



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

**Consolidated Financial Statements,  
Supplemental Information  
For the Year Ended July 31, 2020**

**And**

**Independent Auditors' Report**

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

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## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying consolidated financial statements of Greccio Housing Unlimited, Inc. and Subsidiary dba Greccio Housing (Greccio), which comprise the consolidated statement of financial position as of July 31, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

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

### **Auditors' Responsibility**

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

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

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

## **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Greccio as of July 31, 2020, 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 consolidated financial statements, in 2020 the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* as of and for the year ended July 31, 2020. Our opinion is not modified with respect to this matter.

## **Report on Summarized Comparative Information**

We have previously audited Greccio's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 23, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Report on Supplemental Information**

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

*Stockman Kast Ryan + Co. LLP*

October 28, 2020



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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
JULY 31, 2020 (with comparative totals for 2019)**

	2020	2019
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,266,053	\$ 737,027
Accounts receivable, net	95,941	54,204
Receivables from related parties	64,777	
Pledges receivable	13,750	9,167
Prepaid expenses	<u>71,084</u>	<u>31,802</u>
Total current assets	1,511,605	832,200
PROPERTY AND EQUIPMENT, NET	15,665,747	14,482,534
INVESTMENTS IN COLLABORATIVE ENTITIES	<u>71,745</u>	<u>38,198</u>
TOTAL ASSETS	<u>\$ 17,249,097</u>	<u>\$ 15,352,932</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 194,862	\$ 114,607
Accrued expenses	140,442	101,957
Deferred revenue	54,278	54,777
Current portion of notes payable – serviceable	485,544	381,594
Security deposits	<u>166,972</u>	<u>158,506</u>
Total current liabilities	1,042,098	811,441
NOTES PAYABLE – SERVICEABLE	6,659,951	6,226,409
NOTES PAYABLE – FORGIVABLE AND NON-SERVICEABLE	4,857,695	4,358,633
CONDITIONAL GRANTS	<u>4,140,227</u>	<u>3,644,989</u>
Total liabilities	<u>16,699,971</u>	<u>15,041,472</u>
NET ASSETS		
Without donor restrictions	458,402	235,230
With donor restrictions	<u>90,724</u>	<u>76,230</u>
Total net assets	<u>549,126</u>	<u>311,460</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 17,249,097</u>	<u>\$ 15,352,932</u>

See notes to consolidated financial statements.

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

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JULY 31, 2020 (with comparative totals for 2019)**

	<b>2020</b>			<b>2019</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Total</b>
<b>REVENUES AND SUPPORT</b>				
Rental property management revenue	\$ 2,770,858		\$ 2,770,858	\$ 2,744,324
Contributions	337,942	\$ 304,510	642,452	600,365
Developer fees	29,984		29,984	29,246
Other income	163,048		163,048	28,623
Net assets released from restrictions:				
Satisfaction of program restriction	280,849	(280,849)		
Satisfaction of time restriction	<u>9,167</u>	<u>(9,167)</u>		
Total revenues and support	<u>3,591,848</u>	<u>14,494</u>	<u>3,606,342</u>	<u>3,402,558</u>
<b>EXPENSES</b>				
Program services:				
Rental and property management	2,386,465		2,386,465	2,443,889
Resource and Opportunity Center	562,285		562,285	501,972
Purchase and rehabilitation	<u>174,298</u>		<u>174,298</u>	<u>172,002</u>
Total program services	<u>3,123,048</u>	<u>—</u>	<u>3,123,048</u>	<u>3,117,863</u>
Supporting services:				
General and administrative	127,619		127,619	126,130
Fundraising	<u>118,009</u>		<u>118,009</u>	<u>117,595</u>
Total supporting services	<u>245,628</u>	<u>—</u>	<u>245,628</u>	<u>243,725</u>
Total expenses	<u>3,368,676</u>	<u>—</u>	<u>3,368,676</u>	<u>3,361,588</u>
CHANGE IN NET ASSETS	223,172	14,494	237,666	40,970
NET ASSETS, Beginning of year	<u>235,230</u>	<u>76,230</u>	<u>311,460</u>	<u>270,490</u>
NET ASSETS, End of year	<u>\$ 458,402</u>	<u>\$ 90,724</u>	<u>\$ 549,126</u>	<u>\$ 311,460</u>

See notes to consolidated financial statements.

