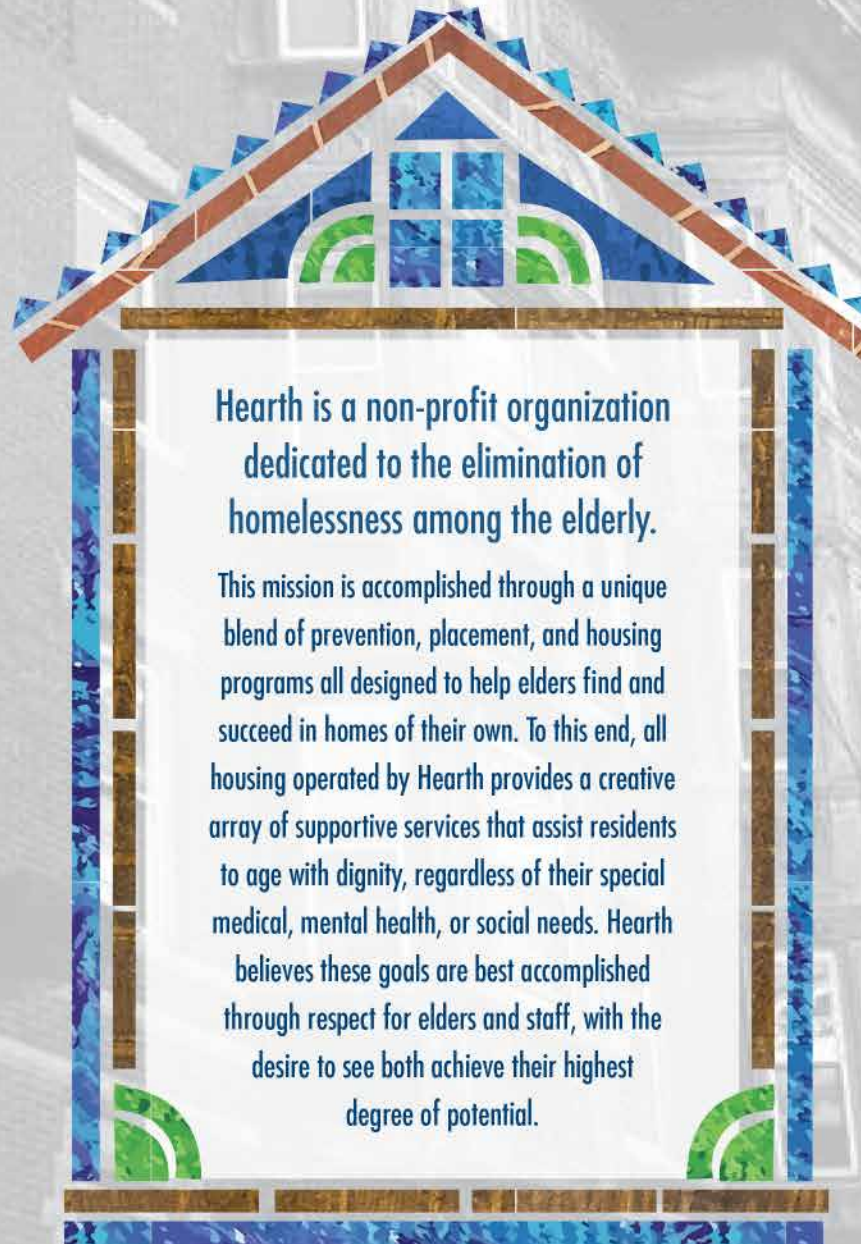


Hearth Annual Report | 2015





Hearth is a non-profit organization dedicated to the elimination of homelessness among the elderly.

This mission is accomplished through a unique blend of prevention, placement, and housing programs all designed to help elders find and succeed in homes of their own. To this end, all housing operated by Hearth provides a creative array of supportive services that assist residents to age with dignity, regardless of their special medical, mental health, or social needs. Hearth believes these goals are best accomplished through respect for elders and staff, with the desire to see both achieve their highest degree of potential.

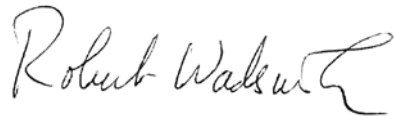
Dear Friends

As we conclude another year of working towards our mission to end elder homelessness, we reflect on the Hearth of today and imagine the Hearth of the future. Much of 2015 was spent focusing on our fourth strategic goal of promoting Hearth's sustainability and growth to ensure long-term success, while responding to the needs of our clients, residents, and employees. We made three significant shifts this year to ensure effective and efficient allocation of our resources.

