

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

**Financial Statements,
Supplemental Information
For the Year Ended July 31, 2017**

And

Independent Auditors' Report

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Greccio Housing Unlimited, Inc. dba Greccio Housing (Greccio), which comprise the statement of financial position as of July 31, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greccio as of July 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2017 Greccio adopted a new accounting standards update relating to the classification of debt issuance costs. The provisions of the accounting standards update were applied to the 2017 and 2016 financial statements and notes to the financial statements. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited Greccio's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 26, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of comparative information and of notes payable, bonds payable and conditional grants 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 audit 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.

Stockman Kast Ryan & Co., LLP

October 25, 2017

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

STATEMENT OF FINANCIAL POSITION
JULY 31, 2017 (with comparative totals for 2016)

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 491,501	\$ 511,650
Accounts receivable, net	23,713	49,282
Current portion of pledges receivable	115,641	150,250
Prepaid expenses	26,722	78,020
Other current assets	<u>12,198</u>	<u>11,458</u>
Total current assets	669,775	800,660
PLEDGES RECEIVABLE		65,000
PROPERTY AND EQUIPMENT, NET	14,445,386	13,992,778
SECURITY DEPOSITS	148,752	145,383
INVESTMENTS IN COLLABORATIVE ENTITIES	<u>27,720</u>	<u>60,523</u>
TOTAL ASSETS	<u>\$ 15,291,633</u>	<u>\$ 15,064,344</u>
LIABILITIES AND NET ASSETS (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	\$ 58,918	\$ 29,884
Accrued expenses	81,516	91,801
Deferred revenue	49,113	53,476
Current portion of notes payable – serviceable	185,894	232,711
Current portion of bonds payable, net	<u>75,859</u>	<u>72,355</u>
Total current liabilities	451,300	480,227
NOTES PAYABLE – SERVICEABLE	4,413,861	4,743,096
NOTES PAYABLE – FORGIVABLE AND NON-SERVICEABLE	4,129,097	4,103,346
BONDS PAYABLE, NET	2,112,224	2,177,412
CONDITIONAL GRANTS	3,644,989	3,644,989
SECURITY DEPOSITS	148,752	145,383
INTEREST RATE SWAP AGREEMENT	<u>97,175</u>	<u>179,727</u>
Total liabilities	<u>14,997,398</u>	<u>15,474,180</u>
NET ASSETS (DEFICIT)		
Unrestricted	157,514	(647,634)
Temporarily restricted	<u>136,721</u>	<u>237,798</u>
Total net assets (deficit)	<u>294,235</u>	<u>(409,836)</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$ 15,291,633</u>	<u>\$ 15,064,344</u>

See notes to financial statements.

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2017 (with comparative totals for 2016)

	<u>2017</u>			2016 Total
	Unrestricted	Temporarily Restricted	Total	
REVENUES AND SUPPORT				
Rental property management revenue	\$ 2,492,943		\$ 2,492,943	\$ 2,353,311
Contributions	314,098	\$ 403,236	717,334	865,421
Other income (loss)	(11,296)		(11,296)	79,264
Net assets released from restrictions:				
Satisfaction of program restriction	354,204	(354,204)		
Satisfaction of time restriction	150,109	(150,109)		
Total revenues and support	<u>3,300,058</u>	<u>(101,077)</u>	<u>3,198,981</u>	<u>3,297,996</u>
EXPENSES				
Program services:				
Rental and property management	2,353,653		2,353,653	2,447,157
Resource and Opportunity Center	313,568		313,568	266,324
Purchase and rehabilitation	94,776		94,776	83,332
Total program services	<u>2,761,997</u>	<u>—</u>	<u>2,761,997</u>	<u>2,796,813</u>
Supporting services:				
General and administrative	146,911		146,911	129,807
Fundraising	98,780		98,780	114,804
Total supporting services	<u>245,691</u>	<u>—</u>	<u>245,691</u>	<u>244,611</u>
Total expenses	<u>3,007,688</u>	<u>—</u>	<u>3,007,688</u>	<u>3,041,424</u>
REVENUES AND SUPPORT OVER (UNDER) EXPENSES	<u>292,370</u>	<u>(101,077)</u>	<u>191,293</u>	<u>256,572</u>
OTHER GAINS (LOSSES)				
Gain on sale of property and equipment	430,226		430,226	
Gain (loss) on interest rate swap agreement	82,552		82,552	(19,530)
Total	<u>512,778</u>	<u>—</u>	<u>512,778</u>	<u>(19,530)</u>
CHANGE IN NET ASSETS	805,148	(101,077)	704,071	237,042
NET ASSETS (DEFICIT), Beginning of year	<u>(647,634)</u>	<u>237,798</u>	<u>(409,836)</u>	<u>(646,878)</u>
NET ASSETS (DEFICIT), End of year	<u>\$ 157,514</u>	<u>\$ 136,721</u>	<u>\$ 294,235</u>	<u>\$ (409,836)</u>

See notes to financial statements.

