

**NEIGHBORHOOD DEVELOPMENT FUND  
Not-for-Profit Transmittal and Approval Form**

FEB 17 2014 PM 4:41

**DATE:** February 12, 2014

**PRIMARY SPONSOR** (District to contact with any questions): Tina Ward-Pugh

**Name of Applicant:** Kentucky Waterways Alliance, Inc.

I/We have reviewed the attached Neighborhood Development Fund Application and have found it complete and within Metro Council guidelines and request approval of funding in the following amount(s). I/We have read the organization's statement of public purpose to be furthered by the funds requested and I/We agree that the public purpose is legitimate. I/We have also completed the disclosure section below, if required.

Is this program/project a fundraiser?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is this applicant a faith based organization?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does this application include funding for sub-grantee(s)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

<u>9</u> District #	<u>Tina Ward-Pugh</u> Council Member Signature	<u>\$1000-</u> Amount	<u>2/12/14</u> Date
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<u>8</u> District #	<u>Thomas P. Owen</u> Council Member Signature	<u>\$1000-</u> Amount	<u>2/13/14</u> Date
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_____	_____	_____	_____
District #	Council Member Signature	Amount	Date

_____	_____	_____	_____
District #	Council Member Signature	Amount	Date

**Council Office Disclosure**

List below any personal or business relationship you, your family or your legislative assistant have with this organization, its volunteers, its employees or members of its board of directors.

I've reviewed these. Tessa Edelen is helping facilitate D9 vols with issues regarding Beargrass Creek. She's volunteering. Tina  
Will Willis is a personal friend of Kyle Ehrhardt

**Approved by:**

\_\_\_\_\_ Date  
Appropriations Committee Chairman

**Clerk's Office Only:**

Request Amount: \_\_\_\_\_ Committee Amended Appropriation: \_\_\_\_\_  
Original Appropriation: \_\_\_\_\_ Council Amended Appropriation: \_\_\_\_\_

**OFFICE OF METRO COUNCIL CLERK  
REVIEWED**

DATE 2.21.14 TIME 2:38pm

## NDF NON-PROFIT APPLICATION CHECKLIST

<b>Legal Name of Applicant Organization:</b> <i>Kentucky Waterways Alliance</i>		
<b>Program Name:</b> <i>6<sup>th</sup> Annual Wild &amp; Scenic</i>	<b>Request Amount:</b> <i>\$5,000</i>	<b>Yes/No/NA</b>
<b>Request form:</b> Is the NDF request form signed by all Council Member(s) appropriating funding?		<i>Yes</i>
<b>Request form:</b> Is the funding proposed less than or equal to the request amount?		<i>Yes</i>
<b>Request form:</b> Have all known Council or Staff relationships to the Agency been adequately disclosed on the cover sheet?		<i>Yes</i>
<b>Application Page 1:</b> Has prior Metro funds committed/granted been disclosed?		<i>Yes</i>
<b>Application Page 1:</b> Is the application properly signed and dated by authorized signatory?		<i>Yes</i>
<b>Application Page 3:</b> Reimbursement funding – One or two boxes checked if any expenses are incurred before the grant award period. Is all required documentation included?		<i>Yes</i>
<b>Application Pages 3 – 5:</b> Is the proposed public purpose of the program well-documented?		<i>Yes</i>
<b>Application 4:</b> Is there adequate documentation of how the proceeds of the fundraiser will be spent?		<i>Yes</i>
<b>Application Budget Page 6:</b> Does the application budget reflect only the revenue and expenses of the project/program (page 6) if the request is not an operating budget request? Is all detail schedules included for "Metro, Non Metro and Total" expense funds for client assistance, community events & festivals and other expenses? And does the Non-Metro Revenue equal the Non-Metro expenses?		<i>Yes</i>
<b>Faith Based Organizations:</b> Is the signed Faith Based Form signed and included?		<i>—</i>
<b>Jefferson County Only:</b> Will all funding be spent in Louisville/Jefferson County?		<i>Yes</i>
<b>Capital Project(s) request:</b> Is the cost estimate(s) from proposed vendor(s) included?		<i>—</i>
<b>Good Standing:</b> Is the entity in good standing with: <ul style="list-style-type: none"> <li>• Kentucky Secretary of State – include Secretary of State website information on organization</li> <li>• Louisville Metro Government – check OMB monthly report filed in Council Financial Reports</li> <li>• Internal Revenue Service – most recent Form 990 included</li> </ul>		<i>Yes</i>
<b>Separate Taxing Districts:</b> If Metro funding is for a separate taxing district, is the funding appropriated for a program outside the legal responsibility of that taxing district?		<i>—</i>
<b>Small Cities:</b> Is the resolution included agreeing to partner with Louisville Metro on the capital project? (IRS Determination letter not required, Form 990 not required, but KY SOS acknowledgement is)		<i>—</i>
<b>Operating Requests:</b> Is recommended operating funding less than or equal to 33% of total operating budget?		<i>—</i>
<b>IRS Exempt Proof:</b> Is proof of Tax Exempt status of 501(c) 3, 4, 6, 19, 1120-H included?		<i>Yes</i>
<b>Operating Budget:</b> Is the organization's current fiscal year operating budget included?		<i>Yes</i>
<b>Ordinance Required:</b> Is the amount committed by Council members greater than \$5,000 to any one project/program within an organization in this fiscal year.		<i>NO</i>
<b>Board Members:</b> Is the entity's board member list (with term length/term limits) included?		<i>Yes</i>
<b>Staff:</b> Is a list of the highest paid staff included with their expected annual personnel costs?		<i>Yes</i>
<b>Annual Audit:</b> Is the most recent annual audit (if required by organization) included?		<i>Yes</i>
<b>Rent Requests:</b> Is a copy of signed lease included?		<i>—</i>
<b>Articles of Incorporation:</b> Are the Articles of Incorporation of the organization included?		<i>Yes</i>
<b>IRS Form W-9:</b> Is the IRS Form W-9 included?		<i>Yes</i>
<b>Evaluation Forms:</b> Are the evaluation forms (if program participants are given evaluation forms) included?		<i>—</i>
<b>Affirmative Action:</b> Affirmative Action/Equal Employment Opportunity plan and/or policy statement included (if required by the organization)?		<i>—</i>
<b>Prepared by:</b> <i>Vyle Edwards</i>	<b>Date:</b> <i>02/12/14</i>	



# LOUISVILLE METRO COUNCIL

## NEIGHBORHOOD DEVELOPMENT FUND APPLICATION



### SECTION 1 - APPLICANT INFORMATION

**Legal Name of Applicant Organization:**  
(as listed on: <http://www.sos.ky.gov/business/records/>) **Kentucky Waterways Alliance, Inc.**

**Main Office Street & Mailing Address:** 120 Webster St. Suite 217 Louisville, KY 40206

**Website:** [www.kwalliance.org](http://www.kwalliance.org)

**Application Contact:** Angela Doyle

**Title:** Development Director

**Phone:** (502) 589-8008

**Email:** [angela@kwalliance.org](mailto:angela@kwalliance.org)

**Financial Contact:** Angela Doyle

**Title:** Development Director

**Phone:** (502) 589-8008

**Email:** [angela@kwalliance](mailto:angela@kwalliance)

### GEOGRAPHICAL AREA(S) WHERE PROGRAM ACTIVITIES ARE (WILL BE) PROVIDED

**Program Facility Location(s):** Clifton Center 2117 Payne St, Louisville, KY 40206

**Council District(s):** 09

**Zip Code(s):** 40206

### SECTION 2 - PROGRAM REQUEST & FINANCIAL INFORMATION

**Program Name:** 6th Annual Wild & Scenic Film Festival

**Total Request:** \$ 5,000

**Total Metro Award (this program) in previous year :** \$ 1,800

The following are required attachments:

IRS Exempt Status Determination Letter

Current Year Projected Budget

List of Board of Directors (include term & term limits)

Current financial statement

Most recent IRS Form 990 or 1120-H

Articles of Incorporation

Cost estimates from proposed vendor if request is for capital expense

Signed lease if rent costs are being requested

IRS Form W9

Evaluation forms if used in the proposed program

Annual audit (if required by organization)

Faith Based Organization Certification Form, if required

Staff including the 3 highest paid staff

**Agency Fiscal Yr Start Date:** January 1

**For the current fiscal year ending June 30,** list all funds 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.

**Source:** Neighborhood Development Funds

**Amount:** \$ 1,800

**Source:**

**Amount:** \$

**Source:**

**Amount:** \$

Has the applicant contacted the BBB Charity Review for participation?  Yes  No

Has the applicant met the BBB Charity Review Standards?  Yes  No

### SECTION 3 - SIGNATURE

I certify under the penalty of law the information in this application (including, without limitation, the "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.

**Signature of Legal Signatory:** *Judith Petersen*

**Date:** 1-9-14

**Legal Signatory (please print):** Judith Petersen

**Title:** Executive Director

**Phone:** Extension: (502) 589-8008

**Email:** [judy@kwalliance.org](mailto:judy@kwalliance.org)

#### SECTION 4 - AGENCY DETAILS

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

**Mission:** Kentucky Waterways Alliance's mission is to protect and restore Kentucky's Waterways.

**Vision:** Kentucky Waterways Alliance envisions healthy waterways throughout Kentucky. We strive to achieve the best protections possible from water pollution in our communities and work toward a healthier future for all.

**Strategic Goals:**

- 1) Identify key places for protection on a watershed level.
- 2) Carry out a statewide movement to protect Kentucky's waterways through grassroots activism and large-scale awareness.
- 3) work on behalf of communities and the promises laid out in the Clean Water Act by influencing public policy.
- 4) Build a strong and sustainable water network by promoting and supporting local watershed groups.

#### SECTION 5 - PROGRAM NARRATIVE

**A: Purpose of Request (check all that apply):**

- Operating Funds (generally cannot exceed 33% of agency's total operating budget)
- Programming/services/events for direct benefit to community or qualified individuals
- Capital Project of the organization (equipment, furnishing, building, etc)

**B: 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):**

The 6th Annual Wild & Scenic Film Festival will be held on Saturday, March 15, 2014 at the Clifton Center. The purpose of the event is to bring a national event to a local arena in order to increase public awareness about environmental issues and broaden KWA's appeal by increasing our membership base. We are also going to use this event to outreach around our efforts in the Louisville area, and will highlight a film produced by a local filmmaker.

The previous 5 events each brought close to 300 participants and more than 20 organizational partners (both local nonprofits and local small businesses) together to learn more about what they can do to protect our environment, and specifically our waterways. The scope of this year's national event is renewable power sources, and we hope to bring films to the Louisville area that will inspire people to make real changes in their personal lives to help affect change on a community level, and beyond.

We will be showing 6-8 short films from roughly 8p-11p on the date of the festival, and will hold a reception for the event where members may meet representatives from other like-minded organizations from the area.

Please see the attached information for further descriptions of the event.

**C: Describe specifically how the funding will be spent including identification of funding to subgrantee(s):**

Funding from the Neighborhood Development Fund would cover our costs associated with the festival, including:

Our program costs to the national festival (\$1,000), screen and equipment rental (\$300), venue rental (\$700), printing and postage (\$800), the fee for the emcee (\$500), advertising for the event (\$350), and miscellaneous items including linen rental, office supplies, in-town hotel stay for an out-of-town employee, etc. (\$350).

In addition, the funding would cover \$1,000 of staff time for the event, including portions of the Communications Director, Development Director, and Office Manager's salaries.

