In 1975 Trellis was incorporated as Neighborhood Housing Services of Phoenix with a mission to revitalize neighborhoods. For 43 years Trellis has brought residents and the community to the table to transform impoverished neighborhoods into economically viable and healthy communities. Those of you who have followed our efforts know that we started in the Coronado neighborhood and, over the years, have worked extensively in Garfield to improve the physical environment—as well as help create wealth and open opportunities for residents. In 2018 we stepped up our efforts on the commercial corridor that lies between these two neighborhoods. This targeted revitalization is a critical part of our community development work and is instrumental in the overall neighborhood revitalization of these two communities.

Working collaboratively with Local Initiatives Support Corporation, the Phoenix Community Alliance, the City of Phoenix and Banner University Medical Center and with local and national financial contributors—including JP Morgan Chase, Wells Fargo and the Federal Home Loan Bank of San Francisco—has enabled Trellis to make great strides in revitalizing what we are calling the Miracle Mile on McDowell Road.

To this end, a branding campaign and logos have been developed for this area. Regularly scheduled neighborhood clean-ups have brought out active volunteers and an active social media presence has engaged followers and supporters. The monthly revitalization committee meetings see up to three dozen corporate, nonprofit, small business, local government and resident attendees and, City-owned parking-lot signage has been obtained. We’ve also seen active participation by the corridor businesses in the Local First Fall Festival that featured over 200 vendors and thousands of participants. Additionally, local businesses were introduced to lenders and participated in financing workshops. Much-needed shade trees were planted!

And, that’s only the beginning. Up-coming plans include: mural projects, whitebox treatments for vacant storefronts, alley lighting and signage, special events, and capital improvements. Even a community celebration is in the works.

Trellis believes that if a neighborhood’s business district is strong, the surrounding neighborhood benefits through economic opportunities, entry-level jobs, workforce training and convenient access to goods and services for residents. We truly believe that the Miracle Mile on McDowell Road commercial corridor is primed to become a thriving main-street destination and provide Phoenix neighbors with a vibrant mix of walkable, community-driven services.

Trellis continued to bring our core programs of homeownership counseling and education, financial access, and neighborhood developments to the community. We are currently working on the development of a possible dozen new, single-family homes in the Garfield neighborhood, and a total of 20 new townhomes along the West Camelback Corridor—in close proximity to the 19th Avenue and Camelback light rail station. We submitted our first-ever Low Income Tax Credit Application for the developments of 40 lease-to-own townhomes in the Sunnyslope Community and began pre-development work for the creation of approximately 40 homes on property owned by Trellis in South Phoenix. Trellis will continue to re-energize our clients by growing our Financial Coaching program that helps our clients turn financial knowledge into positive financial behaviors.

We said farewell to 2018 on sound financial footing and are optimistically looking forward to 2019 and the prospect of even greater economic impacts for homeowners, neighborhoods and the communities in which we work.

Patricia Garcia Duarte, President & CEO
2018 IMPACT

87 new homeowners were created.

1,124 were assisted with housing advice, education and coaching.

$5.8 MM in mortgage financing provided.

5 new homes built.

TRELLIS’ IMPACT FROM 1975 TO 2018:

3,571 families were helped to purchase their first home.

316 homes built or rehabilitated.

42,221 Number of families or individuals educated or counseled in financial management and/or how-to-buy a home.

$149MM Originated and/or facilitated more than 2,000 mortgage loans totaling $149MM.

4,800 struggling homeowners were saved from foreclosure.
BY THE NUMBERS

DEMOGRAPHICS: WHO ARE OUR CLIENTS? TOTAL: 1,124 in 2018

<table>
<thead>
<tr>
<th>HOUSEHOLD</th>
<th>GENDER</th>
<th>AGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>28%</td>
<td>59%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Female-single parent</td>
<td>Female</td>
<td>18 - 23</td>
</tr>
<tr>
<td>29%</td>
<td>41%</td>
<td>54.5%</td>
</tr>
<tr>
<td>Married with children</td>
<td>Male</td>
<td>25 - 44</td>
</tr>
<tr>
<td>24.6%</td>
<td></td>
<td>45 - 64</td>
</tr>
</tbody>
</table>

WHERE TRELLIS CLIENTS LIVE:

INCOME:
Nearly 79% are low-moderate income, based on HUD criteria
(2018: Family of 4 = at or below $55,300)

FINANCIAL COACHING:
49 points
Average Credit Score Improvement
$4,419
Average Increase in Savings
$2,461
Average Debt Reduction

EMPLOYERS:

- Healthcare Support
- Office and Administrative Support
- Business and Financial
- Education, Training and Library
- Food Preparation and Serving
- Transportation and Material Moving
CONTRIBUTORS

$100,000+
NeighborWorks America
Freddie Mac
JPMorgan Chase Foundation

$50,000- $75,000
Arizona Community Foundation & Phoenix IDA
Wells Fargo Foundation
State Farm
Banner University Medical Center
Local Initiative Support Corporation (LISC)

$10,000 - $40,000
Federal Home Loan Bank of San Francisco/AHEAD
Bank of America
Johnson Bank
BBVA Compass Bank
National Bank of Arizona
Northern Trust Bank
Alliance Bank

$7,500 AND UNDER
Thunderbird Charities / Mutual of Omaha Bank
US Bank
NNA Fund
Mutual of Omaha Bank
Bank of Arizona
First Bank
BMO Harris
Chase
Bankers Trust
BBVA Compass
City of Avondale
Arizona Central Credit Union
CONTRIBUTORS