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2017 (with comparative totals for 2016)

	2017							2016 Total
	Program Services				Support Services			
	Rental and Property Management	Resource and Opportunity Center	Purchase and Rehabilitation	Total	General and Administrative	Fundraising	Total	
Salaries	\$ 470,452	\$ 113,959	\$ 54,948	\$ 639,359	\$ 74,709	\$ 51,757	\$ 765,825	\$ 778,863
Depreciation and amortization	555,666	24,301	2,566	582,533	8,017	3,155	593,705	557,997
Interest expense	284,950	53,442	5,952	344,344	17,895	7,204	369,443	374,283
Utilities	285,219	5,655	565	291,439	1,838	707	293,984	274,772
General maintenance	243,386	7,595	2,780	253,761	4,216	2,690	260,667	256,964
Payroll taxes and fringes	109,359	26,490	12,773	148,622	17,366	12,031	178,019	158,619
Insurance	154,738	10,703	1,070	166,511	3,478	1,338	171,327	183,813
Audit and accounting fees	28,056	6,796	3,277	38,129	4,455	3,087	45,671	41,126
Direct assistance		41,409		41,409			41,409	83,215
Property taxes	37,865	545	55	38,465	177	68	38,710	44,857
Bad debts	30,428			30,428			30,428	47,898
Telephone	20,411	3,639	1,754	25,804	2,385	1,653	29,842	21,988
Contract services	17,641	4,273	2,060	23,974	2,801	1,941	28,716	38,674
Office expense	16,534	2,756	1,329	20,619	1,807	1,252	23,678	21,951
Trash	20,715	370	37	21,122	120	46	21,288	17,116
Professional fees	17,997	244	118	18,359	160	111	18,630	15,798
Travel	14,401	287	139	14,827	188	131	15,146	20,586
Dues and subscriptions	4,854	1,176	567	6,597	771	534	7,902	6,567
Printing	4,143	1,004	484	5,631	658	456	6,745	6,173
Fundraising						6,567	6,567	29,388
Staff training	3,596	871	420	4,887	571	396	5,854	6,329
Mailing costs	2,981	722	348	4,051	473	328	4,852	
Miscellaneous	30,261	7,331	3,534	41,126	4,826	3,328	49,280	54,447
TOTAL	\$ 2,353,653	\$ 313,568	\$ 94,776	\$ 2,761,997	\$ 146,911	\$ 98,780	\$ 3,007,688	
PERCENTAGE	78%	11%	3%	92%	5%	3%	100%	
COMPARATIVE TOTALS FOR 2016	\$ 2,447,157	\$ 266,324	\$ 83,332	\$ 2,796,813	\$ 129,807	\$ 114,804		\$ 3,041,424
PERCENTAGE - 2016	80%	9%	3%	92%	4%	4%	100%	

See notes to financial statements.

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2017 (with comparative totals for 2016)

	2017	2016
OPERATING ACTIVITIES		
Change in net assets	\$ 704,071	\$ 237,042
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	593,705	557,997
Income on investments in collaborative entities	(9,245)	(54)
(Gain) loss on interest rate swap agreement	(82,552)	19,530
Forgiveness of note payable	(74,250)	(23,625)
Gain on sale of property and equipment	(430,226)	
Contributions of property and equipment	(111,450)	
Other	46,638	10,689
Changes in operating assets and liabilities:		
Accounts receivable	25,569	65,896
Pledges receivable	99,609	(188,250)
Prepaid expenses	51,298	28,363
Other current assets	(3,136)	
Accounts payable and accrued expenses	18,749	(194,209)
Deferred revenue	(4,363)	669
Security deposits	3,369	22,091
Net cash provided by operating activities	<u>827,786</u>	<u>536,139</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(362,367)	(445,694)
Distributions from investments in collaborative entities	6,099	5,000
Proceeds from sale of property and equipment	<u>514,957</u>	<u> </u>
Net cash provided by (used in) investing activities	<u>158,689</u>	<u>(440,694)</u>
FINANCING ACTIVITIES		
Principal payments on notes payable	(930,882)	(176,969)
Principal payments on bonds payable	(72,373)	(69,028)
Proceeds from conditional grants	<u> </u>	<u>64,609</u>
Net cash used in financing activities	<u>(1,003,255)</u>	<u>(181,388)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(16,780)	(85,943)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>657,033</u>	<u>742,976</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 640,253</u>	<u>\$ 657,033</u>

(Continued)

See notes to financial statements.

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2017 (with comparative totals for 2016)

	2017	2016
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 250,898</u>	<u>\$ 242,302</u>
NON-CASH INVESTING ACTIVITIES		
Property and equipment acquired under notes payable	<u>\$ 654,831</u>	<u>\$ 909,276</u>
Property and equipment acquired with contributions	<u>\$ 111,450</u>	<u>\$ —</u>

See notes to financial statements.

