



# Cummings Foundation

*Promoting community health, safety, and public service*

## Veterinary school now Cummings School

*Foundation commits \$50 million*

Tufts University has recently changed the name of its veterinary school to the Cummings School of Veterinary Medicine at Tufts University. The renaming followed a \$50 million commitment from Cummings Foundation.

In a ceremony to unveil the new name, held at the veterinary school's North Grafton campus, Tufts President Lawrence S. Bacow stated, "Today is really a historic day, both for the University and for veterinary education. Together, we celebrate a school that has truly become a jewel in the crown of Tufts University and the commonwealth of Massachusetts. We celebrate philanthropy and what it can accomplish, and we recognize an alumnus who has given back in an extraordinary way."

Foundation co-founder Bill Cummings observed, "More than 30 years ago, former Tufts President Jean Mayer revealed in his

inaugural address—to the surprise of many—that he had made the creation of a veterinary school one of his priorities. Mayer was concerned that great things were afloat in the biomedical field and intuited that they would have an effect on veterinary science. That vision has certainly become a reality and then some."

Founded in 1978 in North Grafton, MA, the recently renamed Cummings School of Veterinary Medicine is internationally esteemed for academic programs that impact society and the practice of veterinary medicine. Its three hospitals treat more than 28,000 animal patients each year, and provide groundbreaking research that benefits animal, human, and public health.



In the face of deep cuts in governmental funding of veterinary schools over the last few years, Cummings Foundation's financial commitment to the Cummings School will provide critical financial stability to the school for the foreseeable future.

Cummings Foundation also supports higher education through its merit scholarship programs, that combined have awarded in excess of \$1.5 million in scholarship funds to the most promising first-year college students since 1996. The most significant of these is named after our late trustee, James L. McKeown.



## New Horizons at Marlborough opens Enhanced Care Unit

residential options of very independent apartment-style living, independent living with meals, assisted living, and the Hearthstone program dedicated to seniors with Alzheimer's.

The motivation behind establishing the Enhanced Care

Unit derived from New Horizons' observation that certain prospective residents had previously been forced to seek care outside of the Metrowest area, as local facilities were not equipped to serve their unique needs. This new "med-psych" facility is housed in a beautiful new one and a half story wing, constructed directly above the main entrance at 400 Hemenway Street. The nearly 12,000 square foot interior space contains fully private

apartments for up to 22 residents, plus informal gathering spaces and offices for on-site staff.

Residents may be referred from hospitals, other assisted living facilities, or directly from their own homes. Upon admission, staff develop a service plan for the resident, including 24 hour daily support. A resident's length of stay will be determined on an individual basis. Some may require only brief temporary residency before returning to their previous living accommodations or moving to a new permanent setting. Others may require more permanent residency in the ECU.

The Enhanced Care Unit is operated by Care Solutions, Inc. of Westborough, Massachusetts, an independently owned organization with which New Horizons has worked since 2003. New Horizons itself does not supervise or direct either the management or caregivers employed by Care Solutions, Inc. or the actual ECU program.

The newest and probably final addition at New Horizons' independent and assisted living community in Marlborough opened its doors October 1, 2006. The Enhanced Care Unit (ECU) provides special housing and enhanced services to seniors suffering from conditions such as acute anxiety disorder and/or depression. This program is an important complement to the already existing

## Employee transfers will lead to long-term stability

The trustees recently voted to reshape the relationship between Cummings Foundation (CFI) and Cummings Properties (CPL). As Bill Cummings has figured prominently in the leadership of both entities, this transaction was undertaken to emphasize the separate corporate existences of the two entities, and to properly allocate responsibility for the future management of different parts of the overall real estate portfolio.

The transaction involved transferring approximately 120 employees from Cummings Properties to a new, wholly-owned subsidiary of Cummings Foundation, called Cummings Realty, LLC (CRL). CRL is now maintaining all real estate assets donated to the foundation. Following the approval of the transaction, those former Cummings Properties employees who voluntarily transferred to CRL were assured that there would be no change in their day-to-day working experience, as all compensation, benefits, and seniority levels remained unchanged. Additionally, some upper level management employees who remain employed by Cummings Properties will continue to manage CRL employees on a *pro bono* basis, so all reporting relationships remain intact.

Before presenting the proposed transaction to the Board, the Foundation commissioned attorneys from McDermott, Will & Emery to issue a formal opinion confirming that all aspects were in full compliance with applicable laws and regulations. In a separate meeting before the annual meeting, the Board's Finance Committee participated in an extensive presentation about the transaction before making a recommendation to the Board. The Board then voted unanimously to approve the transaction during its November 2006 annual meeting.

## New donations of real estate to Cummings Foundation



The Cummings Family recently donated nine additional large commercial properties and one residential property to Cummings Foundation in June and September 2006, respectively, bringing the total number of properties donated by the Cummings Family since 1999 to 53. With these latest donations, all of the family's real estate portfolio in Burlington, Marlborough, Medford, Somerville, Stoneham, Sudbury, Wakefield, and Wilmington have now been contributed to the Foundation, along with

most of its Woburn holdings. With this latest donation, Cummings Foundation's real estate portfolio, including real estate used in operations, now totals 4.4 million square feet, with a total appraised value of \$400.8 million.

