

NUTTALL ORNITHOLOGICAL CLUB, INC.

FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

To the Council  
Nuttall Ornithological Club, Inc.  
Stoughton, Massachusetts

Management is responsible for the accompanying financial statements of Nuttall Ornithological Club, Inc. (a non-profit organization), which comprise the *statement of assets, liabilities, and net assets – modified cash basis* as of September 30, 2020 and the related *statement of activities and changes in net assets – modified cash basis, statement of functional expenses – modified cash basis* and *statement of cash flows – modified cash basis* for the year then ended, and the related notes to the financial statements in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note B of the financial statements, which 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.

The supplementary information contained in pages 9 – 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

*Morgan & Morgan P.C.*

Hingham, Massachusetts  
November 13, 2020

**NUTTALL ORNITHOLOGICAL CLUB, INC.**

**STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS**

**As of September 30,**

	<u>Treasurer</u>	<u>Trustees</u>	<u>Blake - Nuttall Fund</u>	<u>2020 TOTAL</u>	<u>2019 TOTAL</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS :</b>					
Cash - Middlesex Savings Bank	\$ 29 830	\$ - -	\$ - -	\$ 29 830	\$ 14 740
Cash - Howland Capital Management	<u>- -</u>	<u>71 730</u>	<u>- -</u>	<u>71 730</u>	<u>91 757</u>
<b>TOTAL CURRENT ASSETS</b>	29 830	71 730	- -	101 560	106 497
<b>INVESTMENTS, AT FAIR VALUE :</b>					
Domestic equities	- -	1 035 807	- -	1 035 807	916 921
Fixed income	- -	290 176	- -	290 176	336 142
International equities	- -	346 285	- -	346 285	363 905
Commodities	<u>- -</u>	<u>70 848</u>	<u>- -</u>	<u>70 848</u>	<u>55 548</u>
<b>TOTAL INVESTMENTS, AT FAIR VALUE</b>	<u>- -</u>	<u>1 743 116</u>	<u>- -</u>	<u>1 743 116</u>	<u>1 672 516</u>
 <b>TOTAL ASSETS</b>	 <u>\$ 29 830</u>	 <u>\$ 1 814 846</u>	 <u>\$ - -</u>	 <u>\$ 1 844 676</u>	 <u>\$ 1 779 013</u>
 <b>LIABILITIES AND NET ASSETS</b>					
<b>NET ASSETS :</b>					
Without donor restrictions:					
Undesignated	<u>\$ 29 830</u>	<u>\$ 1 814 846</u>	<u>\$ - -</u>	<u>\$ 1 844 676</u>	<u>\$ 1 779 013</u>
<b>TOTAL NET ASSETS</b>	<u>29 830</u>	<u>1 814 846</u>	<u>- -</u>	<u>1 844 676</u>	<u>1 779 013</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u>\$ 29 830</u>	 <u>\$ 1 814 846</u>	 <u>\$ - -</u>	 <u>\$ 1 844 676</u>	 <u>\$ 1 779 013</u>

See accompanying notes and accountant's compilation report.

NUTTALL ORNITHOLOGICAL CLUB, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

For the Years Ended September 30,

	Without Donor Restrictions				
	Treasurer	Trustees	Blake - Nuttall Fund	2020 TOTAL	2019 TOTAL
SUPPORT AND REVENUE :					
Dues	\$ 1 282	\$ - -	\$ - -	\$ 1 282	\$ 5 641
Publication sales	200	- -	- -	200	- -
Contributions	3 100	- -	12 314	15 414	17 465
Other income	90	- -	- -	90	- -
Investment income	- -	25 114	- -	25 114	28 687
TOTAL SUPPORT AND REVENUE	4 672	25 114	12 314	42 100	51 793
EXPENSE:					
Ornithological activities	7 957	- -	42 794	50 751	52 846
Publication	41 501	- -	- -	41 501	20 930
General and administrative	4 644	- -	- -	4 644	9 486
TOTAL EXPENSE	54 102	- -	42 794	96 896	83 262
EXCESS (DEFICIT) OF SUPPORT AND REVENUE OVER EXPENSE BEFORE OTHER CHANGES	( 49 430)	25 114	( 30 480)	( 54 796)	( 31 469)
OTHER CHANGES :					
Net realized and unrealized gain (loss) on investments	- -	120 459	- -	120 459	98 098
Transfers	64 520	( 95 000)	30 480	- -	- -
TOTAL OTHER CHANGES	64 520	25 459	30 480	120 459	98 098
INCREASE (DECREASE) IN NET ASSETS	15 090	50 573	- -	65 663	66 629
NET ASSETS, BEGINNING	\$ 14 740	\$ 1 764 273	\$ - -	\$ 1 779 013	\$ 1 712 384
NET ASSETS, ENDING	\$ 29 830	\$ 1 814 846	\$ - -	\$ 1 844 676	\$ 1 779 013

See accompanying notes and accountant's compilation report.