(Concluded)

GRECCIO HOUSING UNLIMITED, INC. dba GRECCIO HOUSING

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Greccio Housing Unlimited, Inc. dba Greccio Housing (Greccio) provides stable, safe, affordable housing and supportive opportunities and services for its residents to enhance their individual growth. Greccio's significant programs are temporary tenant support and guidance services, and the acquisition, rehabilitation and management of properties for the housing needs of individuals and families with lower incomes.

Basis of Presentation — Greccio reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, which represents the expendable resources that are available for operations at management's discretion; temporarily restricted net assets, which represents resources restricted by donors as to purpose or by the passage of time; and permanently restricted net assets, which represents resources whose use by Greccio is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of Greccio. Greccio has no permanently restricted net assets as of July 31, 2017.

The accompanying financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Greccio's financial statements for the year ended July 31, 2016, from which the summarized information was derived.

Contributions — Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a donor restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Greccio reports gifts of property and equipment as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Greccio reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Greccio reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Conditional Grants — Greccio receives grants from government organizations to acquire rental properties. These grants contain conditions requiring the property be used for a specified period of time for affordable housing. If the affordability period is not met, the grant conditions require the funds to be returned or transferred to another project or organization at the government agency's option. Greccio records all such conditional grants with an affordability period of ten years or less as revenue in the year received. These shorter-term grants are reviewed on an annual basis to evaluate the future probability of Greccio's ability to meet the affordability conditions. Conditional grants with an affordability period of greater than ten years are recorded as liabilities until the condition is substantially met. Historically, Greccio has met the affordability conditions of its conditional grants.

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

Many individuals volunteer their time and perform a variety of tasks that assist Greccio, but are not recognized as contributions in the financial statements because they do not meet the aforementioned criteria. Greccio received approximately 5,764 volunteer hours during the fiscal year ended July 31, 2017.

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

Accounts Receivable — Accounts receivable are stated at the invoice amount. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At July 31, 2017 and 2016, the valuation allowance was \$8,810 and \$17,000, respectively.

Pledges Receivable — Pledges receivable are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Management believes all pledges are fully collectible and accordingly, no allowance has been recorded as of July 31, 2017 and 2016.

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

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

Functional Allocation of Expense — The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising — Advertising costs are expensed as they are incurred and are considered non-direct-response advertising costs.

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

Greccio believes that it does not have any uncertain tax positions that are material to the financial statements. Greccio's income tax returns for the years ended July 31, 2014 through the current period remain open to examination by the Internal Revenue Service and relevant state authorities.

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

Change in Accounting Principle — During 2017, the Organization implemented Accounting Standards Update (ASU) 2015-03, *Interest – Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs*. The objective of ASU 2015-03 is to classify debt issuance costs that were previously reported as an asset as a direct deduction from the carrying amount of that debt liability. Amortization of the debt issuance costs, which were previously reported as amortization expense, are being reported as interest expense.

ASU 2015-03 was effective for fiscal years beginning after December 15, 2015 and the changes have been reflected in the 2017 and 2016 statements of financial position and statements of activities. The net bond issuance costs that were reclassified as a deduction of bonds payable at July 31, 2016 were \$48,990. Amortization expense that was reclassified as interest expense for the year ended July 31, 2016 was \$10,689.

Reclassifications — Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

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

2. PLEDGES RECEIVABLE

Pledges receivable consist of the following at July 31:

	2017	2016
Due in less than one year	\$ 115,641	\$ 150,250
Due in one to five years		<u>65,000</u>
Total pledges receivable	<u>\$ 115,641</u>	<u>\$ 215,250</u>

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at July 31:

	2017	2016
Land	\$ 1,952,726	\$ 1,991,126
Buildings and improvements	17,753,067	16,986,838
Furniture and equipment	<u>241,412</u>	<u>182,922</u>
Total	19,947,205	19,160,886
Less accumulated depreciation	<u>5,501,819</u>	<u>5,168,108</u>
Total	<u>\$ 14,445,386</u>	<u>\$ 13,992,778</u>

4. NOTES PAYABLE

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

	2017	2016
19 individual promissory notes payable with outstanding principal balances of \$23,845 to \$652,648 as of July 31, 2017, bearing interest rates at 1.0% to 6.5% with monthly principal and interest payments ranging from \$211 to \$4,319, due at various dates through July 2044 or upon the sale or transfer of property if earlier, secured by its real property.	\$ 4,599,755	\$ 4,975,807
17 individual forgivable and non-serviceable promissory notes payable with outstanding principal balances of \$100,000 to \$600,000 at zero percent interest, with no principal payment due unless sale or transfer of property, secured by its real property.	<u>4,129,097</u>	<u>4,103,346</u>
Total	<u>\$ 8,728,852</u>	<u>\$ 9,079,153</u>

Required annual minimum principal payments are as follows as of July 31, 2017:

2018	\$ 185,894
2019	734,005
2020	194,649
2021	200,053
2022	582,674
Thereafter	<u>2,702,480</u>
Total – serviceable	4,599,755
Note payable – forgivable and non-serviceable	<u>4,129,097</u>
Total	<u>\$ 8,728,852</u>

Interest was calculated at 2.6% and 2.625% during the years ended July 31, 2017 and 2016, respectively, of the outstanding zero percent interest notes and recognized as an expense and a related in-kind contribution. The amount recognized as an expense and revenue was \$107,357 and \$121,292 as of July 31, 2017 and 2016, respectively.

