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Form **990-PF**

Department of the Treasury
Internal Revenue Service

C&E 927

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990PF for instructions and the latest information.

OMB No 1545-0052

2017

Open to Public Inspection

For calendar year 2017 or tax year beginning , 2017, and ending , 20

Name of foundation: LG&E and KU Foundation Inc.

A Employer identification number: 61-1257368

Number and street (or P O box number if mail is not delivered to street address): 220 W. Main Street

Room/suite:

B Telephone number (see instructions): 502-627-4037

City or town, state or province, country, and ZIP or foreign postal code: Louisville, KY 40202

C If exemption application is pending, check here ▶ ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization: ☑ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ $ 13,263,502

J Accounting method: ☑ Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue 1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check ▶ ☑ if the foundation is **not** required to attach Sch. B				
3	Interest on savings and temporary cash investments	264	264		
4	Dividends and interest from securities	262,346	262,346		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	619,000			
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)		619,000		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less: Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	**Total.** Add lines 1 through 11	881,610	881,610		
Operating and Administrative Expenses 13	Compensation of officers, directors, trustees, etc.				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule)	7,300			
c	Other professional fees (attach schedule)	10,632	10,632		
17	Interest				
18	Taxes (attach schedule) (see instructions)	15,962			
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule)	500			
24	**Total operating and administrative expenses.** Add lines 13 through 23	34,394	10,632		
25	Contributions, gifts, grants paid	624,885			624,885
26	**Total expenses and disbursements.** Add lines 24 and 25	659,279	10,632		624,885
27	Subtract line 26 from line 12:				
a	**Excess of revenue over expenses and disbursements**	222,331			
b	**Net investment income** (if negative, enter -0-)		870,978		
c	**Adjusted net income** (if negative, enter -0-)				

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Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)

		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets 1	Cash—non-interest-bearing	153,644	197,245	249,378
2	Savings and temporary cash investments			
3	Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
4	Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
7	Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments—U.S. and state government obligations (attach schedule)	2,043,318	2,117,315	2,011,453
b	Investments—corporate stock (attach schedule)	6,463,172	6,516,073	9,213,095
c	Investments—corporate bonds (attach schedule)	1,815,294	1,867,126	1,789,576
11	Investments—land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)			
14	Land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	10,475,428	10,697,759	13,263,502
Liabilities 17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)			
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☑ and complete lines 24 through 26, and lines 30 and 31.**			
24	Unrestricted	10,475,428	10,697,759	
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
27	Capital stock, trust principal, or current funds			
28	Paid-in or capital surplus, or land, bldg., and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds			
30	**Total net assets or fund balances** (see instructions)	10,475,428	10,697,759	
31	**Total liabilities and net assets/fund balances** (see instructions)	10,475,428	10,697,759	

Part III **Analysis of Changes in Net Assets or Fund Balances**

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	10,475,428
2	Enter amount from Part I, line 27a	2	222,331
3	Other increases not included in line 2 (itemize) ▶	3	0
4	Add lines 1, 2, and 3	4	10,697,759
5	Decreases not included in line 2 (itemize) ▶	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	10,697,759

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (for example, real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1a	See Attached Schedule	P	Various	Various
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))
a	See Attached	Not Subject to Depreciation	See Attached	619,000
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69.

	(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a	N/A acquired after 1969			619,000
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	619,000
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). See instructions. If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No

If "Yes," the foundation doesn't qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2016	626,850	11,738,696	0.053400
2015	780,606	12,065,210	0.064699
2014	696,921	12,311,888	0.056606
2013	839,948	12,085,181	0.069502
2012	761,537	11,647,302	0.065383

2	**Total** of line 1, column (d)	2	0.309590
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5.0, or by the number of years the foundation has been in existence if less than 5 years	3	0.061918
4	Enter the net value of noncharitable-use assets for 2017 from Part X, line 5	4	12,574,481
5	Multiply line 4 by line 3	5	778,587
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	8,710
7	Add lines 5 and 6	7	787,297
8	Enter qualifying distributions from Part XII, line 4	8	624,885

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary—see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	17,419
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations, enter 4% of Part I, line 12, col. (b).				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only; others, enter -0-)			2	
3	Add lines 1 and 2			3	17,419
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only; others, enter -0-)			4	
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-			5	17,419
6	Credits/Payments:				
a	2017 estimated tax payments and 2016 overpayment credited to 2017	6a	13,500		
b	Exempt foreign organizations—tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c			
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments. Add lines 6a through 6d			7	13,500
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	3,919
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	
11	Enter the amount of line 10 to be: **Credited to 2018 estimated tax** ▶		**Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		✓
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition	1b		✓
	If the answer is "Yes" to **1a** or **1b,** attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		✓
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0 **(2)** On foundation managers. ▶ $ 0			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.	2		✓
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by *General Instruction T.*	5		✓
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	✓	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	7	✓	
8a	Enter the states to which the foundation reports or with which it is registered. See instructions. ▶ Kentucky			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G?* If "No," attach explanation	8b	✓	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2017 or the tax year beginning in 2017? See the instructions for Part XIV. If "Yes," complete Part XIV	9		✓
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		✓

