

Kentucky 64  
Blue Grass Energy  
Cooperative Corporation  
Nicholasville, Kentucky  
Audited Financial Statements  
April 30, 2012 and 2011



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• TENNESSEE STATE BOARD OF  
ACCOUNTANCY

To the Board of Directors  
Blue Grass Energy Cooperative Corporation

I have audited the financial statements of Blue Grass Energy Cooperative Corporation for the year ended April 30, 2012, and have issued my report thereon dated June 21, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 7 CFR Part 1773, Policy on audits of the Rural Utilities Service (RUS) Borrowers. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit of the financial statements of Blue Grass Energy for the year ended April 30, 2012, I considered its internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting that I consider to be a material weakness.

7 CFR Part 1773.3 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions and other additional matters. I have grouped my comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, I performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, material control, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR Part 1773.3(d)(1) related transactions, depreciation rates, a schedule of deferred debits and credits and a schedule of investments, upon which I express an opinion. In addition, my audit of the financial statements also included the procedures specified in 7 CFR Part 1773.38-45. My Objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, I express no opinion thereon.

No reports, other than my independent auditor's report, and my independent auditor's report on internal control over financial reporting and compliance and other matters, all dated June 21, 2012, or summary of recommendations related to my audit have been furnished to management.

My comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions and other additional matters as required by 7 CFR Part 1773.33 are presented below.

### **Comments on Certain Specific Aspects of the Internal Control Over Financial Reporting**

I noted no matters regarding Blue Grass Energy's internal control over financial reporting and its operation that I consider to be a material weakness as previously defined with respect to:

- The accounting procedures and records;
- the process for accumulating and recording labor, material and overhead costs, and the distribution of these costs to construction, retirement, and maintenance and other expense accounts, and;
- the material controls.

### **Comments on Compliance with Specific RUS Loan and Security Instrument Provisions**

At your request, I have performed the procedures enumerated below with respect to compliance with certain provisions of laws, regulations, and contracts. The procedures I performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others for the year ended April 30, 2012, of Blue Grass Energy.
  1. Obtained and read a borrower prepared schedule of new written contracts entered into during the year for the operation or maintenance of its property, or for the use of its property by others as defined in 1773.33(e)(1)(i).
  2. Reviewed Board of Director minutes to ascertain whether board-approved written contracts are included in the borrower-prepared schedule.
  3. Noted written RUS approval was not obtained by the borrower for all contracts listed. Blue Grass Energy's management informed me that RUS approval was not required as the contracts listed related to operation or maintenance entered into during the normal course of business.
- Procedures performed with respect to the requirement to submit RUS Financial and Operating Report Electric Distribution to RUS:
  1. Agreed amounts reported in RUS Financial and Operating Report Electric Distribution to Blue Grass Energy's records as of December 31, 2011.

The results of my tests indicate that, with respect to the items tested, Blue Grass Energy complied in all material respects, with the specific RUS loan and security instrument provisions referred to below. With respect to items not tested, nothing came to my attention that caused me to believe that Blue Grass Energy had not complied, in all material respects, with those provisions. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- The borrower has obtained written approval of RUS to enter into any contract for the operation and maintenance of all or any part of property, for the use of mortgaged property by others as defined in 1773.33(d)(1)(i); and ,
- The borrower has submitted its RUS Financial and Operating Report Electric Distribution to RUS and the RUS Financial and Operating Report Electric Distribution, as of December 31, 2011, represented by the borrower as having been submitted to RUS appears to be in agreement with its audited records in all material respects.

**Comments on Other Additional Matters**

In connection with my audit of Blue Grass Energy, nothing came to my attention that caused me to believe that Blue Grass Energy failed to comply with respect to:

- The reconciliation of continuing property records to controlling general ledger plant accounts addressed at 7 CFR Part 1773.33(c)(1);
- The clearing of the construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR Part 1773.33(c)(2);
- The retirement of plant addressed at 7 CFR 1773.33(c)(3) and (4);
- Approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap addressed at 7 CFR Part 1773.33(c)(5);
- The disclosure of material related party transactions, in accordance with Statement of Financial Accounting Standard No. 57, Related party Transactions, for the year ended April 30, 2012, in the financial statements referenced in the first paragraph of this report addressed at 7 CFR Part 1773.33(f);
- The depreciation rates addressed at 7 CFR Part 1773.33(g);
- The detailed schedule of deferred debits and deferred credits; and
- The detailed schedule of investments, of which there were none.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of deferred debits and deferred credits required by 7 CFR Part 1773(h) and provided below is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The deferred debits are as follows:

System mapping costs	<u>\$50,456</u>
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The deferred credits are as follows:

Consumer advances for construction	<u>\$390,594</u>
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This report is intended solely for the information and use of the Board of Directors, management, RUS, and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties.

*Alan Zumstein*

Alan M. Zumstein, CPA  
June 21, 2012

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**Independent Auditor's Report**

To the Board of Directors  
Blue Grass Energy Cooperative Corporation

I have audited the balance sheets of Blue Grass Energy Cooperative Corporation, as of April 30, 2012 and 2011, and the related statements of income and patronage capital and cash flows for the years then ended. These financial statements are the responsibility of Blue Grass Energy Cooperative Corporation's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and 7 CFR Part 1773, Policy on Audits of Rural Utilities Service (RUS) Borrowers. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blue Grass Energy Cooperative Corporation as of April 30, 2012 and 2011, and the results of operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 21, 2012, on my consideration of Blue Grass Energy Cooperative Corporation's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audits.

*Alan Zumstein*

Alan M. Zumstein, CPA  
June 21, 2012

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To the Board of Directors  
Blue Grass Energy Cooperative Corporation

I have audited the financial statements of Blue Grass Energy Cooperative Corporation as of and for the years ended April 30, 2012 and 2011, and have issued my report thereon dated June 21, 2012. I conducted my audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Blue Grass Energy's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Blue Grass Energy's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Blue Grass Energy's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

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

This report is intended solely for the information and use of the audit committee, management, the Rural Utilities Service, and supplemental lenders, and is not intended to be and should not be used by anyone other than these specified parties.

