

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

**Financial Statements,
Supplemental Information
For the Year Ended July 31, 2016,**

And

Independent Auditors' Reports

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, 2016, 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, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Greccio's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 21, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2015 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.

The information in the Schedules of Comparative Information as of and for the year ended July 31, 2012 has been derived from the basic financial statements of Greccio for the year ended July 31, 2012, which were audited by other auditors whose report dated October 19, 2012, expressed an unmodified opinion on those financial statements. Their report, as of the same date, on the supplemental information as of and for the year ended July 31, 2012 stated that, in their opinion, such information was fairly stated in all material respects in relation to the basic financial statements for the year ended July 31, 2012 taken as a whole.

Stockman Kast Ryan & Co., LLP

September 26, 2016

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

STATEMENT OF FINANCIAL POSITION
JULY 31, 2016 (with comparative totals for 2015)

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 511,650	\$ 619,684
Accounts receivable, net	49,282	115,178
Current portion of pledges receivable	150,250	27,000
Prepaid expenses	78,020	106,383
Other current assets	<u>11,458</u>	<u>13,906</u>
Total current assets	800,660	882,151
PLEDGES RECEIVABLE	65,000	
PROPERTY AND EQUIPMENT, NET	13,992,778	13,193,358
SECURITY DEPOSITS	145,383	123,292
INVESTMENTS IN COLLABORATIVE ENTITIES	60,523	65,469
DEBT ISSUANCE COSTS, NET	<u>48,990</u>	<u>59,678</u>
TOTAL ASSETS	<u>\$ 15,113,334</u>	<u>\$ 14,323,948</u>
LIABILITIES AND NET ASSETS (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	\$ 29,884	\$ 234,173
Accrued expenses	91,801	81,721
Deferred revenue	53,476	52,807
Current portion of notes payable – serviceable	232,711	176,977
Current portion of bonds payable	<u>72,355</u>	<u>69,011</u>
Total current liabilities	480,227	614,689
NOTES PAYABLE – SERVICEABLE	4,743,096	4,014,974
NOTES PAYABLE – FORGIVABLE AND NON-SERVICEABLE	4,103,346	4,178,520
BONDS PAYABLE	2,226,402	2,298,774
CONDITIONAL GRANTS	3,644,989	3,580,380
SECURITY DEPOSITS	145,383	123,292
INTEREST RATE SWAP AGREEMENT	<u>179,727</u>	<u>160,197</u>
Total liabilities	<u>15,523,170</u>	<u>14,970,826</u>
NET ASSETS (DEFICIT)		
Unrestricted	(647,634)	(828,427)
Temporarily restricted	<u>237,798</u>	<u>181,549</u>
Total net deficit	<u>(409,836)</u>	<u>(646,878)</u>
TOTAL LIABILITIES AND NET DEFICIT	<u>\$ 15,113,334</u>	<u>\$ 14,323,948</u>

See notes to financial statements.

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2016 (with comparative totals for 2015)

	2016			2015 Total
	Unrestricted	Temporarily Restricted	Total	
REVENUES AND SUPPORT				
Rental property management revenue	\$ 2,353,311		\$ 2,353,311	\$ 2,135,822
Contributions	384,490	\$ 480,931	865,421	784,806
Other income	79,264		79,264	20,102
Net assets released from restrictions:				
Satisfaction of program restriction	397,682	(397,682)		
Satisfaction of time restriction	27,000	(27,000)		
Total revenues and support	<u>3,241,747</u>	<u>56,249</u>	<u>3,297,996</u>	<u>2,940,730</u>
EXPENSES				
Program services:				
Rental and property management	2,447,157		2,447,157	2,500,608
Resource and Opportunity Center	266,324		266,324	208,427
Purchase and rehabilitation	83,332		83,332	87,460
Total program services	<u>2,796,813</u>	<u>—</u>	<u>2,796,813</u>	<u>2,796,495</u>
Supporting services:				
General and administrative	129,807		129,807	106,052
Fundraising	114,804		114,804	100,957
Total supporting services	<u>244,611</u>	<u>—</u>	<u>244,611</u>	<u>207,009</u>
Total expenses	<u>3,041,424</u>	<u>—</u>	<u>3,041,424</u>	<u>3,003,504</u>
REVENUES AND SUPPORT OVER (UNDER) EXPENSES	200,323	56,249	256,572	(62,774)
OTHER LOSSES				
Loss on interest rate swap agreement	(19,530)		(19,530)	(10,897)
CHANGE IN NET ASSETS	180,793	56,249	237,042	(73,671)
NET ASSETS, Beginning of year	(828,427)	181,549	(646,878)	(573,207)
NET ASSETS, End of year	<u>\$ (647,634)</u>	<u>\$ 237,798</u>	<u>\$ (409,836)</u>	<u>\$ (646,878)</u>

See notes to financial statements.

