

West Kentucky Rural Electric Cooperative Corporation

Name of Organization

1218 West Broadway Mayfield, KY 42066-0589

Address

Tennessee Valley Authority
1101 Market Street
Chattanooga, Tennessee 37402-2801

Gentlemen:

We are transmitting herewith our annual report for the year ended June 30, 2010. The report is in agreement with the books of account, and to the best of our knowledge and belief the statements therein contained are true and correctly reflect the financial condition at June 30, 2010, and the results of our electric operations for the year ended on that date.

Our books of account have been kept in accordance with the provisions of the power contract between this organization and the Tennessee Valley Authority, and are consistent with the requirements of the Federal Energy Regulatory Commission's system of accounts.

(Signed)

Jack R. Clifford

Accountant in charge of books

David E. Smart

Manager

Date transmitted

TVA Act of 1933

In fulfilling the responsibilities of the TVA Act of 1933 [16 U.S.C. #831i and 831n-4(f)], TVA requires each distributor to provide certain financial and accounting information to TVA to ensure that electric power produced by TVA is being sold at rates which are as low as feasible. This form (TVA 3957) is for that purpose.

Public reporting burden for this collection of information is estimated to vary from ten to forty hours per response, with an average of nineteen hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Agency Clearance Officer, Tennessee Valley Authority, 1101 Market Street, Chattanooga, TN 37402; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

BALANCE SHEET

| ASSETS AND OTHER DEBITS | SEE PAGE NO | ITEM NO | JUNE 30 | |
|--|----------------|------------|----------------|----------------|
| | | | THIS YEAR | LAST YEAR |
| UTILITY PLANT | | | | |
| Electric Plant. | 10 | 1 | 131,801,830.37 | 130,695,880.83 |
| Less Depreciation. | 10 | 2 | 32,460,075.87 | 32,941,696.51 |
| Total. | 10 | 3 | 99,341,754.50 | 97,754,184.32 |
| Unamortized acq. adj. | 13 | 4 | | |
| Other utility plant - net. | ---- | 5 | | |
| Total Plant - net. | ---- | 6 | 99,341,754.50 | 97,754,184.32 |
| OTHER PROPERTY AND INVESTMENTS | | | | |
| Nonutility property - net. | 15 | 7 | 6,956.52 | 6,956.52 |
| Other investments. | 14 | 8 | 1,973,626.30 | 1,890,011.63 |
| Sinking funds. | 15 | 9 | | |
| Depreciation funds. | 15 | 10 | | |
| Other special funds. | 15 | 12 | 551,565.46 | 52,389.08 |
| Total. | ---- | 13 | 2,532,148.28 | 1,949,357.23 |
| CURRENT AND ACCRUED ASSETS | | | | |
| General cash and temporary cash investments. | 14 | 14 | 6,084,792.70 | 1,317,315.86 |
| Accounts receivable. | 16 | 15 | 7,424,367.67 | 17,402,613.40 |
| Materials and supplies. | 17 | 16 | 1,366,122.29 | 1,977,032.09 |
| Prepayments. | 17 | 17 | 351,752.86 | 243,023.76 |
| Other current assets. | 17 | 18 | 260,503.65 | 227,399.23 |
| Total. | ---- | 19 | 15,487,539.17 | 21,167,384.34 |
| DEFERRED DEBITS | | | | |
| Debt expense. | 17 | 20 | | |
| Preliminary survey. | ---- | 21 | | |
| Clearing accounts. | ---- | 22 | 8,950.03 | 2,318.51 |
| Energy Service Loans Receivables. | ---- | 24 | 229,430.66 | 180,616.24 |
| Deferred costs on TVA Leases. | 17 | 25 | | |
| Other deferred debits. | 17 | 26 | 39,664.78 | 52,763.58 |
| Total. | ---- | 27 | 278,045.47 | 235,698.33 |
| TOTAL ASSETS AND OTHER DEBITS. | ---- | 28 | 117,639,487.42 | 121,106,624.22 |