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

- The funding request is a reimbursement of the following expenditures that have occurred prior to the application date:
- ✓ 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.

A deposit of \$350 was paid to the Clifton Cultural Center on 9/17/2013 toward the total fee of \$700. The invoice and cancelled check are attached.

The funding request is a reimbursement of the following expenditures that will be incurred after the application date, but prior to the Metro Council approval date. This option will allow expenditures occurring within this time frame to be considered compliant with 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.

We are unsure what expenditures will be incurred before the Council approval date. We do not have any expenses that will be incurred until closer to the event time period, but as we're not sure what the Council approval date will be, it is possible that some of our expenses will overlap this period.

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

This event is more of an outreach event than a fundraiser for us, as we have never raised more than our expenses in the 5 years we've held the event. However, it is possible that if we were to sell out the event and bring in large sponsors, we could raise more funds than were expended in the process of holding the event. In such a case, the funds would be spent on our further outreach efforts, particularly in our Beargrass Creek Alliance program and our fledgling Harrods Creek program.

**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 specifically.**

We have not yet determined most of the collaborative partners for this year's program, but in past years we've had approximately 20 partners for each event. Most are other local nonprofit organizations, such as The Nature Conservancy of Kentucky, the Olmsted Parks Conservancy of Louisville, and the Greater Louisville Sierra Club. We've also partnered with a number of small, local, for-profit businesses such as local outdoor outfitters and other like-minded businesses such as Heine Brothers Coffee, KY Ale, and Wiltshire Pantry. These partners typically provide in-kind services such as donations of food and beverages, or provide other forms of sponsorship for the event in exchange for booth space to provide educational information about their organizations or businesses.

Outside of the event, we regularly collaborate with a number of community organizations on projects varying from watershed planning and educational events to policy discussion.

**G: 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 benefit to attendees of the film festival will be an increased knowledge of local and national issues regarding the environment, and a better understanding of what individuals can do to help. Our success will be determined by the number of people who attend the film event, the number of new members we gain from the event, and the results of a survey sent to attendees after the event.

Our long-term goal is to successfully cultivate relationships with new activists, both young and old, so that they will want to participate in future clean-up work on local waterways including Beargrass Creek and Harrods Creek, and ultimately be better stewards of the environment.

**SECTION 6 - PROGRAM BUDGET SUMMARY**

The Program Budget should realistically estimate what amount is needed from Metro Government and what is expected from other sources. Enter whole-dollar amounts.

	Column 1	Column 2*	Column 3
Program Expenses	Proposed Metro Funds	Non- Metro Funds	Total Program Cost
<b>A: Personnel Costs Including Benefits</b>	\$1,000	\$9,200	\$10,200
<b>B: Rent/Utilities</b>	\$0	\$650	\$650
<b>C: Office Supplies</b>	\$0	\$0	\$0
<b>D: Telephone</b>	\$0	\$0	\$0
<b>E: In-town Travel</b>	\$0	\$0	\$0
<b>F: Client Assistance (Attach Detailed List)</b>	\$0	\$0	\$0
<b>G: Professional Service Contracts</b>	\$0	\$0	\$0
<b>H: Program Materials</b>	\$0	\$0	\$0
<b>I: Community Events &amp; Festivals (Attach Detailed List)</b>	\$4,000	\$0	\$4,000
<b>J: Machinery &amp; Equipment</b>	\$0	\$0	\$0
<b>K: Capital Project</b>	\$0	\$0	\$0
<b>L: Other Expenses (Attach Detail List)</b>	\$0	\$0	\$0
<b>SUBTOTAL</b>	\$5,000	\$9,850	\$14,850
% of Program Budget --	34 %	66 %	100%
Value of volunteer services and how computed:	N/A	\$1,700	\$1,700
Value of in-kind assets, such as donated space, supplies, use of equipment, etc. <i>(Detail on Next Page)</i>	N/A	\$3,300	\$3,300
Total Program Funds	\$5,000	\$14,850	\$19,850

\*List funding sources in Column 2 (do not include individual donor names):

Other State, Federal or Local Government	
United Way	
Private Contributions	\$6,850
Fees Collected from Program Participants	\$3,000
Other (please specify)	
Total Revenues	\$9,850



**PROGRAM BUDGET SUMMARY (CONTINUED)**

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

<b>Donor*/Type of Contribution</b>	<b>Value of Contribution</b>	<b>Method of Valuation</b>
Wiltshire Pantry (assumed)/Food	<b>\$1,100</b>	Donor Assigned Value
Ky Ale/Food and Spirits for Reception	<b>\$700</b>	Donor Assigned Value
Bloom Elem. Media Club/Promo Materials	<b>\$1,500</b>	Fair Market Value of Svs.
<b>Volunteers</b>	<b>\$1,700</b>	<b>100 hrs. at \$17/hr.</b>
<b>Total Value of In-Kind</b> <i>(to match Program Budget Line Item.</i> Volunteer Contribution & Other In Kind)	<b>\$5,000</b>	

\* 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)

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:

## SECTION 7 - CERTIFICATIONS AND ASSURANCES

By signing the first page 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 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.
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. 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. Return to Louisville Metro any unexpended funds by July 31 following the Metro Louisville's fiscal year end
8. 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.

### 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.

To our knowledge, no member of our Board of Directors or employees has any relationship with any Councilperson, Councilperson's family, Councilperson's staff, or any Louisville Metro Government employee.

## Proposed Expenditure of NDF Funds

Program Costs to National Festival (SYRCL)	\$1,000
Screen and Equipment Rental	\$300
Venue Rental	\$700
Printing and Postage	\$800
Emcee Fee	\$500
Advertising	\$350
Miscellaneous*	\$350
Staff Time**	\$1,000
<b>Total</b>	<b>\$5,000</b>

\*Misc. items include linen rental, office supplies, and in-town hotel stay for out-of-town employee

\*\* Staff time includes portions of the Communications Director, Development Director, and Office Manager's salaries.

## **Kentucky Waterways Alliance Staff**

Judith Petersen, Executive Director (\$54,000/yr)

Tessa Edelen, Watershed Program Director (\$42,848/yr)

Tim Joice, Water Policy Director (\$41,775/yr)

Angela Doyle, Development Director (\$40,352/yr)

Will Willis, Communications Director (\$37,024/yr)

Jessica Kane, Office Manager (\$27,040/yr)

**KENTUCKY WATERWAYS ALLIANCE, INC.****General Information**

<b>Organization Number</b>	0313971
<b>Name</b>	KENTUCKY WATERWAYS ALLIANCE, INC.
<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>	4/14/1993
<b>Organization Date</b>	4/14/1993
<b>Last Annual Report</b>	1/23/2014
<b>Principal Office</b>	120 WEBSTER ST., SUITE 217 LOUISVILLE, KY 40206
<b>Registered Agent</b>	JUDITH D. PETERSEN 120 WEBSTER ST. SUITE 217 LOUISVILLE, KY 40206

**Current Officers**

<b>President</b>	<u>Gordon Garner</u>
<b>Vice President</b>	<u>Ward Wilson</u>
<b>Secretary</b>	<u>Hugh Archer</u>
<b>Director</b>	<u>Robert Johnson</u>
<b>Director</b>	<u>Beverly Juett</u>
<b>Director</b>	<u>Dave Wimsatt</u>

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

<b>Director</b>	<u>BETH K. STEWART</u>
<b>Director</b>	<u>HELEN POWELL</u>
<b>Director</b>	<u>ED PUTERBAUGH</u>
<b>Incorporator</b>	<u>BETH K. STEWART</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>	1/23/2014	1 page	<u>PDF</u>
<u>Annual Report</u>	2/11/2013	1 page	<u>PDF</u>
<u>Annual Report</u>	5/11/2012	1 page	<u>PDF</u>
<u>Annual Report</u>	5/24/2011	1 page	<u>PDF</u>
<u>Registered Agent name/address change</u>	6/22/2010	1 page	<u>tiff</u> <u>PDF</u>
<u>Annual Report</u>	6/22/2010	1 page	<u>tiff</u> <u>PDF</u>
<u>Annual Report</u>	6/22/2009	1 page	<u>tiff</u> <u>PDF</u>

<a href="#">Annual Report</a>	6/24/2009	2 pages	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Principal Office Address Change</a>	6/24/2009	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Annual Report</a>	5/23/2008	1 page	<a href="#">PDF</a>	
<a href="#">Annual Report</a>	5/24/2007	1 page	<a href="#">PDF</a>	
<a href="#">Annual Report</a>	5/25/2006	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Annual Report</a>	5/31/2005	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Annual Report</a>	4/29/2003	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Annual Report</a>	7/18/2002	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Annual Report</a>	7/23/2001	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Annual Report</a>	7/7/2000	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Annual Report</a>	6/21/1999	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Annual Report</a>	7/1/1997	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Statement of Change</a>	6/4/1997	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Reinstatement</a>	7/26/1996	2 pages	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Statement of Change</a>	7/26/1996	2 pages	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Administrative Dissolution</a>	11/1/1995	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Annual Report</a>	7/1/1995	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Annual Report</a>	3/25/1994	1 page	<a href="#">tiff</a>	<a href="#">PDF</a>
<a href="#">Articles of Incorporation</a>	4/14/1993	8 pages	<a href="#">tiff</a>	<a href="#">PDF</a>

## Assumed Names

## Activity History

Filing	File Date	Effective Date	Org. Referenced
Annual report	1/23/2014 10:52:09 AM	1/23/2014 10:52:09 AM	
Annual report	2/11/2013 11:43:12 AM	2/11/2013 11:43:12 AM	
Annual report	5/11/2012 5:56:53 PM	5/11/2012 5:56:53 PM	
Annual report	5/24/2011 4:38:41 PM	5/24/2011 4:38:41 PM	
Annual report	6/22/2010 10:10:11 AM	6/22/2010	
Registered agent address change	6/22/2010 10:09:28 AM	6/22/2010	
Principal office change	6/24/2009 8:52:24 AM	6/24/2009	
Annual report	6/24/2009 8:51:43 AM	6/24/2009	
Annual report	5/23/2008 11:11:49 AM	5/23/2008 11:11:49 AM	
Annual report	5/24/2007 12:16:59 PM	5/24/2007 12:16:59 PM	
Annual report	5/25/2006 3:45:09 PM	5/25/2006	
Registered agent address change	6/4/1997	6/4/1997	
Principal office change	5/19/1997	5/19/1997	
Principal office change	7/26/1996	7/26/1996	

Reinstatement	7/26/1996	7/26/1996
Registered agent address change	7/26/1996	7/26/1996
Admin Dis. A. report not in	11/1/1995	11/1/1995

## 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	5/26/2005	1 page
Annual Report	5/25/2004	1 page
Annual Report	4/29/2003	1 page
Annual Report	7/18/2002	1 page
Annual Report	7/23/2001	1 page
Annual Report	7/7/2000	1 page
Annual Report	6/21/1999	1 page
Annual Report	5/20/1998	1 page
Annual Report	7/1/1997	1 page
Statement of Change	6/4/1997	1 page
Statement of Change	7/26/1996	1 page
Reinstatement	7/26/1996	2 pages
Administrative Dissolution	11/1/1995	1 page
Annual Report	7/1/1995	1 page
Annual Report	3/25/1994	1 page
Articles of Incorporation	4/14/1993	8 pages



For Office Use:  
 Sent \_\_\_\_\_  
 Ins \_\_\_\_\_  
 Dep \_\_\_\_\_  
 Setup \_\_\_\_\_  
 PIF \_\_\_\_\_

**Theatre Rental Agreement**

September 11, 2013

Kentucky Waterways Alliance  
 Angela Doyle  
 120 Webster Street Suite 217  
 Louisville, KY 40206

Phone: (502) 589-8008

Email: [angela@kwalliance.org](mailto:angela@kwalliance.org)

Day	Date	Space(s)	Time			Rehearsal	Show/Event	Load In/Load Out
			Open	Start	End			
Saturday	3/15/14	Theatre	1:00 p.m.	1:00 p.m.	12 a.m.			
Saturday	3/15/14	Rec. Hall						

Event Description: \_\_\_\_\_ Estimated Attendance: \_\_\_\_\_

Service	Company	Phone/Contact	Arrival Time
Tickets:	Fee:		
Sound:			
AV:			
Videographer:			
Catering:			
Other:			

Tech Retainer: \$ 200.00  
 Lighting Technician Fee: \$25 per hour - deducted from the Tech Retainer

**Payment Information**

Rental fee: \$700      Tech Retainer: Waived      Total Fee: \$700

50% of the total rental fee and the signed contract are due 7 days after the date of this contract.  
 The balance of the fee and the insurance certificate are due 21 days before the event.

