



November 11, 2008

David Corliss, City Manager
City Hall
P. O. Box 708
Lawrence, KS 66044

Re: 2008 3rd Quarter DLI Report

Dear Dave:

In an effort to keep you informed, we have prepared the following report of our 3rd quarter activities. Here are some of the highlights:

Membership Expansion & Retention

- Communication – The weekly e-news format continues to be a valuable tool for sharing news and information with members and other interested parties. Efforts are underway to encourage City departments such as Parks and Rec and Public Works to submit information about upcoming or ongoing projects. The POP message format continues to be utilized to communicate special promotional opportunities such as the vendor spaces available at Get Downtown.
- Membership Campaign – By the end of the third quarter, 89% of all 2007 paid members had renewed, 4 lapsed members had rejoined and 15 new members were on the role.

Coop Promotional Projects

- Downtown Map and Visitor Guide – Revisions for the latest edition of the map were completed. Working with a new graphic designer, the format was tweaked to make it more user friendly.
- Periodic Promotions – Feedback on the new ad format has been very positive. It has proven to be very adaptable for a variety of advertising outlets including Spaces Magazine, Lawrence Magazine, the Lawrence Journal World, the Ottawa Herald and University Daily Kansan. A new co-op advertising opportunity with Spaces Magazine has enable DLI to leverage our investment to increase participation by other members.

Community Events and Downtown Activities

- Sidewalk Sale – The weather gods smiled on July 17th and brought excellent crowds to the Sidewalk Sale. Members reported significant improvement in sales over the last several years.

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- Film Festival – The weather gods also finally smiled on the film festival and the final three films were presented to enthusiastic audiences. Crowds were estimated to be in the neighborhood of 250 to 300 people. Support for this event continues to grow and we are making plans to increase the number of films to 6 and arrange rain dates.
- Walking Tours – Tours continued throughout the summer although with much smaller crowds when a fee was imposed to attend.
- Busker Fest 2008 – For an inaugural event, Busker Fest 2008 was a major success. Thousands of people crowded downtown sidewalks to catch the various performers throughout the weekend. Feedback from participants and audiences was overwhelmingly positive and we are anxious to repeat this event next year.

Business Development Assistance

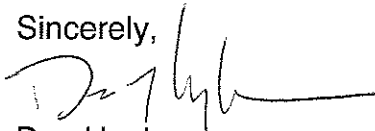
- Quarterly newsletter – Summer proved to be so busy that publishing a summer edition was not feasible.
- Centralized Database – Data collection continued.

New Business Recruitment

- Prospects – Our director has fielded a number of inquiries about space availability. In addition, there has been some very preliminary discussion about developing a retail “incubator” space.

Please let me know if you have any questions. I have attached our current financial statement for your review.

Sincerely,



Dan Hughes
President
Board of Directors

cc: Diane Stoddard
Cynthia Boecker

11/04/08

Downtown Lawrence, Inc.
Balance Sheet Prev Year Comparison
As of October 31, 2008

