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APR 23 2009

**CITY MANAGERS OFFICE
LAWRENCE, KS**

April 22, 2009

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

Re: 2009 1st Quarter DLI Report

Dear Dave:

The DLI Board has set a course for 2009 designed to encourage more cooperation and communication among members and non-members in an effort to create a better sense of community that will ultimately strengthen Downtown Lawrence. Here are some highlights from the 1st Quarter of 2009.

Membership Expansion & Retention

- Communication – More and more people are joining the mailing list for the weekly e-news and our statistics on openings, click throughs and forwards are climbing. In addition, our new website makes it much easier to post information for members to access on-line.
- DLI Breakfast Club – We have started informal monthly gatherings staged at various member business locations to address a wide-range of subjects such as marketing, parking, beautification and construction projects that impact members. The gatherings are proving to be great opportunities for networking and connecting members to share concerns, provide encouragement and stay abreast of developments.
- Membership Campaign –We launched the 2009 membership renewal campaign in December and closed the year with 29 renewals and 4 new members. By the end of the 1st Quarter, we had reached a 73% renewal rate with 88 new, returned or renewed members.

Coop Promotional Projects

- Downtown Directory – In response to user and member feedback, the Downtown Map and Visitor Guide is being replaced by a new publication that we are calling the Downtown Directory. Like the map, the Directory will be distributed with gift certificates, at the Visitor Centers and through member merchants. Instead of two versions, there will be one version that will be accompanied by a one-page insert featuring Holiday events for distribution with Topeka Magazine and Shawnee Magazine in select zip codes in Shawnee and Johnson Counties.

- **Co-op Advertising Opportunities** – The success of last year's Spaces Magazine co-op ads has led to a similar partnership with INK KC Magazine, a publication geared toward 21 to 34 year old consumers. Like the Spaces Magazine campaign, DLI underwrites a portion of the cost for the INK KC ads while member businesses may purchase a portion of the ad to feature their store. The development of the radio campaign with Great Plains Media (Lazer, KLWN et al) that will feature a Downtown jingle "donut" of which members can purchase the "hole" to promote their sales or every day values continues to evolve with an anticipated full roll-out date in May.
- **Periodic Promotions** – The advertising budget has been crafted to not only permit the co-op advertising but include funds for placement of print and radio ads promoting Sidewalk Sale and the Holidays. We have facilitated the production and collection of discount coupons and specials for several conferences that are coming to the city which has prompted us to examine the benefits of developing a publication that contains coupons and specials specifically for visitors. The intent is to work with member businesses to come up with a discount or special that they would offer while relieving them of the design and production of the coupons. The new publication would be distributed to organizers of meetings and conferences for their welcome packets. We have also been working with Independence, Inc. on a new fund raising event in which they sell a reusable grocery bag filled with coupons from Downtown merchants that will be good for one weekend of shopping fun. In addition, we are working with Sunflower Broadband on a contest tentatively titled "Where's Broadband Man?". The contest will require participants to visit member businesses to locate a Broadband Man bobble head doll. Member businesses will contribute gift certificates to be part of the prize packages for successful contestants.
- **Website** – DLI has contracted with Niko Software for content management software and a website redesign that has refreshed the look of the site, added some exciting features like a Google tour of downtown and an interactive event calendar. The content management software will enable DLI staff to maintain and continue to add features. In addition, the new software includes the ability to produce electronic newsletters and surveys eliminating the need for a separate service like Constant Contact or Rate Point.

Community Events and Downtown Activities

- **Film Festival** – Sponsorship solicitations got underway with proposals to the Kansas Arts Commission, Capital Federal Bank and Sunflower Broadband. Our partnership with Sunflower Broadband will result in over \$15,000 worth of print and television advertising.

Dave Corliss
April 22, 2009
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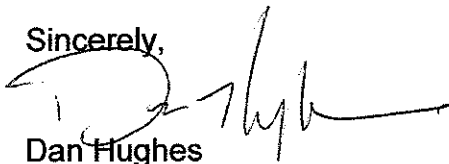
- Busker Fest 2009 – Sponsorship solicitations have been presented to a couple of major sponsor prospects including Monster Energy Drinks and Boost Mobile (a division of Sprint).
- Dogtoberfest – A new event is in the works that will be a celebration of dogs and their owners. We are partnering with the Lawrence Humane Society for this event to raise funds and awareness. Initial plans include a Frisbee demonstration, Pooch Parade, contests for the ugliest dog, most beautiful dog and best dog costume, agility training demonstrations and live music.
- Special Events Committee – We have organized a committee that is meeting regularly to promote events like Dogtoberfest and Buskerfest as well as coordinate events with organizations that approach DLI. To date, we have had discussions with Housing and Credit Counseling, Inc about a potential bed race and a group that wants to start a Tiki Parade.

