It is with great pleasure that I present you with the 2010 BBB Annual Report, which provides a snapshot of your BBB for the past year.

BBB serving Louisville, Southern Indiana and Western Kentucky began work on a five year strategic plan this year, to assure BBB’s continued growth and improvement. The planning process examined the organization’s mission, programs, and growth opportunities and started a process to modernize BBB’s physical plant.

Also in 2010, significant investments were made in BBB’s computer network and telephone system to better serve employees, consumers, and Accredited Businesses.

In 2010, this BBB and the BBB system continued to improve BBB’s web-based services to consumers and businesses, implementing an enhanced BBB Business Review to provide more interactive reports that can include pictures and videos provided by BBB Accredited Businesses.

BBB also maintained high member retention and increased the number of BBB Accredited Businesses. In addition, the BBB continued to control expenses and increase revenues, achieving very positive financial results in 2010 and a highly successful start to 2011.

Mission: To be the leader in advancing marketplace trust.
Vision: An ethical marketplace where buyers and sellers can trust each other.
2010 Statistics

**Top Ten Inquired About Industries**

1. Mortgages 29,606
2. Roofing Contractors 18,626
3. Auto Dealers - New Cars 11,410
4. Auto Dealers - Used Cars 11,095
5. Heating & Air Conditioning 9,627
6. Marriage, Fam, Child, Ind Counselors 9,259
7. Banks 6,970
8. Plumbing Contractors 5,850
9. Contractors - General 5,658
10. Heating Contractors 5,634

**Top Ten Complained About Industries**

1. Manufacturers & Producers 436
2. Auto Dealers - Used Cars 288
3. Auto Dealers - New Cars 248
4. Extended Warranty Contract Ser. Co’s 213
5. Hospitalization, Medical & Surgical Plans 160
6. Restaurants 155
7. Appliances Small Supplies & Parts 124
8. Internet Shopping Services 121
9. Services - General 115
10. Furniture - Retail 113

**Top Ten Scams in 2010**

1. Job Hunter
2. Work-from-Home
3. Debt Relief and Settlement Services
4. Foreclosure Help
5. Not so “Free” Trial Offers
6. Home Repair/Roofers (after a disaster)
7. Lottery and Sweepstakes
8. Advance Fee Loans
9. Over-payment
10. Identity Theft

**2010 Instances of Service Breakdown**

- Ad Review Cases Closed: 1
- Arbitration Cases Closed: 3
- Reliability Reports: Web 501-020
- Reliability Reports: Website Link Clicked: 59,260
- Reliability Report: Verbal 11,860
- Accredited Business Directory Lists: Web 105,690
- Request-A-Quote Requests: 779
- Number of Complaints Closed: 9,207
### 2010 Statistics (Google Analytics)

#### BBB Website Visits
**Jan 1, 2010 - Dec 31, 2010**
- Visits: 518,134
- Unique Visitors: 385,728
- Pageviews: 1,715,288
- Average Time on Site: 2:07
- % New Visits: 72.789%

**Jan 1, 2009 - Dec 31, 2009**
- Visits: 386,490
- Unique Visitors: 273,337
- Pageviews: 1,404,467
- Average Time on Site: 2:45

#### Traffic Sources Overview
- **64.84% Search Traffic**
  - 335,958 Visits
- **16.80% Referral Traffic**
  - 87,071 Visits
- **18.35% Direct Traffic**
  - 95,100 Visits
- **0.00% Campaigns**
  - 5 Visits

#### Top Keywords in searches:
1. Better Business Bureau
2. BBB
3. Better Business Bureau Louisville KY
4. BBB Louisville KY
5. Better Business Bureau Kentucky

#### Demographics (top 5 cities):
**Jan 1, 2010 - Dec 31, 2010**
- Louisville visits: 84,332
- Jefferson County visits: 75,637
- Elizabethtown visits: 11,049
- Chicago visits: 5,890
- Jeffersonville visits: 12,587

**Jan 1, 2009 - Dec 31, 2009**
- Louisville visits: ????????
- Jefferson County visits: 75,637
- Elizabethtown visits: 8,103
- Chicago visits: 3,886
- Jeffersonville visits: 4,528

#### Operating Systems:
**Jan 1, 2010 - Dec 31, 2010**
- iPhone visits: 1,809
- Android visits: 834
- iPad visits: 534
- iPod visits: 176
- BlackBerry visits: 196

Most visitors used the browser, Internet Explorer, followed by Firefox, Safari, then Chrome.
**2010 Statistics**

