

FINANCIAL REPORT



June 30, 2009



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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, 2009, 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 2008 financial statements, and in our report dated October 3, 2008, 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, 2009, 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 21, 2009

UPTOWN PARTNERSHIP, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2009
(With Summarized Financial Information for June 30, 2008)

	2009	2008 (Note 7)
ASSETS		
Cash	\$ 171,327	\$ 157,386
Reimbursements receivable (Note 2)	60,345	53,871
Inventory	18,905	13,819
Security deposits	2,250	2,250
Property and equipment, net of accumulated depreciation (Note 5)	-	-
Total assets	\$ 252,827	\$ 227,326
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 30,587	\$ 3,583
City funds advanced (Note 3)	174,996	184,996
Total liabilities	205,583	188,579
Net Assets		
Temporarily restricted assets	-	18,700
Unrestricted	47,244	20,047
Total net assets	47,244	38,747
Total liabilities and net assets	\$ 252,827	\$ 227,326

UPTOWN PARTNERSHIP, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2009

(With Summarized Financial Information for June 30, 2008)

	Total Unrestricted	Temporarily Restricted	2009 Total	2008 (Note 7)
REVENUES AND SUPPORT				
City reimbursements (Note 4)	\$ 425,481	\$ -	\$ 425,481	\$ 288,894
Parking meter sales	132,381	-	132,381	153,466
Grants	-	-	-	18,700
Other income	2,273	-	2,273	3,375
Assets released from restriction (Note 6)	18,700	(18,700)	-	-
Total revenues and support	<u>578,835</u>	<u>(18,700)</u>	<u>560,135</u>	<u>464,435</u>
EXPENSES				
Salaries	206,437	-	206,437	164,067
Cost of parking card sales	132,277	-	132,277	153,344
Professional services	103,562	-	103,562	21,050
Payroll taxes and benefits	30,563	-	30,563	22,390
Rent	29,783	-	29,783	29,518
Outside services	16,109	-	16,109	10,288
Printing and postage	11,966	-	11,966	11,656
Insurance	7,091	-	7,091	6,897
Office expense	3,432	-	3,432	8,268
Telephone	2,417	-	2,417	2,375
Supplies	2,201	-	2,201	5,103
Utilities	2,182	-	2,182	2,445
Seminars	2,083	-	2,083	2,400
Miscellaneous	1,535	-	1,535	901
Total expenses	<u>551,638</u>	<u>-</u>	<u>551,638</u>	<u>440,702</u>
CHANGE IN NET ASSETS	27,197	(18,700)	8,497	23,733
NET ASSETS AT BEGINNING OF YEAR	<u>20,047</u>	<u>18,700</u>	<u>38,747</u>	<u>15,014</u>
NET ASSETS AT END OF YEAR	<u>\$ 47,244</u>	<u>\$ -</u>	<u>\$ 47,244</u>	<u>\$ 38,747</u>

UPTOWN PARTNERSHIP, INC.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2009
(With Summarized Financial Information for June 30, 2008)

	2009	2008 (Note 7)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 8,497	\$ 23,733
(Increase) decrease in operating assets:		
Reimbursement receivables	(6,474)	33,158
Inventory	(5,086)	10,889
Security deposits	-	(100)
Increase (decrease) in operating liabilities:		
Accounts payable	27,004	(519)
Net cash provided by operating activities	23,941	67,161
 CASH FLOWS FROM FINANCING ACTIVITIES		
City funds advanced	(10,000)	5,000
Net cash provided by (used in) financing activities	(10,000)	5,000
 INCREASE IN CASH	13,941	72,161
CASH AT BEGINNING OF YEAR	157,386	85,225
CASH AT END OF YEAR	\$ 171,327	\$ 157,386

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.

The Organization is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code and is also exempt from state income tax. The Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, *Accounting for Uncertainties in Income Taxes (FIN 48)* which sets a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The Organization reviewed its positions for all open tax years and has determined that no provision for uncertain tax positions under FIN 48 is required.

UPTOWN PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events – Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are available to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at that date, including the estimates inherent in the process of preparing financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position, but arose after that date and before the financial statements are available to be issued.

The Organization has evaluated subsequent events through October 21, 2009, which is the date the financial statements are available for issuance, and concluded that there were no events or transaction that needed to be disclosed

Risks and Uncertainties – The Organization invests in various types of investment securities which are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position.

Fair Value Measurements – In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 157, Fair Value Measurements ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value, outlines a fair value hierarchy based on inputs used to measure fair value, and enhances disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between marker participant assumption based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). SFAS 157 does not change existing guidance as to whether or not an instrument is carried at fair value. The Organization adopted SFAS 157 effective July 1, 2008. As of July 1, 2008, the Organization determined that SFAS 157 did not have a significant impact on the financial assets and liabilities in the financial statements.

The Organization's statement of financial position included the following financial instruments: investments. Investments have been considered Level I assets and are reported at fair value based on quoted prices in active markets for identical assets at the measurement date.

Investments – The Organization follows Statement of Financial Accounting Standards No. 124, "Accounting for Certain Investments Held by Not-For-profit Organizations" whereby investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position.

Accounts Receivable – Management believes that all accounts receivable as of June 30, 2009 were fully collectible. Therefore, no allowance for doubtful accounts was recorded.

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.

UPTOWN PARTNERSHIP, INC.
NOTES TO FINANCIAL STATEMENTS

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. ASSETS RELEASED FROM RESTRICTION

The following temporarily restricted net assets were released from restriction:

Streetscape design guidelines	<u>\$ 18,700</u>
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NOTE 7. June 30, 2008 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, 2008, from which the summarized information was derived.