5. BONDS PAYABLE

In December 2010, El Paso Housing Authority issued El Paso County Housing Authority Nonprofit Housing Revenue Bonds, (Bonds) for the benefit of Greccio. In connection with the issuance of the Bonds, Greccio entered into a loan agreement with a bank, which purchased such Bonds, to borrow \$2,626,378, an amount equal to the bonds issued. Principal and interest payments are due monthly through March 2036. The Bonds are secured by land, buildings and improvements.

Greccio entered into an interest rate swap agreement as a hedge against the exposure to variability in expected future cash flows related to variable-rate debt.

The purpose of the interest rate swap agreement is to hedge the risk of interest rate fluctuations associated with the bonds payable, not for speculation. Pursuant to the agreement, Greccio pays a fixed rate of 4.59% on the outstanding balance of the Bonds.

At July 31, 2017 and 2016, the fair value of the interest rate swap agreement was \$(97,175) and \$(179,727), respectively. The fair value was based on information received from the counterparty to the swap and represents an estimate of the mid-market value of the swap using a discounted future cash flows approach. Greccio incurred unrealized gains of \$82,552 and unrealized losses of \$19,530 due to the changes in the fair value of the interest rate swap agreement during the years ended July 31, 2017 and 2016, respectively.

Net financing costs of \$38,301 and \$48,990 are recorded as a deduction from the bonds payable on the balance sheet at July 31, 2017 and 2016, respectively.

Future minimum principal payments for the next five years and thereafter are as follows:

2018	\$ 75,859
2019	79,535
2020	83,387
2021	87,427
2022	91,662
Thereafter	<u>1,808,514</u>
Total	<u>\$ 2,226,384</u>

6. CONDITIONAL GRANTS

Conditional grants consist of the following at July 31:

	2017	2016
Conditional grants from the State of Colorado Division of Housing requiring the property be used for affordable housing for thirty years, expiring at various dates through 2044. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	\$ 3,385,533	\$ 3,385,533
Conditional grant from the Federal Home Loan Bank of Topeka for rehab of five Greccio properties. The grant requires the properties be used for affordable housing for fifteen years, expiring July 31, 2020. If the affordability period is not met, the funds must be returned.	<u>259,456</u>	<u>259,456</u>
Total	<u>\$ 3,644,989</u>	<u>\$ 3,644,989</u>

7. LINE OF CREDIT

Greccio has a line of credit which expires in August 2018, in the amount of \$100,000 with interest at the prime rate plus 1%. There are no compensating balance arrangements with the bank. There are no outstanding balances at July 31, 2017 and 2016.

8. LEASE AGREEMENT

During the year ended July 31, 2016, Greccio purchased a building. A portion of the building is being leased to others under an operating lease expiring in February 2021. The building has a cost of \$1,532,667 and accumulated depreciation of \$40,174 as of July 31, 2017.

Minimum future rentals to be received under this lease as of July 31, 2017 are as follows:

2018	\$	89,141
2019		91,815
2020		94,570
2021		<u>52,047</u>
Total	\$	<u>327,573</u>

9. TEMPORARILY RESTRICTED NET ASSETS

As of July 31 temporarily restricted net assets are available for the following purposes:

	2017	2016
Time restricted	\$ 115,641	\$ 215,250
Program:		
Capital improvements	11,228	
Capital campaign	6,877	9,395
Smoke free initiative	2,975	
Resident enrichment		10,471
Resource Opportunity Center		<u>2,682</u>
Total	<u>\$ 136,721</u>	<u>\$ 237,798</u>

10. FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require Greccio to use a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical investments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that Greccio has the ability to access.

Level 2: Prices determined using significant other observable inputs. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Prices determined using significant unobservable inputs.

The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methodology to determine the fair value of the interest rate swap agreement was based on discounted cash flows based on information received from the counterparty (see Note 5).

