

Boston Groundwater Trust

229 Berkeley St, Fourth Floor, Boston, MA 02116
617.859.8439 voice – 617.266.8750 fax
www.bostongroundwater.org

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Elliott Laffer

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 2010, 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 more than 800 observation wells that measure groundwater levels throughout the areas of concern in the City.

The data generated from our well network has led to the identification of causes of low water readings and to their repair by our partners in the Working Group. The Boston Water and Sewer Commission has made repairs in Back Bay, Beacon Hill, and the North End that have led to rising levels. In the South End, the MassDOT has worked to repair leaking structures identified with the help of well data. MWRA has used the data to identify potential leaks that it is addressing in East Boston. In addition, we continue to work with the MBTA on the implementation of solutions to the low water levels in the South End near Back Bay Station. DCR has built a connection from its pumps draining the Storrow Drive tunnel to recharge systems that has led to higher groundwater levels in a section of Back Bay

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 the evaluation of groundwater impacts an important part of the Article 80 development review process for all projects. 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 200 recharge systems have been approved through the GCOD process, and more than 90 have been installed and are directing rainfall into the ground rather than the sewer system. During FY10, the Trust funded a research project headed by a professor at Tufts University that we expect will soon allow us to understand the quantitative improvement to groundwater levels generated by the recharge systems.

During the year, the Trust funded and installed 14 new or replacement groundwater observation wells to enhance our ability to understand what is happening to groundwater levels and what might be the cause of any particular reduction. In addition, through the City's requirement that any groundwater observation wells installed for a project in the public way be offered to the Trust when no longer needed for the original purpose and through the decision by property owners to allow the Trust to read the levels in observation wells installed in their land, the Trust was able to add another 11 new wells to our network this year. Other wells have been promised to the Trust and should be added to the network over the next year.

Public communication about groundwater 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 (we average over 100 discrete visitors a day) concerned about the issue. This year we added a new section on recharge to the site. To further enhance our transparency, we have also posted the minutes of all of our trustees' meetings since 2004 and indexed the topics. We are now posting the agenda for trustees' meeting about a week ahead. Of most importance, we continue to post all of our well readings within a day or two of the time they are taken.

The success of the Trust's efforts would not be possible without the support of the Mayor and the City Council. Once again in FY2010, the Trust's funding request was approved 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 13 Trustees, who serve without compensation. The Trustees meet bimonthly and review all operations of the Trust, setting policy and providing guidance for the staff. Also critical to the Trust's success are the six volunteer members of the Technical Advisory Committee. The committee meets regularly to help the Trust 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 protect the economic viability of a significant tax base asset and also help to maintain the historic character of 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, 2010 and 2009, 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
September 20, 2010

BOSTON GROUNDWATER TRUST

Statements of Financial Position
As of June 30, 2010 and 2009
SEE ACCOUNTANTS' REVIEW REPORT

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 190,298	\$ 814,406
CDs - Maturing in less than 1 year	368,721	-
Accounts Receivable	3,500	-
Interest Receivable	7,680	12,828
TOTAL CURRENT ASSETS	<u>570,199</u>	<u>827,234</u>
LONG TERM ASSETS:		
CDs - Maturing in more than 1 year	250,000	-
TOTAL LONG TERM ASSETS	<u>250,000</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 820,199</u>	<u>\$ 827,234</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	\$ 35,118	\$ -
Accrued Expenses	22,878	17,564
TOTAL CURRENT LIABILITIES	<u>57,996</u>	<u>17,564</u>
NET ASSETS:		
Unrestricted	762,203	809,670
TOTAL NET ASSETS	<u>762,203</u>	<u>809,670</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 820,199</u>	<u>\$ 827,234</u>

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

BOSTON GROUNDWATER TRUST

Statements of Activities
For the Years ended June 30, 2010 and 2009
SEE ACCOUNTANTS' REVIEW REPORT