Our staffing model changed from site-based to client-centered, helping to balance the case-loads of our staff and better serve our residents. The implementation of the Efforts to Outcomes (ETO) information system has allowed us to capture, gather, and analyze information in order to make data-driven decisions. Property management has been outsourced to Peabody Properties, giving us access to additional resources and allowing us to take advantage of economies of scale. Change is never easy but our community has rallied around these initiatives, making the implementation of each a success and better positioning us for future growth.

Hearth's sustainability is greatly impacted by the health and wellness of our residents and outreach clients, most of whom have some medical or behavioral condition. Our unique blend of services in our housing gives our residents the network of support they need to succeed just as our Outreach team's support gives our Outreach clients the tools they need to obtain and succeed in the housing they so desperately need. The direct link between health and successful, maintainable housing is something we see daily. The stories highlighted in this report are just a few examples of the extraordinary work happening at Hearth, none of which would be possible without you – our board, donors, staff, volunteers, and advocates. As we continue to work towards sustainability and growth, we need you more than ever. Thank you for your commitment and support. Together we will end elder homelessness.

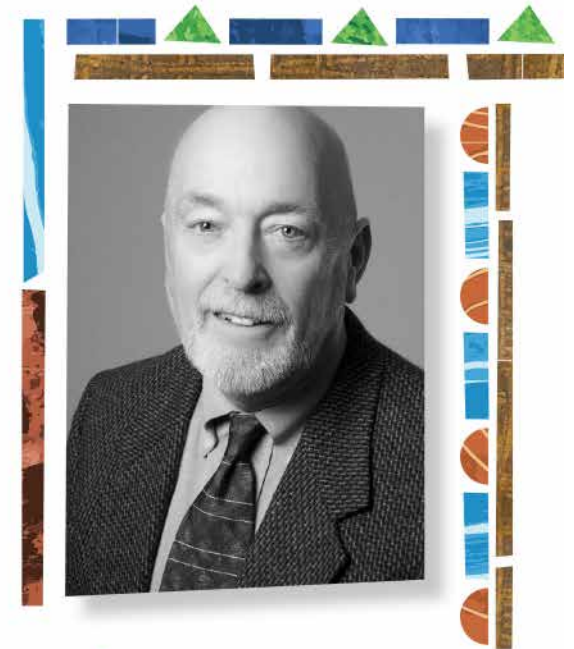
Sincerely,



Robert Wadsworth
Hearth Board Chair



Mark Hinderlie
Hearth President & CEO





Health & Housing

“For the first time in almost two years...
I’m able to find a place in society.” — Peter

Hearth provides service-enriched housing because we know that health and housing are inextricably linked. It is nearly impossible to maintain one’s health while homeless. At the same time, dealing with chronic health issues and/or mental illness can also put one’s housing situation in jeopardy or become a barricade to seeking help. By pairing housing with on-site services, Hearth gives our residents the best chance at maintaining – or even improving – their health, while ensuring they also remain safely housed.

We are able to do this because of our mix of public funding and private philanthropy. Public programs such as the Department of Mental Health’s Community-Based Flexible Support Program help individuals living with mental illness and Group Adult Foster Care helps individuals receive nursing and personal homemaking services. However many of the people we serve do not qualify for these programs, making private donations essential to the work we do.



Resident Story: Oscar

Oscar*, age 72, was born in Kentucky. He doesn’t talk much about his past except to say that he had a happy childhood and his parents are deceased. He seems to have no friends or family. Oscar was homeless and living on the streets for twenty years, refusing to stay at shelters or seek health services. Then, in the winter of 2010, he was hospitalized at McLean, admitted for being in a delusional state and refusing shelter during blizzard conditions. After that he agreed to stay at the West End Shelter because a bunion limited his mobility. While at the shelter he came around to the idea of having his own place, and in November 2011 he moved into Hearth housing.

Hearth staff helped Oscar get hearing aids, glasses, and dentures. Hearth’s program nurse met with him regularly to teach him about his medication and also to help him create a grocery list every month. He has since mastered grocery shopping, as well as other skills such as cooking and doing laundry. Although he continues to struggle with mental illness, Oscar has come a long way since moving into his own apartment.