*Alan Zumstein*

Alan M. Zumstein, CPA  
June 21, 2012

Blue Grass Energy Cooperative Corporation

Balance Sheets, April 30, 2012 and 2011

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Electric Plant, at original cost:		
In service	\$ 208,265,842	\$ 201,674,298
Under construction	1,853,626	1,900,578
	<u>210,119,468</u>	<u>203,574,876</u>
Less accumulated depreciation	57,111,272	51,336,767
	<u>153,008,196</u>	<u>152,238,109</u>
Investments in Associated Organizations	<u>36,208,207</u>	<u>29,991,317</u>
Current Assets:		
Cash and cash equivalents	13,094,943	10,825,956
Accounts receivable, less allowance for 2012 of \$291,411 and 2011 of \$270,602	2,335,379	3,610,944
Other receivables	715,817	1,152,069
Material and supplies, at average cost	1,271,079	1,169,740
Other current assets	844,933	834,309
	<u>18,262,151</u>	<u>17,593,018</u>
Work plan costs	<u>50,456</u>	<u>70,536</u>
Total	<u>\$ 207,529,010</u>	<u>\$ 199,892,980</u>
<u>Members' Equities and Liabilities</u>		
Members' Equities:		
Memberships	\$ 1,036,183	\$ 1,031,115
Patronage capital	70,923,173	63,801,178
Other equities	(3,879,005)	(4,283,353)
Accumulated other comprehensive income	(1,162,085)	(1,252,085)
	<u>66,918,266</u>	<u>59,296,855</u>
Long Term Debt	<u>117,116,062</u>	<u>116,461,635</u>
Accumulated Postretirement Benefits	<u>7,481,191</u>	<u>7,403,443</u>
Current Liabilities:		
Accounts payable	6,474,001	7,260,798
Current portion of long term debt	5,300,000	5,200,000
Consumer deposits	1,926,081	1,750,859
Accrued expenses	1,922,815	2,113,061
	<u>15,622,897</u>	<u>16,324,718</u>
Consumer Advances	<u>390,594</u>	<u>406,329</u>
Total	<u>\$ 207,529,010</u>	<u>\$ 199,892,980</u>

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

Statements of Revenue and Patronage Capital

for the years ended April 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating Revenues	<u>\$ 117,447,793</u>	<u>\$ 118,382,133</u>
Operating Expenses:		
Cost of power	86,587,999	85,431,474
Distribution - operations	2,724,497	2,700,177
Distribution - maintenance	5,883,684	6,026,668
Consumer accounts	2,873,777	2,989,972
Customer services	976,730	859,925
Sales	616,348	808,177
Administrative and general	4,430,379	4,368,805
Depreciation, excluding \$525,243 in 2012 and \$552,989 in 2011 charged to clearing account	7,846,524	7,501,731
Other deductions	61,871	21,736
	<u>112,001,809</u>	<u>110,708,665</u>
Operating margins before interest charges	<u>5,445,984</u>	<u>7,673,468</u>
Interest Charges:		
Long-term debt	4,600,621	4,528,850
Other	112,038	97,587
	<u>4,712,659</u>	<u>4,626,437</u>
Operating margins after interest charges	<u>733,325</u>	<u>3,047,031</u>
Nonoperating Margins		
Interest income	341,852	237,378
Others	204,070	58,434
	<u>545,922</u>	<u>295,812</u>
Patronage Capital Credits	<u>6,352,543</u>	<u>3,701,539</u>
Net Margins	7,631,790	7,044,382
Patronage Capital, beginning of year	63,801,178	57,133,721
Refunds to estates of deceased members	(151,793)	(122,203)
Transfers to prior year's deficits and other equities	<u>(358,002)</u>	<u>(254,722)</u>
Patronage Capital, end of year	<u>\$ 70,923,173</u>	<u>\$ 63,801,178</u>

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

Statements of Cash Flows  
for the years ended April 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities:		
Net margins (deficit)	\$ 7,631,790	\$ 7,044,382
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation:		
Charged to expense	7,846,524	7,501,731
Charged to clearing accounts	525,243	552,989
Patronage capital credits assigned	(6,352,543)	(3,701,539)
Accumulated postretirement benefits	167,748	157,290
Change in assets and liabilities:		
Receivables	1,711,817	(1,380,028)
Material and supplies	(101,339)	(164,240)
Other assets	9,456	(199,830)
Payables	(786,797)	1,664,815
Consumer deposits and advances	159,487	132,045
Accrued expenses	(190,246)	3,339
	<u>10,621,140</u>	<u>11,610,954</u>
Cash Flows from Investing Activities:		
Plant additions	(8,581,534)	(9,367,018)
Plant removal costs	(586,406)	(923,763)
Salvage recovered from retired plant	26,086	23,484
Receipts from other investments, net	135,653	141,195
	<u>(9,006,201)</u>	<u>(10,126,102)</u>
Cash Flows from Financing Activities:		
Payments on long term debt	(5,079,244)	(4,845,767)
Advances of long term debt	5,824,000	5,000,000
Advance payments of long term debt	9,671	(1,136,719)
Net increase in memberships	5,068	(6,195)
Refund of patronage capital to members	(151,793)	(122,203)
Increase in other equities	46,346	90,000
	<u>654,048</u>	<u>(1,020,884)</u>
Net increase in cash	2,268,987	463,968
Cash and cash equivalents, beginning of year	<u>10,825,956</u>	<u>10,361,988</u>
Cash and cash equivalents, end of year	<u>\$ 13,094,943</u>	<u>\$ 10,825,956</u>
Supplemental cash flows information:		
Interest paid on long-term debt	\$ 4,640,622	\$ 4,548,850

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

Notes to Financial Statements

**Note 1. Summary of Significant Accounting Policies**

Blue Grass Energy Cooperative Corporation (“Blue Grass”) maintains its records in accordance with the policies prescribed or permitted by the Kentucky Public Service Commission (“PSC”) and the United States Department of Agriculture, Rural Utilities Service (“RUS”), which conform in all material respects with generally accepted accounting principles. The more significant of these policies are as follows:

**Electric Plant** Electric plant is stated at original cost, which is the cost when first dedicated to public service. Such amount includes applicable supervisory and overhead cost including any construction period interest and taxes. There was no interest required to be capitalized during the year.

The cost of maintenance and repairs, including renewals of minor items of property, is charged to operating expense. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to electric plant. The units of property replaced or retired, including cost of removal, net of any salvage value, is charged to accumulated depreciation for distribution plant. Gain or loss is recognized on disposition of general plant items. Electric plant consists of:

	<u>2012</u>	<u>2011</u>
Distribution plant	\$191,217,530	\$184,658,633
General plant	<u>17,048,312</u>	<u>17,015,665</u>
Total	<u>\$208,265,842</u>	<u>\$201,674,298</u>

**Depreciation** Provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. Depreciation rates range from 2.2% to 6.67%, with a composite rate of 3.81% for distribution plant. General plant rates are as follows:

Structures and improvements	2.5%
Transportation equipment	16%
Other general plant	6% - 16%

**Cash and Cash Equivalents** Blue Grass considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

**Off Balance Sheet Risk** Blue Grass maintains its cash balances, which may exceed the federally insured limit, with several financial institutions. These financial institutions have strong credit ratings and management believes that the credit risk related to the accounts is minimal.

**Estimates** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates used in the preparation of the financial statements.

**Revenue** Blue Grass records revenue as billed to its consumers based on monthly meter-reading cycles. All consumers are required to pay a refundable deposit, however, it may be waived under certain circumstances. Blue Grass’s sales are concentrated in a thirteen county area of central Kentucky. Consumers must pay their bill within 20 days of billing, then are subject to disconnect after another 10 days. Accounts are written off when they are deemed to be uncollectible. The allowance for uncollectible accounts is based on the aging of receivables. There were no customers whose individual account balance exceeded 10% of outstanding accounts receivable at April 30, 2012 or 2011.

