It is with great pleasure that I present you with the **2011 BBB Annual Report**, which provides a snapshot of your BBB for the past year.

2011 was a big year for the Better Business Bureau serving Louisville, Southern Indiana and Western Kentucky. This BBB continued to control its expenses and increase revenues, achieving record-high gross income and net income during 2011. BBB maintained high member retention and increased the number of BBB Accredited Businesses to a record-high of 3,621.

This BBB delivered 718,000 BBB Business Reviews during the past twelve months, a 33% increase over the previous year.

In 2011, BBB increased youth awareness of its services by cutting the ribbon on a “BBB storefront” in Louisville Junior Achievement’s BizTown.

Another milestone, this BBB began testing customer reviews and reporting complaint detail to provide more information in BBB Business Reviews. These actions led to our BBB being featured in a front-page Wall Street Journal article focused on “customer reviews” as a key BBB initiative to maintain relevance in the Internet age.

On behalf of your BBB, I thank you for your continued support and want you to know that I am committed to serving businesses and consumers in our area.

---

**Mission: To be the leader in advancing marketplace trust.**

**Vision: An ethical marketplace where buyers and sellers can trust each other.**
## 2011 Statistics

### Top Ten Inquired About Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Inquiries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roofing Contractors</td>
<td>28,042</td>
</tr>
<tr>
<td>Mortgages</td>
<td>16,764</td>
</tr>
<tr>
<td>Auto Dealers - Used Cars</td>
<td>13,373</td>
</tr>
<tr>
<td>Heating &amp; Air Conditioning</td>
<td>11,545</td>
</tr>
<tr>
<td>Auto Dealers - New Cars</td>
<td>10,909</td>
</tr>
<tr>
<td>Contractors - General</td>
<td>8,357</td>
</tr>
<tr>
<td>Auto Repair &amp; Service</td>
<td>8,227</td>
</tr>
<tr>
<td>Plumbing Contractors</td>
<td>7,878</td>
</tr>
<tr>
<td>Credit Card Processing Service</td>
<td>7,360</td>
</tr>
<tr>
<td>Home Builders</td>
<td>6,728</td>
</tr>
</tbody>
</table>

### Top Ten Complained About Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Complaints</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturers &amp; Producers</td>
<td>292</td>
</tr>
<tr>
<td>Auto Dealers - New Cars</td>
<td>284</td>
</tr>
<tr>
<td>Hospitalization, Medical &amp; Surgical Plans</td>
<td>243</td>
</tr>
<tr>
<td>Auto Dealers - Used Cars</td>
<td>237</td>
</tr>
<tr>
<td>Credit Card Processing Service</td>
<td>144</td>
</tr>
<tr>
<td>Restaurants</td>
<td>136</td>
</tr>
<tr>
<td>Cable TV, Internet &amp; Telephone Install. Svc.</td>
<td>132</td>
</tr>
<tr>
<td>Roofing Contractors</td>
<td>129</td>
</tr>
<tr>
<td>Furniture - Retail</td>
<td>100</td>
</tr>
<tr>
<td>Plumbing Fixtures, Parts, Supply - Retail</td>
<td>100</td>
</tr>
</tbody>
</table>

### Top Ten Scams in 2011

1. BBB Phishing (fake BBB emails)
2. Job Hunter
3. Lottery/Sweepstakes
4. Social Media
5. Home Improvement (after a disaster)
6. Mortgage Relief
7. Check Cashing/Wiring Money
8. Green Dot MoneyPak
9. Over-payment
10. Mystery Shopping
2011 Statistics
(Google Analytics)

**BBB Website Visits**

**Jan 1, 2011 - Dec 31, 2011**
- Visits: 596,265
- Unique Visitors: 426,282
- Pageviews: 1,875,927
- Average Time on Site: 2:11
- % New Visits: 68.29%

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

**Traffic Sources Overview**

- **75.73% Search Traffic**
  - 451,522 Visits
- **10.31% Referral Traffic**
  - 61,493 Visits
- **13.96% Direct Traffic**
  - 83,228 Visits
- **0.00% Campaigns**
  - 22 Visits