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2016 (with comparative totals for 2015)

	2016							2015 Total
	Program Services				Support Services			
	Rental and Property Management	Resource and Opportunity Center	Purchase and Rehabilitation	Total	General and Administrative	Fundraising	Total	
Salaries	479,593	117,266	53,067	\$ 649,926	77,818	51,119	\$ 778,863	\$ 711,644
Depreciation and amortization	546,869	6,170	2,991	556,030	7,601	5,055	568,686	546,714
Interest expense	358,639	1,239	619	360,497	1,858	1,239	363,594	472,506
Utilities	270,516	1,064	532	272,112	1,596	1,064	274,772	296,702
General maintenance	255,124	460	230	255,814	690	460	256,964	230,406
Insurance	172,152	2,915	1,458	176,525	4,373	2,915	183,813	180,086
Payroll taxes and fringes	97,671	23,882	10,807	132,360	15,848	10,411	158,619	131,663
Direct assistance		83,215		83,215			83,215	48,112
Bad debts	47,898			47,898			47,898	52,024
Property taxes	44,849	2	1	44,852	3	2	44,857	42,125
Audit and accounting fees	25,324	6,192	2,802	34,318	4,109	2,699	41,126	78,488
Contract services	23,814	5,823	2,635	32,272	3,864	2,538	38,674	31,455
Fundraising						29,388	29,388	12,987
Telephone	13,539	3,311	1,498	18,348	2,197	1,443	21,988	23,370
Office expense	13,516	3,305	1,496	18,317	2,193	1,441	21,951	17,872
Travel	19,660	363	164	20,187	241	158	20,586	23,076
Trash	16,929	47	23	16,999	70	47	17,116	19,376
Professional fees	15,798			15,798			15,798	21,767
Dues and subscriptions	4,044	989	447	5,480	656	431	6,567	6,116
Staff training	3,898	953	431	5,282	632	415	6,329	2,056
Printing	3,801	929	421	5,151	617	405	6,173	7,028
Miscellaneous	33,523	8,199	3,710	45,432	5,441	3,574	54,447	47,931
TOTAL	\$ 2,447,157	\$ 266,324	\$ 83,332	\$ 2,796,813	\$ 129,807	\$ 114,804	\$ 3,041,424	
PERCENTAGE	80%	9%	3%	92%	4%	4%	100%	
COMPARATIVE TOTALS FOR 2015	\$ 2,500,608	\$ 208,427	\$ 87,460	\$ 2,796,495	\$ 106,052	\$ 100,957		\$ 3,003,504
PERCENTAGE -2015	83%	7%	3%	93%	4%	3%		100%

See notes to financial statements.

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2016 (with comparative totals for 2015)

	2016	2015
OPERATING ACTIVITIES		
Change in net assets	\$ 237,042	\$ (73,671)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	568,686	546,714
Income on investments in collaborative entities	(54)	(13,444)
Loss on interest rate swap agreement	19,530	10,897
Forgiveness of note payable	(23,625)	(23,625)
Changes in operating assets and liabilities:		
Accounts receivable	65,896	(18,566)
Pledges receivable	(188,250)	27,000
Prepaid expenses	28,363	69,265
Accounts payable and accrued expenses	(194,209)	6,012
Deferred revenue	669	22,095
Deposits	<u>22,091</u>	<u>(2,793)</u>
Net cash provided by operating activities	<u>536,139</u>	<u>549,884</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(1,354,970)	(974,574)
Distributions from investments in collaborative entities	5,000	8,009
Proceeds from insurance claim	<u> </u>	<u>143,130</u>
Net cash used in investing activities	<u>(1,349,970)</u>	<u>(823,435)</u>
FINANCING ACTIVITIES		
Proceeds from notes payable	909,276	
Proceeds from conditional grants	64,609	495,391
Principal payments on notes payable	(176,969)	(171,443)
Principal payments on bonds payable	<u>(69,028)</u>	<u>(65,840)</u>
Net cash provided by financing activities	<u>727,888</u>	<u>258,108</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(85,943)	(15,443)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>742,976</u>	<u>758,419</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 657,033</u>	<u>\$ 742,976</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 242,302</u>	<u>\$ 242,689</u>

See notes to financial statements.