**Note 1. Summary of Significant Accounting Policies, continued**

**Cost of Power** Blue Grass is one of sixteen (16) members of East Kentucky Power Cooperative (“East Kentucky”). Under a wholesale power agreement, Blue Grass is committed to purchase its electric power and energy requirements from East Kentucky until 2051. The rates charged by East Kentucky are subject to approval of the PSC. The cost of purchased power is recorded monthly during the period in which the energy is consumed, based upon billings from East Kentucky.

**Fair Value Measurements** The Fair Value Measurements and Disclosures Topic of the FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal, or most advantageous, market for the asset or liability in an orderly transaction between market participants at the measurement date. The Fair Values Measurements Topic establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs when possible. The three levels of inputs used to measure fair value are as follows:

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

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

Level 3: Significant unobservable inputs that reflect an organization’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The carrying amounts of Blue Grass’s cash and cash equivalents, other receivables, investments, inventories, other assets, trade accounts payable, accrued expenses and liabilities, and other liabilities approximate fair value due to their short maturity. Investments in associated organizations are not considered a financial instrument because they represent nontransferable interests in associated organizations. Other assets and liabilities are not considered financial instruments because they represent activities specifically related to Blue Grass. Long term debt can not be traded in the market, and is specifically for electric cooperatives and, therefore, a value other than its outstanding principal cannot be determined.

Blue Grass may, and also does, invest idle funds in local banks and in National Rural Utilities Cooperative Finance Corporation (“CFC”) commercial paper. These investments are classified as held-to-maturity in accordance with provisions of the *Financial Instruments Topic* of FASB ASC 320. Held-to-maturity securities are presented at amortized cost. The fair value of held-to-maturity securities approximates cost at 2012 and 2011.

**Environmental Contingency** Blue Grass from time to time is required to work with and handle PCBs, herbicides, automotive fluids, lubricants, and other hazardous materials in the normal course of business. As a result, there is the possibility that environmental conditions may arise which would require Blue Grass to incur cleanup costs. The likelihood of such an event, or the amount of such costs, if any, cannot be determined at this time. However, management does not believe such costs, if any, would materially affect Blue Grass’s financial position or its future cash flows.

**Risk Management** Blue Grass is exposed to various forms of losses of assets associated with, but not limited to, fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, workers compensation, etc. Each of these areas is covered through the purchase of commercial insurance.

**Advertising** Blue Grass expenses advertising costs as incurred.

## Notes to Financial Statements

### Note 1. Summary of Significant Accounting Policies, continued

**Income Tax Status** Blue Grass is exempt from federal and state income taxes under provisions of Section 501(c)(12). Accordingly, the financial statements for Blue Grass include no provision for income taxes. Blue Grass's accounting policy provides that a tax expense/benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Management believes Blue Grass has no uncertain tax positions resulting in an accrual of tax expense or benefit. Blue Grass recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. Blue Grass did not recognize any interest or penalties during the years ended April 30, 2012 and 2011.

**Subsequent Events** Management has evaluated subsequent events through June 21, 2012, the date the financial statements were available to be issued. There were no significant subsequent events to report.

### Note 2. Investments in Associated Organizations

Blue Grass records patronage capital assigned by associated organizations in the year in which such assignments are received. The Capital Term Certificates ("CTCs") of CFC are recorded at cost. The CTCs were purchased from CFC as a condition of obtaining long-term financing. The CTCs bear interest at 0%, 3% and 5% and are scheduled to mature at varying times from 2020 to 2080.

Investments in associated organizations consist of:

	<u>2012</u>	<u>2011</u>
East Kentucky, patronage capital	\$31,765,513	\$25,636,123
CFC, patronage capital	685,867	636,127
CFC, CTC's	1,889,987	1,931,400
Others	<u>1,866,840</u>	<u>1,787,667</u>
Total	<u>\$36,208,207</u>	<u>\$29,991,317</u>

### Note 3. Patronage Capital

Patronage capital consisted of:

	<u>2012</u>	<u>2011</u>
Assigned to date	\$82,805,694	\$72,490,437
Assignable margins	2,699,346	5,740,816
Unassigned	158,999	158,999
Retirements to date	<u>(14,740,866)</u>	<u>(14,589,074)</u>
Total	<u>\$70,923,173</u>	<u>\$63,801,178</u>

Under provisions of the long-term debt agreement, return to patrons of capital contributed by them is limited to amounts which would not allow the total equities and margins to be less than 30% of total assets, except that distributions may be made to estates of deceased patrons. The debt agreement provides, however, that should such distributions to estates not exceed 25% of the net margins for the next preceding year, Blue Grass may distribute the difference between 25% and the payments made to such estates. At April 30, 2012, the equities and margins were 32% of total assets.

## Notes to Financial Statements

### Note 4. Other Equities

Other equities consist of:

	<u>2012</u>	<u>2011</u>
Donated capital	\$358,501	\$359,288
Retired capital credit gains	3,087,739	3,040,605
Prior years' deficits	(7,333,626)	(7,691,627)
Capital credit gains and losses	<u>8,381</u>	<u>8,381</u>
Total	<u>(\$3,879,005)</u>	<u>(\$4,283,353)</u>

Current year non operating margins are used to offset the prior years' deficits.

### Note 5. Accumulated Other Comprehensive Income

The changes in accumulated other comprehensive income, which includes the effects of postretirement benefits, follows:

	<u>2012</u>	<u>2011</u>
Balance, beginning of period	(\$1,252,085)	(\$1,342,085)
Amortization	90,000	90,000
Actuarial gains and losses	<u>-</u>	<u>-</u>
Total	<u>(\$1,162,085)</u>	<u>(\$1,252,085)</u>

### Note 6. Long Term Debt

All assets, except vehicles, are pledged as collateral on the long term debt to RUS, Federal Financing Bank (FFB), and CFC under a joint mortgage agreement. Long term debt consists of:

	<u>2012</u>	<u>2011</u>
RUS, 3.23% to 6.0%	\$78,581,197	\$74,401,375
Advance payment	<u>(1,168,132)</u>	<u>(1,155,191)</u>
	<u>77,413,065</u>	<u>73,246,184</u>
FFB, 0.73% to 4.9% (0.102 to 5.077% in 2011)	<u>30,385,567</u>	<u>31,516,277</u>
CFC:		
5.65% to 7.10% notes	5,873,758	6,421,200
Refinance RUS loans, 4.35 to 5.45%	<u>8,743,672</u>	<u>10,477,974</u>
	<u>14,617,430</u>	<u>16,899,174</u>
	122,416,062	121,661,635
Less current portion	<u>5,300,000</u>	<u>5,200,000</u>
Long term portion	<u>\$117,116,062</u>	<u>\$116,461,635</u>

As of April 30, 2012, annual current principal due for the next five years are as follows: 2013 - \$5,300,000; 2014 - \$5,500,000; 2015 - \$5,600,000; 2016 - \$5,700,000; 2017 - \$5,900,000.

## Notes to Financial Statements

### Note 6. Long Term Debt, continued

The long term debt payable to RUS and CFC are due in quarterly and monthly installments of varying amounts through 2039. During 2004, Blue Grass refinanced \$22,710,297 of %5 RUS loans with funds advanced from CFC. The long term debt to refinance the RUS loans is due in a combination of 14 annual installments of \$1,094,587 and 9 annual installments of \$640,039. During 2006, Blue Grass restructured one of the installments into four (4) installments of \$273,674 to be paid in 2019. Blue Grass has loan funds available from FFB in the amount of \$37,992,000 as of April 30, 2012.