## Introduction of the Finance Committee

Cummings Foundation's new Finance Committee reviews and advises on financial matters of the organization. The creation of the committee was prompted, in part, as a response to legislation proposed by Massachusetts Attorney General Thomas Reilly. That legislation would require certain non-profit institutions (private operating foundations are not one of the specified types) to form audit committees to oversee financial matters and supervise the organizations' relationships with their outside auditors. As CFI is *not* required to submit to an annual audit, and is specifically exempt from the requirement of the proposed legislation, establishment of an "audit" committee is not necessary. Nevertheless, the underlying purpose of the legislation, to provide for a greater level of financial oversight by members of the board, was a desirable addition to CFI's operating policies.

The Finance Committee is currently comprised of three members: Rep. Paul Casey, Richard Ockerbloom, and Janet Pavliska. Each of these individuals is highly knowledgeable in the financial workings of large organizations. Mr. Casey serves as a state representative, and until just recently was chair of the Joint Committee on Taxation. Ms. Pavliska is the retired president of BankFive for Savings, and Mr. Ockerbloom is the retired president of The Boston Globe.

## 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 2007 are as follows:

### Community Trustees:

#### Joseph A. Abate, M.D.

Orthopedic surgeon

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

President, Tufts University

#### The Honorable Margot Botsford

Massachusetts Superior Court

#### Rep. Paul C. Casey

Massachusetts House of Representatives

#### Rep. Carol A. Donovan, Ret.

Retired public school teacher, legislator

#### Philip C. Kosch, D.V.M., Ph.D.

Former dean, Cummings School of Veterinary Medicine

#### Jason Z. Morris, Ph.D.

Assistant professor, Fordham University

#### Marilyn Cummings Morris, M.D.

Pediatrician, Columbia Presbyterian Hospital

#### Richard C. Ockerbloom

Retired president, The Boston Globe

#### Janet M. Pavliska

Retired president, Bank Five for Savings

### Charter Trustees:

#### Joyce M. Cummings

Former hospital dietician, Volunteer

#### Patricia A. Cummings

Asst. dean, Hebrew Academy of San Francisco

#### William S. Cummings

President, Cummings Foundation

#### Robert F. P. Nigro

Executive director, New Horizons at Choate

#### Robert D. O'Connor

Executive director, New Horizons at Marlboro

### Trustees Emeriti:

#### Susan F. Brand, Esq.

General counsel, Cummings Properties

#### Dennis A. Clarke

President and CEO, Cummings Properties

#### William F. Grant

CFO, Cummings Properties

## Introducing newest trustees



**Dr. Joseph Abate**, an orthopedic surgeon, founded and operates North Suburban Orthopedic Associates, a medical practice concentrating in orthopedic surgery, sports medicine and physical therapy. A native of Medford, MA, Abate is a 1958 graduate of Tufts University, and a 1962 graduate of Tufts University Medical School. He completed post-graduate training at Boston City Hospital from 1962-64 and Boston V.A. Medical Center from 1964-67. Abate has been active in a number of charitable endeavors and was awarded a special Distinguished Service Award by the Eastern Middlesex Association for Retarded Citizens.



Appointed to the Massachusetts Superior Court (Suffolk County) in 1989, **Associate Justice Margot Botsford** is a graduate of Barnard College with a JD degree from Northeastern University School of Law. Before her appointment to the Superior Court, she served as Assistant District Attorney in Middlesex County, and as an Assistant Attorney General. In the private sector, Botsford was a partner at Boston-based Rosenfeld, Botsford & Krokidas. Among many other things, Botsford is a former member of the Commission on Judicial Conduct and currently serves on the board of trustees for Northeastern University and chairs its committee on graduate education.



**Robert D. O'Connor** has served as the executive director of New Horizons at Marlborough, LLC since its opening in 1994. He has more than 20 years of managerial experience in the long-term care industry, and was previously employed for 10 years in the nursing home and retirement living division of the Flatley Company. O'Connor has also served as chairman of the board of St. Joseph's Home from 1985 to 1999, a not-for-profit skilled nursing facility for seniors in Dorchester, MA, and a member of the Caritas Christi Health Care System.



When appointed president and CEO of BankFive for Savings of Arlington, MA in 1975, where she served until her retirement in 1991, **Janet M. Pavliska** became the first woman in the commonwealth of Massachusetts to serve as president of a banking operation. Pavliska completed her undergraduate education at Suffolk University and Northeastern University, and pursued graduate degree work at Harvard Business School. Pavliska was active in the leadership of banking industry groups, serving as the chairperson of the Savings Bank Association of Massachusetts, the National Council of Community Banks and the Savings Bank Life Insurance Board. Pavliska has also served in leadership roles in many community service organizations.