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, 2016.

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, 2015, 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 2,663 volunteer hours during the fiscal year ended July 31, 2016.

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, 2016 the valuation allowance was \$17,000. No allowance was recorded as of July 31, 2015.

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, 2016 and 2015.

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.

Debt Issuance Costs — Costs incurred with the issuance of bonds are deferred and amortized over 10 years, which is the index rate period of the bond.

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 qualify 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, 2013 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.

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:

	2016	2015
Due in less than one year	\$ 150,250	\$ 27,000
Due in one to five years	<u>65,000</u>	<u> </u>
Total pledges receivable	<u>\$ 215,250</u>	<u>\$ 27,000</u>

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at July 31:

	2016	2015
Land	\$ 1,991,126	\$ 1,867,176
Buildings and improvements	16,986,838	15,781,659
Furniture and equipment	<u>182,922</u>	<u>157,081</u>
Total	19,160,886	17,805,916
Less accumulated depreciation	<u>5,168,108</u>	<u>4,612,558</u>
Total	<u>\$ 13,992,778</u>	<u>\$ 13,193,358</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:

	2016	2015
20 individual promissory notes payable with outstanding principal balances of \$8,887 to \$909,276 as of July 31, 2016, 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 February 2038 or upon the sale or transfer of property if earlier, secured by its real property.	\$ 4,975,807	\$ 4,191,951
16 individual forgivable and non-serviceable promissory notes payable with outstanding principal balances of \$127,152 to \$600,000 at zero percent interest, with no principal payment due unless sale or transfer of property, secured by its real property.	<u>4,103,346</u>	<u>4,178,520</u>
Total	<u>\$ 9,079,153</u>	<u>\$ 8,370,471</u>

Required annual minimum principal payments are as follows as of July 31, 2016:

2017	\$ 232,711
2018	178,222
2019	1,380,350
2020	266,408
2021	173,369
Thereafter	<u>2,744,747</u>
Total – serviceable	4,975,807
Note payable – forgivable and non-serviceable	<u>4,103,346</u>
Total	<u>\$ 9,079,153</u>

Interest was calculated at 2.625% and 5.5% during the years ended July 31, 2016 and 2015, 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 \$121,292 and \$229,819 as of July 31, 2016 and 2015, respectively.

5. 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, 2016 and 2015.

6. BONDS PAYABLE

In December 2010, El Paso Housing Authority issued El Paso County Housing Authority Nonprofit Housing Revenue (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, 2016 and 2015, the fair value of the interest rate swap agreement was \$(179,727) and \$(160,197), 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 losses of \$19,530 and \$10,897 due to the changes in the fair value of the interest rate swap agreement during the years ended July 31, 2016 and 2015, respectively.

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

2017	\$ 72,355
2018	75,859
2019	79,535
2020	83,387
2021	87,427
Thereafter	<u>1,900,194</u>
Total	<u>\$ 2,298,757</u>

7. CONDITIONAL GRANTS

Conditional grants consist of the following at July 31:

	2016	2015
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	\$ 3,320,924
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>\$ 3,580,380</u>

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 \$1,094,949 and accumulated depreciation of \$11,196 as of July 31, 2106.

Minimum future rentals to be received under this lease as of July 31, 2016 are as follows:

2017	\$	86,545
2018		89,141
2019		91,815
2020		94,570
2021		<u>52,047</u>
Total	\$	<u>414,118</u>

9. TEMPORARILY RESTRICTED NET ASSETS

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

	2016	2015
Time restricted	\$ 215,250	\$ 27,000
Program:		
Capital campaign	9,395	151,139
Resident enrichment	10,471	3,410
Resource Opportunity Center	<u>2,682</u>	<u> </u>
Total	<u>\$ 237,798</u>	<u>\$ 181,549</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 record the interest rate swap agreement at fair value was based on discounted cash flows based on information received from the counterparty (see Note 6).

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)
2016:				
Interest rate swap agreement	\$ <u>(179,727)</u>	\$ _____	\$ _____	\$ <u>(179,727)</u>
2015:				
Interest rate swap agreement	\$ <u>(160,197)</u>	\$ _____	\$ _____	\$ <u>(160,197)</u>

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

Interest rate swap agreement, August 1, 2014	\$ (149,300)
Change in value recognized as a loss	<u>(10,897)</u>
Interest rate swap agreement, July 31, 2015	(160,197)
Change in value recognized as a loss	<u>(19,530)</u>
Interest rate swap agreement, July 31, 2016	\$ <u>(179,727)</u>

11. EMPLOYEE BENEFIT PLAN

After 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.

