





## LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

**Legal Name of Applicant Organization** Waterfront Development Corporation

**Program Name and Request Amount** Riverview Cleanup - \$8,895

	Yes/No/NA
Is the NDF Transmittal Sheet Signed by all Council Member(s) Appropriating Funding?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Is the funding proposed by Council Member(s) less than or equal to the request amount?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Is the proposed public purpose of the program viable and well-documented?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Will all of the funding go to programs specific to Louisville/Jefferson County?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Has Council or Staff relationship to the Agency been adequately disclosed on the cover sheet?	<input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No
Has prior Metro Funds committed/granted been disclosed?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Is the application properly signed and dated by authorized signatory?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Is proof of Tax Exempt status of 501(c) 3, 4, 6, 19, 1120-H included?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
If Metro funding is for a separate taxing district is the funding appropriated for a program outside the legal responsibility of that taxing district?	<input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No
Is the entity in good standing with: <ul style="list-style-type: none"> <li>▶ Kentucky Secretary of State?</li> <li>▶ Louisville Metro Revenue Commission?</li> <li>▶ Louisville Metro Government?</li> <li>▶ Internal Revenue Service?</li> <li>▶ Louisville Metro Human Relations Commission?</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Is the current Fiscal Year Budget included?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Is the entity's board member list (with term length/term limits) included?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Is recommended funding less than 33% of total agency operating budget?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Does the application budget reflect only the revenue and expenses of the project/program?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Is the cost estimate(s) from proposed vendor (if request is for capital expense) included?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Is the most recent annual audit (if required by organization) included?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Is a copy of Signed Lease (if rent costs are requested) included?	<input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No
Is the Supplemental Questionnaire for churches/religious organizations (if requesting organization is faith-based) included?	<input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No
Are the Articles of Incorporation of the Agency included?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Is the IRS Form W-9 included?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Is the IRS Form 990 included?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Are the evaluation forms (if program participants are given evaluation forms) included?	<input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No
Affirmative Action/Equal Employment Opportunity plan and/or policy statement included (if required to do so)?	<input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No
Has the Agency agreed to participate in the BBB Charity review program? If so, has the applicant met the BBB Charity Review Standards?	<input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> NA

Prepared by:

*Jm Meszner*

Date:

*10/22/18*

## McQuillen, Liz

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**From:** Blackwell, Rick  
**Sent:** Monday, October 22, 2018 9:49 AM  
**To:** Helton, Jessamyn  
**Cc:** McQuillen, Liz  
**Subject:** WDC NDF Signature

Good Morning Jess –

Please note that Liz McQuillen has my permission to sign the NDF application for repair and cleanup of Riverview Park on my behalf.

Thanks,  
Rick

## LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 1 – APPLICANT INFORMATION			
<b>Legal Name of Applicant Organization:</b>		Waterfront Development Corporation	
<small>(as listed on: <a href="http://www.sos.ky.gov/business/records">http://www.sos.ky.gov/business/records</a>)</small>			
<b>Main Office Street &amp; Mailing Address:</b> 129 River Rd Louisville, KY 40202			
<b>Website:</b> www.louisvillewaterfront.com			
<b>Applicant Contact:</b>	Kelley Runyon	<b>Title:</b>	Assistant Finance Director
<b>Phone:</b>	502-574-3768	<b>Email:</b>	kelley.runyon@louisvilleky.gov
<b>Financial Contact:</b>	Kelley Runyon	<b>Title:</b>	Assistant Finance Director
<b>Phone:</b>	502-574-3768	<b>Email:</b>	kelley.runyon@louisvilleky.gov
<b>Organization's Representative who attended NDF Training:</b> Kelley Runyon			
GEOGRAPHICAL AREA(S) WHERE PROGRAM ACTIVITIES ARE (WILL BE) PROVIDED			
<b>Program Facility Location(s):</b>	Riverview Park		
<b>Council District(s):</b>	12	<b>Zip Code(s):</b>	40258
SECTION 2 – PROGRAM REQUEST & FINANCIAL INFORMATION			
<b>PROGRAM/PROJECT NAME:</b> Emergency Flood Cleanup at Riverview Park			
<b>Total Request: (\$)</b>	8,895	<b>Total Metro Award (this program) in previous year: (\$)</b>	0
<b>Purpose of Request (check all that apply):</b>			
<input checked="" type="checkbox"/> Operating Funds (generally cannot exceed 33% of agency's total operating budget) <input type="checkbox"/> Programming/services/events for direct benefit to community or qualified individuals <input type="checkbox"/> Capital Project of the organization (equipment, furnishing, building, etc)			
<b>The Following are Required Attachments:</b>			
<input checked="" type="checkbox"/> IRS Exempt Status Determination Letter <input checked="" type="checkbox"/> Current year projected budget <input checked="" type="checkbox"/> Current financial statement <input checked="" type="checkbox"/> Most recent IRS Form 990 or 1120-H <input checked="" type="checkbox"/> Articles of Incorporation (current & signed) <input checked="" type="checkbox"/> Cost estimates from proposed vendor if request is for capital expense		<input type="checkbox"/> Signed lease if rent costs are being requested <input checked="" type="checkbox"/> IRS Form W9 <input checked="" type="checkbox"/> Evaluation forms if used in the proposed program <input checked="" type="checkbox"/> Annual audit (if required by organization) <input type="checkbox"/> Faith Based Organization Certification Form, if applicable	
<b>For the current fiscal year ending June 30, list all funds appropriated and/or received from Louisville Metro Government for this or any other program or expense, including funds received through Metro Federal Grants, from any department or Metro Council Appropriation (Neighborhood Development Funds). Attach additional sheet if necessary.</b>			
<b>Source:</b>	General Operations Budget	<b>Amount: (\$)</b>	1,007,000
<b>Source:</b>	NDF - Louisville Waterfront 4th	<b>Amount: (\$)</b>	12,750
<b>Source:</b>		<b>Amount: (\$)</b>	
Has the applicant contacted the BBB Charity Review for participation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Has the applicant met the BBB Charity Review Standards? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			



## LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

### SECTION 3 – AGENCY DETAILS

**Describe Agency's Vision, Mission and Services:**

The mission and goals of the Waterfront Development Corporation are to oversee development of Louisville's waterfront; to establish and maintain public access to th waterfront through development, maintenance, and programming; and to provide a beautiful and enjoyable gathering space for people from all parts of the community and beyond. Waterfront Park hosts more than 2 million visitors per year by people attending events and casual park users.

WDC has a 9-person maintenance crew that has a presence in Waterfront Park 364 days per year. Park staff program both the park and the Belvedere with more than 120 events per year, including 2 big events that are the park's signature events - the Louisville Waterfront Fourth and the WFPK Waterfront Wednesday concert series. WDC also manages the Belle of Louisville on behalf of Louisville Metro, and developed the master plans for Riverview Park in Southwest Jefferson County and Phase IV of Waterfront Park. WDC has design review authority in the Waterfront District and oversees the RiverPark Place development. Going forward, WDC will oversee development of Waterfront Park's Phase IV.

**LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION**

**SECTION 4 - BOARD OF DIRECTORS AND PAID STAFF**

Board Member	Term End Date
Scott Brinkman	Term of Office
Christopher Jones	Jul 31, 2022
Robert Banks	Jul 31, 2020
Jon Meyer	Jul 31, 2020
Oliver Barber, Vice Chair	Jul 31, 2022
Carter Vance, Treasurer	Jul 31, 2022
Mayor Greg Fischer	Term of Office
David James	Term of Office
Ted Nixon	Jul 31, 2020
Frank Ward	Jul 31, 2021
Cathy Shannon	Jul 31, 2022
Jaleigh White	Jul 31, 2022
Carmen Miller	Jul 31, 2020
Susan Moss, Chair	Jul 31, 2020
Nicole Walton, Secretary	Jul 31, 2022

**Describe the Board term limit policy:**  
 Each Board Member serves a 4 year term and may be reappointed by the appropriate appointing authority.

Three Highest Paid Staff Names	Annual Salary
David K. Karem	143,652.6
Deborah A. Bilitski	116,733.08
Cordell G. Lawrence	111,460.91

## LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

### SECTION 5 – PROGRAM/PROJECT NARRATIVE

**A: Describe the program/project start and end dates, a description of the program/project and applicable data with regards to specific client population the program will address (attach related flyers, planning minutes, designs, event permits, proposals for services/goods, etc.):**

Payment to Danath Logistics for cleanup and remediation of Riverview Park after the catastrophic February 2018 flood. Work commenced March 27, 2018 and was complete May 1, 2018 and included grading and seeding of newly constructed earthen amphitheater in preparation for the Riverview Independence Festival, repair to MSD required silt fence, and site cleanup.

**B: Describe specifically how the funding will be spent including identification of funding to sub grantee(s):**  
Funding will complete payments to Danath Logistics for the remediation services.



**LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION**

**C: If this request is a fundraiser, please detail how the proceeds will be spent:**

This request is not a fundraiser.

**D: For Expenditure Reimbursement Only –** The grant award period begins with the Metro Council approval date and ends on June 30 of Metro fiscal year in which the grant is approved. If any part of this funding request is for funds to be spent before the grant award period, identify the applicable circumstances:

- The funding request is a reimbursement of the following expenditures that will probably be incurred after the application date, but prior to the execution of the grant agreement:
- ✓ If selecting this option, the invoice, receipt and payment documentation should not be available as of the date of this application.

The Grantee will be required to submit financial reporting in accordance with the reporting schedule provided in the grant agreement.

- Reimbursements should not be made before application date unless an emergency can be demonstrated by the primary council sponsor. The funding request is a reimbursement of the following expenditures (attach invoices or proof of payment):

- ✓ Attach a copy of invoices and/or receipts to provide proof of purchase of activities associated with the work plan identified in this application.
- ✓ Attach a copy of cancelled checks to provide proof of payment of the invoices or receipts associated with the work plan identified in this application.

Payment has not yet been made to the vendor, but will be paid upon receipt of NDF award.

## LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

**E: Describe the program's benefits to those being served (measurable outcomes). Include the program's process for collecting data and the indicators that will be tracked to measure the benefits to those being served:**

The devastating February 2018 flooding damaged new construction that was created specifically for events in Riverview Park and was to be utilized for the Riverview Independence Festival. In order to refurbish the space in time for Spring and Summer events, Danath Logistics was asked to complete the cleanup as soon as possible so events for the community could take place as scheduled.

**F: Briefly describe any existing collaborative relationships the organization has with other community organizations. Describe what those partners are bringing to the relationship in general and to this program/project specifically.**

WDC partners with Louisville Metro Government, and more specifically Metro Council Member Rick Blackwell, to oversee construction improvements to Riverview Park according to the master plan.

## LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

### SECTION 6 – PROGRAM/PROJECT BUDGET SUMMARY

THE PROGRAM/PROJECT BUDGET SHOULD REALISTICALLY ESTIMATE WHAT AMOUNT IS NEEDED FROM METRO GOVERNMENT AND WHAT IS EXPECTED FROM OTHER SOURCES.

Program/Project Expenses	Column 1	Column 2	Column (1+2)=3
	Proposed Metro Funds	Non- Metro Funds	Total Funds
<b>A: Personnel Costs Including Benefits</b>			
<b>B: Rent/Utilities</b>			
<b>C: Office Supplies</b>			
<b>D: Telephone</b>			
<b>E: In-town Travel</b>			
<b>F: Client Assistance (See Detailed List on Page 8)</b>			
<b>G: Professional Service Contracts</b>	8895	0	8895
<b>H: Program Materials</b>			
<b>I: Community Events &amp; Festivals (See Detailed List on Page 8)</b>			
<b>J: Machinery &amp; Equipment</b>			
<b>K: Capital Project</b>			
<b>L: Other Expenses (See Detailed List on Page 8)</b>			
<b>*TOTAL PROGRAM/PROJECT FUNDS</b>			
% of Program Budget	100 %	0 %	100%

List funding sources for total program/project costs in Column 2, Non-Metro Funds:

Other State, Federal or Local Government	
United Way	
Private Contributions (do not include individual donor names)	
Fees Collected from Program Participants	
Other (please specify)	
Total Revenue for Columns 2 Expenses **	0

\*Total of Column 1 MUST match "Total Request on Page 1, Section 2"

\*\*Must equal or exceed total in column 2.



**LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION**

Detail for Client Assistance, Community Events & Festivals or Other Expenses shown on Page 7 (circle one and use multiple sheets if necessary)	Column 1	Column 2	Column (1 + 2)=3
	Proposed Metro Funds	Non-Metro Funds	Total Funds
<b>Total</b>			

Applicant's Initials *RV*

**LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION**

**Detail of In-Kind Contributions for this PROGRAM only:** Includes Volunteers, Space, Utilities, etc. (Include anything not bought with cash revenues of the agency).

Donor*/Type of Contribution	Value of Contribution	Method of Valuation
<p align="center"><i>Total Value of In-Kind</i>                      (to match Program Budget Line Item.                      Volunteer Contribution &amp; Other In Kind)</p>		

**\* DONOR INFORMATION REFERS TO WHO MADE THE IN KIND CONTRIBUTION. VOLUNTEERS NEED NOT BE LISTED INDIVIDUALLY, BUT GROUPED TOGETHER ON ONE LINE AS A TOTAL NOTING HOW MANY HOURS PER PERSON PER WEEK**

**Agency Fiscal Year Start Date:**

**Does your Agency anticipate a significant increase or decrease in your budget from the current fiscal year to the budget projected for next fiscal year?** NO  YES

**If YES, please explain:**

## LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

### SECTION 7 – CERTIFICATIONS & ASSURANCES

By signing Section 7 of the Grant Application, the authorized official signing for the applicant organization certifies and assures to the best of his or her knowledge and/or belief the following Assurances and Certifications. If there is any reason why one or more of the assurances or certifications listed cannot be certified or assured, please explain in writing and attach to this application.

#### Standard Assurances

1. Applicant understands this application and its attachments as well as any resulting grant agreement, reports and proof of expenditure is subject to Kentucky's open records law.
2. Applicant understands if the grant agreement is not returned to Louisville Metro within 90 days of its mailing to the applicant, the approval is automatically revoked and the funds will not be disbursed to our organization.
3. Applicant and any sub grantee will give Louisville Metro Government access to and the right to examine all paper or electronic records related to the awarded grant for up to five years of the grant agreement date.
4. Applicant assures compliance with the grant requirements and will monitor the performance of any third party (sub-grantee).
5. The Agency is in good standing with the Kentucky Secretary of State, Louisville Metro Government, the Jefferson County Revenue Commission, the Internal Revenue Service, and the Louisville Metro Human Relations Commission.
6. Applicant understands failure to provide the services, programs, or projects included in the agreement will result in funds being withheld or requested to be returned if previously disbursed.
7. Applicant understands they must return to Louisville Metro any unexpended funds by July 31 following the Metro Louisville's fiscal year end.
8. Applicant understands they must provide proof of all expenditures (canceled checks, receipts, paid invoices). The Applicant understands the failure to provide proof of expenditures as required in the grant agreement could result in funding being withheld or request to be returned if previously disbursed.
9. Applicant understands if this application is approved, the grant agreement will identify an award period that begins with the Metro Council approval date, and will end with June 30 of the fiscal year in which the grant is approved. Expenditures associated with this award expected to occur prior to the award period (approval date) must be disclosed in this application in order to be considered compliant with the grant agreement.
10. Applicant understands if we choose to incur expenditures prior to the approval of the application by the Metro Council, there is no guarantee that funding will be reimbursed, as the Council may choose not to award the application.
11. Applicant will establish safeguards to prohibit employees or any person that receives compensation from awarded funds from using their position for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.


