

*Forty-four Years of
Lending a Hand*





Letter from the President & CEO

At RCAP Solutions it is our goal to offer a helping hand. In the most difficult of circumstances, we work with our clients to see beyond obstacles, to create opportunities and empower individuals to build better lives. That main principle and a strong commitment to our mission has guided our work for 44 years.

In this annual report, you will see cases in which RCAP Solutions staff work to create “the world we want” for our clients. While that definition of a better world differs according to the family, the small business owner and the community, the end result is the same - improving the quality of life for those we serve.

The past year, without question, has been one filled with many challenges. However, we have never been an organization that sits on our hands. With a focus on serving the needs of a rapidly growing clientele, we forged ahead, seeking new and creative opportunities for growth and expansion of our vitally important programs and services.

With the creation of innovative and strategic partnerships, we received new grant opportunities, both on a local and national scale. We increased fundraising initiatives and created value-added sponsorship opportunities, which with continued nurturing, will increase revenue and allow for the growth of our core services.

A strong focus on customer service, marketing and the utilization of new technology brought forth several new initiatives to increase the level of ser-

vice we provide to our constituents, most significantly, the unveiling of a new website, allowing us the ability to provide a wide range timely and important information in an easily understandable and accessible format.

As always we recognize the importance of nurturing our most valuable assets. An increased emphasis on professional development and certification resulted in the transition of several key employees moving into leadership roles, resulting in further expanded services.

I hope you enjoy our annual report and find it informative in bringing to life the work that our staff does on a daily basis to lend a hand and in doing so, making the world a better place for our clients.

This year, we look forward to celebrating 45 years of making an impact in the lives of thousands of people. I invite you to consider making a charitable contribution to support our mission and the services we provide. Your contribution is critically important to the success of our local and regional programs as we offer a helping hand and make a difference in the lives of many individuals, families, small businesses and communities we serve.

With gratitude,



Karen A. Koller, CAE
President & CEO

STRATEGIC PARTNERSHIPS:

Regional Housing Network of Massachusetts
Worcester County Affiliate
Rural Community Assistance Partnership
Northeast Affiliate

MEMBERSHIPS/AFFILIATIONS

American Water Works Association
Central Massachusetts Financial Executives Organization
Central Massachusetts Workforce Investment Board
Citizens' Housing And Planning Association
Greater Gardner Chamber of Commerce
Maine Water Utilities Association
Massachusetts Association of Community Development Corporations
Massachusetts Housing and Shelter Alliance
Nashoba Valley Chamber of Commerce
New England Water Works Association
North Central Massachusetts Chamber of Commerce
North Central Massachusetts Community Reinvestment Act Coalition
North Central Massachusetts Housing Coalition
North Central Massachusetts Workforce Investment Board
National Rural Housing Council
Opportunity Finance Network
Society for Human Resource Management
Solid Waste Association of North America
Worcester Regional Chamber of Commerce

CERTIFICATIONS:

SOMWBA (*State Office of Minority and Women Business Assistance*)
HUD (*U.S. Department of Housing and Urban Development – Approved Housing Counseling Agency*)
CDFI (*Community Development Financial Institution*)
National Advisory Council (*National Industry Standards for Homeownership Education and Counseling*)
CHDO (*Community Housing Development Organization*)



Our Mission

To foster personal and public self-reliance and improve the quality of life for individuals, families and the communities in which they live.

Our Goal

Creating the “World We Want” for Individuals, Families, Communities, and Small Businesses.

“I don’t want to live off the government”

When entering the Family Self Sufficiency Program two years ago, Brittany Hill was tasked with setting goals, which included paying down her debt and obtaining a degree in the medical field.

Within six months, she had enrolled in school and began taking classes towards a degree in radiology. At the end of 2014, Brittany will have completed her associate’s degree in medical office assistance, and is focused on obtaining a four year degree in radiology.

“I want to keep going so that I can get a good job. I got into debt working as a pharmacy technician. The certification program was expensive and my pay was not enough to cover my living expenses with three children and school loans. Even though I worked full time, I quickly went into debt. I fell behind on my payments and was charged penalties. The debt just kept building and I knew I was in trouble.”

Well over \$10,000 in debt when she began the program and eager to restore her credit, Brittany is now budgeting her income and paying off debts. “My credit has gone up 57 points since I began the program. I’m leasing a car and paying off defaulted school loans and old bills.”

Motivated to complete the goals she has set, Brittany wants to work harder.

“RCAP Solutions has helped me to get on my feet and become independent. My counselor helps me to focus on my goals. I can’t say enough about the amazing support I have received.”