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, 2016, Greccio paid \$12,567 for legal service provided by a firm in which one of its board members is a partner. Greccio also received \$6,989 in donated legal services from this same firm.

Greccio entered into a contract for real estate services with one of its board members. \$10,755 was paid to this board member during the fiscal year.

One of Greccio's board members was the Vice President of a bank for a portion of the year ended July 31, 2016, where Greccio has three of its notes payable. The balance of those notes as of July 31, 2016 are \$2,071,121.

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

	2016	2015	2014	2013	2012
ASSETS					
Cash and cash equivalents	\$ 511,650	\$ 619,684	\$ 632,334	\$ 492,386	\$ 406,456
Accounts receivable, net	49,282	115,178	239,742	45,220	41,165
Pledges receivable	215,250	27,000	54,000	26,250	33,750
Prepaid expenses	78,020	106,383	175,648	142,440	100,690
Other current assets	11,458	13,906	14,955	15,374	21,344
Property and equipment, net	13,992,778	13,193,358	12,753,760	10,862,134	9,397,191
Security deposits	145,383	123,292	126,085	120,010	102,761
Investments in collaborative entities	60,523	65,469	60,034	56,698	49,343
Debt issuance costs, net	48,990	59,678	70,367	81,056	91,744
TOTAL ASSETS	\$ 15,113,334	\$ 14,323,948	\$ 14,126,925	\$ 11,841,568	\$ 10,244,444
LIABILITIES AND NET ASSETS (DEFICIT)					
LIABILITIES					
Accounts payable	\$ 29,884	\$ 234,173	\$ 245,196	\$ 146,454	\$ 140,121
Accrued expenses	91,801	81,721	64,686	64,514	69,706
Deferred revenue	53,476	52,807	30,712	21,296	23,154
Notes payable - serviceable	4,975,807	4,191,951	4,363,394	2,806,076	2,428,089
Notes payable - forgivable and non-serviceable	4,103,346	4,178,520	4,202,145	3,424,654	2,680,974
Bonds payable	2,298,757	2,367,785	2,433,625	2,496,422	2,555,174
Conditional grants	3,644,989	3,580,380	3,084,989	3,084,989	2,441,635
Security deposits	145,383	123,292	126,085	120,010	102,761
Interest rate swap agreement	179,727	160,197	149,300	163,673	295,376
Total liabilities	15,523,170	14,970,826	14,700,132	12,328,088	10,736,990
NET ASSETS (DEFICIT)					
Unrestricted	(647,634)	(828,427)	(669,098)	(517,905)	(556,793)
Temporarily restricted	237,798	181,549	95,891	31,385	64,247
Total net assets (deficit)	(409,836)	(646,878)	(573,207)	(486,520)	(492,546)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	\$ 15,113,334	\$ 14,323,948	\$ 14,126,925	\$ 11,841,568	\$ 10,244,444

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

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

	2016	2015	2014	2013	2012
REVENUE					
Rental property management					
revenue	\$ 2,353,311	\$ 2,135,822	\$ 1,911,739	\$ 1,680,955	\$ 1,397,700
Contributions	865,421	784,806	600,451	500,225	485,131
Developer fees				113,428	45,750
Other income	79,264	20,102	21,685	23,916	13,886
Total revenue	<u>3,297,996</u>	<u>2,940,730</u>	<u>2,533,875</u>	<u>2,318,524</u>	<u>1,942,467</u>
EXPENSES					
Program services:					
Rental and property management	2,447,157	2,500,608	2,218,438	2,053,386	1,828,904
Resource and Opportunity Center	266,324	208,427	178,803	173,787	152,863
Purchase and rehabilitation	83,332	87,460	77,672	72,050	65,808
General and administrative	129,807	106,052	75,914	71,912	66,273
Fundraising	114,804	100,957	84,108	73,066	15,084
Total expenses	<u>3,041,424</u>	<u>3,003,504</u>	<u>2,634,935</u>	<u>2,444,201</u>	<u>2,128,932</u>
Other gains (losses):					
Gain (loss) on interest rate swap agreement	(19,530)	(10,897)	14,373	131,703	(160,440)
Change in net assets	237,042	(73,671)	(86,687)	6,026	(346,905)
Beginning net assets	(646,878)	(573,207)	(486,520)	(492,546)	(145,641)
Ending net assets	<u>\$ (409,836)</u>	<u>\$ (646,878)</u>	<u>\$ (573,207)</u>	<u>\$ (486,520)</u>	<u>\$ (492,546)</u>