#### Standard Certifications

1. The Agency certifies it will not use Louisville Metro Government funds for any religious, political or fraternal Activities.
2. The Agency has a written Affirmative Action/Equal Opportunity Policy.
3. The Agency does not discriminate in employment or in provision of any service/program/activity/event based on age, color, disabled status, national origin, race, religion, sex, gender identity or sexual orientation, or Vietnam era veteran status.
4. The Agency certifies it will not require clients, recipients, or beneficiaries to participate in religious, political, fraternal or like activities in order to receive services/benefits provided with Louisville Metro Government funds.
5. The Agency understands the Americans with Disabilities Act (ADA) and makes reasonable accommodations.

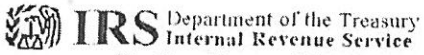
**Relationship Disclosure:** List below any relationship you or any member of your Board of Directors or employees has with any Councilperson, Councilperson's family, Councilperson's staff or any Louisville Metro Government employee.

### SECTION 8 – CERTIFICATIONS & ASSURANCES

I certify under the penalty of law the information in this application (including, without limitation, "Certifications and Assurances") is accurate to the best of my knowledge. I am aware my organization will not be eligible for funding if investigation at any time shows falsification. If falsification is shown after funding has been approved, any allocations already received and expended are subject to be repaid. I further certify that I am legally authorized to sign this application for the applying organization and have initialed each page of the application.

<b>Signature of Legal Signatory:</b>		<b>Date:</b>	10-19-18
<b>Legal Signatory: (please print):</b>	Kelley Runyon	<b>Title:</b>	Assistant Finance Director
<b>Phone:</b>	502-574-3768	<b>Extension:</b>	
<b>Email:</b>	kelley.runyon@louisvilleky.gov		





Department of the Treasury  
Internal Revenue Service

P.O. Box 2508  
Cincinnati OH 45201

In reply refer to: 0248222119  
Sep. 30, 2011 LTR 4076C E0  
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00013632  
BODC: TE

WATER FRONT DEVELOPMENT CORPORATION  
% DAVID K KAREM  
129 E RIVER RD  
LOUISVILLE KY 40202-1335

5639

Federal Identification Number: 37-1642204  
Person to Contact: Kaye Keyes  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This responds to your request for information about your federal tax status. Our records do not specify your federal tax status. However, the following general information about the tax treatment of state and local governments and affiliated organizations may be of interest to you.

#### GOVERNMENTAL UNITS

Governmental units, such as States and their political subdivisions, are not generally subject to federal income tax. Political subdivisions of a State are entities with one or more of the sovereign powers of the State such as the power to tax. Typically they include counties or municipalities and their agencies or departments. Charitable contributions to governmental units are tax-deductible under section 170(c)(1) of the Internal Revenue Code if made for a public purpose.

#### ENTITIES MEETING THE REQUIREMENTS OF SECTION 115(1)

An entity that is not a governmental unit but that performs an essential government function may not be subject to federal income tax, pursuant to Code section 115(1). The income of such entities is excluded from the definition of gross income as long as the income (1) is derived from a public utility or the exercise of an essential government function, and (2) accrues to a State, a political subdivision of a State, or the District of Columbia. Contributions made to entities whose income is excluded income under section 115 may not be tax deductible to contributors.

#### TAX-EXEMPT CHARITABLE ORGANIZATIONS

An organization affiliated with a State, county, or municipal government may qualify for exemption from federal income tax under section 501(c)(3) of the Code, if (1) it is not an integral part of the government, and (2) it does not have governmental powers inconsistent with exemption (such as the power to tax or to exercise enforcement or regulatory powers). Note that entities may meet the requirements of both sections 501(c)(3) and 115 under certain circumstances. See Revenue Procedure 2003-12, 2003-1 C.B. 316.

WATER FRONT DEVELOPMENT CORPORATION  
% DAVID K KAREM  
129 E RIVER RD  
LOUISVILLE KY 40202-1335

Most entities must file a Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code, to request a determination that the organization is exempt from federal income tax under 501(c)(3) of the Code and that charitable contributions are tax deductible to contributors under section 170(c)(2). In addition, private foundations and other persons sometimes want assurance that their grants or contributions are made to a governmental unit or a public charity. Generally, grantors and contributors may rely on the status of governmental units based on State or local law. Form 1023 and Publication 4220, Applying for 501(c)(3) Tax-Exempt Status, are available online at [www.irs.gov/eo](http://www.irs.gov/eo).

We hope this general information will be of assistance to you. This letter, however, does not determine that you have any particular tax status. If you are unsure of your status as a governmental unit or state institution whose income is excluded under section 115(1) you may seek a private letter ruling by following the procedures specified in Revenue Procedure 2007-1, 2007-1 I.R.B. 1 (updated annually).

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

[REDACTED]

S. A. Martin, Operations Manager  
Accounts Management Operations

## WATERFRONT DEVELOPMENT CORPORATION

### General Information

<b>Organization Number</b>	0212705
<b>Name</b>	WATERFRONT DEVELOPMENT CORPORATION
<b>Profit or Non-Profit</b>	N - Non-profit
<b>Company Type</b>	KCO - Kentucky Corporation
<b>Status</b>	A - Active
<b>Standing</b>	G - Good
<b>State</b>	KY
<b>File Date</b>	3/11/1986
<b>Organization Date</b>	3/11/1986
<b>Last Annual Report</b>	4/16/2018
<b>Principal Office</b>	129 E. RIVER RD., 3RD. FL. LOUISVILLE, KY 40202
<b>Registered Agent</b>	DAVID K. KAREM 129 E. RIVER RD., 3RD. FL. LOUISVILLE, KY 40202

### Current Officers

<b>Chairman</b>	<a href="#">Susan Moss</a>
<b>President</b>	<a href="#">David K Karem</a>
<b>Vice Chairman</b>	<a href="#">Oliver Barber</a>
<b>Vice President</b>	<a href="#">Deborah A Bilitski</a>
<b>Secretary</b>	<a href="#">Nicole Walton</a>
<b>Treasurer</b>	<a href="#">Carter Vance</a>
<b>Director</b>	<a href="#">Susan Moss</a>
<b>Director</b>	<a href="#">CATHY SHANNON</a>
<b>Director</b>	<a href="#">Robert Banks</a>
<b>Director</b>	<a href="#">Oliver H Barber, Jr</a>
<b>Director</b>	<a href="#">Scott Brinkman</a>
<b>Director</b>	<a href="#">Greg Fischer</a>
<b>Director</b>	<a href="#">Robert Hatfield</a>
<b>Director</b>	<a href="#">Jon Meyer</a>
<b>Director</b>	<a href="#">Carmen Miller</a>
<b>Director</b>	<a href="#">Carter Vance</a>
<b>Director</b>	<a href="#">Nicole Walton</a>
<b>Director</b>	<a href="#">Christopher Jones</a>
<b>Director</b>	<a href="#">David James</a>
<b>Director</b>	<a href="#">Ted Nixon</a>
<b>Director</b>	<a href="#">Frank Ward</a>
<b>CFO</b>	<a href="#">Cordell G Lawrence</a>

**Individuals / Entities listed at time of formation**

Director	<u>MARTHA LAYNE COLLINS</u>
Director	<u>HARVEY I SLOANE</u>
Director	<u>JERRY E ABRAMSON</u>
Incorporator	<u>MARTHA LAYNE COLLINS</u>
Incorporator	<u>HARVEY I SLOANE</u>
Incorporator	<u>JERRY E ABRAMSON</u>

**Images available online**

Documents filed with the Office of the Secretary of State on September 15, 2004 or thereafter are available as scanned images or PDF documents. Documents filed prior to September 15, 2004 will become available as the images are created.

<u>Annual Report</u>	4/16/2018	1 page	<u>PDF</u>	
<u>Annual Report</u>	4/20/2017	1 page	<u>PDF</u>	
<u>Annual Report</u>	3/9/2016	1 page	<u>PDF</u>	
<u>Annual Report</u>	4/6/2015	1 page	<u>PDF</u>	
<u>Annual Report</u>	1/22/2014	1 page	<u>PDF</u>	
<u>Name Renewal</u>	2/28/2013 10:46:10 AM	1 page	<u>PDF</u>	
<u>Annual Report</u>	1/15/2013	1 page	<u>PDF</u>	
<u>Annual Report Amendment</u>	9/4/2012	1 page	<u>PDF</u>	
<u>Annual Report</u>	2/17/2012	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	2/16/2011	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	3/31/2010	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	6/30/2009	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	10/24/2008	1 page	<u>tiff</u>	<u>PDF</u>
<u>Name Renewal</u>	3/14/2008	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	5/16/2007	1 page	<u>PDF</u>	
<u>Annual Report</u>	3/14/2006	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	4/18/2005	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	7/12/2004	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	9/3/2003	1 page	<u>tiff</u>	<u>PDF</u>
<u>Certificate of Assumed Name</u>	8/14/2003	3 pages	<u>tiff</u>	<u>PDF</u>
<u>Articles of Correction</u>	4/16/2003	13 pages	<u>tiff</u>	<u>PDF</u>
<u>Amendment</u>	10/23/2002	8 pages	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	7/19/2002	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	7/26/2001	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	7/20/2000	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	7/21/1999	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	7/29/1998	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	7/1/1997	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	7/1/1996	1 page	<u>tiff</u>	<u>PDF</u>
<u>Amendment</u>	5/1/1995	11 pages	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	7/1/1993	1 page	<u>tiff</u>	<u>PDF</u>
<u>Amendment</u>	3/24/1993	6 pages	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	7/1/1992	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	7/1/1990	1 page	<u>tiff</u>	<u>PDF</u>
<u>Annual Report</u>	7/1/1989	3 pages	<u>tiff</u>	<u>PDF</u>

<u>Amendment</u>	8/20/1987	9 pages	<u>tiff</u>	<u>PDF</u>
<u>Articles of Incorporation</u>	3/11/1986	10 pages	<u>tiff</u>	<u>PDF</u>

**Assumed Names**LOUISVILLE WATERFRONT DEVELOPMENT CORPORATION

Inactive

**Activity History**

<b>Filing</b>	<b>File Date</b>	<b>Effective Date</b>	<b>Org. Referenced</b>
Annual report	4/16/2018 10:59:29 AM	4/16/2018 10:59:29 AM	
Annual report	4/20/2017 2:54:27 PM	4/20/2017 2:54:27 PM	
Annual report	3/9/2016 10:57:03 AM	3/9/2016 10:57:03 AM	
Annual report	4/6/2015 4:51:42 PM	4/6/2015 4:51:42 PM	
Annual report	1/22/2014 11:51:22 AM	1/22/2014 11:51:22 AM	
Annual report	1/15/2013 2:37:31 PM	1/15/2013 2:37:31 PM	
Amendment to annual report	9/4/2012 12:05:04 PM	9/4/2012 12:05:04 PM	
Annual report	2/17/2012 9:35:16 AM	2/17/2012	
Annual report	2/16/2011 7:56:28 AM	2/16/2011	
Annual report	3/31/2010 12:18:33 PM	3/31/2010	
Annual report	6/30/2009 12:04:19 PM	6/30/2009	
Annual report	10/24/2008 10:21:16 AM	10/24/2008	
Annual report	5/16/2007 11:33:26 AM	5/16/2007 11:33:26 AM	
Annual report	3/14/2006 3:29:44 PM	3/14/2006	
Added assumed name	8/14/2003 3:01:30 PM	8/14/2003	<u>LOUISVILLE WATERFRONT DEVELOPMENT CORPORATION</u>
Articles of Correction	4/16/2003 3:04:56 PM	4/16/2003	
Amendment - Miscellaneous amendments	10/23/2002 8:58:00 AM	1/1/2003	
Amendment - Miscellaneous amendments	5/1/1995	5/1/1995	
Amendment - Miscellaneous amendments	3/24/1993	3/24/1993	
Amendment - Miscellaneous amendments	8/20/1987	8/20/1987	

**Microfilmed Images**

Microfilm images are not available online. They can be ordered by faxing a Request For Corporate



**Documents to the Corporate Records Branch at 502-564-5687.**

Annual Report	3/30/2005	1 page
Annual Report	9/13/2004	1 page
Annual Report	9/3/2003	1 page
Articles of Correction	4/16/2003	12 pages
Amendment	10/23/2002	7 pages
Annual Report	7/19/2002	1 page
Annual Report	7/26/2001	1 page
Annual Report	7/20/2000	1 page
Annual Report	7/21/1999	1 page
Annual Report	7/29/1998	1 page
Annual Report	7/1/1997	1 page
Annual Report	7/1/1996	1 page
Annual Report	7/1/1995	1 page
Amendment	5/1/1995	10 pages
Annual Report	7/1/1994	1 page
Annual Report	7/1/1993	1 page
Amendment	3/24/1993	5 pages
Annual Report	7/1/1992	1 page
Annual Report	7/1/1991	1 page
Annual Report	7/1/1990	1 page
Annual Report	7/1/1989	3 pages
Amendment	8/20/1987	8 pages
Articles of Incorporation	3/11/1986	8 pages



**Waterfront Development Corporation**  
**Income Statement**  
For the Three Months Ending September 30, 2018

	YTD Actual	YTD Budget	Variance	YTD Last Year Actual	YTD Last Year Budget	Variance	Actual YoY Variance
<b>Revenues</b>							
LMG Operation Funding	\$ 259,250	\$ 259,250	0	246,750	246,750	0	\$ 12,500
Rental Revenue	94,383	66,000	28,383	89,405	90,000	(595)	4,978
Other Revenue	4,311	43,750	(39,439)	959	41,250	(40,291)	3,352
Waterfront Independence Fe	100,439	90,000	10,439	90,698	90,000	698	9,741
Waterfront Wednesday	45,645	62,500	(16,855)	66,982	42,500	24,482	(21,337)
Event Income	134,453	100,000	34,453	131,007	100,000	31,007	3,446
Donations	67,780	0	67,780	1,658	0	1,658	66,122
Interest Income	10,456	11,000	(544)	7,746	7,500	246	2,710
Unrealized Gain/(Loss) Invest	2,558	0	2,558	233	0	233	2,325
<b>Total Revenues</b>	<b>719,275</b>	<b>632,500</b>	<b>86,775</b>	<b>635,438</b>	<b>618,000</b>	<b>17,438</b>	<b>83,837</b>
<b>Expenses</b>							
Salary & Benefits	389,738	394,000	4,262	391,469	391,500	31	(1,731)
Contract Labor	8,750	9,000	250	8,750	9,000	250	0
Repairs & Maintenance	54,143	44,900	(9,243)	42,472	46,950	4,478	11,671
Utilities & Telephone	28,977	34,125	5,148	36,784	34,125	(2,659)	(7,807)
Horticulture & Landscaping	915	6,000	5,085	2,255	6,000	3,745	(1,340)
Security Services	8,764	9,000	236	8,142	9,000	858	622
Donations Expense	0	250	250	0	250	250	0
Depreciation	9,804	9,300	(504)	16,588	12,000	(4,588)	(6,784)
Insurance	5,053	5,000	(53)	4,789	5,000	211	264
Automotive/Mower Fuel/Tires	11,152	8,750	(2,402)	7,924	9,750	1,826	3,228
Plumbing / Irrigation	4,411	3,000	(1,411)	5,595	3,000	(2,595)	(1,184)
Admin & Office Expenses	4,094	5,175	1,081	3,676	5,175	1,499	418
Professional Fees	10,633	6,600	(4,033)	5,900	6,600	700	4,733
Computer & Software Expens	4,676	2,450	(2,226)	2,869	1,200	(1,669)	1,807
Meeting Expenses	670	750	80	742	750	8	(72)
Advertising	0	0	0	0	0	0	0
Travel & Public Relations	2,205	1,200	(1,005)	554	1,200	646	1,651
Waterfront Independence Fe	76,896	90,000	13,104	63,723	60,000	(3,723)	13,173
Waterfront Wednesday Exper	51,197	65,000	13,803	47,207	55,000	7,793	3,990
Damage Deposit & Other Exp	9,635	3,750	(5,885)	1,819	3,750	1,931	7,816
<b>Total Expenses</b>	<b>681,713</b>	<b>698,250</b>	<b>16,537</b>	<b>651,258</b>	<b>660,250</b>	<b>8,992</b>	<b>30,455</b>
<b>Operating Income</b>	<b>\$ 37,562</b>	<b>(\$65,750)</b>	<b>103,312</b>	<b>(15,820)</b>	<b>(42,250)</b>	<b>(26,430)</b>	<b>53,382</b>
<b>Capital Project Funds</b>							
Capital Funds Revenues	169,140			59,371			109,769
Capital Funds Expenses	120,620			215,247			(94,627)
<b>Net Income</b>	<b>\$ 86,082</b>			<b>(171,696)</b>			<b>257,778</b>