The following table sets forth by level, within the fair value hierarchy, Greccio's financial instruments at fair value as of July 31:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2017:				
Interest rate swap agreement	\$ (97,175)	\$ _____	\$ _____	\$ (97,175)
2016:				
Interest rate swap agreement	\$ (179,727)	\$ _____	\$ _____	\$ (179,727)

Activity relating to liabilities measured on a recurring basis using significant unobservable inputs (Level 3) is summarized below:

Interest rate swap agreement, August 1, 2015	\$ (160,197)
Change in value recognized as a loss	<u>(19,530)</u>
Interest rate swap agreement, July 31, 2016	(179,727)
Change in value recognized as a gain	<u>82,552</u>
Interest rate swap agreement, July 31, 2017	<u>\$ (97,175)</u>

11. EMPLOYEE BENEFIT PLAN

During the year ended July 31, 2016, Greccio established a qualified 401(k) profit sharing plan (the Plan) covering all employees who have completed three months of service. The employees may make elective contributions of up to 100% of compensation, subject to statutory limitations. Greccio may make discretionary contributions to the Plan. The Plan provides for full vesting of discretionary contributions after five years of service. Contributions to the plan were \$19,296 for the year ended July 31, 2017.

12. CONTINGENCIES

Greccio 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 of time. 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. Grants with affordability periods of ten years or less are recorded as revenue when they are originally received. Grants with affordability period of more than ten years are recorded as liabilities.

13. CONCENTRATIONS

Greccio maintains its cash and cash equivalents in bank deposit accounts which, at times, exceed federally insured limits. Greccio has not experienced any losses in such accounts.

14. RELATED PARTY TRANSACTIONS

During the year ended July 31, 2017, Greccio paid \$3,269 for legal services provided by a firm in which one of its board members is a partner. Greccio also received \$1,079 in donated legal services from this same firm.

Greccio entered into a contract for real estate services with one of its board members. \$10,340 was paid to this board member during the year ended July 31, 2017.

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SUPPLEMENTAL SCHEDULES

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF FINANCIAL POSITION
FIVE YEAR COMPARISON AS OF JULY 31

	2017	2016	2015	2014	2013
ASSETS					
Cash and cash equivalents	\$ 491,501	\$ 511,650	\$ 619,684	\$ 632,334	\$ 492,386
Accounts receivable, net	23,713	49,282	115,178	239,742	45,220
Pledges receivable	115,641	215,250	27,000	54,000	26,250
Prepaid expenses	26,722	78,020	106,383	175,648	142,440
Other current assets	12,198	11,458	13,906	14,955	15,374
Property and equipment, net	14,445,386	13,992,778	13,193,358	12,753,760	10,862,134
Security deposits	148,752	145,383	123,292	126,085	120,010
Investments in collaborative entities	27,720	60,523	65,469	60,034	56,698
TOTAL ASSETS	\$ 15,291,633	\$ 15,064,344	\$ 14,264,270	\$ 14,056,558	\$ 11,760,512
LIABILITIES AND NET ASSETS (DEFICIT)					
LIABILITIES					
Accounts payable	\$ 58,918	\$ 29,884	\$ 234,173	\$ 245,196	\$ 146,454
Accrued expenses	81,516	91,801	81,721	64,686	64,514
Deferred revenue	49,113	53,476	52,807	30,712	21,296
Notes payable - serviceable	4,599,755	4,975,807	4,191,951	4,363,394	2,806,076
Notes payable - forgivable and non-serviceable	4,129,097	4,103,346	4,178,520	4,202,145	3,424,654
Bonds payable	2,188,083	2,249,767	2,308,107	2,363,258	2,415,366
Conditional grants	3,644,989	3,644,989	3,580,380	3,084,989	3,084,989
Security deposits	148,752	145,383	123,292	126,085	120,010
Interest rate swap agreement	97,175	179,727	160,197	149,300	163,673
Total liabilities	14,997,398	15,474,180	14,911,148	14,629,765	12,247,032
NET ASSETS (DEFICIT)					
Unrestricted	157,514	(647,634)	(828,427)	(669,098)	(517,905)
Temporarily restricted	136,721	237,798	181,549	95,891	31,385
Total net assets (deficit)	294,235	(409,836)	(646,878)	(573,207)	(486,520)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	\$ 15,291,633	\$ 15,064,344	\$ 14,264,270	\$ 14,056,558	\$ 11,760,512