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

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

	2016	2015	2014	2013	2012
Salaries	\$ 778,863	\$ 711,644	\$ 594,003	\$ 573,917	\$ 511,823
Depreciation and amortization	568,686	546,714	496,969	462,100	405,260
Interest expense	363,594	472,506	445,918	380,612	334,235
Utilities	274,772	296,702	265,247	245,770	219,198
General maintenance	256,964	230,406	228,937	261,670	207,541
Insurance	183,813	180,086	123,448	110,456	99,111
Payroll taxes and fringes	158,619	131,663	113,936	117,294	96,423
Direct assistance	83,215	48,112	55,047	56,796	49,365
Bad debts	47,898	52,024	35,582	1,656	2,657
Property taxes	44,857	42,125	26,015	28,420	10,658
Audit and accounting fees	41,126	78,488	90,577	37,739	25,501
Contract services	38,674	31,455	26,435	18,716	17,843
Fundraising	29,388	12,987	12,431	9,227	4,116
Telephone	21,988	23,370	19,803	13,287	13,506
Office expense	21,951	17,872	12,966	14,070	17,537
Travel	20,586	23,076	27,625	27,507	31,269
Trash	17,116	19,376	17,618	15,085	14,094
Professional fees	15,798	21,767	18,965	10,160	10,254
Dues and subscriptions	6,567	6,116	5,708	4,767	5,456
Staff training	6,329	2,056	2,026	1,251	1,391
Printing	6,173	7,028	5,739	10,695	11,848
Miscellaneous	54,447	47,931	9,940	43,006	39,846
TOTAL	<u>\$ 3,041,424</u>	<u>\$ 3,003,504</u>	<u>\$ 2,634,935</u>	<u>\$ 2,444,201</u>	<u>\$ 2,128,932</u>

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

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

	2016	2015	2014	2013	2012
OPERATING ACTIVITIES					
Change in net assets	\$ 237,042	\$ (73,671)	\$ (86,687)	\$ 6,026	\$ (346,905)
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation and amortization	568,686	546,714	496,969	462,100	405,260
Income on investments in collaborative entities	(54)	(13,444)	(15,836)	(13,855)	(12,393)
(Gain) loss on interest rate swap agreement	19,530	10,897	(14,373)	(131,703)	160,440
Forgiveness of note payable	(23,625)	(23,625)			
Changes in operating assets and liabilities:					
Accounts receivable	65,896	(18,566)	(24,720)	(4,055)	(8,006)
Pledges receivable	(188,250)	27,000	(27,750)	7,500	(28,750)
Prepaid expenses	28,363	69,265	(33,208)	(41,750)	(16,763)
Other current assets			(1,431)	5,970	5,360
Accounts payable and accrued expenses	(194,209)	6,012	98,914	1,141	49,040
Deferred revenue	669	22,095	9,416	(1,858)	5,103
Deposits	22,091	(2,793)	6,075	17,249	13,903
Net cash provided by operating activities	<u>536,139</u>	<u>549,884</u>	<u>407,369</u>	<u>306,765</u>	<u>226,289</u>
INVESTING ACTIVITIES					
Purchases of property and equipment	(1,354,970)	(974,574)	(2,646,221)	(1,916,355)	(2,395,369)
Distributions from investments in collaborative entities	5,000	8,009	12,500	6,500	15,859
Proceeds from insurance claim		143,130	100,363		
Net cash used in investing activities	<u>(1,349,970)</u>	<u>(823,435)</u>	<u>(2,533,358)</u>	<u>(1,909,855)</u>	<u>(2,379,510)</u>
FINANCING ACTIVITIES					
Proceeds from notes payable	909,276		2,453,301	1,233,910	1,501,875
Proceeds from conditional grant	64,609	495,391		643,354	911,591
Principal payments on notes payable	(176,969)	(171,443)	(118,492)	(112,243)	(56,586)
Principal payments on bonds payable	(69,028)	(65,840)	(62,797)	(58,752)	(57,128)
Principal payments on line of credit					(26,993)
Net cash provided by financing activities	<u>727,888</u>	<u>258,108</u>	<u>2,272,012</u>	<u>1,706,269</u>	<u>2,272,759</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(85,943)	(15,443)	146,023	103,179	119,538
CASH AND CASH EQUIVALENTS, Beginning of year	<u>742,976</u>	<u>758,419</u>	<u>612,396</u>	<u>509,217</u>	<u>389,679</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 657,033</u>	<u>\$ 742,976</u>	<u>\$ 758,419</u>	<u>\$ 612,396</u>	<u>\$ 509,217</u>

