



Trellis 

2017 Annual Report

STRENGTHENING OUR **CORE.**

From the CEO

Strength, Exercise, Central Core

“Your core muscles are the sturdy central link in a chain ... No matter where motion starts, it ripples upward and downward to adjoining links of the chain ... properly building up your core cranks up the power. A strong core also enhances balance and stability. Your core is your body’s powerhouse. A strong, flexible core underpins almost everything you do.”

(Harvard Health Publishing, the media and publishing division of the Harvard Medical School).

While 42 years is evidence of our uncompromising strength, it’s important to regularly take a look at our core – our operations, as well as our products and services – in response to what’s happening in our external environment. Making sure each link in our operation is working at its best, examining our business models to ensure their effectiveness in meeting the needs of our clients and accurately assessing the market in which we operate are critical for our sustainability. As such, **Trellis spent 2017 STRENGTHENING OUR CORE.**

As an organization, we reduced expenses and with staff retirements and strategic hires, we better allocated and balanced resources to increase our financial stability and ensure our nimbleness.

The core of the work that Trellis does has always been in counseling and education. Our efforts were rewarded by having our **Home Advising Team** ranked #1 in the US by eHome America, the premier provider of web-based education programs for prospective first-time home-buyers.

To assess that our hard work was balanced, our targets were accurate and our impacts were reflective of our efforts, in one of our core neighborhoods we conducted our **3rd Garfield Community Study**. And, in our continuing efforts to help revitalize our core community, we participated, along with the **Phoenix Community Alliance’s McDowell Road Revitalization Committee**, the **City of Phoenix**, the **Miracle Mile Merchants Association**, and **Keep Phoenix Beautiful**, in the **Miracle Mile Clean-Up** of McDowell Rd.

Critical “links in our chain” are our satisfied clients. They shared their stories and answered questions about home loans, classes, credit scores and assistance programs for first-time home-buyers at our **“Open the Door to Homeownership”** campaign event, hosted by **HomeMatters** and **US Bank**. Trellis was one of four housing agencies in the United States, invited by **HomeMatters America**, to reach out to prospective homeowners in this campaign.

We also launched **SalesForce**, a customer relationship management system that reduced the costs of serving customers and made it easier for them to access our services. They can now go online to create their personal account; upload documents; schedule appointments with Trellis staff; enroll for classes; pay for services; and communicate easily with their personal advisor.

To help meet the increased demand for affordable housing, we unveiled preliminary development plans for a group of townhomes in central Phoenix, our geographical core. The construction of 20 unit town homes, ranging from 2 to 3 bedrooms at 1,400 to 1,800 square feet, is scheduled to start in late-2018.

We cranked up our power in 2017 and invested in our core – setting the stage to be able to offer the best products and services, in the most cost-effective manner, to best meet the needs of our clients and our communities in the coming years. Combining the strength of our staff, the dedication of our Board and the concerted efforts of all of our partners, Trellis will meet 2018 a more balanced and stable powerhouse poised and eager to address all organizational challenges and market realities.

Patricia Garcia Duarte
President and CEO

ACCOMPLISHMENTS



1,215 HOUSEHOLDS

received pre-purchase, post-purchase, reverse mortgage and foreclosure intervention counseling



3,040 ENROLLED

in Homebuyer Education or Financial Capability workshops



88 HOUSING UNITS

in pre-development



123 FAMILIES AND INDIVIDUALS

received Down Payment Assistance and/or mortgages

Trellis Financial Capability Participants

92% improved their savings with an average increase of **\$3,559**

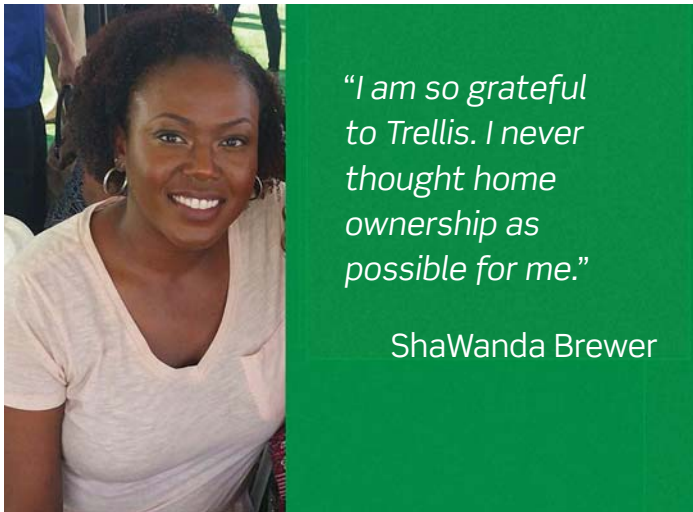
63% decreased their debt with an average decrease of **\$1,938**

57% improved their credit scores



135 FAMILIES/INDIVIDUALS PURCHASED THEIR FIRST HOMES

2017 PHOTO HIGHLIGHTS



2017 FINANCIALS

Consolidated Statements of Activities

SUPPORT AND REVENUE

Public Support

Governmental grants	\$883,537	\$3,740,756
Nongovernmental grants and contributions	694,155	512,995
Contributions in-kind	59,660	11,813
TOTAL SUPPORT	1,637,352	4,265,564