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

**Usage of Mobile Devices to view Website:**

**Jan 1, 2011 - Dec 31, 2011**
- Did Not Use Mobile Device - 557,335
- Used Mobile Device - 38,930

**Jan 1, 2010 - Dec 31, 2010**
- Did Not Use Mobile Device - 514,339
- Used Mobile Device - 3,795

**Operating Systems:**

**Jan 1, 2011 - Dec 31, 2011**
- iPhone visits: 14,284
- Android visits: 13,230
- iPad visits: 9,499
- iPod visits: 854
- BlackBerry visits: 749

**Jan 1, 2010 - Dec 31, 2011**
- iPhone visits: 1,809
- Android visits: 834
- iPad visits: 534
- iPod visits: 176
- BlackBerry visits: 196

**Demographics (top 5 cities):**

**Jan 1, 2011 - Dec 31, 2011**
- Louisville visits: 141,925
- Jefferson County visits: 54,281
- Elizabethtown visits: 11,651
- Chicago visits: 11,220
- Jeffersonville visits: 10,857

**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

Most visitors used the browser, Internet Explorer, followed by Firefox, Safari, then Chrome.
2011 Statistics

Number of Accredited Businesses

Total AB’s December 2011: 3,542
Total AB’s December 2010: 3,462

BBB Financial Snapshot
Year Ended December 31, 2011

<table>
<thead>
<tr>
<th>Revenues, gains, and other support:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership Dues</td>
<td>$1,573,633</td>
</tr>
<tr>
<td>Service Income</td>
<td>$223,245</td>
</tr>
<tr>
<td>Contributions</td>
<td>$18,279</td>
</tr>
<tr>
<td>Torch Awards Income</td>
<td>$17,740</td>
</tr>
<tr>
<td>Golf Scramble Event (net expenses)</td>
<td>$25,324</td>
</tr>
<tr>
<td>Enrollment Fees</td>
<td>$21,820</td>
</tr>
<tr>
<td>In-Kind Donations</td>
<td>$5,690</td>
</tr>
<tr>
<td>Other Income</td>
<td>$60,802</td>
</tr>
<tr>
<td>Unrealized gain on investments</td>
<td>$3,328</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$2,456</td>
</tr>
<tr>
<td><strong>Total unrestricted revenues, gains and other support:</strong></td>
<td><strong>$1,952,317</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>$1,682,990</td>
</tr>
<tr>
<td>Support services</td>
<td>$140,870</td>
</tr>
<tr>
<td>Fund-raising</td>
<td>$14,945</td>
</tr>
<tr>
<td><strong>Total Expenses:</strong></td>
<td><strong>$1,838,805</strong></td>
</tr>
<tr>
<td>Net Increase in total net assets</td>
<td>$113,512</td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>$550,075</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$663,587</td>
</tr>
</tbody>
</table>
2011 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 WiseBuying-Mall 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.

Social Media
Find us on Facebook and Twitter. Search for Louisville BBB.

2011 Exposure
563 media mentions on TV, newspapers, and online. (this does not reflect radio, nor does it reflect all media mentions)

215+ times BBB employees spoke at various events

90,000 copies of the BBB Wise Buying Guide were distributed
2011 - 2012 BBB Board of Directors

Officers/Executive Committee:
Chairperson: H. Powell Starks, Member, Frost Brown Todd
Chair-Elect: Gary Haupt, President, Tri-County Ford-Mercury, Inc.
Vice Chair/Business & Consumer Affairs: Patrick Sterling, Director of Risk and Administration, Texas Roadhouse
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: Jeff Lilly, VP/Finance & Operations, Kosair Children’s Hospital
President/CEO BBB: Charles B. Mattingly
Legal Counsel: Michael Risley, Esq., Partner/Stites & Harbison
Immediate Past Chair: Darryl Metzger, Senior VP & Director of Branch Admin./J.J. B Hilliard, W.L. Lyons, LLC

Directors:
William Burns Jr., Aristocrat Realty
Randy Coe, Kosair Charities
Kenneth Cusick, Kroger Company
Nick Dorsey, Champion Window Company
Vern Eswine, President, The Marketing Company
LaVerne Heck, LaVerne Heck Realty
Greg C. Heitzman, Louisville Water Company
William Holden, Unified Foodservice Purchasing
Sharon Kerrick, PhD, University of Louisville College of Business
Pam Gibson Longwell, Feeders Supply Company
Barry Marek, Brown-Forman Corporation
Michael W. McClain, Wyatt Tarrant & Combs
Carlton (Scooter) McCray, La-Z-Boy Furniture Galleries
Rick Miller, Miller’s Fancy Bath & Kitchen
David Nash, Duplicator Sales & Service
Linda Owen, Highlands Family-Owned Funeral Homes, Inc.
Maria Smith, Harbor House
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.