### Note 7. Short Term Borrowings

Blue Grass has executed a twenty-three (23) month line of credit agreement with CFC in the amount of \$16,000,000. At April 30, 2012 Blue Grass had repaid all advances against this line of credit.

### Note 8. Pension Plan

All eligible employees of Blue Grass participate in the NRECA Retirement and Security Program, a defined benefit pension plan qualified under section 401 and tax exempt under section 501(a) of the Internal Revenue Code. Blue Grass makes annual contributions to the Program equal to the amounts accrued for pension expense. Contributions were \$1,641,886 for 2012 and \$1,613,731 for 2011. In this multiemployer plan, which is available to all member cooperatives of NRECA, the accumulated benefits and plan assets are not determined or allocated separately by individual employer.

### Note 9. Postretirement Benefits

Blue Grass sponsors a defined benefit plan that provides medical insurance coverage for retired employees and their spouses. Blue Grass pays premiums for retirees and their dependents based on years of service. For measurement purposes, an annual rate of increase of 8.5% in 2008, then decreasing by 0.5% per year until 5% per year, in the per capita cost of covered health care benefit was assumed. The discount rate used in determining the accumulated postretirement benefit obligation was 6.0% in 2012 and 2011.

The funded status of the plan is as follows:

	<u>2012</u>	<u>2011</u>
Projected benefit obligation	(\$7,481,191)	(\$7,403,443)
Plan assets at fair value	-	-
Total	<u>(\$7,481,191)</u>	<u>(\$7,403,443)</u>

The components of net periodic postretirement benefit cost are as follows:

	<u>2012</u>	<u>2011</u>
Benefit obligation at beginning of year	<u>\$7,403,443</u>	<u>\$7,336,153</u>
Components of net periodic benefit cost:		
Service cost	149,188	126,971
Interest cost	407,339	429,556
Amortization of actuarial gain/loss	<u>43,473</u>	<u>43,473</u>
Net periodic benefit cost	600,000	600,000
Benefits paid	(522,252)	(532,710)
Actuarial gain/loss	-	-
Benefit obligation at end of year	<u>\$7,481,191</u>	<u>\$7,403,443</u>

## Notes to Financial Statements

### **Note 9. Postretirement Benefits, continued**

Projected retiree benefit payments for the next five years are expected to be as follows: 2013 - \$525,000; 2014 - \$474,000; 2015 - \$490,000; 2016 - \$491,000; 2017 - \$473,000.

### **Note 10. Commitments and Contingencies**

Blue Grass is contingently liable as guarantor for approximately \$191,000 of long term obligations of East Kentucky to RUS and CFC. Substantially all assets of Blue Grass are pledged as collateral for this guarantee, in addition to the pledge in the mortgage agreement referred to in Note 6. This contingent liability was part of an overall financing plan for the construction of generating facilities near Maysville, Kentucky.

Blue Grass has various other agreements outstanding with local contractors. Under these agreements, the contractors will perform certain construction and maintenance work at specified hourly rates or unit cost, or on an as needed basis. The duration of these contracts are one to three years.

### **Note 11. Related Party Transactions**

Several of the Directors of Blue Grass and its President & CEO are on the Boards of Directors of various associated organizations.

### **Note 12. Rate Matters**

East Kentucky increased its base rates to Blue Grass during August 2007 by 2%, in April 2009 by 7%, and again in January 2011 by 5%. Blue Grass passed each of these increases on to its customers using the methodology prescribed by the PSC.

### **Note 13. Contingencies**

Blue Grass is involved in litigation arising in the normal course of business. While the results of such litigation cannot be predicted with certainty, management, based upon advice of counsel, believes that the final outcome will not have a material adverse effect on the financial statements.

\* \* \* \* \*

Prepay Program Data Requested By the Kentucky Public Service Commission

Case No. 2012-00260 to be included in PSC Annual Report:

1. The number of participants over the course of the Prepay Program disaggregated to show how many: 277
  - a. Remained in the Program from the time They enrolled: 199
  - b. Were terminated form the program and the reasons for such termination: 13 lack of payment.
  - c. Voluntarily left the program (and the reasons for leaving). 35
    - 12 – switched to post pay
    - 23 - moved
2. The number of participants whose enrollment resulted from having sought to resolve a past due bill, an arrearage balance, prior service disconnection or some other service or payment problem: 65
3. The number of participants, by month, who permitted their purchased energy to run down to zero causing their service to shut off:  
Program started September 2012:  
September 0  
October 16  
November 46  
December 79
4. The number of participants who permitted their purchased energy to run down to zero multiple times, with the numbers disaggregated to show the number with two, three, and four or more such occurrences:  
Two 18  
Three 10  
Four 5  
Five 1  
Six 1  
Seven 1
5. The number of participants with arrearages balances at the time of enrollment showing the number with arrearages of:
  - a. \$100 or less: 10
  - b. \$101 to \$299: 39
  - c. \$300 or greater: 22
6. The number of participants that had received disconnect notices at their current residence during the 12 months immediately prior to enrolling in the program. 49
7. For all program participants, the month each participant enrolled in the program and their individual monthly electric usage and bill amounts, comparing the month in the current year with the same month in the prior year. Attached

