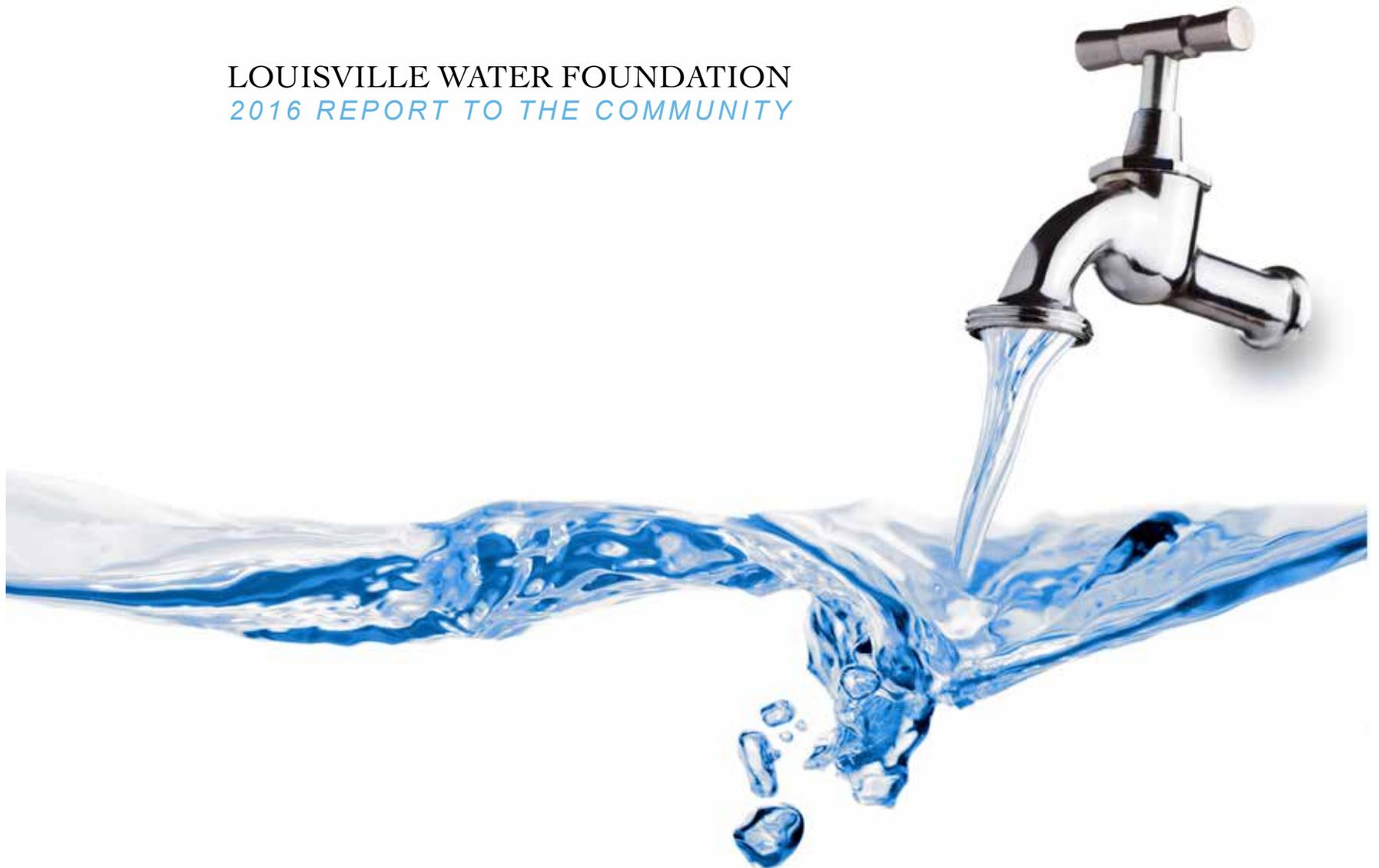


LOUISVILLE WATER FOUNDATION
2016 REPORT TO THE COMMUNITY





...helped struggling families pay their water bill, given doctors in a Honduras hospital clean water and made it possible for thousands of children to experiment and play with water..."

MESSAGE FROM OUR LEADERSHIP

Safe and clean water is the foundation for life and a pillar for a community's success. Louisville is fortunate to have not only an abundant supply of drinking water but some of the highest-quality in the United States. The Louisville Water Foundation promotes public health and identifies water-related needs in the communities Louisville Water Company serves and around the world. It supports outreach and education initiatives that focus on the value of water. The Foundation is working toward a world where safe water is available to everyone no matter where they live.