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF NOTES PAYABLE, BONDS PAYABLE AND CONDITIONAL GRANTS
AS OF JULY 31, 2016

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.	\$ 672,950
Note payable — El Paso County Housing Authority, monthly payments of \$2,213 which include principal and interest at 3%, due June 1, 2021, collateralized by a deed of trust.	501,788
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.	399,852
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	425,250
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>2,559,840</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.	286,452
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>1,242,256</u>
	<u>2,181,102</u>

(Continued)

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF NOTES PAYABLE, BONDS PAYABLE AND CONDITIONAL GRANTS
AS OF JULY 31, 2016

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.	488,895
Note payable — El Paso County Housing Authority, monthly payments of \$1,476 which includes principal and interest at 3%, due March 1, 2019, collateralized by a deed of trust.	316,691
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>1,604,544</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.	250,097
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>1,376,172</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.	313,604
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.	225,000
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	<u>300,000</u>
	<u>1,143,604</u>

(Continued)

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF NOTES PAYABLE, BONDS PAYABLE AND CONDITIONAL GRANTS
AS OF JULY 31, 2016

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 31, 2019, collateralized by a deed of trust.	123,025
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.	249,522
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>933,115</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, 2021, collateralized by a deed of trust.	38,319
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.	185,172
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>593,491</u>

(Continued)

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF NOTES PAYABLE, BONDS PAYABLE AND CONDITIONAL GRANTS
AS OF JULY 31, 2016

833 West Colorado

Note payable — El Paso County Housing Authority, monthly payments of \$211 plus interest at 3%, due August 1, 2016, collateralized by a deed of trust.	25,613
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.	108,747
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>479,517</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, 2014, collateralized by a deed of trust.	139,771
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.	180,376
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>457,647</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.	207,030
Note payable — CHFA, monthly payments of \$354 which includes principal and interest at 1%, due August 1, 2032, collateralized by a deed of trust.	63,327
Note payable — City of Colorado Springs, no interest, principal due on sale, collateralized by a deed of trust.	<u>150,000</u>
	<u>420,357</u>

(Continued)

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF NOTES PAYABLE, BONDS PAYABLE AND CONDITIONAL GRANTS
AS OF JULY 31, 2016

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, 2021, collateralized by a deed of trust.	28,889
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>162,625</u>
	<u>413,332</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, 2019, collateralized by a deed of trust.	121,881
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>390,529</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.	27,912
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.	103,453

(Continued)

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF NOTES PAYABLE, BONDS PAYABLE AND CONDITIONAL GRANTS
AS OF JULY 31, 2016

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>398,089</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.	66,606
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>294,255</u>

321 North Weber

Note payable — CHFA, monthly payments of \$632 which includes principal and interest at 2.5%, due November 1, 2024, collateralized by a deed of trust.	8,887
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>78,481</u>

Administrative

Note payable — ENT Federal Credit Union, monthly payments of interest at 2.625%, with entire principle due March 1, 2019, collateralized by a deed of trust.	909,276
Note payable — City of Colorado Springs, no interest, becomes due and payable should Greccio sell, transfer or dissolve services. Collateralized by a deed of trust on 1808 West Colorado Avenue. Note will be paid back upon sale of the property, which is expected to be sold during the year ended July 31, 2016.	<u>51,548</u>
	<u>960,824</u>
TOTAL	<u><u>\$ 15,022,899</u></u>

(Continued)

GRECCIO HOUSING UNLIMITED, INC.
dba GRECCIO HOUSING

SCHEDULE OF NOTES PAYABLE, BONDS PAYABLE AND CONDITIONAL GRANTS
AS OF JULY 31, 2016

BALANCE SHEET RECONCILIATION

Notes payable	\$ 9,079,153
Bonds payable	2,298,757
Conditional grants	<u>3,644,989</u>
Total	<u>\$ 15,022,899</u>

(Concluded)