	<u>Oct 31, 08</u>	<u>Oct 31, 07</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
Firstar CD matures 11/10/2008	6,118.52	5,940.39	178.13	3.0%
FIRSTAR OPERATING ACCT 4960	20,365.28	6,354.40	14,010.88	220.5%
ING Direct	35,054.12	0.00	35,054.12	100.0%
Sweep Savings 2-455-4004-4238	0.00	72,428.62	-72,428.62	-100.0%
Total Checking/Savings	61,537.92	84,723.41	-23,185.49	-27.4%
Accounts Receivable				
Accounts Receivable	5,676.74	7,040.39	-1,363.65	-19.4%
Total Accounts Receivable	5,676.74	7,040.39	-1,363.65	-19.4%
Other Current Assets				
Cash Basis A/R Adjustment	16.48	0.00	16.48	100.0%
Undeposited Funds	0.00	345.00	-345.00	-100.0%
Total Other Current Assets	16.48	345.00	-328.52	-95.2%
Total Current Assets	67,231.14	92,108.80	-24,877.66	-27.0%
Fixed Assets				
Accumulated Depreciation	-22,117.00	-18,455.00	-3,662.00	-19.8%
Plant, Property&Equipment	30,703.34	30,703.34	0.00	0.0%
Total Fixed Assets	8,586.34	12,248.34	-3,662.00	-29.9%
TOTAL ASSETS	<u>75,817.48</u>	<u>104,357.14</u>	<u>-28,539.66</u>	<u>-27.4%</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	-154.00	-124.00	-30.00	-24.2%
Total Accounts Payable	-154.00	-124.00	-30.00	-24.2%
Other Current Liabilities				
FICA & Fed W/H Payable	0.00	-1,105.31	1,105.31	100.0%
KS & Fed Unemployment Payable	-522.30	2.58	-524.88	-20,344.2%
KS W/H Payable	69.00	100.92	-31.92	-31.6%
Total Other Current Liabilities	-453.30	-1,001.81	548.51	54.8%
Total Current Liabilities	-607.30	-1,125.81	518.51	46.1%
Total Liabilities	-607.30	-1,125.81	518.51	46.1%
Equity				
FundBalance	45,522.83	42,879.28	2,643.55	6.2%
Net Income	-65.08	31,636.64	-31,701.72	-100.2%
Total Equity	45,457.75	74,515.92	-29,058.17	-39.0%
TOTAL LIABILITIES & EQUITY	<u>44,850.45</u>	<u>73,390.11</u>	<u>-28,539.66</u>	<u>-38.9%</u>

Downtown Lawrence, Inc.
Profit & Loss Prev Year Comparison
December 2007 through October 2008

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1/04/08

Cash Basis

	Dec '07 - Oct 08	Dec '06 - Oct 07	\$ Change	% Change
Prof Fees	2,200.00	3,825.00	-1,625.00	-42.5%
Accounting	2,525.00	1,681.25	843.75	50.2%
Layout and Design	0.00	40.00	-40.00	-100.0%
Legal				
Total Prof Fees	4,725.00	5,546.25	-821.25	-14.8%
Promotions	2,670.88	7,210.00	-4,539.12	-63.0%
Christmas Lighting	6,214.46	6,409.24	-194.78	-3.0%
Film Festival	3,175.00	22,452.40	-19,277.40	-85.9%
Map/brochure project	2,951.58	0.00	2,951.58	100.0%
Sidewalk Sale	577.72	0.00	577.72	100.0%
Walking Tour	6,901.18	8,543.25	-1,642.07	-19.2%
Promotions - Other				
Total Promotions	22,490.82	44,614.89	-22,124.07	-49.6%
Rent	4,960.00	4,260.00	700.00	16.4%
Sales Tax	71.80	57.44	14.36	25.0%
Shipping and Delivery	0.00	117.47	-117.47	-100.0%
Sidewalk sale expense	0.00	20.00	-20.00	-100.0%
Supplies	707.79	883.75	-175.96	-19.9%
Telephone	981.40	925.85	55.55	6.0%
Travel	136.69	380.58	-243.89	-64.1%
Voided check	0.00	-2,134.01	2,134.01	100.0%
Website development	0.00	502.61	-502.61	-100.0%
Total Expense	106,813.27	113,155.54	-6,342.27	-5.6%
Net Ordinary Income	-3,033.14	20,487.24	-23,520.38	-114.8%
Other Income/Expense				
Other Income	951.86	831.00	120.86	14.5%
Interest Received	0.00	-11,272.82	11,272.82	100.0%
Other Income				
Total Other Income	951.86	-10,441.82	11,393.68	109.1%
Other Expense	0.00	-0.50	0.50	100.0%
Cash Long/Short	94.71	16.75	77.96	465.4%
Interest Paid	0.00	2.00	-2.00	-100.0%
Loss on sale of PP& E				
Total Other Expense	94.71	18.25	76.46	419.0%
Net Other Income	857.15	-10,460.07	11,317.22	108.2%
Net Income	-2,175.99	10,027.17	-12,203.16	-121.7%