	<u>2010</u>	<u>2009</u>
REVENUE:		
Grants and Contracts	\$ 194,373	\$ 194,373
Interest Income	15,688	24,996
Misc. Revenue	8,543	-
TOTAL REVENUE	<u>218,604</u>	<u>219,369</u>
EXPENSES:		
PROGRAM EXPENSES:		
Salary	67,301	65,400
Well Installation	35,118	-
Research	29,000	-
Payroll taxes	5,992	5,442
Insurance	5,201	4,718
Employee Benefits	1,720	1,601
Groundwater Monitoring	1,585	190
TOTAL PROGRAM EXPENSES	<u>145,917</u>	<u>77,351</u>
MANAGEMENT AND GENERAL EXPENSES:		
Salary	84,496	81,869
Rent and Utilities	13,718	13,038
Payroll Taxes	6,519	6,818
Professional Services	6,000	8,455
Employee Benefits and Reimbursed Expenses	5,620	6,201
Miscellaneous Expense	3,693	2,375
Website Expense	108	5,108
TOTAL MANAGEMENT AND GENERAL EXPENSES	<u>120,154</u>	<u>123,864</u>
TOTAL EXPENSES	<u>266,071</u>	<u>201,215</u>
INCREASE (DECREASE) IN NET ASSETS	(47,467)	18,154
NET ASSETS, BEGINNING OF YEAR	<u>809,670</u>	<u>791,516</u>
NET ASSETS, END OF YEAR	<u>\$ 762,203</u>	<u>\$ 809,670</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, 2010 and 2009
SEE ACCOUNTANTS' REVIEW REPORT

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Unrestricted Net Assets	\$ (47,467)	\$ 18,154
Increase (Decrease) in Net Assets	(47,467)	18,154
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
(Increase) Decrease in:		
Grants and Contracts Receivable	(3,500)	-
Interest Receivable	5,148	(12,828)
Increase (Decrease) in:		
Accounts Payable	35,118	-
Accrued Expenses	5,314	5,967
Total Adjustments	42,080	(6,861)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(5,387)	11,293
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Certificates of Deposit	(618,721)	-
NET CASH USED BY INVESTING ACTIVITIES	(618,721)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(624,108)	11,293
Cash and Cash Equivalents at Beginning of Year	814,406	803,113
Cash and Cash Equivalents at End of Year	\$ 190,298	\$ 814,406

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

BOSTON GROUNDWATER TRUST

Notes to Financial Statements

June 30, 2010 and 2009

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 in addition to collecting, managing, publishing and analyzing 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.

On March 26, 2009, the Trustees voted to create an unrestricted reserve fund for the following uses: groundwater research; network upgrading; contingency for technical assistance. The funds are currently held in FDIC insured Certificates of Deposit.

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, 2010 and 2009

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 Massachusetts. 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 and Facilities

The thirteen Trustees of The Boston Groundwater Trust contribute their services to assist in maintaining the various programs of the Trust. Additionally, Trust receives rent free office space and use of business equipment for one of its employees. The value of these contributions has not been recorded on the accompanying financial statements since the services do not meet the criteria for recognition.

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, 2010 and 2009

SEE ACCOUNTANTS' REVIEW REPORT

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - Continued:

Compensated Absences

Employees of the Trust are entitled to paid vacations, sick days and other time off depending on job classification, length of service and other factors. It is impracticable to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Trust's policy is to recognize the cost of compensated absences when paid to employees.

Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but that could affect the amounts or disclosures in the financial statements. Management has evaluated subsequent events through the date that the financial statements are available to be issued, which is the date noted at the bottom of the auditor's 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, 2010:

<u>Funding Source</u>	<u>Grant Contract Period</u>	<u>Total Grant / Contract</u>	<u>Recognized Support</u>
City of Boston: The Environment Department	07/01/09-06/30/10	\$ 169,373	\$ 169,373
City of Boston Independent Agencies: Boston Water and Sewer Commission		25,000	<u>25,000</u>
Total Grants and Contracts			<u>\$ 194,373</u>

The Boston Groundwater Trust was primarily funded through the following grants and contracts for the year ended June 30, 2009:

<u>Funding Source</u>	<u>Grant Contract Period</u>	<u>Total Grant / Contract</u>	<u>Recognized Support</u>
City of Boston: The Environment Department	07/01/08-06/30/09	\$ 169,373	\$ 169,373
City of Boston Independent Agencies: Boston Water and Sewer Commission		25,000	<u>25,000</u>
Total Grants and Contracts			<u>\$ 194,373</u>

BOSTON GROUNDWATER TRUST

Notes to Financial Statements

June 30, 2010 and 2009

SEE ACCOUNTANTS' REVIEW REPORT

NOTE 4 - CONCENTRATION OF CREDIT RISK:

The Corporation maintains cash balances which at times exceed federally insured amounts.

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 Massachusetts.

NOTE 5 - RETIREMENT PLAN:

The Trust has 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 contributions to the plan were \$4,198 and \$3,983 for the years ended June 30, 2010 and 2009, respectively.