

Boston

Groundwater Trust

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bostongroundwater.org

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The Boston Groundwater Trust was established by the Boston City Council to monitor groundwater levels in sections of the City where the integrity of building foundations is threatened by low groundwater levels and to make recommendations for solving the problem. In FY 2008, we continued to make progress on these efforts.

The Trust is an active participant in the quarterly meetings of the City-State Groundwater Working Group. All Working Group meetings open with a review and analysis of the latest readings from our network of approximately 800 observation wells that measure groundwater levels throughout the areas of concern in the City.

The Trust has cooperated with the other members of the Working Group to identify areas of low groundwater, determine potential causes, and suggest potential solutions. In particular, the Trust has worked as part of the Action Team to develop a long term solution to be implemented by the MBTA to raise groundwater levels in the section of the South End near Back Bay Station. The Trust has worked with The Massachusetts Turnpike Authority and the Boston Water and Sewer Commission to identify the cause of a groundwater depression in the North End, and has worked with the Department of Conservation and Recreation to assure that the interim repairs to the Storrow Drive Tunnel will include a system to recharge into the ground in the Back Bay water now being discharged from one of its pumping stations into the Charles River.

The Trust's work at addressing the groundwater problem can only be effective with the cooperation of many others. In addition to the Trust's partners on the Working Group, the Boston Redevelopment Authority has made sure that groundwater issues are considered by every project that goes through the Article 80 development review process. The Inspectional Services Department and the Zoning Board of Appeals have been very diligent in making sure that all qualifying projects comply with the requirements of the Groundwater Conservation Overlay District. The BWSC has been very helpful in determining that the required recharge systems are properly sized and designed. To date nearly 90 recharge systems have been approved through the GCOD process, and many have been installed and are directing rainfall into the ground rather than the sewer system.

Through the efforts of the BRA and the Working Group partners, the Trust has continued to add wells to the network in areas where they are needed.

Among those added this year were 10 wells, including four along the Turnpike right-of-way, installed by the Columbus Center project, as well as 4 wells in Bay Village installed by the MBTA as part of the proposed Silver Line Phase III project. The Trust installed new wells along Beacon Street to help understand a groundwater depression in that area.

Public communication about the groundwater problem is an important part of the Trust's role. The Trust's primary means of communication is our website, www.bostongroundwater.org, which is used as a resource by many people concerned about the issue. This year the Trust upgraded the site by adding a function that allows locations on the interactive map of well readings to be accessed by typing in an address. Also added were a section on the procedure for making sure that a project complies with the GCOD, more clarity about whether missing well readings were due to the inaccessibility of the well or its being dry, and more links to other relevant sites. In addition, the Trust met with community groups in the North End and West End, appeared at several public meetings related to development projects, and participated in scoping sessions for BRA Article 80 reviews. The Trust issued comment letters on all Article 80 projects that were in areas of concern and appeared before the Board of Appeals to comment on virtually all GCOD related requests. All of the comment letters, as well as news articles related to the groundwater issue, are posted on the Trust's website.

The success of the Trust's efforts would not be possible without the support of the Mayor and the City Council. Once again in FY2008, the Trust's funding request was fully met by the City. In addition, the Trust received a \$25,000 grant from the BWSC. The Trust's operations for the year were once again conducted within its operating budget.

The Trust's success is also predicated on the efforts of our 12 trustees, who serve without compensation. The trustees meet bimonthly and review all operations of the Trust, setting policy and providing guidance for the staff. This year one of the long standing trustees, Paul Chan, decided to step down. The trustees and staff very much appreciate his efforts and look forward to working as well in the future with his replacement, nominated by the Greater Boston Real Estate Board, Mary Hall. Also critical to the Trust's success are the volunteer members of the Technical Advisory Committee; the committee meets regularly to help the Trust to interpret the results of its well readings and develop strategies for addressing problems.

While important strides have been made in addressing groundwater problems, it is important to remember that the wood piling supported structures that represent so much of Boston's history will always be vulnerable to lowered groundwater levels. All of us who are concerned about Boston must remain ever vigilant and must continue to monitor levels, repair leaking infrastructure, assure that new projects cannot cause drawdowns, and recharge rainwater into the ground so that these buildings, located in almost all of Boston's in-town neighborhoods, can continue to help define this special city.

Elliott Laffer
Executive Director



Accountants' Review Report

To the Board of Trustees of
The Boston Groundwater Trust
Boston, Massachusetts

We have reviewed the accompanying statement of financial position of The Boston Groundwater Trust as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of The Boston Groundwater Trust.