**Failure to meet these deadlines shall make this contract void.**

Insurance Certificate (item 8), please read carefully.

**Other Conditions:**

- Technical Direction:** Will be provided by Clifton Center staff. User tech needs, including hanging pieces, props, etc., to be approved by Center staff at least one week before first rehearsal.  
**Sound System** - Center system may be operated by your sound tech from backstage or the sound booth.  
**Lighting** - Technician will operate lights for rehearsals and performances at fee of \$25 per hour, billed after the event.  
**Equipment** - the Center includes use of the house sound system and lighting systems with the rental, any additional equipment listed on the production data sheet is provided at our discretion, and is provided as available.
- Decorating:** Nothing is to be affixed to the walls - no tape of any kind is to be used on walls or tables. The user agrees to enforce the Clifton Center Usage Policies with its guests.





# Clifton Center

3. **Notices:** Text must be approved by Clifton Center. User will refer to facility as The Clifton Center. Clifton Center's location is "off Frankfort Avenue at the corner of Clifton and Payne". Text directions can be found at: [www.cliftoncenter.org/directions](http://www.cliftoncenter.org/directions).
4. **Parking:** The Clifton Center has two parking lots for use during your event. One is located off of Payne Street and the other is accessed using the alley between the Saint Frances of Rome church and Frankfort Avenue. **There is no parking in the church lot off of Clifton Avenue. This lot is for church parking only and you will be towed.**
5. **Exculpation Clause:** The undersigned organization shall indemnify and hold the Clifton Cultural Center, Inc. and St. Frances of Rome Church harmless for all loss, damage, liability or expense resulting from any act or omission of said organizations or any officer, agent employee, guest, invitee or visitor of said organizations in or about the facilities provided, however, it shall not be liable for injuries caused by the negligence of the Center or St. Frances of Rome Church. The Clifton Cultural Center, Inc. and/or St. Frances of Rome Church shall not be liable for any injury to or the death of any person, or any loss of or damage to property, sustained by said organizations, or by any other person whatsoever, arising out of its use of the facilities and which may be caused by the facilities or any appurtenance being out of repair, or by the bursting or the leakage of any water, gas, sewer or steam pipes, or by theft or by any act of neglect of any other tenant or occupant of the facilities or of any other person, or by any other cause of whatsoever nature, unless caused by the negligence of the Clifton Cultural Center, Inc. or of St. Frances of Rome Church.
6. **Repair:** The undersigned shall maintain the rooms reserved or used by it, and the contents therein, in the same condition as delivered to it and shall promptly repair, at its expense, any damage to said rooms or contents occurring during the time said rooms are reserved or used by it, regardless of the cause of such damage.
7. **Forfeiture of Deposit:** The undersigned organization shall, upon execution of this form, deposit the amount of the rental fee as security for the performance of its obligations hereunder. In the event of a default by said organization in the performance of its obligations hereunder, the deposit may, at the option of the Clifton Cultural Center, Inc. and/or St. Frances of Rome Church be retained not as a penalty but as liquidated damages for the default by said organization; provided, however, that the forfeiture of the deposit shall not prevent the Clifton Cultural Center, Inc. or St. Frances of Rome from pursuing any other remedy available at law or equity for the default.
8. **Liability Insurance:** The user will provide the Center with a **public liability insurance certificate** naming the Center as an additional insured. In the case of an individual hosting an event, a copy of the summary page of their homeowner's policy is required. In addition, if alcoholic beverages are to be served during this event, the user or caterer will provide the Center with a **liquor liability insurance certificate** naming the Center as an additional insured.
9. **Confirmation:** This reservation will be considered confirmed on our receipt of the executed contract and at least one-half of the total rental fee.
10. **Cancellation:** Cancellation with less than 90 days' notice will result in forfeiture of rental deposit. If canceled in writing 90 days before the event, rental deposit will be refunded less \$25 handling fee.

The undersigned has read & agrees to be responsible for adherence to the terms of this contract by his/her group:

Date: 9-12-13

Signature: Judith Petersen  
Print: Judith Petersen

John Harris  
Clifton Cultural Center, Inc.

### Eifler Theatre Rental Terms and Usage Policies

#### Use

There can be no construction (sawing, etc), or painting in the Theatre or on the premises.

#### Production Data

The Renting Party will complete and submit a Production Data Sheet with their reservation.

#### Smoking

- The Clifton Center is a smoke free building. Smoking is permitted outside the stage door & on the Theatre plaza.

#### Inspections and Cleaning

- A load-in and load out inspection may be conducted by the user with Center staff.
- Any items to be stored before or after the term of the contract must be approved in writing before load-in.
- The Theatre will be cleaned before the opening performance and at the end of the run. Trash will be removed daily.
- The user is to maintain a clean environment during rehearsals and performances.

#### Technical Guidelines

- No duct or masking tape may be used anywhere in the Theatre. Only spike or gaffers tape may be used on the stage floor.
- Nothing is to be affixed to the floor or hung without permission and supervision of the Tech Director.
- No additional tables may be placed in the lobby due to fire exit regulations.
- Cables in public areas must be taped down under the supervision of the Technical Director.

Event Name & Date: Wild + Scenic Film Festival, March 15, 2014

Date: 9-12-13 Signed: Judith Petton



1825

KENTUCKY WATERWAYS ALLIANCE  
120 WEBSTER STREET STE 217  
LOUISVILLE, KY 40206

FIFTH THIRD BANK  
21-234-830

9/17/2013

PAY TO THE ORDER OF: The Clifton Cultural Center \$ 20.00

Twenty Hundred Fifty and 00/100

The Clifton Cultural Center  
2117 Poplar Street  
Louisville, KY 40206

Judith Peterson  
AUTHORIZED SIGNATURE

9/27/2013 1825 \$350.00

209798947 9/23/2013 0131 049  
Fidelity / NFS LLC For Deposit Only

FOR DEPOSIT ONLY  
CITIFON CULTURAL CENTER, INC.  
STREET

9/27/2013 1825 \$350.00

1826

KENTUCKY WATERWAYS ALLIANCE  
120 WEBSTER STREET STE 217  
LOUISVILLE, KY 40206

FIFTH THIRD BANK  
21-234-830

9/18/2013

PAY TO THE ORDER OF: Fidelity Investments \$ 350.00

Three Hundred Fifty and 00/100

Judith Peterson  
AUTHORIZED SIGNATURE

9/23/2013 1826

209798947 9/23/2013 0131 049  
Fidelity / NFS LLC For Deposit Only

9/23/2013 1826

1827

KENTUCKY WATERWAYS ALLIANCE  
120 WEBSTER STREET STE 217  
LOUISVILLE, KY 40206

FIFTH THIRD BANK  
21-234-830

9/18/2013

PAY TO THE ORDER OF: Fidelity Investments \$ 100.00

One Hundred and 00/100

Judith Peterson  
AUTHORIZED SIGNATURE

9/30/2013 1827

209798947 9/23/2013 0131 049  
Fidelity / NFS LLC For Deposit Only

9/30/2013 1827

1828

KENTUCKY WATERWAYS ALLIANCE  
120 WEBSTER STREET STE 217  
LOUISVILLE, KY 40206

FIFTH THIRD BANK  
21-234-830

9/18/2013

PAY TO THE ORDER OF: Fidelity Investments \$ 350.00

Three Hundred Fifty and 00/100

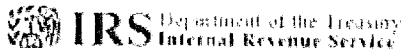
Judith Peterson  
AUTHORIZED SIGNATURE

9/23/2013 1828

209798947 9/23/2013 0131 049  
Fidelity / NFS LLC For Deposit Only

9/23/2013 1828





Department of the Treasury  
Internal Revenue Service

P.O. Box 2508  
Cincinnati OH 45201

In reply refer to: 0248162362  
Apr. 13, 2010 LTR 4168C E0  
61-1239766 000000 00

00016189  
BODC: TE

KENTUCKY WATERWAYS ALLIANCE INC  
% JUDY PETERSEN  
120 WEBSTER STREET STE 217  
LOUISVILLE KY 40206

4446

Employer Identification Number: \*\*-\*\*\*9766  
Person to Contact: Mr. McQueen  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Apr. 02, 2010, request for information regarding your tax-exempt status.

Our records indicate that your organization was recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in October 1993.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Beginning with the organization's sixth taxable year and all succeeding years, it must meet one of the public support tests under section 170(b)(1)(A)(vi) or section 509(a)(2) as reported on Schedule A of the Form 990. If your organization does not meet the public support test for two consecutive years, it is required to file Form 990-PF, Return of Private Foundation, for the second tax year that the organization failed to meet the support test and will be reclassified as a private foundation.