**Number of Accredited Businesses**

*Total AB’s December 2010:*
3,462

*Total AB’s December 2009:*
4,503

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**BBB Financial Snapshot**

*Year Ended December 31, 2010*

<table>
<thead>
<tr>
<th>Revenues, gains, and other support:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership Dues</td>
<td>$1,473,922</td>
</tr>
<tr>
<td>Service Income</td>
<td>$150,279</td>
</tr>
<tr>
<td>Contributions</td>
<td>$11,473</td>
</tr>
<tr>
<td>Torch Awards Income</td>
<td>$24,225</td>
</tr>
<tr>
<td>Golf Scramble Event (net expenses)</td>
<td>$6,573</td>
</tr>
<tr>
<td>Enrollment Fees</td>
<td>$20,694</td>
</tr>
<tr>
<td>In-Kind Donations</td>
<td>$6,101</td>
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<tr>
<td>Other Income</td>
<td>$56,137</td>
</tr>
<tr>
<td>Unrealized gain on investments</td>
<td>$10,466</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$4,576</td>
</tr>
<tr>
<td><strong>Total unrestricted revenues, gains and other support:</strong></td>
<td><strong>$1,764,446</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>$1,573,410</td>
</tr>
<tr>
<td>Management and General</td>
<td>$130,170</td>
</tr>
<tr>
<td>Fund-raising</td>
<td>$14,291</td>
</tr>
<tr>
<td><strong>Total Expenses:</strong></td>
<td><strong>$1,717,871</strong></td>
</tr>
</tbody>
</table>

*Net Increase in total net assets**                       **$46,575**

Net assets at beginning of year                           **$450,807**

Net assets at end of year                                  **$497,382**
2010 Accredited Business Benefits

**BBB Reliability Reports:** Encourage potential customers to view your BBB Reliability Report at www.louisville.bbb.org to show them your business adheres to BBB’s Standards For Trust.

**BBBOnline Seal:** Properly adding BBB’s approval online seal not only allows consumers to identify you as a BBB Accredited Business and click through to view your report, it may also help increase your website’s search engine optimization.

**Internet Presence for Your Company:** Each BBB member is provided a page in the online Member Mall, www.wisebuyingmall.com, which can be used to let potential customers know what you do, where you are, which credit cards you accept, etc. Even companies with websites find that their search engine results improve when they have a WiseBuyingMall page.

**Membership Roster:** Twice a year the BBB distributes the *Wise Buying Guide*, a “yellow pages” style publication that lists accredited businesses alphabetically and by type of business. Winter and Summer editions bring the total distributed to 90,000.

**Request-A-Quote Program:** Consumers visiting www.louisville.bbb.org can request bids from BBB Accredited Businesses in a particular industry and zip code. Once a bid is submitted, the customer’s contact information is e-mailed to the BBB Accredited Business in the industry the customer selected.

**BBB Business Alerts:** These electronic newsletters keep businesses up-to-date on the latest business scams and bad businesses hitting the area.

**BBB Newsletter:** This bi-monthly newsletter features valuable information about BBB programs and services, timely business tips, scams, and new Accredited Businesses.

**Social Media:** Stay on top of BBB news and alerts through Facebook and Twitter.

**Health Insurance Discount:** BluegrassSelect, the BBB association health insurance plan offered through Bluegrass Family Health, provides member businesses with 2 - 50 employees another option when searching for affordable health insurance.

**Dispute Resolution:** BBB can help your business resolve disputes fairly and without expensive litigation through our conciliation, mediation, and arbitration services.

**Advertising Review:** The BBB Code of Advertising closely tracks FTC advertising regulations. BBB can review your advertising based on this code to help you avoid federal regulatory sanctions.

To learn more about these and additional BBB benefits call (502) 588-0075.
Visibility

BBB spreads the word about how to “START WITH TRUST” through...

Events and Trade Shows
The BBB reaches hundreds of thousands of consumers each year by participating in several events and trade shows. Some of these events include the Kentucky State Fair, Bowling Green Fair, and the Louisville Home, Garden and Remodeling Show.

Speaking Engagements
BBB staff reaches out to businesses, senior citizens, and high school students through speaking engagements. BBB educates consumers on wise buying and wise giving practices and shares information on the latest scams.

New Technology
BBB Accredited Business Locator - A free browser plug-in shows the BBB seal next to any AB when the company appears in a search result on Google, Yahoo!, and Bing.