A review consists principally of inquiries of Trust personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Respectfully submitted,

Raphael and Raphael LLP
Certified Public Accountants

Boston, Massachusetts
August 24, 2008

BOSTON GROUNDWATER TRUST

Statements of Financial Position

As of June 30, 2008 and 2007

SEE ACCOUNTANTS' REVIEW REPORT

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 803,113	\$ 774,917
Grants and Contracts Receivable	-	7,000
Prepaid Expenses	-	830
TOTAL CURRENT ASSETS	<u>803,113</u>	<u>782,747</u>
TOTAL ASSETS	<u>\$ 803,113</u>	<u>\$ 782,747</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accrued Expenses	\$ 11,597	\$ 5,486
TOTAL CURRENT LIABILITIES	<u>11,597</u>	<u>5,486</u>
NET ASSETS:		
Unrestricted	<u>791,516</u>	<u>777,261</u>
TOTAL NET ASSETS	<u>791,516</u>	<u>777,261</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 803,113</u>	<u>\$ 782,747</u>

The accompanying notes are an integral part of the financial statements.

BOSTON GROUNDWATER TRUST

Statements of Activities

For the Years ended June 30, 2008 and 2007

SEE ACCOUNTANTS' REVIEW REPORT

	<u>2008</u>	<u>2007</u>
REVENUE:		
Grants and Contracts	\$ 192,940	\$ 486,650
Interest Income	34,814	38,928
TOTAL REVENUE	<u>227,754</u>	<u>525,578</u>
EXPENSES:		
PROGRAM EXPENSES:		
Salary	68,372	65,388
Payroll Taxes	5,338	6,353
Employee Benefits	1,537	-
Insurance	4,271	5,819
Well Installation	10,800	133,972
Research	-	44,500
Groundwater Monitoring	415	-
TOTAL PROGRAM EXPENSES:	<u>90,733</u>	<u>256,032</u>
MANAGEMENT AND GENERAL EXPENSES:		
Salary	82,377	76,923
Payroll Taxes	6,482	6,887
Employee Benefits and Reimbursed Expenses	6,019	7,484
Professional Services	6,000	5,800
Rent and Utilities	12,231	10,242
Website Expense	7,546	628
Miscellaneous Expense	2,111	2,091
TOTAL MANAGEMENT AND GENERAL EXPENSES	<u>122,766</u>	<u>110,055</u>
TOTAL EXPENSES	<u>213,499</u>	<u>366,087</u>
INCREASE IN UNRESTRICTED NET ASSETS	14,255	159,491
NET ASSETS, BEGINNING OF YEAR	<u>777,261</u>	<u>617,770</u>
NET ASSETS, END OF YEAR	<u>\$ 791,516</u>	<u>\$ 777,261</u>

The accompanying notes are an integral part of the financial statements.

BOSTON GROUNDWATER TRUST

Statements of Cash Flows
For the Years ended June 30, 2008 and 2007
SEE ACCOUNTANTS' REVIEW REPORT

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Unrestricted Net Assets	\$ 14,255	\$ 159,491
Increase in Net Assets	14,255	159,491
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
(Increase) Decrease in:		
Grants and Contracts Receivable	7,000	(7,000)
Prepaid Expenses	830	(830)
Increase (Decrease) in:		
Accrued Expenses	6,111	(122,711)
Deferred Revenue	-	(220,000)
Total Adjustments	<u>13,941</u>	<u>(350,541)</u>
NET CASH PROVIDED (USED BY) OPERATING ACTIVITIES	<u>28,196</u>	<u>(191,050)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	28,196	(191,050)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>774,917</u>	<u>965,967</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 803,113</u>	<u>\$ 774,917</u>

The accompanying notes are an integral part of the financial statements.

BOSTON GROUNDWATER TRUST

Notes to Financial Statements

June 30, 2008 and 2007

SEE ACCOUNTANTS' REVIEW REPORT

NOTE 1 - ORGANIZATION:

The Boston Groundwater Trust was established as a trust in Massachusetts on July 18, 1986 under the custodianship of the City of Boston. The Trust's mission is to serve the public interest by re-establishing and maintaining a system for monitoring groundwater levels in parts of the City of Boston. It achieves this by engaging engineers, contractors and other professionals to reactivate existing wells and install new observation wells as well as collect, manage, publish and analyze data derived from old and new observation wells.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of the Trust are prepared on the accrual basis of accounting, under which revenues are recognized when earned and expenses are recognized when incurred. This is different from the cash basis of accounting, under which revenues are recognized when cash is received and expenses are recognized when cash is disbursed.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Trust is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents are held in banks and money market mutual funds, and consist of highly liquid investments with a maturity when purchased of twelve months or less.