Over the past year, the Foundation has helped struggling families in this community pay their water bill, given doctors in a Honduras hospital clean water for their patients and made it possible for thousands of children to experiment and play with water in a new science initiative.

We are proud to highlight the success of Louisville Water Foundation's efforts during 2016.

Spencer Bruce
President

Marita Willis
Chair

LOUISVILLE WATER FOUNDATION - ITS HISTORY

Chartered in 1854, Louisville Water Company supplies nearly one million individuals and thousands of businesses throughout Louisville Metro and surrounding counties with safe, high quality drinking water. Throughout its 150-plus year history, Louisville Water has directly contributed to improving the welfare of those communities it serves by providing water payment assistance, sharing water education, and engaging in charitable activities.

In 2013, Louisville Water further demonstrated its commitment to the community by establishing the Louisville Water Foundation. The creation of the Foundation consolidates the charitable and philanthropic efforts already carried out by the company behind one unified mission. Additionally, the formation of a separate nonprofit entity allows financial support from a broad base of public and private sources, further enhancing the Foundation's ability to fulfill its mission.

The Foundation operates as a separate, independent entity from Louisville Water and was granted status as a tax exempt public charity under section 501 (c) (3) of the Internal Revenue Code on July 14, 2013. The Foundation's employee identification number is 46-2069742.

A Board of Directors manages the business affairs and in 2016, the Foundation expanded the board to include a diverse representation of employees from Louisville Water and the Louisville Metropolitan Sewer District (MSD) and members of the public.

1854

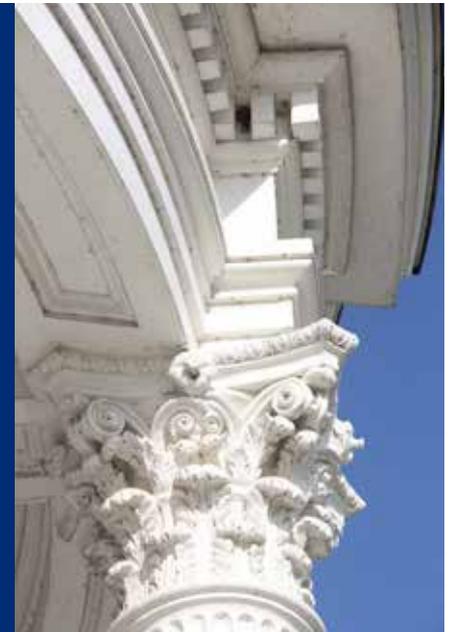
LW Chartered

150 +

Year history

2013

Foundation established



2016 AT A GLANCE: ...

In 2016, Louisville Water Foundation's reach was here at home and thousands of miles away.

Louisville Water Foundation's mission is to improve the health and well-being of the communities it serves and around the world by providing water assistance and water education.

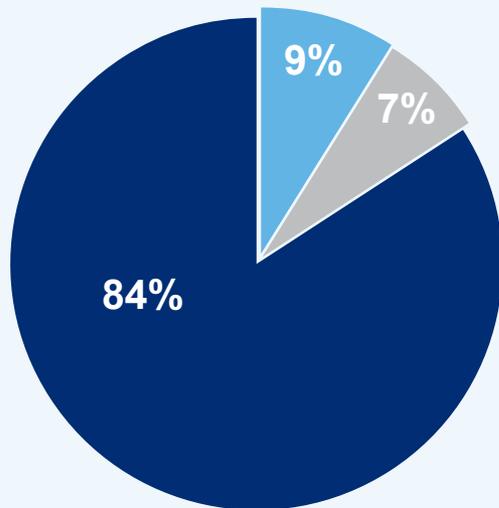
GRANT RECIPIENTS

74%
organizations doing work in the Louisville area

14%
initiatives and programs in the United States

12%
projects in other countries

FUNDING



- 84% Corporate donations from Louisville Water and Louisville MSD
- 9% Businesses, organizations and the public
- 7% Employees from Louisville Water and Louisville MSD

Louisville Water donates 10% of the revenues from the warranty-line protection program to the Foundation and MSD has a restricted contribution for customer assistance. Together, these sources of funding add up to 84%.

Nearly 100% of the Foundation's funds go toward mission-related activities. The Foundation's program ratio is 96.25%.

