MONTGOMERY COUNTY
ROAD RUNNERS CLUB

REVIEW REPORT
AND
FINANCIAL STATEMENTS

December 31, 2015

MONTGOMERY COUNTY ROAD RUNNERS CLUB
REPORT AND FINANCIAL STATEMENTS
DECEMBER 31, 2015

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To the Board of Directors
Montgomery County Road Runners Club
Rockville, Maryland

We have reviewed the accompanying statement of assets, liabilities, and net assets - modified cash of the Montgomery County Road Runners Club as of December 31, 2015, and the related statements of revenue, expenses, and changes in net assets - modified cash basis, for the year then ended. A review consists principally of applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting as described in Note 2.

Nan Miller CPA

Washington, DC
February 26, 2016

MONTGOMERY COUNTRY ROAD RUNNERS CLUB, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
AS OF DECEMBER 31, 2015

		2015
ASSETS		
Cash and cash equivalents	$	299,368
Marketable securities held for sale		219,881
Inventory		2,225
Furniture, equipment, and vehicle		242,286
Less: accumulated depreciation		(206,315)
		35,971
Total assets	$	557,445
LIABILITIES AND NET ASSETS		
Accrued expenses and payroll liabilities		5,657
Net assets:		
Unrestricted - Operating		551,788
Total liabilities and net assets	$	557,445

See notes to financial statements.

MONTGOMERY COUNTRY ROAD RUNNERS CLUB, INC.
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Temporarily Restricted	2015 Total
Support and gains			
Membership dues	$ 76,412	$ -	$ 76,412
Contributions/sponsorships/grants	29,277	-	29,277
Race and training	638,520	-	638,520
Other income	2,115	-	2,115
	746,324	-	746,324
Released from donor restrictions	-	-	-
Other revenue			
Interest and dividends	2,005	-	2,005
Unrealized losses on investments	(558)	-	(558)
	1,447	-	1,447
Total support and revenue	$ 747,771	$ -	$ 747,771
Expenses and losses:			
Race and training programs	$ 679,202	$ -	$ 679,202
Total program services	679,202	-	679,202
General, administrative and support services	25,920	-	25,920
Fund raising and outreach	9,396	-	9,396
	35,316	-	35,316
Total expenses and losses	714,518	-	714,518
Change in net assets	33,253	-	33,253
Net assets, beginning	518,535	-	518,535
Net assets, ending	$ 551,788	$ -	$ 551,788

Note 1 - Organization and Purpose

Montgomery County Road Runners Club (MCRRC or the Organization) was incorporated as the Upper Montgomery County Road Runners Club in February, 1978, with "the prime object of the association being the promotion and encouragement of long distance running." MCRRC is exempt from income tax under Internal Revenue Code section 501(c)(3). MCRRC aims to be the leading authority on the organization of running events and programs in Montgomery County, striving to meet the needs of individual runners and community organizations engaged in running and fitness activities.

MCRRC programs include training, running programs and race operations that provide services for competitive and non-competitive events open to members and the general public. Additionally MCRRC operates special running programs and events for training children in the sport of running.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements were prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). The modified cash basis of accounting differs from GAAP primarily because revenues are recognized when received rather than earned and expenses and purchases of fixed assets are recognized when cash is disbursed rather than when the obligation is incurred.

Equipment

Equipment is carried at cost. Depreciation is provided over the estimated useful lives of the assets by straight-line methods over 3 - 5 years.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statement date and the reported amounts of revenues and expenses during the years then ended. Actual results could differ from those estimates.

Note 2 - Summary of Significant Accounting Policies (continued)

Investments

In accordance with FASB ASC Sub-Topic 958-320 relating to the accounting for certain investments held by non-profit organizations, investments are carried at estimated fair value based on quoted market prices. Investments received through gifts are recorded at estimated fair market value at the date of donation. Investment income or losses (including realized gains and losses on investments, interest and dividends) are reported when earned and included as operating activities in the Statement of Activity. Unrealized gains and losses have been classified as other (income) losses in the Statement of Activities. In the absence of any donor-imposed or legal restrictions on how investment income may be used, gains are reported as an increase in unrestricted net assets. A loss, realized or unrealized, is recorded as a decrease in unrestricted net assets. If restrictions do exist on the use of an investment, the gain or loss is shown as an increase or decrease in either temporarily or permanently restricted net assets, depending on the type of restriction existing. Investment income (i.e., interest and dividends) earned during the year is reported as an increase in unrestricted net assets, unless the income's use is restricted; in that case, temporarily or permanently restricted net assets are increased depending upon the restriction. For the year ended December 31, 2015, unrealized losses totaled $558.