Officers for 2011 - 2012 (CEF is governed by a Board appointed by BBB):
Chairperson: H. Powell Starks, Member, Frost Brown Todd
Chair-Elect: Gary Haupt, President, Tri-County Ford-Mercury, Inc.
Treasurer: Mike Anderson, VP of Corporate Finance/Treasurer, Churchill Downs
Secretary: Jeff Lilly, VP/Finance & Operations, Kosair Children’s Hospital President/CEO BBB: Charles B. Mattingly

Board members for 2011 - 2012
Keith Johnson, President, First Federal Savings Bank
Darryl Metzger, Senior VP & Director of Branch Admin./J.J. B Hilliard, W.L. Lyons, LLC
Stephen Ramser, President, Highland Roofing Company
Thomas Smith, President/CEO, American Bank & Trust
Patrick Sterling, Director of Risk and Administration, Texas Roadhouse
Charles B. Mattingly, President/CEO, Better Business Bureau

Finances - BBB CEF
for year ended December 31, 2011

<table>
<thead>
<tr>
<th>Revenues, Gains and Other Support:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>$131,001</td>
</tr>
<tr>
<td>Golf Scramble</td>
<td>$25,496</td>
</tr>
<tr>
<td>Stop Shoplifting</td>
<td>$10,072</td>
</tr>
<tr>
<td>Contributions</td>
<td>$3,479</td>
</tr>
<tr>
<td>BBB Seminars</td>
<td>$2,831</td>
</tr>
<tr>
<td><strong>Total Revenues, Gains, and Other Support</strong></td>
<td><strong>$172,880</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>$141,361</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$20,302</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$161,663</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Increase in Total Net Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets at Beginning of Year</td>
<td>$79,199</td>
</tr>
<tr>
<td>Net Assets at End of Year</td>
<td>$90,415</td>
</tr>
<tr>
<td><strong>Ending Net Assets</strong></td>
<td><strong>$90,415</strong></td>
</tr>
</tbody>
</table>
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 2011 included the Garden and Home Expo and the Kentucky State Fair.

Stop Shoplifting – This program is a joint initiative of the BBB and the Jefferson County Attorney’s Office. The program is an opportunity for first time shoplifting offenders to learn about shoplifting and its potential impact on their lives. The purpose of the class is to prevent future shoplifting.

Golf Scramble – The BBB Golf Scramble is CEF’s biggest fundraiser of the year. The event, which includes team sponsorships, hole sponsors, and a silent auction, raises money for the BBB Storefront at Junior Achievement BizTown and other CEF programs and activities.

BBB Storefront in Junior Achievement’s BizTown - JA Biztown is a simulated town made up of 16 storefronts, sponsored by local businesses. Students experience the free enterprise system by working in these simulated businesses. With a variety of hands-on activities, students realize the correlation between what they learn in school and their participation in a simulated economy. Operating out of the BBB storefront, BBB student reps also conduct evaluations of each business in the town and also provide the opportunity for consumers to file complaints or inquire about a business. The BBB storefront educates the younger generation on the importance of ethics in the marketplace and the use of BBB services.
Charity Review

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.

2011 Total Charity Review Seals

60

2010 Total Charity Review Seals

55

2011 Charity Review Service Highlights

- Developed more than 200 charity review reports
- Delivered more than 30,000 online reports in response to consumer inquiries
- Continued collaborative partnership with local Metro United Way to perform charity reviews and issue BBB reports on all MUW member agencies.
- Developed collaborative partnership with Community Health Charities of Kentucky to conduct reviews and issue reports on all CHC member agencies.