QUALITY WATER...QUALITY OF LIFE

CUSTOMER ASSISTANCE

The Foundation's largest percentage of allocations support a Customer Assistance Program that helps a struggling family pay their Louisville Water and MSD bill.

The Foundation provides funding to organizations in the three counties (Bullitt, Jefferson and Oldham) where Louisville Water has retail water service and these entities work directly with families who request assistance. In Jefferson County, the Association of Community Ministries coordinates the assistance; in Bullitt County, Multi-Purpose Community Action Agency is the contact and in Oldham County, the American Red Cross coordinates our program.



\$196,000

2016 Customer Assistance Program

996

Families received help

\$196.79

Average amount of assistance per family



\$32,000

Flint Love Campaign

Thousands of pairs of shoes were turned into dollars for the "Flint Love" campaign.

FLINT LOVE CAMPAIGN

As the nation watched the crisis over high lead levels in tap water unfold in Flint, Michigan, the Foundation coordinated a community effort to raise funds for children whose health was impacted by lead. The "Flint Love" campaign generated \$32,000 for the Community Foundation of Greater Flint.

LEAD SERVICE LINE REPLACEMENT PROGRAM

Lead is not a public health concern for Louisville's drinking water but there are lead service lines remaining in the service area. As Louisville Water works to eliminate its remaining lead lines, the Foundation is helping with a pi-

lot program for customers to replace a private water service line that is made of lead. A \$39,000 grant to the Association of Community Ministries will help low-income residential homeowners replace their private lead service line when Louisville Water replaces the public portion of the lead service line.

\$39,000

Association of
Community
Ministries



A CLEAN DRINK OF WATER

At the Hospital San Felipe in Tegucigalpa, Honduras, patients and staff can sometimes go several weeks without receiving water from the local municipal supply. Water With Blessings, based in Louisville, is installing simple water filtration systems to treat the local well water. The work is being done in phases since the hospital is a series of small standalone buildings. A \$30,500 grant from the Foundation in two phases has helped Water With Blessings to implement their multi-phased approach. At Hospital San Felipe, the faucets connected to the new water filtration systems are painted bright blue to distinguish them from other taps that bring the undrinkable water staff and patients are used to receiving.

“People in this kind of situation can be used to groups not looking at the broad picture. That is why it is invaluable to be able to partner with the Louisville Water Foundation,” says Sister Lorraine Lauter, Founder of Water With Blessings.



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\$30,500
Water With
Blessings



\$10,000
WaterStep

PROVIDING WATER FOLLOWING A DISASTER

In April 2016, a 7.8 magnitude earthquake in Ecuador crumbled buildings, destroyed homes and hospitals and compromised the availability of safe water. WaterStep, a Louisville-based organization with a proven track record for saving lives with safe water following disasters, quickly mobilized. WaterStep transported chlorinators and bleach makers to Ecuador and sent staff and volunteers for training. The chlorinators can produce up to 1 million gallons of safe water a day. The Louisville Water Foundation provided a \$10,000 grant to assist with WaterStep's effort.

ONE DROP OF WATER OPENS A WORLD OF LEARNING...

WATER + SCIENCE

One of the most popular early childhood attractions at the Kentucky Science Center is the water table. A \$50,000 grant allowed the Center to redesign and install a new water table that incorporates more hands-on learning and explores science and engineering concepts. The partnership with the Center also includes an early childhood education program delivered by Louisville Water educators and drinking water fountain branding throughout the facility.

In its first year, more than 194,000 children have played and learned at the water table.



\$10,000

Bernheim Arboretum and Research Forest



\$50,000

Kentucky Science Center

AN EDIBLE GARDEN

Bernheim Arboretum and Research Forest has one of the most unique gardens in the world. The Edible Garden is a four-acre outdoor learning site that connects visitors to gardening and ecology. In the garden, Bernheim works to offset its entire carbon footprint, meaning it must account for every amount of energy used to build and operate the garden.

The never-ending water cycle is an important part of the garden. A \$10,000 grant allowed Bernheim to create educational signage that explains how the water cycle works in the Edible Garden.



\$15,000

Teach Kentucky

SCIENCE IN THE CLASSROOM

There is a critical need to attract talented STEM (Science, Technology, Engineering and Math) educators to the region. Teach Kentucky is focused on teacher recruitment and training. A \$15,000 grant was earmarked for advancement of educator talent in the Louisville area with 13 new STEM teachers from across the nation coming to local schools. The grant also assisted in the formation of a collaborative partnership between Teach Kentucky science educators and Louisville Water Company staff. Louisville Water staff bring real-world examples into the classroom, and teachers have the opportunity to tour the water treatment facilities.