Brittany hopes to purchase a home with the escrow funds she will receive when completing the program. “I plan to take a home ownership certification course and am motivated to own my own home and car. I’ve lived in apartments that were not safe. I want to be a good example for my girls. I want to give them a good life and give them each a college fund. I don’t want them to struggle like I did.”



Client Resources

Our Client Resources Division works with individuals and families in central Massachusetts to provide a wide range of affordable housing, homelessness prevention, workforce development, family unification and self-sufficiency services.

In the past year, RCAP Solutions serviced 10,210 families through rental assistance, homeless prevention initiatives, self sufficiency programs and Housing Consumer Education Center (HCEC) services.

Due to concerns over the increasing number of families with housing instability, RCAP Solutions saw a significant increase in funding from the Commonwealth to support homelessness prevention programs.

HomeBase, created as an alternative to emergency assistance shelter, provides rental assistance, housing stabilization and a case manager who supports them with education, training and employment goals. The RAFT (Residential Assistance for Families in Transition) program provides short term financial assistance to low income families who are homeless or at risk of becoming homeless. The RAFT and HomeBase programs reached 249 families who would otherwise be facing homelessness.

HCEC is the “front door” or first point of contact for all clients interested in RCAP Solutions housing counseling, programs and resources. As a result of the growing need for affordable housing, our HCEC experienced a 56% increase in clients served in the past year.

HCEC also provides proactive assistance and education to homeowners as well as those who want to purchase a home. The increased demand for our services resulted in a 400% increase activity and attendance of our education and training programs.



10,201

Families served through rental assistance, homelessness prevention, self sufficiency programs and educational services

6,630

People served through our Housing Consumer Education Center (HCEC)

5,937

Home inspections performed

3,609

Children received rental assistance

Community Resources

RCAP Solutions is the Northeast affiliate of the Rural Community Assistance Partnership (RCAP), a national network of regional non-profit organizations that provide comprehensive, on-site technical assistance and training to help small, rural communities address their drinking water, wastewater, and other community development needs.

RCAP Solutions works with the communities and systems across the northeastern part of the U.S., Puerto Rico and the U.S. Virgin Islands to promote public, environmental and economic health.

In the last year, we administered technical assistance to 141 communities and leveraged \$19,429,800 by providing access to grant and loan opportunities. Our staff also provided 41 customized trainings and workshops to 517 participants, made up of water and wastewater professionals, board members, community officials, associations and private businesses.

“I would like to convey my appreciation for RCAP Solutions assistance with both the technical aspects of a wastewater amelioration project as well as the financing options for a 25 member family camp in Maine. In addition, RCAP Solutions staff went above and beyond by reviewing an engineering proposal we received and providing us with guidance and probing questions for the contractor. We continue to stay in touch as our project progresses and RCAP Solutions assistance has given us on the board much more confidence that we will make good decisions that will serve us well for many years to come.”

Jeff Green, Board Member
Menatoma Property Owners Association, Readfield, Maine

\$19,429,800

Leveraged for communities for water, wastewater and other infrastructure projects

517

Attended customized workshops & trainings

141

Communities received technical assistance support

41

Trainings & workshops performed





Financial Resources

RCAP Solutions Financial Services is an alternative lender, providing loans to small business and individuals throughout Worcester County. Our mission is to provide loans to businesses and individuals who may not qualify for loans through the traditional sources.

For individual homeowners, our lenders administer the Home Modification Loan Program, which provides financing to disabled persons and their families.

For small businesses, our staff lends funds under the SBA (Small Business Administration) Micro-Loan Program and the USDA (United States Department of Agriculture) Intermediary Loan Program.

With the support of our funding partners, RCAP Solutions Financial Services closed 31 loans in the last year, totaling over \$893,781 and created or saved at least 25 jobs in Worcester County.

\$688,781

Amount of Home Modification Loans provided to families for structural home improvements

26

Number of loans administered for caregiving families in central Massachusetts

\$205,000

Value of small business loans given to support five local small businesses

25

Number of jobs created or saved

“I would like to thank RCAP Solutions, Inc. and the Home Modification Loan Program for providing my daughter the opportunity to enhance her quality of life. The low interest loan we received allowed us to build a first floor shower for our daughter, who suffers from Congenital Variant Rett Syndrome. This program serves a tremendous purpose and is an invaluable resource for individuals who suffer from physical and cognitive limitations. I would highly recommend RCAP Solutions Inc. to any family or individual that is considering a home modification.”