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

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JULY 31, 2020 (with comparative totals for 2019)**

	2020					2019	
	Program Services			Support Services		2019 Total	
	Rental and Property Management	Resource and Opportunity Center	Purchase and Rehabilitation	Total	General and Administrative	Fundraising	
Salaries	\$ 481,988	\$ 181,209	\$ 115,870	\$ 779,067	\$ 69,122	\$ 72,883	\$ 921,072
Depreciation and amortization	569,839	27,516	2,752	600,107	8,943	3,439	612,489
Utilities	312,991	6,651	665	320,307	2,162	831	323,300
General maintenance	289,120	8,753	875	298,748	2,845	1,094	302,687
Interest expense	198,268	34,083	3,408	235,759	11,077	4,260	251,096
Payroll taxes and fringes	104,785	39,395	25,190	169,370	15,027	15,845	200,242
Insurance	176,980	11,607	1,161	189,748	3,772	1,451	194,971
Direct assistance		114,827		114,827			114,827
Bad debts	45,823			45,823			45,823
Audit and accounting fees	23,774	8,938	5,715	38,427	3,409	3,595	45,431
Property taxes	40,829	81	8	40,918	26	10	40,954
Office expense	27,211	3,955	2,529	33,695	1,509	1,591	36,795
Contract services	17,624	6,626	4,237	28,487	2,528	2,665	33,680
Telephone	14,927	4,436	2,836	22,199	1,692	1,784	25,675
Trash	22,060	404	40	22,504	131	51	22,686
Travel	12,754	1,377	288	14,419	172	181	14,772
Professional fees	11,614	156	100	11,870	59	63	11,992
Printing	4,891	1,839	1,176	7,906	701	740	9,347
Dues and subscriptions	4,769	1,793	1,146	7,708	684	721	9,113
Mailing costs	2,702	1,016	649	4,367	387	409	5,163
Fundraising	1,058	398	254	1,710	152	3,000	4,862
Staff training	1,605	603	386	2,594	230	243	3,067
Miscellaneous	20,853	106,622	5,013	132,488	2,991	3,153	138,632
TOTAL	\$ 2,386,465	\$ 562,285	\$ 174,298	\$ 3,123,048	\$ 127,619	\$ 118,009	\$ 3,368,676
PERCENTAGE	71%	17%	5%	93%	4%	3%	100%
COMPARATIVE TOTALS FOR 2019	\$ 2,443,889	\$ 501,972	\$ 172,002	\$ 3,117,863	\$ 126,130	\$ 117,595	\$ 3,361,588
PERCENTAGE - 2019	77%	13%	3%	93%	4%	3%	100%

See notes to financial statements.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JULY 31, 2020 (with comparative totals for 2019)**

	2020	2019
OPERATING ACTIVITIES		
Change in net assets	\$ 237,666	\$ 40,970
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	611,596	620,467
Income on investments in collaborative entities	(142,667)	(4,172)
Loss on impairment of property and equipment	213,636	
Forgiveness of note payable	(34,875)	(34,875)
Other	(1,200)	(3,000)
Changes in operating assets and liabilities:		
Accounts receivable	(41,737)	(30,582)
Receivables from related parties	(64,777)	
Pledges receivable	(4,583)	45,146
Prepaid expenses	(39,282)	23,246
Other current assets		8,099
Accounts payable and accrued expenses	118,740	(206)
Deferred revenue	(499)	1,715
Security deposits	8,466	4,138
Net cash provided by operating activities	<u>860,484</u>	<u>670,946</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(246,535)	(391,529)
Distributions from investments in collaborative entities	109,320	2,500
Distributions from investments in collaborative entities	(200)	
Proceeds from insurance on impairment of property and equipment	(141,243)	
Proceeds from sale of property and equipment	1,200	3,000
Net cash used in investing activities	<u>(277,458)</u>	<u>(386,029)</u>
FINANCING ACTIVITIES		
Principal payments on notes payable	(381,681)	(369,983)
Proceeds from notes payable	327,681	160,905
Proceeds from line of credit		50,000
Repayments on line of credit		(50,000)
Net cash used in financing activities	<u>(54,000)</u>	<u>(209,078)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	529,026	75,839
CASH AND CASH EQUIVALENTS, Beginning of year	<u>737,027</u>	<u>661,188</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 1,266,053</u>	<u>\$ 737,027</u>