Business Development Assistance

- Quarterly newsletter – A December issue of the newsletter was published and distributed to all Downtown businesses including some additional membership information for non-member businesses. At least two new members resulted from the newsletter.
- Centralized Database – Data collection continued. A format for the database was designed and data entry has begun.

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

04/07/09

Downtown Lawrence, Inc.
Balance Sheet Prev Year Comparison
As of March 31, 2009

	<u>Mar 31, 09</u>	<u>Mar 31, 08</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
Firststar CD matures 11/10/2008	6,161.36	5,940.39	220.97	3.7%
FIRSTAR OPERATING ACCT 4960	9,133.51	14,352.54	-5,219.03	-36.4%
In-kind Exchange	175.00	0.00	175.00	100.0%
ING Direct	25,560.97	50,561.85	-25,000.88	-49.5%
Paypal	265.70	0.00	265.70	100.0%
Total Checking/Savings	<u>41,296.54</u>	<u>70,854.78</u>	<u>-29,558.24</u>	<u>-41.7%</u>
Accounts Receivable				
Accounts Receivable	<u>5,344.49</u>	<u>4,365.64</u>	<u>978.85</u>	<u>22.4%</u>
Total Accounts Receivable	<u>5,344.49</u>	<u>4,365.64</u>	<u>978.85</u>	<u>22.4%</u>
Other Current Assets				
Cash Basis A/R Adjustment	<u>16.48</u>	<u>16.48</u>	<u>0.00</u>	<u>0.0%</u>
Total Other Current Assets	<u>16.48</u>	<u>16.48</u>	<u>0.00</u>	<u>0.0%</u>
Total Current Assets	<u>46,657.51</u>	<u>75,236.90</u>	<u>-28,579.39</u>	<u>-38.0%</u>
Fixed Assets				
Accumulated Depreciation	-22,117.00	-22,117.00	0.00	0.0%
Plant, Property&Equipment	<u>30,703.34</u>	<u>30,703.34</u>	<u>0.00</u>	<u>0.0%</u>
Total Fixed Assets	<u>8,586.34</u>	<u>8,586.34</u>	<u>0.00</u>	<u>0.0%</u>
TOTAL ASSETS	<u>55,243.85</u>	<u>83,823.24</u>	<u>-28,579.39</u>	<u>-34.1%</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	<u>176.00</u>	<u>-154.00</u>	<u>330.00</u>	<u>214.3%</u>
Total Accounts Payable	<u>176.00</u>	<u>-154.00</u>	<u>330.00</u>	<u>214.3%</u>
Other Current Liabilities				
FICA & Fed W/H Payable	0.00	21.38	-21.38	-100.0%
KS & Fed Unemployment Payable	-123.57	0.00	-123.57	-100.0%
KS W/H Payable	<u>0.00</u>	<u>292.74</u>	<u>-292.74</u>	<u>-100.0%</u>
Total Other Current Liabilities	<u>-123.57</u>	<u>314.12</u>	<u>-437.69</u>	<u>-139.3%</u>
Total Current Liabilities	<u>52.43</u>	<u>160.12</u>	<u>-107.69</u>	<u>-67.3%</u>
Total Liabilities	<u>52.43</u>	<u>160.12</u>	<u>-107.69</u>	<u>-67.3%</u>
Equity				
FundBalance	28,188.07	45,332.83	-17,144.76	-37.8%
Opening Bal Equity	55.96	0.00	55.96	100.0%
Net Income	<u>-4,019.64</u>	<u>7,363.26</u>	<u>-11,382.90</u>	<u>-154.6%</u>
Total Equity	<u>24,224.39</u>	<u>52,696.09</u>	<u>-28,471.70</u>	<u>-54.0%</u>
TOTAL LIABILITIES & EQUITY	<u>24,276.82</u>	<u>52,856.21</u>	<u>-28,579.39</u>	<u>-54.1%</u>

2:08 PM
04/07/09
Cash Basis

Downtown Lawrence, Inc. Profit & Loss Prev Year Comparison January through March 2009