Gregory Lewis , Franklin, Massachusetts

Real Estate Resources

Our Real Estate Division oversees the operations of our property management program as well as the capital improvement initiatives of our properties located in Central Massachusetts. The portfolio includes ten properties with a total of 362 units for individuals, families, the elderly and for those with disabilities to live independently in safe and affordable housing.

Last year, we began offering supportive services through our Resident Services Coordinator (RSC) Program, which connects our affordable housing residents with the services and support necessary to enable them to remain living independently. The goal of the RSC staff is to create a safe, comfortable, informative and enjoyable environment for all residents. Services include arranging for home care, meal programs, case management, transportation, connections to legal services, resident advocacy, assistance with Medicare and well being checks. In our first year, our RSC staff members delivered 3,935 separate services to 318 of our 430 residents.

“I would like to express my gratitude for the positive changes made in the lives of the residents at New Horizons. It is apparent that the staff sincerely cares about each individual occupant and will accommodate them whenever possible. For this I give RCAP Solutions the highest praise, as this is no easy task. Issues are always handled with fairness and professionalism. Staff is always vigilant in the upkeep of the property, keeping the ground well landscaped and the interiors clean. If a repair is needed, it is addressed immediately. I appreciate all that the staff does, their enthusiasm and pride in all that they do is contagious. I am at ease knowing that if there is a problem, RCAP Solutions staff is willing to help and our lives are better as a result.”

Walter Rucker, Resident, New Horizons, Worcester

3,935

Number of services delivered to residents through Resident Service Coordinator program

430

Number of people residing in RCAP Solutions ten managed properties

291

Number of seniors (over 60)

93

Handicapped or disabled residents



Tisha and her family surprised RCAP Solutions Staff by visiting the Worcester office with a beautiful bouquet of flowers as a way to say thank you for their support and assistance.



“A life-changing experience”

Tisha Curtis was referred to RCAP Solutions through the Worcester Housing Court. Facing eviction, she met with the Housing Consumer Education Center Counselor and explained her situation. Tisha, a single mother of two young children, had recently been laid off and was awaiting unemployment benefits. As a result, she fell behind in her rent.

“Meeting with RCAP Solutions was a life changing experience for me,” stated Tisha. “My counselor met with my landlord and was able to negotiate my stay in our home until my unemployment was secured.” Tisha worked with HCEC staff to create a rent payment plan and received assistance in finding an alternative apartment.

A few weeks later, Tisha was informed that she had reached the top of the list at a local housing authority. She reached out to RCAP’s HCEC once again for assistance with the paperwork and approval process because of a poor referral from the current landlord.

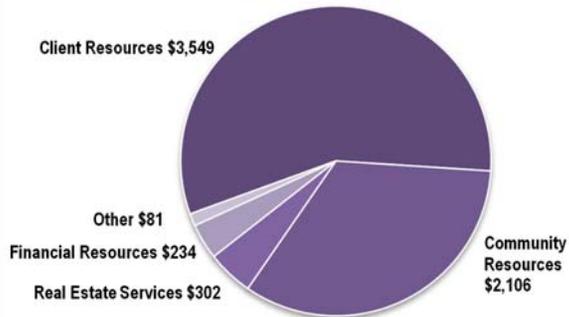
“My counselor was a gift, providing me with all the resources I needed. With RCAP’s assistance and intervention, I was approved for a three-bedroom apartment that is perfect for us. Our landlord and neighbors are wonderful and we are very happy here.”

Because Tisha’s savings had been exhausted by paying her back rent, she was able to enroll in the RAFT program to help cover her start up costs in her new apartment. Tisha now works as a certified nurses assistant and a home health aid.