Revenue

Fees	883,213	1,527,066
Interest income on mortgages	176,385	175,291
Investment income	1,110	1,481
Net sales of property inventory	35,962	85,723
Other revenue	75,293	-
TOTAL REVENUE	1,171,963	1,789,561

TOTAL SUPPORT AND REVENUE

\$2,809,315 **\$6,055,125**

EXPENSES

Program Services

Homebuyer counseling and education	585,674	625,906
Loan services	747,698	3,686,363
Affordable housing development	423,778	478,490
La Ciudad, LLC	120,975	119,194

TOTAL PROGRAM SERVICES

\$1,878,125 **\$4,909,953**

Supporting Services

Management and general	854,070	872,254
Resource development	49,003	69,544
Community outreach	73,382	89,645

TOTAL SUPPORTING SERVICES

976,455 1,031,443

TOTAL EXPENSES

2,854,580 5,941,396

OTHER CHANGES IN NET ASSETS

Property held for sale impairment loss	-	(100,000)
Gain on sale of assets	102,504	-

CHANGE IN NET ASSETS

57,239 13,729

NET ASSETS, BEGINNING OF YEAR

10,523,076 10,509,347

NET ASSETS, END OF YEAR

\$10,580,315 **\$10,523,076**

2017 FINANCIALS

Consolidated Statements of Financial Position

	12/31/17	12/31/16
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$2,948,510	\$5,297,278
Restricted cash	236,958	266,085
Promises to give	100,000	-
Governmental receivables	60,322	59,970
Mortgage loans receivable, current	122,398	142,230
Note receivable, current	200,847	73,116
Other receivables	39,010	70,605
Prepaid expenses and deposits	88,338	107,254
Property inventory	2,914,117	2,549,341
TOTAL CURRENT ASSETS	6,710,500	8,565,879
PROPERTY AND EQUIPMENT, net	2,166,101	2,277,155
OTHER ASSETS		
Mortgage loans receivable, net of current portion/allowance	4,511,054	3,418,977
Note receivable, net of current portion	-	206,790
Investments	70,494	47,979
TOTAL OTHER ASSETS	4,581,548	3,673,746
TOTAL ASSETS	\$13,458,149	\$14,516,780
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$106,830	\$648,133
Deferred revenue	173,648	468,666
Line of credit	842,112	1,132,870
Due to City of Phoenix	58,334	58,334
Loan impounds and client deposits	3,780	81,078
Deferred compensation liability	70,494	47,979
Notes payable, current	268,750	231,522
TOTAL CURRENT LIABILITIES	1,523,948	2,668,582
NOTES PAYABLE , net of current portion	1,353,886	1,325,122
TOTAL LIABILITIES	2,877,834	3,993,704
NET ASSETS		
Unrestricted	7,992,845	7,878,762
Temporarily restricted	1,866,051	1,613,715
Permanently restricted	721,419	1,030,599
TOTAL NET ASSETS	10,580,315	10,523,076
TOTAL LIABILITIES AND NET ASSETS	\$13,458,149	\$14,516,780

2017 CONTRIBUTORS

HOMEOWNERSHIP CENTER PARTNERS

(\$25,000 and above)

Freddie Mac

JPMorgan Chase

State Farm

Bank of America

Nordstrom Bank

CORPORATE, GOVERNMENT & FOUNDATIONS

Alliance Bank of Arizona

Bank of Arizona

Bank of the West

Bankers Trust

BBVA Compass Bank

BMO Harris Bank

Chase Foundation

Comerica Bank

Desert Schools Federal C.U.

Fidelity Charitable

First Bank

Johnson Bank

Kroger

Lopez Schulz Realty LLC

Mother Bunch Brewing

Mutual of Omaha Bank

National Bank of Arizona

NNA Fund - Home Matters

Northern Trust

Raza Development Fund

Wells Fargo Foundation

THE 2017 TRELIS BOARD OF DIRECTORS

Brown, Dave

Busching, Marcia

Butler, Reid W.

Chin Foo, Angelo

Eisenbarth Hager, CJ

Gonzalez, Sarah, *Secretary*

Jonovich, Deanna

Lopez, Armida

Martinez Tovar, Ramona
Vice Chair

McSweeney, Christine

Montes, Gina

Parsons, Robert (Bob)
Treasurer

Perez, Art, *Chair*

Ruiz, Alicia O.

Walters, Erik

Wells, Kate

2017 TRELIS COMMUNITY DEVELOPMENT

Butler, Reid W.

Lopez, Armida

Ruiz, Alicia O.

Scheel, Bill

Schwake, David

Seabury, Chester, PhD

Tapia, Hugo, PhD

2017 INDIVIDUAL DONORS

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Jonovich, Deanna
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Long, Pat
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Rourke, Patricia
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Saenz, Sandra
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Schwake, James D.
Smith, Brian
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Martinez Tovar, Ramona
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Uriondo, Yvette
Walters, Erik
Wells, Jeffrey C.
& Katherine B.



2017 Annual Report

Strength, Exercise, **Central Core.**

Trellis

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