**Waterfront Development Corporation**  
**Balance Sheet**  
**September 30, 2018**

<b>ASSETS</b>	<b>Current Year</b>	<b>Prior Year</b>	<b>YoY Variance</b>
<b>Current Assets</b>			
Cash - Fifth Third 7142344758	\$ 48,544	145,270	(\$ 96,726)
Cash - PNC MMA 30-1511-2105	43,066	27,608	15,458
Short Term Investment	2,045,333	3,048,762	(1,003,429)
Accounts Receivable - General	59,069	19,941	39,128
Accounts Receivable - Events	(28,640)	(39,236)	10,596
Prepaid - Insurance	4,890	4,789	101
Total Current Assets	2,172,262	3,207,134	(1,034,872)
<b>Property and Equipment</b>			
WDC Land	6,680,674	6,680,674	0
WDC Buildings	1,900,000	1,900,000	0
Park Maintenance Equipment	775,346	464,686	310,660
Park Equip/Capital (KEDFA)	3,049	145,259	(142,210)
Accumulated Depreciation-Park	(334,142)	(290,899)	(43,243)
Total Property and Equipment	9,024,927	8,899,720	125,207
<b>Other Assets</b>			
Total Other Assets	0	0	0
Total Assets	\$ 11,197,189	12,106,854	(\$ 909,665)
<b>LIABILITIES AND CAPITAL</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 72,968	180,025	(\$ 107,057)
LMG Liability	116,671	129,787	(13,116)
Damage Deposit Liability	37,400	26,600	10,800
Payable - Belvedere	0	1,300	(1,300)
Total Current Liabilities	227,039	337,712	(110,673)
<b>Long-Term Liabilities</b>			
Deferred Revenue - Gov't Appr	0	15,000	(15,000)
Total Long-Term Liabilities	0	15,000	(15,000)
Total Liabilities	227,039	352,712	(125,673)
<b>Capital</b>			
Capital Project Funds	1,502,807	2,897,863	(1,395,056)
Beginning Balance Equity	8,896,675	8,896,675	0
Retained Earnings	484,586	131,298	353,288
Net Income	86,082	(171,694)	257,776
Total Capital	10,970,150	11,754,142	(783,992)
Total Liabilities & Capital	\$ 11,197,189	12,106,854	(\$ 909,665)

**Waterfront Development Corporation**  
**Budget**  
**For the Twelve Months Ending June 30, 2019**

	<b>Mayor's Budget</b>				
	<b>FY 2019</b>		<b>FY 2018</b>		
<b><u>Revenues</u></b>					
LMG Operation Funding	\$ 1,037,000	44%	987,000	42%	\$ 50,000
Commonwealth of Kentucky	0	0%	0	0%	0
Operating Revenue (Agency Receipts)	1,163,000	49%	1,173,000	50%	(10,000)
Agency Reserves	175,000	7%	165,000	7%	10,000
	<hr/>		<hr/>		
Total Revenues	2,375,000	100%	2,325,000	100%	50,000
<b><u>Expenses</u></b>					
Salary & Benefits	1,576,000	66.36%	1,566,000	67.35%	10,000
Contract Labor	36,000	1.52%	36,000	1.55%	0
Repairs & Maintenance	172,600	7.27%	172,800	7.43%	(200)
Utilities & Telephone	136,500	5.75%	136,500	5.87%	0
Horticulture & Landscaping	24,000	1.01%	24,000	1.03%	0
Security Services	36,000	1.52%	36,000	1.55%	0
Donations Expense	1,000	0.04%	1,000	0.04%	0
Depreciation	37,200	1.57%	48,000	2.06%	(10,800)
Insurance	20,000	0.84%	20,000	0.86%	0
Automotive/Mower Fuel/Tires	35,000	1.47%	39,000	1.68%	(4,000)
Plumbing / Irrigation	12,000	0.51%	12,000	0.52%	0
Administrative & Office Expenses	20,700	0.87%	20,700	0.89%	0
Professional Fees	25,400	1.07%	25,400	1.09%	0
Meeting Expenses	3,000	0.13%	3,000	0.13%	0
Computer & Software Expense	9,800	0.41%	4,800	0.21%	5,000
Travel & Public Relations	4,800	0.20%	4,800	0.21%	0
Waterfront Independence Festival	90,000	3.79%	60,000	2.58%	30,000
Waterfront Wednesday Expense	120,000	5.05%	100,000	4.30%	20,000
Other Expense	15,000	0.63%	15,000	0.65%	0
	<hr/>		<hr/>		
Total Expenses	2,375,000	100%	2,325,000	100%	50,000
	<hr/>		<hr/>		
Operating Excess/(Deficit)	<u>0</u>		<u>0</u>		

# APPLICATION AND CERTIFICATION FOR PAYMENT

TO OWNER: Waterfront Development Corp  
 129 East River Road  
 Louisville, KY 40202

PROJECT: Riverview Park  
 Park Improvements

APPLICATION NO: 7

FROM CONTRACTOR:  
 Danath Logistics, Inc.  
 PO Box 22645  
 Louisville, KY 40252

PERIOD TO: 05/17/18

PROJECT NOS: 1629

Distribution to:  
 OWNER  
 ARCHITECT  
 CONTRACTOR

CONTRACT FOR: VIA ARCHITECT:  
 CONTRACT DATE:

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract Continuation Sheet, AIA Document G703, is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM \$ 345,903.00
2. Net change by Change Orders \$ 173,989.00
3. CONTRACT SUM TO DATE (Line 1 + 2) \$ 519,892.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 519,892.00

- a. 0 % of Completed Work (Column D + E on G703) \$ 13,500.00
- b. 0 % of Stored Material (Column F on G703) \$ 0.00

Total Retainage (Lines 5a + 5b or Total in Column I of G703) \$ 13,500.00

6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total) \$ 506,392.00

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 497,497.00

8. CURRENT PAYMENT DUE \$ 8,895.00

9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) \$ 13,500.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$165,094.00	\$0.00
Total approved this Month	\$8,895.00	\$0.00
TOTALS	\$173,989.00	\$0.00
NET CHANGES by Change Order		173,989.00

CONTRACTOR:

By: Clinton Deckard

Date: 05/17/18

State of: \_\_\_\_\_ County of: \_\_\_\_\_  
 Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_  
 Notary Public:

My Commission expires:

## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED .....\$ 8,895.00

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)  
 ARCHITECT:

By: \_\_\_\_\_ Date: \_\_\_\_\_

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

# CONTINUATION SHEET

AIA DOCUMENT G703

PAGE 2 OF 3 PAGES

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 7  
 APPLICATION DATE: 05/17/18  
 PERIOD TO: 05/17/18  
 ARCHITECT'S PROJECT NO:

A ITEM NO.	B DESCRIPTION OF WORK	C ORIGINAL SCHEDULED VALUE	D CHANGE ORDERS	E REVISED SCHEDULED VALUE	D		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
					FROM PREVIOUS APPLICATION (D + E)	WORK COMPLETED THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
<b>Playground Relocation</b>											
1	Mobilization	\$2,804.00	\$0.00	\$2,804.00	\$2,804.00	\$0.00	\$0.00	\$2,804.00	100%	\$0.00	\$0.00
2	Staking	\$372.00	\$0.00	\$372.00	\$372.00	\$0.00	\$0.00	\$372.00	100%	\$0.00	\$0.00
3	Remove Trees	\$1,093.00	\$0.00	\$1,093.00	\$1,093.00	\$0.00	\$0.00	\$1,093.00	100%	\$0.00	\$0.00
4	Silt Fence	\$1,592.00	\$0.00	\$1,592.00	\$1,592.00	\$0.00	\$0.00	\$1,592.00	100%	\$0.00	\$0.00
5	Demo Playground	\$4,189.00	\$0.00	\$4,189.00	\$4,189.00	\$0.00	\$0.00	\$4,189.00	100%	\$0.00	\$0.00
6	Earthwork	\$13,945.00	\$0.00	\$13,945.00	\$13,945.00	\$0.00	\$0.00	\$13,945.00	100%	\$0.00	\$0.00
7	Relocate Playground	\$34,572.00	\$0.00	\$34,572.00	\$34,572.00	\$0.00	\$0.00	\$34,572.00	100%	\$0.00	\$0.00
8	Landings/Rubber	\$13,400.00	\$0.00	\$13,400.00	\$13,400.00	\$0.00	\$0.00	\$13,400.00	100%	\$0.00	\$0.00
9	Painting	\$17,552.00	\$0.00	\$17,552.00	\$17,552.00	\$0.00	\$0.00	\$17,552.00	100%	\$0.00	\$0.00
10	UG Electric Lights	\$1,062.00	\$0.00	\$1,062.00	\$1,062.00	\$0.00	\$0.00	\$1,062.00	100%	\$0.00	\$0.00
11	Mulch	\$26,749.00	\$0.00	\$26,749.00	\$26,749.00	\$0.00	\$0.00	\$26,749.00	100%	\$0.00	\$0.00
12	Engineering	\$9,560.00	\$0.00	\$9,560.00	\$9,560.00	\$0.00	\$0.00	\$9,560.00	100%	\$0.00	\$0.00
<b>Cane Run Pavilion/Parking</b>											
13	Staking	\$3,571.00	\$0.00	\$3,571.00	\$3,571.00	\$0.00	\$0.00	\$3,571.00	100%	\$0.00	\$0.00
14	Silt Fence	\$2,344.00	\$0.00	\$2,344.00	\$2,344.00	\$0.00	\$0.00	\$2,344.00	100%	\$0.00	\$0.00
15	Construction Entrance	\$8,377.00	\$0.00	\$8,377.00	\$8,377.00	\$0.00	\$0.00	\$8,377.00	100%	\$0.00	\$0.00
16	Strip Topsoil	\$3,279.00	\$0.00	\$3,279.00	\$3,279.00	\$0.00	\$0.00	\$3,279.00	100%	\$0.00	\$0.00
17	Earthwork	\$18,306.00	\$0.00	\$18,306.00	\$18,306.00	\$0.00	\$0.00	\$18,306.00	100%	\$0.00	\$1,830.60
18	Grade for Pavilion	\$781.00	\$0.00	\$781.00	\$781.00	\$0.00	\$0.00	\$781.00	100%	\$0.00	\$0.00
19	Grade for Parking	\$3,905.00	\$0.00	\$3,905.00	\$3,905.00	\$0.00	\$0.00	\$3,905.00	100%	\$0.00	\$0.00
20	DGA Parking	\$21,108.00	\$0.00	\$21,108.00	\$21,108.00	\$0.00	\$0.00	\$21,108.00	100%	\$0.00	\$1,383.20
21	Asphalt Base	\$22,556.00	\$0.00	\$22,556.00	\$22,556.00	\$0.00	\$0.00	\$22,556.00	100%	\$0.00	\$2,255.60
22	Asphalt Tack	\$1,541.00	\$0.00	\$1,541.00	\$1,541.00	\$0.00	\$0.00	\$1,541.00	100%	\$0.00	\$0.00
23	Asphalt Surface	\$15,338.00	\$0.00	\$15,338.00	\$15,338.00	\$0.00	\$0.00	\$15,338.00	100%	\$0.00	\$0.00
24	Pavement Markings	\$1,187.00	\$0.00	\$1,187.00	\$1,187.00	\$0.00	\$0.00	\$1,187.00	100%	\$0.00	\$1,533.80
<b>TOTALS THIS PAGE</b>		\$229,183.00	\$0.00	\$229,183.00	\$229,183.00	\$0.00	\$0.00	\$229,183.00	100.00%	\$0.00	\$7,003.20

Users may obtain validation of this document by requesting of the license a completed AIA Document D401 - Certification of Document's Authenticity



# CONTINUATION SHEET

AIA DOCUMENT G703

PAGE 3 OF 3 PAGES

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 7  
 APPLICATION DATE: 05/17/18  
 PERIOD TO: 05/17/18  
 ARCHITECT'S PROJECT NO:

A ITEM NO.	B DESCRIPTION OF WORK	C ORIGINAL SCHEDULED VALUE	D CHANGE ORDERS	E REVISED SCHEDULED VALUE	F WORK COMPLETED		G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H BALANCE TO FINISH (C-G)	I RETAINAGE (IF VARIABLE RATE)
					FROM PREVIOUS APPLICATION (D+E)	THIS PERIOD			
25	Cane Run Pavilion/Parking	\$1,964.00	\$0.00	\$1,964.00	\$1,964.00	\$0.00	\$1,964.00	\$0.00	\$196.40
26	Conc. Pad Pavilion	\$13,520.00	\$0.00	\$13,520.00	\$13,520.00	\$0.00	\$13,520.00	\$0.00	\$1,352.00
27	Conc. Fnd. Pavilion	\$1,493.00	\$0.00	\$1,493.00	\$1,493.00	\$0.00	\$1,493.00	\$0.00	\$149.30
28	Pavilion Assembly	\$11,872.00	\$0.00	\$11,872.00	\$11,872.00	\$0.00	\$11,872.00	\$0.00	\$1,187.20
29	Spread Topsoil	\$8,801.00	\$0.00	\$8,801.00	\$8,801.00	\$0.00	\$8,801.00	\$0.00	\$880.10
30	Seeding with Blanket	\$2,374.00	\$0.00	\$2,374.00	\$2,374.00	\$0.00	\$2,374.00	\$0.00	\$237.40
31	Engineering	\$9,520.00	\$0.00	\$9,520.00	\$9,520.00	\$0.00	\$9,520.00	\$0.00	\$952.00
32	Amphitheater	\$1,177.00	\$0.00	\$1,177.00	\$1,177.00	\$0.00	\$1,177.00	\$0.00	\$117.70
33	Strip Topsoil	\$874.00	\$0.00	\$874.00	\$874.00	\$0.00	\$874.00	\$0.00	\$87.40
34	Earthwork	\$13,420.00	\$0.00	\$13,420.00	\$13,420.00	\$0.00	\$13,420.00	\$0.00	\$1,342.00
35	Spread Topsoil	\$3,490.00	\$0.00	\$3,490.00	\$3,490.00	\$0.00	\$3,490.00	\$0.00	\$349.00
36	Seeding with Blanket	\$2,855.00	\$0.00	\$2,855.00	\$2,855.00	\$0.00	\$2,855.00	\$0.00	\$285.50
37	Storm Sewer	\$15,000.00	\$0.00	\$15,000.00	\$15,000.00	\$0.00	\$15,000.00	\$0.00	\$1,500.00
38	Engineering	\$7,960.00	\$0.00	\$7,960.00	\$7,960.00	\$0.00	\$7,960.00	\$0.00	\$796.00
39	Management Fee	\$22,400.00	\$0.00	\$22,400.00	\$22,400.00	\$0.00	\$22,400.00	\$0.00	\$2,240.00
40	Changes	\$0.00	\$43,911.00	\$43,911.00	\$43,911.00	\$0.00	\$43,911.00	\$0.00	\$0.00
41	Parking Lights / Service	\$0.00	\$2,315.00	\$2,315.00	\$2,315.00	\$0.00	\$2,315.00	\$0.00	\$0.00
42	Sidewalks / Furniture Pads	\$0.00	\$25,440.00	\$25,440.00	\$25,440.00	\$0.00	\$25,440.00	\$0.00	\$0.00
43	Pavilion / Shade Structures	\$0.00	\$61,496.00	\$61,496.00	\$61,496.00	\$0.00	\$61,496.00	\$0.00	\$0.00
44	Painting	\$0.00	\$17,114.00	\$17,114.00	\$17,114.00	\$0.00	\$17,114.00	\$0.00	\$0.00
45	Guardrail	\$0.00	\$9,114.00	\$9,114.00	\$9,114.00	\$0.00	\$9,114.00	\$0.00	\$0.00
46	Additional Storm Sewer	\$0.00	\$5,704.00	\$5,704.00	\$5,704.00	\$0.00	\$5,704.00	\$0.00	\$0.00
47	Regrade and Seed	\$0.00	\$7,580.00	\$7,580.00	\$7,580.00	\$0.00	\$7,580.00	\$0.00	\$0.00
48	Erosion Control	\$0.00	\$1,315.00	\$1,315.00	\$1,315.00	\$0.00	\$1,315.00	\$0.00	\$0.00
	<b>TOTALS THIS PAGE</b>	\$116,720.00	\$173,989.00	\$290,709.00	\$281,814.00	\$8,895.00	\$290,709.00	\$0.00	\$6,496.80

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Waterfront Development Corporation  
 FEMA Repairs - Riverview Park  
 July 17, 2018

ORIGINAL ESTIMATE (March 24, 2018)				
Description	Quantity	UOM	Cost/Unit	Total
Grading	14,520	sy	\$ 0.50	\$ 7,260.00
Seeding	14,520	sy	\$ 0.35	\$ 5,082.00
Curbs	260	lf	\$ 17.00	\$ 4,420.00
Cleanup	1	ls	\$ 2,100.00	\$ 2,100.00
Total				\$ 18,862.00

ACTUAL COMPLETED (May 1, 2018)				
Description	Quantity	UOM	Cost/Unit	Total
Grading	6,450	sy	\$ 0.50	\$ 3,225.00
Seeding	6,450	sy	\$ 0.35	\$ 2,257.50
Silt Fence	350	lf	\$ 3.75	\$ 1,312.50
Cleanup	1	ls	\$ 2,100.00	\$ 2,100.00
Total				\$ 8,895.00



**Waterfront Development Corporation**  
**Income Statement**

**Two Year Comparison**

**For the Nine Months Ending March 31, 2018**

Capital Funds Revenues	730,715		996,774	
Capital Funds Expenses	401,289	(730,715)	649,681	(996,774)
	0	(401,289)	0	(649,681)
Net Income	\$ 17,750	(333,172)	182,670	(217,795)

APR 11 2003

AMENDED  
ARTICLES OF INCORPORATION  
OF  
WATERFRONT DEVELOPMENT CORPORATION  
(As of January 1, 2003)

\*\*\*\*\*

ARTICLE I

Name

The Corporation shall be named and known as Waterfront Development Corporation.

ARTICLE II

Perpetual Existence

The Corporation shall have perpetual existence, subject to the dissolution provisions of Chapter 273 of the Kentucky Revised Statutes.

ARTICLE III

Purposes

The purpose for which this Corporation is formed is to act as an agency, instrumentality, and constituted authority of the Commonwealth of Kentucky and the Louisville/Jefferson County Metro Government, in the acquisition, implementation, and financing of public projects pursuant to Kentucky law, and in particular KRS 58.180, to accomplish a public purpose of the State and the Louisville/Jefferson County Metro Government. (Amended 1/1/2003)

## ARTICLE IV

### Corporate Powers

The Corporation shall have and exercise all of the powers available to non-profit corporations in Kentucky under Section 273.171 and Section 58.180 of the Kentucky Revised Statutes, all the powers granted to the Corporation by the Council of the Louisville/Jefferson County Metro Government, and all the powers necessary or convenient to effect any or all of the purposes for which the Corporation is organized. (Amended 2/17/1993 and 1/1/2003)

## ARTICLE V

### Nonprofit

The Corporation shall have no capital stock, shall have no power to issue certificates of stock or to declare dividends, and is not formed for and shall not be operated for profit, but is created to carry out the purposes and exercise the powers set out above.

## ARTICLE VI

### Limitation on Use of Assets - Disposition of Assets on Dissolution

All of the assets and earnings of the Corporation shall be used exclusively for the purposes herein set out, including the payment of expenses incidental thereto; and no part of any net revenues of this Corporation beyond those necessary for retirement of the Corporation's indebtedness or implementation of the public purposes of the Corporation shall inure to the benefit of any person or Director. Nor shall the Corporation engage in any activity which may affect the status of the Corporation as a non-profit, non-stock corporation exempt from Federal and State income taxes within the meaning of the Internal Revenue Code and the Kentucky Revised Statutes, and with interest on its obligations being exempt from Federal and State income taxes under said Code and Statutes. In the event of dissolution of the Corporation, all of the then remaining assets of the Corporation shall vest in and be distributed between the Commonwealth of Kentucky and the Louisville/Jefferson County Metro Government, after satisfaction of all then-existing legal obligations, in the same proportions as do those parties who contributed funds and other assets to the Corporation and with due consideration given to private donations. In the event that the assets are insufficient to satisfy the legal obligations, each of the two governments shall be responsible for its proportionate share of the remaining obligations. The assets of any endowment fund created by the Board of Directors

pursuant to Article XX shall not constitute assets of the Corporation for purposes of this Article, but shall constitute a legal obligation of the Corporation. Upon dissolution of the Corporation, all assets of any endowment fund shall be distributed to and paid over to the Louisville Community Foundation, its successor or a private entity which qualifies as a tax-exempt entity under Internal Revenue Code §501(c)(3).  
(Amended 5/4/1995 and 1/1/2003)

## ARTICLE VII

### Incorporators

The names and addresses of the Incorporators are as follows:

<u>Name</u>	<u>Address</u>
Martha Layne Collins	Office of the Governor State Capitol Building Frankfort, KY 40601
Bremer Ehrier	County Courthouse Fifth & Jefferson Streets Louisville, KY 40202
Harvey I. Sloane	City Hall Sixth & Jefferson Streets Louisville, KY 40202

## ARTICLE VIII

### Principal Office: Process Agent

The address of the registered office of the Corporation in this State is as follows:

City Hall, Mayor's Office  
601 West Jefferson Street  
Louisville, Kentucky 40202

The name and address of the registered agent of the Corporation for service of process, until changed by action of the Board of Directors, shall be:

Harvey I. Sloane  
City Hall, Mayor's Office  
601 West Jefferson Street  
Louisville, Kentucky 40202



## ARTICLE IX

### Members

The Members of the Corporation shall be the Commonwealth of Kentucky, acting by and through its Governor, and the Louisville/Jefferson County Metro Government, acting by and through its Mayor.

(Amended 1/1/2003)

## ARTICLE X

### Chairperson

The Corporation shall have a chairperson who will be selected by the Governor from among two designees who are members of the Board of Directors and whose names shall be submitted by the Mayor. The chairperson of the organization will serve a two-year term; however, that service will be limited to no more than four consecutive two-year terms before the chair is changed.

(Amended 2/17/1993 and 1/1/2003)

## ARTICLE XI

### Directors

The affairs of the Corporation shall be managed by a Board of Directors. The number of Directors shall be fifteen, with the State appointing six (6) Directors and the Louisville/Jefferson County Metro Government appointing nine (9) Directors. The Board of Directors will include one representative of the Governor's Office and five (5) other Directors appointed by the Governor, the Mayor of the Louisville/Jefferson County Metro Government, and one council member of the Metro Council appointed by the Metro Council in accordance with its rules, and seven (7) other Directors appointed by the Mayor and approved by Metro Council, provided that one (1) of such Directors shall represent the Friends of the Waterfront. The Directors other than the ex-officio Directors shall be drawn from the private sector, including the business community, labor organizations, civic groups, and neighborhood organizations; and respecting proper minority representation. The ex-officio Directors shall serve for the lengths of their respective terms of office; the other Directors for four-year terms. Also, the appointed Directors shall serve subject to the pleasure of the elected official by whom they were appointed. All Directors appointed by the Governor shall be residents of the Commonwealth. All Directors appointed by the Mayor shall be residents of Jefferson County.

The Board of Directors shall have full powers to make by-laws and rules for the regulation and management of the affairs of the Corporation not inconsistent with the provisions of the Articles of Incorporation and the laws of the Commonwealth of Kentucky and the Ordinances of the Louisville/Jefferson County Metro Government; or, the Directors may act without by-laws.

The Board of Directors shall have the right to transact business on behalf of the Corporation immediately after these Articles of Incorporation have been filed in the office of the Secretary of State of Kentucky and in the office of the County Clerk of Jefferson County, Kentucky.

All Directors serving as of January 1, 2003 shall serve out the terms to which they were appointed. As those terms expire, the Governor shall appoint Directors to fill the seats previously held by the Jefferson County Judge/Executive and the Directors previously appointed by the Governor. The Mayor shall appoint Directors to fill the seats previously held by the Jefferson County Commissioner, the four (4) Directors previously appointed by the Mayor of the City of Louisville and the four (4) Directors previously appointed by the Jefferson County Judge/Executive.  
(Amended 2/17/1993 and 1/1/2003)

## ARTICLE XII

### Officers

The Board of Directors shall elect from among the members a Vice-Chairman, a Secretary, and a Treasurer. These three officers shall serve for a two-year term and may serve consecutively; the election shall be held at the annual meeting of the Board of Directors.  
(Amended 6/24/1987)

## ARTICLE XIII

### Corporate Seal

The Seal of the Corporation shall be and is substantially the following wording impressed by a metallic instrument:

Waterfront Development Corporation  
Corporate Seal  
Commonwealth of Kentucky

## ARTICLE XIV

### Meetings: Notices.

The annual and other meetings of the Board of Directors of the Corporation shall be had at such time and place and upon such notice (if any) as shall, in accordance with applicable law, be prescribed by Resolution of the Board of Directors or as may be prescribed in the By-Laws of the Corporation; provided that the initial meeting shall be called by the Incorporators upon at least three days' notice by mail to each Director, which notice shall state the time and place of the meeting; any subsequent meetings may be held at such time(s) and place(s) as may be agreed upon by the then Directors.

Special meetings of the Board of Directors of the Corporation may be called upon 24-hours' written notice by the Chairperson.

Notice of any meetings need not be given or waived by any Director when all are present at a meeting, and the signing by a Director of the minutes of a meeting shall constitute approval by said Director of all proceedings contained in such minutes, regardless of whether said Director attended said meetings, unless otherwise required by law.

(Amended 2/17/1993)

## ARTICLE XV

### Amendments

These Articles of Incorporation shall not be amended or modified without unanimous approval of the Members.

## ARTICLE XVI

### Indebtedness: Security

The maximum indebtedness or liability which the Corporation may incur at any time is unlimited, and its property shall not be used or applied except for the payment of debts lawfully incurred. The Corporation shall incur no indebtedness or liability without the direction and/or approval of the Council of the Louisville/Jefferson County Metro Government and the State Finance Cabinet, given not more than sixty days prior to the date of incurring such indebtedness or liability in accordance with KRS 58.180(3) or other applicable statutory provision, if any, plus a majority vote of the Board of Directors of the Corporation. The Corporation may issue bonds and other evidences of indebtedness from time to time, secured by different properties, with the holders of the bonds of each bond issue or of other evidences of indebtedness having a mortgage only upon the particular property or properties mortgaged to secure the particular issue of bonds or evidence of indebtedness.

As and when any indebtedness incurred by the Corporation is for the purpose of acquiring and/or improving a particular property or a single parcel of real estate is repaid or when any indebtedness incurred by the Corporation for the purpose of financing a new project or refinancing an existing project is repaid, such property, parcel, or project, as the case may be, shall, regardless of the status of any other indebtedness of the Corporation, immediately be conveyed by the Corporation to the State and the Louisville/Jefferson County Metro Government in shares, proportionate to each party's respective contribution toward that particular property, parcel, or project.

The sale, lease or mortgage of the property of the Corporation or the granting of a security interest therein shall require approval by a two-thirds vote of the Board of Directors.

The provisions of this Article shall be effective if and to the extent that such effectiveness is consistent with the effect that the interest on the obligations of the Corporation shall be exempt from federal and state income taxation: any provision contained in this Article which would adversely affect such exemption, shall be void.  
(Amended 1/1/2003)

## ARTICLE XVII

### No Personal Liability

The private property of the Incorporators or Directors shall not be subject to or in any way liable for any debt or contract of this Corporation.

## ARTICLE XVIII

### Executive Director/President

The Board of Directors shall select an Executive Director for the Corporation. The Executive Director shall not be a member of the Board of Directors. The Executive Director shall be a resident of Jefferson County. The Executive Director shall serve as the President of the Corporation. The President shall have the power to make and enter into contracts on behalf of the Corporation and to transact other business on behalf of the Corporation in its daily activities.  
(Added 6/24/1987)

## ARTICLE XIX

### Deputy Director

The President/Executive Director may appoint a Deputy Director who shall perform such duties as required by the President/Executive Director. The Deputy

Director, in the absence of the President/Executive Director, shall have the power to execute contracts, deeds and agreements on behalf of the Corporation.  
(Added 2/17/1993)

#### ARTICLE XX

The Board of Directors of the Corporation may establish endowment funds as fiduciary funds of the Corporation for the purpose of funding in whole or in part any activity which constitutes a public purpose of the Corporation. Any such endowment fund shall be established by amendment of the by-laws of the Corporation as provided in Article XI and shall provide that the income from such endowment fund shall be used exclusively to fund in whole or in part the activity for which the fund was established. All assets of the fund shall be managed and invested in accordance with KRS 273.510-273.590 and KRS 66.480.  
(Added 5/4/1995)

WDCAMAI

BY-LAWS  
OF  
WATERFRONT DEVELOPMENT CORPORATION

\*\*\*\*\*

ARTICLE I

The Corporation shall be named and known as Waterfront Development Corporation.