	Jan - Mar 09	Jan - Mar 08	\$ Change	% Change
Ordinary Income/Expense				
Income				
Direct Mail Project				
Spring 2007	399.00	0.00	399.00	100.0%
Total Direct Mail Project	399.00	0.00	399.00	100.0%
Downtown Lawrence Map	1,110.00	1,017.50	92.50	9.1%
Dues	18,149.75	11,035.00	7,114.75	64.5%
Dues Early Discount	-70.00	-29.00	-41.00	-141.4%
Econ. Devel. Contract Income	0.00	11,750.00	-11,750.00	-100.0%
Gift Crtfc sold by DLI direct	780.00	1,295.00	-515.00	-39.8%
Handling Charge	56.50	0.00	56.50	100.0%
Miscellaneous Income	286.00	0.25	285.75	114,300.0%
Sponsorship				
Holiday Lighting Ceremony	0.00	1,090.00	-1,090.00	-100.0%
KU-MU football watch party	0.00	450.00	-450.00	-100.0%
Total Sponsorship	0.00	1,540.00	-1,540.00	-100.0%
State Dated Gift Certificates	-330.00	0.00	-330.00	-100.0%
Total Income	20,381.25	26,608.75	-6,227.50	-23.4%
Gross Profit	20,381.25	26,608.75	-6,227.50	-23.4%
Expense				
Advertising	5,607.60	1,150.00	4,457.60	387.6%
Bank Chrg	165.51	150.55	14.96	9.9%
Contracted Services	900.00	0.00	900.00	100.0%
Contribution	50.00	0.00	50.00	100.0%
Cottonwood	100.00	0.00	100.00	100.0%
GC State Dated Check	36.69	297.06	-260.37	-87.7%
Gift Certificate Promotion	0.00	381.99	-381.99	-100.0%
Gift Certificates to sell	1,450.00	1,250.00	200.00	16.0%
Insurance	14.00	0.00	14.00	100.0%
Internet	258.98	45.00	213.98	475.5%
Maintenance	0.00	239.00	-239.00	-100.0%
Meals & Entertainment	165.27	30.00	135.27	450.9%
Meetings	546.34	376.33	170.01	45.2%
Memberships	70.00	25.00	45.00	180.0%
Miscellaneous	15.00	52.50	-37.50	-71.4%
Office Supplies	37.58	889.17	-851.59	-95.8%
Payroll				
Administrator	8,793.75	8,375.01	418.74	5.0%
Bonus	740.80	0.00	740.80	100.0%
Commission	0.00	754.14	-754.14	-100.0%
Health Insurance Stipend	450.00	0.00	450.00	100.0%
Payroll - Other	0.00	1,200.00	-1,200.00	-100.0%
Total Payroll	9,984.55	10,329.15	-344.60	-3.3%
Payroll Taxes				
FICA	763.82	0.00	763.82	100.0%
Unemployment taxes	488.00	0.00	488.00	100.0%
Payroll Taxes - Other	0.00	838.46	-838.46	-100.0%
Total Payroll Taxes	1,251.82	838.46	413.36	49.3%
Postage	272.00	153.35	118.65	77.4%
Printing	135.18	62.51	72.67	116.3%
Prof Fees				
Accounting	600.00	200.00	400.00	200.0%
Ad Layout/Design/Production	234.38	0.00	234.38	100.0%
Website Development	1,500.00	0.00	1,500.00	100.0%
Total Prof Fees	2,334.38	200.00	2,134.38	1,067.2%
Promotions				
Christmas	3,775.35	1,295.25	2,480.10	191.5%
Film Festival	18.23	0.00	18.23	100.0%
Promotions - Other	0.00	311.12	-311.12	-100.0%

2:08 PM
04/07/09
Cash Basis

Downtown Lawrence, Inc.
Profit & Loss Prev Year Comparison
January through March 2009

	Jan - Mar 09	Jan - Mar 08	\$ Change	% Change
Total Promotions	3,793.58	1,606.37	2,187.21	136.2%
Rent	1,230.00	1,215.00	15.00	1.2%
Supplies	342.69	263.71	78.98	30.0%
Telephone	610.80	173.22	437.58	252.6%
Travel	0.00	136.69	-136.69	-100.0%
Voided check	0.00	0.00	0.00	0.0%
Total Expense	29,371.97	19,865.06	9,506.91	47.9%
Net Ordinary Income	-8,990.72	6,743.69	-15,734.41	-233.3%
Other Income/Expense				
Other Income				
Interest Received	73.20	236.82	-163.62	-69.1%
Total Other Income	73.20	236.82	-163.62	-69.1%
Net Other Income	73.20	236.82	-163.62	-69.1%
Net Income	<u>-8,917.52</u>	<u>6,980.51</u>	<u>-15,898.03</u>	<u>-227.8%</u>