New Horizons at Choate going strong since 1990

The New Horizons at Choate (NHC) independent and assisted living retirement community opened on October 15, 1990. It is operated as an independently owned, not-for-profit organization with which New Horizons has a long-standing relationship. NHC continues to maintain an approximate six-month 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 (NFM) opened in 1994. NFM offers a wide array of living options beginning with 154 very “independent” residences in five buildings collectively known as “The Meadows.” At NFM 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.

2007 Annual Report

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 aloof in the biomedical field and insisted 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.

2007 Annual Report

Foundation commits $50 million

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 as 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

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 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 the actual ECU program.
Employee transfers will lead to long-term stability

The trustees recently voted to reshape the relationship between Cummings Foundation (CFI) and Cummings Properties (CPF). As Bill Cummings has focused prominently in the leadership of both entities, this transaction was undertaken to facilitate the execution of the board's wishes in enabling the strategic transition of all employees to CFI and CPF. After attending the annual meeting, the Board of Trustees unanimously approved the proposed transaction. The Board will be publishing the final details of this transition next month.

The transition involves transferring approximately 120 employees from Cummings Properties to a new, wholly-owned subsidiary of Cummings Foundation, called Cummings Realty, LLC (CRL). CRL is now managing all real estate assets donated to the foundation. Before the annual meeting, the Board of Trustees decided to implement the transition.
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The transaction involved transferring approximately 120 employees from Cummings Properties to a newly, wholly-owned subsidiary of Cummings Foundation, called Cummings Realty, LLC (CRL). CRL is now managing all real estate assets donated to the foundation. After 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 full compensation, benefits, and tenure 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 of the transaction be free 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 1993 to 93. 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 $408.0 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 Bank of America's merger with General Electric's Thomas Reid. Those changes would no longer permit certain non-profit institutions (private operating foundations) to be one of the specified types to form audit committees over 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 Ockelboom, and Janet Paviliska. Each of these individuals is highly knowledgeable in the financial workings of large organizations. Mr. Casey serves as a state representative, and until just prior to his appointment to Taxation, Mr. Paviliska was the retired president of BankFive for Savings, and Mr. Ockelboom 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 selected with no employment connection to either Cummings Properties, LLC or to CFI itself. 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. Bacon, J.D., Ph.D. President, Tufts University
The Honorable Margot Botsford Massachusetts Supreme Court
Rep. Paul C. Casey Massachusetts House of Representatives
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 Collins Morris, M.D. Pediatrician, Children's Hospital Hospital
Richard C. Ockelboom Retired president, The Boston Globe
Janet M. Paviliska Retired president, Bank Five for Savings

Charter Trustees:

Joyce M. Cummings Former hospital dietician, Volunteer
Patricia A. Cummings Attorney, practicing in San Francisco
William S. Negro Former President, Cummings Foundation
Robert F. P. Nigro Executive director, New Horizons at Gloucester
Robert D. O'Connor Executive director, New Horizons at MetroWest

Trustees Emeriti:

Susan F. Brand, Esq. President, 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 Southbridge Orthopaedic Associates, a medical practice practicing orthopaedic surgery, sports medicine and physical therapy. A native of Medfield, MA, Abate is a 1978 graduate of Tufts University, and a 1982 graduate of Tufts University Medical School. He completed post-graduate training at Boston City Hospital from 1982-86 and Boston V.A. Medical Center from 1986-87. Abate has been active in a number of charitable endeavors and won the 2001 General Distinguished Service Award by the Eastern Massachusetts Association for Retired Citizens.

Appointed to the Massachusetts Supreme Court (Suffolk County) in 1989, Associate Justice Margaret Botsford is a graduate of Framingham College with a J.D. degree from Northeastern University School of Law. Before her appointment to the Supreme 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 Bornstein, Reifeld & Rachmilis. Among many other things, Botsford is a former member of the Commission on Public Conduct and currently serves on the boards of trustees for Northeastern University and chairs its committee on graduate education.

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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 16 years as the nursing home and retirement living division of the Flotley Company. O'Connor has also served as chairman of the board of the New Horizons Home from 1993 to 1995, a not-for-profit skilled nursing facility for seniors in Marlborough, MA, and a member of the Canton Citizens Health Care System.

When appointed president and CEO of BankFive for Savings of Arlington, MA in 1978, where she served until her retirement in 1999, Janet M. Paviliska became the first woman in the Commonwealth of Massachusetts to serve as president of a banking organization. Paviliska completed her undergraduate education at Suffolk University and Northeastern University, and pursued graduate work at Harvard Business School. Paviliska was active in the leadership of banking industry groups, serving as chairman of the Savings Bank Association of Massachusetts, the National Association of Corporate Officers and the Savings Bank Life Insurance Association. Paviliska has also served in leadership roles in many community service organizations.

Joel B. Swets is a graduate of Colby College, with a J.D. 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 County Community College, as its executive director in October 2006.

Financial Statement

The fair market value of Cummings Foundation’s investment real estate as of December 31, 2006 exceeded $700 million, while total net assets were approximately $611 million.

General Assets

Cash & equivalents 846,848 1,117,885 350,000
Accounts receivable 90,992 125,384 154,000
Other current assets 209,060 246,639 240,000
Total Current Assets 1,146,910 1,489,908 924,000

Endowment

Financial instruments @ FMV 611,779,000 325,392,901 633,924,000
Investment real estate @ FMV 333,917,374 503,359,300 370,813,000
Real estate in development 23,035,726 26,253,770 29,000,000
Total Endowment 968,964,870 525,392,901 633,924,000

Total Assets 445,886,645 525,392,901 633,924,000

Liabilities and Net Assets

Accounts payable 373,422 318,292 325,000
Accrued expenses 577,598 810,075 800,000
Deposits held 8,046,751 10,900,000 10,500,000
Purparyments 703,634 598,195 520,000
Total Liabilities 10,339,205 12,337,960 22,145,000
Unrestricted Assets 435,647,480 535,085,001 611,779,000

Total Liabilities & Reserves 445,886,645 525,392,901 633,924,000
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.

*Consolidated report for Cummings Foundation, Inc., New Horizons, and Veterinary Medicine

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’s purpose has always been to create a lasting endowment, partnering in a meaningful way with innovative local community health, safety and public service. It man capital of area non-profit organizations. Cummings Foundation’s most significant 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 continues to build on its endowment, it does not consider unsolicited grant requests.

**Projected FMV
New Horizons at Choate going strong since 1990

The New Horizons at Choate (NHM) 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. NHM 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, NHM rates have not increased for any existing residents since 1996.

NHM 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.

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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 staff does not supervise or direct either the management or caregivers employed by Care Solutions, Inc. or the actual ECU program.