

REINVENT ALBANY
FINANCIAL STATEMENTS
DECEMBER 31, 2022

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Philip J. Palladino CPA, P.C.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Reinvent Albany

We have audited the accompanying financial statements of Reinvent Albany (a nonprofit organization) which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and cash flows for the twelve months 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 my 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 my audit opinion.

INDEPENDENT AUDITORS' REPORT (continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Reinvent Albany as of December 31, 2022, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink, appearing to read "Philip J. Palladino CPA, PC". The signature is fluid and cursive.

PHILIP J. PALLADINO CPA,P.C.

New York, N.Y.
August 25, 2023

REINVENT ALBANY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents \$ 898,603

Total Current Assets 898,603

FIXED ASSETS, net of accumulated depreciation (Note 3) 605

\$ 899,208

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Credit Card Payable \$ 214

Total Current Liabilities 214

Total Liabilities 214

NET ASSETS (Note 7)

Net Assets Without Donor Restrictions 898,994

Total Net Assets 898,994

\$ 899,208

See independent auditors' report and notes to financial statements.

REINVENT ALBANY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING DECEMBER 31, 2022

SUPPORT AND REVENUE

Unrestricted Donations \$ 227,558

227,558

Net assets released from restrictions 0

Total Support and Revenue 227,558

EXPENSES

Program services 558,305

Management and administrative 209,158

Fundraising 30,148

Total Expenses 797,611

OTHER INCOME

Interest Income 5,206

CHANGES IN NET ASSETS (564,847)

NET ASSETS - beginning of year 1,463,841

NET ASSETS - end of year \$ 898,994

See independent auditors' report and notes to financial statements.

REINVENT ALBANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets \$ (564,847)

Adjustments to reconcile changes in net assets
to net cash provided by operating activities:

Depreciation 475

Changes in assets and liabilities:

Credit Card Payable 59

Net Cash Provided by Operating Activities 534

CASH FLOWS PROVIDED BY FINANCING ACTIVITIES

Net Cash Provided by Financing Activities 0

CASH FLOWS USED IN INVESTING ACTIVITIES

Net Cash Used in Operating Activities (0)

NET DECREASE IN CASH (563,313)

CASH - beginning of year 1,462,915

CASH - end of year \$ 898,603

See independent auditors' report and notes to financial statements.

REINVENT ALBANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. NATURE OF THE ORGANIZATION

Reinvent Albany (“the Organization”) is a nonprofit organization that primarily advocates for transparent and accountable New York State government and increased transparency in New York City.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Adoption of recent accounting pronouncement

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-For-Profit Entities (Topic 958) Presentation of Financial Statements for Not-For-Profit Entities. The ASU is effective for fiscal years beginning after December 15, 2017. Earlier adoption is permitted. The changes in this ASU should generally be applied on a retrospective basis in the year that the ASU is first applied. Management has adopted this guidance since it’s August 31, 2018 financial statements. The amendments in this ASU make improvements to the information provided in the financial statements and accompanying notes of nonprofit entities. Net asset classifications are reduced from three to two categories: net assets without donor restrictions and net assets with donor restrictions. The nature and amount of net assets with and without donor restrictions are included as footnote disclosures. Additional quantitative and qualitative disclosures are required to communicate information related to the Organization’s short-term liquidity. The remaining provisions are not applicable to the Organization’s financial statement presentation or were optional under past accounting guidance and were previously elected to be included in the Organization’s financial statements, specifically the presentation of the statement of functional expenses.

See independent auditors’ report and notes to financial statements.

REINVENT ALBANY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

The Organization follows the accounting and reporting practices set forth in the Not-For-Profit Topic Accounting Standards Codification (ASC). As such the Organization is required to report information regarding its financial position and activities within two classes of net assets as follows:

Net assets without donor restrictions: Undesignated net assets represent funds that are available for the support of the Organization's operations and not subject to donor restrictions. The board may designate unrestricted net assets at its discretion. As of December 31, 2022, the board has not designated any net assets for management pre-approved projects and expenses.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of December 31, 2022, there are no donor restricted assets

Liquidity

The Organization has financial assets available within one year of the statement of financial position date for general expenditure include cash of \$ 898,603.

Support

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Contributions In Kind

Consistent with generally accepted accounting principles for nonprofit organizations, the value of contributed services meeting the requirements for recognition are recorded at fair value in the period received. During 2022, the Organization received contributions of rent and utilities valued at \$15,361.