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

0248162362  
Apr. 13, 2010 LTR 4168C E0  
61-1239766 000000 00  
00016190

KENTUCKY WATERWAYS ALLIANCE INC  
% JUDY PETERSEN  
120 WEBSTER STREET STE 217  
LOUISVILLE KY 40206

Sincerely yours,

*Michele M. Sullivan*

Michele M. Sullivan, Oper. Mgr.  
Accounts Management Operations I

2014 Draft Budget  
Approved by Executive Committee 12.19.13

**Income**

2014 deferred revenue/carry (McKnight \$24,750, other inc. Aveda \$28,900, UK WRRRI \$2,500)	56,150
Earned Income	
<b>Special Appeals/Donations (does not count Harrods Cr)</b>	36,000
<b>Membership</b>	25,000
<b>Annual Meeting</b>	1,000
<b>Interest from Money Market Account</b>	250
<b>KARF</b>	30,000
<b>AVEDA (total \$45K - 50% in 2014)</b>	22,500
<b>Gala, major FR event</b>	15,000
<b>Forecastle, other</b>	7,500
<b>Wild &amp; Scenic Film Festival Sponsors + tickets</b>	6,000
<b>Earned Income - subtotal</b>	<b>143,250</b>
Grant Funds Secured	
<b>McKnight Foundation</b>	74,250
<b>NPS 09 Red River Gorge WBP</b>	34,100
<b>NPS 13 Implement WBP Bacon Creek</b>	37,500
<b>Red Bird River</b>	8,280
<b>Harrods Creek WBP</b>	30,000
<b>Grant Funds secured subtotal</b>	<b>184,130</b>
Grant Funds Anticipated	
<b>Private Fnd, funds River Cleanups (\$2,500 req. est 50%)</b>	1,250
<b>Norcross Wildlife (\$2k req, est 50%)</b>	1,000
<b>Rockcastle River - Mohn Fnd (contract staff)</b>	4,000
<b>Dentri Fnd., (\$25k req., est 20%)</b>	5,000
<b>Walton Family Fund MRC Communications (KWA share, est 50%)</b>	5,000
<b>Steele Reese Fnd (req. \$25K est 20%)</b>	5,000
<b>Total Grant Funds Anticipated</b>	<b>21,250</b>
<b>Total Income 2014</b>	<b>404,780</b>

**Expenses**

<b>Salaries and Benefits (Total Payroll)</b>	
Subtotal Payroll	281,544
<b>Professional Services</b>	
Bookkeeping/payroll software	500
CPA Accounting ( Audit & IRS form 990)	5,500
CWA legal services	1,000
Web Development and Maintenance	2,000
Subtotal Professional Services	9,000
<b>Operating Expenses</b>	
License, fees, bank charges etc.	1,200
Insurance (Liability, Workers Comp, & event)	4,250
Memberships, dues & subscriptions	1,250
Travel & Training total (project & administrative)	12,000
Equipment/software inc. repairs, maintenance	2,000
Office Supplies	1,500
Printing and copying	14,000
Postage and delivery	4,000
KWA Gov/Exec Council, staff meeting Expenses	700
Office Costs, including rent, utilities, internet, phone	14,000
River Clean-ups	1,500
KWA Annual Meeting	1,000
Direct Operating Expenses subtotal	57,400
<b>Project Costs</b>	
Wild & Scenic Film Fest	2,500



Condo Fee	650	
Aveda expenses	4,000	
Beargrass Creek projects	1,000	
Room rentals/Refreshments (Red R & Harrods Cr, Misc events)	2,000	
Development & Marketing materials/ads/tabling	1,250	
Gala expenses (not counting staff time)	5,000	
Fundraising parties/events	2,000	
Direct Project Costs Subtotal		18,400

**Grant Sub-Contracts**

Ag Coordinator, Bacon Creek FFY13	13,125	
Red Bird River Contractor	2,090	
Rockcastle River Program Director (Mohn Fnd)	4,000	
Bacon Creek BMP Implementation costs	8,000	
Grant Sub-Contract Subtotal		27,215

<b>Total 2014 Expenses</b>		<b>\$393,559</b>
<b>Net Balance 2014 Income less Expenses</b>		<b>\$11,221</b>
<b>Net Balance 2014 Income less Expenses (no unsecured grants)</b>		<b>(\$6,029)</b>

## **Kentucky Waterways Alliance Governing Council Members 2014**

### **Executive Committee**

Gordon Garner, President  
Ward Wilson, Vice-President  
Bruce Scott, Treasurer  
Hugh Archer, Secretary  
Beverly Juett, Immediate Past-President

### **Basin Delegates**

David Wimsatt, Salt River Basin  
Kenny Book, Kentucky River Basin  
Barry Topping, Licking River Basin  
Ouida Meier, Upper Green River Basin  
Scott Vander Ploeg, Lower Green River Basin  
Thomas Vierheller, Big Sandy River Basin

### **Emeritus Board Member**

Frank Elsen

### **At-Large Delegates**

Doug Davis  
Virginia Lee  
Sandy Camargo  
Kelly McKnight

All board members serve a one year term, and there are no term limits.



# Kentucky Waterways Alliance Balance Sheet

As of December 31, 2013  
Dec 31, 13

## ASSETS

### Current Assets

#### Checking/Savings

1010 · Fifth Third Bank-Checking	73,726.49
1071 · Fifth Third Bank-Money Market	75,457.11
1073 · KARF Money Held in Trust	3,470,508.53
1074 · RF-Watershed GRP	16,973.57

Total Checking/Savings 3,636,665.70

#### Other Current Assets

1310 · KARF Management Fee Receivable -2,500.00

Total Other Current Assets -2,500.00

Total Current Assets 3,634,165.70

### Fixed Assets

1600 · Computer Equipment	4,843.88
1610 · Accumulated Depreciation	-1,369.44

Total Fixed Assets 3,474.44

TOTAL ASSETS 3,637,640.14

## LIABILITIES & EQUITY

### Liabilities

#### Current Liabilities

##### Other Current Liabilities

Payroll Tax Payable	224.69
2110-01 · Compensated Absences Payable	10,256.50
2130 · Payroll Tax Payables	
2130-01 · FICA Income Tax Withholding	-3,283.48
2130-02 · Federal Income Tax Payable	-1,533.77
2130-03 · State Income Tax Payable	24.73
2130-04 · Lou/Jeff Income Tax Payable	1,000.58
2130-06 · Hart County Tax Payable	111.38
2130-07 · Simple IRA Payable	1,878.47
2130 · Payroll Tax Payables - Other	-224.69
Total 2130 · Payroll Tax Payables	<u>-2,026.78</u>

24000 · Payroll Liabilities 5,762.66

2910 · Custodial Funds-KARF 3,470,508.53

Total Other Current Liabilities 3,484,725.60

Total Current Liabilities 3,484,725.60

Total Liabilities 3,484,725.60



# Kentucky Waterways Alliance Balance Sheet

As of December 31, 2013  
Dec 31, 13

**Equity**

3100 · Temporarily Restricted Funds	24,750.00
3200 · Restricted Funds Watershed Grp	16,973.57
32000 · Retained Earnings	37,129.95
Net Income	<u>74,061.02</u>

Total Equity 152,914.54

**TOTAL LIABILITIES & EQUITY** 3,637,640.14



Form 8879-EO

IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1818

For calendar year 2012, or fiscal year beginning \_\_\_\_\_, 2012, and ending \_\_\_\_\_, 20\_\_

2012

Department of the Treasury Internal Revenue Service

Do not send to the IRS. Keep for your records.

Name of exempt organization: KENTUCKY WATERWAYS ALLIANCE, INC. Employer identification number: 61-1239766

Name and title of officer: JUDITH PETERSEN EXECUTIVE DIRECTOR

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

Table with 5 rows (1a-5a) and 2 columns (b Total revenue/tax/balance due). Row 1a is checked with amount 1891835.

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2012 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize \_\_\_\_\_ to enter my PIN [ ] Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2012 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

[X] As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2012 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature \*\*\*\*\* THIS IS NOT A FILEABLE COPY \*\*\* Date

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

61540845801 do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2012 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature \_\_\_\_\_ Date \_\_\_\_\_

ERO Must Retain This Form - See Instructions Do Not Submit This Form To the IRS Unless Requested To Do So



Name of the organization KENTUCKY WATERWAYS ALLIANCE, INC.	Employer identification number 61-1239766
---	--

FORM 990, PART VI, SECTION C, LINE 19: THE BY-LAWS AND OUR STRATEGIC PLAN  
ARE MADE AVAILABLE BY REQUEST OR THROUGH OUR WEBSITE

THE PROCESS HAS NOT CHANGED SINCE THE PRIOR YEAR.

SCHEDULE O  
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

2012

Open to Public  
Inspection

Department of the Treasury  
Internal Revenue Service

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

Name of the organization

KENTUCKY WATERWAYS ALLIANCE, INC.

Employer identification number  
61-1239766

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:

HELPING TO SUPPORT WITH BEST MANAGEMENT PRACTICES FOR AGRICULTURAL AND  
RESIDENTIAL NEEDS - SOLUTIONS THAT HELP THE COMMUNITY AND THE CREEK.

THE BEARGRASS CREEK WATERSHED IS THE MOST URBANIZED WATERSHED IN  
KENTUCKY, AND KWA IS GETTING THE WORD OUT ABOUT STORMWATER POLLUTION  
ISSUES AND WHAT ACTIONS EACH OF US CAN DO TO BE A PART OF THE SOLUTION.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

SPONSOR RIVER CLEANUPS, RIVER RECREATIONAL PADDLE EVENTS AND OTHER  
ACTIVITIES TO HELP CLEANUP AND EDUCATE THE PUBLIC ON THE BEAUTY AND  
IMPORTANT OF OUR WATERWAYS.

EXPENSES \$ 77,392. INCLUDING GRANTS OF \$ 0. REVENUE \$ 0.

FORM 990, PART VI, SECTION B, LINE 11: THE EXECUTIVE AND AUDIT & FINANCE  
COMMITTEES REVIEW THE 990 FOR ACCURACY AND COMPLETENESS BEFORE AUTHORIZING  
THE EXECUTIVE DIRECTOR TO SIGN AND FILE FORM 990.

FORM 990, PART VI, SECTION B, LINE 12C: SIGNED ANNUALLY AT BORAD MEETINGS  
- STAFF MONITORS

FORM 990, PART VI, SECTION B, LINE 15: THE EXECUTIVE COMMITTEE DETERMINES  
THE COMPENSATION TO BE PAID TO THE EXECUTIVE DIRECTOR AND RELEVANT STAFF.

FORM 990, PART VI, SECTION C, LINE 18: FORM 990 IS AVAILABLE ON OUR  
WEBSITE. OTHER DOCUMENTS ARE AVAILABLE BY REQUEST.

Part XIII Supplemental Information (continued)

PART IV, LINE 2B: THE U.S. FISH AND WILDLIFE SERVICE RECEIVES SETTLEMENTS, FUNDING FOR IMPLEMENTATION OF REGULATORY REQUIREMENTS, GRANTS, DONATIONS, AND DISCRETIONARY FEDERAL AND NON-FEDERAL FUNDING TO CONDUCT A VARIETY OF AQUATIC RESOURCES-RELATED ACTIVITIES INCLUDING, BUT NOT LIMITED TO, RESEARCH, STATUS SURVEYS, LAND AND WATERSHED PROTECTION, INSTALLATION OF BEST MANAGEMENT PRACTICES, STREAM ENHANCEMENT AND RESTORATION, AND MITIGATION OF IMPACTS TO AQUATIC SPECIES IN KENTUCKY.

KWA ACCEPTS CASH AS A FISCAL AGENT FOR THE KENTUCKY AQUATIC RESOURCE FUND AND AGREES TO DISBURSE THOSE ASSETS TO DESIGNATED BENEFICIARIES. KWA HAS NO DISCRETION ON THE ASSETS HELD. ASSETS HELD BY KWA FOR THESE DONORS ARE CLASSIFIED AS FISCAL AGENT PAYABLE ON THE STATEMENT OF FINANCIAL POSITION.

PART X, LINE 2: MANAGEMENT HAS CONCLUDED THAT ANY TAX POSITIONS THAT WOULD NOT MEET THE MORE-LIKELY-THAN-NOT CRITERION OF FASB ASC 740-10 WOULD BE IMMATERIAL TO THE FINANCIAL STATEMENTS TAKEN AS A WHOLE. ACCORDINGLY, THE ACCOMPANYING FINANCIAL STATEMENTS DO NOT INCLUDE ANY PROVISION FOR UNCERTAIN TAX POSITIONS, AND NO RELATED INTEREST OR PENALTIES HAVE BEEN RECORDED IN THE OPERATING STATEMENT OR ACCRUED IN THE BALANCE SHEET. FEDERAL AND STATE TAX RETURNS OF THE ENTITY ARE GENERALLY OPEN TO EXAMINATION BY THE RELEVANT TAXING AUTHORITIES FOR A PERIOD OF THREE YEARS FROM THE DATE THE RETURNS ARE FILED.

