



DISCLOSURE STATEMENT

This Disclosure Statement has been prepared by New Horizons at Choate, LLC with respect to its not-for-profit community known as New Horizons at Choate, 21 Warren Avenue, Woburn, Massachusetts 01801, pursuant to Massachusetts General Laws, Chapter 93, Section 76, as amended. With respect to the assisted living residents (only), it is offered pursuant to 651 CMR 12.08(3).

- 1. Name and Business Address of Provider:** New Horizons at Choate, LLC, 21 Warren Avenue, Woburn, Massachusetts 01801 (“Provider”) is a not-for-profit limited liability company, organized under the provisions of the Massachusetts Limited Liability Act, Mass. Gen. Laws, Ch. 156(c), as amended.
- 2. Officers and Trustees of Provider:** The current officers of Provider are: William S. Cummings, president; Joyce M. Cummings, treasurer; and Joel B. Swets, clerk. Trustees are Peter Coakley, DDS, Joanne Collins, Robert Crisafi, Ph.D., Charles T. Culhane, Joyce M. Cummings, William S. Cummings, Marie Johnson, Denise P. McKeown, Robert Norton and Eleanor Quill, Rev. Deryk Richenburg, and Joel B. Swets. All trustees serve without compensation, and except for those who also serve as officers, typically for three-year terms.
- 3. Background:** Originally organized in January 1990 as Cummings Foundation New Horizons, Inc., Provider operates an independent and assisted living residential community for elders. Although no medical, nursing or health care is provided to residents by Provider, arrangements have been made with local healthcare practitioners for various services and for limited on-site medical facilities. Provider generally accepts as residents in its main independent section persons who are 62 years of age or older who are self-sufficient, medically qualified and demonstrate reasonable financial resources. Both the fees and the services provided are fully set forth in a Residence Agreement with each resident. Other residents may be accepted into New Horizons’ assisted living section if they cannot live independently, or they may be accepted in the special separately managed wing for the cognitively impaired, should they presently or in the future require such care. This latter section is solely operated by Hearthstone Alzheimer Care, Ltd., an unrelated firm specializing in Alzheimer’s care, headquartered in Woburn, Massachusetts.

PROVIDER _____

RESIDENT _____

DISCLOSURE STATEMENT
(continued)

- 4. Statement of Affiliation:** Provider is solely responsible for the operations of New Horizons. Provider does not anticipate engaging any outside managing organization, although consulting services in areas of finance, accounting, payroll, maintenance, etc. are provided from time to time by Cummings Properties, LLC, which typically donates any such services. Provider is wholly owned by Cummings Foundation, Inc., which appoints trustees, but has no ongoing responsibility for any debt or any other obligations of Provider. Provider is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and is authorized by the IRS to accept donations and to hold money for purposes of endowments, etc.
- 5. Description of Physical Facilities:** Provider's facility is located at 21 and 23 Warren Avenue, Woburn, Massachusetts, and is comprised of about 100 residential apartments. The separate Hearthstone wing accommodates up to an additional 26 cognitively impaired residents. About 40,000 additional square feet of the facility is known as Choate Medical Center and is leased to several medical service providers, including Winchester Hospital. Provider is responsible for all maintenance, insurance, construction and reconstruction, etc. on the property.
- 6. Financial Statements:** A copy of the most recent financial statement of Provider is attached hereto.

I/We hereby acknowledge receipt of a copy of this Disclosure Statement and a current financial statement pursuant to M.G.L. c.93 §76, as amended.

Resident

Date

Resident

Date



**NEW HORIZONS AT MARLBOROUGH, LLC
PRO-FORMA FINANCIAL STATEMENT**

For the 12 Months Ending December 31,		<u>2004</u>	<u>2005</u>	<u>2006</u>
Operating Income				
Resident Service Fees		\$ 7,038,582	\$ 7,430,972	\$ 7,875,143
Resident Other Fees		872,519	764,685	906,042
Miscellaneous Revenue		14,461	25,441	33,922
Total Income from Operations		<u>7,925,562</u>	<u>8,221,098</u>	<u>\$ 8,815,107</u>
Operating Expenses				
Food & Supplies		722,786	784,608	888,725
3rd Party Resident Services		1,033,235	959,131	1,115,440
Payroll & Benefits		2,570,466	2,687,694	2,841,861
Real Estate Taxes		281,566	124,620	137,672
Rent		1,894,803	1,942,552	2,069,315
Facility Expenses		909,856	1,026,748	1,026,870
Admin. Services		234,200	227,219	217,836
Total Operating Expenses		<u>7,646,911</u>	<u>7,752,572</u>	<u>8,297,719</u>
Net Income (Deficit) from Operations		<u>278,651</u>	<u>468,526</u>	<u>517,388</u>
Other Income				
Hearthstone and ECU Reimbursement		1,010,415	1,008,026	1,094,984
Meals Reimbursement (SGS)		176,011	170,310	188,503
Other Expense Reimbursement (SGS)		89,623	104,689	111,068
Cummings Foundation		149,075	145,925	163,468
Total Other Income		<u>1,425,124</u>	<u>1,428,950</u>	<u>1,558,023</u>
Other Expenses				
Hearthstone, ECU and SGS - Expenses		388,084	437,943	437,995
Hearthstone, ECU and SGS - Rent		808,197	828,564	861,306
Real Estate Taxes		81,819	35,838	40,042
Local Charitable Contributions		149,075	145,925	163,468
Total Other Expenses		<u>1,427,175</u>	<u>1,448,270</u>	<u>1,502,811</u>
Total Surplus		<u>276,600</u>	<u>449,206</u>	<u>572,600</u>
		<u>2004</u>	<u>2005</u>	<u>2006</u>
Assets				
Cash and cash equivalents		117,316	535,223	512,491
Accounts, unbilled and other receivables		62,254	72,993	86,181
Prepaid expenses		73,890	65,294	94,615
Food and supply inventory		15,611	20,569	20,198
Due from parent Cummings Foundation		4,026,290	5,794,137	6,794,137
Net furniture and fixtures		2,746,321	2,704,781	2,644,048
Total assets		<u>7,041,682</u>	<u>9,192,999</u>	<u>10,151,671</u>
Liabilities				
Accounts payable and accrued expenses		278,962	325,546	284,284
Accrued payroll and taxes		143,800	152,849	153,865
Deposits held		4,769,540	6,493,637	6,994,323
Deferred service fees		506,666	429,048	354,681
Total liabilities		<u>5,698,968</u>	<u>7,401,080</u>	<u>7,787,152</u>
Net Assets				
Unrestricted		<u>1,342,713</u>	<u>1,791,919</u>	<u>2,364,519</u>
Total net assets		<u>1,342,713</u>	<u>1,791,919</u>	<u>2,364,519</u>
Total liabilities and net assets		<u>7,041,681</u>	<u>9,192,999</u>	<u>10,151,671</u>

I hereby certify that, to the best of my knowledge and belief, the information offered above constitutes an accurate and complete pro-forma financial statement for New Horizons at Marlborough, LLC for the fiscal years 2004, 2005 and 2006.

Rob Nigro

Robert F.P. Nigro, Clerk
Cummings Foundation, Inc.