Account Number	Member Name	New Existing Member	Enroll Date	First Full Month PPM Usage	First Full Month PPM \$	same month prior year usage	same month prior year \$	Disconnect Count	PPM Termination Date	Termination Reason	Enroll Reason	Other Reason	Enroll Balance	Disconnect Notice Prior	DateSubmitted
1094431001	LAWSON JOSHUA	New	09/10/2012	1028	123.07	N/A	N/A	2		-----	Avoid Deposit		-----		2012-10-16 18:21:04
1094461001	SMALLEY TRAVIS	New	9/10/2012	666	89.63	N/A	N/A	1		-----	Avoid Deposit		-----		2012-10-16 18:19:56
1094466001	WHITTLE DAVID	New	09/11/2012	1461	182.66	N/A	N/A	6		-----	Avoid Deposit		-----		2012-10-16 18:22:04
1094477001	HUTCHISON SANDRA R	New	09/11/2012	117	33.31	N/A	N/A		11/2/12	moved	Avoid Deposit		-----		2012-10-16 18:22:50
1022997001	ANGLIN JACKIE K	Existing	09/12/2012	1326	153.91	976	119.9			-----	Non Pay Disconnect		\$300 or greater		2012-10-16 18:29:40
1094506001	HUTCHENS ASIA D	New	09/13/2012			N/A	N/A		10/25/12	-----	Avoid Deposit		-----		2012-10-16 19:01:27
1093276001	PHILLIPS MARIE	Existing	09/13/2012	790	102.44	N/A	N/A			-----	Non Pay Disconnect		-----		2012-10-16 19:02:30
1090640001	WHEELER WADE L	Existing	09/13/2012	433	27.6	N/A	N/A		10/10/12	non-pay	Non Pay Disconnect		\$300 or greater		2012-10-16 19:04:16
1094549001	BUTTS ZACKORY S	New	09/14/2012	426	63.57	N/A	N/A	0		-----	Avoid Deposit		-----		2012-10-16 19:12:05
1094553001	WHITEHOUSE MARION M	New	09/14/2012	909	114.54	N/A	N/A	1		-----	Avoid Deposit		-----		2012-10-16 19:10:15
1094532001	STEPHENS MICHAEL R	New	09/14/2012	984	120.11	N/A	N/A	0		-----	Avoid Deposit		-----		2012-10-16 19:08:34
1061878002	HADDIX DANA	New	09/14/2012	2817	299.89	N/A	N/A	1		-----	Avoid Deposit		-----		2012-10-16 19:08:03
1094524001	MATNEY CHARLOTTE E	New	09/14/2012	534	76.4	N/A	N/A	0	12/17/12	-----	Avoid Deposit		-----		2012-10-16 19:07:26
1094521001	REIDENBOUGH JOSHUA	New	09/14/2012	861	109.66	N/A	N/A	0		-----	Avoid Deposit		-----		2012-10-16 19:06:44
1094520001	BITTLE MARRISA C	New	09/14/2012	1021	129.4	N/A	N/A	0		-----	Avoid Deposit		-----		2012-10-16 19:06:05
1089847001	BELL SHAWNTAY	Existing	09/14/2012	1840	210.73	N/A	N/A	1		-----	Non Pay Disconnect		-----		2012-10-16 19:09:26
13043582001	MARSHALL DARIN	Existing	09/14/2012	556	99.56	681	108.19	2		-----	Non Pay Disconnect		\$100 or less		2012-10-16 19:11:23
1091532001	JONES JENNIFER	Existing	09/14/2012	1192	143.35	N/A	N/A	4		-----	Non Pay Disconnect		\$101 to \$299		2012-10-16 19:05:09
1094494001	DUNFORD THONESHA	New	09/17/2012	691	92.37	N/A	N/A	0		-----	Avoid Deposit		-----		2012-10-16 19:13:13
1094576002	SWAREY JULIE K	New	09/17/2012	1111	132.66	N/A	N/A	0		-----	Avoid Deposit		-----		2012-10-16 19:12:36
1084684002	DUNN LINDA	Existing	09/17/2012	1032	123.46	N/A	N/A	2		-----	Non Pay Disconnect		\$300 or greater		2012-10-16 19:15:58
1094582001	EARLYWINE LARRY	New	09/18/2012	643	86.42	N/A	N/A	1	11/26/12	moved	Avoid Deposit		-----		2012-10-16 19:16:30
1090997004	TRUMAN DAMON	New	09/20/2012	1257	145.7	N/A	N/A	5		-----	Avoid Deposit		-----		2012-10-16 19:20:09
1094618001	WALDMAN HOPE	New	09/20/2012	510	73.96	N/A	N/A	0	11/5/12	-----	Avoid Deposit		-----		2012-10-16 19:18:52
1094598001	DAVIDSON TRAVIS	New	09/20/2012	571	79.29	N/A	N/A	0		-----	Avoid Deposit		-----		2012-10-16 19:17:04
1050905002	FOMAS ALISSA	Existing	09/20/2012	1440	168.55	1528	186.64	0		-----	Past Due Bill		\$300 or greater		2012-10-16 19:18:17
1084365003	HOLT AMBER G	New	09/21/2012	708	111.34	N/A	N/A	0		-----	Avoid Deposit		-----		2012-10-16 19:25:05
1094637001	WILSON APRIL	New	09/21/2012	862	106.67	N/A	N/A	1		-----	Avoid Deposit		-----		2012-10-16 19:23:51
1094633001	HISLE TERRY D	New	09/21/2012	574	91.68	N/A	N/A	0		-----	Avoid Deposit		-----		2012-10-16 19:23:17
1094625001	BANKS NICHOLAS D	New	09/21/2012	931	116.8	N/A	N/A	3		-----	Avoid Deposit		-----		2012-10-16 19:19:29
1094478001	DURAM JENNIFER F	Existing	09/21/2012	1653	190.22	N/A	N/A	3		-----	Past Due Bill		\$101 to \$299		2012-10-16 19:24:33
1051994002	ROBINSON ROBERT	Existing	09/21/2012	977	118.04	N/A	N/A	4		-----	Past Due Bill		\$300 or greater		2012-10-16 19:22:43
1022486002	WOOLDRIDGE TONYA	Existing	09/21/2012	1721	191.57	N/A	N/A	1		-----	Past Due Bill		\$300 or greater		2012-10-16 19:21:48
1071757003	BARBER MATT	New	09/24/2012	770	97.56	N/A	N/A	3		-----	Avoid Deposit		-----		2012-10-16 19:29:55
1054670002	BRADFORD BEVERLY A	New	09/24/2012			N/A	N/A		10/15/2012	Doesn't Like PPM	Avoid Deposit		-----		2012-10-16 19:28:42
1092225001	MILLER JENNIFER L	Existing	09/24/2012	715	81.72	N/A	N/A	1	10/18/12	non-pay	Past Due Bill		\$101 to \$299		2012-10-16 19:30:42
897783001	PEURACH GEORGE M	Existing	09/24/2012	730	96.35	1416	172.26	0		-----	Past Due Bill		\$300 or greater		2012-10-16 19:27:07
1084023001	SCHERER MARK	Existing	09/24/2012	2098	240.93	1612	201.98	0		-----	Past Due Bill		\$300 or greater		2012-10-16 19:26:06
1091109001	RITCHEY JAMES	Existing	09/25/2012	1827	202.03	N/A	N/A	3	12/12/12	non-pay	Past Due Bill		\$101 to \$299		2012-10-16 19:31:37
1094686001	SUTER ANDREW L	New	09/26/2012	258	46.97	N/A	N/A	1		-----	Avoid Deposit		-----		2012-10-16 19:32:40
1046743002	POTTER ANDREA M	New	09/26/2012	567	77.51	N/A	N/A	0		-----	Avoid Deposit		-----		2012-10-16 19:32:11
1094726001	BURGESS GARY K	New	09/27/2012	556	78.66	N/A	N/A	2		-----	Avoid Deposit		-----		2012-10-16 19:33:13
1094753001	KEEBORTZ JANET	New	09/28/2012	180	39.68	N/A	N/A	0		-----	Avoid Deposit		-----		2012-10-16 19:34:14
1094660001	COMBS RAQUELLE R	New	09/28/2012	325	52.89	N/A	N/A	0	11/1/12	moved	Avoid Deposit		-----		2012-10-16 19:35:10
1094734001	ALLEN VERNA L	New	09/28/2012	656	86.30	N/A	N/A	0	1/7/13	moved	Avoid Deposit		-----		2012-10-16 19:33:43
1094779001	KELLY LEWIS	New	10/01/2012	780	101.47	N/A	N/A	0		-----	Avoid Deposit		-----		2012-10-16 19:37:44
1094780001	COLLINS TERRI A	New	10/01/2012	1868	213.6	N/A	N/A	0	2/5/13	moved	Avoid Deposit		-----		2012-10-16 19:38:35
1057812001	ADAMS CHARLES B	Existing	10/01/2012	1745	199.51	752	87.88	1		-----	Avoid Deposit	Past Due	\$101 to \$299		2012-10-16 19:36:15
1084056001	STEELE HAROLD	Existing	10/01/2012	756	101.86	485	64.19	1	2/1/13	moving	Non Pay Disconnect	Deposit	\$101 to \$299		2012-10-16 19:37:15
1084513002	NICELEY CONNIE	New	10/02/2012	860	112.92	N/A	N/A	0		-----	Avoid Deposit		-----		2012-10-04 17:02:31
1018648003	SPENCER MERVIN	New	10/02/2012	1401	170.28	N/A	N/A	0		-----	Avoid Deposit		-----		2012-10-04 16:52:11
1094850001	STALEY KARLA	New	10/03/2012	920	112.82	N/A	N/A	3	12/3/12	moved	Avoid Deposit		-----		2012-10-04 17:06:28
1094852001	BARNETT BARRY W	New	10/04/2012			N/A	N/A		10/26/12	moved	Avoid Deposit		-----		2012-10-05 13:31:09
1091163001	SLEET NATASHA	Existing	10/04/2012	1590	190.34	1264	143.53	1		-----	Past Due Bill		\$101 to \$299		2012-10-08 13:19:19
1085194001	TEATER JEANETTA	Existing	10/04/2012	358	70.49	351	55.87	0		-----	Past Due Bill		\$101 to \$299	Yes	2012-10-05 13:55:23
1094889001	WILLIAMS TIFFANY	New	10/05/2012	1200	148.96	N/A	N/A	0		-----	Avoid Deposit		-----		2012-10-09 12:43:38
1094881001	RICHARDS JOSH	New	10/05/2012	1186	154.28	N/A	N/A	1		-----	Avoid Deposit		-----		2012-10-08 14:09:25
1094892001	MCDOWELL MARGARET	New	10/05/2012			N/A	N/A		10/19/12	wanted post pay	Avoid Deposit		-----		2012-10-08 14:41:39
1077353001	JARMAN DAVID	Existing	10/05/2012	1216	150.56	1040	110.58	0		-----	Non Pay Disconnect		\$300 or greater	Yes	2012-10-08 15:07:55
1094922002	HENDERSON ALAN	Existing	10/08/2012	1091	133.52	1133	138.48	0		-----	Avoid Deposit		-----		2012-10-11 14:12:38
1094909001	BENNETT JENNY	New	10/08/2012	567	79.51	N/A	N/A	0		-----	Personal Budget		-----		2012-10-09 17:32:41
1090678001	CASE SUSAN	Existing	10/08/2012	1570	182.89	2166	297.44	0		-----	Past Due Bill		\$101 to \$299	Yes	2012-10-12 14:59:06
991139002	LAND JAMES	Existing	10/08/2012	3223	365.64	2133	234.16	3	1/10/13	wanted post pay	Past Due Bill		\$300 or greater	Yes	2012-10-09 12:45:14
1032754002	LANCASTER-LEE CHRISTY	New	10/10/2012	493	71.87	N/A	N/A	2		-----	Avoid Deposit		-----		2012-10-12 14:33:17
1094959001	PURCELL SARAH	New	10/10/2012	1356	160.83	N/A	N/A	1		-----	Avoid Deposit		-----		2012-10-11 16:10:23

