

NUTTALL ORNITHOLOGICAL CLUB, INC.

FINANCIAL STATEMENTS

For the Year Ended September 30, 2019

To the Council
Nuttall Ornithological Club, Inc.
Bolton, 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, 2019 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 10 – 11 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.



Hingham, Massachusetts
November 27, 2019

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>2019 TOTAL</u>	<u>2018 TOTAL</u>
ASSETS					
CURRENT ASSETS :					
Cash - Middlesex Savings Bank	\$ 14 740	\$ - -	\$ - -	\$ 14 740	\$ 7 187
Cash - Howland Capital Management	<u>- -</u>	<u>91 757</u>	<u>- -</u>	<u>91 757</u>	<u>42 763</u>
TOTAL CURRENT ASSETS	14 740	91 757	- -	106 497	49 950
INVESTMENTS, AT FAIR VALUE :					
Domestic equities	- -	916 921	- -	916 921	996 885
Fixed income	- -	336 142	- -	336 142	343 556
International equities	- -	363 905	- -	363 905	276 889
Commodities	<u>- -</u>	<u>55 548</u>	<u>- -</u>	<u>55 548</u>	<u>45 104</u>
TOTAL INVESTMENTS, AT FAIR VALUE	<u>- -</u>	<u>1 672 516</u>	<u>- -</u>	<u>1 672 516</u>	<u>1 662 434</u>
 TOTAL ASSETS	 <u>\$ 14 740</u>	 <u>\$ 1 764 273</u>	 <u>\$ - -</u>	 <u>\$ 1 779 013</u>	 <u>\$ 1 712 384</u>
 LIABILITIES AND NET ASSETS					
NET ASSETS :					
Without donor restrictions:					
Undesignated	<u>\$ 14 740</u>	<u>\$ 1 764 273</u>	<u>\$ - -</u>	<u>\$ 1 779 013</u>	<u>\$ 1 712 384</u>
TOTAL NET ASSETS	<u>14 740</u>	<u>1 764 273</u>	<u>- -</u>	<u>1 779 013</u>	<u>1 712 384</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14 740</u>	<u>\$ 1 764 273</u>	<u>\$ - -</u>	<u>\$ 1 779 013</u>	<u>\$ 1 712 384</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,

	<u>Without Donor Restrictions</u>			<u>2019 TOTAL</u>	<u>2018 TOTAL</u>
	<u>Treasurer</u>	<u>Trustees</u>	<u>Blake - Nuttall Fund</u>		
SUPPORT AND REVENUE :					
Dues	\$ 5 641	\$ - -	\$ - -	\$ 5 641	\$ 4 465
Publication sales	- -	- -	- -	- -	741
Contributions	4 000	- -	13 465	17 465	16 231
Investment income	- -	28 687	- -	28 687	24 178
TOTAL SUPPORT AND REVENUE	<u>9 641</u>	<u>28 687</u>	<u>13 465</u>	<u>51 793</u>	<u>45 615</u>
EXPENSE:					
Ornithological activities	7 137	- -	45 709	52 846	64 817
Publication	20 930	- -	- -	20 930	25 392
General and administrative	9 486	- -	- -	9 486	7 127
TOTAL EXPENSE	<u>37 553</u>	<u>- -</u>	<u>45 709</u>	<u>83 262</u>	<u>97 336</u>
EXCESS (DEFICIT) OF SUPPORT AND REVENUE OVER EXPENSE BEFORE OTHER CHANGES	(27 912)	28 687	(32 244)	(31 469)	(51 721)
OTHER CHANGES :					
Net realized and unrealized gain (loss) on investments	- -	98 098	- -	98 098	80 524
Transfers	35 465	(67 709)	32 244	- -	- -
TOTAL OTHER CHANGES	<u>35 465</u>	<u>30 389</u>	<u>32 244</u>	<u>98 098</u>	<u>80 524</u>
INCREASE (DECREASE) IN NET ASSETS	7 553	59 076	- -	66 629	28 803
NET ASSETS, BEGINNING	<u>\$ 7 187</u>	<u>\$ 1 705 197</u>	<u>\$ - -</u>	<u>\$ 1 712 384</u>	<u>\$ 1 683 581</u>
NET ASSETS, ENDING	<u>\$ 14 740</u>	<u>\$ 1 764 273</u>	<u>\$ - -</u>	<u>\$ 1 779 013</u>	<u>\$ 1 712 384</u>

