Dear Friends,

In this Annual Report are fellow community members’ stories of hope and gratitude. Your support has made it possible for Homeword to help a four-time cancer survivor move into a healthy home and a couple to reconcile their differences and reunite their family.

While the impact to these people is enough to know your investment in Homeword is worth it, it’s important to recognize the larger economic impact your investment is making. Housing that is affordable plays a substantial and reinforcing role in families’ financial stability and strength, as well as the local economy through construction dollars spent, consumer spending at businesses and savings to local government.

We listen to business owners across Montana tell us their frustrations about not being able to attract and retain employees because there is no place the employees can afford to live. In many communities, the imbalance in the housing market has surpassed the ability for us to simply build our way out of it.

Access to decent, affordable homes is so fundamental to the health and well-being of people and the smooth functioning of economies that it is embedded in the United Nations Universal Declaration of Human Rights. A home that is affordable is essential to our elders and the next generation building a future.

Thank you for investing in Homeword. We are grateful for your partnership as we help create sustainable communities for all.

Andrea Davis
Executive Director

Creating Sustainable Communities

Cost of Living Challenge

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing cost</td>
<td>30%</td>
</tr>
<tr>
<td>Transportation</td>
<td>10%</td>
</tr>
<tr>
<td>Food</td>
<td>10%</td>
</tr>
<tr>
<td>Clothes</td>
<td>5%</td>
</tr>
<tr>
<td>Health care</td>
<td>5%</td>
</tr>
<tr>
<td>Personal care</td>
<td>5%</td>
</tr>
</tbody>
</table>

Home is affordable when it costs 30% or less of gross income

Cost of Living Challenge Questions

• Did you notice rent was nearly 50% of your monthly gross income?
• What items couldn’t you afford?
• If you were paying about $300 less per month for housing, what different choices could you make?

Providing homes and financial education

Homeowner median income: $63,089
Renters median income: $28,765

$42,815

$89,916

$255,000

Home is affordable when it costs 30% or less of gross income

Andrea Davis
Executive Director

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406-422-9521

Creating Sustainable Communities
When we took the Financial Fitness class, my husband and I were trying to reconcile after being separated. One of our biggest areas of disagreement was budgeting, saving and working together for our financial future.

The class put us on the same page and forced us to build a budget together. We’ve followed up the class with a few financial counseling sessions and it’s been very empowering and rewarding to feel the stress lessen and watch our financial worth increase.

Homeworld’s free services helped my family to work together. They gave us the appropriate resources when we had questions or needed help by bringing in a network of individuals from the community.

They allowed us to feel confident in the choices that we were making and look to the future with hope.”

- Melissa Kooren
Safe, Healthy Homes Montanans can Afford

Wendy is a proud resident of Sweetgrass Commons, a playwright, an active community member and a four-time “cancer overcomer”. She is grateful for her home at Sweetgrass for many reasons.

Location: I walk to The Good Food Store, Silver Park, downtown and access the bike trails. I can even walk down to the river and cool off when it’s too hot! The views from Sweetgrass are beautiful, too, with the open-space mountains and fireworks at Osprey Stadium!

Affordability: I have more money for medical co-pays, nutritious food, car maintenance and gas, experiencing fun in my life and I’m able to make trips to see family.

Non-smoking: This is important to me as a cancer overcomer, especially when Missoula suffers from air inversions and smoke!

Aesthetics: I love the looks of Sweetgrass - the landscaping, the peaked roofs, the opportunity to live in a brand new building with laundry facilities on each floor, a common room downstairs, a library and a patio area with furniture. My home seems spacious thanks to high ceilings. All the patios/entrance ways offer covered bike parking and there are plenty of windows to let light in. I am so grateful to live here.