ARTICLE II

The principal offices of the Corporation shall be at 129 East River Road, Louisville, Kentucky 40202.

ARTICLE III

The Corporation shall be a non-profit corporation and shall have no capital stock.

ARTICLE IV

The Corporation is formed for the purposes set forth in its Articles of Incorporation, and more specifically, to act as an agency, instrumentality, and constituted authority of the Commonwealth of Kentucky ("State") and the Louisville/Jefferson County Metro Government ("Metro"), in the acquisition, implementation, and financing of public projects pursuant to Kentucky law and in particular KRS 58.180 to accomplish a public purpose of the State and Metro.

ARTICLE V

The Corporation shall have a Board of Directors to conduct the affairs and business of the Corporation. The directors of the Board shall be as set forth in the Articles of Incorporation of the Corporation.

The directors who serve by virtue of their office shall serve for the lengths of their respective terms in office. At the death, resignation, expiration of term of office, or vacation of office in any other manner by any director who serves by virtue of his/her office, then such director's membership shall immediately terminate and such director's successor in office shall immediately succeed to the position as director.

The Directors other than those who serve by virtue of their office shall be drawn from the private sector, including the business community, labor organizations, civic groups and neighborhood organizations; and respecting proper minority representation. The appointed Directors shall serve subject to the pleasure of the elected official by whom they were appointed.



## ARTICLE VI

The annual and other meetings of the Board of Directors of the Corporation shall be held at such time and place and upon such notice (if any) as shall, in accordance with applicable law, be prescribed by Resolution of the Board of Directors. Special meetings may be called upon 24 hours' written notice by the Chairman. All meetings shall be conducted in conformity with KRS 61.800.

## ARTICLE VII

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

If any director has a conflict of interest concerning any matter before the Board of Directors, he shall not vote, shall refrain from debate and shall publicly disclose the existence and nature of the conflict.

Written minutes of each meeting of the Board of Directors shall be prepared by the staff of the Corporation and approved at the following meeting of the Board of Directors.

No director shall receive compensation for his services as director, however, any expenses incurred by any director by reason of his duties or responsibilities as such may be paid by the Corporation.

The Board of Directors shall have authority to establish such committees as it may consider necessary or convenient for the conduct of its business. There shall be an executive committee consisting of the Chairperson, Vice-Chairperson, Secretary and Treasurer, which shall act in accordance with and subject to the restrictions set out in the statutes of the Commonwealth of Kentucky.

The Corporation shall have a Chairperson who will be selected by the Governor from among two designees who are directors of the Board of Directors, two of whose names are submitted by the Mayor. The Chairperson of the organization will serve a two-year term; however, that service will be limited to no more than four consecutive two-year terms before the chair is changed. The Chairperson shall preside over meetings of the Board of Directors, shall enforce order and exercise such other authority or duties as the Board of Directors may so delegate.

### ARTICLE VIII

The Board of Directors shall, at its annual meeting, elect from among its directors a Vice-Chairman, a Secretary, and a Treasurer. These officers shall serve two-year terms and may serve consecutive terms. The Vice-Chairman shall act in the absence of the President. The Secretary shall keep a complete and permanent record of all proceedings of the Board of Directors and have charge of the Corporate Seal. The Treasurer shall review books of account and shall regularly report to the Board of Directors. These duties may be altered by resolution of the Board of Directors.

### ARTICLE IX

The Board of Directors may, from time to time, by vote of a majority, make, alter, amend or rescind any or all of the By-Laws of the Corporation, consistent with the creating Interlocal Agreement and the Articles of Incorporation.

### ARTICLE X

The Board of Directors shall appoint an Executive Director. The Executive Director shall not be a director of the Board and shall be a resident of Jefferson County. The Executive Director shall be the President of the Corporation and shall in general supervise and control all of the day-to-day business and affairs of the Corporation and such other duties as from time to time may be prescribed by the Board. The President/Executive Director shall have the power to execute contracts, agreements and deeds on behalf of the Corporation and may employ such employees, contractors or agents as necessary to conduct the business and affairs of the Corporation.

The President/Executive Director shall enter into a contract with the Corporation for a definite term and shall receive such compensation and benefits as the Board of Directors may determine.

The President/Executive Director may employ a Deputy Director who shall perform such duties as required by the Executive Director/President and who shall have the power to execute contracts, deeds and agreements on behalf of the Corporation in the absence of the President/Executive Director.

### ARTICLE XI

The Louisville/Jefferson County Metro Government shall be the fiscal agent of the Corporation and the Corporation shall comply with the accounting practices, policies, procedures and ordinances of Metro relating to the budget, personnel, classification and compensation unless otherwise agreed to by the Corporation and the Mayor.

## ARTICLE XII

There is established as a fiduciary fund of the Corporation the "Waterfront Park Maintenance Endowment Fund". The principal of the Fund shall be held in trust in perpetuity and managed and invested as provided in this Article. The income of the Fund shall be expended, as provided in this Article, exclusively for the public purpose of maintenance, repair, upkeep and rehabilitation of Waterfront Park, its grounds, buildings, structures, infrastructure, equipment and fixtures.

The control, management, investment and disposition of the assets of the Fund for purpose of earning income therefrom shall be vested in the Waterfront Park Maintenance Endowment Fund Finance Committee composed of two (2) directors of the Board of Directors and three (3) non-directors who shall be selected on the basis of their recognized expertise in finance, business or banking. The members of the investment committee shall be appointed by the Chairperson and shall serve at the pleasure of the Chairperson. A majority of the members of the Committee shall constitute a quorum, and a majority of the members present at a meeting at which a quorum is present shall be necessary for acts of the Committee. The Committee may hold regular meetings, or special meetings at the call of the Chairman. All meetings shall be open to the public in accordance with KRS 61.800 *et seq.*

The Committee shall prepare and maintain correct and complete books and records of account for the Fund and shall keep minutes of the meetings of the Committee. The Committee shall report no less than quarterly to the Board of Directors on the financial condition of the Fund and may cause an annual audit of the Fund to be performed by a certified public accounting firm or the internal auditor of Metro.

The Committee shall have the following powers and responsibilities:

- (1) Accept on behalf of the Corporation any contribution, gift, bequest or devise of any type of property for the purposes of the Fund;
- (2) Hold such property in the name of the Fund and manage and invest such property in accordance with KRS 273.510-273.590 and KRS 66.480;
- (3) Collect and receive the income from such property;
- (4) Make disbursements to the Corporation out of the income from the Fund to be used exclusively for the purposes stated herein.

All property of the Fund shall be deposited from time to time to the credit of the Fund in such banks, trust companies or other depositories as the Committee may select.

No part of the income, properties or assets of the Fund, on dissolution of the Corporation, or otherwise, shall inure to the benefit of any private person, corporation or any governmental entity for use other than for the maintenance of Waterfront Park as provided herein. On

liquidation of the Corporation, all properties and assets of the Fund remaining after paying all debts and obligations of the Fund, shall be distributed to and paid over to the Louisville Community Foundation, its successor or a private entity which qualifies as a tax-exempt entity under Internal Revenue Code §501(c)(3) which has responsibility for the management of Waterfront Park and such funds shall be used by such entity solely for the maintenance of Waterfront Park as provided herein.

### CERTIFICATE

It is hereby certified that on this date I am the duly appointed and qualified Chairman of the Waterfront Development Corporation, and that at a regular meeting of the Corporation held at the offices of the Corporation on \_\_\_\_\_, a quorum of the directors being present, the foregoing Bylaws were adopted by a unanimous vote of the Board of Directors and such Bylaws shall immediately be in effect and shall supercede any previous bylaws adopted by the Corporation.

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Charles I. McCarty  
Chairman  
Board of Directors



IRV MAZE  
JEFFERSON COUNTY ATTORNEY

WATERFRONT DEVELOPMENT  
CORPORATION

APR 11 2003

MEMORANDUM

TO: DAVID K. KAREM  
PRESIDENT/EXECUTIVE DIRECTOR

FROM: J. DAVID MORRIS  
ASSISTANT COUNTY ATTORNEY *JDM*

DATE: APRIL 9, 2003

RE: ARTICLES OF INCORPORATION

As you requested, enclosed are the various documents comprising the Articles of Incorporation of the Waterfront Development Corporation:

- (1) Original Articles filed on 3/11/1986
- (2) First Amendment filed on 8/20/1887
- (3) Second Amendment filed on 3/24/1993
- (4) Third Amendment filed on 5/1/1995
- (5) Fourth Amendment filed on 1/1/2003

I also enclose a copy of the Articles of Incorporation incorporating the above referenced amendments for easy reference.

In reviewing the Amended Articles of Incorporation I note that the By-Laws currently in existence do not conform to the Amended Articles. I therefore have revised the By-Laws and enclose a draft of such revision of the By-Laws for your review. If the By-Laws are acceptable to you, I would propose submitting them to the Board of Directors of the WDC at the April Board meeting. If you have any questions concerning any of the enclosed materials, please do not hesitate to call me.

JDM:mc  
Enclosures

[WDCCOR]  
DK Memo

LAW OFFICES  
**CONLIFFE, SANDMANN & SULLIVAN**  
PROFESSIONAL LIMITED LIABILITY COMPANY

2000 WATERFRONT PLAZA  
325 WEST MAIN STREET  
LOUISVILLE, KENTUCKY 40202  
PHONE (502) 587-7711  
FAX (502) 587-7756

OF COUNSEL  
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MICHAEL E. CONLIFFE  
DODD AND DODD ATTORNEYS, PLLC

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SUBURBAN OFFICE  
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St. Matthews, Kentucky 40207  
(502) 896-2966 Phone  
(502) 895-0396 Fax

CHARLES I. SANDMANN (1936-1992)  
KARL N. VICTOR, JR. \*  
F. CHRIS GORMAN  
RICHARD M. SULLIVAN  
JACK R. UNDERWOOD, JR.  
E. BRUCE NEIKIRK  
GORDON GALLAGHER \*\*\*  
STEVEN J. KRIEGSHABER \*\*  
EDWIN J. LOWRY, JR.  
JAMES A. BABBITZ  
KENNETH A. BOHNERT  
JAMES T. MITCHELL  
EDWARD F. BUSCH  
PAMELA M. WORKHOVEN  
WENDELL L. JONES \*\*\*\*  
EDWARD L. LASLEY  
JENNIFER FUST-RUTHERFORD  
SCOTT A. JOHNSON

\* Also Admitted in Indiana  
\*\* Also Admitted in Ohio  
\*\*\* Also Admitted in Colorado  
\*\*\*\* Also Admitted in Tennessee

To Whom It May Concern:

I am an assistant county attorney with the Office of the Jefferson County Attorney and serve as counsel to the Waterfront Development Corporation (WDC). I have been asked by the WDC to clarify for you the status of the WDC. The WDC is a nonstock, nonprofit corporation established pursuant to KRS Chapter 58 by the Commonwealth of Kentucky and the Louisville/Jefferson County Metro Government. In its Articles of Incorporation, it is established as an agency, instrumentality and constituted authority of those two governmental entities for the sole purpose of accomplishing public purposes of the governmental entities.

The WDC is not a nonprofit corporation certified as a nonprofit entity under Section 501(c)(3) of the Internal Revenue Code, but rather is eligible to receive donations which are deductible by the donor as charitable contributions, provided such contributions otherwise qualify, pursuant to Section 170(c)(1) of the Internal Revenue Code which defines a deductible charitable contribution as "a contribution or gift to any state or political subdivision of the state where such gift is to be used for a public purpose". Unlike for 501(c)(3) corporations, no certificate is issued by the Internal Revenue Service to governmental subdivisions.

Please note that this is not an opinion concerning the deductibility or nondeductibility of or specific contribution to WDC but is merely a general opinion that entities such as WDC may qualify to receive charitable contributions. You are advised to obtain an opinion from your counsel concerning the qualification of any specific contribution. If you have any questions concerning this letter or desire additional information concerning the WDC, please do not hesitate to call me at (502) 587-7711.

Sincerely,  
  
EDWIN J. LOWRY, JR.



**In kind services                      value                      method of valuation**

Bearnos Pizza pizza	\$10,000.00	market
Simon Signs banners	\$6,500.00	market
WHAS 11 marketing	\$40,000.00	market
Louisville Public Media marketing	\$9,500.00	market
Rent & Rave tents/ tables	\$6,000.00	market
Arts & Cultural Attractions children's activities	\$20,000.00	market
Community volunteers	n/a	

**Total Value of In-Kind                      \$92,000.00**

# Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

**1** Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.  
**Waterfront Development Corporation**

**2** Business name/disregarded entity name, if different from above

**3** Check appropriate box for federal tax classification; check only **one** of the following seven boxes:  
 Individual/sole proprietor or single-member LLC  
 Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ \_\_\_\_\_  
 Other (see instructions) ▶ **quasi-governmental agency**

**4** Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  
 Exempt payee code (if any) **3**  
 Exemption from FATCA reporting code (if any) \_\_\_\_\_  
(Applies to accounts maintained outside the U.S.)

**5** Address (number, street, and apt. or suite no.)  
**129 E River Rd**

**6** City, state, and ZIP code  
**Louisville, KY 40202**

**7** List account number(s) here (optional)  
**7142344758**

Requester's name and address (optional)

Print or type See Specific Instructions on page 2.

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

**Social security number**

			-			-			
--	--	--	---	--	--	---	--	--	--

**or**

**Employer identification number**

## Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

**Sign Here** Signature of U.S. person ▶ Cordell H. Lawrence Date ▶ 6/14/17

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at [www.irs.gov/fw9](http://www.irs.gov/fw9).

### Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.  
 If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Financial Statements  
and Related Information

2017

**Waterfront Development Corporation**

June 30, 2017



Financial Statements  
and Related Information

**Waterfront Development Corporation**

June 30, 2017

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## **Independent Auditor's Report**

To the Board of Directors  
Waterfront Development Corporation  
Louisville, Kentucky

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of Waterfront Development Corporation (the "Corporation"), a component unit of Louisville/Jefferson County Metro Government ("Metro Government"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of the Corporation, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 4 through 9), the required supplemental information including the budgetary comparison information on page 34, the schedule of proportionate share of the net pension liability (page 35) and schedule of contributions (page 36), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph. The Agency Funds Statements of Changes in Net Position on page 37 are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Agency Funds Statements of Changes in Net Position are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements referred to in the first paragraph and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2017, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting

and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

*STROTHMAN AND COMPANY*

Louisville, Kentucky  
October 10, 2017

**Management's Discussion and Analysis (Unaudited)**

## Management's Discussion and Analysis (Unaudited)

### **Waterfront Development Corporation**

June 30, 2017

The Waterfront Development Corporation (the "Corporation"), founded in 1986, is a component unit of Louisville/Jefferson County Metro Government ("Metro Government"). The Corporation manages Louisville Waterfront Park (the "Park").

Prior to the fiscal year ended June 30, 2012, the Corporation was included as a Department of Metro Government and was reflected in its Comprehensive Financial Annual Report in this manner. For fiscal year 2012, the management of both Metro Government and the Corporation determined that accounting for the Corporation as a separate component unit would be more appropriate. As such, the Corporation issued its first stand-alone financial statements as of and for the year ended June 30, 2012.

