

**HUDSON MOHAWK ROAD RUNNERS CLUB
FINANCIAL REPORT
DECEMBER 31, 2017**

HUDSON MOHAWK ROAD RUNNERS CLUB

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1 - 2
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CASH BALANCES	3
NOTES TO FINANCIAL STATEMENT	4 - 5

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hudson Mohawk Road Runners Club

We have audited the accompanying statement of cash receipts, disbursements, and cash balances of Hudson Mohawk Road Runners Club (a not-for-profit organization) for the year ended December 31, 2017, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting as described in Note 3; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement 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 statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the cash receipts, disbursements, and cash balances of Hudson Mohawk Road Runners Club for the year ended December 31, 2017, in accordance with the cash basis of accounting described in Note 3.

Basis of Accounting

We draw attention to Note 3 of the financial statement, which describes the basis of accounting. This financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Marvin and Company, P.C.

Latham, NY
October 14, 2018

**HUDSON MOHAWK ROAD RUNNERS CLUB
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CASH BALANCES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

CASH RECEIPTS

Contributions, Sponsorships and Entry Fees from Races	\$ 619,128
Membership Dues	19,150
Interest	1,944
Banquet Income	3,885
Clothing Sales	4,589
Other Income	2,758
Total Cash Receipts	<u>651,454</u>

CASH DISBURSEMENTS

Race Expenses, including Advertising of \$11,959	436,361
Professional Services, Insurance and Other Administration	15,029
Facility	12,514
Vehicle Maintenance	6,625
Equipment Acquisition and Maintenance	5,119
Programs	69,131
Communications	12,904
Membership	8,240
Hall of Fame	192
Volunteers	2,741
Payroll Expenses	8,068
Total Cash Disbursements	<u>576,924</u>

Increase in Cash 74,530

CASH, BEGINNING OF YEAR 534,942

CASH, END OF YEAR \$ 609,472

HUDSON MOHAWK ROAD RUNNERS CLUB
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017

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 receipts and disbursements 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 accompanying financial statement presents information regarding the Club's cash position and activities according to three classes: unrestricted, temporarily restricted, and permanently restricted. The three classes are differentiated by donor restrictions.

Unrestricted - Cash that is not subject to donor-imposed stipulations.

Temporarily Restricted - Cash subject to donor-imposed stipulations that expire by the passage of time or can be fulfilled or removed by actions pursuant to those stipulations. The Club had no temporarily restricted cash at December 31, 2017.

HUDSON MOHAWK ROAD RUNNERS CLUB
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash Position Classes

Permanently Restricted - Cash subject to donor-imposed stipulations that they be maintained permanently, thereby restricting the use of principal. The Club had no permanently restricted cash at December 31, 2017.

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 its carrying value.

4. 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 \$356,013 at December 31, 2017. The Club has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

5. FUNCTIONAL EXPENSES

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

Program services	\$ 493,533
Support services - management and general	<u>83,391</u>
	<u>\$ 576,924</u>

Fundraising expenses are not significant.

6. COMMITMENTS

The Club leases office and warehouse space in Cohoes, New York, under an operating agreement expiring April 2020. Rent expense under this lease totaled \$7,200 for the year ended December 31, 2017. The minimum rental commitments under this lease as of December 31, 2017 are as follows:

2018	\$ 7,200
2019	7,400
2020	2,500

7. SUBSEQUENT EVENTS

The Club's management has evaluated all events subsequent to December 31, 2017 through October 14, 2018, which is the date this financial statement was available to be issued, and has determined that there are no subsequent events that require disclosure.