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>2019 TOTAL</u>	<u>2018 TOTAL</u>
ORNITHOLOGICAL ACTIVITIES :					
Grants	\$ - -	\$ - -	\$ 45 709	\$ 45 709	\$ 53 000
Honorariums and travel	5 500	- -	- -	5 500	10 643
Contributions	500	- -	- -	500	500
Meetings	1 137	- -	- -	1 137	674
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ORNITHOLOGICAL ACTIVITIES	7 137	- -	45 709	52 846	64 817
PUBLICATION :					
Publication expense	20 930	- -	- -	20 930	25 392
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL PUBLICATION	20 930	- -	- -	20 930	25 392
GENERAL AND ADMINISTRATIVE :					
Fees	35	- -	- -	35	35
Liability insurance	1 344	- -	- -	1 344	1 344
Office expenses	1 957	- -	- -	1 957	1 848
Professional services	6 150	- -	- -	6 150	3 900
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL GENERAL AND ADMINISTRATIVE	9 486	- -	- -	9 486	7 127
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENSE	<u>\$ 37 553</u>	<u>\$ - -</u>	<u>\$ 45 709</u>	<u>\$ 83 262</u>	<u>\$ 97 336</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,

	<u>Treasurer</u>	<u>Trustees</u>	<u>Blake - Nuttall Fund</u>	<u>2019 TOTAL</u>	<u>2018 TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES :					
Increase (decrease) in net assets	\$ 7 553	\$ 59 076	\$ - -	\$ 66 629	\$ 28 803
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities :					
Realized (gain)loss on investments	- -	(63 258)	- -	(63 258)	(67 191)
Net unrealized (gain)loss on investments	- -	(34 840)	- -	(34 840)	(13 333)
Net bond amortization(accretion)	- -	318	- -	318	345
NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	7 553	(38 704)	- -	(31 151)	(51 376)
CASH FLOWS FROM INVESTING ACTIVITIES :					
Proceeds from sale of investments	- -	545 159	- -	545 159	277 608
Purchase of investments	- -	(457 461)	- -	(457 461)	(319 699)
NET CASH PROVIDED (REQUIRED) BY INVESTING ACTIVITIES	- -	87 698	- -	87 698	(42 091)
NET INCREASE (DECREASE) IN CASH	7 553	48 994	- -	56 547	(93 467)
CASH AND CASH EQUIVALENTS, OCTOBER 1,	7 187	42 763	- -	49 950	143 417
CASH AND CASH EQUIVALENTS, SEPTEMBER 30,	\$ 14 740	\$ 91 757	\$ - -	\$ 106 497	\$ 49 950

See accompanying notes and accountant's compilation report.

NUTTALL ORNITHOLOGICAL CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

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:

- David M. Larson, President
- J. Michael Reed, Vice President
- Ronald B. Lockwood, 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 policy is to prepare its financial statements on a modified cash basis of accounting; consequently, 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, 2019

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, 2018, 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 short-term debt securities purchased with a maturity of less than one year 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, 2018, 2017 and 2016.

NUTTALL ORNITHOLOGICAL CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements

Change in Accounting Principle

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understanding of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Club implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

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>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 106 497	\$ 49 950
Investments	<u>1 672 516</u>	<u>1 662 434</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1 779 013</u>	<u>\$ 1 712 384</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:

NUTTALL ORNITHOLOGICAL CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE D – INVESTMENTS (Continued)

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.