The Corporation's Board of Directors includes representatives appointed by Metro Government and the Commonwealth of Kentucky (the "Commonwealth"). Historically, both Metro Government and the Commonwealth have provided financial support to the Corporation. For fiscal year 2015 and thereafter, the Commonwealth ceased all funding to the Corporation. The Corporation is reflected as a component unit of Metro Government because they have a majority of Board member appointments.

The Corporation is also related to The Waterfront Park Foundation, Inc. (the "Foundation"). The purpose of the Foundation is to provide supplemental support for the capital construction and maintenance of the Park. The Foundation is included as a component unit in the Corporation's financial statements.

This section of the Corporation's basic financial statements presents a narrative overview and analysis of the financial activities of the Corporation for the fiscal year ended June 30, 2017.

### **Financial Highlights**

The Corporation's principal revenue sources are rental and event income, and support from Metro Government.

### **Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. The Corporation's basic financial statements comprise four components: (1) government-wide financial statements; (2) fund financial statements; (3) statement of fiduciary net position; and (4) notes to the financial statements.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Corporation's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Corporation's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

Continued

The Statement of Activities presents information showing how the Corporation's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as expenses pertaining to earned but unused vacation and sick leave.

### Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The Corporation, like other governmental units, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the Corporation's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Corporation has two individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund and the capital projects fund.

The Corporation adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for this fund to demonstrate compliance with budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Corporation. Since the resources of these funds are not available to support the Corporation's own programs, they are not reflected in the government-wide financial statements.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Government-Wide Financial Analysis**

The Corporation has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis ("MD&A") for State and Local Governments*.

Continued



### Analysis of Net Position – Government-Wide Activities

A summary of government-wide net position follows:

	<b>June 30</b>	
	<b>2017</b>	<b>2016</b>
<b>Assets</b>		
Current and other assets	\$ 3,569,079	\$ 3,838,378
Capital assets	<u>8,761,756</u>	<u>8,712,554</u>
<b>Total Assets</b>	12,330,835	12,550,932
<b>Deferred Outflows of Resources</b>	325,068	247,445
<b>Liabilities</b>		
Current and other liabilities	1,785,041	1,935,590
<b>Deferred Inflows of Resources</b>	9,316	7,462
<b>Net Position</b>		
Net investment in capital assets	8,761,756	8,712,554
Unrestricted	<u>2,099,790</u>	<u>2,142,771</u>
<b>Total Net Position</b>	<u>\$ 10,861,546</u>	<u>\$ 10,855,325</u>

The Corporation's assets exceed its liabilities by \$10,861,546 as of June 30, 2017 as compared to \$10,855,325 as of June 30, 2016. The increase from 2016 to 2017 was \$6,221.

Current and other assets as of June 30, 2017 decreased \$269,299, or 7.0%, as compared to June 30, 2016, due primarily to a decrease in investments coupled with an increase in accounts receivable. Capital assets increased by \$49,202, due primarily to purchases of park maintenance equipment. Current and other liabilities decreased \$150,549, or 7.2%, due in large part to a decrease in the net pension liability.

Continued



Government-Wide Statement of Activities

A summary of the changes in net position follows:

	<b>June 30</b>	
	<u>2017</u>	<u>2016</u>
<b>Revenues</b>		
Rental and event income	\$ 1,111,239	\$ 810,731
General revenues and transfers		
Transfers and other revenues	1,898,672	3,327,029
Capital contributions	<u>110,880</u>	<u>15,433</u>
<b>Total Revenues</b>	3,120,791	4,153,193
<b>Expenses</b>		
General government	2,226,529	2,205,135
Public works	<u>888,041</u>	<u>1,144,774</u>
<b>Total Expenses</b>	<u>3,114,570</u>	<u>3,349,909</u>
<b>Change in Net Position</b>	6,221	803,284
<b>Beginning Net Position</b>	<u>10,855,325</u>	<u>10,052,041</u>
<b>Ending Net Position</b>	<u><u>\$ 10,861,546</u></u>	<u><u>\$ 10,855,325</u></u>

Rental and event income revenues increased \$300,508 from 2016 to 2017. Transfers and other revenues decreased \$1,428,357, or 42.9% from 2016 to 2017, primarily due to funds received in the prior year by the Capital Projects Fund for projects that were not repeated in the current year. Contributions increased \$95,447, or 618.5%, from 2016 to 2017. This was due to funding provided for the LED lighting conversion and to repair drainage issues.

Operating expenses for fiscal 2017 increased \$21,394 or 1.0% from 2016, primarily due to efforts to reduce spending in response to the state's budget cuts. Public works expenses decreased \$256,733, or 22.4%, due to completion of improvements to the park in prior year.

Continued

## **Financial Analysis of the Corporation's Governmental Funds**

The focus of the Corporation's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the Corporation's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2017, the governmental funds balance sheet reflected total assets of \$3,569,079 as compared to \$3,838,378 as of June 30, 2016. Liabilities as of June 30, 2017 were \$405,000 as compared to \$716,548 as of June 30, 2016. Fund balance at June 30, 2017 was \$3,164,079 as compared to \$3,121,830 at June 30, 2016, which represented an increase of \$42,249.

During the year ended June 30, 2017, the Corporation realized revenues from Park event income and rentals of \$1,111,239 as compared to \$810,731 last year. During the years ended June 30, 2017 and 2016, Metro Government supplied \$1,197,000 and \$1,062,000, respectively, of operating support.

The Commonwealth of Kentucky supplied no operating support for fiscal years 2017, 2016 and 2015.

For fiscal years 2017, 2016 and 2015, the Commonwealth of Kentucky eliminated our Biennial Appropriation that had previously been authorized since our inception through the Cabinet for Economic Development. This has a total negative impact of \$1,262,400 of our operating resources for all three years. As a result, we implemented the necessary expense reductions and used some of our capital project reserves to fulfill our responsibilities to develop and maintain the park.

Operating expenditures of the Corporation for years ended June 30, 2017 and 2016 were \$2,190,501 and \$2,174,373, respectively.

The capital projects fund accounts for resources used for the purpose of constructing Park improvements and infrastructure. For the year ended June 30, 2017, total receipts from other financing sources in this fund were \$755,092, with total expenditures of \$888,041 for the year. For the year ended June 30, 2016, total receipts and expenditures were \$2,249,012 and \$1,144,774, respectively.

The improving economy has helped drive two major sources of revenue which is derived from rentals and events. However, in contrast to this trend we experienced a setback with one of our primary tenant's, due to their inability to successfully operate a restaurant in our park, and incurred loss of revenues as a result.

Continued

## Capital Assets

The Park encompasses a total of 85 acres. Park land and improvements were paid for and are owned by three entities: the Corporation, Metro Government and the Commonwealth. Only land owned by the Corporation is reflected on its books and records. A majority of Park development costs were not paid by the Corporation and are not reflected on its financial statements.

A summary of the Corporation's capital assets as of June 30, 2017 are as follows:

Land	\$ 8,580,673
Park Maintenance Equipment	503,935
Less accumulated depreciation	<u>(322,852)</u>
	<u>\$ 8,761,756</u>

## Financial Analysis of the Foundation

The Foundation had total cash and investments of \$13,335,111 as of June 30, 2017, as compared to \$12,318,702 at June 30, 2016. During the year ended June 30, 2017, the Foundation's investments generated net investment income of \$1,269,158 as compared to losses of (\$184,760) last year. Improvements in overall market performance accounted for the majority of this fluctuation. Investment fees for the year were \$47,749 as compared to \$49,214 last year. Net transfers of \$205,000 were made to the Corporation from the Foundation during the year as compared to \$105,000 last year, which included a direct pass through gift of \$100,000 for an economic impact study.

## Request for Information

These financial statements are intended to provide the reader with a general overview of the Corporation's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to Waterfront Development Corporation, Chief Financial Officer, 129 River Road, Louisville, Kentucky 40202.

**Government-Wide Financial Statements**

Statement of Net Position

**Waterfront Development Corporation**

June 30, 2017

	<u>Primary Government - Governmental Activities</u>	<u>Component Unit - Foundation</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 400,247	\$ 383,918
Investments	2,848,871	12,951,193
Accounts receivable	264,293	
Other assets	55,668	
Capital assets		
Land	8,580,673	
Other capital assets, net of depreciation	181,083	
	<u>12,330,835</u>	<u>13,335,111</u>
<b>Total Assets</b>		
<b>Deferred Outflows of Resources</b>		
Pension contributions subsequent to the measurement date	137,941	
Differences between expected and actual experience	5,398	
Changes in assumptions	65,497	
Differences between projected and actual investment return	116,232	
	<u>325,068</u>	
<b>Total Deferred Outflows of Resources</b>		
<b>Liabilities</b>		
Accounts payable and accrued costs	102,291	
Accounts payable to Metro Government	134,470	
Deferred revenues and deposits	168,239	
Compensated absences accrual	141,291	
Net pension liability	1,238,750	
	<u>1,785,041</u>	
<b>Total Liabilities</b>		
<b>Deferred Inflows of Resources</b>		
Changes in proportionate share of pension contributions	9,316	
	<u>9,316</u>	
<b>Net Position</b>		
Net investment in capital assets	8,761,756	
Restricted		13,335,111
Unrestricted	2,099,790	
	<u>10,861,546</u>	<u>13,335,111</u>
<b>Total Net Position</b>		

See Accompanying Notes to the Financial Statements

Statement of Activities

**Waterfront Development Corporation**

Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Investment Income	
<b>Governmental Activities</b>				
General government	\$ 2,226,529	\$ 1,111,239		\$ (1,115,290)
Public works	888,041			(888,041)
<b>Total Governmental Activities</b>	<u>\$ 3,114,570</u>	<u>\$ 1,111,239</u>		(2,003,331)
<b>Component Unit - Foundation</b>				
Investment fees	\$ 47,749			(47,749)
Investments gain - unrealized			\$ 416,344	416,344
Investment gain - realized			510,204	510,204
Dividends and interest income			342,610	342,610
<b>Total Component Unit</b>	<u>\$ 47,749</u>		<u>\$ 1,269,158</u>	<u>1,221,409</u>
<b>Net Expense</b>				<u>\$ (781,922)</u>
		<b>Primary Government</b>	<b>Component Unit-Foundation</b>	<b>Total</b>
<b>Net Revenue (Expense) from above</b>		\$ (2,003,331)	\$ 1,221,409	\$ (781,922)
<b>General Revenues and Transfers</b>				
Operating transfers from:				
Metro Government		1,197,000		1,197,000
Commonwealth of Kentucky		0		0
Transfers, net		105,000	(105,000)	
Special park projects		476,489		476,489
KEDFA grant		67,840		67,840
Other revenues		52,343		52,343
Contributions		110,880	(100,000)	10,880
<b>Change In Net Position</b>		6,221	1,016,409	1,022,630
<b>Beginning Net Position</b>		10,855,325	12,318,702	23,174,027
<b>Ending Net Position</b>		<u>\$ 10,861,546</u>	<u>\$ 13,335,111</u>	<u>\$ 24,196,657</u>

See Accompanying Notes to the Financial Statements



## **Fund Financial Statements**

Governmental Funds  
Balance Sheet

**Waterfront Development Corporation**

June 30, 2017

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 400,247		\$ 400,247
Investments	21,043	\$ 2,827,828	2,848,871
Accounts receivable	264,293		264,293
Other assets	55,668		55,668
	<u>741,251</u>	<u>2,827,828</u>	<u>3,569,079</u>
<b>Total Assets</b>	<b>\$ 741,251</b>	<b>\$ 2,827,828</b>	<b>\$ 3,569,079</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable and accrued costs	\$ 102,291		\$ 102,291
Accounts payable to Metro Government	134,470		134,470
Deferred revenues and deposits	168,239		168,239
	<u>405,000</u>		<u>405,000</u>
<b>Total Liabilities</b>	<b>405,000</b>		<b>405,000</b>
<b>Fund Balance</b>			
Restricted		\$ 2,827,828	2,827,828
Unassigned	336,251		336,251
	<u>336,251</u>	<u>2,827,828</u>	<u>3,164,079</u>
<b>Total Fund Balances</b>	<b>336,251</b>	<b>2,827,828</b>	<b>3,164,079</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 741,251</b>	<b>\$ 2,827,828</b>	

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds Balance Sheet above because of the following:

<b>Capital Assets</b> --Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported as assets in the Governmental Funds Balance Sheet	8,761,756
<b>Pension Activity</b> --Pension activity is not current assets or current liabilities and therefore are not reported in the Governmental Funds Balance Sheet	(922,998)
<b>Compensated Absences</b> --Compensated absences are not current liabilities and therefore are not reported in the Governmental Funds Balance Sheet	<u>(141,291)</u>
<b>Total Net Position of Governmental Activities</b>	<u>\$ 10,861,546</u>

See Accompanying Notes to the Financial Statements

Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances

**Waterfront Development Corporation**

Year Ended June 30, 2017

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Rental and event income	\$ 1,111,239		\$ 1,111,239
<b>Expenditures</b>			
General government	2,190,501		2,190,501
Public works		\$ 888,041	888,041
<b>Total Expenditures</b>	<u>2,190,501</u>	<u>888,041</u>	<u>3,078,542</u>
<b>Expenditures in Excess of Revenues</b>	(1,079,262)	(888,041)	(1,967,303)
<b>Other Financing Sources</b>			
Operating transfers from:			
Metro Government	1,197,000		1,197,000
Commonwealth of Kentucky	0		0
Net transfers from Component Unit			
- Foundation		105,000	105,000
Special park projects		100,000	100,000
Waterfront Park phase IV		351,000	351,000
Bridge lighting		25,489	25,489
KEDFA grant		67,840	67,840
Other revenues	22,437	29,906	52,343
Contributions	35,023	75,857	110,880
<b>Total Other Financing Sources</b>	<u>1,254,460</u>	<u>755,092</u>	<u>2,009,552</u>
<b>Net Change in Fund Balances</b>	175,198	(132,949)	42,249
<b>Beginning Fund Balances</b>	<u>161,053</u>	<u>2,960,777</u>	<u>3,121,830</u>
<b>Ending Fund Balances</b>	<u>\$ 336,251</u>	<u>\$ 2,827,828</u>	<u>\$ 3,164,079</u>

See Accompanying Notes to the Financial Statements

Reconciliation of the Net Change in Fund Balances  
 Governmental Funds with the Change in Net Position – Governmental Activities

**Waterfront Development Corporation**

Year Ended June 30, 2017

The schedule below reconciles the net changes in fund balances reported on the governmental funds statement of revenues, expenditures and changes in fund balances, which measures only changes in current assets and current liabilities on the modified accrual basis, with the change in net position of governmental activities reported in the statement of activities, which is prepared on the full accrual basis.

