

Cummings Foundation

Assisting the most effective greater Boston charitable endeavors



Ballou Hall - Tufts University's first building.

Douglas Stephens, 64 Executive Vice President at Cummings

Trustee Doug Stephens was mourned by hundreds of Foundation and Cummings Properties staff and friends. A 32-year veteran of Cummings Properties, he attended Tufts University with Bill Cummings. Thereafter, they worked together for a total of 38 years, before Doug succumbed to pancreatic cancer on May 17.



During his long, wonderful tenure at Cummings Properties, Doug warmly touched the lives of all of those with whom he came into contact. His intelligence, wit, sense of humor and ready smile were long fixtures in the offices and will never be forgotten. His spirit will live on at Cummings Properties in the hearts and minds of his friends and colleagues.

"Doug was the most selfless person I have ever known," said Cummings. "And there was no one who didn't like him."

Married for 44 years, Doug worked diligently with his wife, Carrol Stephens, to found Supportive Living, Inc., during the last 15 years. That organization now has large group facilities in Woburn and Reading, MA, providing long-term homes for survivors of brain injuries.

Strategic alliance with Tufts

Foundation commits \$50 million

Cummings Foundation, Inc. (CFI) recently announced a \$50 million financial commitment to Tufts University, the most significant action of the Foundation since its inception in 1986. Tufts' President Lawrence S. Bacow said, "Tufts is deeply grateful for this extraordinary vote of confidence. This is historic – the largest in our history. We shall invest these resources wisely to strengthen this great university."

Consistent with the agreement, President Bacow became a trustee of Cummings Foundation, while Foundation trustee Jason Morris (a Cummings family member) was named an overseer of Tufts School of Veterinary Medicine. Morris, who earned his doctorate from Harvard University, is a cell biologist who teaches at Fordham University. (See page 3 for mini C.V. on Bacow)



While three Foundation trustees are Tufts graduates, and Bill Cummings is a Tufts trustee *emeritus*, none currently has any active role at Tufts. All Foundation votes authorizing both the Tufts commitment and anticipated future arrangements were completed prior to Bacow's joining the Foundation's board of trustees.

Cummings said that he was moved to recommend the commitment primarily due to the practical, entrepreneurial spirit of the University's senior administrators and the steadily growing quality of its teaching staff. "Every univer-

sity needs resources to sustain its vision. This collaboration will support capital needs in the area of professional education," said Cummings.

Since its formation, Cummings Foundation has been supported primarily by Cummings Properties, LLC, as well as Cummings family members and various affiliated firms. The overall organization operates 8 million square feet of mostly office and research space in greater Boston, more than half of which is now owned by the Foundation. Cummings Properties serves approximately 1,700 commercial entities in 10 area communities. The Foundation also operates two large New Horizons retirement living communities in Marlborough and Woburn, MA.

Cummings Foundation has made grants to Tufts over many years. The most substantial earlier gift endowed the Cummings Family Chair in Entrepreneurship and Business Economics. Professor George Norman was the first holder of that chair.

The University and CFI expect to announce synergistic efforts in the future that will assist both institutions in reaching certain specific goals. This is expected to be a long-term strategic collaboration with Tufts.

Asset base grows dramatically

Many new buildings support Foundation

As part of a plan to divest family assets and support Cummings Foundation, Inc., Cummings family members have now transferred dozens of major commercial properties to CFI. The properties are mostly large or very large office and research buildings, the majority located along or close to area highways such as Routes 128, I-93 and I-95. All of the properties will continue to be operated without interruption by Cummings Properties, LLC, with no changes in staffing or otherwise.

As of January 2004, 59 greater Boston buildings have been donated to the Foundation. These properties have a total appraised value of about \$360 million, and now represent the large majority of CFI's total assets.

Among the Foundation's properties now are most of Cummings' Woburn buildings, including all of Cummings Park. CFI also now owns all Cummings buildings in Burlington, Marlborough, Medford, Somerville, Stoneham, Sudbury, Wakefield, and Wilmington, MA.



92 Montvale Avenue

Scholarship winners approach 600



James L.
McKeown

One of the Foundation's most visible involvements has been the McKeown Scholars program in honor of Cummings' late president. Through 2004, 591 merit scholarships, totaling more than \$1 million, have been awarded to graduating seniors from nine communities in which the Cummings organization has significant interests. Awards range from \$1,000 to \$5,000 per student.

Scholarship winners are selected primarily through a competitive essay contest conducted under exam conditions among eligible seniors at each community's public high school. Candidates spend up to one hour on a 500-word essay, the subject of which is not previously disclosed.