<b>Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return</b>			
1	Total revenue, gains, and other support per audited financial statements		1,891,835.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	1,891,835.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	1,891,835.

<b>Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return</b>			
1	Total expenses and losses per audited financial statements		2,015,526.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	2,015,526.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 16.)	5	2,015,526.

**Part XIII Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART IV, LINE 1B: THE KENTUCKY AQUATIC RESOURCES FUND (KARF) IS A JOINT OPERATION BETWEEN THE US FISH & WILDLIFE SERVICE. KARF IS INTENDED TO (A) SERVE AS A MECHANISM FOR PRIVATE INDIVIDUALS, COMPANIES AND OTHER ORGANIZATIONS TO MINIMIZE THE EFFECTS OF AUTHORIZED, PROJECT-RELATED IMPACTS AND INCIDENTAL TAKE OF AQUATIC SPECIES IN KENTUCKY AND (B) PROVIDE AQUATIC SPECIES CONSERVATION AND RECOVERY BENEFITS THROUGH THE IMPLEMENTATION OF SPECIFIC PROJECTS FUNDED THROUGH THE KARF.**

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.)		

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)	

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- |                                 | Amount     |
|---------------------------------|------------|
| c Beginning balance             | 2,750,579. |
| d Additions during the year     | 1,997,666. |
| e Distributions during the year | 1,498,198. |
| f Ending balance                | 3,250,047. |
- 2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment  %
- b Permanent endowment  %
- c Temporarily restricted endowment  %

The percentages in lines 2a, 2b, and 2c should equal 100%.

- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |                             | Yes                      | No                       |
|-----------------------------|--------------------------|--------------------------|
| (i) unrelated organizations | <input type="checkbox"/> | <input type="checkbox"/> |
| (ii) related organizations  | <input type="checkbox"/> | <input type="checkbox"/> |
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		3,579.	1,369.	2,210.
e Other				
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				2,210.

**SCHEDULE D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12h.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2012**

Open to Public Inspection

Name of the organization

KENTUCKY WATERWAYS ALLIANCE, INC.

Employer identification number

61-1239766

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes," to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply):

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

**Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities?			
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3	

**Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."**

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

**Part IV Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, line 2; and Part II-B, line 1. Also, complete this part for any additional information.

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**Part II-A** Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B Check  if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)	557.													
c	Total lobbying expenditures (add lines 1a and 1b)	557.													
d	Other exempt purpose expenditures	2,014,969.													
e	Total exempt purpose expenditures (add lines 1c and 1d)	2,015,526.													
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.	250,776.													
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$7,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$7,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$7,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$7,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$7,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$7,000,000	\$1,000,000.														
g	Grassroots nontaxable amount (enter 25% of line 1f)	62,694.													
h	Subtract line 1g from line 1a. If zero or less, enter -0-	0.													
i	Subtract line 1f from line 1c. If zero or less, enter -0-	0.													
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

**4-Year Averaging Period Under Section 501(h)**  
 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a	Lobbying nontaxable amount		81,845.	250,776.	332,621.
b	Lobbying ceiling amount (150% of line 2a, column (a))				498,932.
c	Total lobbying expenditures:		546.	557.	1,103.
d	Grassroots nontaxable amount		20,461.	62,694.	83,155.
e	Grassroots ceiling amount (150% of line 2d, column (e))				124,733.
f	Grassroots lobbying expenditures:				

Schedule C (Form 990 or 990-EZ) 2012

**SCHEDULE C**  
**(Form 990 or 990-EZ)**

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

**2012**

For Organizations Exempt From Income Tax Under section 501(c) and section 527

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**  
▶ **See separate instructions.**

**Open to Public Inspection**

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization <b>KENTUCKY WATERWAYS ALLIANCE, INC.</b>	Employer identification number <b>61-1239766</b>
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**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures ..... ▶ \$ \_\_\_\_\_

3 Volunteer hours ..... \_\_\_\_\_

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

1 Enter the amount of any excise tax incurred by the organization under section 4955 ..... ▶ \$ \_\_\_\_\_

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ..... ▶ \$ \_\_\_\_\_

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? .....  Yes  No

4a Was a correction made? .....  Yes  No

b If "Yes," describe in Part IV.

**Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).**

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ..... ▶ \$ \_\_\_\_\_

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ..... ▶ \$ \_\_\_\_\_

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ..... ▶ \$ \_\_\_\_\_

4 Did the filing organization file Form 1120-POL for this year? .....  Yes  No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 1 for the year						
c Add lines 7a and 7b						
8 Public support. (Add lines 7a through 7c.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 8						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b **33 1/3% support tests - 2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	699,385.	278,333.	221,954.	415,646.	1,856,974.	3,472,292.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
3 The value of services or facilities furnished by a governmental unit to the organization without charge .....						
4 <b>Total.</b> Add lines 1 through 3 .....	699,385.	278,333.	221,954.	415,646.	1,856,974.	3,472,292.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
6 <b>Public support.</b> Subtract line 5 from line 4 .....						3,472,292.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4 .....	699,385.	278,333.	221,954.	415,646.	1,856,974.	3,472,292.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....	2,693.	7,017.	1,055.	268.	170.	11,203.
9 Net income from unrelated business activities, whether or not the business is regularly carried on .....						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV) .....	174.	11,787.	39,387.	39,595.	34,691.	125,634.
11 <b>Total support.</b> Add lines 7 through 10 .....						3,609,129.

12 Gross receipts from related activities, etc. (see instructions) ..... 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) .....	14	96.21 %
15 Public support percentage from 2011 Schedule A, Part II, line 14 .....	15	94.71 %
16a <b>33 1/3% support test - 2012.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ..... <input checked="" type="checkbox"/>		
b <b>33 1/3% support test - 2011.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ..... <input type="checkbox"/>		
17a <b>10% -facts-and-circumstances test - 2012.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... <input type="checkbox"/>		
b <b>10% -facts-and-circumstances test - 2011.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... <input type="checkbox"/>		
18 <b>Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ..... <input type="checkbox"/>		

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization KENTUCKY WATERWAYS ALLIANCE, INC. Employer identification number 61-1239766

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii).
5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv).
6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7 X An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi).
8 A community trust described in section 170(b)(1)(A)(vi).
9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions...
10 An organization organized and operated exclusively to test for public safety.
11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
a Type I b Type II c Type III - Functionally integrated d Type III - Non-functionally integrated
e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box.
g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
(ii) A family member of a person described in (i) above?
(iii) A 35% controlled entity of a person described in (i) or (ii) above?
h Provide the following information about the supported organization(s).

Table with columns Yes and No for items 11g(i), 11g(ii), and 11g(iii).

Table with columns: (i) Name of supported organization, (ii) EIN, (iii) Type of organization, (iv) Is the organization in col. (i) listed in your governing document?, (v) Did you notify the organization in col. (i) of your support?, (vi) Is the organization in col. (i) organized in the U.S., (vii) Amount of monetary support.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2012

322091 12-01-12

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,891,835.
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,015,526.
3	Revenue less expenses. Subtract line 2 from line 1	3	-123,691.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	247,405.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	123,714.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Form 990 (2012)

**Part X Balance Sheet**

Check if Schedule O contains a response to any question in this Part X

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	113,195.	1	99,620.
	2	Savings and temporary cash investments	2,750,579.	2	3,250,047.
	3	Pledges and grants receivable, net	160,416.	3	51,376.
	4	Accounts receivable, net		4	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges		9	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 3,579.		
	b	Less: accumulated depreciation	10b 1,369.	10c 2,031.	2,210.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11		15	
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	3,026,221.	16	3,403,253.	
Liabilities	17	Accounts payable and accrued expenses	28,237.	17	29,492.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D	2,750,579.	21	3,250,047.
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26	<b>Total liabilities.</b> Add lines 17 through 25	2,778,816.	26	3,279,539.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	88,212.	27	83,507.
	28	Temporarily restricted net assets	159,193.	28	40,207.
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	<b>Total net assets or fund balances</b>	247,405.	33	123,714.	
34	<b>Total liabilities and net assets/fund balances</b>	3,026,221.	34	3,403,253.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	54,600.		36,400.	18,200.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	172,778.	154,423.	12,394.	5,961.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,513.	2,386.	754.	373.
9 Other employee benefits				
10 Payroll taxes	19,722.	13,394.	4,232.	2,096.
11 Fees for services (non-employees):				
a Management	1,272.	619.		653.
b Legal				
c Accounting	5,500.	4,180.	1,320.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	1,132.	516.	237.	379.
12 Advertising and promotion	2,644.	1,257.	1,116.	271.
13 Office expenses	876.	315.	512.	49.
14 Information technology				
15 Royalties				
16 Occupancy	13,706.	7,672.	4,935.	1,099.
17 Travel	11,452.	10,760.	510.	182.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	4,535.	998.	2,041.	1,496.
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	659.	448.	141.	70.
23 Insurance	3,227.	2,358.	689.	180.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <b>KARF SPONSORSHIP EXPENS</b>	1,498,198.	1,498,198.		
b <b>PROGRAM EXPENSES</b>	199,744.	199,744.		
c <b>PRINTING</b>	11,666.	3,593.	6,324.	1,749.
d <b>POSTAGE &amp; SHIPPING</b>	4,038.	1,357.	1,778.	903.
e All other expenses	6,264.	3,972.	1,247.	1,045.
25 <b>Total functional expenses.</b> Add lines 1 through 24e	2,015,526.	1,906,190.	74,630.	34,706.
26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASG 958-730)



**Part VIII** Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns					
	b	Membership dues					
	c	Fundraising events					
	d	Related organizations					
	e	Government grants (contributions)					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 854,562.				
	g	Noncash contributions (include in lines 1a-1f, 5)					
	h	<b>Total.</b> Add lines 1a-1f		854,562.			
Program Service Revenue	2 a	KARF SPONSORSHIP REVENUE	Business Code 900099	1,002,412.	1,002,412.		
	b	KARF MANAGEMENT FEE	900099	34,691.	34,691.		
	c						
	d						
	e						
	f	All other program service revenue					
	g	<b>Total.</b> Add lines 2a-2f		1,037,103.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		170.		170.	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross rents	(i) Real				
			(ii) Personal				
			b	Less: rental expenses			
			c	Rental income or (loss)			
	d	Net rental income or (loss)					
	7 a	Gross amount from sales of assets other than inventory	(i) Securities				
			(ii) Other				
			b	Less: cost or other basis and sales expenses			
			c	Gain or (loss)			
	d	Net gain or (loss)					
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
			b	Less: direct expenses			
c			Net income or (loss) from fundraising events				
9 a	Gross income from gaming activities. See Part IV, line 19	a					
		b	Less: direct expenses				
		c	Net income or (loss) from gaming activities				
10 a	Gross sales of inventory, less returns and allowances	a					
		b	Less: cost of goods sold				
		c	Net income or (loss) from sales of inventory				
Miscellaneous Revenue		Business Code					
11 a							
b							
c							
d	All other revenue						
e	<b>Total.</b> Add lines 11a-11d						
12	<b>Total revenue.</b> See instructions.		1,891,835.	1,037,103.	0.	170.	