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11/04/08

Cash Basis

Downtown Lawrence, Inc.
Profit & Loss Prev Year Comparison
December 2007 through October 2008

	Dec '07 - Oct 08	Dec '06 - Oct 07	\$ Change	% Change
Ordinary Income/Expense				
Income				
Direct Mail Project				
Spring 2007	0.00	7,339.00	-7,339.00	-100.0%
Total Direct Mail Project	0.00	7,339.00	-7,339.00	-100.0%
Downtown Lawrence Map	11,215.00	15,947.00	-4,732.00	-29.7%
Dues	32,946.38	31,466.38	1,480.00	4.7%
Dues Early Discount	-438.50	-550.75	112.25	20.4%
Econ. Devel. Contract Income	35,250.00	45,600.00	-10,350.00	-22.7%
Gift Crtfc sold by DLI direct	4,629.23	4,839.58	-210.35	-4.4%
Grant support	450.00	0.00	450.00	100.0%
Miscellaneous Income				
Direct Mail participation	298.62	895.86	-597.24	-66.7%
Miscellaneous Income - Other	86.73	7,916.21	-7,829.48	-98.9%
Total Miscellaneous Income	385.35	8,812.07	-8,426.72	-95.6%
Sidewalk Sale	200.00	0.00	200.00	100.0%
Sponsorship				
Holiday Lighting Ceremony	1,290.00	0.00	1,290.00	100.0%
KU-MU football watch party	1,038.75	0.00	1,038.75	100.0%
Sponsorship - Other	5,600.00	10,649.50	-5,049.50	-47.4%
Total Sponsorship	7,928.75	10,649.50	-2,720.75	-25.6%
State Dated Gift Certificates	11,213.92	9,540.00	1,673.92	17.6%
Total Income	103,780.13	133,642.78	-29,862.65	-22.4%
Gross Profit	103,780.13	133,642.78	-29,862.65	-22.4%
Expense				
Advertising	9,532.68	6,014.52	3,518.16	58.5%
Bank Chrg	180.55	398.00	-217.45	-54.6%
Contracted Services	0.00	2,583.33	-2,583.33	-100.0%
Depreciation	3,662.00	5,053.00	-1,391.00	-27.5%
GC State Dated Check	372.06	385.00	-12.94	-3.4%
Gift Certificate Promotion	381.99	0.00	381.99	100.0%
Gift Certificates to sell	6,225.00	5,065.00	1,160.00	22.9%
Insurance	2,510.00	2,292.00	218.00	9.5%
Internet	245.41	87.66	157.75	180.0%
Maintenance	434.69	167.27	267.42	159.9%
Meals & Entertainment	40.00	8.83	31.17	353.0%
Meetings	852.28	1,379.62	-527.34	-38.2%
Membership Functions	1,436.48	0.00	1,436.48	100.0%
Memberships	1,083.00	275.00	808.00	293.8%
Miscellaneous	216.37	593.98	-377.61	-63.6%
Office Rent	174.80	0.00	174.80	100.0%
Office Supplies	1,858.82	1,196.96	661.86	55.3%
Payroll				
Administrator	29,520.43	27,839.35	1,681.08	6.0%
Commission	2,312.64	591.68	1,720.96	290.9%
Payroll - Other	3,150.00	0.00	3,150.00	100.0%
Total Payroll	34,983.07	28,431.03	6,552.04	23.1%
Payroll Expenses	1,231.85	1,202.96	28.89	2.4%
Payroll tax penalty & interest	0.00	387.58	-387.58	-100.0%
Payroll Taxes				
FICA	4,869.39	197.63	4,671.76	2,363.9%
Unemployment taxes	65.69	2.58	63.11	2,446.1%
Payroll Taxes - Other	838.46	0.00	838.46	100.0%
Total Payroll Taxes	5,773.54	200.21	5,573.33	2,783.7%
Postage	807.50	365.83	441.67	120.7%
Printing				
Downtown Map	49.90	0.00	49.90	100.0%
Printing - Other	687.78	1,892.93	-1,205.15	-63.7%
Total Printing	737.68	1,892.93	-1,155.25	-61.0%

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