In addition to the writing component, the competition for the \$5,000 merit awards includes significant evaluation of candidates' communication skills, scholarship, and community service, as well as their reputation for fairness and integrity.

The schools and names of all scholarship winners are published annually on the Foundation's website, www.CummingsFoundation.org. Also appearing there are some exceptional samples of recent winning essays.

Bricks and mortar

Not surprisingly, many of Cummings Foundation Inc.'s (CFI) charitable endeavors have involved grants to satisfy real estate needs. Early on, CFI donated two acres on Warren Avenue, Woburn for the first residence of Supportive Living, Inc. At about the same time, it donated all of the land for a new 320-student elementary school at Cummings Center, and then all of the land for Beverly's new police headquarters, also soon to be located at Cummings Center.

In 2001, CFI provided a \$100,000 "kick-off" gift, helping Endicott College to acquire the library volumes of the now-defunct Bradford Junior College. Earlier, CFI made the first \$500,000 donation to Winchester Community Music School, and assisted in attracting two additional like-gifts, permitting acquisition of the school's magnificent new home on Highland Avenue. Elsewhere in this report is information detailing a similar \$1 million grant the Foundation provided to the Beverly branch of YMCA of the North Shore.

In 2003, New Horizons at Choate built an oversized brick restroom facility for the thousands of people who enjoy the magnificent trails around Woburn's historic Horn Pond recreation area. At about the same time, Cummings Properties itself created a marvelous 1.6 mile walking trail around Upper and Lower Shoe Ponds in Beverly. Complete with many exhibits and cast-aluminum interpretive plaques, this new paved walkway already attracts hundreds of walkers every day.

Foundation Trustees

Trustees of Cummings Foundation, Inc. are elected as either "Community Trustees" or "Charter Trustees." Community Trustees are typically area leaders with no employment connection to either Cummings Properties, LLC or to CFI or any subsidiary thereof. Charter Trustees, who serve without limit of time, are mostly very involved with CFI or one of its subsidiaries. Trustees receive no remuneration or other consideration for serving as trustees. Trustees as of January 2004 are as follows:

Community Trustees:

Lawrence S. Bacow, J.D., Ph.D.

President, Tufts University

Rep. Paul C. Casey

Massachusetts House of Representatives

Rep. Carol A. Donovan

Massachusetts House of Representatives

Hon. William Mauro, Jr.

Retired mayor, Marlborough, MA

Jason Z. Morris, Ph.D.

Assistant professor, Fordham University

Marilyn C. Morris, M.D.

Physician, Columbia Presbyterian Hospital

Richard C. Ockerbloom

Retired president, *The Boston Globe*

Charter Trustees:

Joyce M. Cummings

Homemaker, community volunteer

Patricia A. Cummings

President, New Horizons at Marlborough

William S. Cummings

President, Cummings Foundation

Robert F. P. Nigro

Executive director, New Horizons at Choate

Trustees Emeriti:

Susan F. Brand, Esq.

General counsel, Cummings Properties

Dennis A. Clarke

Co-president, Cummings Properties

William F. Grant

Chief financial officer, Cummings Properties

Introducing newest trustees



A graduate of Massachusetts Institute of Technology, Harvard Law School, and Harvard University's Kennedy School of Government, **Lawrence S. Bacow**, J.D., Ph.D., became the 12th president of Tufts University in September 2001. Before assuming the presidency at Tufts, he served as chancellor of MIT. Bacow is an economist, attorney and recognized expert in non-adjudicatory approaches to the resolution of environmental disputes. He has authored four books and numerous articles, and has lectured extensively throughout the U.S. and abroad. In October 2003, Bacow was inducted into the American Academy of Arts and Sciences. He is an avid skier, ocean sailor, and runner.

State Representative **Paul C. Casey** is a graduate of Harvard University, with a Masters in Public Administration from Suffolk University and an MBA from Boston University. He has been a very active participant in state government and numerous community and charitable organizations since the mid-1980s. Casey currently serves as chairperson for the House Committee on Taxation and on the Advisory Committee on Consolidated Health Care Financing and Delivery. In his limited free time, he sometimes serves as a professional boxing referee.



The former president and chief operating officer of *The Boston Globe*, **Richard C. (Dick) Ockerbloom** is a 1952 graduate of Northeastern University, where he recently served as vice chairman of the board of trustees. Ockerbloom was presented with an honorary doctoral degree from Northeastern, and was recently also named to the Arlington High School Hall of Fame. He has served in a wide range of important public service positions throughout the Boston area. He is also a long-time member of Winchester Country Club where he sometimes enjoys working for four hours on Saturday mornings to take two dollars from Bill Cummings.