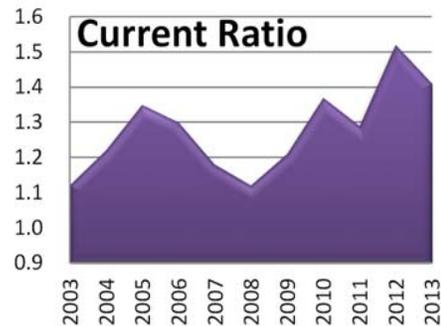
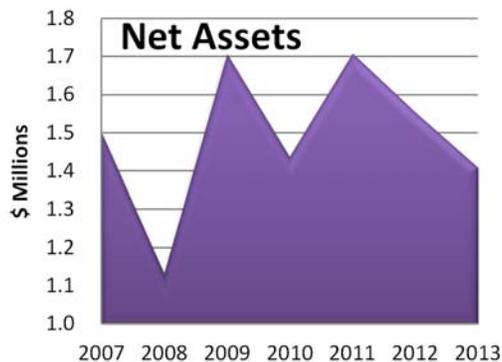
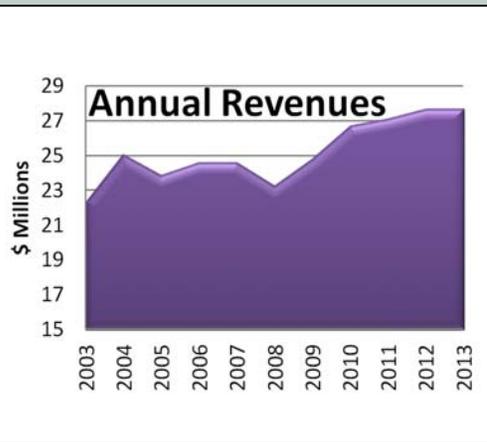
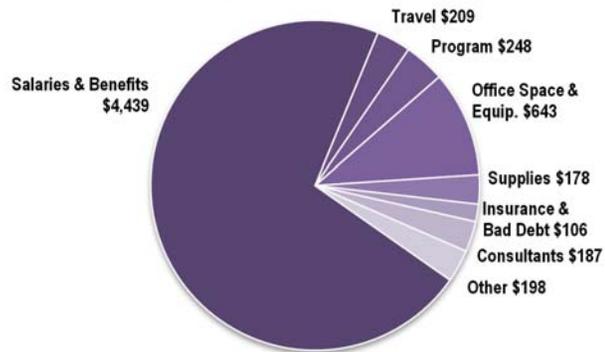
“I feel very blessed by the outcome of our situation. Everyone at RCAP solutions was amazing to work with. We feel very stable and content and I couldn’t be happier.”

2013 Financial Overview

Operating Revenue (in thousands)



Operating Expense (in thousands)



Financial Position June 30, 2013 (in thousands)

Current Assets	\$5,065	
Property & Equipment	853	
Mortgages Receivable	<u>5,405</u>	
Total Assets		<u>\$11,323</u>
Current Liabilities	3,591	
Long-Term Debt	1,587	
Long-Term Loan Programs	<u>4,737</u>	
Total Liabilities		<u>\$9,915</u>
Total Net Assets		<u>\$1,408</u>
Total Liabilities & Net Assets		<u>\$11,323</u>
Current Ratio		1.41

Statement of Activities FY 2013 (in thousands)

HAP Revenue	\$23,134	
Contract Administration	2,837	
Technical Assistance	1,964	
Other Grant & Contract Revenue	<u>1,472</u>	
Total Revenue		<u>\$29,407</u>
HAP Payments	23,134	
Salaries & Benefits	4,439	
All Other	<u>1,979</u>	
Total Expenses		<u>\$29,552</u>
Net Surplus (Deficit)		<u>(\$145)</u>



Letter from the CFO

In spite of a difficult economic climate and a continuing shift to cost reimbursement contracts, RCAP Solutions, Inc. continues to advance while adding value to the individuals, families and communities it serves. In 2013, the trend noted in 2012 continued with our receiving a larger increase in grant awards from the Commonwealth of Massachusetts. Most significant was a 40% increase in the HomeBase program and the restoration of the RAFT (Residential Assistance for Families in Transition) funding through MA legislation. We were also awarded a grant of \$201,400 through the Puerto Rico Department of Health.

We continue to be proactive in assessing our core competencies, focusing on benchmarking and streamlining our operations, while focusing on quality customer service to a host of constituents. We received \$176K in USDA intermediary loan funds to make loans to small businesses throughout Worcester County (MA) and an increase of \$22K in SBA Technical Assistance funds. Our real estate portfolio consists of ten properties throughout Worcester County contributing to the fee-for-service revenue stream which is our primary source of discretionary funds.

Consistent with our strategic planning efforts, the growth in new contracts along with enhanced foundation and fund raising efforts continue to offset the dependency of our funding from federal and state sources. RCAP continues to explore all possibilities for development in program and funding consistent with our mission.

During 2013, we met our strategic goal of expansion into the city of Worcester MA. The relocation of our client resources and financial services divisions

now centrally located in the second largest city in the commonwealth, affords us a greater opportunity for our constituents and funders. Moreover, our regional footprint for the northeast is more centrally located for further partnerships and continued expansion into our other states.

In 2013, we launched RCAP PLUS+ a partnership advantage program, resulting in rural community and corporate investments utilized as matching funds for our various contract requirements. Looking forward, RCAP Solutions celebrates its 45th year in 2014 with a continued RCAP Plus+ focus as a comprehensive fund raising initiative.