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
<b>1b Sub-total</b>							54,600.	0.	1,638.	
<b>c Total from continuation sheets to Part VII, Section A</b>							0.	0.	0.	
<b>d Total (add lines 1b and 1c)</b>							54,600.	0.	1,638.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JUDITH PETERSEN EXECUTIVE DIRECTOR	40.00			X			54,600.	0.	1,638.	
(2) GORDON GARNER PRESIDENT	1.50	X		X			0.	0.	0.	
(3) WARD WILSON VICE PRESIDENT	1.50	X		X			0.	0.	0.	
(4) BRUCE SCOTT TREASURER	1.50	X		X			0.	0.	0.	
(5) HUGH ARCHER SECRETARY	1.50	X		X			0.	0.	0.	
(6) DAVE WIMSATT SALT RIVER BASIN DELEGATE	1.00	X					0.	0.	0.	
(7) KENNY BOOK KENTUCKY RIVER BASIN DELEG	1.00	X					0.	0.	0.	
(8) MARC HULT LICKING RIVER BASIN DELEGA	1.00	X					0.	0.	0.	
(9) DR. OUIDA W. MEIER UPPER GREEN RIVER BASIN DE	1.00	X					0.	0.	0.	
(10) SCOTT VANDER PLOEG LOWER GREEN/TRADEWATER BAS	1.00	X					0.	0.	0.	
(11) DOUG DAVIS DELEGATE AT LARGE	1.00	X					0.	0.	0.	
(12) TIM GUILFOILE ORGANIZATIONAL DELEGATE	1.00	X					0.	0.	0.	
(13) KELLY MCENIGHT DELEGATE AT LARGE	1.00	X					0.	0.	0.	
(14) FRANK ELSER BOARD MEMBER EMERITUS	1.00	X					0.	0.	0.	
(15) BEVERLY JUETT IMMEDIATE PAST PRESIDENT	1.50	X		X			0.	0.	0.	
(16) THOMAS VIERHELLER BIG SANDY BASIN DELEGATE	1.00	X					0.	0.	0.	
(17) ROBERT JOHNSON JACKSON PURCHASE DELEGATE	1.00	X					0.	0.	0.	

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

**Section A. Governing Body and Management**

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year if there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	16	
b	Enter the number of voting members included in line 1a, above, who are independent	16	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3	X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6	Did the organization have members or stockholders?	6	X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	8a	X
b	Each committee with authority to act on behalf of the governing body?	8b	X
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	X
13	Did the organization have a written whistleblower policy?	13	X
14	Did the organization have a written document retention and destruction policy?	14	X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	X
b	Other officers or key employees of the organization	15b	X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed **KY**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website     Another's website     Upon request     Other (explain in Schedule O)
- 19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **THE ORGANIZATION - 502-589-8008**  
**120 WEBSTER STREET, NO. 217, LOUISVILLE, KY 40206**

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question number, question text, and Yes/No columns. Includes questions 1a through 14b regarding Form 1096, W-2G, Form 990-T, foreign accounts, prohibited transactions, and charitable contributions.

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<input checked="" type="checkbox"/>	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	<input checked="" type="checkbox"/>	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	<input checked="" type="checkbox"/>	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	<input checked="" type="checkbox"/>	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		<input checked="" type="checkbox"/>
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<input checked="" type="checkbox"/>	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		<input checked="" type="checkbox"/>
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		<input checked="" type="checkbox"/>
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		<input checked="" type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		<input checked="" type="checkbox"/>
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	<input checked="" type="checkbox"/>	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		<input checked="" type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		<input checked="" type="checkbox"/>
14a Did the organization maintain an office, employees, or agents outside of the United States?		<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		<input checked="" type="checkbox"/>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		<input checked="" type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		<input checked="" type="checkbox"/>
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		<input checked="" type="checkbox"/>
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		



Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission: TO PROTECT AND RESTORE KENTUCKY'S WATERWAYS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 1,507,154. including grants of \$ ) (Revenue \$ 1,037,103.) THE KENTUCKY AQUATIC RESOURCES FUND (KARF) IS DESIGNED TO HELP MINIMIZE THE EFFECTS OF AUTHORIZED, PROJECT-RELATED IMPACTS AND INCIDENTAL TAKE OF AQUATIC SPECIES IN KENTUCKY AND PROVIDES AQUATIC SPECIES CONSERVATION AND RECOVERY BENEFITS THROUGH THE IMPLEMENTATION OF SPECIFIC PROJECTS FUNDED THROUGH THE KARF. KARF FUNDS HAVE PURCHASED LANDS FOR CONSERVATION, FUNDED STREAM MONITORING AND RESTORATION, ADVANCED THE RESEARCH ON FISH AND MUSSEL SPECIES, AND FUNDED THE PROPAGATION AND RELEASE OF THREATENED AND ENDANGERED SPECIES.

4b (Code: ) (Expenses \$ 203,299. including grants of \$ ) (Revenue \$ ) ASSIST COMMUNITIES AND WATERSHED GROUPS IN WATERSHED PLANNING - KWA WORKS WITH COMMUNITIES AND LOCAL GROUPS TO FACILITATE WATERSHED PLANNING INCLUDING BUILDING LOCAL ALLIANCES, WRITING AND IMPLEMENTING WATERSHED PLANS, AND ORGANIZING EDUCATION AND OUTREACH EVENTS AND PROGRAMS. IN 2012, WE WORKED CLOSELY WITH FOUR COMMUNITIES ON WATERSHED ISSUES, COVERING OVER 400 SQUARE MILES AND IMPACTING MORE THAN A MILLION PEOPLE. EACH COMMUNITY HAD A UNIQUE SET OF ISSUES. THE RED RIVER AND THE RED BIRD RIVER WATERSHEDS INCLUDE SOME OF THE BEST WATER QUALITY IN THE STATE, ENDANGERED PLANTS AND ANIMALS, AND BELOVED PLACES OF RECREATION, BUT NEED THE PROTECTION THAT KWA IS HELPING TO PROVIDE THROUGH LOCAL WATERSHED TEAMS AND COMMUNITY EDUCATION. THE BACON CREEK WATERSHED ENCOMPASSES RURAL FARMING COMMUNITIES THAT KWA IS

4c (Code: ) (Expenses \$ 118,345. including grants of \$ ) (Revenue \$ ) IMPROVE IMPLEMENTATION & ENFORCEMENT OF THE CLEAN WATER ACT IN KENTUCKY - WE HELP TO PROTECT WATER QUALITY, SAVE WETLANDS AND FLOODPLAINS AND ASSIST IN CLEANING UP POLLUTED WATERS. WE WORK WITH STATE AND FEDERAL AGENCIES TO IMPROVE CLEAN WATER ACT LAWS AND REGULATIONS; IMPROVE DISCHARGE PERMITS SO THAT FEWER POLLUTANTS ARE DISCHARGED INTO OUR WATERWAYS; AND TO HALT OR MINIMIZE WETLANDS FILL AND DESTRUCTION. WHEN STATE OR FEDERAL AGENCIES ARE LAX IN ENFORCEMENT OF WATER REGULATIONS WE URGE THEM TO DO THEIR JOBS WITH COMMENTS AND PUBLIC ENGAGEMENT OR LITIGATION IF NECESSARY.

4d Other program services (Describe in Schedule O) (Expenses \$ 77,392. including grants of \$ ) (Revenue \$ )

4e Total program service expenses 1,906,190.



**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury  
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2012 calendar year, or tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_

**B** Check if applicable:  
 Activities change  
 Name change  
 Initial return  
 Terminated  
 Amended return  
 Agrees to be pending

**C** Name of organization: **KENTUCKY WATERWAYS ALLIANCE, INC.**  
 Doing Business As \_\_\_\_\_  
 Number and street for P.O. box if mail is not delivered to street address: **120 WEBSTER STREET** Room/suite: **217**  
 City, town, or post office, state, and ZIP code: **LOUISVILLE, KY 40206**

**D** Employer identification number: **61-1239766**

**E** Telephone number: **502-589-8008**

**F** Name and address of principal officer: **JUDITH PETERSEN  
SAME AS C ABOVE**

**G** Gross receipts: **1,891,835.**

**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** Are all affiliates included?  Yes  No  
 If "No," attach a list. (see instructions)

**H(c)** Group exemption number: \_\_\_\_\_

**I** Tax-exempt status:  501(c)(3)  501(c) \_\_\_\_\_ (insert no.)  4947(a)(1) or  527

**J** Website: **WWW.KWALLIANCE.ORG**

**K** Form of organization:  Corporation  Trust  Association  Other

**L** Year of formation: **1993** **M** State of legal domicile: **KY**

**Part I Summary**

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <b>TO PROTECT AND RESTORE KENTUCKY'S WATERWAYS.</b>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	16
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	16
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	8
	6	Total number of volunteers (estimate if necessary)	6	570
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	415,646.	854,562.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0.	1,037,103.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	268.	170.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	39,595.	0.
	12		455,509.	1,891,835.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	243,401.	250,613.
	16b	Total fundraising expenses (Part IX, column (D), line 25) <b>34,706.</b>	0.	0.
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	165,824.	1,764,913.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	409,225.	2,015,526.	
19	Revenue less expenses. Subtract line 18 from line 12	46,284.	-123,691.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	3,026,221.	3,403,253.
	22	Net assets or fund balances. Subtract line 21 from line 20	2,778,816.	3,279,539.
			247,405.	123,714.

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer: \_\_\_\_\_ Date: \_\_\_\_\_  
**JUDITH PETERSEN, EXECUTIVE DIRECTOR**  
 Type or print name and title

**Paid** Preparer's name: **BARBARA A. LASKY** Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Check if self-employed  PTIN: **P00015280**

**Preparer Use Only** Firm's name: **ANDERSON, BRYANT, LASKY & WINSLOW, PSC** Firm's EIN: **61-1227965**  
 Firm's address: **943 SOUTH FIRST STREET  
LOUISVILLE, KY 40203** Phone no.: **(502) 584-9793**

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

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12.00pd

ARTICLES OF INCORPORATION  
OF  
Kentucky Waterways Alliance, INC.

RECEIVED & FILED  
\$ 8.00  
APR 14 4 03 PM '93  
BOB BABBAGE  
SECRETARY OF STATE  
COMMONWEALTH OF KENTUCKY

I, the undersigned, acting as incorporator of a corporation under the Kentucky Non Profit Corporation Act, adopt the following Articles of Incorporation for such corporation:

ARTICLE I

The name of the Corporation is Kentucky Waterways Alliance Inc. ("Corporation").

ARTICLE II

The period of its duration is perpetual.

ARTICLE III

(1) Any provision of these Articles of Incorporation to the contrary notwithstanding, the Corporation shall not have capital stock or shareholders and shall not have any purpose or object, nor have or exercise any power, nor engage in any activity, which in any way contravenes, or is in conflict with, the other provisions of Article II of these Articles of Incorporation.

(2) The purposes for which the Corporation is organized are as follows:

(a) To conduct and carry on its work, not for profit, but exclusively for charitable, scientific, literary, or educational purposes within the meaning of section 501 (c) (3) of the Internal Revenue Code of 1954 (or corresponding provisions of any subsequently Federal tax laws), in such manner

(i) that no part of its income or property shall inure to the private benefit of any donor, member, director, or individual having a personal or private interest in

the activities of the Corporation, except as reasonable compensation for services actually rendered,

(ii) that it shall not directly or indirectly participate in or intervene in any political campaign on behalf of any candidate for public office and

(iii) that no substantial part of its activities shall be carrying on propaganda or otherwise attempting to influence legislation. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on

(A) by a corporation exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Code or a corresponding section of any future federal tax code

(B) by a corporation, contributions to which are deductible under section 170 (c) (2) of the Internal Revenue Code, or corresponding section on any future federal tax code.