Accrued Expenses

Accrued expenses include current period labor, installation and monitoring expenses paid after the balance sheet date.

BOSTON GROUNDWATER TRUST

Notes to Financial Statements

June 30, 2008 and 2007

SEE ACCOUNTANTS' REVIEW REPORT

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - Continued:

Grants, Contracts and Deferred Revenue

The Boston Groundwater Trust receives substantially all grant and contract revenue from The City of Boston and its independent agencies, the U.S. government, and the Commonwealth of MA. The Trust records grant/contract revenue as deferred revenue until it is expended for the purpose of the grant/contract, at which time it is recognized as revenue.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Boston Groundwater Trust has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

Contributed Services

The twelve Trustees of The Boston Groundwater Trust contribute their services to assist in maintaining the various programs of the Trust. The value of these services has not been recorded on the books.

Other Revenues

Interest income is recognized when earned.

Income Taxes

The Trust is a not-for-profit organization that is exempt from income taxes under section 501(c)3 of the Internal Revenue Code.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported revenues, gains, support, expenses and losses. Actual results could differ from those estimates.

BOSTON GROUNDWATER TRUST

Notes to Financial Statements

June 30, 2008 and 2007

SEE ACCOUNTANTS' REVIEW REPORT

NOTE 3 - SUMMARY OF GRANTS/CONTRACTS FUNDING:

The Boston Groundwater Trust was primarily funded through the following grants and contracts for the year ended June 30, 2008:

<u>Funding Source</u>	<u>Grant Contract Number</u>	<u>Grant Contract Period</u>	<u>Total Grant/ Contract</u>	<u>Recognized Support</u>
City of Boston:				
The Environment Department		07/31/07-06/30/08	\$164,440	\$164,440
Lenox Hotel			3,500	3,500
City of Boston Independent Agencies:				
Boston Water and Sewer			25,000	<u>25,000</u>
Total Grants and Contracts				<u>\$ 192,940</u>

BOSTON GROUNDWATER TRUST

Notes to Financial Statements

June 30, 2008 and 2007

SEE ACCOUNTANTS' REVIEW REPORT

NOTE 3 - SUMMARY OF GRANTS/CONTRACTS FUNDING- Continued:

The Boston Groundwater Trust was primarily funded through the following grants and contracts for the year ended June 30, 2007:

<u>Funding Source</u>	<u>Grant Contract Number</u>	<u>Grant Contract Period</u>	<u>Total Grant/ Contract</u>	<u>Recognized Support</u>
City of Boston:				
Environmental Bond Bill	0016494	01/01/05-06/30/05	\$600,000	\$220,000
The Environment Department		09/01/06-06/30/07	159,650	159,650
 MBTA Well Reimbursement			7,000	7,000
City of Boston Independent Agencies:				
Boston Redevelopment Authority			75,000	75,000
Boston Water and Sewer			25,000	<u>25,000</u>
 Total Grants and Contracts				<u>\$486,650</u>

BOSTON GROUNDWATER TRUST

Notes to Financial Statements

June 30, 2008 and 2007

SEE ACCOUNTANTS' REVIEW REPORT

NOTE 4 - ACCOUNTS RECEIVABLE - GRANTS AND CONTRACTS:

As of June 30, 2007, accounts receivable from grants and contracts was composed of:

MBTA Well Reimbursement	\$7,000
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NOTE 5 - CONCENTRATION OF CREDIT RISK

The Boston Groundwater Trust maintains several bank accounts at one bank. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Cash at this institution exceeded federally insured limits.

The Boston Groundwater Trust receives substantially all grant and contract revenue from The City of Boston and its independent agencies, the U.S. government, and the Commonwealth of MA.

NOTE 6 - RETIREMENT PLAN

In 2007, the Trust established a discretionary retirement plan under Section 408(K) of the Internal Revenue Code. Under the plan and at its discretion, the Trust contributes 3% of gross earnings to eligible employees who are at least twenty-one years old and have completed at least 3 years of service in the preceding five years. Employees are 100% vested upon participation. The Trust's contribution to the plan totaled \$3,870 and \$2,152 as of June 30, 2008 and 2007, respectively.