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule. See instructions	11		✓
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement. See instructions	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	
	Website address ▶ http://www.lge-ku.com/foundation/default.asp			
14	The books are in care of ▶ Dawn M. Lyons Telephone no. ▶ 502-627-4037			
	Located at ▶ 220 W. Main Street, Louisville, KY ZIP+4 ▶ 40202			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—check here ▶ ☐			
	and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A			
16	At any time during calendar year 2017, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		✓
	See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year, did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions	1b		
	Organizations relying on a current notice regarding disaster assistance, check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2017?	1c		✓
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? ☐ Yes ☑ No			
	If "Yes," list the years ▶ 20___, 20___, 20___, 20___			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions.)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20___, 20___, 20___, 20___			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☑ Yes ☐ No			
b	If "Yes," did it have excess business holdings in 2017 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2017.)	3b		✓
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		✓
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2017?	4b		✓

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

			Yes	No
5a	During the year, did the foundation pay or incur any amount to:			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☑ No			
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☑ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☑ No			
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions ☐ Yes ☑ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☑ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions	**5b**		
	Organizations relying on a current notice regarding disaster assistance, check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		✓
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☑ No			
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	**7b**		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, and foundation managers and their compensation. See instructions.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Attached Schedule				

2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
None				

Total number of other employees paid over $50,000 ▶

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services. See instructions. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over $50,000 for professional services ▶		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A - No activities and expenses other than direct contributions to charities listed in Part XV.	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 None	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	12,580,038
b	Average of monthly cash balances	1b	185,933
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	12,765,971
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) . . . 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	12,765,971
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	191,490
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	12,574,481
6	**Minimum investment return.** Enter 5% of line 5	6	628,724

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations, check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	628,724
2a	Tax on investment income for 2017 from Part VI, line 5	2a	17,419		
b	Income tax for 2017. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	17,419
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	611,305
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	611,305
6	Deduction from distributable amount (see instructions)			6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	611,305

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	624,885
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8; and Part XIII, line 4	4	624,885
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b. See instructions	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	624,885

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

			(a) Corpus	(b) Years prior to 2016	(c) 2016	(d) 2017
1	Distributable amount for 2017 from Part XI, line 7					611,305
2	Undistributed income, if any, as of the end of 2017:					
a	Enter amount for 2016 only					
b	Total for prior years: 20___,20___,20___					
3	Excess distributions carryover, if any, to 2017:					
a	From 2012	194,250				
b	From 2013	256,192				
c	From 2014	92,606				
d	From 2015	182,525				
e	From 2016	49,197				
f	**Total** of lines 3a through e		774,770			
4	Qualifying distributions for 2017 from Part XII, line 4: ▶ $ 624,885					
a	Applied to 2016, but not more than line 2a					
b	Applied to undistributed income of prior years (Election required—see instructions)					
c	Treated as distributions out of corpus (Election required—see instructions)					
d	Applied to 2017 distributable amount					611,305
e	Remaining amount distributed out of corpus		13,580			
5	Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a).)					
6	**Enter the net total of each column as indicated below:**					
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5		788,350			
b	Prior years' undistributed income. Subtract line 4b from line 2b					
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d	Subtract line 6c from line 6b. Taxable amount—see instructions					
e	Undistributed income for 2016. Subtract line 4a from line 2a. Taxable amount—see instructions					
f	Undistributed income for 2017. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2018					
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)					
8	Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions)		194,250			
9	**Excess distributions carryover to 2018.** Subtract lines 7 and 8 from line 6a		594,100			
10	Analysis of line 9:					
a	Excess from 2013	256,192				
b	Excess from 2014	92,606				
c	Excess from 2015	182,525				
d	Excess from 2016	49,197				
e	Excess from 2017	13,580				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2017, enter the date of the ruling . . . . . ▶ N/A

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2017	(b) 2016	(c) 2015	(d) 2014	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

None.

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

None.

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc., to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions.

a The name, address, and telephone number or email address of the person to whom applications should be addressed:

Grants Administrator, LG&E and KU Foundation, P.O. Box 32030, Louisville, KY 40202

b The form in which applications should be submitted and information and materials they should include:

A completed "Corporate Contribution Request Form" which may be obtained at the above address.

c Any submission deadlines:

None.