(b) To assist local community groups in their efforts to foster sound water resource management practices and conservation; to promote an interest in, and a study of the streams rivers lakes and other water resources of the Commonwealth; to collect and assemble scientific studies and literature pertaining thereto; to cooperate with all agencies, governmental or private, which have an interest in water resources management, water quality and the well being of the states streams, rivers lakes and wetlands ; to prepare and disseminate periodicals, pamphlets, books, and materials pertaining to Kentucky water resources and related subjects; to copyright and register the same; to sponsor and conduct meetings for the study and discussion of water resources and matters pertaining thereto; to solicit membership in the Corporation and to solicit contributions; to establish branches of the Corporation in other states and communities; all of which purposes are to be carried out not for profit and without shares of stock; but simply

to promote interest in, and the wise management of Kentucky waters, and generally to the things that are incident and necessary thereto.

(c) To organize, promote, foster, assist (whether financially or otherwise), and conduct such charitable, scientific, literary and educational enterprises, activities and institutions, as from time to time may be determined, selected or decided upon by the Corporation's Board of Directors consistent with the purposes stated above.

(d) In furtherance of, and at all times subject to, the aforesaid purposes, enterprises, activities, and projects:

(i) To solicit and acquire by gift, exchange, or otherwise, property of any and all kinds, and to sell, transfer, and otherwise dispose of any property it so acquires;

(ii) To invest and reinvest any such property and the increments in, and avails or proceeds of, any such property in such investments as may be deemed advisable from time to time by the Corporation's Board of Directors, including, but not limited to, stocks, bonds, secured and unsecured obligations, undivided interests, leases, commercial paper, financial and governmental instruments, savings and other depository accounts, and other securities and properties;

(iii) To give, donate, and contribute to any of the activities the Corporation may elect to sponsor, or in furtherance of any of the aforesaid purposes for which the Corporation is organized, such money or property, or both, as the Corporation's Board of Directors may from time to time determine,

(iv) To take title to, and hold in its own name, such real or personal property, or both, and such interests in either such type of property as the Corporation may acquire, for the purposes herein set out, and to sell, transfer, and dispose of any such property or reinvest the proceeds thereof as herein permitted;

(v) To accept gifts, bequests, or devises of property of any kind which any person, firm or corporation may make to the Corporation, upon the terms, trusts,

and conditions set forth in the deed of gift, will, or other instrument of writing, executed by any such donor or testator, but only for the purposes and upon the terms and conditions and with the powers set forth in these Articles of Incorporation;

(vi) To borrow money and give security therefor by pledging, mortgaging, or otherwise hypothecating any property it may own, or any interest it may have in such property;

(vii) To become a member of any other nonstock or nonprofit corporation organized under the laws of any state, or to become affiliated with any other organization of like character existing under the laws of any state; provided, however, that such corporation or organization is an exempt organization under section 501 (c) (3) of the Internal Revenue Code of 1954 (or corresponding provisions of any subsequent Federal tax laws);

(viii) to the extent permitted by law, to enter into contracts with any corporate trust company for the purpose of delegating to it the power, or employing it, to make investments on behalf of the Corporation, and to do such other things permitted by these Articles of Incorporation as the parties may agree upon, and without limiting the generality of the foregoing, but in furtherance thereof, to enter into trust agreements, irrevocable or otherwise, with any such corporate trustee, and therein to authorize any such corporate trustee to employ agents, attorneys, accountants, and others in connection with the performance of any duty or trust arising under such agreement; and

(ix) To do any and all things which the Corporation's Board of Directors may determine, consistent with the provisions hereof, to be necessary or appropriate to effectuate the purposes of which the Corporation is organized as herein set forth, to the extent that the doing of such act or thing is not inconsistent with the provisions of Chapter 273 of Kentucky Revised Statutes, or any other applicable law

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or statute of the Commonwealth of Kentucky or section 501 (c) (3) of the Internal Revenue Code of 1954 (or corresponding provisions of any subsequent Federal tax laws).

(3) Notwithstanding any provision heretofore stated herein, if at any time the Corporation is determined to be a private foundation or private operating foundation as defined in section 509 or section 4942 of the Internal Revenue Code of 1954, or in corresponding provisions of any subsequent Federal tax laws, then:

(a) The Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Internal Revenue Code of 1954, or by corresponding provisions of any subsequent Federal tax laws.

(b) The Corporation shall not engage in any act of self-dealing as defined in section 4942(d) of the Internal Revenue Code of 1954, or in corresponding provisions of any subsequent Federal tax laws.

(c) The Corporation shall not purchase nor retain any excess business holdings as defined in section 4943(c) of the Internal Revenue Code of 1954, or in corresponding provisions of any subsequent Federal tax laws.

(d) The Corporation shall not make any investments in such manner as to subject it to tax under section 4944 of the Internal Revenue Code of 1954, or in corresponding provisions of any subsequent Federal tax laws.

(e) The Corporation shall not make any taxable expenditures as defined in section 4945(d) of the Internal Revenue Code of 1954, or in corresponding provisions of any subsequent Federal tax laws.

ARTICLE IV

The Corporation shall have members. Classes of membership shall be as set forth in the By-Laws of the Corporation.

ARTICLE V

If, at any time, this Corporation dissolves, the assets of this Corporation shall be applied and distributed as follows:

(1) All liabilities and obligations of this Corporation shall be paid and discharged, or adequate provision shall be made therefor;

(2) Assets held by this Corporation upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirements;

(3) Assets that have been received and are held by this Corporation subject to limitations permitting their use only for charitable, scientific, literary, educational, and/or similar purposes, and that are not held upon a condition requiring return, transfer, or conveyance by reason of dissolution, shall be transferred or conveyed to one or more corporations, societies, or organizations, organized under the laws of any state, that are exempt under section 501 (c) (3) of the Internal Revenue Code of 1954, or under corresponding provisions of any subsequent Federal tax laws, or to the Federal government, or to the state or local government, for a public purpose, pursuant to a plan of distribution adopted as provided by law; and

(4) Other assets if any, shall be transferred or conveyed to one or more corporations, societies, or organizations, organized under the laws of any State, that are exempt under section 501 (c) (3) of the Internal Revenue Code of 1954, or under corresponding provisions of any subsequent Federal tax laws, or to the Federal government, or to a State or local government, for a public purpose, pursuant to a plan of distribution adopted as provided by law.

(5) Any assets not disposed of pursuant to the provisions of Article V set forth hereinabove shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Corporation is then located to such organizations, as the court shall determine, which are organized and operated exclusively for charitable purposes and are exempt under section 501 (c) (3) of the Internal Revenue Code of 1954 or under corresponding provisions of any subsequent Federal tax laws.

ARTICLE VI

Provisions for the regulation of the affairs of the Corporation shall be set forth in the By-Laws of the Corporation as duly adopted or from time to time altered, amended or repealed by the Board of Directors. The Board of Directors along shall have authority to manage and direct the corporation.

ARTICLE VII

The address of the Corporation's registered office, and of its registered agent is 107 Rough River Run, Georgetown, Kentucky 40324 and the name of its initial registered agent at such address is Beth K. Stewart.

ARTICLE VIII

The number of directors constituting the initial Board of Directors of the Corporation is 3 and the names and addresses of the persons who are to serve as the initial directors are:

1. Beth K. Stewart, 107 Rough River Run, Georgetown, KY 40324
2. Helen Powell, Ste 201 2230 Idle Hour Center, Lexington KY 40502
3. ED Puterbaugh, 3361 Carriage Lane, Lexington, KY 40517

ARTICLE IX



The name and address of the sole incorporator is:  
Beth K. Stewart, 107 Rough River Run, Georgetown, KY 40324

ARTICLE X

The private property of the incorporator and the directors shall not be subject to any of the Corporation's debts and liabilities.

ARTICLE XI

Indemnification of directors, officers, employees and agents of the Corporation may be as provided for the By-Laws; provided, however, such identification is not otherwise in conflict with the provisions of Article III of these Articles of Incorporation.

Signature Page

*Beth K. Stewart* 4-2-93  
Beth K. Stewart  
Georgetown, KY

*Helen Powell* 9/9/93  
Helen Powell  
Lexington, KY

*Ed Puterbaugh* 4-7-93  
Ed Puterbaugh  
Lexington, KY

COMMONWEALTH OF KENTUCKY  
COUNTY OF SCOTT

This instrument was prepared by:  
Ken Cooke, Lexington, Ky.

Date of Recording  
County of Scott, Ky.

I, Doran B. Perry, Clerk in and for the County of Scott, Kentucky, do hereby certify that the foregoing instrument was duly recorded for record. Whereupon the same was duly recorded in my office.

Witness by hand this

*art. 9/1/93*  
10:50 A.M.  
DORAN B. PERRY  
*[Signature]*

## Request for Taxpayer Identification Number and Certification

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

Print or type  
 See Specific Instructions on page 2.

Name (as shown on your income tax return) <b>Kentucky Waterways Alliance, Inc.</b>	
Business name/disregarded entity name, if different from above	
Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	
<input checked="" type="checkbox"/> Exempt payee	
Address (number, street, and apt. or suite no.) <b>120 Webster St. Suite 217</b>	Requester's name and address (optional)
City, state, and ZIP code <b>Louisville, KY 40206</b>	
List account number(s) here (optional)	

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is 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 chart on page 4 for guidelines on whose number to enter.

<b>Social security number</b>									
<b>Employer identification number</b>									
6	1	-	1	2	3	9	7	6	6

**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).

**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 4.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶ 1/22/13
------------------	----------------------------	----------------

**General Instructions**

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

**Purpose of Form**

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- 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.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien.
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.



**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
KENTUCKY WATERWAYS ALLIANCE, INC.  
DECEMBER 31, 2012 AND 2011**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Kentucky Waterways Alliance, Inc.

We have audited the accompanying financial statements of the Kentucky Waterways Alliance, Inc., (a not-for-profit organization) which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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 opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kentucky Waterways Alliance, Inc. as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Anderson, Bryant, Hasky + Winslow, P.S.C.*

Louisville, Kentucky  
February 8, 2013

**STATEMENTS OF FINANCIAL POSITION**  
**KENTUCKY WATERWAYS ALLIANCE, INC.**  
**DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 82,913	\$ 86,002
Cash - Watershed Watch Groups	16,707	27,193
Accounts receivable	51,376	66,416
Unconditional promises to give	-	94,000
Restricted cash	3,250,047	2,750,579
Equipment, net	<u>2,210</u>	<u>2,031</u>
Total assets	<u>\$ 3,403,253</u>	<u>\$ 3,026,221</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 12,103	\$ 11,450
Accrued payroll and related taxes	17,389	16,787
Fiscal sponsorship payable	<u>3,250,047</u>	<u>2,750,579</u>
Total liabilities	<u>3,279,539</u>	<u>2,778,816</u>
 <b>NET ASSETS</b>		
Unrestricted	83,507	88,212
Temporarily restricted	<u>40,207</u>	<u>159,193</u>
Total net assets	<u>123,714</u>	<u>247,405</u>
Total liabilities and net assets	<u>\$ 3,403,253</u>	<u>\$ 3,026,221</u>

The accompanying notes are an integral part of these financial statements.