See independent auditors' report and notes to financial statements.

REINVENT ALBANY

NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents include all monies in bank and highly liquid investments with maturity dates of less than three months and any certificates of deposit that do not contain material early withdrawal penalties. Carrying values of cash and cash equivalents approximate fair value because of the short maturities of those financial instruments.

Property and Equipment

The Organization follows the practice of capitalizing all expenditures for equipment and improvements in excess of \$500.

Property and equipment are stated at cost, if purchased. Donations of property and equipment are recorded as contributions at their approximate fair market value on the date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions.

Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Depreciation is provided over the estimated useful lives of the assets on a straight-line basis.

Tax Status

The Organization is a not-for-profit organization exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Organization recognizes the effect of tax positions only when they are more likely than not of being sustained. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax.

Income taxes are accounted for in accordance with the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification No. 740 ("ASC 740") "*Accounting for Income Taxes*." As required under ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of assets and liabilities and the respective tax basis amounts. Deferred tax assets and liabilities are measured under tax rates that are expected to apply to taxable income in the years in which these differences are expected to be realized. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period of the tax change. The Organization did not have a deferred tax asset or liability on December 31, 2022.

See independent auditors' report and notes to financial statements.

REINVENT ALBANY

NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2022

Tax Status (continued)

The Organization adopted the provisions of accounting for uncertain income taxes positions. As a result of this implementation, the Organization was not required to recognize any amounts from uncertain tax positions. The Organization's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations, and interpretations thereof, as well as other factors. Federal, state, and local authorities may examine the Organization's tax returns for three years from the date of filing.

Concentrations of Credit Risk

Cash balances exceeded Federal Deposit Insurance Corporation insured limits as of December 31, 2022, in the amount of \$648,603

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, income and expenses and disclosures of contingencies. Future events could alter such estimates in the near term.

Functional Allocation of Expenses

Program services, management and administration, and fundraising expenses have been recorded in the statement of activities and on the statement of functional expenses. Certain management and administration expenses are allocated to program services based on the amount of time spent or space used on program services.

3. FIXED ASSETS

Fixed assets consist of the following, as of December 31, 2022

Computer Hardware	\$ 6,583
Equipment	3,548
Website	<u>95,191</u>
	105,332
Less: accumulated depreciation	(<u>104,716</u>)
	<u>\$ 605</u>

Depreciation expense for the period ended December 31, 2022, was \$ 475.

See independent auditors' report and notes to financial statements.

REINVENT ALBANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

4. INCOME TAXES

The Organization is exempt from Federal and State income tax on related income under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for Federal income taxes has been recorded in the statement of activities. The Organization has also been classified as an entity that is other than a private foundation.

5. NET ASSETS

Components of net assets on December 31, 2022, were as follows:

Net Assets without donor restrictions	\$ 898,994
Net Assets with donor restrictions	<u>0</u>
	<u>\$ 898,994</u>

6. CONTINGENCIES

The Company is involved in various legal proceedings and litigation arising in the ordinary course of business. In the opinion of management, the outcome of such proceedings and litigation will not materially affect the Company's financial position.

7. SUBSEQUENT EVENTS

Subsequent events were evaluated through August 28, 2023, which is the date the financial statements were available to be issued. As of this date there were no subsequent events which require separate disclosure.

8. RETIREMENT PLAN

Reinvent Albany has a SIMPLE IRA plan, which provides that eligible employees may defer a portion of their salary by making contributions to the plan through payroll deductions. Reinvent Albany may make discretionary contributions. In 2022, the discretionary match totaled \$10,567 and is included in payroll taxes, employee benefits and processing fees on page 11.

See independent auditors' report and notes to financial statements.

**REINVENT ALBANY
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Category	Program Services	Management & General	Fundraising	TOTAL
Independent contractors & Consultants	\$51,500	\$30,246		\$81,746
Website	4,520	730		5,250
Professional fees		14,977		14,977
Salaries	424,121	110,624	9,565	544,310
Payroll taxes and employee benefits & processing fees (Note 8)	76,959	20,073	1,736	98,768
Advertising	12,300			12,300
Events & Travel	6,548			6,548
Workers compensation insurance		2,209		2,209
Rent		15,973		15,973
Office expenses		12,630		12,630
Filing and registration fees		2,425		2,425
Depreciation	475			475