(Continued)

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JULY 31, 2020 (with comparative totals for 2019)**

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	<b>2020</b>	<b>2019</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ <u>201,420</u>	\$ <u>196,193</u>
<b>NON-CASH INVESTING ACTIVITIES</b>		
Property and equipment acquired under notes payable	\$ 1,125,429	
Property and equipment acquired with contributions	<u>495,238</u>	<u>—</u>
Total	\$ <u>1,620,667</u>	\$ <u>—</u>

(Concluded)

See notes to financial statements.

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The accompanying consolidated financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended July 31, 2019, from which the summarized information was derived.

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

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

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

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

Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but are not recognized as contributions in the consolidated financial statements because they do not meet the aforementioned criteria. The Organization received approximately 727 and 1,657 volunteer hours during the fiscal years ended July 31, 2020 and 2019, respectively, with an estimated value of \$21,447 and \$46,429, respectively.

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

**Accounts Receivable** — Accounts receivable are stated net of an allowance for doubtful accounts with the net balance representing the amount management expects to collect. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At July 31, 2020 and 2019, the valuation allowance was \$42,106 and \$24,459, respectively.

**Pledges Receivable** — Pledges receivable are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. All pledges receivable as of July 31, 2020 and 2019 are due in the subsequent year and accordingly are classified as a current asset. Management believes all pledges are fully collectible and accordingly, no allowance has been recorded as of July 31, 2020 and 2019.

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

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

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

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

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

**Change in Accounting Principles** — In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most prior revenue recognition guidance, including industry-specific guidance, and requires expanded disclosures about revenue recognition. The core principles of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. During 2020, management adopted ASU 2014-09 using the modified retrospective method of transition. Management performed an analysis of revenue streams and transactions under ASU 2014-09. The new standard also requires enhanced disclosures related to the disaggregation of revenue and significant judgments made in measurement and recognition. The adoption of ASU 2014-09 had no net impact on income from operations, excess of revenues over expenses or total net assets.

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

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



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

## 2. LIQUIDITY AND AVAILABILITY

The following table reflects the Organization's financial assets as of July 31, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations. Amounts not available include net assets with donor restrictions and board designated funds that are intended to fund special board initiatives not considered in the annual operating budget. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution. Amounts not available to meet general expenditures within one year also include net assets with donor restrictions.

	2020	2019
Cash and cash equivalents	\$ 1,266,053	\$ 737,027
Accounts receivable, net	95,941	54,204
Receivables from related parties	64,777	
Pledges receivable	<u>13,750</u>	<u>9,167</u>
Total financial assets	<u>1,440,521</u>	<u>800,398</u>
Less amounts unavailable for general expenditures within one year, due to:		
Security deposits	(166,972)	(158,506)
Restricted by donors with purpose restrictions	<u>(76,974)</u>	<u>(67,063)</u>
Total amounts unavailable for general expenditures within one year	<u>(243,946)</u>	<u>(225,569)</u>
Total financial assets available to management to meet cash needs for general expenditures within one year	<u>\$ 1,196,575</u>	<u>\$ 574,829</u>

The Organization provides affordable housing to its tenants and the rent revenues from this activity provides the funds needed to sustain its daily activities. In the event of any shortfall, the Organization has a \$100,000 line of credit with ENT Federal Credit Union. The programs provided for residents are supported for the most part by donations and grants.

## 3. FUNCTIONAL EXPENSES ALLOCATION METHODS

Expenses are summarized and categorized based on their functional classification. The functional classifications are: Rent and Property Management which includes expenses associated with the Organization's primary mission of providing affordable housing, Purchase and Rehabilitation includes expenses incurred in the search for new housing and renovation or construction of a new property, Resource and Opportunity Center which are the expenses associated with supportive services for the residents, General and Administrative are those expenses related to the day to day

operation of the business and Fundraising which includes expenses soliciting donations and applying for grants. Some expenses that are readily identifiable to a single classification are charged directly to that that function, other expenses that are attributable to more than one classification are allocated on a reasonable basis, and consistently applied to the appropriate functions. Payroll expenses are allocated based on the functions each individual performs. Most of the other expenses are allocated based on the percentage of the overall payroll. The corporate office expenses are allocated on a square footage basis and the expenses of an individual property are allocated 100% to Rental.

