b>
<b>2516 Concorde Street (Pines)</b>		
Note payable — El Paso County Housing Authority; monthly payments of \$940 which includes principal and interest at 3% (effective interest rate of approximately 3.04%); due August 1, 2029; collateralized by a deed of trust.	\$ 53,094	62,621
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	195,000	195,000
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	25,000	25,000
	<b>\$ 273,094</b>	<b>\$ 282,621</b>



**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
**SCHEDULES OF NOTES PAYABLE, REFUNDABLE ADVANCES, AND LINE OF CREDIT**  
July 31, 2024 and 2023

	2024	2023
<b>218-232 Fountain (Clark Mellen)</b>		
Note payable — El Paso County Housing Authority; monthly payments of \$211 which includes principal and interest at 3% (effective interest rate of approximately 3.04%); due July 1, 2030; collateralized by a deed of trust	\$ 13,875	\$ 15,954
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	200,000	200,000
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	3,184	4,705
	\$ 217,059	\$ 220,659
<b>320 East Bijou</b>		
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	\$ 151,164	\$ 151,164
Note payable— City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	40,000	40,000
	\$ 191,164	\$ 191,164
<b>1030 West Moreno</b>		
Note payable — El Paso County Housing Authority; monthly payments of \$211 which includes principal and interest at 3% (effective interest rate of approximately 3.04%); due January 1, 2030; collateralized by a deed of trust.	\$ 12,787	\$ 14,898
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	195,000	195,000
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	14,968	14,968
	\$ 222,755	\$ 224,866

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
SCHEDULES OF NOTES PAYABLE, REFUNDABLE ADVANCES, AND LINE OF CREDIT  
July 31, 2024 and 2023

	2024	2023
<b>2812 E. Bijou (Rocky Mountain Apts.)</b>		
Note payable — El Paso County Housing Authority; monthly payments of \$690 which include principal and interest at 1.5% (effective interest rate of approximately 1.51%); due January 1, 2049; collateralized by a deed of trust.	\$ 170,485	\$ 175,422
Note payable — Ent Credit Union; 39 monthly payments of principal and interest at \$4,196 at 3.75%; 48 monthly payments of principal and interest of \$4,438 at 4.25% (effective interest rate of approximately 4.33%), 32 monthly payments of \$4,600 at 4.625%; due April 1, 2029; collateralized by a deed of trust.	821,455	837,681
Note payable — City Home; no interest; principal due on sale; collateralized by deed in trust.	650,000	650,000
Refundable advance — State of Colorado Division of Housing requiring the property to be used for affordable housing for forty-five years.	549,000	549,000
	<b>\$ 2,190,940</b>	<b>\$ 2,212,103</b>
<b>3124 Arcadia Street</b>		
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	\$ 100,000	\$ 100,000
Note payable — City CDBG; no interest; principal due on sale; collateralized by deed in trust.	144,421	144,421
Note payable — Ent 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% (effective interest rate of approximately 4.59%); one final payment of remaining principal and interest due December 22, 2026; collateralized by a deed of trust.	183,323	189,780
	<b>\$ 427,744</b>	<b>\$ 434,201</b>

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
**SCHEDULES OF NOTES PAYABLE, REFUNDABLE ADVANCES, AND LINE OF CREDIT**  
July 31, 2024 and 2023

	2024	2023
<b>Atrium of Austin Bluffs</b>		
Note payable — City of Colorado Springs; simple interest at 1%; interest payments due out of net cash flow; principal due on sale; principal forgiven ratably over the 10-year period commencing January 1, 2042; collateralized by a deed of trust.	\$ 550,000	\$ 550,000
Refundable advance — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring December 2051. 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.	1,050,000	1,050,000
	<b>\$ 1,600,000</b>	<b>\$ 1,600,000</b>
<b>2631 West Pikes Peak</b>		
Note payable — El Paso County Housing Authority; monthly payments of \$278 which includes principal and interest at 3% (effective interest rate of approximately 3.04%); due August 1, 2030; collateralized by a deed of trust.	\$ 0	\$ 21,286
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	0	195,000
Refundable advance — 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.	0	175,000
	<b>\$ 0</b>	<b>\$ 391,286</b>

**GRECCIO HOUSING UNLIMITED, INC. AND SUBSIDIARIES**  
**SCHEDULES OF NOTES PAYABLE, REFUNDABLE ADVANCES, AND LINE OF CREDIT**  
July 31, 2024 and 2023

	2024	2023
<b>321 North Weber</b>		
Note payable — City of Colorado Springs; no interest; principal due on sale; collateralized by a deed of trust.	\$ 25,000	\$ 25,000
Note payable — Ent Credit Union; commencing June 1, 2024, 12 monthly interest only payments at 6.25%; commencing June 1, 2025, 107 monthly payments of principal and interest of \$4,418 at 6.25 (effective interest rate of approximately 6.43%); one final payment of remaining principal and interest due May 1, 2034; collateralized by a deed of trust.	538,642	0
	\$ 563,642	\$ 25,000
<b>Greccio</b>		
Note payable — Ent Credit Union; one payment of principal and interest of \$417,125 at 7.5% (effective interest rate of approximately 7.76%); due August 1, 2024; collateralized by a deed of trust.	\$ 0	\$ 414,448
Line of Credit – Ent Credit Union; one payment of principal and interest at interest at the prime rate plus 1% (8.5% at July 31, 2024); due December 1, 2025; collateralized by a deed of trust.	419,334	0
	\$ 419,334	\$ 414,448
Total	\$ 16,529,463	\$ 16,512,570
<b>Statements of financial position reconciliation – Notes payable, refundable advances, and line of credit</b>		
Notes payable – serviceable	\$ 6,624,177	\$ 6,787,064
Notes payable - forgivable	4,371,419	4,435,973
Refundable advances	5,114,533	5,289,533
Line of credit	419,334	0
Total	\$ 16,529,463	\$ 16,512,570