

HUDSON MOHAWK ROAD RUNNERS CLUB, INC.
FINANCIAL REPORT
DECEMBER 31, 2020

HUDSON MOHAWK ROAD RUNNERS CLUB, INC.

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ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Hudson Mohawk Road Runners Club, Inc.

Management is responsible for the accompanying statement of cash receipts and disbursements of Hudson Mohawk Road Runners Club, Inc. (a nonprofit organization) for the year ended December 31, 2020, and the related notes to the financial statement with the cash receipts and disbursements basis of accounting, and for determining that the cash receipts and disbursements basis of accounting is an acceptable financial reporting framework. I 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. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. I do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

I 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 receipts and disbursements basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

I am not independent with respect to Hudson Mohawk Road Runners Club, Inc.

Common Cents Accounting, LLC

Cambridge, NY
June 28, 2021

**HUDSON MOHAWK ROAD RUNNERS CLUB, INC.
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2020**

CASH RECEIPTS

Contributions, Sponsorships and Entry Fees from Races	\$ 58,096
Membership Dues	12,215
Interest	3,668
Banquet Income	-
Clothing Sales	638
Other Income	<u>288</u>
Total Cash Receipts	<u>74,905</u>

CASH DISBURSEMENTS

Race Expenses, including Advertising of \$4,522	86,874
Professional Services, Insurance and Other Administration	16,054
Facility	12,591
Vehicle Maintenance	3,077
Equipment Acquisition and Maintenance	1,062
Programs	31,750
Communications	11,706
Membership	5,287
Hall of Fame	135
Volunteers	-
Payroll Expenses	<u>8,964</u>
Total Cash Disbursements	<u>177,500</u>

Decrease in Cash (102,595)

CASH WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR 615,736

CASH WITHOUT DONOR RESTRICTIONS, END OF YEAR \$ 513,141

HUDSON MOHAWK ROAD RUNNERS CLUB, INC.
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2020

1. NATURE OF OPERATIONS

The Hudson Mohawk Road Runners Club, Inc. (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 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, 2020.

HUDSON MOHAWK ROAD RUNNERS CLUB, INC.
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2020

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.

Going Concern

As shown in the accompanying financial statement, the Club incurred a net loss of \$102,595 during the year ended December 31, 2020. The Club was required by governmental authorities, due to the COVID-19 pandemic, to cancel all races after March during the year ended December 31, 2020. The cancellations have caused a material adverse effect in the balance of financial assets but has not affected the Club's ability to continue as a going concern. Management's evaluation of the lessening of restrictions related to the COVID-19 pandemic will result in the ability of the Club to have races this year, which will result in an increase in revenues for the year ended December 31, 2021.

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, 2020:

Cash	<u>\$ 513,141</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 \$223,027 at December 31, 2020. The Club has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

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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 \$4,522	\$ 82,352	\$ 4,522	\$ 86,874
Professional services, insurance and other administration	-	16,054	16,054
Facility	-	12,591	12,591
Vehicle maintenance	-	3,077	3,077
Equipment acquisition and maintenance	-	1,062	1,062
Programs	31,750	-	31,750
Communications	-	11,706	11,706
Membership	-	5,287	5,287
Hall of Fame	-	135	135
Volunteers	-	-	-
Payroll expenses	<u>-</u>	<u>8,964</u>	<u>8,964</u>
	<u>\$ 114,102</u>	<u>\$ 63,398</u>	<u>\$ 117,500</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 a month-to-month operating agreement. Rent expense paid under this lease totaled \$7,500 for the year ended December 31, 2020. The rental commitment under this lease is \$625 per month for the year ended December 31, 2021.

8. SUBSEQUENT EVENTS

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Club and its future results and cash position is not presently determinable.

The Club's management has evaluated all events subsequent to December 31, 2020 through June 28, 2021, which is the date this financial statement was available to be issued, and has determined that, except as disclosed above, there are no subsequent events that require disclosure.