The RCAP Solutions Board of Directors has created a new reserve account for restricted use and we are building our cash reserves to offset the increasing cost reimbursement contracts.

Our fiscal year 2013 audit, conducted by Kevin P. Martin, LLP, resulted in an unqualified opinion, with no instances of non-compliance. The audit was reviewed and accepted by the RCAP Solutions Board of Directors on October 24, 2013.

Respectfully submitted,



Krystyna M. Dougert
Chief Financial Officer

MAJOR FUNDERS:

CEDAC (Community Economic Development Assistance Corporation)

DHCD (Department of Housing and Community Development)

EPA (U.S. Environmental Protection Agency)

Health Foundation of Central Massachusetts

HHS (U.S. Department of Health and Human Services)

HUD (U.S. Department of Housing and Urban Development)

Puerto Rico Department of Health

SBA (U.S. Small Business Administration)

USDA (United States Department of Agriculture)

**Make a difference in
the lives of others**

**Consider donating to
RCAP Solutions!**

*100% of your donation will
support our programs.*

MAIL CHECKS TO:

**RCAP Solutions
205 School Street
Gardner, MA 01440**

ONLINE:

www.rcapsolutions.org/donate

TEXT:

*Thanks to KPM, our Exclusive Mobile Sponsor,
you can make a donation using your cell phone.
Text "RCAP" to 56512*

*RCAP Solutions is a 501(c)3
organization and donations
are tax deductible.*

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Jessica Murdoch

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Barbara & Seymour Schnuer

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Paul Teixeira

Lauri Turner

Rick Watkins

Arnold Wensky

RCAP has always prided itself on being a careful and creative user of your tax dollars. Money that comes into RCAP Solutions turns directly into service for others. While some of our grants include administrative and operating fees, our last four audits showed that less than 10% of our total budget is spent on administrative costs. No matter what the size of the donation, it will help to fund our programs that support individuals, families and communities.

Governance & Leadership

BOARD OF DIRECTORS

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EXECUTIVE STAFF

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Richard N. Watkins

Executive Vice President and Chief Operating Officer

Paul A. Teixeira

Vice President and Chief Program Officer

Krystyna M. Dougert, CPA

Chief Financial Officer

LEADERSHIP TEAM:

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Chief Information Officer

Sharon Drake

Human Resources Manager

Michele Dubois

Director of Rental Assistance

Linda Kirwan

Chief Elderly Services Officer and Director of Property Management

Maegen McCaffrey

Chief Communications Officer

Pamela Moshier

Chief Consumer Education Officer and Director of HCEC

Alyssa Mullen

Manager of Finance and Program Audit

Scott Mueller

Chief Rural Affairs Officer & Director of Community Resources

Brian Scales

Chief Development and Governmental Affairs Officer

Locations

RCAP SOLUTIONS HEADQUARTERS:

12 East Worcester Street
Worcester, MA 01605

RCAP SOLUTIONS CORPORATE OFFICE:

205 School Street
Gardner, MA 01440

FIELD OFFICES:

Peaks Island, ME
Swanville, ME
Ossipee, NH
Redwood, NY
Saugerties, NY
Mechanicsburg, PA
State College, PA
Santurce, PR
Yauco, PR

RCAP SOLUTIONS MANAGED PROPERTIES:

Atwood Acres - *Senior/Disabled Housing*
66 Dudley Road, Townsend, MA 01469

Bolton Country Manor - *Senior Housing*
600 Main Street, Bolton, MA 01740

Cottage Street Apartments - *Multi-Family Housing*
198 Harrington Street, B5, Athol, MA 01331

Groton Commons - *Senior/Disabled Housing*
74 Willowdale Road, Groton, MA 01450

Hapgood Apartments - *Multi-Family Housing*
25 Cheney Street, Athol, MA 01331

Hubbardston House Apartments - *Senior/Disabled Housing*
1 Old Princeton Road Cut-Off, Hubbardston, MA 01452

New Horizons Apartments - *Disabled Housing*
20 Benson Avenue, Worcester, MA 01605

Rockdale House Apartments - *Senior/Disabled Housing*
63 School Street, Northbridge, MA 01534

Slater Estates - *Senior/Disabled Housing*
96 Slater Street, Webster, MA 01570

Townsend Woods - *Senior Housing*
70 Dudley Road, Townsend, MA 01469

(800) 488-1969 | www.rcapsolutions.org



RCAP Solutions is recognized by the IRS as a 501(c)(3) organization