CITY OF NEWTON, MASSACHUSETTS

PURCHASING DEPARTMENT
purchasing@newtonma.gov
Fax (617) 796-1227

September 22, 2014

ADDENDUM #1

REQUEST FOR PROPOSAL #15-15

OPERATION OF NEWTON COMMONWEALTH GOLF COURSE

THIS ADDENDUM IS TO: TO CORRECT THE REQUEST FOR PROPOSALS (RFP) AND TO ANSWER QUESTIONS FROM PREBID.

CORRECTION: Subsections (a) and (c) in Attachment A on p. 28 of the RFP are deleted and the remaining subsections are renumbered accordingly.

QUESTIONS:

Q1. Can we get financial history by department/ by line item for last 3 years?

Q2. What was paid to the City of Newton last year in relation to gross?
   A2. $304,434 WAS PAID TO THE CITY OF NEWTON IN 2013. GROSS REVENUE AMOUNTED TO $1,248,328.

Q3. Is there a List of capital improvements? Is there an overall plan for capital improvements? Or a Master Plan?
   A3. PLEASE SEE ATTACHED.

Q4. The $2,500.00 cap on repairs. How does it relate to pumping station/Irrigation?
   A4. THE $2,500 CAP APPLIES TO ALL REPAIRS. THE OPERATOR PAYS FOR MAINTENANCE EXPENSES INCLUDING ALL MAINTENANCE FOR THE PUMPING STATION/IRRIGATION.

All other terms and conditions of this bid remain unchanged.

PLEASE ENSURE THAT YOU ACKNOWLEDGE ALL ADDENDA ON YOUR BID FORM. FAILURE TO ACKNOWLEDGE ALL ADDENDA COULD RESULT IN REJECTION OF YOUR BID AS NONRESPONSIVE.

Thank you.

Nicholas Read
Chief Procurement Officer
Foundation Capital Improvements Completed:

2015 – Five year capital plan of projects has not been provided yet for review by the architect.

Priorities at this stage:
Replace the underground fuel storage tank
Rebuild 1st tee complex.
Rebuild bunkers on the 1st hole.
Rebuild the 3rd tee and 8th tee complex.
Drainage installation 3th and 17th holes.
Reconfigure the 11th tee complex/hole for safety.

2014 Projects Completed:
Completion of 2nd tee complex and 5th bunker and drainage project.

2013 Projects Completed:
Start of 2nd tee complex and 5th bunker and drainage project.
1st Phase of Maintenance Building master plan evaluation.
Irrigation well pump replacement.
Irrigation system weather station replacement.
Clubhouse security camera installation.
Tree removal 2nd tee complex and 5th bunker and drainage project.
NEWTON COMMONWEALTH FOUNDATION, INC.
(A Non-Profit Corporation)

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For the year ended December 31, 2013

HERMAN & HERMAN
__ Certified Public Accountants __
NEWTON COMMONWEALTH FOUNDATION, INC.
(A Non-Profit Corporation)

Financial Statements and Supplementary Information
For the year ended December 31, 2013

TABLE OF CONTENTS

INDEPENDENT AUDITORS’ REPORT.................................................................1

FINANCIAL STATEMENTS:
STATEMENT OF FINANCIAL POSITION .........................................................2
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS .........................3
STATEMENT OF CASH FLOWS ..................................................................4
NOTES TO FINANCIAL STATEMENTS ............................................................5

SUPPLEMENTARY INFORMATION:
SCHEDULE OF OPERATING EXPENDITURES .................................................7
SCHEDULE OF ACTUAL TO BUDGET ............................................................8
INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Newton Commonwealth Foundation, Inc.
212 Kenrick Street
Newton, MA 02458

We have audited the accompanying statement of financial position of Newton Commonwealth Foundation, Inc. (a non-profit corporation) as of December 31, 2013, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of Newton Commonwealth Foundation, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Newton Commonwealth Foundation, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of operating expenditures and the schedule of actual to budget on pages 7 and 8, respectively, are presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dedham, Massachusetts
September 18, 2014
NEWTON COMMONWEALTH FOUNDATION, INC.
(A Non-Profit Corporation)