A recruitment event for the 2017 Teach Kentucky program was held inside the WaterWorks Museum where veteran teachers toured the Louisville Water site and learned about curriculum opportunities.



It's a creative and stimulating way for the students to learn about an important part of the community's history."

A TOWERING ACHIEVEMENT

A \$14,850 grant to Fund for the Arts is facilitating a unique project that combines art with science and engineering. A pilot program administered by Louisville Visual Art involves more than 500 students at six elementary schools. In "Form and Function," students learn the history of Louisville's drinking water and the Louisville Water Tower, the oldest-standing water tower of its kind in the United States. Then, over a course of three days, students learn the vision of the original water tower's architect and create their own tower models.

"It's a creative and stimulating way for the students to learn about an important part of the community's history," says Annette Cable, Education Coordinator at Louisville Visual Art.



\$14,850

Found for the Arts

2016 FINANCIAL HIGHLIGHTS

Since its creation in 2013, Louisville Water Foundation has worked to expand the philanthropic and charitable activities with water in this community and around the world. As a non-profit public charity, the Foundation is committed to maintaining the highest levels of financial integrity.

A 15-member Board of Directors oversee the Foundation's operations including the review and approval of operating policies, charitable grants and financial statements. The operating policies for the Foundation include:

- Bylaws with Articles of Incorporation and the responsibilities of directors and officers
- Policies and procedures for disbursements, conflict of interest, whistle-blower and customer affordability programs
- Shared Services Agreements to provide for services from and reimbursement to Louisville Water for staff time in working on Foundation-related business
- Grant Review Committee to review and recommend grants to the Board for approval

The Foundation's Grant Program is designed to provide support for projects and activities that address water-related needs in communities both locally and around the world. A committee evaluates and scores all applications for demonstrated financial need, fiscal viability, and alignment with the goals and mission of the Foundation. If the grant application meets the Foundation's eligibility requirements and minimum scoring criteria, it is presented to the Board which makes the final award decision.

The Foundation's financial statements for 2016 show total revenue from donations of \$384,442, total expenses including contributions of \$411,682, and the use of \$27,240 from retained earnings leaving an ending balance of \$220,115. In 2016, 74% of the contributions were to local organizations, primarily for water assistance, 14% were domestic awards and the remaining 12% were international contributions. Another key percentage found within the financials is the Program Ratio. As indicated by the Foundation's exceptionally high Program Ratio, more than 96% of the Foundation's funds go directly to support its mission-related activities.

The Foundation has been able to make a significant impact with minimal administrative costs. Corporate donations from Louisville Water Company and Louisville MSD provided the majority of the Foundation's funding, 84%. Employees of Louisville Water and MSD contributed another 7% through payroll deductions, and the remaining 9% came from promotions, businesses and miscellaneous donations.

In 2016, the leading contributions from the Foundation were for the customer assistance programs (49%) followed by water-related education (23%), disaster relief and other contributions (20%) and the Flint Love campaign (8%). The Foundation coordinated a special community promotion for the Community Foundation of Greater Flint to provide assistance to children impacted by high levels of lead in drinking water.

CONDENSED STATEMENT OF FINANCIAL POSITION

	<i>December 31, 2016</i>	<i>2015 Actual</i>	<i>Variance</i>	<i>% Change</i>	<i>2014 Actual</i>
Cash and Cash equivalents	\$ 152,517.09	\$ 247,354.59	\$ (94,837.50)	(38.3%)	\$ 224,574.04
Accounts receivable	100,000.00	-	100,000.00	na	-
Total Assets	\$ 252,517.09	\$ 247,354.59	\$ 5,162.50	2.1%	\$ 224,574.04
Accounts payable and accrued expenses	\$ 2,402.57	\$ -	\$ 2,402.57	na	\$ 100,000.00
Pledges	30,000.00	-	30,000.00	na	-
Total Liabilities	\$ 32,402.57	\$ -	\$ 32,402.57	na	\$ 100,000.00
Unrestricted net assets	220,114.52	247,354.59	(27,240.07)	(11.0%)	124,574.04
Total Net Assets	\$ 220,114.52	\$ 247,354.59	\$ (27,240.07)	(11.0%)	\$ 124,574.04
Total Liabilities & Net Assets	\$ 252,517.09	\$ 247,354.59	\$ 5,162.50	2.1%	\$ 224,574.04

