

Newton Conservators Inc.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

Newton Conservators Inc.

For the Year Ended December 31, 2020

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Robert J. Wilson

Certified Public Accountant
213 Dale Street
Waltham, Massachusetts

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Newton Conservators Inc.
Newton, Massachusetts

I have reviewed the accompanying financial statements of Newton Conservators Inc. (a nonprofit organization), which comprise the statement of assets, liabilities and net assets-modified cash basis as of December 31, 2020 and the related statements of revenues, expenses and changes in net assets-modified cash basis and statement of functional expenses-modified cash basis for the year then ended, and the related notes to financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. I believe the results of my procedures provide a reasonable basis for my report.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

Note 1 of the financial statements describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My conclusion is not modified with respect to this matter.



Waltham, MA
February 26, 2021

Newton Conservators Inc.
Statement of Assets, Liabilities and Net Assets-Modified Cash Basis
December 31, 2020

	ASSETS			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Current Assets				
Cash and equivalents	\$8,931	\$25,831		\$34,762
Marketable securities	262,468	82,951	21,560	366,979
Receivables	6,346			6,346
Deposits	252			252
Escrows		52,941		52,941
Total Current Assets	\$277,997	\$161,723	\$21,560	461,280
Property				
Land	10,900		2	10,902
Total Property	10,900	0	2	10,902
Total Assets	\$288,897	\$161,723	\$21,562	\$472,182
LIABILITIES AND NET ASSETS				
Liabilities				
Payables	\$425			\$425
Escrows		52,941		52,941
Total Liabilities	425	52,941	0	53,366
Net Assets				
Board-designated endowment	148,221			148,221
Spending policy	11,338			11,338
Net assets-undesignated	128,913	108,782	21,562	259,257
Total Net Assets	288,472	108,782	21,562	418,816
Total Liabilities and Net Assets	\$288,897	\$161,723	\$21,562	\$472,182

Newton Conservators Inc.

Statement of Revenues, Expenses and Changes in Net Assets-Modified Cash Basis

For the Year Ended December 31, 2020

Revenues	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Donations	7,547	238,577		246,124
Dues	28,905			28,905
Interest	490			490
Investment revenue	7,128			7,128
Investment unrealized gains	28,624			28,624
Program revenue	1,578			1,578
Total Revenues	<u>74,272</u>	<u>238,577</u>	<u>0</u>	<u>312,849</u>
Expenses				
Program services	6,718	251,192		257,910
Supporting services	6,139			6,139
Fundraising	2,959			2,959
Total Expenses	<u>15,816</u>	<u>251,192</u>	<u>0</u>	<u>267,008</u>
Change in Net Assets	<u>58,456</u>	<u>(12,615)</u>	<u>0</u>	<u>45,841</u>
Net Assets, beginning of year	230,016	121,397	21,562	372,975
Net Assets, end of year	<u>\$288,472</u>	<u>\$108,782</u>	<u>\$21,562</u>	<u>\$418,816</u>

Newton Conservators Inc.
Statement of Functional Expenses-Modified Cash Basis
For the Year Ended December 31, 2020

	Program Services	Supporting Services	Total
Board expenses		\$1,175	\$1,175
Dues	\$825		825
Fees		89	89
Credit card fees		468	468
Insurance		3,798	3,798
Newsletter	4,213		4,213
Property improvements	251,192		251,192
Property maintenance	1,680		1,680
Website		609	609
Total expenses	\$257,910	\$6,139	\$264,049

NEWTON CONSERVATORS, INC.
Notes to Financial Statements

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mission and principal activities

Newton Conservators, Inc. is a Newton MA environmental and land trust 501(c)(3) nonprofit founded in 1961 and incorporated under the laws of the Commonwealth of Massachusetts. Its mission is to "promote the protection and preservation of natural areas, including parks, park lands, playgrounds, forests and streams, which are open or may be converted to open spaces for the enjoyment and benefit of the people of Newton for scientific study, education, and recreation."

Principal activities include: advocacy for land acquisition (usually by the city) and protection; maintenance of an educational website promoting open space recreation and stewardship; publication of a Trail Guide, Almanac, quarterly newsletter, and e-bulletins on environmental topics; conducting walks and webinars; administering a grants program for environmental science projects primarily in Newton schools; performing hands-on maintenance and invasive plant removal in open space areas; assistance to local "friends" groups with park improvement efforts; and monitoring certain properties for adherence to terms of Conservation Restrictions (CR-legally enforceable restrictions to prevent future development).