INDIVIDUAL DONORS

Stephen Anderson
Arizona Gives Day
Frank Barrios
Marcia Busching
Reid Butler
Ed Celaya
Angelo Chin Foo
CJ Hager
Mark Hager
Patricia Garcia Duarte
Abraham James III
Joel McCabe
Ramona Martinez
Robert (Bob) Parsons
Art Perez
Alicia Ruiz
Claudia Shultz
David Schwake
Kate Wells
United Way Valley of the Sun Donors

2018 BOARD OF DIRECTORS

TRELLIS

Dave Brown
Marcia Busching
Reid Butler
Elizabeth Chavez
Angelo Chin Foo
Elora Diaz
CJ Hager
Abraham James III
Christoph Kaiser
Ramona Martinez (Secretary)
Gina Montes (Vice Chair)
Robert (Bob) Parsons (Treasurer)
Art Perez (Chair)
Alicia Ruiz
Sima Thakkar
Kate Wells

TRELLIS COMMUNITY DEVELOPMENT

Reid Butler
Elizabeth Chavez
Alicia Ruiz (Vice Chair)
Bill Scheel (Chair)
David Schwake (Treasurer)
Chester Seabury (PhD) (Secretary)
Hugo Tapia (PhD)
Maribell Valdez – the first Trellis Home Advisor to obtain her HUD Certified Housing Counseling Certification.

Just before his two-year homeownership anniversary, Mr. Torres, a Trellis client, shares his story with a group of social workers.

Trellis clients participate in one of Trellis’ Financial Coaching classes.

Staff members at an outreach event help raise awareness of Trellis programs and services.

Wells Fargo presents a check to Trellis and The McDowell Road Revitalization Committee for its work along the Miracle Mile.
### SUPPORT AND REVENUE

**Public Support**
- Government grants: $588,909 \(\rightarrow\) $883,537
- Non-government grants and contributions: 606,333 \(\rightarrow\) 694,155
- Contributions in-kind: 172,091 \(\rightarrow\) 59,660
- **TOTAL SUPPORT**: 1,367,333 \(\rightarrow\) 1,637,352

**Revenue**
- Fees: 484,469 \(\rightarrow\) 883,213
- Interest income on mortgages: 221,625 \(\rightarrow\) 176,385
- Net sales of property inventory: 23,496 \(\rightarrow\) 35,962
- Investment income: 1,660 \(\rightarrow\) 1,110
- Other revenue: 91,036 \(\rightarrow\) 75,293
- **TOTAL REVENUE**: 822,286 \(\rightarrow\) 1,171,963

**TOTAL SUPPORT AND REVENUE**: 2,189,619 \(\rightarrow\) 2,809,315

### EXPENSES

**Program Services**
- Home buyer counseling and education: 424,179 \(\rightarrow\) 585,674
- Loan services: 544,597 \(\rightarrow\) 747,698
- Affordable housing development: 414,460 \(\rightarrow\) 383,317
- Neighborhood revitalization: 67,084 \(\rightarrow\) 40,461
- La Ciudad, LLC: 104,828 \(\rightarrow\) 120,975
- **TOTAL PROGRAM SERVICES**: 1,555,148 \(\rightarrow\) 1,878,125

**Supporting Services**
- Management and general: 446,750 \(\rightarrow\) 927,452
- Resource development: 54,173 \(\rightarrow\) 49,003
- **TOTAL SUPPORTING SERVICES**: 500,923 \(\rightarrow\) 976,455

**TOTAL EXPENSES**: 2,056,071 \(\rightarrow\) 2,854,580

### OTHER CHANGES IN NET ASSETS
- Gain on sale of assets: 46,851 \(\rightarrow\) 102,504

### CHANGE IN NET ASSETS

**NET ASSETS, BEGINNING OF YEAR**: 10,580,315 \(\rightarrow\) 10,523,076

**NET ASSETS, END OF YEAR**: $10,760,714 \(\rightarrow\) $10,580,315
### 2018 FINANCIALS
Consolidated Statements of Financial Position

#### ASSETS

**CURRENT ASSETS**

- Restricted cash: 237,822 vs. 236,958
- Promises to give: 100,000 vs. 100,000
- Government receivables: 40,856 vs. 60,322
- Mortgage loans receivable, current: 144,757 vs. 122,398
- Note receivable, current: - vs. 235,490
- Other receivables: 35,752 vs. 39,010
- Prepaid expenses and deposits: 79,721 vs. 88,338
- Property inventory: 2,591,242 vs. 2,914,117

**PROPERTY AND EQUIPMENT, net**: 2,011,381 vs. 2,166,101

#### OTHER ASSETS

- Mortgage loans receivable, net of current portion and allowance: 5,329,213 vs. 4,511,054
- Investments: 81,725 vs. 70,494

**TOTAL OTHER ASSETS**: 5,410,938 vs. 4,581,548

**TOTAL ASSETS**: $14,593,960 vs. $13,458,149

#### LIABILITIES AND NET ASSETS

**CURRENT LIABILITIES**

- Accounts payable and accrued expenses: $164,242 vs. $110,610
- Deferred revenue: 425,812 vs. 173,648
- Line of credit: 842,112 vs. 842,112
- Due to City of Phoenix: 58,334 vs. 58,334
- Deferred compensation liability: 81,725 vs. 70,494
- Notes payable, current: 40,364 vs. 234,490

**TOTAL CURRENT LIABILITIES**: 1,612,589 vs. 1,489,588

**NOTES PAYABLE, net of current portion**: 2,220,657 vs. 1,388,246

**TOTAL LIABILITIES**: 3,833,246 vs. 2,877,834

**NET ASSETS**

- Without donor restrictions: 8,309,787 vs. 7,992,845
- With donor restrictions: 2,450,927 vs. 2,587,470

**TOTAL NET ASSETS**: 10,760,714 vs. 10,580,315

**TOTAL LIABILITIES AND NET ASSETS**: $14,593,960 vs. $13,458,149