Statement of Financial Position
December 31, 2013

ASSETS
Current assets:
Cash $ 629,996
Accounts receivable 4,000
Short-term investment 65,749
Prepaid expenses 11,150
Total current assets 710,895

Property and equipment:
Land improvements 3,122,333
Building improvements 94,420
Furniture and fixtures 67,038
Total property and equipment 3,283,791
Less: accumulated depreciation 1,423,970
Net property and equipment 1,859,821

Total assets $ 2,570,716

NET ASSETS
Current liabilities:
Accounts payable $ 4,495
Grants payable 50,000
Total current liabilities/total liabilities 54,495

Net Assets:
Unrestricted 2,516,221
Total net assets 2,516,221

Total net assets $ 2,570,716

The accompanying notes are an integral part of the financial statements.
NEWTON COMMONWEALTH FOUNDATION, INC.  
(A Non-Profit Corporation)  

Statement of Activities and Changes in Net Assets  
For the year ended December 31, 2013

<table>
<thead>
<tr>
<th>Revenues, gains and other support:</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>License payments</td>
<td>$297,715</td>
<td>$</td>
<td>$</td>
<td>$297,715</td>
</tr>
<tr>
<td>Interest income</td>
<td>1,600</td>
<td></td>
<td></td>
<td>1,600</td>
</tr>
<tr>
<td><strong>Total revenues, gains and other support</strong></td>
<td>299,315</td>
<td></td>
<td></td>
<td>299,315</td>
</tr>
</tbody>
</table>

| Operating expenditures:                    |              |                       |                       |             |
| Program services                           | 15,568       |                        |                       | 15,568      |
| Supporting services:                       |              |                       |                       |             |
| Management and general                     | 164,277      |                        |                       | 164,277     |
| Fundraising                                |              |                        |                       |             |
| Other expenditures                         | 50,000       |                        |                       | 50,000      |
| **Total operating expenditures**           | 229,845      |                        |                        | 229,845     |

| Total changes in net assets                | 69,470       |                        |                        | 69,470      |

| Net assets at beginning of year            | 2,446,751    |                        |                        | 2,446,751   |

| Net assets at end of year                  | $2,516,221   | $                      | $                      | $2,516,221  |

*The accompanying notes are an integral part of the financial statements.*
NEWTON COMMONWEALTH FOUNDATION, INC.  
(A Non-Profit Corporation)  

Statement of Cash Flows  
For the year ended December 31, 2013  

Cash flows from operating activities:  
Changes in net assets $ 69,470  
Adjustments to reconcile changes in net assets provided by operating activities:  
Depreciation 156,951  
(Increase) decrease in accounts receivable, net 14,669  
(Increase) decrease in prepaid expenses (10,490)  
(Decrease) increase in accounts payable 4,215  
Net cash provided by operating activities 234,815  

Cash flows from investing activities:  
Purchases of property and equipment (51,613)  
Increase in short-term investments 119  
Net cash used by investing activities (51,732)  

Net decrease in cash 183,083  
Cash, beginning of year 446,913  
Cash, end of year $ 629,996  

Supplemental disclosures of cash flow information:  
Cash paid during the year for:  
Interest expense $  
Income taxes $  

The accompanying notes are an integral part of the financial statements.
NEWTON COMMONWEALTH FOUNDATION, INC.
(A Non-Profit Corporation)

Notes to Financial Statements

1. Nature of Organization and Operations

Newton Commonwealth Foundation, Inc. (the Company) is a non-profit corporation formed pursuant to Chapter 180 of the General Laws of the Commonwealth of Massachusetts. The Company operates through a licensee, a municipal golf course for the City of Newton, Massachusetts.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of Newton Commonwealth Foundation, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

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 Company 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.

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 assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Company considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. As of December 31, 2013, Cash includes checking and savings accounts.