Risk and Uncertainties

Investment securities including cash equivalents are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term would materially affect the amounts reported in the Statement of Assets, Liabilities, and Net Assets.

Expense Allocation

The costs of providing program services and management and general expenses have been summarized on a functional basis. Identifiable expenses are charged to programs and supporting services, and expenses related to more than one function are directly allocated as an expense of that program. Management and general expenses include those indirect expenses that are incurred to the mutual benefit of the Organization and its programs and are not directly identifiable with any other specific function but provide for the overall support.

Note 2 - Summary of Significant Accounting Policies (continued)

Uncertain tax positions

In accordance with the disclosure provisions of FASB ASC Sub-Topic 740-19 "Accounting for Uncertainty in Income Taxes" which requires the Organization to report uncertain tax positions, related interest and penalties, and to adjusts its assets and liabilities related to unrecognized tax benefits and interest and penalties accordingly. As of December 31, 2015, the Organization determined that there are no material unrecognized tax benefits to report.

Information returns filed for the years ended December 31, 2013, 2014, and 2015 remain subject to examination by the Internal Revenue Service and the Comptroller of Maryland. The Organization does not expect their position with regard to uncertain tax positions to change and all required disclosures have been made in the accompanying financial statements.

Note 3 - Fair Value Measurement

The Organization complies with FASB ASC Topic 820, 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 active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access. These investments are considered highly liquid instruments which include money market instruments, corporate securities and mutual funds.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;

Note 3 - Fair Value Measurement (continued)

Level 2 Inputs to the valuation methodology include (continued):

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means if the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 securities include U.S. government and agency securities and bonds, corporate bonds, commercial paper and other investments with maturity dates greater than 3 months.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These investments would include corporate stocks not actively traded, agency, loans receivable, and other non-marketable investments. As of December 31, 2015, there were no Level 3 investments.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

As of December 31, 2015, the following table sets forth by level, within the fair value hierarchy, the Organization's investment assets at fair value as of December 31, 2015:

		Fair Value Hierarchy Level		
Description	**Assets Measured at Fair Value**	**Level 1**	**Level 2**	**Level 3**
Mutual funds	$ 49,850	$ 49,850	$ -	$ -
Corporate Stocks and Bonds	63,918	-	63,918	-
	113,768	49,850	63,918	-
Money Market Funds	106,113	106,113	-	-
	$ 219,881	$ 155,963	$ 63,918	$ -

Note 4 - Equipment

Equipment net of accumulated depreciation as of December 31, 2015, consisted of the following:

Description	Amount
Furniture, computer software, and vehicle	$ 22,887
Equipment	219,399
	242,286
Less Accumulated depreciation	(206,315)
	$ 35,971

For year ended December 31, 2015 depreciation expense totaled $17,848.

Note 5- Contributed Services

In accordance with FASB ASC Topic 958, in-kind contributions, if any, are recorded at their estimated fair market value on the date the unconditional promise to give the asset is made and transfer of the asset is assured. In kind contributions are not included in the accompanying financial statements because the value of the donated services and materials cannot be objectively measured.

Note 6 – Functional Allocation of Expenses

The costs of providing the various programs and other operating activities have been summarized on a functional basis in the statement of functional expenditures. Accordingly, certain shared costs have been allocated amongst the programs and supporting services based on management's best estimate of the benefit derived by each function. As of December 31, 2015, expenses by function are as follows:

Program services	$ 679,202
Management and general	25,920
Fund raising/outreach	9,396
	$ 714,518

Note 7 – Subsequent Events

Subsequent events have been updated through February 26, 2016. No events subsequent to December 31, 2015 through the issuance date were noted requiring adjustment to the year ended December 31, 2015 financial statements and/or disclosure.