1082420001	BANGUDI DAMIEN	Existing	10/10/2012	2125	267.08	1535	167.49	2		-----	Past Due Bill	\$101 to \$299	Yes	2012-10-11 16:01:53
1030451001	RULAND JOHN	Existing	10/11/2012	991	123.21	1480	161.33	0	12/10/12	non-pay	Personal Budget	-----	No	2012-10-12 18:35:36
1086367001	BOONE KATHERINE	Existing	10/11/2012	2418	204.23	1376	143.56	0	1/4/13	wanted post pay	Past Due Bill	\$101 to \$299	Yes	2012-10-12 18:33:03
1094997001	ARGO WILLIAM R	New	10/12/2012	1809	206.11	N/A	N/A	0		-----	Avoid Deposit	-----		2012-10-15 13:39:23
1090428003	COLE ROBERT	New	10/15/2012	1356	165.51	N/A	N/A	0		-----	Avoid Deposit	-----		2012-10-16 16:10:49
1095042001	MESSER TERESA	New	10/15/2012	1365	174.13	N/A	N/A	0		-----	Avoid Deposit	-----		2012-10-16 15:56:26
1095001001	COOMER JOSEPH N	New	10/16/2012	592	82.09	N/A	N/A	2		-----	Avoid Deposit	-----		2012-10-18 17:20:56
1088552001	SEIVERS JAMIE	Existing	10/16/2012			862			11/8/13	non-pay	Past Due Bill	\$101 to \$299	Yes	2012-10-18 16:55:17
1065375001	FRYMAN RACHELLE	Existing	10/16/2012	1039	140.69	875	159.68	1		-----	Past Due Bill	\$300 or greater	Yes	2012-10-18 17:02:52
1068491002	DAVIS DANIEL	Existing	10/16/2012	1833	209.99	744	84.57	2	12/17/12	non-pay	Past Due Bill	\$300 or greater	Yes	2012-10-16 17:06:50
1095277001	ROGERS PAMELA J	New	10/17/2012	1212	144.59	N/A	N/A	3		-----	Avoid Deposit	-----		2012-11-01 19:43:07
1059372002	KEEN AMANDA	New	10/17/2012	1562	187.36	N/A	N/A	0		-----	Avoid Deposit	-----		2012-10-18 17:16:22
1095043001	WILLIAMSON ANDREA	New	10/17/2012	420	64.34	N/A	N/A	0	12/14/13	moved	Avoid Deposit	-----		2012-10-18 16:49:40
1095076001	FEEDBACK JEREMY	New	10/18/2012	1871	212.51	N/A	N/A	0		-----	Avoid Deposit	-----		2012-10-19 12:00:05
13041182001	LESACK TIMOTHY J	Existing	10/18/2012	898	126.16	641	111.7	1		-----	Non Pay Disconnect	-----	Yes	2012-10-19 13:53:11
1027298002	FRYE MAURIZIA C	Existing	10/18/2012	1999	233.71	2010	169.48	7		-----	Past Due Bill	\$101 to \$299	Yes	2012-10-19 13:34:18
1003086001	EVANS WILLIAM	Existing	10/18/2012	1328	162.55	1372	193.29	0		-----	Non Pay Disconnect	\$300 or greater	Yes	2012-10-19 12:04:36
1058934001	SHADEH CHRIS E	New	10/19/2012	1595	191.42	N/A	N/A	1		-----	Avoid Deposit	-----		2012-10-22 15:15:03
1095097001	MAYES TABITHA R	New	10/19/2012	517	76.54	N/A	N/A	0		-----	Avoid Deposit	-----		2012-10-22 14:38:54
1095092001	CATES GLENN A	New	10/19/2012	1050	133.07	N/A	N/A	0		-----	Avoid Deposit	-----		2012-10-22 14:22:48
1095096001	DAVIS MATTHEW A	New	10/19/2012	1622	194.27	N/A	N/A	0	4/30/29	moved	Avoid Deposit	-----		2012-10-22 14:24:47
1090155001	MANGIONE JOHN	Existing	10/19/2012	614	86.82	903	103.21	2		-----	Non Pay Disconnect	\$100 or less	Yes	2012-10-19 20:06:16
1095131001	burton joshua	New	10/22/2012	1282	156.22	N/A	N/A	1		-----	Avoid Deposit	-----		2012-10-24 10:55:46
1095123001	JAMES RONISHA L	New	10/22/2012	197	42.59	N/A	N/A	0		-----	Avoid Deposit	-----		2012-10-23 16:00:54
1095124001	ROWLAND ROSE A	New	10/22/2012	2228	249.31	N/A	N/A	1	12/13/12	wanted post pay	Avoid Deposit	-----		2012-10-23 15:58:40
20039003	LONG DUANE TRAVIS	New	10/24/2012	1981	225.69	N/A	N/A	0		-----	Personal Budget	-----		2012-10-25 11:37:03
1053796002	PHILLIPS CHRISTI	New	10/25/2012	669	88.61	N/A	N/A	3		-----	Past Due Bill	-----		2012-10-26 12:26:22
1095203001	LYNCH LISA M	New	10/25/2012	1352	163.65	N/A	N/A	0		-----	Personal Budget	-----		2012-10-26 12:54:04
1090727001	RAGLAND RUTH A	Existing	10/25/2012	839	108.91	395	51.54	0		-----	Personal Budget	-----	Yes	2012-10-29 14:08:55
1040432003	WILLIAMS ANDRE	New	10/26/2012	526	75.31	N/A	N/A	0		-----	Avoid Deposit	-----		2012-10-29 13:21:54
1095227001	KEETON JACI R	New	10/26/2012	1487	172.93	N/A	N/A	1		-----	Avoid Deposit	-----		2012-10-29 13:04:40
1095218001	MEADOWS SHAWN R	New	10/26/2012	1050	127.9	N/A	N/A	0		-----	Avoid Deposit	-----		2012-10-29 12:33:09
1095101002	BANKS JOHN	New	10/26/2012	2626	290.33	N/A	N/A	1	11/13/12	moved	Avoid Deposit	-----		2012-10-29 13:39:32
1093181001	MOHAN CHRIS L	Existing	10/26/2012	1867	212.11	410	101.56	1		-----	Past Due Bill	-----		2012-10-26 18:56:46