Short-term Investments

The Company's short-term investment includes a certificate of deposit held at one financial institution with a maturity of thirteen months. The Company believes it is not exposed to any significant credit risk on its short-term investment. The balances at times during the year may exceed the financial institution's federally insured limits.
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment is carried at cost. Major improvements are charged to property and equipment while maintenance and repairs that do not extend the useful lives of the assets are expensed as incurred. Depreciation expense is computed on the straight-line method for both financial reporting and tax purposes.

3. Other expenditures/Grant payable

As part of the agreement between the City of Newton and the Newton Commonwealth Foundation dated February 24, 2004 the Company agrees to make an annual payment to the City of not less than fifty thousand dollars ($50,000) to be used for conservation and/or recreation purposes.

4. Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The Company maintains four bank accounts at one financial institution located in Massachusetts. The Federal Deposit Insurance Corporation (FDIC) up to $250,000 insures accounts at this institution. At December 31, 2013, the Company has one checking or savings account with a balance in excess of $250,000. In addition to the FDIC insurance The Village Bank insures the remaining balance of the Company's funds through the State Insurance Fund. The Company's cash balances at times during the year may exceed the financial institutions federally insured limits.

5. Income Tax Status

The Company is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision has been made for income taxes. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Company produced no unrelated business income for the fiscal year 2013. Persons may rely on this determination unless the Internal Revenue Service subsequently publishes notice to the contrary. The Company is required to report the results of operations annually to the Internal Revenue Service and to the Commonwealth of Massachusetts.
SUPPLEMENTARY INFORMATION
NEWTON COMMONWEALTH FOUNDATION, INC.
(A Non-Profit Corporation)

Schedule of Operating Expenditures
For the year ended December 31, 2013

Operating expenditures:
Program services:
Golf course operating expenditures:
   Course consultant fee .................................. $ 1,900
   Equipment maintenance contract .................. 1,899
   Geese control ........................................... 1,019
   Irrigation/drainage ..................................... 3,766
   Trees ................................................... 6,984
   Total program services ................................. 15,568

Supporting services:
Management and general:
   Bank charges ........................................... 50
   Depreciation ............................................ 156,951
   Filing fees ............................................. 140
   Office expense ......................................... 3,061
   Professional fees ...................................... 4,075
   Total management and general ..................... 164,277

Other expenditures:
Newton Parks and Recreation ......................... 25,000
Newton Conservation Commission .................. 25,000
   Total other expenditures .......................... 50,000

   Total supporting services .......................... 214,277

   Total operating expenditures ....................... $ 229,845

The accompanying notes are an integral part of the financial statements.
NEWTON COMMONWEALTH FOUNDATION, INC.
(A Non-Profit Corporation)

Schedule of Actual to Budget
For the year ended December 31, 2013

<table>
<thead>
<tr>
<th>Revenues and other support:</th>
<th>Actual 2013</th>
<th>Budget 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>License payments</td>
<td>$297,715</td>
<td>$250,000</td>
</tr>
<tr>
<td>Total program service revenue</td>
<td>297,715</td>
<td>250,000</td>
</tr>
<tr>
<td>Interest income</td>
<td>1,600</td>
<td>1,000</td>
</tr>
<tr>
<td>Total revenues and other support</td>
<td>$299,315</td>
<td>$251,000</td>
</tr>
</tbody>
</table>

Operating expenditures:
Program services:
Golf course operating expenditures:
- Consultant fee: $1,900 | $2,000
- Equipment maintenance contract: 1,809 | 1,500
- Geese control: 1,019 | 1,100
- Irrigation/drainage: 3,766 | 5,000
- Trees: 6,984 | 10,000
Total program services: 15,568 | 27,600

Supporting services:
Management and general:
- Bank charges: 50 | 100
- Depreciation: 156,951 | 157,000
- Filing fees: 140 | 140
- Office expense: 3,061 | 4,000
- Professional fees: 4,075 | 4,100
Total management and general: 164,277 | 165,400

Other expenditures:
- Newton Parks and Recreation: 25,000 | 25,000
- Newton Conservation Commission: 25,000 | 25,000
Total other expenditures: 50,000 | 50,000

Total supporting services: 214,277 | 215,400

Total operating expenditures: $229,845 | $243,000

Total changes in net assets: $69,470 | $8,000

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