

**HUDSON MOHAWK ROAD RUNNERS CLUB  
FINANCIAL REPORT  
DECEMBER 31, 2022**

# HUDSON MOHAWK ROAD RUNNERS CLUB

## TABLE OF CONTENTS

	<b>PAGE</b>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS	2
NOTES TO FINANCIAL STATEMENT	3 - 5



BUSINESS  
ADVISORS  
AND CPAS

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
Hudson Mohawk Road Runners Club

We have reviewed the accompanying statement of cash receipts and disbursements of Hudson Mohawk Road Runners Club (a nonprofit organization) for the year ended December 31, 2022, and the related notes to the financial statement. 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 statement as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting the company uses 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 financial statements that are free from material misstatement whether due to fraud or error.

### Accountant's Responsibility

Our 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 us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Hudson Mohawk Road Runners Club and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying statement of cash receipts and disbursements in order for it to be in accordance with the cash receipts and disbursements basis of accounting.

### Basis of Accounting

We draw attention to Note 3 of the financial statement, which describes the basis of accounting. The financial statement has been prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

*Mengel, Metzger, Barw & Co. LLP*

Latham, NY  
June 1, 2023

Canandaigua + Elmira + Latham + Queensbury + Rochester

*An Independent Member of the BDO Alliance USA*

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**HUDSON MOHAWK ROAD RUNNERS CLUB  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**CASH RECEIPTS**

Contributions, Sponsorships and Entry Fees from Races	\$ 424,338
Membership Dues	14,219
Interest	2,158
Clothing Sales	554
Other Income	479
<b>Total Cash Receipts</b>	<b>441,748</b>

**CASH DISBURSEMENTS**

Race Expenses, including Advertising of \$11,651	334,373
Professional Services, Insurance and Other Administration	15,549
Facility	7,639
Vehicle Maintenance	3,564
Programs	58,301
Communications	8,863
Membership, including Banquet of \$1,260	5,416
Volunteers	675
Payroll Expenses	10,530
<b>Total Cash Disbursements</b>	<b>444,910</b>

<b>Decrease in Cash</b>	(3,162)
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CASH WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	537,936
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<b>CASH WITHOUT DONOR RESTRICTIONS, END OF YEAR</b>	<b>\$ 534,774</b>
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**HUDSON MOHAWK ROAD RUNNERS CLUB**  
**NOTES TO FINANCIAL STATEMENT**  
**DECEMBER 31, 2022**

**1. NATURE OF OPERATIONS**

The Hudson Mohawk Road Runners Club (the Club) is the Albany, New York area's largest running organization. The Club formed in 1971 and was incorporated under Section 402 of the Not-for-Profit Corporation Law of the State of New York during 1977. The Club has over 2,000 members and organizes nearly 30 running events a year. The Club is dedicated to promoting the sport of distance running through education and training to promote running as a part of a healthy lifestyle, promoting personal fitness and community through organizing and managing running events, providing a means of communication among club members and creating opportunities for social activities. The Club is primarily supported by entry fees from races.

**2. INCOME TAXES**

The Club is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Club qualifies for the charitable contribution deduction and has been classified as an organization that is not a private foundation.

The tax status of tax-exempt entities is an uncertain tax position, since events could potentially occur that jeopardize tax-exempt status. Management of the Club is not aware of any events that could jeopardize tax-exempt status and follows statutory requirements and avoids risks with tax positions that may be challenged upon examination. Therefore, no provision for income tax relating to uncertain tax provisions has been disclosed.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies applied in the preparation of the financial statement follow:

***Basis of Accounting***

The Club's policy is to prepare its financial statement on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized in the financial statement. Consequently, contributions and other revenues are recognized when received rather than when promised or earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

***Cash Position Classes***

The financial statement presents information regarding the Club's cash position and activities according to two classes: cash without donor restrictions and cash with donor restrictions.

*Without Donor Restrictions* - Cash that is not subject to donor-imposed stipulations.

*With Donor Restrictions* - Cash subject to donor-imposed stipulations that expire by the passage of time, can be fulfilled or removed by actions pursuant to those stipulations, or are required to be maintained permanently, thereby restricting the use of principal. The Club had no cash with donor restrictions at December 31, 2022.

**HUDSON MOHAWK ROAD RUNNERS CLUB  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2022**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Contributions***

Contributions are recorded as with donor restrictions if received with donor stipulations that limit the use of the contribution. When a stipulated restriction is accomplished, contributions with donor restrictions are reclassified to contributions without donor restrictions. Contributions which impose restrictions met in the same year they are received are included in contributions without donor restrictions.

***Fair Value Measurement of Financial Instruments***

Financial instruments consist of cash. It is management's opinion that the Club is not exposed to significant interest rate or credit risk arising from cash. The fair value of cash is its market value, which approximates carrying value.

**4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Financial assets available within one year for general expenditures, such as race expenses, program expenses, and operating expenses, were as follows at December 31, 2022:

Cash	<u>\$ 534,774</u>
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As part of the Club's liquidity management, it has a policy to structure its financial asset to be available as its general expenditures and obligations become due. Additionally, the Club invests cash in excess of daily requirements in an interest bearing preferred plus savings account.

**5. CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Club to concentrations of credit risk consist of cash accounts in a financial institution which, from time to time, may exceed federally insured limits. There were uninsured balances totaling approximately \$250,800 at December 31, 2022. The Club has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

**HUDSON MOHAWK ROAD RUNNERS CLUB  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2022**

**6. FUNCTIONAL EXPENSES**

Program and supporting services expenses related to promoting the sport of distance running through education and training are as follows:

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Race expenses, including advertising of \$11,651	\$ 322,722	\$ 11,651	\$ 334,373
Professional services, insurance and other administration	-	15,549	15,549
Facility	-	7,639	7,639
Vehicle maintenance	-	3,564	3,564
Programs	58,301	-	58,301
Communications	-	8,863	8,863
Membership, including Banquet of \$-0-	-	5,416	5,416
Volunteers	-	675	675
Payroll expenses	<u>-</u>	<u>10,530</u>	<u>10,530</u>
	<u>\$ 381,023</u>	<u>\$ 63,887</u>	<u>\$ 444,910</u>

Expenses are charged directly to program or supporting services based on specific identification. Management and general expenses include those expenses that provide for the overall support and direction of the Club. Fundraising expenses are not significant.

**7. COMMITMENTS**

The Club leases office and warehouse space in Cohoes, New York, under an operating agreement that expired April 2020. This lease was continued on a month-to-month basis effective May 2020. Rent expense paid under this lease totaled \$7,500 for the year ended December 31, 2022.

**8. SUBSEQUENT EVENTS**

The Club's management has evaluated all events subsequent to December 31, 2022 through June 1, 2023, which is the date this financial statement was available to be issued, and has determined that there are no subsequent events that require disclosure.