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

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

	2017	2016	2015	2014	2013
REVENUE AND SUPPORT					
Rental property management revenue	\$ 2,492,943	\$ 2,353,311	\$ 2,135,822	\$ 1,911,739	\$ 1,680,955
Contributions	717,334	865,421	784,806	600,451	500,225
Developer fees					113,428
Other income (loss)	(11,296)	79,264	20,102	21,685	23,916
Total revenue and support	<u>3,198,981</u>	<u>3,297,996</u>	<u>2,940,730</u>	<u>2,533,875</u>	<u>2,318,524</u>
EXPENSES					
Program services:					
Rental and property management	2,353,653	2,447,157	2,500,608	2,218,438	2,053,386
Resource and Opportunity Center	313,568	266,324	208,427	178,803	173,787
Purchase and rehabilitation	94,776	83,332	87,460	77,672	72,050
General and administrative	146,911	129,807	106,052	75,914	71,912
Fundraising	98,780	114,804	100,957	84,108	73,066
Total expenses	<u>3,007,688</u>	<u>3,041,424</u>	<u>3,003,504</u>	<u>2,634,935</u>	<u>2,444,201</u>
Other gains (losses):					
Gain on sale of property and equipment	430,226				
Gain (loss) on interest rate swap agreement	82,552	(19,530)	(10,897)	14,373	131,703
Total	<u>512,778</u>	<u>(19,530)</u>	<u>(10,897)</u>	<u>14,373</u>	<u>131,703</u>
Change in net assets	704,071	237,042	(73,671)	(86,687)	6,026
Beginning net assets (deficit)	<u>(409,836)</u>	<u>(646,878)</u>	<u>(573,207)</u>	<u>(486,520)</u>	<u>(492,546)</u>
Ending net assets (deficit)	<u>\$ 294,235</u>	<u>\$ (409,836)</u>	<u>\$ (646,878)</u>	<u>\$ (573,207)</u>	<u>\$ (486,520)</u>

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

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

	2017	2016	2015	2014	2013
Salaries	\$ 765,825	\$ 778,863	\$ 711,644	\$ 594,003	\$ 573,917
Depreciation and amortization	593,705	557,997	536,025	486,280	451,411
Interest expense	369,443	374,283	483,195	456,607	391,301
Utilities	293,984	274,772	296,702	265,247	245,770
General maintenance	260,667	256,964	230,406	228,937	261,670
Payroll taxes and fringes	178,019	158,619	131,663	113,936	117,294
Insurance	171,327	183,813	180,086	123,448	110,456
Audit and accounting fees	45,671	41,126	78,488	90,577	37,739
Direct assistance	41,409	83,215	48,112	55,047	56,796
Property taxes	38,710	44,857	42,125	26,015	28,420
Bad debts	30,428	47,898	52,024	35,582	1,656
Telephone	29,842	21,988	23,370	19,803	13,287
Contract services	28,716	38,674	31,455	26,435	18,716
Office expense	23,678	21,951	17,872	12,966	14,070
Trash	21,288	17,116	19,376	17,618	15,085
Professional fees	18,630	15,798	21,767	18,965	10,160
Travel	15,146	20,586	23,076	27,625	27,507
Dues and subscriptions	7,902	6,567	6,116	5,708	4,767
Printing	6,745	6,173	7,028	5,739	10,695
Fundraising	6,567	29,388	12,987	12,431	9,227
Staff training	5,854	6,329	2,056	2,026	1,251
Mailing costs	4,852				
Miscellaneous	49,280	54,447	47,931	9,940	43,006
TOTAL	\$ 3,007,688	\$ 3,041,424	\$ 3,003,504	\$ 2,634,935	\$ 2,444,201

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF CASH FLOWS
FIVE YEAR COMPARISON FOR THE YEARS ENDED JULY 31

	2017	2016	2015	2014	2013
OPERATING ACTIVITIES					
Change in net assets	\$ 704,071	\$ 237,042	\$ (73,671)	\$ (86,687)	\$ 6,026
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation and amortization	593,705	557,997	536,025	486,280	451,411
Income on investments in collaborative entities	(9,245)	(54)	(13,444)	(15,836)	(13,855)
(Gain) loss on interest rate swap agreement	(82,552)	19,530	10,897	(14,373)	(131,703)
Forgiveness of note payable	(74,250)	(23,625)	(23,625)		
Gain on sale of property and equipment	(430,226)				
Contributions of property and equipment	(111,450)				
Other	46,638	10,689	10,689	10,689	10,689
Changes in operating assets and liabilities:					
Accounts receivable	25,569	65,896	(18,566)	(24,720)	(4,055)
Pledges receivable	99,609	(188,250)	27,000	(27,750)	7,500
Other current assets	(3,136)			(1,431)	5,970
Prepaid expenses	51,298	28,363	69,265	(33,208)	(41,750)
Accounts payable and accrued expenses	18,749	(194,209)	6,012	98,914	1,141
Deferred revenue	(4,363)	669	22,095	9,416	(1,858)
Security deposits	3,369	22,091	(2,793)	6,075	17,249
Net cash provided by operating activities	<u>827,786</u>	<u>536,139</u>	<u>549,884</u>	<u>407,369</u>	<u>306,765</u>
INVESTING ACTIVITIES					
Purchases of property and equipment	(362,367)	(445,694)	(974,574)	(2,646,221)	(1,916,355)
Distributions from investments in collaborative entities	6,099	5,000	8,009	12,500	6,500
Proceeds from sale of property and equipment	<u>514,957</u>		<u>143,130</u>	<u>100,363</u>	
Net cash provided by (used in) investing activities	<u>158,689</u>	<u>(440,694)</u>	<u>(823,435)</u>	<u>(2,533,358)</u>	<u>(1,909,855)</u>
FINANCING ACTIVITIES					
Principal payments on notes payable	(930,882)	(176,969)	(171,443)	(118,492)	(112,243)
Principal payments on bonds payable	(72,373)	(69,028)	(65,840)	(62,797)	(58,752)
Proceeds from conditional grant		64,609	495,391		643,354
Proceeds from notes payable				2,453,301	1,233,910
Net cash provided by (used in) financing activities	<u>(1,003,255)</u>	<u>(181,388)</u>	<u>258,108</u>	<u>2,272,012</u>	<u>1,706,269</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,780)	(85,943)	(15,443)	146,023	103,179
CASH AND CASH EQUIVALENTS, Beginning of year	<u>657,033</u>	<u>742,976</u>	<u>758,419</u>	<u>612,396</u>	<u>509,217</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 640,253</u>	<u>\$ 657,033</u>	<u>\$ 742,976</u>	<u>\$ 758,419</u>	<u>\$ 612,396</u>