**Oscar’s name has been changed to protect his privacy.*

Resident Lucy constructing mandalas which were exhibited at the Resident Art Show (see page six).



Funder Spotlight: Cummings Foundation

In June of 2015, Hearth became a recipient of a Cummings Foundation \$100K for 100 grant. The three year \$100,00 grant will help fund the supports we provide to those residents who do not qualify for service programs.

“We are honored to be chosen for a Cummings Foundation \$100K for 100 grant,” said Mark Hinderlie, Hearth’s President & CEO. “General operating support enables us to direct the funds where we need it most.”

The Cummings Foundation, Inc. (CFI), is a private operating foundation based in Woburn, Massachusetts. Since its establishment in 1986, it has been funded primarily by Joyce and Bill Cummings of Winchester, MA. Each year, Cummings Foundation awards grants of \$100,000 each to 100 local nonprofits. This \$10 million in funding supports a diverse range of causes, including human services, education, healthcare, and social justice.

Hearth President & CEO Mark Hinderlie and Hearth resident Freda posed for a celebratory photo.



Outreach and Prevention

The Hearth Outreach Program works tirelessly with their clients – both those experiencing homelessness and those at-risk – to find safe, affordable, permanent housing and connect them with services. Just over half of our clients report at least one physical disability, and nearly half report at least one chronic health condition. In addition, 54% report struggling with behavioral problems, such as substance abuse and mental illness. Ensuring that our Outreach clients have the services they need to maintain their health is key to having them remain safely housed.



“It felt super to have a key in my pocket.”

— Roger



52%



Receive Medicaid benefits

46%



Receive Medicare

30%



Are dual-eligible for Medicaid/Medicare

7%



Are veterans

24%



*Are chronically homeless

46%



Report at least one physical disability

48%



Report at least one chronic health condition

54%



Report current substance abuse issue, mental health issue, or both

*HUD definition of chronically homeless: “either (1) an unaccompanied homeless individual with a disabling condition who has been continuously homeless for a year or more, OR (2) an unaccompanied individual with a disabling condition who has had at least four episodes of homelessness in the past three years.”



Prevention Story: Walter

Walter was living in shared unit in a sober living facility when he began working with Hearth Prevention Case Manager Devra Snow in February of 2014. He became homeless when his wife died unexpectedly and his name hadn't been on the lease. Walter worked diligently with Devra to find permanent housing, often bringing notices of housing lotteries that he'd found in newspapers to appointments. He applied to nearly 50 management companies and housing authorities before finding housing in January 2015. When Devra visited Walter in his new home, he proudly showed her his new keys and apartment. He was also very happy that the new apartment would allow for his special needs daughter to come and stay with him. Walter exited Hearth's stabilization program in July.

**Walter's name has been changed to protect his privacy.*

“Depression is always with you
when you're homeless.”

— Bob

Outreach Story: Victor

Victor is a 73-year-old man with serious health issues. He was evicted from the Woburn Housing Authority in 2012 because he owed arrearages and was living on the streets before eventually going to Pine Street. Because of his previous eviction Victor had to attend appeals court, but with the help of a Hearth letter of reference, he won his appeal. Hearth and Pine Street collaborated to get Victor housed and stabilized. Hearth Outreach Case Manager David Cabral worked with Victor to complete 15 housing applications. Victor moved into North Hampton Towers in June.

**Victor's name has been changed to protect his privacy.*





Community



Hearth



“I like interacting with the elders. It is so nice to sit with them and talk during lunch.”
— PMD volunteer

1. At the Volunteer Appreciation Reception, resident Alistair gave a spoken word performance of one of his original songs.
2. A volunteer taught Lucy to make mandalas, and she exhibited several of them at the Resident Art Show.
3. Students from the University of Connecticut helped paint the porch at the Elsie Frank House in Jamaica Plain with help from Maintenance Director, Pedro Ruiz.
4. In August a group of residents went on a deep sea fishing trip out of Plymouth Harbor.

Volunteer Spotlight: People Making a Difference

At this year's annual Volunteer Appreciation Reception, Hearth celebrated People Making a Difference (PMD) for their commitment to Hearth's residents. PMD promotes informed and responsible volunteerism by involving people in meaningful, one-time, hands-on work that meets the needs of local charities, and by assisting companies and charities in building successful community involvement programs.