The activities of Newton Conservators are primarily carried out by its volunteer directors; it does not have employees or payroll expenses. Professional services paid for may include website maintenance, graphic design, printing, occasional trail restoration services, environmental testing, planning, survey work and CR monitoring.

Accounting policies

Newton Conservators uses the Modified Cash Basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Revenues and expenses are generally matched by year; dues and gifts are recorded in the year the donor paid them; expenditures are recorded on a cash basis as invoices are paid, but any unpaid services performed are accrued. Newton Conservators has recorded donations of \$6,346 received by agents but not yet transferred to Newton Conservators as of December 31, 2020. Also, dues of \$425 have not been paid as of December 31, 2020 due to a vendor billing issue. There are no financial liabilities that are not reflected on the financial statements.

Investments

Investments in marketable securities with readily determinable fair values and investments in debt securities are reported at their fair market values in the statement of assets. Investment income is reported as an increase in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income is recognized.

Functional Expenses

Newton Conservators records its expenses on a functional basis between its program and support services. Expenses that can be identified with a specific program and support services are recorded directly according to their natural functional classification.

Income Taxes

Newton Conservators is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and has received notification from the Internal Revenue Service that it is generally exempt from federal and state income taxes. Massachusetts complies with the Internal Revenue Service and does not impose any tax. Newton Conservators is required to annually file Form 990 "Return of Organization Exempt from Federal Tax". Newton Conservators filed form 990-N for 2017 and 2018 and filed Form 990-EZ for 2019 which is subject to examination by the IRS.

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

Cash consists of demand deposits held in a local bank totaling \$34,762 for the year ended December 31, 2020. Newton Conservators maintains accounts at institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) which insures up to \$250,000.

NOTE 2-SUBSEQUENT EVENTS

In accordance with ASC 855, Subsequent Events, management has reviewed events subsequent to the date of these financial statements for any transactions or conditions that existed as of the financial statement date that require disclosure in these notes. Their review extended through February 26, 2021, which is the date the accountant's report was issued. Newton Conservators did not have any events that required disclosure.

NOTE 3-ADDITIONAL ACTIVITIES AND RESPONSIBILITIES

Land protection and monitoring function

Newton Conservators owns three parcels donated by conservationists who wanted to ensure that their land would be preserved: Ordway Park, Dexter Woods, and Awtrey Dell. The deeds of these three properties prevent any future development, and all function as small pocket parks. Ordway Park is valued on the balance sheet at \$10,900 (the assessed value in the year donated), and Dexter Woods and Awtrey Dell are both valued at \$1. The market value of the three properties is unknown.

As the local land trust, Newton Conservators is occasionally asked to hold Conservation Restrictions (CRs - legally enforceable restrictions to prevent development) on property owned by either the city or private individuals. Newton Conservators is then responsible for monitoring that the terms of the CRs are met and taking action if there is any violation. Newton Conservators volunteer directors conduct the periodic site visits and prepare the monitoring reports, which are provided to the property owners. Occasionally, Newton Conservators obtains professional monitoring services (in the past, from Mass Audubon or Native Plant Trust) to do the monitoring work, accompanied by the volunteer directors, so that the directors learn procedures and techniques. If there is a maintenance problem and/or violation of a CR, Newton Conservators must notify the property owner, influence the owner to remedy the situation, and if necessary, take legal action against the property owner to force the remedy. This site visit function only appears on the financial statements when outside professional monitoring expense is incurred, and legal expense would appear if incurred (but it has not occurred to date, and Newton Conservators generally is able to obtain legal services on a pro bono basis); the legal obligation to monitor and enforce conservation restrictions does not appear on the financial statements.

Conservation Restrictions held

Newton Conservators holds a CR on one private property; located at 15 Bracebridge Road, adjacent to the Wilson Conservation area.

Newton Conservators holds CRs on the following city-owned properties. Except for the golf course, all of these properties were acquired with Massachusetts Community Preservation Act (CPA) funds; that law requires the city to grant a CR to an outside organization.