**Joel B. Swets** is a graduate of Colby College, with a JD degree from Suffolk University Law School. He also holds a masters degree in taxation from Boston University School of Law. Following a federal court clerkship in Washington, D.C., Swets practiced law in Boston for 18 years and served as an adjunct instructor at Suffolk University Law School for part of that time. He joined Cummings Foundation, Inc. as its executive director in October 2006.

## Financial Status

The fair market value of Cummings Foundation's investment real estate as of December 31, 2006 exceeded \$370 million, while total net assets were approximately \$611 million.

	2004*	2005	2006 **
<b>General Assets</b>			
Cash & equivalents	846,868	1,117,885	550,000
Accounts receivable	90,982	125,384	134,000
Other current assets	209,060	246,639	240,000
<b>Total Current Assets</b>	<u>1,146,910</u>	<u>1,489,908</u>	<u>924,000</u>
<b>Endowment</b>			
Financial instruments @ FMV	87,984,392	147,325,114	232,200,000
Investment real estate @ FMV	333,799,657	350,324,169	371,800,000
Real estate in operations	23,055,726	26,253,770	29,000,000
<b>Total Endowment</b>	<u>444,839,775</u>	<u>523,903,053</u>	<u>633,000,000</u>
<b>Total Assets</b>	<u>445,986,685</u>	<u>525,392,961</u>	<u>633,924,000</u>
<b>Liabilities and Net Assets</b>			
Accounts payable	373,422	318,292	325,000
Accrued expenses	577,598	818,075	800,000
Deposits held	8,684,551	10,603,398	20,500,000
Prepayments	703,634	598,195	520,000
<b>Total Liabilities</b>	<u>10,339,205</u>	<u>12,337,960</u>	<u>22,145,000</u>
Unrestricted Assets	<u>435,647,480</u>	<u>513,055,001</u>	<u>611,779,000</u>
<b>Total Liabilities &amp; Reserves</b>	<u>445,986,685</u>	<u>525,392,961</u>	<u>633,924,000</u>

During 2006, the Foundation distributed a total of \$3,521,315, including funds for Cummings School of Veterinary Medicine at Tufts University, the McKeown Scholarship Program and other recurring commitments. Cummings Foundation functions with an extremely low expense ratio. No trustees are compensated as trustees.

The Foundation is currently on course to become a \$1 billion entity about 2012, the target set for it by the chairman in 2004. At that time it will likely change from being an operating foundation to a grant making foundation.

\*Consolidated report for Cummings Foundation, Inc., New Horizons, and Veterinary School at Tufts, LLC, acquired July 2004. \*\*Projected FMV

## MISSION STATEMENT

Since its inception in 1986, Cummings Foundation, Inc. has been the beneficiary of substantial contributions from the Cummings family, often through Cummings Properties, LLC. The Foundation expects to achieve its endowment goal by 2012. It will then begin partnering in a meaningful way with innovative local programs promoting community health, safety and public service. It hopes to invest in the human capital of area communities. Cummings Foundation's most significant early investments include the initial funding and sponsorship of two large New Horizons retirement communities, the McKeown Scholars Program, and the Cummings School of Veterinary Medicine at Tufts University. As the Foundation is currently working to build its endowment, it does not consider unsolicited grant requests.



## New Horizons at Choate going strong since 1990

The New Horizons at Choate (NHC) independent and assisted living retirement community turned 16 in August 2006. After the bankruptcy of the former Choate Memorial Hospital in 1989, Cummings Foundation purchased the property and then completely transformed it into one of the finest senior communities in New England.

The community has 94 private apartments in its independent and assisted living sections, plus an independently operated 26-resident on-site facility for seniors with Alzheimer's and other cognitive impairments. NHC also operates the on-site Choate Medical Center, providing a variety of health care services for both New Horizons residents and the surrounding community.

Monthly fees for residents average about two-thirds of what is charged in most of the area's comparably-fine assisted living facilities. **Additionally, NHC rates have not increased for any existing residents since 1996.**

NHC continues to maintain an approximate six-month paid waitlist. To help build its presence as a community institution, Woburn and Winchester residents and their family members receive high priority for admission.

Cummings Foundation's second independent and assisted living community, New Horizons at Marlborough (NHM) opened in 1994. NHM offers a wide array of living options beginning with 154 very "independent" residences in five buildings collectively known as "The Meadows." At NHM there are presently no residency requirements for admission and no waitlist due to its sizable campus and recent expansions.

Both facilities artfully combine luxurious living environments with warmth, caring, and professionalism. The New Horizons communities enjoy extraordinary reputations as delightfully pleasant, attractive campuses where residents quickly establish a true feeling of "home."

The two New Horizons communities combined are presently home to more than 550 seniors.



### Cummings Foundation, Inc.

200 West Cummings Park  
Woburn, MA 01801

*Visit us online at*

[www.CummingsFoundation.org](http://www.CummingsFoundation.org)