#### 4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at July 31:

	2020	2019
Land	\$ 2,022,296	\$ 2,022,296
Buildings and improvements	20,445,080	18,842,938
Furniture and equipment	271,568	263,453
Construction in progress	<u>223,270</u>	<u>73,839</u>
Total	22,962,214	21,202,526
Less accumulated depreciation	<u>7,296,467</u>	<u>6,719,992</u>
Total	<u>\$ 15,665,747</u>	<u>\$ 14,482,534</u>

#### 5. NOTES PAYABLE

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

	2020	2019
Twenty-three individual promissory notes payable with outstanding principal balances of \$18,000 to \$2,104,000 as of July 31, 2020, bearing interest rates at 1% to 6.5% with monthly principal and interest payments ranging from \$211 to \$8,072, due at various dates through January 2049 or upon the sale or transfer of property if earlier, secured by its real property. Certain promissory notes require the Organization to meet certain financial covenants related to financial ratios and other matters. At July 31, 2020 the Organization is in compliance with the covenants.	\$ 7,145,495	\$ 6,608,003

	2020	2019
Twenty individual forgivable and non-serviceable promissory notes payable with outstanding principal balances of \$10,000 to \$648,000 at zero percent interest, with no principal payment due unless sale or transfer of property, secured by its real property.	<u>4,857,695</u>	<u>4,358,633</u>
Total	<u>\$ 12,003,190</u>	<u>\$ 10,966,636</u>

Required annual minimum principal payments are as follows as of July 31, 2020:

2021	\$ 485,544
2022	880,813
2023	318,280
2024	848,873
2025	251,231
Thereafter	<u>4,360,754</u>
Total – serviceable	7,145,495
Note payable – forgivable and non-serviceable	<u>4,857,695</u>
Total	<u>\$ 12,003,190</u>

Interest was calculated at 1.17% and 2.5% during the years ended July 31, 2020 and 2019, 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 \$56,835 and \$108,966 as of July 31, 2020 and 2019, respectively.

## 6. CONDITIONAL GRANTS

Conditional grants consist of the following at July 31:

	2020	2019
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.	\$ 3,880,771	\$ 3,385,533
Conditional grant from the Federal Home Loan Bank of Topeka for rehab of five of the Organization's properties. The grant requires the properties be used for affordable housing for fifteen years, expiring 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>\$ 4,140,227</u>	<u>\$ 3,644,989</u>

**7. LINE OF CREDIT**

The Organization had a line of credit which expires in November 2021 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, 2020 and 2019.

**8. LEASE AGREEMENT**

The Organization has a building for which a portion of the building is being leased to others under an operating lease expiring in February 2021. The building has a cost of \$1,548,335 and accumulated depreciation of \$160,593 as of July 31, 2020.

Minimum future rentals to be received under this lease as of July 31, 2020 are as follows:

2021	\$ 52,047
Total	<u>\$ 52,047</u>

**9. NET ASSETS WITH DONOR RESTRICTIONS**

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

	2020	2019
Time restricted	\$ 13,750	\$ 9,167
Program:		
Capital improvements	38,500	35,000
Single Parent Advancing Career and Education	29,257	25,000
Eviction prevention	4,691	3,467
Forrest Rogers scholarship	2,785	2,785
Other	<u>1,741</u>	<u>811</u>
Total	<u>\$ 90,724</u>	<u>\$ 76,230</u>

**10. RELATED PARTY TRANSACTIONS**

The Organization has a collaborative arrangement with an entity, Atrium Apartments, LLLP (Atrium Apartments) where the Organization serves as the administrative and managing general partner. The purpose of Atrium Apartments is owning, developing, and leasing real property. At July 31, 2020, the Organization has a receivable from Atrium Apartments, in the amount of \$64,777 for predevelopment expenses incurred on behalf of Atrium Apartments. Management believes that the receivable is fully collectible, and no allowance is deemed necessary. No amounts were due at July 31, 2019. The Organization also received \$277,902 during the year ended July 31, 2020 as part of the reimbursement arrangement for direct development costs of \$247,918 and other costs incurred related to the Atrium Apartments.