**STATEMENTS OF ACTIVITIES  
KENTUCKY WATERWAYS ALLIANCE, INC.  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and support:						
Contributions and grants	\$ 329,260	\$ 29,516	\$ 358,776	\$ 265,846	\$ 149,800	\$ 415,646
Interest income	170	-	170	268	-	268
KARF sponsorship revenue	1,498,198	-	1,498,198	897,422	-	897,422
Other income	34,691	-	34,691	39,595	-	39,595
Total revenue and support	1,862,319	29,516	1,891,835	1,203,131	149,800	1,352,931
Net assets released from restrictions:						
Restrictions satisfied by payments	148,502	(148,502)	-	78,928	(78,928)	-
Total revenue, support and reclassifications	2,010,821	(118,986)	1,891,835	1,282,059	70,872	1,352,931
Expenses:						
Program services	1,906,190	-	1,906,190	1,188,375	-	1,188,375
Management and general	74,630	-	74,630	79,819	-	79,819
Fund raising	34,706	-	34,706	38,453	-	38,453
Total expenses	2,015,526	-	2,015,526	1,306,647	-	1,306,647
Increase (decrease) in net assets	(4,705)	(118,986)	(123,691)	(24,588)	70,872	46,284
Net assets at beginning of year	88,212	159,193	247,405	112,800	88,321	201,121
Net assets at end of year	\$ 83,507	\$ 40,207	\$ 123,714	\$ 88,212	\$ 159,193	\$ 247,405

The accompanying notes are an integral part of these financial statements.

**STATEMENTS OF FUNCTIONAL EXPENSES  
KENTUCKY WATERWAYS ALLIANCE, INC.  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012		2011					
	Total	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising
Salaries and wages	\$ 227,378	\$ 154,423	\$ 48,794	\$ 24,161	\$ 221,515	\$ 143,953	\$ 51,321	\$ 26,241
Payroll taxes	19,722	13,394	4,232	2,096	18,699	12,152	4,332	2,215
Employee benefits	3,513	2,386	754	373	3,187	2,071	738	378
Program expenses	199,744	199,744	-	-	80,794	80,794	-	-
KARF sponsorship expenses	1,498,198	1,498,198	-	-	897,422	897,422	-	-
Professional fees	6,772	4,799	1,320	653	10,352	7,231	2,045	1,076
Marketing and advertising	1,132	516	237	379	1,573	453	50	1,070
Office expenses	2,644	1,257	1,116	271	3,546	1,216	771	1,559
Printing	11,666	3,593	6,324	1,749	12,410	4,020	6,235	2,155
Postage and shipping	4,038	1,357	1,778	903	7,905	2,663	4,682	560
Information technology	876	315	512	49	-	-	-	-
Occupancy	13,706	7,672	4,935	1,099	14,616	10,216	2,957	1,443
Travel	11,452	10,760	510	182	19,935	18,668	896	371
Conferences and meetings	4,535	998	2,041	1,496	5,512	1,420	3,698	394
Insurance	3,227	2,358	689	180	3,491	2,153	1,338	-
Dues and subscriptions	1,033	740	277	16	1,325	950	375	-
Repairs and maintenance	3,534	2,474	322	738	1,123	502	171	450
Training	272	240	21	11	2,182	2,108	74	-
Miscellaneous	1,425	518	627	280	471	-	-	471
Depreciation	659	448	141	70	589	383	136	70
<b>Total expenses</b>	<b>\$ 2,015,526</b>	<b>\$ 1,906,190</b>	<b>\$ 74,630</b>	<b>\$ 34,706</b>	<b>\$ 1,306,647</b>	<b>\$ 1,188,375</b>	<b>\$ 79,819</b>	<b>\$ 38,453</b>
	<u>100.0%</u>	<u>94.6%</u>	<u>3.7%</u>	<u>1.7%</u>	<u>100.0%</u>	<u>91.0%</u>	<u>6.1%</u>	<u>2.9%</u>

The accompanying notes are an integral part of these financial statements.

**STATEMENTS OF CASH FLOWS  
KENTUCKY WATERWAYS ALLIANCE, INC.  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (123,691)	\$ 46,284
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	659	589
(Increase) decrease in operating assets:		
Accounts receivable	15,040	(20,484)
Unconditional promises to give	94,000	(94,000)
Increase (decrease) in operating liabilities:		
Accounts payable	653	6,474
Accrued payroll and related taxes	<u>602</u>	<u>(3,288)</u>
Net cash provided (used) by operating activities	(12,737)	(64,425)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of equipment	<u>(838)</u>	<u>-</u>
Net increase (decrease) in cash	(13,575)	(64,425)
Cash at beginning of year	<u>113,195</u>	<u>177,620</u>
Cash at end of year	<u>\$ 99,620</u>	<u>\$ 113,195</u>

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS  
KENTUCKY WATERWAYS ALLIANCE, INC.  
DECEMBER 31, 2012 AND 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Kentucky Waterways Alliance, Inc. (KWA) is a statewide not-for-profit organization whose mission is to work with partners to secure funds for the protection and long-term stewardship of the state's water resources, and to serve as a resource and partner to other conservation organizations. KWA focuses on establishing protected watersheds including areas containing large concentrations of rare species, including the federally listed Endangered and Threatened aquatic species that occur in Kentucky. KWA's funding comes largely through donations from private charitable foundations and individuals, as well as grants from government sources for specific projects.

**Basis of Accounting**

The financial statements of the organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) with regards to financial statements of Not-for-Profit Organizations. Under this guidance, KWA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net assets categories follows:

Unrestricted Net Assets: include the portion of expendable funds that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets: include gifts for which donor-imposed restrictions have not been met.

Permanently Restricted Net Assets: include amounts where the donor has stipulated the corpus be invested in perpetuity and only the income is made available for program operations in accordance with donor restrictions.

## **NOTES TO FINANCIAL STATEMENTS – CONTINUED**

### **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.

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash includes cash held in checking accounts and any highly liquid investment with a maturity of three months or less when purchased to be cash equivalents.

### **Accounts Receivable**

Accounts receivable consists primarily of receivables for program fees earned by the organization. An allowance for uncollectibles has not been recorded because management believes all receivables are fully collectible.

### **Unconditional Promises to Give**

Unconditional promises to give are recognized when the donor makes a promise to give to KWA that is, in substance, unconditional. Unconditional promises to give becoming due in the next year are recorded at net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk free interest rates applicable to the years in which the promises are received.

### **Restricted Cash/Fiscal Sponsorship Payable**

KWA and the U.S. Fish and Wildlife Service have entered into a memorandum of agreement to establish and operate the Kentucky Aquatic Resources Fund (KARF). KARF is intended to (a) serve as a mechanism for private individuals, companies and other organizations to minimize the effects of authorized, project-related impacts and incidental take of aquatic species in Kentucky and (b) provide aquatic species conservation and recovery benefits through the implementation of specific projects funded through the KARF.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

The U.S. Fish and Wildlife Service receives settlements, funding for implementation of regulatory requirements, grants, donations, and discretionary federal and non-federal funding to conduct a variety of aquatic resources-related activities including, but not limited to, research, status surveys, land and watershed protection, installation of best management practices, stream enhancement and restoration, and mitigation of impacts to aquatic species in Kentucky.

KWA accepts cash as a fiscal sponsor for the Kentucky Aquatic Resource Fund and agrees to disburse those assets to designated beneficiaries. Assets held by KWA for these donors are classified as restricted cash and fiscal sponsorship payable on the statements of financial position. Restricted cash for this purpose as of December 31, 2012 and 2011 was \$3,250,047 and \$2,750,579, respectively.

Management changed its policy of recording the revenue and expenses on the statements of activities and has included these amounts for the years ended December 31, 2012 and 2011. There was no effect on the change in net assets.

### Equipment

KWA capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment are carried at cost. Donated property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Equipment is depreciated using the straight-line method over the estimated useful lives of the related assets.

### Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### Donated Services

No amounts have been reflected in the financial statements for donated services. KWA pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist KWA.

### Expense Allocation

Expenses are charged to programs and supporting services directly, or on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of KWA.

### Income Tax Status

KWA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, KWA qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of FASB ASC 740-10 would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statement of activities or accrued in the statement of financial position. Federal and state tax returns of the entity are generally open to examination by the relevant taxing authorities for a period of three years from the date the returns are filed.

### Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in current year financial statements.

### Subsequent Events

Management has evaluated subsequent events through February 8, 2013, the date the financial statements were available to be issued.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

**NOTE 2. CONCENTRATIONS OF CREDIT RISK**

KWA periodically has cash balances in several financial institutions in Kentucky. The cash balances are insured by the Federal Deposit Insurance Corporation. At various times during the year, the cash balances exceed amounts federally insured. The risk is managed by maintaining all deposits in high quality financial institutions.

**NOTE 3. PROMISES TO GIVE**

Unconditional promises as stated are receivable within one year, and therefore no discount has been applied. Management believes that all amounts are collectible, therefore no allowance has been provided.

**NOTE 4. RESTRICTED CASH/FISCAL SPONSORSHIP PAYABLE**

The fiscal sponsorship funds are reported by KWA as restricted cash on its statements of financial position offset by a corresponding liability, fiscal sponsorship payable. Revenue and expense is recognized by KWA in the period that the funds are expended on the statements of activities. KWA charges a fee for administering the funds that is included in other income. The fiscal sponsorship activity is as follows:

	<u>2012</u>	<u>2011</u>
Balance - beginning of year	\$ 2,750,579	\$ 2,356,762
Revenue	1,997,666	1,291,239
Administration fee	(47,163)	-
Expenses	<u>(1,451,035)</u>	<u>(897,422)</u>
Balance - end of year	<u>\$ 3,250,047</u>	<u>\$ 2,750,579</u>



**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

**NOTE 5. EQUIPMENT**

Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over the estimated service lives on a straight-line basis. At December 31, 2012 and 2011, the cost and accumulated depreciation of such assets were as follows:

	<u>2012</u>	<u>2011</u>
Computer equipment and software	\$ 3,579	\$ 2,741
Less accumulated depreciation	<u>(1,369)</u>	<u>(710)</u>
	<u>\$ 2,210</u>	<u>\$ 2,031</u>
Depreciation expense	<u>\$ 659</u>	<u>\$ 589</u>

**NOTE 6. RESTRICTIONS ON ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2012</u>	<u>2011</u>
Subsequent year's activities	\$ 23,500	\$ 132,000
Watershed Watch Groups	<u>16,707</u>	<u>27,193</u>
	<u>\$ 40,207</u>	<u>\$ 159,193</u>

**NOTE 7. LEASE**

KWA leases office space under a month to month operating lease, presently for \$765 per month. Rental expense for the years ended December 31, 2012 and 2011 was \$9,180 and \$9,076, respectively.

**NOTE 8. RETIREMENT PLAN**

KWA sponsors a SIMPLE IRA pension plan covering all employees who are eligible. Under the plan, KWA contributes a 100% match of up to 3% of each eligible employee's salary. Employer contributions for the years ended December 31, 2012 and 2011 were \$3,513 and \$3,187, respectively.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE 9. WATERSHED WATCH GROUPS

The Watershed Watch Groups are volunteers in the state who are giving their time in an effort to improve Kentucky waterways through a coordinated campaign of water quality monitoring, skills development, and advocacy. Because these programs have not been incorporated separately, they use KWA's non-profit status in order to obtain grants and contributions and to carry out their program objectives. For these reasons, the assets and operations of the Watershed Watch Groups for the Salt River and Upper Green River are included in these financial statements.