\$1 Million construction grant to YMCA

In Beverly, Massachusetts, YMCA of the North Shore recently completed construction of a new combination teen-recreation and child-care center, located adjacent to its Sterling Center campus on Essex Street. Facilitated by a \$1 million grant from the Foundation, the new center enables the "Y" to discontinue leasing space for those programs at both Cummings Center and on Tozier Road.

Consolidating both facilities on one campus is expected to greatly improve both the efficiency and control of overall activities there. Chris Lovasco, regional executive director for the "Y," said, "We've had these services scattered across the city. Everything is better when it's a campus situation."

According to Lovasco, the new 25,000 square foot complex includes a full gymnasium with a climbing wall, adventure elements, a computer lab, breakout rooms and a kitchen, as well as complete infant, toddler and pre-school facilities in the child-care center. The "Y" estimates that its membership includes approximately 26,000 patrons on the North Shore, about 16,000 of whom currently use the Sterling Center.

Mission Statement

Since its inception in 1986, Cummings Foundation, Inc. has been the beneficiary of annual contributions from Cummings Properties, LLC and numerous affiliates. It is the Foundation's mission to protect and eventually disburse these contributions, particularly to community-based organizations, for programs primarily benefiting senior citizens and these contributions as investment capital of area communities. The Foundation views significant early investments in the human Cummings Foundation's most sponsorships of the New Horizons and retirement communities in Woburn and Marlborough, Massachusetts, and the funding and operation of the McKeown Scholars Program. Traditionally, Cummings Foundation has favored the direction of gifts and grants to organizations with unusually high levels of volunteer support. As the Foundation is currently working to build its endowment, it does not encourage unsolicited grant requests.



Financial Status

The fair market value of Cummings Foundation's investment real estate as of December 31, 2006 will exceed \$380 million, while total net assets will total approximately \$595 million. Foundation income from all sources during 2005 was \$82 million.

General Assets

Cash & equivalents	1,200,000
Accounts receivable	125,000
Other current assets	240,000
Real estate in operations	22,000,000
	<u>23,565,000</u>

Endowment Fund*

US - Large Cap Equities	110,000,000
US - Mid Cap Equities	20,000,000
US - Small Cap Equities	14,000,000
US - Aggregate Bonds	36,000,000
Non-US Equity	30,000,000
Investment real estate	383,400,000
	<u>593,400,000</u>

Total Assets

\$616,965,000

Liabilities and Net Assets

Accounts payable	325,000
Pledges payable	-
Accrued expenses	800,000
Deposits held	20,000,000
Prepayments	600,000
	<u>21,725,000</u>

Total Liabilities

595,240,000

Total Liab. and Reserves

\$616,965,000

*Financial instruments are exclusively handled by Goldman Sachs & Co. and by Merrill Lynch Pierce Fenner & Smith.

In an improving business climate, average occupancy levels in the Foundation's real estate portfolio have climbed back above 90 percent.

At the two retirement communities, New Horizons at Choate continues to enjoy 100 percent occupancy, with a long waiting list, while New Horizons at Marlborough has made steady progress and is now well above 90 percent in spite of numerous recent expansions. Rates and fees at the two communities continue to be substantially lower than market rates resulting in break-even income figures in each.

Visit Cummings Foundation online at

www.CummingsFoundation.org



New Horizons grows... now home to 520 seniors

With 11 buildings in Woburn and Marlborough, Massachusetts, New Horizons' two continuing care retirement communities now house a combined total of more than 500 seniors. Each facility operates independently as a subsidiary of Cummings Foundation, Inc., but there is significant cooperation between the two communities.

New Horizons at Choate, LLC (NHC) benefits from having operated for 14 years as a not-for-profit entity and is therefore able to keep its rates substantially lower than any of the area's other first-class facilities. NHC is also well on its way to becoming a "local residents-only" community, a future goal for New Horizons Marlborough, LLC (NHM). Indeed, at NHC more than 90 percent of all current residents and paid wait-list members are either Woburn or Winchester natives, long-time residents of the two towns, or close relatives of local residents.

The property of NHM was donated to the Foundation in November 2003. Its first action as a not-for-profit entity was to begin offering all new residents a five-year guarantee that no increase would be effected in their basic monthly fees. NHM also instituted an immediate waiver of annual cost-of-living increases for all current residents in the community, just as NHC has done for the last eight years.

Both facilities artfully combine luxurious living environments with warmth, caring, and professionalism. In both Woburn and Marlborough, the New Horizons communities enjoy extraordinary reputations as unusually pleasant, attractive communities where residents quickly establish a true feeling of "home."

Cummings Foundation, Inc.

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Visit us online at

www.CummingsFoundation.org