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF NOTES PAYABLE, BONDS PAYABLE AND CONDITIONAL GRANTS
AS OF JULY 31, 2017

1224 – 1228 Delaware Drive (Santa Fe)

Note payable — ENT Federal Credit Union, monthly payments of \$3,499 which includes principal and interest at 3.25%, due May 16, 2024, collateralized by a deed of trust.	\$ 652,648
Note payable — El Paso County Housing Authority, monthly payments of \$2,213 which include principal and interest at 3%, due July 1, 2044, collateralized by a deed of trust.	490,121
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.	379,475
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.	401,625
Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2044. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	<u>560,000</u>
	<u>2,483,869</u>

3010 North Hancock Avenue (Enfield)

Note payable — El Paso County Housing Authority, monthly payments of \$1,476 which includes principal and interest at 3%, due September 1, 2038, collateralized by a deed of trust.	277,204
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	600,000
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	52,394
Bond payable — Wells Fargo, monthly payments which includes principal and interest payments of \$7,979 plus interest at 4.59%, due by March 31, 2036, collateralized by real property.	<u>1,203,542</u>
	<u>2,133,140</u>

(Continued)

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF NOTES PAYABLE, BONDS PAYABLE AND CONDITIONAL GRANTS
AS OF JULY 31, 2017

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

Note payable — ENT Federal Credit Union, monthly payments of \$2,923 which includes principal and interest at 4%, due February 15, 2022, collateralized by a deed of trust.	472,770
Note payable — El Paso County Housing Authority, monthly payments of \$1,476 which includes principal and interest at 3%, due September 1, 2042, collateralized by a deed of trust.	308,371
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	400,000
Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2043. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	<u>398,958</u>
	<u>1,580,099</u>

2020 East Bijou Street (Woodbine)

Note payable — City of Colorado Springs, monthly payments of \$3,827 which includes principal and interest at 2.5%, due January 18, 2032, collateralized by a deed of trust.	209,967
Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2043. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	<u>1,126,075</u>
	<u>1,336,042</u>

2508 Platte Avenue (Plaza on Platte)

Note payable — City of Colorado Springs, monthly payments of \$1,572 which includes principal and interest at 2.5%, due by February 1, 2038, collateralized by a deed of trust.	302,417
Note payable — State of Colorado Division of Housing, no interest, principal due on sale, collateralized by a deed of trust.	305,000
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.	174,375
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	<u>300,000</u>
	<u>1,081,792</u>

(Continued)

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF NOTES PAYABLE, BONDS PAYABLE AND CONDITIONAL GRANTS
AS OF JULY 31, 2017

2914 North Arcadia Street (Kittyhawk)

Note payable — El Paso County Housing Authority, monthly payments of \$738 which includes principal and interest at 3%, due July 1, 2034, collateralized by a deed of trust.	117,790
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	230,000
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	80,568
Bond payable — Wells Fargo, monthly payments which includes principal and interest payments of \$1,603 plus interest at 4.59%, due by March 31, 2036, collateralized by real property.	241,573
Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2034. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	<u>250,000</u>
	<u>919,931</u>

3631 Marion Drive (Citadel Arms)

Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2039. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	<u>738,000</u>
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2631 West Pikes Peak

Note payable — El Paso County Housing Authority, monthly payments of \$278 which includes principal and interest at 3%, due August 1, 2030, collateralized by a deed of trust.	36,099
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	195,000
Bond payable — Wells Fargo, monthly payments which includes principal and interest payments of \$1,190 plus interest at 4.59%, due by March 31, 2036, collateralized by real property.	179,273
Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2030. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	<u>175,000</u>
	<u>585,372</u>

(Continued)

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF NOTES PAYABLE, BONDS PAYABLE AND CONDITIONAL GRANTS
AS OF JULY 31, 2017