Waban Hill Reservoir
Newton Commonwealth Golf Course
Newton Community Farm
Crystal Lake
20 Rogers St (adjacent to Crystal Lake CR area)
Webster Park (near Dolan Pond)
Elgin St Conservation Land
30 Wabasso St, in the Flowed Meadow Conservation area

An additional CR for city-owned property (also acquired with CPA funds) is pending for Kessler Woods.

NOTE 3-ADDITIONAL ACTIVITIES AND RESPONSIBILITIES(continued)

Financial arrangements for accepting property gifts and holding CRs

The three owned properties were donated along with funds for at least their initial maintenance.

Ordway Park Donated funds from the Ordway property donor were not restricted as to use, and when received in 1971 they became the starting point of Newton Conservators' unrestricted fund balance. Maintenance of Ordway has been considered an operating expense from unrestricted funds.

Dexter Woods was donated in 2004 along with \$5,000 restricted to its upkeep. The original \$5,000 was quickly spent on needed tree work, and the fund was replenished twice by the original donor for a total of \$6,000 more. That was also spent on tree work, and maintenance is now done from unrestricted funds.

Awtrey Dell was donated with a \$10,000 maintenance fund, most of which remains unspent (included in Temporarily Restricted assets).

CRs for city-owned properties are managed largely by volunteer director labor, but as the obligation is in perpetuity and future boards may not have the ability to do as much volunteer work, the board tries to obtain grants from the city to fund the function in perpetuity. There are two types of arrangements:

Escrow accounts

Two escrow accounts appear in the financials, as assets with matching liabilities. For the Golf Course, which was not acquired with CPA funds, Newton Conservators negotiated a \$30,000 escrow account, which has accumulated some interest and has paid for water testing and a pro rata share of monitoring expense in years when an outside firm was used. For the Waban Hill Reservoir CR, acquired with CPA funds, an escrow account also for \$30,000 was negotiated, with similar interest earnings and occasional expenses including a Baseline Documentation report. The account balances are \$27,204 and \$25,736, respectively, as of December 31, 2020.

CPA grants to fund monitoring and defense costs

Newton's CPA Committee approved funds related to several recently completed CRs. \$45K was approved for Rogers St, Wabasso St, and Kessler CRs. The funds are expected in 2021 and were not received as of December 31, 2020, so do not appear on the balance sheet.

Restricted and temporarily restricted funds

Newton Conservators has several funds restricted by donors as to their use. These include the permanently restricted Ordway Endowment Fund, intended once large enough to generate income to maintain and improve Ordway Park, our half-acre pocket park. Temporarily restricted funds include those to benefit specific parks and conservation areas, as well as land acquisition and establishment and improvement of trail networks.

Board-designated funds

Newton Conservators has established a quasi-endowment fund, and applies a 4% factor to unrestricted funds to determine a spending level appropriate to spend annually on projects.