Media
BBB reaches out to local media via press releases, newspaper articles, TV interviews, and does live interviews on the radio.

2010 Exposure
550+ media mentions on TV, newspapers, and online. (this does not reflect radio, nor does it reflect all media mentions)

200+ times BBB employees spoke at various events

90,000 copies of the BBB Wise Buying Guide were distributed

Social Media
Find us on Facebook and Twitter. Search for Louisville BBB.
2010 - 2011 BBB Board of Directors

**Officers/Executive Committee:**

**Chairperson:** Darryl Metzger, VP & Dir. of Branch Administration, J.J.B. Hilliard W.L. Lyons

**Chair-Elect:** H. Powell Starks, Member, Frost Brown Todd

**Vice Chair/Business & Consumer Affairs:** Gary Haupt, President, Tri-County Ford-Mercury, Inc.

**Vice Chair/Membership & Marketing:** Steve Ramser, President, Highland Roofing Company

**Vice Chair/Budget, Finance, Audit & Personnel/Treasurer:** Mike Anderson, VP of Corporate Finance/Treasurer, Churchill Downs

**Chairperson/Bowling Green Business Advisory Committee:** Thomas Smith, President/CEO, American Bank & Trust Co.

**Chairperson/Lincoln Trail Business Advisory Committee:** Keith Johnson, President, First Federal Savings Bank

**Secretary:** Ellen Jones, Executive Director, External Affairs, AT&T

**President/CEO BBB:** Charles B. Mattingly

**Legal Counsel:** Michael Risley, Esq., Partner/Stites & Harbison

**Immediate Past Chair:** Tom Monahan, President/Publisher, Business First

**DIRECTORS:**

Chris Apel, The Courier-Journal
William Burns, Jr., Aristocrat Realty/Aristocrat Builders
Randy Coe, Kosair Charities
Kenneth Cusick, Kroger Company
Nick Dorsey, Champion Window Company of Louisville
Vern Eswine, The Marketing Company
Maggie Payette Harlow, Sign-A-Rama Downtown
David Heintzman, Stock Yards Bank and Trust Company
Greg Heitzman, Louisville Water Company
William Holden, Unified Foodservice Purchasing Co-op
Steve Langford, WAVE-3 Television
Jeff Lilly, Kosair Children’s Hospital
Michael McClain, Ballinger, McClain
Carlton (Scooter) McCray, La-Z-Boy Furniture Galleries
Rick Miller, Miller’s Fancy Bath & Kitchen
David Nash, Duplicator Sales & Service
Maria Smith, Harbor House of Louisville
Patrick Sterling, Texas Roadhouse
Dick Wilson, UBS Financial Services
Doug Wolford, Neil Huffman Nissan
About the Foundation
The BBB Consumer Education Foundation is a 501 (c)(3) non-profit organization established in 1974 to further the charitable and educational purposes of the Better Business Bureau serving Louisville, Western Kentucky, and Southern Indiana. CEF’s major areas of focus include educating consumers on marketplace issues and working with local charitable organizations to promote standards for charitable accountability. The officers and directors of CEF are appointed annually by the BBB.

Mission:
The foundation’s mission is to provide educational programs and services that advance CEF’s charitable purpose and support the Better Business Bureau in its efforts to educate and inform consumers and to encourage charity accountability and wise giving practices.

 Offices for 2010 - 2011 (CEF is governed by a Board appointed by BBB):
Chairperson: Darryl Metzger, VP & Dir. of Branch Administration, J.J.B. Hilliard W.L. Lyons
Chair-Elect: H. Powell Starks, Member, Frost Brown Todd
Treasurer: Mike Anderson, VP of Corporate Finance/Treasurer, Churchill Downs
Secretary: Ellen Jones, Executive Director, External Affairs, AT&T

Board Members for 2010 - 2011:
Gary Haupt, President, Tri-County Ford-Mercury, Inc.
Keith Johnson, President, First Federal Savings Bank
Tom Monahan, President/Publisher, Business First
Steve Ramser, President, Highland Roofing Company

Finances - BBB CEF
for year ended December 31, 2010

<table>
<thead>
<tr>
<th>Revenues, Gains and Other Support:</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Service Income</td>
<td>$25,999</td>
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<tr>
<td>Contributions</td>
<td>$11,938</td>
</tr>
<tr>
<td>Rental Income</td>
<td>$24,000</td>
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<tr>
<td>Golf Scramble Event, net</td>
<td>$9,831</td>
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**Total Revenues, Gains, and Other Support** $71,773