CONDENSED STATEMENT OF ACTIVITIES

	<i>December 31, 2016</i>	<i>2015 Actual</i>	<i>Variance</i>	<i>% Change</i>	<i>2014 Actual</i>
LWC Contributions	\$ 223,002.00	\$ 195,551.00	\$ 27,451.00	14.0%	\$ 175,096.39
LWC Combined Giving Campaign & Payroll Contributions	15,057.54	23,278.16	(8,220.62)	(35.3%)	6,195.00
HomeServe USA Donation	12,000.00	12,000.00	-	0.0%	12,000.00
MSD Water/Sewer Assistance Contribution *	100,000.00	100,000.00	-	0.0%	100,000.00
MSD Employee Donations & Payroll Contributions	12,426.75	19,095.00	(6,668.25)	(34.9%)	-
Other Income	21,955.33	10,436.69	11,518.64	110.4%	431.00
Total Revenue and Support	\$ 384,441.62	\$ 360,360.85	\$ 24,080.77	6.7%	\$ 293,722.39
Local Water Assistance (Customer Assistance Program)	\$ 196,000.00	\$ 202,500.00	\$ 6,500.00)	(3.2%)	\$ 194,162.00
Water Education	90,850.00	1,000.00	89,850.00	8985.0%	10,000.00
Flint Water Campaign	30,929.33	-	30,929.33	na	-
Other Contributions	79,500.00	29,769.11	49,730.89	200.0%	-
Other Expense	14,402.36	4,311.19	10,091.17	234.1%	2,514.68
Total Expenses	\$ 411,681.69	\$ 237,580.30	\$ 174,101.39	73.3%	\$ 206,676.68
Change in Net Assets	\$ (27,240.07)	\$ 122,780.55	\$(150,020.62)	(122.2%)	\$ 87,045.71
Net Assets, Beginning of Year	247,354.59	124,574.04	122,780.55	98.6%	37,528.33
Net Assets, End of Year	\$ 220,114.52	\$ 247,354.59	\$ (27,240.07)	(11.0%)	\$ 124,574.04

* Funds are designated for the Jefferson Co. Customer Assistance Program, administered by the Association of Community Ministries.

“

The Louisville Water Foundation allowed us to assist clients, who have fallen behind in paying their Louisville Water Company bill. As part of this funding, we offered budgeting and financial planning to clients, which served a twofold purpose. We alleviate the immediate emergency and also prevent another emergency occurring. We are grateful to funders, such as Louisville Water Foundation, to help us meet the needs of low income families.”

--Kim Embrey-Hill, Executive Director, Multi-Purpose Community Action Agency



“

The challenges of this disaster relief in Ecuador forced WaterStep to evaluate best practices for how we conduct our training and the transportation of our equipment. Because of the \$10,000 grant from Louisville Water Foundation, WaterStep could not only adapt to responding during a disaster, but also implement better practices and measures of success for future disasters.”

-- WaterStep's Ecuador Disaster Relief Final Report



“

Fund for the Arts is proud to be a part of the grant program “Water Tower- Form & Function” in partnership with Louisville Visual Art, Louisville Water Company, and Louisville Water Foundation. Hands on, collaborative workshops, such as “Water Tower- Form & Function,” give students a unique opportunity to develop coveted 21st century skills for their future.”

--Abby Shue, Vice President of Development, Louisville Fund for the Arts

LOUISVILLE WATER FOUNDATION BOARD OF DIRECTORS

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Chad Collier – Treasurer
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Jim Grunow
Greg Heitzman
Keith Meriwether
Creighton Mershon
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Lynn Pearson
Kimberly Reed
Terrence Spence
Glenn Sullivan*



HOW TO APPLY FOR A GRANT

Louisville Water Foundation accepts grant applications year-round from organizations and individuals with projects that address a water-related need.

Examples of projects/activities supported:

- Potable water solutions in water-poor communities
- Water assistance programs serving individuals and/or communities
- Water awareness or education campaign
- Water stewardship education
- Surface or groundwater protection education
- Watershed cleanup

Activities that do not qualify:

- Lobbying (attempting to influence local, state, or national legislation)
- Interest payments
- Personal articles

Request a grant application packet and review the guidelines at LouisvilleWaterFoundation.org. The Foundation Board meets quarterly to approve any recommended awards.

To speak with someone about Louisville Water Foundation, call 502.569.3600.



550 SOUTH THIRD STREET - LOUISVILLE, KY 40202
502.569.3600 - LouisvilleWaterFoundation.org