The following table sets forth by level, within the fair value hierarchy, the Club's investments at fair value as of September 30, 2019, with comparative totals as of September 30, 2018:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	2019 Fair Value	2018 Fair Value
Domestic equities	\$ 916 921	\$ - -	\$ - -	\$ 916 921	\$ 996 885
Fixed income	336 142	- -	- -	336 142	343 556
International equities	363 905	- -	- -	363 905	276 889
Commodities	55 548	- -	- -	55 548	45 104
TOTALS	<u>\$ 1 672 516</u>	<u>\$ - -</u>	<u>\$ - -</u>	<u>\$ 1 672 516</u>	<u>\$ 1 662 434</u>

NUTTALL ORNITHOLOGICAL CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE D – INVESTMENTS (Continued)

The following table represents investment return for the years ended September 30, 2019, and September 30, 2018:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 43 654	\$ 39 002
Net realized and unrealized gains and (losses)	98 098	80 524
Investment fees	<u>(14 967)</u>	<u>(14 824)</u>
Total investment return	<u>\$ 126 785</u>	<u>\$ 104 702</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 27, 2019 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, 2019

THE FOLLOWING PAGES ARE NOT AN INTEGRAL PART OF THE
REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2019.

NUTTALL ORNITHOLOGICAL CLUB, INC.
RECONCILIATION OF FUND BALANCE TO NET ASSETS
For the Year Ended September 30, 2019

	Trustees Funds			Treasurer	Blake - Nuttall	
	Principal Fund	Accumulated Income	TOTAL		Fund	TOTAL
Beginning balance, October 1, 2018	\$ 1 908 471	(203 274)	\$ 1 705 197	\$ 7 187	\$ - -	\$ 1 712 384
Income	- -	28 687	28 687	9 641	13 465	51 793
Realized gain (loss)	63 258	- -	63 258	- -	- -	63 258
Transfers	- -	(67 709)	(67 709)	35 465	32 244	- -
Expenditures	- -	- -	- -	(37 553)	(45 709)	(83 262)
Ending balance, September 30, 2019	1 971 729	(242 296)	1 729 433	14 740	- -	1 744 173
Unrealized gain (loss) on investments	34 840	- -	34 840	- -	- -	34 840
ADJUSTED FUND BALANCE, SEPTEMBER 30, 2019	<u>\$ 2 006 569</u>	<u>\$ (242 296)</u>	<u>\$ 1 764 273</u>	<u>\$ 14 740</u>	<u>\$ - -</u>	<u>\$ 1 779 013</u>
ALLOCATION OF FUND BALANCE TO NET ASSETS:						
Undesignated net assets - Treasurer	\$ - -	\$ - -	\$ - -	\$ 14 740	\$ - -	\$ 14 740
Undesignated net assets - Trustees	2 006 569	(242 296)	1 764 273	- -	- -	1 764 273
Undesignated net assets - Blake - Nuttall Fund	- -	- -	- -	- -	- -	- -
TOTAL NET ASSETS	<u>\$ 2 006 569</u>	<u>\$ (242 296)</u>	<u>\$ 1 764 273</u>	<u>\$ 14 740</u>	<u>\$ - -</u>	<u>\$ 1 779 013</u>

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, 2019

BEGINNING BALANCE, OCT 1, 2018	\$	- -
SUPPORT AND REVENUE :		
Received from Charles H. Blake Trust		13 465
Received from Nuttall Ornithological Members		- -
Investment income		- -
TOTAL SUPPORT AND REVENUE		13 465
EXPENSE :		
Distribution of grants		45 709
Bank service charge		- -
TOTAL EXPENSE		45 709
OTHER CHANGES :		
Funds transferred from Trustees Account		45 709
Funds transferred to Treasurers Account		(13 465)
TOTAL OTHER CHANGES		32 244
INCREASE (DECREASE) IN NET ASSETS		- -
ENDING BALANCE, SEPTEMBER 30, 2019	\$	- -

See accountant's compilation report.