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Applicant must be a 501 (c) (3) organiztion.

Part XV Supplementary Information *(continued)*

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
See Attached Schedule				**624,885**
Total . . . . ▶ **3a**				**624,885**
b *Approved for future payment*				
See Attached Schedule				**460,000**
Total . . . . ▶ **3b**				**460,000**

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					264
4 Dividends and interest from securities					262,346
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					619,000
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)					881,610

13 **Total.** Add line 12, columns (b), (d), and (e) 13 881,610

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions.)
3	Exempt function income set aside for the purpose defined in Section 170 (c) (4).
4	See above explanation of line 3.
8	See above explanation of line 3.

Part XVII Information Regarding Transfers to and Transactions and Relationships With Noncharitable Exempt Organizations

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

			Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		✓
	(2) Other assets	1a(2)		✓
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		✓
	(3) Rental of facilities, equipment, or other assets	1b(3)		✓
	(4) Reimbursement arrangements	1b(4)		✓
	(5) Loans or loan guarantees	1b(5)		✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)		✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		✓

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) (other than section 501(c)(3)) or in section 527? ☐ Yes ☐ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
	N/A	

Sign Here

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 taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer or trustee: [signature] Date: 4-25-18 Title: Treasurer

May the IRS discuss this return with the preparer shown below? See instructions ☐ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

61-1257368, LG&E and KU Foundation Inc. Form 990-PF 2017

Part I - Line 16 (b) Column (a) - Accounting fees

Strothman & Company PSC	$	7,300
	$	7,300

Part I - Line 16 (c) Column (a) & (b) - Other Professional fees

MD Sass, Investment Management Fees	$	5,599
MD Sass, Trust Management Fees		807
MFS Investments, Trust Management Fees		2,201
Harbor, Trust Management Fees		539
Vanguard, Trust Management Fees		804
Vanguard Growth, Trust Management Fees		547
Victory, Trust Management Fees		136
	$	10,632

Part I - Line 18 Column (a) - Taxes

Federal Excise Tax - Estimated Payment	$	15,962
	$	15,962

Part 1 - Line 23 Column (a) - Other Expenses

Foundation Administrative Expenses	$	500
	$	500

61-1257368, LG&E and KU Foundation Inc. Form 990-PF 2017

Part VIII - Line 1 - Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

(a) Name and Address	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Victor A. Staffieri 220 W Main Street Louisville, KY 40202	Chairman of the Board and Director 1/2 hour/week	0	0	0
Paul W. Thompson 220 W. Main Street Louisville, KY 40202	President and Director 1/2 hour/week	0	0	0
Kent W. Blake 220 W. Main Street Louisville, KY 40202	Vice President and Controller, Director 1/2 hour/week	0	0	0
Mary C Whelan 220 W Main Street Louisville, KY 40202	Vice President and Director 1/2 hour/week	0	0	0
Daniel K. Arbough 220 W Main Street Louisville, KY 40202	Treasurer 1/2 hour/week	0	0	0
Gerald A. Reynolds 220 W. Main Street Louisville, KY 40202 Resigned in September 2017	Vice-President and Secretary, Director 1/2 hour/week	0	0	0
Laura M. Douglas 220 W Main Street Louisville, KY 40202 Retired in January 2017	Vice-President 1/2 hour/week	0	0	0

Part X - Minimum Investment Return

Market Value at End of Month
(Page 1 - Investment Summary - Trust Statement)

	Stocks	Bonds	Cash	Total	
01/31/17	8,660,528	3,667,074	35,859	12,363,461	12,363,461
02/28/17	8,932,963	3,677,919	57,081	12,667,963	12,667,963
03/31/17	8,914,998	3,695,728	53,698	12,664,424	12,664,424
04/30/17	8,767,846	3,733,981	23,363	12,525,190	12,525,190
05/31/17	8,703,699	3,594,700	196,884	12,495,283	12,495,283
06/30/17	8,831,618	3,553,347	245,856	12,630,822	12,630,822
07/31/17	8,931,974	3,580,028	253,929	12,765,931	12,765,931
08/31/17	8,878,185	3,599,240	252,007	12,729,432	12,729,432
09/30/17	8,665,442	3,597,579	677,156	12,940,177	12,940,177
10/31/17	9,108,552	3,781,236	190,766	13,080,554	13,080,554
11/30/17	9,296,449	3,773,250	47,357	13,117,056	13,117,056
12/31/17	9,213,094	3,801,029	197,245	13,211,368	13,211,368
Total	106,905,349	44,055,112	2,231,200	153,191,662	0
Monthly Average	**8,908,779**	**3,671,259**	**185,933**	**12,765,971**	

