

Audited Financial Statements

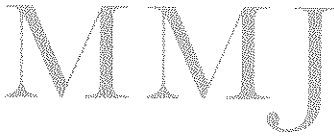
Reinvent Albany, Inc.

December 31, 2011

**REINVENT ALBANY, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2011**

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MAIER
MARKEY &
JUSTICE LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Reinvent Albany, Inc.

We have audited the accompanying statement of financial position of Reinvent Albany, Inc. (a New York not-for-profit organization) as of December 31, 2011 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Reinvent Albany, Inc. as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Maier Markey & Justice LLP

April 9, 2012
White Plains, New York

REINVENT ALBANY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

ASSETS

Cash and cash equivalents	\$ 150,941
Fixed assets, net of accumulated depreciation	<u>62,713</u>
Total assets	<u><u>\$ 213,654</u></u>

LIABILITIES

Accounts payable and accrued expenses	\$ 19,648
Total liabilities	<u>19,648</u>

NET ASSETS

Unrestricted	<u>194,006</u>
Total net assets	<u>194,006</u>
Total liabilities and net assets	<u><u>\$ 213,654</u></u>

See accompanying notes and auditor's report.

REINVENT ALBANY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

SUPPORT AND REVENUE

In-kind revenue	\$ 14,400
Interest income	1,536
	15,936
Total support and revenue	15,936

EXPENSES

Salaries, taxes & benefits	104,030
Consultants	40,673
Depreciation	27,720
In-kind expense	14,400
Professional fees	6,642
Bank and payroll charges	1,133
Travel & entertainment	1,076
Office expenses	882
Computer and telephone expenses	874
Conference expense	217
	197,647
Total expenses	197,647

DECREASE IN NET ASSETS	(181,711)
NET ASSETS AT BEGINNING OF YEAR	375,717
NET ASSETS AT END OF YEAR	\$ 194,006

See accompanying notes and auditor's report.

REINVENT ALBANY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets	\$ (181,711)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	27,720
(Increase) decrease in:	
Prepaid expenses	652
Increase in:	
Accounts payable and accrued expenses	<u>11,592</u>
Net cash used by operating activities	<u>(141,747)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of fixed assets	<u>(20,000)</u>
Net cash used by investing activities	<u>(20,000)</u>

Net decrease in cash and cash equivalents	(161,747)
Cash and cash equivalents at beginning of year	<u>312,688</u>
Cash and cash equivalents at end of year	<u><u>\$ 150,941</u></u>

See accompanying notes and auditor's report.

REINVENT ALBANY, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 1 – Nature of business and summary of significant accounting policies

Organization and tax exempt status

Reinvent Albany, Inc. (the “Organization”) is an advocacy group promoting fair, accountable and effective government for New York State. The Organization advocates transparency in government and strives to cease the diversion of dedicated government funds.

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization was incorporated in January 2010.

Uncertain tax positions

In accordance with Financial Accounting Standards Board Codification Topic 740, *Accounting for Income Taxes*, entities are required to disclose in their financial statements the nature of any uncertainty in their tax position. For tax-exempt entities, their tax-exempt status itself is deemed to be an uncertainty, since events could potentially occur to jeopardize their tax exempt status. The Organization’s accounting policy for evaluating uncertain tax positions is in accordance with generally accepted accounting principles. The Organization has not recognized any benefits from uncertain tax positions in 2011 and believes it has no uncertain tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the statement of financial position date.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Equipment and depreciation

Equipment is stated at cost. Depreciation is provided using the straight line method over the estimated useful lives of the assets.

Maintenance and repairs of equipment are charged to operations, and major improvements are capitalized.

Functional allocation of expenses

The costs of program and supporting services have been summarized on a functional basis in Note 3 of the financial statements. Expenses are charged to program services and general and administration based on specific classification of expenditures and allocations.

Contributions

In accordance with *ASC 958-605 Not-for-profit Entities, Revenue Recognition*, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

**REINVENT ALBANY, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2011**

Note 1 – Nature of business and summary of significant accounting policies (continued)

Contributions (continued)

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and cash equivalents

For the purpose of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Classification of net assets

The net assets of the Organization and changes therein are classified as follows:

Unrestricted net assets – All funds not restricted by a donor or grantor.

Temporarily restricted net assets – Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations as a net asset released from restrictions. The Organization currently has no temporarily restricted net assets.

Permanently restricted net assets – Permanently restricted net assets are those assets which have a donor imposed restriction stipulating that resources be maintained in perpetuity. In certain instances permanent restrictions extend to the appreciation of the market value of the contributed assets. Temporary restrictions may be placed on the use of income derived from these assets. The Organization currently has no permanently restricted net assets.

Note 2 – Fixed assets

Fixed assets consists of the following at December 31, 2011:

Website development	\$	95,191
Computer hardware		2,588
Equipment		3,548
		101,327
Less: accumulated depreciation		(38,614)
		\$ 62,713

Depreciation expense for the year ended December 31, 2011 was \$27,720, and is included in the statement of activities.

REINVENT ALBANY, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 3 – Functional expenses

The costs of providing the Organization’s programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The Organization provides financial support to public advocacy groups. Expenses related to providing these services are:

Program services	\$ 155,489
Management and general	42,158
	<u>\$ 197,647</u>

Note 4 – Concentrations

The Organization maintains its cash and cash equivalents in accounts that are insured by the U.S Federal Deposit Insurance Corporation (“FDIC”). Throughout the year the bank balances may exceed the limit insured by the FDIC. The Organization has not experienced any losses to date resulting from this policy.

The Organization received all of its public support from one particular fund.

Note 5 – Donated services

The Organization recognizes services donated to the Organization as income at fair value in the period in which they are received. The Organization also records an offsetting expense at the same time to record the use of the gift. During 2011, the Organization received \$14,400 of in-kind support, which appears on the statement of activities. Donated services include free occupancy and information technology support.

Certain board members of Reinvent Albany are also board members of the organization that provides the in-kind support to Reinvent Albany.

Note 6 – Subsequent events

Management has evaluated all subsequent events or transactions for potential recognition or disclosure through April 9, 2012, the date these financial statements were available to be issued.