## **11. EMPLOYEE BENEFIT PLAN**

The Organization has established a qualified 401(k) profit sharing plan (the Plan) covering all employees who have completed three months of service. The employees may make elective contributions of up to 100% of compensation, subject to statutory limitations. Greccio may make discretionary contributions to the Plan. The Plan provides for full vesting of discretionary contributions after five years of service. Contributions to the Plan were \$26,669 and \$26,760 for the years ended July 31, 2020 and 2019, respectively.

## **12. CONTINGENCIES**

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

## **13. UNCERTAINTIES**

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on Greccio's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global response to curb its spread, Greccio is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

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

**SUPPLEMENTAL SCHEDULES**

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

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

	2020	2019	2018	2017	2016
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,266,253	\$ 737,027	\$ 661,188	\$ 640,253	\$ 657,033
Accounts receivable, net	95,941	54,204	23,622	23,713	49,282
Receivables from related parties	64,777				
Pledges receivable	13,750	9,167	54,313	115,641	215,250
Prepaid expenses	71,084	31,802	55,048	26,722	78,020
Other current assets			8,099	12,198	11,458
Property and equipment, net	15,665,747	14,482,534	14,711,472	14,445,386	13,992,778
Investments in collaborative entities	71,545	38,198	36,526	27,720	60,523
<b>TOTAL ASSETS</b>	<b>\$ 17,249,097</b>	<b>\$ 15,352,932</b>	<b>\$ 15,550,268</b>	<b>\$ 15,291,633</b>	<b>\$ 15,064,344</b>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 194,862	\$ 114,607	\$ 159,380	\$ 85,943	\$ 29,884
Accrued expenses	140,442	101,957	57,390	54,491	91,801
Deferred revenue	54,278	54,777	53,062	49,113	53,476
Notes payable - serviceable	7,145,495	6,608,003	6,977,983	4,599,755	4,975,807
Notes payable - forgivable and non-serviceable	4,857,695	4,358,633	4,218,106	4,129,097	4,103,346
Bonds payable				2,188,083	2,249,767
Conditional grants	4,140,227	3,644,989	3,659,489	3,644,989	3,644,989
Security deposits	166,972	158,506	154,368	148,752	145,383
Interest rate swap agreement				97,175	179,727
<b>Total liabilities</b>	<b>16,699,971</b>	<b>15,041,472</b>	<b>15,279,778</b>	<b>14,997,398</b>	<b>15,474,180</b>
<b>NET ASSETS (DEFICIT)</b>					
Without donor restrictions	458,402	235,230	239,400	157,514	(647,634)
With donor restrictions	90,724	76,230	31,090	136,721	237,798
<b>Total net assets (deficit)</b>	<b>549,126</b>	<b>311,460</b>	<b>270,490</b>	<b>294,235</b>	<b>(409,836)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 17,249,097</b>	<b>\$ 15,352,932</b>	<b>\$ 15,550,268</b>	<b>\$ 15,291,633</b>	<b>\$ 15,064,344</b>

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

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

	2020	2019	2018	2017	2016
<b>REVENUE AND SUPPORT</b>					
Rental property management revenue	\$ 2,770,858	\$ 2,744,324	\$ 2,607,897	\$ 2,492,943	\$ 2,353,311
Contributions	642,452	600,365	492,955	717,334	865,421
Developer fees	29,984	29,246			
Other income (loss)	163,048	28,623	33,423	(11,296)	79,264
Total revenues and support	<u>3,606,342</u>	<u>3,402,558</u>	<u>3,134,275</u>	<u>3,198,981</u>	<u>3,297,996</u>
<b>EXPENSES</b>					
Program services:					
Rental and property management	2,386,465	2,443,889	2,460,299	2,353,653	2,447,157
Resource and Opportunity Center	562,285	501,972	409,421	313,568	266,324
Purchase and rehabilitation	174,298	172,002	94,484	94,776	83,332
General and administrative	127,619	126,130	124,780	146,911	129,807
Fundraising	118,009	117,595	110,311	98,780	114,804
Total expenses	<u>3,368,676</u>	<u>3,361,588</u>	<u>3,199,295</u>	<u>3,007,688</u>	<u>3,041,424</u>
Other gains (losses):					
Gain on sale of property and equipment				430,226	
Gain (loss) on interest rate swap agreement			41,275	82,552	(19,530)
Total	<u>—</u>	<u>—</u>	<u>41,275</u>	<u>512,778</u>	<u>(19,530)</u>
Change in net assets	237,666	40,970	(23,745)	704,071	237,042
Beginning net assets (deficit)	<u>311,460</u>	<u>270,490</u>	<u>294,235</u>	<u>(409,836)</u>	<u>(646,878)</u>
Ending net assets (deficit)	<u>\$ 549,126</u>	<u>\$ 311,460</u>	<u>\$ 270,490</u>	<u>\$ 294,235</u>	<u>\$ (409,836)</u>