Homewood’s 1,145 Residents include beginning professionals, retail workers, formerly homeless people, recent grads, people with disabilities, retirees, single parents and veterans

38% are children
11% are seniors
6% are living with disabilities

Wendy’s Home
Sweetgrass Commons, Missoula

Sustainable materials and building methods create healthy environments for families

12 communities

Beautiful, dignified homes for over 1,100 Montanans

30 properties

Completed (25.00%) | In Development (29.03%)

Completed 22 | In Development 4 | Pipeline 4

377 homes

Completed 377 | In Development 91 | Pipeline 210

Homestyles: Sr. - 51%, Youth - 40%, Other - 9%

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Homeword is grateful for the businesses, foundations and individual donors whose important contributions support our programs, funding and housing development. The following companies and individuals have given generously:

- Windermere Foundation
- Charitable Foundation • United Way of Missoula County • U.S. Bank Foundation • Wagon Mountain Foundation
- Federal Home Loan Bank of Des Moines • First Interstate BancSystem Foundation • Kolar Charitable Foundation of Buckley Sandler, LLP
- Missoula Job Service Palmer Pathways • Missoula Redevelopment Agency • MMW Architects • NeighborWorks Montana • PayneWest
- First Security Bank • Boston Financial Investment Management • Citigroup
- Homeword is grateful for the many community members who share their expertise in our classes so that our attendees receive the best possible information.

Table Hosts and Other Volunteers

- Tabitha Lapham • Trashy Treasure • Will Duncan • Will Johnson

Table is thankful for all those community members who host their friends at Homeword’s annual Community Benefit Luncheon and make other events successful.

- Eric Gabster • Jessica Farsht • Kai Peterson • Karissa Drye • Kate Sutherland • Kim Reineking • Lynn Stenerson • Ruth Reineking • Sara Nelson • Shannon Hillard • Sheena Comer-Winterer

Staff Members

- Andrea Davis • Ashley Grant • Brendan Moles • Erin Ojala • Heath McMillin • Katie Sadowski • Jennifer Betz • Jessica Burson • Julie Stiteler • Kaia Peterson • Karissa Drye • Matt Joseph • Stacey Miller

Homeword is grateful for the businesses, foundations and individual donors whose important contributions support our critical housing, counseling and education for Montanans.

Businesses & Other Funding Partners

- Boston Financial Investment Management • Citigroup • City of Bozeman • Comfort Systems USA – Temp Right Service • Cost Management Services • David & Phyllis Wheen Foundation LLC • Department of Corrections Pre-Release Center • Farran Realty Group • First Interstate Bank
- First Security Bank • Glacier Bank • GSM Development • Good Food Store • Home ReSource • Human Resource Council • Ink Realty Group
- Jackson County, Inc. • LTI Media • Missoula Brewing Company • Missoula Early Head Start • Missoula Federal Credit Union
- Missoula Job Service Palmer Pathways • Missoula Development Agency • MMW Architects • NeighborWorks Montana • PayneWest
- Investment Management • Citigroup • PDC Storage • Quality Custom Construction • Randall & Petersen • Republic Services of Montana • St. Peter Law Offices, P.C. • Stockman Bank • TrailWest Bank • Two Sisters Catering • U.S. Bank • Williams Rentals • WNC & Associates, Inc. • WYCA of Missoula

Foundations & Grantors

- City of Missoula HOMEP, the City’s Interim President and Community Development Block Grant Program • Dennis & Phyllis Washington Foundation
- Federal Home Loan Bank of Des Moines • First Interstate BancSystem Foundation • Kolar Charitable Foundation of Buckley Sandler, LLP
- Missoula Community Foundation • Missoula County Department of Grants and Community Programs • Missoula Federal Credit Union
- Montana Board of Housing • Montana Department of Commerce HOMEP Investment Partnerships • NorthWestern Energy • Town Pump
- Charitable Foundation • United Way of Missoula County • U.S. Bank Foundation • Wagon Mountain Foundation • Wells Fargo Foundation • Windermere Foundation

Collective Impact

Homeword is active in many collaborative efforts in Missoula to help strengthen our community. While not directly demonstrated in the recap of our programs and homes, these partnerships create a better community for all and are an important part of our efforts for Montanans.