**NUTTALL ORNITHOLOGICAL CLUB, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS**  
**For the Years Ended September 30,**

	<u>Treasurer</u>	<u>Trustees</u>	<u>Blake - Nuttall Fund</u>	<u>2020 TOTAL</u>	<u>2019 TOTAL</u>
ORNITHOLOGICAL ACTIVITIES :					
Grants	\$ - -	\$ - -	\$ 42 794	\$ 42 794	\$ 45 709
Honorariums and travel	7 126	- -	- -	7 126	5 500
Contributions	- -	- -	- -	- -	500
Meetings	831	- -	- -	831	1 137
TOTAL ORNITHOLOGICAL ACTIVITIES	7 957	- -	42 794	50 751	52 846
PUBLICATION :					
Publication expense	41 501	- -	- -	41 501	20 930
TOTAL PUBLICATION	41 501	- -	- -	41 501	20 930
GENERAL AND ADMINISTRATIVE :					
Fees	72	- -	- -	72	35
Liability insurance	1 344	- -	- -	1 344	1 344
Office expenses	1 128	- -	- -	1 128	1 957
Professional services	2 100	- -	- -	2 100	6 150
TOTAL GENERAL AND ADMINISTRATIVE	4 644	- -	- -	4 644	9 486
TOTAL EXPENSE	<u>\$ 54 102</u>	<u>\$ - -</u>	<u>\$ 42 794</u>	<u>\$ 96 896</u>	<u>\$ 83 262</u>

See accompanying notes and accountant's compilation report.

NUTTALL ORNITHOLOGICAL CLUB, INC.

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

For the Years Ended September 30,

	Treasurer	Trustees	Blake - Nuttall Fund	2020 TOTAL	2019 TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES :					
Increase (decrease) in net assets	\$ 15 090	\$ 50 573	\$ - -	\$ 65 663	\$ 66 629
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities :					
Realized (gain)loss on investments	- -	(57 088)	- -	(57 088)	(63 258)
Net unrealized (gain)loss on investments	- -	(63 371)	- -	(63 371)	(34 840)
Net bond amortization(accretion)	- -	457	- -	457	318
NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	15 090	(69 429)	- -	(54 339)	(31 151)
CASH FLOWS FROM INVESTING ACTIVITIES :					
Proceeds from sale of investments	- -	417 599	- -	417 599	545 159
Purchase of investments	- -	(368 198)	- -	(368 198)	(457 461)
NET CASH PROVIDED (REQUIRED) BY INVESTING ACTIVITIES	- -	49 401	- -	49 401	87 698
NET INCREASE (DECREASE) IN CASH	15 090	(20 028)	- -	(4 938)	56 547
CASH AND CASH EQUIVALENTS, OCTOBER 1,	14 740	91 758	- -	106 498	49 950
CASH AND CASH EQUIVALENTS, SEPTEMBER 30,	\$ 29 830	\$ 71 730	\$ - -	\$ 101 560	\$ 106 497

See accompanying notes and accountant's compilation report.

NUTTALL ORNITHOLOGICAL CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A - ORGANIZATIONAL PURPOSE

The Nuttall Ornithological Club, Inc. (the Club) is a non-profit organization established to promote ornithology, encourage acquaintance and discussion among its members, uphold scientific methods and standards of accuracy, and publish papers on ornithological subjects. The current officers and trustees are as follows:

- J. Michael Reed, President
- Kimberly Peters, Vice President
- Glenn d'Entremont, Treasurer
- Barbara M. Volkle, Secretary
- H. Christian Floyd, Trustee
- Allan R. Keith, Trustee
- John A. Shetterly, Trustee
- Robert H. Stymeist, Trustee

NOTE B - SUMMARY OF SIGNIFICANT POLICIES

Basis of Accounting

The Club's financial statements have been prepared on a modified cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). This basis differs from GAAP primarily because certain revenues are recognized when received rather than when earned and certain expenditures are recognized when cash is disbursed rather than when the obligation is incurred, except for investments which are presented at fair market value.

Basis of Presentation

The Club is required to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Club. These net assets may be used at the discretion of the Club and the board of directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors or grantors. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events or purpose specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions.

NUTTALL ORNITHOLOGICAL CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Financial Information

The financial statements include certain prior-year, summarized, comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Club's financial statements for the year ended September 30, 2019, from which the summarized information was derived.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows – Modified Cash Basis, the Club considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Fair Value of Investments

The Club carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Income Taxes

The Club is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Club is required to assess uncertain tax positions and has determined that there were no such positions that are material to the financial statements. Any changes in tax positions will be recorded when the ultimate outcome becomes known. The Club's tax returns are subject to examination by the Internal Revenue Service for the years ended September 30, 2019, 2018 and 2017.