<table>
<thead>
<tr>
<th>Expenses:</th>
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</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>$63,010</td>
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<tr>
<td>Management and General</td>
<td>$7,684</td>
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**Total Expenses** $70,694

**Net Increase in Total Net Assets** $1,079

<table>
<thead>
<tr>
<th>Net Assets at Beginning of Year</th>
<th>$78,120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets at End of Year</td>
<td>$79,199</td>
</tr>
<tr>
<td><strong>Ending Net Assets</strong></td>
<td>$78,120</td>
</tr>
</tbody>
</table>
2010 Program Highlights

Senior Citizen Solutions and Scams - The BBB recognizes that Older Americans are the fastest growing segment of the population to be victimized by identity fraud and Internet schemes. To protect elderly consumers, CEF has developed presentations and written literature to provide elderly consumers with information on recognizing and preventing fraud. Topics covered include foreign lotteries, home repair scams, phishing, telemarketing schemes, phony charities and discount medical plans. Presentations offered on request.

Identity Theft Seminars - As one of the fastest growing white-collar crimes in the US, consumers frequently contact the BBB with questions regarding this crime. To assist in educating consumers, CEF, in conjunction with the Council of Better Business Bureaus, has developed presentations on the topic of ID theft, including how to prevent it and what steps consumers can take should they become a victim. Presentations offered on request.

Elder Contract Review - Through a partnership with the University Of Louisville School Of Law senior citizens can obtain advice on contract issues from U of L law students.

Credit Clues - A new program established in 2007 designed to provide the most reliable and current information to consumers about the correct avenues to take, as well as those to avoid, when attempting to use, build, and most importantly, repair credit. Written materials and a CD are available by request.

Expos and Trade Shows - In an effort to interact with consumers and businesses seeking information or services, CEF develops and distributes marketing, promotional and educational materials at local expos, trade shows and other community gatherings to increase awareness of BBB services and to educate consumers on a variety of topics affecting the marketplace. Major events in 2010 included the Garden and Home Expo and the Kentucky State Fair.

Torch Awards - CEF sponsors local Torch Awards for Marketplace Ethics to honor outstanding companies and nonprofits whose commitment to ethical business practices helps to uphold a fair marketplace. Awards are given in both for profit and not for profit categories with awards based on an organizations demonstration of ethical management practices, customer and vendor relations, sales and communications practices, and reputation.

Golf Scramble - The BBB Golf Scramble is the biggest fundraiser of the year for the CEF. The event, which includes team sponsorships, hole sponsors, and a silent auction, raises money for the Richard E. Akers Scholarship Fund. Two scholarships are given out each year to high school students.

Student Ethics Scholarships - Two local high school students are selected as BBB Student Ethics Scholarship winners and receive $1,000 scholarships to the college of their choice. Students are required to write an essay outlining why personal integrity is important and how they translate that belief into everyday actions.
Established in 2002, the Charity Review Service is the donor information program of the BBB. The mission of the Charity Review Service (CRS) is to promote public confidence in local charities and encourage charitable giving. CRS provides the public with information on specific charities and wise giving practices and also advises charities on how to meet and maintain high ethical standards of operation.

Each year CRS reviews financial statements, tax filings, annual reports, solicitation materials, direct mail pieces, and special event information of local charities. Based on this information, provided by the charity or obtained from other public sources, CRS determines if a charity meets the Better Business Bureau’s Standards for Charity Accountability. CRS then produces a report with its determination and summary of the charity’s mission, programs, governance and key financial information. Charity reports are generally updated at two year intervals. Charities are provided with the opportunity to review and comment on draft reports (prior to posting) and to update reports in the interim year.

CRS reports are available on the local BBB website at www.louisville.bbb.org or by calling 502-588-0033. You may also request a copy of a report by sending a written request to: Charity Review Service, Better Business Bureau, 844 S. Fourth Street, Louisville, KY 40203.

The charity review process that is implemented locally was developed by the BBB Wise Giving Alliance which is the charity review affiliate of the national Council of Better Business Bureaus. The WGA reviews and reports on charities that conduct fund raising in a number of states and that operate programs that are national in scope. You can find additional background on charity review and access national reports on the WGA website at www.give.org or by contacting them at BBB Wise Giving Alliance, 4200 Wilson Boulevard, Suite 800, Arlington, VA 22203 or by telephone at 703-276-0100.