Newton Conservators Inc.
Unrestricted Income Statement
Calendar Year 2020

	Prior Years				
	2020 Actual	CY 2019 Actual	CY 2018 Actual	2017 Actual	2016 Actual
REVENUES					
Dues - Members	28,905	18,935	19,444	20,644	17,899
Gifts - Members	9,080	6,615	5,911	3,175	3,818
Credit card fees	(468)	(471)	(322)	(263)	(292)
Misc. (AmazonSmile, etc.)	217	275	362	303	191
Almanac sales	513	129	520	183	85
Trail Guide Sales	846	444	947	806	833
Total revenues	39,093	25,928	26,861	24,847	22,534
EXPENSES					
Annual Meeting - net cost (sponsorships)	(1,950)	(785)	(94)	(289)	(136)
Board Administrative Expenses	1,175	739	887	838	802
Board Development	-	314	194	265	-
Dues	825	600	745	745	450
Fees	89	104	54	54	79
Grants	-	2,650	3,750	3,000	2,750
Insurance	-	3,784	3,685	3,785	3,575
Almanac, Guide, Brochures	-	-	-	-	3,608
Membership Development	2,959	2,908	2,625	1,770	2,008
Newsletter	4,213	4,067	7,993	10,810	9,852
Ordway Maintenance	1,680	1,790	1,980	1,795	1,575
Programs - General	-	159	805	3,093	661
Programs - Invatives, natives	-	500	105	182	953
Website	609	1,914	849	321	298
Total expenses	13,397	18,743	23,578	26,370	26,475
Net income from operations before special projects	25,696	7,184	3,284	(1,522)	(3,941)
SPECIAL PROJECTS					
Inc. from Board-Design. Endowment	4,746	5,929	6,160	5,965	5,839
Exp - General	-	-	-	1,000	-
Exp - CR Monitoring	-	-	-	57	2,743
Exp - Bracebridge CR Work	-	2,019	250	4,475	2,103
Exp - Land Acq. Program (research)	-	-	-	-	-
Exp - Dexter Maint. Beyond donor funds	-	16,590	7,030	1,506	-
Net Income from Board-Designated funded special projects	4,746	(12,680)	(1,120)	(1,073)	993
Net income from operations	30,442	(5,496)	2,164	(2,596)	(2,948)
INVESTMENT INCOME AND GAINS					
Interest - Money Market	239	991	419	122	32
Investment Income - 4-in-1 Fund	7,128	12,923	11,615	5,419	4,557
Interest - Treasury Bills	251	317	177	157	98
Unrealized Gain (Loss) - 4-in-1 Fund	28,624	33,459	(25,159)	30,415	9,710
Sub-total Investment Income before transfers	36,243	47,689	(12,947)	36,112	14,396
Interest - Transfer to Ordway Endow.	(3,483)	(12,936)	984	(2,840)	(1,162)
Less: board designated endowment spending policy transfer to operations	(4,746)	(5,929)	(6,160)	(5,965)	(5,839)
Total Investment Income after transfers	28,014	28,824	(18,123)	27,307	7,395
Total changes in unrestricted net assets	58,456	23,329	(15,960)	24,712	4,447
Beginning Unrestricted Net Assets	230,016	206,688	222,647	197,935	193,488
Plus: change in unrestricted net assets	58,456	23,329	(15,960)	24,712	4,447
Ending Unrestricted & BD Net Assets	288,472	230,016	206,688	222,647	197,935

Balance Sheet - Newton Conservators - As of 12/31/20

	Unrestricted	Temporarily Restricted	Permanently Restricted	12/31/2020 Balance	12/31/2019 Balance
ASSETS					
Village Bank Checking	8,931	25,831.04		34,762	19,014
Accounts Receivable, Prepaid Exp	6,346			6,346	7,307
Post Office	252			252	417
Golf/Reservoir Escrows		52,940.82		52,941	52,841
TOTAL Cash and AR Assets	15,529	78,771.86	-	94,301	79,580
Fidelity 4 in 1 Index Fund (Mkt Val)	233,788		21,560	255,348	219,595
Fidelity Money Market	24,833	71,823.51		96,656	101,416
Treasury Notes	3,847	11,127.64		14,975	14,749
TOTAL Investments	262,468	82,951.16	21,560	366,979	335,760
Property: Ordway (unrestr), Dexter, Awtrej	10,900		2	10,902	10,902
TOTAL ASSETS	288,897	161,723.02	21,562	472,182	426,242
LIABILITIES & NET ASSETS					
Accounts Payable	425			425	425
Golf/Reservoir Escrow	-	52,940.82		52,941	52,841
Board Designated Endowment	148,221			148,221	148,221
Spending Policy BD Endow.	11,338			11,338	6,592
TOTAL LIABILITIES & BRD DES.	159,984	52,940.82	-	212,924	208,079
NET ASSETS					
Unrestricted Net Assets	128,914	*		128,914	75,204
Weeks Field		4,749.80		4,750	4,750
Dexter Woods Maint. Fund; Land		-	1	1	1,001
Awtrey Dell Maint. Fund; Land		9,744.00	1	9,745	9,745
Land Acquisition		1,500.00		1,500	750
Land Stewardship (incl 100 for Crystal Lake)		2,662.84		2,663	1,100
Friends of Cold Spring Park		-		-	22,807
Friends of Houghton Gardens		18,486.50		18,487	5,540
Friends of Webster Woods		5,346.05		5,346	5,221
Nahanton Woodcock Meadow		1,172.13		1,172	1,097
Ordway Park Endow/JF Greenway		1,145.66	21,560	22,706	22,706
Ordway Park Improvement Fund		2,170.27		2,170	2,170
Ordway Endow. Interest		24,619.90		24,620	21,137
Riverside Trails Fund		20,897.68		20,898	24,586
Trails Revolving Fund		15,937.37		15,937	20,000
Save the Cove(formerly Regan Fund)		350.00		350	350
TOTAL NET ASSETS	128,914	108,782.20	21,562	259,258	218,163
TOTAL LIABILITIES & NET ASSETS	288,897	161,723.02	21,562	472,182	426,242