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

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

	2020	2019	2018	2017	2016
Salaries	\$ 921,072	\$ 927,905	\$ 805,359	\$ 765,825	\$ 778,863
Depreciation and amortization	612,489	620,467	614,450	593,705	557,997
Utilities	323,300	334,801	312,013	293,984	274,772
General maintenance	302,687	323,136	287,602	260,667	256,964
Interest expense	251,096	305,159	336,722	369,443	374,283
Payroll taxes and fringes	200,242	201,786	188,823	178,019	158,619
Insurance	194,971	173,698	165,546	171,327	183,813
Direct assistance	114,827	62,720	36,323	41,409	83,215
Bad debts	45,823	32,592	35,663	30,428	47,898
Audit and accounting fees	45,431	43,396	44,290	45,671	41,126
Property taxes	40,954	39,616	38,672	38,710	44,857
Office expense	36,795	38,394	52,674	23,678	21,951
Contract services	33,680	32,714	31,657	28,716	38,674
Telephone	25,675	26,458	28,591	29,842	21,988
Trash	22,686	23,740	22,149	21,288	17,116
Travel	14,772	17,165	19,357	15,146	20,586
Professional fees	11,992	21,344	23,119	18,630	15,798
Printing	9,347	8,790	6,782	6,745	6,173
Dues and subscriptions	9,113	7,987	6,552	7,902	6,567
Mailing costs	5,163	5,181	5,153	4,852	
Fundraising	4,862	6,696	4,264	6,567	29,388
Staff training	3,067	3,725	3,694	5,854	6,329
Miscellaneous	138,632	104,118	129,840	49,280	54,447
<b>TOTAL</b>	<b>\$ 3,368,676</b>	<b>\$ 3,361,588</b>	<b>\$ 3,199,295</b>	<b>\$ 3,007,688</b>	<b>\$ 3,041,424</b>

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

## SCHEDULE OF NOTES PAYABLE AND CONDITIONAL GRANTS AS OF JULY 31, 2020

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

Note payable — ENT Federal Credit Union, monthly payments of \$3,499 which includes principal and interest at 4.38%, due May 16, 2024, collateralized by a deed of trust. \$ 599,491

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. 452,950

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. 320,621

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. 330,750

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. 560,000

2,263,812

### 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. 247,762

Note payable — ENT Federal Credit Union, monthly payments of \$8,072 which includes principal and interest at 2.75%, due February 1, 2028, collateralized by a deed of trust. 1,364,984

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

2,265,140

### 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. 427,574

(Continued)

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

## SCHEDULE OF NOTES PAYABLE AND CONDITIONAL GRANTS AS OF JULY 31, 2020

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### 2525 and 2531 East Uintah Street (Uintah Park & Uintah Terrace) - continued

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.	281,892
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Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	400,000
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Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2043. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	398,958
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	<u>1,508,424</u>
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### 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.	93,132
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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.	174,890
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Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2043. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	1,126,075
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	<u>1,394,097</u>
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### 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.	269,251
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Note payable — State of Colorado Division of Housing, no interest, principal due on sale, collateralized by a deed of trust.	305,000
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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.	140,625
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Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	300,000
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	<u>1,014,876</u>
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(Continued)