Missoula Food Bank: One key partnership is with the Missoula Food Bank (MBF). The campaign for their new (and fantastic!) facility included utilizing New Market Tax Credit financing. MBF created a volunteer advisory board made up of developers and stakeholders that have experience with this kind of funding and legal structure. This board made up of developers and stakeholders that have experience with this kind of funding and legal structure.

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- Homeword has worked on various projects such as transforming an old car parts business in Missoula into a community with small modular homes and community gardens. Homeword purchased the land from the MBF to carry out this development project and work closely with the Food Bank and other partners, like Garden City Harvest, YWCA and Home ReSource to make this vision a reality.

- But it doesn’t stop there...inside the new Missoula Food Bank, is a state of the art classroom with cooking and kitchen equipment. Homeword will soon purchase the land from the MBF to carry out this development project and work closely with the Food Bank and other partners, like Garden City Harvest, YWCA and Home ReSource to make this vision a reality.

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Together we have much to be proud of - serving thousands of Montanans over the past 23 years. Yet there are many more Montanans who struggle to find homes they can afford and need the skills to manage their family finances. Your support is needed now more than ever.

- **Give**
  Give at homeword.org or mail gifts to 1535 Liberty Lane, Suite 116A, Missoula, MT 59808.

- **Share**
  Share about Homeword’s work on social media, forward our enewsletter, invite friends and colleagues to tours and other events.

- **Volunteer**
  Share your financial, rental or homebuyer related expertise in our classes, host a table at our annual luncheon or help with other Homeword events in Missoula. Email info@homeword.org.

- **Raise Money**
  Participate in online giving days, obtain matching funds from your employer, request corporate sponsorships and foundation gifts to support our work for Montanans.

- **Future Gifts**
  Ensure that Montanans live in safe homes they can afford and are empowered to make the best financial decisions for their families with your planned gift to Homeword. Contact jessica@homeword.org for information or to let us know you have already included us in your estate plans.

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**Homeword’s Financials**

**FY17 (July 2016-June 2017)**

**Homeword Operating Costs**

- **Annual Revenues** (including Grants & Contributions, Developer Fees, HomeOwnership Center Services, Rents, Interest & Other)
  $1,093,604

- **Annual Operating Expenses**
  $964,003

- **Organizational Reinvestment**
  $129,601

- **Invested in Properties**
  $24,761,563

**Homeword, Inc.**

Homeword has loaned approximately $18.1 million, including accrued interest, deferred management fees and deferred developer fees to 17 tax credit partnerships. Collection of these loans is predicated on the projects generating sufficient cash flows to repay the loans. Copies of Homeword’s most recent audit are available upon request from: Attn: Finance Director, c/o Homeword, Inc., 1535 Liberty Lane, Suite 116A, Missoula, MT 59808 or visit www.homeword.org/about-us.

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**Homeword Property Solar Generation**

- **970** solar panels
- **$43** equivalent number of homes powered for one year
- **27%** annual calculations when solar operates at 100% efficiency
- **58,620,395** operational savings

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**Homeword Property Solar Generation**

**Future Gifts**

Ensure that Montanans live in safe homes they can afford and are empowered to make the best financial decisions for their families with your planned gift to Homeword. Contact jessica@homeword.org for information or to let us know you have already included us in your estate plans.

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**Economic Influence**

Homes are where jobs go to sleep

Rentals and renters contribute over $1.1 trillion annually to the U.S. economy.

Montana’s annual apartment construction, operations and renter spending totals over $779 million with an economic distribution (ripple effect) of $1.6 billion.

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**Homeword**

Promoting a safe, healthy, affordable home for every Montanan.
Homeword uses sustainable methods to provide safe, healthy homes people can afford and strengthens community through housing counseling and education for those in need.