* the sum of the boxed items is the total Unrestricted Net Assets

Newton Conservators - Balance Sheet Detail - Changes in Restricted Net Assets

	12/31/2020		2019	
	Temporary	Permanent	Total	Total
Balance at beginning of year				
Weeks Field	4,749.80		4,750	4,750
Dexter Woods Maint. Fund; Land	1,000.00	1	1,001	5,001
Land Stewardship, Land Acquisition	1,850.00		1,850	350
Friends of Cold Spring Park	22,806.90		22,807	4,853
Awtrey Dell Maint. Fund; Land	9,744.00	1	9,745	9,745
Friends of Houghton Gardens	5,539.87		5,540	5,540
Friends of Webster Woods	5,221.05		5,221	4,488
Nahanton Woodcock Meadow	1,097.13		1,097	1,097
Ordway Park Endow/JF Greenway/Kennard	1,145.66	21,560	22,706	22,706
Ordway Park Improvement Fund	2,170.27		2,170	2,170
Ordway Park Endow. Interest	21,136.83		21,137	8,201
Riverside Trails Fund	25,135.61		25,136	-
Trails Revolving Fund	19,450.00		19,450	-
Save the Cove (formerly Regan)	350.00		350	1,750
Total	121,397.12	21,562	142,959	70,651

Changes during Calendar Year 2020

Riverside Trails grant/donations	100,050.00		100,050	25,150
Riverside Trails expenses (Pigeon Hill Trail)	(103,737.93)		(103,738)	(14)
Trails Revolving Fund grant (PTT) (plus \$10 gift)	63,103.55		63,104	20,000
Trails Revolving Fund expenses (Pony Truss Trail)	(67,166.18)		(67,166)	(550)
Friends of Cold Spring Park donations	3,508.55		3,509	17,954
F. of Cold Spring Park exp (trail renovation match; \$481 filings)	(12,849.00)		(12,849)	
F of Cold Spring Park - transfer bal to new entity	(13,466.45)		(13,466)	
Friends of Houghton Garden donations	65,918.63		65,919	
Friends of Houghton Garden expenses	(52,972.00)		(52,972)	
Dexter Woods expenses (plants)	(1,000.00)		(1,000)	(4,000)
Land Acquisition, Land Stewardship donation (incl 100 CL)	2,625.00		2,625	1,500
Land Stewardship expenses (Dexter Woods)	(312.16)		(312)	
Nahanton Woodcock Meadow donation	75.00		75	733
Friends of Webster Woods donation	125.00		125	(1,400)
Save the Cove	-		-	12,936
Ordway Endow. Interest earned	3,483.07		3,483	72,309
Total	(12,614.92)	-	(12,615)	

	12/31/2020		2019	
	Temporary	Permanent	Total	Total
Balance as of 12/31/20				
Weeks Field	4,749.80		4,750	4,750
Dexter Woods Maint. Fund; Land	-	1	1	1,001
Awtrey Dell Maint. Fund; Land	9,744.00	1	9,745	9,745
Land Stewardship Fund; Land Acquisition Fund	4,162.84		4,163	1,850
Friends of Cold Spring Park	-		-	22,807
Friends of Houghton Garden	18,486.50		18,487	5,540
Friends of Webster Woods	5,346.05		5,346	5,221
Nahanton Woodcock Meadow	1,172.13		1,172	1,097
Ordway Park Endowment Fund/UF Greenway	1,145.66	21,560	22,706	22,706
Ordway Park Improvement Fund	2,170.27		2,170	2,170
Ordway Park Endow. Interest	24,619.90		24,620	21,137
Riverside Trails Fund	21,447.68		21,448	25,136
Trails Revolving Fund	15,387.37		15,387	19,450
Save the Cove (formerly Regan Fund)	350.00		350	350
Total	108,782.20	21,562	130,344	142,959