1092995001	MAY LINDA L	Existing	10/26/2012	2359	262.8	1518	211.08	2	1/23/13	moved	Non Pay Disconnect	\$101 to \$299	Yes	2012-10-29 13:59:29
1095229002	BROWN DEVON	New	10/29/2012	1433	167.36	N/A	N/A	0		-----	Avoid Deposit	-----		2012-10-29 13:23:49
1095271001	OWEN KENNETH JR	New	10/29/2012	1628	199.84	N/A	N/A	4		-----	Avoid Deposit	-----		2012-10-30 16:13:35
1095266001	CRUTCHER JEROME	New	10/29/2012	233	44.95	N/A	N/A	0		-----	Avoid Deposit	-----		2012-10-30 16:04:23
1095242001	ADAMS CODY A	New	10/29/2012	1368	160.66	N/A	N/A	0		-----	Avoid Deposit	-----		2012-10-30 15:39:42
1095237001	ADAMS CHARLIE A	New	10/29/2012	1332	158.95	N/A	N/A	2		-----	Avoid Deposit	-----		2012-10-30 15:18:30
18189002	UZZEL KATHI	New	10/29/2012	602	96.32	N/A	N/A	1		-----	Avoid Deposit	-----		2012-10-30 12:16:34
1095238001	WILLOUGHBY AMANDA	New	10/29/2012			N/A	N/A		11/2/12	moved	Avoid Deposit	-----		2012-10-30 15:31:28
988164005	THOMAS MADELINE B	Existing	10/29/2012	1323	160.56	863	99.15	0		-----	Past Due Bill	\$101 to \$299	Yes	2012-10-30 16:16:27
1095270001	HOWELL ZACH D	New	10/30/2012	1303	160.50	N/A	N/A	4		-----	Avoid Deposit	-----		2012-10-31 14:42:03
1095281001	ROBERSON JASMINE L	Existing	10/30/2012	401	62.77	n/a	n/a	0	12/26/12	moved	Past Due Bill	\$101 to \$299	Yes	2012-10-31 15:01:59
1060223001	cox david	Existing	10/30/2012	1057	141.84	1136	135.48	0		-----	Non Pay Disconnect	\$300 or greater	Yes	2012-10-31 14:55:40
1095236001	CHAMPION ARIEN C	New	10/31/2012	1747	201.62	N/A	N/A	2		-----	Avoid Deposit	-----		2012-11-02 19:24:16
1039170001	PUCKETT CINDY M	New	10/31/2012	626	88.85	N/A	N/A	0		-----	Avoid Deposit	-----		2012-11-01 18:58:42
1095287001	MASSIE CASSIE H	New	10/31/2012	787	102.90	N/A	N/A	0		-----	Avoid Deposit	-----		2012-11-01 18:04:54
1095241001	COOK WANDA C	New	10/31/2012	1544	180.74	N/A	N/A	0		-----	Avoid Deposit	-----		2012-11-01 17:57:44
1095325001	SNYDER CAROLINE E	New	11/01/2012	1399	170.66	N/A	N/A	0		-----	Avoid Deposit	-----		2012-11-02 17:15:19
752236001	RANDOLPH VAL S	New	11/01/2012	2331	274.12	N/A	N/A	0		-----	Avoid Deposit	-----		2012-11-01 19:06:11
1095316001	VAUGHN THETA	New	11/01/2012	1014	126.25	N/A	N/A	0	1/28/13	non pay	Avoid Deposit	-----		2012-11-01 19:01:43
1095337001	TROXELL KRISTIN A	New	11/02/2012	1560	182.40	N/A	N/A	0		-----	Avoid Deposit	-----		2012-11-05 16:41:49
1095338001	WYLIE IAN W	New	11/02/2012	837	111.19	N/A	N/A	0		-----	Avoid Deposit	-----		2012-11-05 16:37:23
1095343001	GLOVER STEVEN	New	11/02/2012	2114	239.36	N/A	N/A	2		-----	Avoid Deposit	-----		2012-11-05 16:33:00
1091466001	MASTERS MARY	Existing	11/02/2012	645	90.86	1534	193.39	0		-----	Non Pay Disconnect	-----	Yes	2012-11-05 16:32:26
1093207001	JAMES ROBIN	Existing	11/02/2012	826	107.85	1090	130.87	0		-----	Avoid Deposit	\$101 to \$299	Yes	2012-11-05 18:12:24
1075137002	CARMACK ANN	Existing	11/02/2012	1841	209.42	1519	167.78	1		-----	Past Due Bill	\$101 to \$299	Yes	2012-11-05 18:10:54
1095387001	BROCK OTIS G	New	11/05/2012	2034	231.14	N/A	N/A	2		-----	Avoid Deposit	-----		2012-11-06 21:24:15
1095382001	DELANEY-WILSON CAROL A	New	11/05/2012	459	69.19	N/A	N/A	0		-----	Avoid Deposit	-----		2012-11-06 21:10:04
1091603002	WEISMAN DYLAN	New	11/05/2012	1676	194.32	N/A	N/A	0		-----	Avoid Deposit	-----		2012-11-06 13:11:20
1095066001	WARNER OSHULA A	New	11/05/2012	975	185.04				1/14/13	moved	Avoid Deposit	-----		2012-11-06 12:53:27
1083758001	WRIGHT JUSTIN	Existing	11/05/2012	1341	172.31	797	101.92	0		-----	Past Due Bill	\$101 to \$299	Yes	2012-11-06 21:18:27
1074801001	WIMSATT ANNA	Existing	11/05/2012	2454	270.49	1872	196.02	4		-----	Past Due Bill	\$300 or greater	Yes	2012-11-06 21:16:19
1073930001	DANIELS AMBER M	Existing	11/05/2012	2613	310.68	1509	160.18	0		-----	Past Due Bill	\$300 or greater	Yes	2012-11-06 21:14:00
1095408001	WARD AMANDA	New	11/06/2012	1534	179.82	N/A	N/A	0		-----	Avoid Deposit	-----		2012-11-07 14:04:41
1095420001	WILLIAMS JUSTIN L	New	11/06/2012			N/A	N/A		12/13/12	non pay	Avoid Deposit	-----		2012-11-07 13:54:14



