

Audited Financial Statements

Reinvent Albany, Inc.

December 31, 2010

**REINVENT ALBANY, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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MAIER
MARKEY &
JUSTIC 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, 2010 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, 2010, 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

October 31, 2011
White Plains, New York

REINVENT ALBANY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010

ASSETS

Current assets:

Cash and cash equivalents	\$ 312,688
Prepaid expenses	<u>652</u>
Total current assets	<u>313,340</u>

Fixed assets, net of accumulated depreciation	<u>70,433</u>
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Total assets	<u><u>\$ 383,773</u></u>
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LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	<u>\$ 8,056</u>
Total current liabilities	<u>8,056</u>

NET ASSETS

Unrestricted	<u>375,717</u>
Total net assets	<u>375,717</u>
Total liabilities and net assets	<u><u>\$ 383,773</u></u>

The accompanying notes are an integral part of these statements.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010**

SUPPORT AND REVENUE

Public support	\$ 624,925
Interest income	347
In-kind revenue	<u>5,400</u>
 Total support and revenue	 <u>630,672</u>

EXPENSES

Salaries, taxes & benefits	119,452
Grants to other non-profits	35,000
Consultants	50,221
Professional fees	18,000
Depreciation	10,893
Office expenses	3,688
Computer and telephone expenses	1,536
Conference expense	6,608
Travel & entertainment	1,260
Bank and payroll charges	1,811
Filing fees	1,086
In-kind expense	<u>5,400</u>
 Total expenses	 <u>254,955</u>

INCREASE IN NET ASSETS 375,717

NET ASSETS AT BEGINNING OF YEAR -

NET ASSETS AT END OF YEAR \$ 375,717

The accompanying notes are an integral part of these statements.

REINVENT ALBANY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 375,717
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	10,893
(Increase) decrease in:	
Prepaid expenses	(652)
Increase (decrease) in:	
Accounts payable and accrued expenses	<u>8,056</u>
Net cash provided by operating activities	<u>394,014</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of fixed assets	<u>(81,326)</u>
Net cash used by investing activities	<u>(81,326)</u>

Net increase in cash and cash equivalents 312,688

Cash and cash equivalents at beginning of year -

Cash and cash equivalents at end of year \$ 312,688

The accompanying notes are an integral part of these statements.

REINVENT ALBANY, INC.
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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 2010 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, 2010

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, 2010:

Computer hardware	\$ 2,588
Website development	75,190
Equipment	3,548
Less: accumulated depreciation	<u>(10,893)</u>
	<u>\$ 70,433</u>

Depreciation expense for the year ended December 31, 2010 was \$10,893, and is included in the statement of activities.

REINVENT ALBANY, INC.
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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	\$ 198,679
Management and general	<u>56,276</u>
	<u>\$ 254,955</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 2010, the Organization received \$5,400 of in-kind support, which appears on the statement of activities. Donated services include free occupancy and information technology support.

Note 6 – Subsequent events

Management has evaluated all subsequent events or transactions for potential recognition or disclosure through October 31, 2011, the date these financial statements were available to be issued.