# Audited Financial Statements

# Reinvent Albany, Inc.

December 31, 2013

# TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Reinvent Albany, Inc.

We have audited the accompanying financial statements of Reinvent Albany, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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 statements referred to above present fairly, in all material respects, the financial position of Reinvent Albany, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Markey & Justic LLP White Plains, New York

July 11, 2014

# REINVENT ALBANY, INC. STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2013

# **ASSETS**

Cash and cash equivalents Prepaid expenses Fixed assets, net of accumulated depreciation	\$	313,842 175 13,539
Total assets	\$	327,556
LIABILITIES		
Accounts payable and accrued expenses	\$	12,263
Total liabilities	_	12,263
NET ASSETS		
Unrestricted		315,293
Total net assets		315,293
Total liabilities and net assets	\$	327,556

# REINVENT ALBANY, INC. STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2013

UNRESTRICTED NET ASSETS:		
Unrestricted revenues and gains	Φ	200 452
Public support	\$	322,453
In-kind revenue	-	55,150
TOTAL UNRESTRICTED REVENUES,		
GAINS, AND OTHER SUPPORT		377,603
		-
EXPENSES		
Salaries, taxes & benefits		131,741
Consultants		77,682
In-kind expense		55,150
Depreciation		20,788
Professional fees		6,736
Computer and telephone expenses		2,312
Bank and payroll charges		1,780
Office expenses		1,164
Travel & entertainment	-	1,000
TOTAL EXPENSES	) <del></del>	298,353
INCREASE IN UNRESTRICTED NET ASSETS	-	79,250
TEMPORARILY RESTRICTED NET ASSETS:		
Decrease to temporarily restricted net assets		(2,453)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS		(2,453)
INCREASE IN NET ASSETS		76,797
Net assets at beginning of year		238,496
Net assets at end of year		315,293

# REINVENT ALBANY, INC. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in net assets	\$ 76,797
Adjustments to reconcile change in net assets to net	
cash used by operating activities:	
Depreciation	20,788
Decrease in:	
Prepaid expenses	372
Increase in:	
Accounts payable and accrued expenses	3,302
Net cash provided by operating activities	101,259
Net increase in cash and cash equivalents	101,259
Cash and cash equivalents at beginning of year	 212,583
Cash and cash equivalents at end of year	\$ 313,842

# 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 2013 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.

#### Fixed assets and depreciation

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

Maintenance and repairs of fixed assets 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.

# 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.

<u>Temporarily restricted net assets</u> – 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.

Gifts received with donor restrictions that are spent in the year received in accordance with those restrictions are reflected as unrestricted contributions.

<u>Permanently restricted net assets</u> – 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 consist of the following at December 31, 2013:

Website development	\$ 95,191
Computer hardware	2,588
Equipment	3,548
	101,327
Less: accumulated depreciation	(87,788)
	\$ 13,539

#### Note 2 – Fixed assets (continued)

Depreciation expense for the year ended December 31, 2013 was \$20,788, and is included in the statement of activities.

#### 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	\$ 235,333
Fundraising	11,103
Management and general	51,917
	\$ 298,353

#### 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 100% of its public support from three contributors.

#### 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 2013, the Organization received \$55,150 of in-kind support, which appears on the statement of activities. Donated services include free occupancy and information technology support, as well as consulting.

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 July 11, 2014, the date these financial statements were available to be issued.