833 West Colorado

Note payable — El Paso County Housing Authority, monthly payments of \$211 plus interest at 3%, due August 1, 2028, collateralized by a deed of trust.	23,845
Note payable — CDBG and HOME, no interest, principal due on sale, collateralized by a deed of trust.	250,000
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	22,185
Bond payable — Wells Fargo, monthly payments which includes principal and interest payments of \$699 plus interest at 4.59%, due by March 31, 2036, collateralized by real property.	105,282
Conditional grant — FHLB for rehab of property. Property must be used for affordable housing for 15 years (2020) or the funds must be returned.	<u>72,972</u>
	<u>474,284</u>

1022 Alexander Road

Note payable — El Paso County Housing Authority, monthly payments of \$738 which includes principal and interest at 3%, due December 1, 2037, collateralized by a deed of trust.	135,053
Bond payable — Wells Fargo, monthly payments which includes principal and interest payments of \$1,159 plus interest at 4.59%, due by March 31, 2036, collateralized by real property.	174,630
Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2037. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	<u>137,500</u>
	<u>447,183</u>

817-841 South Cedar Street

Note payable — CHFA, monthly payments of \$1,896 which includes principal and interest at 6.5%, due August 1, 2032, collateralized by a deed of trust.	197,768
Note payable — CHFA, monthly payments of \$354 which includes principal and interest at 1%, due August 1, 2032, collateralized by a deed of trust.	59,397
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	<u>150,000</u>
	<u>407,165</u>

(Continued)

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF NOTES PAYABLE, BONDS PAYABLE AND CONDITIONAL GRANTS
AS OF JULY 31, 2017

218-232 Fountain (Clark Mellen)

Note payable — El Paso County Housing Authority, monthly payments of \$211 which includes principal and interest at 3%, due July 1, 2030, collateralized by a deed of trust.	27,203
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	200,000
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	21,818
Bond payable — Wells Fargo, monthly payments which includes principal and interest payments of \$1,045 plus interest at 4.59%, due by March 31, 2036, collateralized by real property.	<u>157,444</u>
	<u>406,465</u>

2516 Concorde Street (Pines)

Note payable — El Paso County Housing Authority, monthly payments of \$940 which includes principal and interest at 3%, due August 1, 2029, collateralized by a deed of trust.	114,157
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	195,000
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	25,000
Conditional grant — FHLB for rehab of property. Property must be used for affordable housing for 15 years (2020) or the funds must be returned.	<u>48,648</u>
	<u>382,805</u>

1030 West Moreno

Note payable — El Paso County Housing Authority, monthly payments of \$211 which includes principal and interest at 3%, due January 1, 2030, collateralized by a deed of trust.	26,321
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	195,000
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	14,968
Bond payable — Wells Fargo, monthly payments which includes principal and interest payments of \$665 plus interest at 4.59%, due by March 31, 2036, collateralized by real property.	100,157

(Continued)

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF NOTES PAYABLE, BONDS PAYABLE AND CONDITIONAL GRANTS
AS OF JULY 31, 2017

1030 West Moreno - continued

Conditional grant — FHLB for rehab of property. Property must be used for affordable housing for 15 years (2020) or the funds must be returned.	<u>56,756</u>
	<u>393,202</u>

320 East Bijou

Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	151,164
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	40,000
Bond payable — Wells Fargo, monthly payments which includes principal and interest payments of \$428 plus interest at 4.59%, due by March 31, 2036, collateralized by real property.	64,484
Conditional grant — FHLB for rehab of property. Property must be used for affordable housing for 15 years (2020) or the funds must be returned.	<u>36,485</u>
	<u>292,133</u>

321 North Weber

Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	25,000
Conditional grant — FHLB for rehab of property. Property must be used for affordable housing for 15 years (2020) or the funds must be returned.	<u>44,594</u>
	<u>69,594</u>

3124 Arcadia Street

Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	100,000
Note payable — ENT Federal Credit Union, 36 monthly payments of principal and interest of \$1,086 at 3%, 36 monthly payments of principal and interest of \$1,183 at 3.875%, 47 monthly payments of principal and interest of \$1,247 at 4.5%, one final payment of remaining principal and interest due December 22, 2026, collateralized by a deed of trust.	<u>224,374</u>
	<u>324,374</u>

Administrative

Note payable — ENT Federal Credit Union, monthly payments of interest at 2.625%, with principal due March 1, 2019, collateralized by a deed of trust.	<u>544,775</u>
TOTAL	<u>\$ 14,600,225</u>

(Continued)

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF NOTES PAYABLE, BONDS PAYABLE AND CONDITIONAL GRANTS
AS OF JULY 31, 2017

BALANCE SHEET RECONCILIATION

Notes payable	\$ 8,728,852
Bonds payable, excluding financing costs of \$38,301	2,226,384
Conditional grants	<u>3,644,989</u>
Total	<u>\$ 14,600,225</u>

(Concluded)