**NUTTALL ORNITHOLOGICAL CLUB, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2020**

**NOTE C – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 101 560	\$ 106 497
Investments	<u>1 743 116</u>	<u>1 672 516</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1 844 676</u>	<u>\$ 1 779 013</u>

As part of its liquidity management, the Club has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

**NOTE D - INVESTMENTS**

The Financial Accounting Standards Board (FASB, issued FASB ASC 820 *Fair Value Measurements and Disclosure*, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in an active market for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

*Level 1*

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities.

*Level 2*

Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

*Level 3*

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

NUTTALL ORNITHOLOGICAL CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE D – INVESTMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Club's investments at fair value as of September 30, 2020, with comparative totals as of September 30, 2019:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	2020 Fair Value	2019 Fair Value
Domestic equities	\$ 1 035 807	\$ - -	\$ - -	\$ 1 035 807	\$ 916 921
Fixed income	290 176	- -	- -	290 176	336 142
International equities	346 285	- -	- -	346 285	363 905
Commodities	<u>70 848</u>	<u>- -</u>	<u>- -</u>	<u>70 848</u>	<u>55 548</u>
TOTALS	<u>\$ 1 743 116</u>	<u>\$ - -</u>	<u>\$ - -</u>	<u>\$ 1 743 116</u>	<u>\$ 1 672 516</u>

The following table represents investment return for the years ended September 30, 2020, and September 30, 2019:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 40 316	\$ 43 654
Net realized and unrealized gains and (losses)	120 459	98 098
Investment fees	<u>( 15 202)</u>	<u>( 14 967)</u>
Total investment return	<u>\$ 145 573</u>	<u>\$ 126 785</u>

NOTE E - SUBSEQUENT EVENTS

In accordance with the guidance for subsequent events, the Club evaluated all subsequent events for recognition or disclosure through November 13, 2020 the date the financial statements were available to be issued.

**NUTTALL ORNITHOLOGICAL CLUB, INC.**

**SUPPLEMENTARY INFORMATION – MODIFIED CASH BASIS**

**For the Year Ended September 30, 2020**

THE FOLLOWING PAGES ARE NOT AN INTEGRAL PART OF THE  
REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2020.

NUTTALL ORNITHOLOGICAL CLUB, INC.

RECONCILIATION OF FUND BALANCE TO NET ASSETS

For the Year Ended September 30, 2020

	Trustees Funds			Treasurer	Blake - Nuttall Fund	TOTAL
	Principal Fund	Accumulated Income	TOTAL			
Beginning balance, October 1, 2019	\$ 2 006 569	( 242 296)	\$ 1 764 273	\$ 14 740	\$ - -	\$ 1 779 013
Income	- -	25 114	25 114	4 672	12 314	42 100
Realized gain (loss)	57 088	- -	57 088	- -	- -	57 088
Transfers	- -	( 95 000)	( 95 000)	64 520	30 480	- -
Expenditures	- -	- -	- -	( 54 102)	( 42 794)	( 96 896)
Ending balance, September 30, 2020	2 063 657	( 312 182)	1 751 475	29 830	- -	1 781 305
Unrealized gain (loss) on investments	63 371	- -	63 371	- -	- -	63 371
ADJUSTED FUND BALANCE, SEPTEMBER 30, 2020	\$ 2 127 028	\$ ( 312 182)	\$ 1 814 846	\$ 29 830	\$ - -	\$ 1 844 676

ALLOCATION OF FUND BALANCE TO NET ASSETS:

Undesignated net assets - Treasurer	\$ - -	\$ - -	\$ - -	\$ 29 830	\$ - -	\$ 29 830
Undesignated net assets - Trustees	2 127 028	( 312 182)	1 814 846	- -	- -	1 814 846
Undesignated net assets - Blake - Nuttall Fund	- -	- -	- -	- -	- -	- -
TOTAL NET ASSETS	\$ 2 127 028	\$ ( 312 182)	\$ 1 814 846	\$ 29 830	\$ - -	\$ 1 844 676

See accountant's compilation report.

NUTTALL ORNITHOLOGICAL CLUB, INC.  
BLAKE - NUTTALL FUND  
STATEMENT OF ACTIVITIES AND CHANGES  
IN NET ASSETS - MODIFIED CASH BASIS  
For the Year Ended September 30, 2020

BEGINNING BALANCE, OCT 1, 2019	\$ - -
SUPPORT AND REVENUE :	
Received from Charles H. Blake Trust	12 314
Received from Nuttall Ornithological Members	- -
Investment income	- -
TOTAL SUPPORT AND REVENUE	12 314
EXPENSE :	
Distribution of grants	42 794
Bank service charge	- -
TOTAL EXPENSE	42 794
OTHER CHANGES :	
Funds transferred from Trustees Account	42 794
Funds transferred to Treasurers Account	( 12 314)
TOTAL OTHER CHANGES	30 480
INCREASE (DECREASE) IN NET ASSETS	- -
ENDING BALANCE, SEPTEMBER 30, 2020	\$ - -

See accountant's compilation report.