PMD first began volunteering with Hearth in 1997, when the Anna Bissonnette House opened in the South End, and continues to volunteer at the Anna Bissonnette House several times a year. While PMD has assisted with many different kinds of projects over the years at various Hearth sites, it's food that they are famous for.

1. Mr. Dupree with PMD volunteer Vinda at the cookout. This year's cookout marked PMD's 100th project with Hearth.
2. Hearth founder Anna Bissonnette and Mark Hinderlie with representatives from PMD. Lori Tsuruda received the award on behalf of PMD at Hearth's Annual Volunteer Appreciation Reception & Resident Art Show.
3. Hearth founder Ellen Feingold with PMD volunteer Vincent. Ellen attended the cookout to celebrate the occasion.

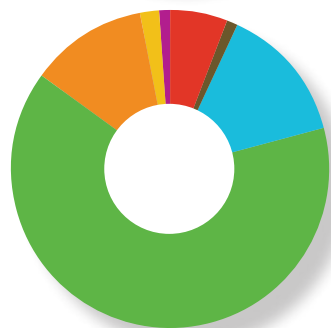
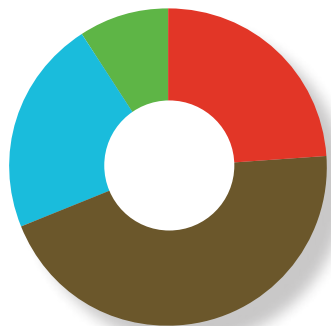


"PMD is part of the Hearth family," says Sarah Olander, Program Manager at the Anna Bissonnette House. "Life at the Anna Bissonnette House would not be the same without Lori and the groups of volunteers who visit and cook amazing meals for the residents."





Financials - January-December 2014



Revenues	Total in Dollars	% of Total
Government Grants and other contracts	942,898	24%
Rental Fees and Program Revenues	1,788,969	45%
Donations & Funds Released from Donor/Capital or Time Restriction	890,880	22%
Other	344,436	9%
Total Revenues	3,967,183	100%

Expenses - Operations	Total in Dollars	% of Total
Institutional Advancement: Fundraising	230,870	6%
PR and Volunteer Management	40,742	1%
General Administrative	576,185	14%
Housing/Supportive Services	2,558,153	64%
Outreach	496,040	12%
Property Management	71,377	2%
Other	33,185	1%
Total Expenses - Operations (before depreciation/amortization)	4,006,552	100%

Net Surplus/(Deficit) before depreciation and amortization	(39,369)
Depreciation and amortization	(130,839)
Surplus/(Deficit)	(170,208)
Ruggles Assisted Living Limited Partnership Net Income/(Loss)	(323,259)
East Concord Street Limited Partnership Net Income/(Loss)	563,536
Hearth Olmsted Limited Partnership Net Income/(Loss)	(345,503)
Combined Net Surplus/(Deficit) Net Income/(Loss)	(275,434)

Assets	Total in Dollars
Current Assets:	
Cash and Equivalent	1,130,928
Receivables	334,638
Funds Held in Trust	80,503
Prepaid Expenses and Deposits	58,094
Investments	750,162
Total Current Assets and Investments	2,354,325
Property and Equipment	2,629,901
Other Assets	973,523
Total Assets	5,957,749
Liabilities and Net Assets	
Current Liabilities	476,657
Long-term debt, deferred interest and payables	2,222,731
Net Assets	3,258,361
Total Liabilities and Net Assets	5,957,749

Combined Statement of Activities and Operations

Hearth, Inc. owns or partly owns and fully operates three for-profits: the Ruggles Assisted Living Limited Partnership facility, the East Concord Street Limited Partnership supportive housing facility and the Hearth Olmsted Limited Partnership supportive housing facility. These limited partnerships are designed to create managed operating losses which the original investors use to offset operating profits in their general operations under the Federal Low Income Housing Tax Credit program (LIHTC). The combined activity fully represents the financial condition of Hearth, Inc. and related parties.

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Diana Garney
Edward Garney

Wendy Grew
Anne Healy
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Kathy Jacobs
Carlton Johnson
Sue Kaufman
Kate Kelley
Sheila & Danny Kelly
Tom Kennedy
Suzanne Kenney
Donna Kent
Jeff Kessner
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Joyce King
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Vincent MacNutt
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Johanna Stone
Adam Subber
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