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

## SCHEDULE OF NOTES PAYABLE AND CONDITIONAL GRANTS AS OF JULY 31, 2020

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### 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.	101,112
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Note payable — ENT Federal Credit Union, monthly payments of \$4,373 which includes principal and interest at 2.75%, due February 1, 2028, collateralized by a deed of trust.	739,365
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Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	230,000
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Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	80,568
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Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2034. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	250,000
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<u>1,401,045</u>
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### 3631 Marion Drive (Citadel Arms)

Conditional grant — State of Colorado Division of Housing requiring the property to be used for affordable housing for thirty years, expiring 2039. If the affordability period is not met, the funds must be returned or transferred to another project or organization at the Division of Housing's option.	738,000
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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.	29,025
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Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	195,000
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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.	175,000
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<u>399,025</u>
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(Continued)

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

## SCHEDULE OF NOTES PAYABLE AND CONDITIONAL GRANTS AS OF JULY 31, 2020

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### 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.	18,157
Note payable — CDBG and HOME, no interest, principal due on sale, collateralized by a deed of trust.	250,000
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	22,185
Conditional grant — FHLB for rehab of property. Property must be used for affordable housing for 15 years (2020) or the funds must be returned.	<u>72,972</u>
	<u>363,314</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.	119,998
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>257,498</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.	165,074
Note payable — CHFA, monthly payments of \$354 which includes principal and interest at 1%, due August 1, 2032, collateralized by a deed of trust.	48,280
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	<u>150,000</u>
	<u>363,354</u>

### 218-232 Fountain (Clark Mellen)

Note payable — El Paso County Housing Authority, monthly payments of \$211 which includes principal and interest at 3%, due July 1, 2030, collateralized by a deed of trust.	21,832
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	200,000

(Continued)

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

## SCHEDULE OF NOTES PAYABLE AND CONDITIONAL GRANTS AS OF JULY 31, 2020

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### 218-232 Fountain (Clark Mellen) - continued

Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	21,818
	<u>243,650</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.	89,544
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.	48,648
	<u>358,192</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.	20,866
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	195,000
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	14,968
Conditional grant — FHLB for rehab of property. Property must be used for affordable housing for 15 years (2020) or the funds must be returned.	56,756
	<u>287,590</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

(Continued)

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

## SCHEDULE OF NOTES PAYABLE AND CONDITIONAL GRANTS AS OF JULY 31, 2020

### 320 East Bijou - 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.	36,486
	<u>227,650</u>

### 321 North Weber

Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	25,000
Conditional grant — FHLB for rehab of property. Property must be used for affordable housing for 15 years (2020) or the funds must be returned.	44,594
	<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 — City CDBG, no interest, principal due on sale, collateralized by a deed of trust.	10,000
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.	207,099
	<u>317,099</u>

### Administrative – 1015 East Pikes Peak Avenue

Note payable — ENT Federal Credit Union, monthly payments of interest at 2.625%, with principal due March 1, 2024, collateralized by a deed of trust.	224,283
Loan issued by a bank bearing interest at 1%, in the aggregate amount of \$227,200, pursuant to the Paycheck Protection Program (the PPP) under the CARES Act, matures on April 1, 2022 and bears interest at a rate of 1% per annum, payable monthly commencing on November 1, 2020. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The Company intends to use the entire Loan amount for qualifying expenses.	227,200
	<u>451,483</u>

(Continued)

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

**SCHEDULE OF NOTES PAYABLE AND CONDITIONAL GRANTS  
AS OF JULY 31, 2020**

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**Rocky Mountain**

Note payable — El Paso County Housing Authority, monthly payments of \$690 which include principal and interest at 1.5%, due January 1, 2049, collateralized by a deed of trust.	191,991
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Note payable – ENT Federal Credit Union, monthly payments of \$4,196 which include principal and interest at 3.75%, due February 1, 2029, collateralized by a deed of trust.	884,012
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Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	648,333
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State of Colorado Division of Housing requiring the property to be used for affordable housing for forty five years, expiring 2065. 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>495,238</u>
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	<u>2,219,574</u>
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Total	<u>\$ 16,143,417</u>
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**BALANCE SHEET RECONCILIATION**

Notes payable	\$ 12,003,190
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Conditional grants	<u>4,140,227</u>
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Total	<u>\$ 16,143,417</u>
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(Concluded)