

FINANCIAL REPORT



June 30, 2008



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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Directors
Uptown Partnership, Inc.
San Diego, California

We have audited the accompanying statement of financial position of Uptown Partnership, Inc. (the Organization) as of June 30, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Uptown Partnership, Inc. and related entity's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized information has been derived from the Organization's 2007 financial statements, and in our report dated October 17, 2007, we expressed an unqualified opinion on those financial statements.

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. We were not engaged to perform an audit of the Organization's internal control over financial reporting. 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 Uptown Partnership, Inc. as of June 30, 2008, 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.

Cheryl Rhode, CPA
for WEST RHODE & ROBERTS

San Diego, California
October 3, 2008

James H. West, C.P.A.

Cheryl M. Rhode, C.P.A.

Christopher M. Roberts, C.P.A.

UPTOWN PARTNERSHIP, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2008
(With Summarized Financial Information for June 30, 2007)

	2008	2007 (Note 7)
ASSETS		
Cash	\$ 157,386	\$ 85,225
Accounts receivable (Note 2)	53,871	87,029
Inventory	13,819	24,708
Security deposits	2,250	2,150
Property and equipment, net of accumulated depreciation (Note 5)	-	-
Total assets	\$ 227,326	\$ 199,112
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 3,583	\$ 4,102
City funds advanced (Note 3)	184,996	179,996
Total liabilities	188,579	184,098
Net Assets		
Temporarily restricted assets (Note 6)	18,700	-
Unrestricted	20,047	15,014
Total net assets	38,747	15,014
Total liabilities and net assets	\$ 227,326	\$ 199,112

UPTOWN PARTNERSHIP, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2008

(With Summarized Financial Information for June 30, 2007)

	Total Unrestricted	Temporarily Restricted	2008 Total	2007 (Note 7)
REVENUES AND SUPPORT				
City reimbursements (Note 4)	\$ 288,894	\$ -	\$ 288,894	\$ 272,609
Parking meter sales	153,466	-	153,466	168,651
Grants	-	18,700	18,700	-
Other income	<u>3,375</u>	<u>-</u>	<u>3,375</u>	<u>4,633</u>
Total revenues and support	<u>445,735</u>	<u>18,700</u>	<u>464,435</u>	<u>445,893</u>
EXPENSES				
Salaries	164,067	-	164,067	149,587
Cost of parking meters and bus pass sales	153,344	-	153,344	168,559
Rent	29,518	-	29,518	28,516
Payroll taxes and benefits	22,390	-	22,390	21,802
Professional services	21,050	-	21,050	29,098
Printing and postage	11,656	-	11,656	6,192
Outside services	10,288	-	10,288	6,855
Office expense	8,268	-	8,268	8,808
Insurance	6,897	-	6,897	9,426
Supplies	5,103	-	5,103	6,012
Utilities	2,445	-	2,445	2,595
Seminars	2,400	-	2,400	3,292
Telephone	2,375	-	2,375	2,385
Miscellaneous	<u>901</u>	<u>-</u>	<u>901</u>	<u>1,127</u>
Total expenses	<u>440,702</u>	<u>-</u>	<u>440,702</u>	<u>444,254</u>
CHANGE IN NET ASSETS	5,033	18,700	23,733	1,639
NET ASSETS AT BEGINNING OF YEAR	<u>15,014</u>	<u>-</u>	<u>15,014</u>	<u>13,375</u>
NET ASSETS AT END OF YEAR	<u>\$ 20,047</u>	<u>\$ 18,700</u>	<u>\$ 38,747</u>	<u>\$ 15,014</u>

UPTOWN PARTNERSHIP, INC.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2008
(With Summarized Financial Information for June 30, 2007)

	<u>2008</u>	<u>2007</u> (Note 7)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 23,733	\$ 1,639
(Increase) decrease in operating assets:		
Reimbursement receivables	33,158	(9,712)
Inventory	10,889	(9,068)
Security deposits	(100)	-
Increase (decrease) in operating liabilities:		
Accounts payable	<u>(519)</u>	<u>3,603</u>
Net cash provided by (used in) operating activities	<u>67,161</u>	<u>(13,538)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
City funds advanced	<u>5,000</u>	<u>40,000</u>
Net cash provided by financing activities	<u>5,000</u>	<u>40,000</u>
 INCREASE IN CASH	 72,161	 26,462
CASH AT BEGINNING OF YEAR	<u>85,225</u>	<u>58,763</u>
CASH AT END OF YEAR	<u>\$ 157,386</u>	<u>\$ 85,225</u>

UPTOWN PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization – Uptown Partnership, Inc. (the Organization) was incorporated in the State of California in February, 1999 for the purpose of enhancing local parking availability, traffic circulation, and pedestrian access in the Uptown Community, which encompasses the neighborhoods of Mission Hills, Hillcrest, Bankers Hill, and Park West.

Method of Accounting – The financial statements of the Organization have been prepared in conformity with generally accepted accounting principles on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Revenue is recognized when earned and support is recognized when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets are transferred.

Financial Statement Presentation – The Organization's financial statement presentation is in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. As of June 30, 2008, the Organization has not received any permanently restricted net assets. In addition, the Organization presents a statement of cash flows.

The Organization's contributions are recorded in accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Under SFAS No. 116, contributions received which have temporary restrictions as to their use, are reported as temporarily restricted support, and are then reclassified to unrestricted net assets upon fulfillment of the restriction. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted contributions.

Cash and Cash Equivalents – The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents

Inventory – Inventory, valued at cost, consists of prepaid parking meter cards and parking card reload time which is resold to the public at cost.

Property and Equipment – It is the Organization's policy to expense all property and equipment purchased with the City of San Diego funds since ownership is retained by the city. Donated equipment is recorded at its fair market value on the date received. Depreciation is provided on the straight-line method over the five to seven year estimated useful lives of the related assets.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status – The Organization is a California non-profit corporation and is exempt from income taxes under Section 501(C)(3) of the Internal Revenue Code and Section 23701(d) of the California Code and generally is not subject to income taxes.

UPTOWN PARTNERSHIP, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2. REIMBURSEMENTS RECEIVABLE

Reimbursements receivable consists of amounts due from the City of San Diego for the Organization's expenses. Management has determined the allowance for doubtful accounts to be zero. Losses from defective parking cards are reimbursed by the City of San Diego.

NOTE 3. CITY ADVANCE

The advance represents two types of amounts borrowed from the City of San Diego with no set repayment terms – (1) operational start-up funds; and (2) funds transferred between city departments to purchase the parking meter cards and reload time that the Organization sells at cost to the public.

NOTE 4. CONCENTRATION

The Organization receives a significant portion of its revenue through an annual contract with the City of San Diego. There has been no change in the policy between the Organization and the City to discontinue future revenues to the Organization.

NOTE 5. PROPERTY AND EQUIPMENT

Furniture, equipment, and vehicles consist of the following:

Equipment and furniture	\$ 10,074
Tenant improvements	<u>1,728</u>
	11,802
Less accumulated depreciation	<u>11,802</u>
	<u>\$ -</u>

NOTE 6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

Streetscape design guidelines	<u>\$ 18,700</u>
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NOTE 7. June 30, 2007 FINANCIAL INFORMATION

The financial statements include certain prior year summarized information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2007, from which the summarized information was derived.