12,580,038
Part X 1a Average fair market value of securities

185,933
Part X 1b average of monthly cash balances

LG&E and KU Foundation, Inc. 61-1257368
Form 990-PF 2017
Part XV(a) & (b) Grants & Contributions Paid During 2017 and Approved for Future Payments

Organization Name	Program Name	Address	City, State, ZIP	Amount	Balance
Centre College	Program Support	600 W Walnut St	Danville, KY 40422	40,000	
Bellarmine University	Annual Fund	2001 Newburg Road	Louisville, KY 40205	10,000	
Cumberland Trails United Way	Employee Match	P O Box 2092	Middlesboro, KY 40965	2,342	
LG&E and KU Foundation Matching Gift Program	Foundation Program	Various	Various	18,185	
LG&E and KU Foundation Scholarship Program	Foundation Program	Various	Various	37,200	
Fund for the Arts	Employee Match	623 West Main Street	Louisville, KY 40202	40,000	40,000
Governor's Scholars Program, Inc	Operating Funds	1024 Capital Center Drive Suite 23C	Frankfort, KY 40601	2,500	
Heart of Kentucky United Way	Employee Match	118 N 3rd St	Danville, KY 40422	16,630	
Kentucky College of Art and Design, Inc	Scholarship Suppoert	845 S Third St	Louisville, KY 40203	2,500	
Kentucky Independent College Foundation	Program Support	484 Chenault Rd	Frankfort, KY 40601	35,000	
Leadership Louisville	Annual Fund	732 West Main Street	Louisville, KY 40202	2,500	
Louisville Free Public Library Foundation	Summer Reading Program	301 York St	Louisville, KY 40203	2,500	
Metro United Way	Employee Match	334 East Broadway	Louisville, KY 40202	283,344	
Ohio Valley United Charities Inc	Employee Match	523 Highland Avenue	Carrollton, KY 41008	22,666	
Teach Kentucky, Inc	Operating Funds	2000 Strathmore Blvd	Louisville, KY 40205	2,000	
United Way of Central Kentucky, Inc	Employee Match	1111 N Dixie Hwy, Suite 9B	Elizabethtown, KY 42701	9,002	
United Way of Eastern Kentucky	Employee Match	P O Box 1446	Prestonsburg, KY 41653	1,176	
United Way of Franklin County	Employee Match	P O Box 1544	Frankfort, KY 40602	1,054	
United Way of Greater Cincinnati-Northern Kentucky	Employee Match	11 Shelby St	Florence, KY 41042	391	
United Way of Henderson County	Employee Match	P O Box 1097	Henderson, KY 42419	442	
United Way of Jefferson County	Employee Match	301 E Main St	Madison, IN 47250	1,394	
United Way of Laurel County, Inc	Employee Match	P O Box 5004	London, KY 40745	599	
United Way of Mason County	Employee Match	103 E 2nd St	Maysville, KY 41056-0327	970	
United Way of Nelson County (Tri-County)	Employee Match	321 South 3rd Street	Bardstown, KY 40004	2,736	
United Way of Paducah/McCracken County	Employee Match	333 Broadway, Ste 502	Paducah, KY 42001-6868	400	
United Way of Perry County Inc	Employee Match	PO Box 73	Tell City, KY 47586	193	
United Way of South Central Kentucky, Inc	Employee Match	P O Box 861	Somerset, KY 42502	4,003	
United Way of Southeastern Kentucky	Employee Match	P O Box 7373	Hazard, KY 41702	2,862	
United Way of Southern Kentucky	Employee Match	P O Box 3330	Bowling Green, KY 42102	384	
United Way of Southwest Virginia	Employee Match	P O Box 1225	Gate City, VA 24251	1,713	
United Way of Southwestern Indiana	Employee Match	P O Box 18	Evansville, IN 47701	780	
United Way of the Bluegrass	Employee Match	2480 Fortune Drive #250	Lexington, KY 40509	33,526	
United Way of the Coalfield	Employee Match	P O Box 366	Madisonville, KY 42431	6,195	
United Way of the Ohio Valley	Employee Match	P O Box 705	Owensboro, KY 42302	6,137	
United Way of the Pennyrile	Employee Match	P O Box 587	Hopkinsville, KY 42240	1,061	
Urban League of Lexington	Program Support	148 DeWeese Street	Lexington, KY 40507	10,000	
Volunteers of America	Family Emergency Shelter	933 Goss Avenue	Louisville, KY 40217-9943	2,500	
WHAS Crusade for Children	Employee Match	P O Box 1100	Louisville, KY 40202	20,000	20,000
ALL UNITED WAYS	Employee "Match"	Various	Various	see amounts above	400,000
TOTAL				624,885	460,000