1095856001	HUFF STEVEN	New	12/04/2012	566	103.13	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-05 14:22:25
1019916002	RADER MARTHA	New	12/04/2012	1777	235.83	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-05 14:16:34
1095892001	PERRY JILL A	New	12/6/2012	2218	269.39	N/A	N/A	1	-----	Avoid Deposit	-----	2012-12-07 15:48:10
1071704004	WHETZEL CHARLOTTE D	New	12/6/2012	1492	202.16	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-07 15:32:49
1095884001	ELLIOTT REGINALD	New	12/06/2012	960	125.88	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-06 16:56:57
1095894001	ROWLAND ROSA	New	12/6/2012			N/A	N/A		12/26/12	wanted post pay	-----	2012-12-07 14:00:18
1055191003	cope paula a	New	12/07/2012	2429	290.50	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-10 17:28:46
1095908001	COMBS PHILLIP S	New	12/07/2012	2087	248.73	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-10 14:18:39
1095900001	GRAHAM CHRISTINA M	New	12/07/2012	1200	147.74	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-10 14:03:53
1069109001	LITTLE AMANDA G	New	12/07/2012	3134	352.55	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-10 14:00:53
1095873001	SHARRON JON	New	12/07/2012	845	113.37	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-10 13:50:26
1095949001	MARKSBERRY CARRIE	New	12/11/2012	1400	189.10	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-13 14:19:59
1095978001	KIDWELL THOMAS E	New	12/12/2012	2011	240.42	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-13 14:58:44
1095967001	SPENCER MELISSA	New	12/12/2012	1355	168.95	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-13 14:54:27
10731140003	COFFEY SHAUNA L	New	12/12/2012	2720	308.72	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-13 14:25:24
1095971001	BURRELL LAMONT	Existing	12/12/2012						-----	Avoid Deposit	\$101 to \$299	2012-12-13 15:40:22
1095963002	SEEBOLD ANGELA	New	12/13/2012	2198	253.43	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-14 15:07:30
1095843001	CARTER AISHIA	Existing	12/13/2012						-----	Personal Budget	-----	2012-12-14 14:50:38
1095983001	FRYE BRIDGET D	New	12/13/2012			N/A	N/A		1/22/13	moved	-----	2012-12-14 12:16:25
1075269001	DELI FRANK	Existing	12/13/2012		1875				-----	Avoid Deposit	\$101 to \$299	2012-12-13 15:04:16
1089574001	CARSON LINDA	Existing	12/13/2012		425				-----	Non Pay Disconnect	\$101 to \$299	2012-12-14 14:44:49
1056661004	STURGILL JEFFREY	Existing	12/13/2012		810				-----	Non Pay Disconnect	\$101 to \$299	2012-12-14 14:36:47
1036502001	CALLAHAN JAMIE	New	12/14/2012	912	117.24	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-17 16:52:23
1096011001	MASTERS DENNIS	New	12/14/2012	461	71.50	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-17 16:51:40
1096009001	LEVASSEUR SARAH A	New	12/14/2012	653	92.44	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-14 20:22:56
1096002001	NGUYEN THUYDUONG	New	12/14/2012	2479	291.45	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-14 20:12:59
1096049001	ALLEN KIARA S	New	12/18/2012	1799	217.33	N/A	N/A	0	-----	Avoid Deposit	\$100 or less	2012-12-20 12:23:44
1093518001	LYONS JEANNIE	Existing	12/18/2012						-----	Non Pay Disconnect	\$101 to \$299	2012-12-18 18:55:30
1093518001	LYONS JEANNIE	Existing	12/18/2012						-----	Past Due Bill	\$101 to \$299	2012-12-20 12:39:45
1096049001	CHRISTENBERRY REGINA	Existing	12/18/2012						-----	Past Due Bill	\$101 to \$299	2012-12-20 12:32:51
1095363002	RAWLINS KRISTI	New	12/19/2012	824	111.07	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-19 19:33:45
1096061001	KIRK WILLIAM W	New	12/19/2012	1684	204.81	N/A	N/A	0	-----	Avoid Deposit	\$100 or less	2012-12-20 13:47:15
1091889001	STEVENSON DEBORAH	Existing	12/19/2012						-----	Past Due Bill	\$100 or less	2012-12-20 14:30:44
1096075001	GRAY THOMAS	New	12/20/2012	1384	172.10	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-20 20:29:02
1088245002	SIZEMORE SACHA	New	12/20/2012	2772	314.22	N/A	N/A	0	-----	Avoid Deposit	\$100 or less	2012-12-21 14:02:06
1096086001	BLONDER SARAH R	New	12/20/2012	2482	283.51	N/A	N/A	0	-----	Avoid Deposit	\$100 or less	2012-12-21 13:53:13
1096085001	HOUNCHELL BRIANNA L	New	12/20/2012	1647	200.75	N/A	N/A	0	-----	Avoid Deposit	\$100 or less	2012-12-21 13:40:54
1096083001	LAND BOBBY	New	12/20/2012	1524	190.47	N/A	N/A	0	-----	Avoid Deposit	\$100 or less	2012-12-21 13:31:57
1016703004	Gadd Tommy B	New	12/21/2012	554	91.95	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-27 16:23:36
1096091001	Robertson Paul M	New	12/21/2012	377	62.35	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-27 16:19:15
1096056001	Rhorer Lisa	New	12/21/2012	3000	348.23	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-26 22:46:27
1096125001	Best Stacy L	New	12/27/2012	1975	235.04	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-28 18:39:01
1096114001	Martin Vera	New	12/27/2012	1476	182.13	N/A	N/A	0	-----	Avoid Deposit	-----	2012-12-27 19:20:53