<b>Total Net Change in Fund Balances - Total Governmental Funds</b>	\$ 42,249
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Amounts reported for governmental activities in the statement of activities are different because of the following:

**Capital Asset Transactions**

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense is deducted from the fund balance	(46,488)
Capital asset expenditure	95,690

**Accrual of Non-Current Items**

The amounts below included in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds (net change):

Change in compensated absences accrual	(8,983)
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<b>Pension Related Expenses</b>	<u>(76,247)</u>
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<b>Total Change in Net Position of Governmental Activities</b>	<u>\$ 6,221</u>
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See Accompanying Notes to the Financial Statements

## **Fiduciary Funds**

Statement of Fiduciary Net Position

**Waterfront Development Corporation**

June 30, 2017

	<u>Agency Funds</u> <u>Belvedere</u> <u>Fund</u>
<b>Assets</b>	
Cash	\$ 124,466
<b>Total Assets</b>	<u>\$ 124,466</u>
<b>Liabilities</b>	
Damage deposit liability	\$ 8,200
Other	6,188
Held for the Belvedere	<u>110,078</u>
<b>Total Liabilities</b>	<u>\$ 124,466</u>

See Accompanying Notes to the Financial Statements



**Notes to the Financial Statements**

**Waterfront Development Corporation**

June 30, 2017

**Note A--Description of the Corporation**

Established in 1986, the Waterfront Development Corporation (the "Corporation") plans, coordinates and implements strategies to revitalize Louisville's Waterfront. The Corporation was created by an interlocal agreement between Jefferson County, the City of Louisville, and the Commonwealth of Kentucky (the "Commonwealth") to oversee redevelopment of Louisville's waterfront from a blighted and underutilized area into a vibrant, active area. In 2003, Jefferson County and the City of Louisville merged to create Louisville/Jefferson County Metro Government ("Metro Government").

The Corporation is considered a component unit of Metro Government. Metro Government appoints nine out of fifteen of the Corporation's board members and the Commonwealth appoints the other six. Metro Government also supplies a significant portion of the Corporation's operating funding and performs certain administrative functions for it.

The primary project of the Corporation is Louisville Waterfront Park (the "Park"), which management believes has improved the quality of life of Louisville residents and been a catalyst for business and residential redevelopment in the Waterfront District and connecting areas of downtown Louisville. The Corporation is responsible for the maintenance and operation of this 85 acre park.

The Corporation is also related to The Waterfront Park Foundation, Inc. (the "Foundation"). The purpose of the Foundation, incorporated in 1995, is to provide supplemental support for the capital construction and maintenance of the Park. The Foundation is included as a component unit in these financial statements.

**Note B--Summary of Significant Accounting Policies**

The Corporation is a component unit of Metro Government. Prior to the fiscal year ended June 30, 2012, the Corporation was included as a Department of Metro Government and reflected in its Comprehensive Financial Annual Report in this manner. For fiscal year 2012, the management of both Metro Government and the Corporation determined that accounting for the Corporation as a separate component unit was more appropriate. As such, the Corporation issued its first stand-alone financial statements as of and for the year ended June 30, 2012.

Because the Foundation is so closely related to the Corporation, its financial statements are included within the government-wide financial statements of the Corporation as a component unit. This is because the Corporation Board elects the board of the Foundation and because the Foundation's sole financial purpose is to support the activities of the Corporation. Separate financial statements for the Foundation are not issued.

Continued

Notes to the Financial Statements--Continued

**Waterfront Development Corporation**

June 30, 2017

**Note B--Summary of Significant Accounting Policies--Continued**

The following is a summary of significant accounting policies:

**Basis of Presentation**--The Corporation's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board ("GASB") is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.

These standards require that the financial statements described below be presented.

**Government-Wide Financial Statements**--The Corporation's basic financial statements include both the government-wide and component unit financial statements.

**Statement of Net Position**--In the statement of net position, both the governmental and component unit's columns are presented on a consolidated basis by column and are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term obligations, except for fiduciary activities.

**Statement of Activities**--The statement of activities presents a comparison between direct expenses and program revenues for each function of the Corporation's and Foundation's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs. Revenues that are not classified as program revenues are presented as general revenues.

**Fund Financial Statements**--The fund financial statements provide information about the Corporation's funds, including fiduciary funds. Separate statements for each fund category - *governmental* and *fiduciary*, are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column.

The focus of the governmental funds' measurement is upon determination of financial position and changes in financial position rather than upon net income. The activities reported in these funds are reported as governmental activities in the government-wide financial statements. The Corporation reports the following governmental funds in the accompanying governmental fund financial statements:

**General Fund**--The general fund accounts for inflows of revenues, which are primarily from governmental sources, contributions, and lease and event income. Expenditures relate to the operation and maintenance of the Park.

**Capital Projects Fund**--This fund accounts for resources used for the purpose of constructing Park improvements and infrastructure. Revenues are obtained primarily from governmental sources and from private contributions.

Continued



**Waterfront Development Corporation**

June 30, 2017

**Note B--Summary of Significant Accounting Policies--Continued**

**Fiduciary Funds**--The Corporations' fiduciary funds are presented in the fiduciary fund financial statements by type. Because by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the Corporation, these funds are not incorporated into the government-wide financial statements.

- **The Belvedere Fund.** The Corporation has an agreement whereby it manages event space at a park (the "Belvedere") owned by Metro Government. Under the agreement, any net income derived from event rentals is put into an agency fund. Such funds can only be spent for the maintenance and other expenses the Corporation incurs related to Belvedere Park.
- **The Belle of Louisville Fund.** The Corporation also managed funds for Louisville's Centennial Festival of Riverboats celebrating the Belle of Louisville's 100<sup>th</sup> birthday. The celebration included a variety of river and land based events. The remaining balance of these funds were applied toward the purchase of the Mary M. Miller River Boat during the fiscal year ended June 30, 2017. This boat was given to Metro Government.

Basis of Accounting--The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Corporation considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds.

Non-exchange transactions, in which the Corporation gives or receives value without directly receiving or giving equal value in exchange, include contributions. Revenues from contributions are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Equity Classifications

*Government-Wide Financial Statements*

Net position is the excess of the Corporation's assets over its liabilities, regardless of fund. Net position is divided into three captions on the statement of net position. These captions apply only to net position, which is determined at the government-wide level and is discussed below:

**Net investment in capital assets**--the portion of net position which is represented by the current net book value of the Corporation's capital assets.

Notes to the Financial Statements--Continued

**Waterfront Development Corporation**

June 30, 2017

**Note B--Summary of Significant Accounting Policies--Continued**

**Restricted net position**--the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, government regulations, laws, or other restrictions which the Corporation cannot unilaterally alter.

**Unrestricted net position**--the portion of net position which is not restricted as to use.

*Fund Financial Statements*

Under GASB Statement No. 54, fund balance is separated into five categories, as follows:

**Nonspendable**--Permanently nonspendable by decree of the donor, such as an endowment, or items which may not be used for another purpose, such as amounts used to prepay future expenses.

**Restricted**--Legally restricted under federal or state law, bond authority, or grantor contract.

**Committed**--Commitments passed by the Board.

**Assigned**--Funds assigned to management priority including issued encumbrances.

**Unassigned**--Funds available for future operations.

The accompanying government funds balance sheet classifies the general fund balances as unassigned and the capital project fund balance as restricted.

Deferred Inflows of Resources and Deferred Outflows of Resources--For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, information about the Corporation's participation in the County Employees Retirement System ("CERS") of the Kentucky Retirement Systems ("KRS") has been determined on the same basis as they are reported by the KRS for the CERS plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The liability was measured at June 30, 2016.

The Statement of Net Position includes deferred inflows of resources and deferred outflows of resources when appropriate. Deferred outflows of resources represent a consumption of net position that applies to a future period(s). Deferred inflows of resources represent an acquisition of net position that applies to a future period(s). These amounts will not be recognized as expense or revenue until the applicable period.

Use of 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.

Subsequent Events--In preparing these financial statements, management of the Corporation has evaluated events and transactions for potential recognition or disclosure through October 10, 2017, the date the financial statements were available to be issued.

Notes to the Financial Statements--Continued

**Waterfront Development Corporation**

June 30, 2017

**Note C--Budgets and Budgetary Accounting**

The Corporation submits an annual budget to Metro Government on or before June 30 for the ensuing fiscal year for the general fund. This budget is reviewed by the Mayor and the Metro Council, and is generally revised by them before being finalized.

Budget appropriations become effective each July 1. The Corporation may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level. Appropriations generally lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

The general fund's annual budget is presented on the modified accrual basis of accounting consistent with the governmental funds financial statements.

Budgeted revenue amounts represent the original budget modified by adjustments authorized during the fiscal year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the fiscal year.

**Note D--Cash and Investments**

Cash equivalents include short-term, highly liquid investments which are readily convertible to cash and have an original maturity date of 90 days or less.

The following is a summary of cash and cash equivalents as of June 30, 2017:

<b>Corporation</b>	
Cash and cash equivalents - unrestricted	\$ 400,247
<b>Foundation</b>	
Cash and cash equivalents - restricted	<u>383,918</u>
<b>Total Cash and Cash Equivalents</b>	<u>\$ 784,165</u>

The Corporation and Foundation had cash and cash equivalents in excess of Federal Deposit Insurance Corporation coverage of approximately \$188,000 and \$134,000, respectively, as of June 30, 2017. However, the excess above the customary \$250,000 limit was collateralized by securities held by a third party custodian, the Bank of New York.

Interest Rate Risk--Interest rate risk is the risk that the changes in interest rates of investments will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates; therefore, short term maturities reduce the Corporation and Foundation's exposure to interest rate risk.

Continued



Notes to the Financial Statements--Continued

**Waterfront Development Corporation**

June 30, 2017

**Note D--Cash and Investments--Continued**

Credit Risk--Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Corporation and Foundation's general Investment Policy is to apply the prudent investors standard in managing the overall portfolio. This policy states that assets shall be invested with the care, skill, prudence, and diligence under the circumstances prevailing from time to time that a prudent person acting in a like capacity and familiar with such matters would use in the investment of a fund of like character and aims.

Concentration of Credit Risk--Concentration of credit risk is the risk of loss that may arise in the event of default by a single issuer. The Corporation and Foundation's investment policy requires diversification of the overall portfolio to eliminate the risk of loss from an over-concentration of assets in a specific class of security, a specific maturity, and/or a specific issue. The Foundation is required by state law to invest a minimum of 35% of monies received from government sources in U.S. Government and/or Agency obligations.

The investment mixture objective of the portfolio permitted in each eligible security is as follows:

	<u>Target</u>	<u>Range</u>
Equity	57%	47 - 67%
Large Company Domestic	33%	
Mid/Small Cap Domestic	6%	
International Developed	12%	
International Emerging	6%	
Fixed Income	20%	10 - 30%
Domestic	13%	
International	3%	
High-Yield	2%	
Inflation-Indexed	2%	
Real Estate - Domestic/International	8%	0 - 10%
Alternatives	12%	0 - 25%
Cash	3%	0 - 13%

Continued

**Waterfront Development Corporation**

June 30, 2017

**Note D--Cash and Investments--Continued**

The Corporation and Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. This hierarchy is based on the valuation inputs used to measure the fair value of the asset.

*Level 1* - Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

*Level 2* - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

*Level 3* - Significant unobservable inputs that reflect the reporting entity's own assumptions about the fair value of an asset or liability.

The Corporation and Foundation have the following fair value measurements as of June 30, 2017:

	<u>Fair Value Measurements Using:</u>		
	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Total</u>
Investments by fair value level:			
<b>Corporation</b>			
Certificates of deposit	\$ 2,648,871 *		\$ 2,648,871
Debt securities			
U.S. Agency Mortgage bonds		\$ 100,000	100,000
Local government bonds		100,000	100,000
Total for the Corporation	2,648,871	200,000	2,848,871
<b>Foundation</b>			
Fixed income	3,291,537 *		3,291,537
Equities	8,220,654 *		8,220,654
Alternative strategies	313,234 *		313,234
Real estate equities and trusts	1,125,768 *		1,125,768
Total for the Foundation	12,951,193		12,951,193
<b>Total</b>	<u>\$ 15,600,064</u>	<u>\$ 200,000</u>	<u>\$ 15,800,064</u>

\* Denotes actively traded investments

**Waterfront Development Corporation**

June 30, 2017

**Note E--Capital Assets**

The Park encompasses a total of 85 acres. Park land and improvements were paid for and are owned by three entities: the Corporation, Metro Government and the Commonwealth. Only land owned by the Corporation is reflected on its books and records. A majority of the Park's development costs were not paid by the Corporation and are not reflected on its financial statements.

All capital assets owned by the Corporation are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Corporation defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Depreciation is provided using the straight line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each fiscal year until the asset is fully depreciated.

The Corporation has assigned the useful lives listed below to capital assets.

Land improvements	20 years
Buildings and improvements	25 to 40 years
Machinery and equipment	3 to 12 years
Vehicles	4 to 10 years
Infrastructure	10 to 40 years

Major outlays for capital assets and improvements are capitalized in the government-wide statement of net position as projects are constructed.

Continued

Notes to the Financial Statements--Continued

**Waterfront Development Corporation**

June 30, 2017

**Note E--Capital Assets--Continued**

Capital assets activity for the fiscal year ended June 30, 2017 is as follows:

	<u>Balance at June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2017</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 8,580,673			\$ 8,580,673
Capital assets being depreciated				
Office equipment	14,923		\$ 14,923	
Park maintenance equipment	<u>408,245</u>	<u>\$ 95,690</u>		<u>503,935</u>
<b>Total Capital Assets Being Depreciated</b>	423,168	95,690	14,923	503,935
Less accumulated depreciation for:				
Office equipment	12,559	1,121	13,680	
Park maintenance equipment	<u>278,728</u>	<u>44,124</u>		<u>322,852</u>
<b>Total Accumulated Depreciation</b>	<u>291,287</u>	<u>45,245</u>	<u>13,680</u>	<u>322,852</u>
<b>Net Capital Assets Being Depreciated</b>	<u>131,881</u>	<u>50,445</u>	<u>1,243</u>	<u>181,083</u>
<b>Governmental Activity Net Capital Assets</b>	<u>\$ 8,712,554</u>	<u>\$ 50,445</u>	<u>\$ 1,243</u>	<u>\$ 8,761,756</u>

Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function for the fiscal year ended June 30, 2017 are as follows:

<b>Governmental Activities:</b>	
General Government:	
Office equipment	\$ 2,363
Park maintenance equipment	<u>44,125</u>
	<u>\$ 46,488</u>

**Waterfront Development Corporation**

June 30, 2017

**Note F--Lease Revenue**

The Corporation is the lessor in various leases relating to two restaurant properties, signage, parking and miscellaneous vendors. For the year ended June 30, 2017, lease revenue was approximately \$398,000. One of the tenants has been continually operating a restaurant for many years. However, this tenant filed for bankruptcy under Chapter 11 in June 2017. Another tenant opened a restaurant in April of 2016 but closed for rebranding in October 2016. This tenant has continued to pay rent, but was approximately \$20,000 past due as of June 30, 2017. A new restaurant has not yet reopened on this site.

**Note G--Risk Management**

The Corporation obtains a majority of its insurance through Metro Government's insurance program. The Corporation receives the same coverage as other Metro Government departments and divisions. The Metro Government is exposed to various risks of loss related to torts, errors and omissions, injuries to employees or others, unemployment and certain health care benefits of employees. The Metro Government has established various self-insurance programs to account for and finance its uninsured risks of loss. Under the self-insurance programs, the Metro Government retains the risk of loss up to a maximum of \$7,000,000 for general liability claims, \$2,000,000 for workers' compensation claims with statutory excess insurance, and actual costs incurred for unemployment and certain health care benefits.

**Note H--Litigation**

The Corporation is subject to legal actions which are handled by Metro Government's Risk Management Department and the Jefferson County Attorney's Office. Claims that are less than \$500,000 are paid by Metro Government and claims in excess of \$500,000 are paid out of the Louisville Area Government Insurance Trust. In one such claim, a restaurant sub-tenant alleged that it mistakenly overpaid rent to the Corporation and its sub-landlord. The sub-landlord had previously filed a lawsuit to evict the sub-tenant, who has vacated the premises. The Corporation intends to vigorously defend all legal actions and believes that the resolution of such claims would not have a material effect on the financial position of the Corporation or its results of operations.

**Note I--Recent GASB Pronouncements**

In March 2016, the GASB issued Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contributions requirements. Items 1 and 3 were effective for reporting periods beginning after June 15, 2016. Item 2 is effective for the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Items 1 and 3 of the Statement were adopted during the current year and did not have a significant impact on the financial statements.

Continued



Notes to the Financial Statements--Continued

**Waterfront Development Corporation**

June 30, 2017

**Note I--Recent GASB Pronouncements--Continued**

The GASB has issued several reporting standards that will become effective for fiscal 2018 and later year financial statements.

- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, provides guidance for measuring the present value of the projected benefits to be provided to employees that are attributed to those employees' past periods of service.
- Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations ("ARO"s).
- Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments.
- Statement No. 87, *Leases*, the objective of which is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

The Corporation has not yet determined the effect, if any, that the adoption of these Statements may have on its financial statements.

**Note J--Defined Benefit Pension Plan**

Introduction

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"), requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability. It also requires cost-sharing governmental employers to report a net pension liability, pension expense and pension-related assets and liabilities based on their proportionate share of the collective amounts for all governments in the plan.

The Corporation does not have its own employees. Rather, all individuals who work for the Corporation are actually employees of Metro Government.

Plan Description

The Corporation, through Metro Government, contributes to the County Employees Retirement System ("CERS") which is a cost-sharing multiple-employer defined benefit pension plan administered by Kentucky Retirement Systems ("KRS"), an agency of the Commonwealth. The KRS Board was created by state statute under Kentucky Revised Statute Section 61.645. The Board of Trustees is responsible for the proper operation and administration of the KRS.

Continued



Notes to the Financial Statements--Continued

## **Waterfront Development Corporation**

June 30, 2017

### **Note J--Defined Benefit Pension Plan--Continued**

The KRS issues a publicly available financial report that includes financial statements and required supplemental information for CERS. That report may be obtained by writing to the KRS, 1260 Louisville Road, Frankfort, Kentucky 40601-6124.

#### Contributions

Contributions for employees established in the statutes governing the KRS may only be changed by the Kentucky General Assembly. Employees contribute 5% of salary if they were a plan member prior to September 1, 2008. For employees that entered the plan after September 1, 2008, they are required to contribute 6% of their annual creditable compensation. Five percent of the contribution was deposited to the member's account while one percent was deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation 105 KAR 1:420E). The Corporation makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation.

For the year ended June 30, 2017, employer contributions for the Corporation were \$200,884 based on a rate of 18.68% of covered payroll. By law, employer contributions are required to be paid. The KRS may intercept the Corporation's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution ("ADC") and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of the unfunded liability.

The Corporation has met 100% of the pension contribution funding requirement for the fiscal years ended June 30, 2017, 2016 and 2015, which were \$184,713, \$163,963, and \$176,210, respectively.

#### Benefits Provided-General

The plan provides for retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Kentucky Revised Statute Section 61.645 establishes the benefit terms and can be amended only by the Kentucky General Assembly. The chief legislative body may adopt the benefit terms permitted by statute.

The information below summarizes the major retirement benefit provisions of CERS Non-Hazardous employees. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions.

- Benefits Provided - Tier 1 - Final Compensation X Benefit Factor X Years of Service

For members whose participation began before August 1, 2004, the age and service requirement is as follows: Age 65 with at least one month of Non-Hazardous duty service credit, or at any age with 27 or more years of service credit.

Continued

**Waterfront Development Corporation**

June 30, 2017

**Note J--Defined Benefit Pension Plan--Continued**

If such member has at least 48 months of service, the monthly benefit is 2.2% times final average compensation times years of service depending on participation and retirement dates. Final compensation is calculated by taking the average of the highest five fiscal years of salary. If the number of months of service credit during the five year period is less than forty-eight, one or more additional fiscal years should be used. If a member has less than 48 months of service, the monthly benefit is the actuarial equivalent of two times the member's contributions with interest.

- **Benefits Provided - Tier 2 - Final Compensation X Benefit Factor X Years of Service**

For members whose participation began on or after August 1, 2004, but before September 1, 2008, the age and service requirement is as follows: Age 65 with at least one month of Non-Hazardous duty service credit, or at any age with 27 or more years of service credit.

If such member has at least 48 months of service, the monthly benefit is 2% multiplied by final average compensation, multiplied by years of service. Final compensation is calculated by taking the average of the highest five fiscal years of salary. If the number of months of service credit during the five year period is less than forty-eight, one or more additional fiscal years shall be used. If a member has less than 48 months of service, the monthly benefit is the actuarial equivalent of two times the member's contributions with interest.

For members whose participation began on or after September 1, 2008, but before January 1, 2014, the age and service requirement is as follows: Age 65 with 60 months of Non-Hazardous duty service credit, or age 57 if age plus service equals at least 87.

For such members, the monthly benefit is the following benefit factor based on service credit at retirement plus 2% for each year of service greater than 30 years, multiplied by final average compensation, multiplied by years of service.

<u>Service Credit</u>	<u>Benefit Factor</u>
10 years or less	1.10%
10+ -20 years	1.30%
20+ -26 years	1.50%
26+ -30 years	1.75%

Final compensation is calculated by taking the average of the last (not highest) five complete fiscal years of salary. Each fiscal year used to determine final compensation must contain twelve months of service credit.

Continued

**Waterfront Development Corporation**

June 30, 2017

**Note J--Defined Benefit Pension Plan--Continued**

- **Benefits Provided - Tier 3 - Cash Balance Plan**

For members whose participation began on or after January 1, 2014, the age and service requirement is as follows: Age 65 with 60 months of Non-Hazardous duty service credit, or age 57 if age plus service equals at least 87.

For such members, each year that a member is an active contributing member to the KRS, the member contributes 5% of creditable compensation, and the member's employer contributes 4% of creditable compensation, which is a portion of the total employer contribution, into a hypothetical account. The hypothetical account will earn interest annually on both the member's and employer's contribution at a minimum rate of 4%. If the KRS's geometric average net investment return for the previous five years exceeds 4%, then the hypothetical account will be credited with an additional amount of interest equal to 75% of the amount of the return which exceeds 4%. All interest credits will be applied to the hypothetical account balance on June 30 based on the account balance as of June 30 of the previous year. Upon retirement the hypothetical account which includes member contributions, employer contributions and interest credits can be withdrawn from the KRS as a lump sum or annuitized into a single life annuity option.

Contribution Rates

- Tier 1 - For members whose participation began before September 1, 2008, Non-Hazardous employee contributions equal 5% of all creditable compensation. Interest paid on the members' accounts is currently 2.5%; and per statute shall not be less than 2%. Members are entitled to a full refund of contributions with interest.
- Tier 2 - For members whose participation began on or after September 1, 2008, but before January 1, 2014, Non-Hazardous contributions equal to 6% of all creditable compensation, with 5% being credited to the member's account and 1% deposited to the KRS 401(h) account. Interest paid on the members' accounts will be set at 2.5%. Member is entitled to a full refund of contributions and interest in their individual account, however, the 1% contributed to the insurance fund is non-refundable.
- Tier 3 - For members whose participation began on or after January 1, 2014, the Non-Hazardous contribution is equal to 6% of all creditable compensation, with 5% being credited to the member's account and 1% deposited to the KRS 401(h) account. Members are entitled to a full refund of contributions and interest on the members' portion of the hypothetical account, however, the 1% contributed to the insurance fund in non-refundable.

Net Pension Liability

The Corporation's net pension liability was measured as of June 30, 2016. The total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

Continued



**Waterfront Development Corporation**

June 30, 2017

**Note J--Defined Benefit Pension Plan--Continued**

Actuarial Assumptions

The total pension liability as of the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market
Inflation	3.25%
Salary Increase	4.00% average, including inflation
Investment Rate of Return	7.50% net of pension plan investment expense, including inflation

The mortality table used for active, healthy, retired members, and beneficiaries is RP-2000 Combined Mortality Table projected with Scale BB to 2013. For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for KRS. The most recent analysis, performed for the period covering fiscal years 2008 through 2013, is outlined in a report dated April 30, 2014. Several factors are considered in evaluating the long-term rate of return assumption including long term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense, and inflation) were developed by the investment consultant for each major asset class (See chart below). These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Continued

Notes to the Financial Statements--Continued

**Waterfront Development Corporation**

June 30, 2017

**Note J--Defined Benefit Pension Plan--Continued**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Combined equity	44.00%	5.40%
Combined fixed income	19.00%	1.50%
Real return (diversified inflation strategies)	10.00%	3.50%
Real estate	5.00%	4.50%
Absolute return (diversified hedge funds)	10.00%	4.25%
Private equity	10.00%	8.50%
Cash equivalent	2.00%	-0.25%
	<u>100.00%</u>	

The long-term expected rate of return on pension plan investments was established by the KRS Board of Trustees as 7.5% based on a blending of the factors described above.

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the Corporation will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the KRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Continued

**Waterfront Development Corporation**

June 30, 2017

**Note J--Defined Benefit Pension Plan--Continued**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Corporation calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point-lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	<b>1% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
Proportionate Share of the Net Pension Liability	<u>\$ 1,543,683</u>	<u>\$ 1,238,750</u>	<u>\$ 977,362</u>

Changes in Actuarial Assumptions

Since the prior measurement date, the demographic and economic assumptions that affect the measurement of the total pension liability have been updated as follows:

- The assumed investment rate of return was decreased from 7.75% to 7.5%.
- The assumed rate of inflation was reduced from 3.5% to 3.25%.
- The assumed rate of wage inflation was reduced from 1% to 0.75%.
- Payroll growth assumption was reduced from 4.5% to 4%.
- The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
- For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the PR-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.
- The assumed rates of retirement, withdrawal, and disability were updated to more accurately reflect experience.

Pension Expense

For the year ended June 30, 2017, the Corporation recognized pension expense of \$76,248.

Continued



Notes to the Financial Statements--Continued

**Waterfront Development Corporation**

June 30, 2017

**Note J--Defined Benefit Pension Plan--Continued**

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2017, the Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,398	
Net difference between projected and actual earnings on plan investments	116,232	
Changes of assumptions	65,497	
Change in proportionate share of contributions		<u>\$ 9,316</u>
	187,127	9,316
Contributions subsequent to the measurement date	<u>137,941</u>	
	<u><u>Total</u></u>	<u><u>\$ 9,316</u></u>
	<u>\$ 325,068</u>	

The amount shown for "Contributions subsequent to the measurement date", will be recognized as a reduction (increase) to net pension liability in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized in pension expense as follows:

**Year Ended June 30:**

2018	\$ 64,529
2019	41,524
2020	40,315
2021	<u>31,443</u>
	<u><u>\$ 177,811</u></u>

In the table shown above, positive amounts will increase pension expense.

Payable to the Pension Plan

Per Metro Government, at June 30, 2017 there were no outstanding contributions to the pension plan.

**Required Supplemental Information**

General Fund Statement of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual

**Waterfront Development Corporation**

Year Ended June 30, 2017

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget</u>
<b>Revenues</b>			
Rental and event income	\$ 1,442,000	\$ 1,111,239	\$ (330,761)
<b>Expenditures</b>			
General government	<u>2,450,000</u>	<u>2,190,501</u>	<u>259,499</u>
<b>Expenditures in Excess of Revenues</b>	(1,008,000)	(1,079,262)	(71,262)
<b>Other Financing Sources</b>			
Operating transfers from:			
Metro Government	987,000	1,197,000	210,000
Commonwealth of Kentucky	0	0	0
Other revenues	18,000	22,437	4,437
Contributions	<u>3,000</u>	<u>35,023</u>	<u>32,023</u>
<b>Total Other Financing Sources</b>	<u>1,008,000</u>	<u>1,254,460</u>	<u>246,460</u>
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ 175,198</u>	<u>\$ 175,198</u>

See Independent Auditors' Report

Schedule of Proportionate Share of the Net Pension Liability - CERS Pension

**Waterfront Development Corporation**

Last Three Fiscal Years Ended June 30

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Corporations' proportion of the net pension liability	\$ 1,238,750	\$ 1,086,734	\$ 854,942
Corporation's proportionate share of the net pension liability - Nonhazardous	0.025%	0.025%	0.026%
Covered payroll	\$ 1,075,393	\$ 954,152	\$ 994,261
Corporation's share of the net pension liability as a percentage of its covered payroll	115.19%	113.90%	85.99%
Total Plan fiduciary net position as a percentage of the total pension liability	81.45%	68.49%	51.61%

Note 1--This schedule is presented to illustrate the requirement to show information for 10-years. However, until a full 10-year trend is compiled, the Corporation is presenting information for those years for which information is available.

Note 2--The amounts presented for each fiscal year were determined as of the year-end of that occurred one year prior.

See Independent Auditors' Report

Schedule of Contributions - CERS Pension

**Waterfront Development Corporation**

Last Three Fiscal Years ended June 30

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 137,941	\$ 119,368	\$ 116,981
Contributions in relation to the contractually required contribution	<u>(137,941)</u>	<u>(119,368)</u>	<u>(116,981)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 1,075,393	\$ 954,152	\$ 994,261
Contributions as a percentage of covered payroll	12.83%	12.51%	11.77%

Note--This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Corporation is presenting information for those years for which information is available.

See Independent Auditors' Report

**Other Supplemental Information**



Agency Funds  
 Statements of Changes in Net Position

**Waterfront Development Corporation**

Year Ended June 30, 2017

Belvedere Fund

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>Assets</b>				
Cash	\$ 118,830	\$ 40,852	\$ 35,216	\$ 124,466
<b>Liabilities</b>				
Damage deposit liability	\$ 23,500	\$ 17,262	\$ 32,562	\$ 8,200
Other	8,842		2,654	6,188
Held for the Belvedere	86,488	23,590		110,078
	<u>\$ 118,830</u>	<u>\$ 40,852</u>	<u>\$ 35,216</u>	<u>\$ 124,466</u>

Belle of Louisville Fund

<b>Assets</b>				
Due from Waterfront Development Corporation	\$ 329,785	\$ 420,215	\$ 750,000	\$ 0
	<u>\$ 329,785</u>	<u>\$ 420,215</u>	<u>\$ 750,000</u>	<u>\$ 0</u>
<b>Liabilities</b>				
Held for the Belle of Louisville	\$ 329,785	\$ 420,215	\$ 750,000	\$ 0
	<u>\$ 329,785</u>	<u>\$ 420,215</u>	<u>\$ 750,000</u>	<u>\$ 0</u>

See Independent Auditors' Report

**Independent Auditors' Report on Internal Control  
over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance  
with *Government Auditing Standards***



**Independent Auditors' Report on Internal Control  
over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance  
with Government Auditing Standards**

To the Board of Directors  
Waterfront Development Corporation  
Louisville, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Waterfront Development Corporation (the "Corporation"), a component unit of Louisville/Jefferson County Metro Government ("Metro Government"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated October 10, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*STROTHMAN AND COMPANY*

Louisville, Kentucky  
October 10, 2017