LIST UNRECORDED AND CONTINGENT ASSETS AND LIABILITIES OTHER THAN ACCRUED UTILITY REVENUE AND UNBILLED PURCHASED POWER

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

BALANCE SHEET

| LIABILITIES AND OTHER CREDITS | SEE PAGE NO | ITEM NO | JUNE 30 | |
|---|----------------|------------|----------------|----------------|
| | | | THIS YEAR | LAST YEAR |
| CAPITAL | | | | |
| Membership certificates. | ---- | 30 | 159,280.00 | 158,475.00 |
| EARNINGS REINVESTED IN SYSTEM ASSETS | | | | |
| Beginning of year. | ---- | 33 | 45,128,779.36 | 42,747,700.54 |
| Current year. | 3 | 34 | 6,238,921.04 | 2,445,566.16 |
| Total. | ---- | 35 | 51,367,700.40 | 45,193,266.70 |
| LONG-TERM DEBT | | | | |
| RUS. | 23 | 36 | 36,780,806.72 | 37,611,648.68 |
| CFC. | 23 | 37 | 2,903,408.18 | 3,761,759.37 |
| CoBank. | 23 | 38 | 5,095,752.57 | |
| Bonds and other long-term debt. | 25 | 39.1 | | |
| TVA. | 25 | 39.3 | 4,301,734.55 | 4,543,341.75 |
| Debt premium and discount. | ---- | 40 | | |
| Total. | ---- | 41 | 49,081,702.02 | 45,916,749.80 |
| OTHER NON-CURRENT LIABILITIES | | | | |
| Postretirement Benefits. | 25 | 39.2 | 935,760.81 | 950,611.28 |
| Energy Service Loans - Advances. | ---- | 42 | 233,486.20 | 183,953.20 |
| Energy Service Loans - Other. | ---- | 43 | | |
| Total. | ---- | 44 | 1,169,247.01 | 1,134,564.48 |
| CURRENT AND ACCRUED LIABILITIES | | | | |
| TVA notes payable. | 26 | 45.1 | | |
| Other notes payable. | 26 | 45.2 | | 9,750,000.00 |
| Accounts payable. | 26 | 46 | 9,840,456.54 | 5,620,485.01 |
| Customer deposits. | 26 | 47 | 1,789,353.55 | 1,727,861.71 |
| Taxes and equivalents accrued. | 29 | 48 | 403,405.65 | 387,407.82 |
| Interest accrued - RUS. | 23 | 49 | | |
| Interest accrued - CFC. | 23 | 50 | 17,070.36 | 18,474.28 |
| Interest accrued -CoBank. | 23 | 51 | | |
| Interest accrued -TVA. | 26 | 52.1 | 4,836.80 | 5,852.25 |
| Interest accrued - other. | 26 | 52.2 | | 440.65 |
| Other current liabilities. | 26 | 53 | 2,434,917.31 | 9,286,625.39 |
| Total. | ---- | 54 | 14,490,040.21 | 26,797,147.11 |
| DEFERRED CREDITS | | | | |
| Advances for construction - refundable. | 18 | 55 | 1,247,171.60 | 1,790,693.50 |
| Other deferred credits. | 26 | 56 | 124,346.18 | 115,727.63 |
| Total. | ---- | 57 | 1,371,517.78 | 1,906,421.13 |
| TOTAL LIABILITIES AND OTHER CREDITS. | ---- | 58 | 117,639,487.42 | 121,106,624.22 |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| REVENUE AND EXPENSE STATEMENT | SEE PAGE NO | ITEM NO | THIS YEAR | LAST YEAR |
|--|----------------|------------|----------------------|----------------------|
| OPERATING REVENUE | | | | |
| Electric sales revenue (page 7, item 332) | ---- | 59 | 77,972,332.15 | 78,549,804.02 |
| Revenue from late payments. | ---- | 60 | 645,324.78 | 631,523.45 |
| Misc. service revenue. | ---- | 61 | 328,980.00 | 342,475.00 |
| Rent from electric property. | ---- | 62 | 899,771.00 | 746,757.96 |
| Other electric revenue. | ---- | 63 | 12,454.33 | 12,173.36 |
| Total operating revenue. | ---- | 64 | 79,858,862.26 | 80,282,733.79 |
| PURCHASED POWER | | | | |
| Total power cost (page 7, item 342). | 7 | 65 | 51,930,709.15 | 55,779,496.37 |
| OPERATION EXPENSE | | | | |
| Transmission expense. | 5 | 66 | | |
| Distribution expense. | 5 | 67 | 2,875,223.47 | 2,234,864.72 |
| Customer accounts expense. | 5 | 68 | 2,432,491.24 | 2,465,667.59 |
| Customer service and informational expense. | 5 | 69 | 25,606.81 | 28,296.40 |
| Sales expense. | 5 | 70 | 169,353.13 | 142,432.76 |
| Administrative and general expense. | 6 | 71 | 1,953,487.02 | 1,818,178.09 |
| Operation expense. | 6 | 72 | 7,456,161.67 | 6,689,439.56 |
| MAINTENANCE EXPENSE | | | | |
| Transmission expense. | 6 | 73 | 8,168.43 | |
| Distribution expense. | 6 | 74 | 5,698,478.08 | 6,970,777.73 |
| Administrative and general expense. | 6 | 75 | 132,671.12 | 69,327.95 |
| Maintenance expense. | 6 | 76 | 5,839,317.63 | 7,040,105.68 |
| OTHER OPERATING EXPENSE | | | | |
| Depreciation expense. | 12 | 77 | 3,993,868.50 | 3,900,440.29 |
| Amortization of acquisition adjustment. | 13 | 78 | | |
| Taxes and tax equivalents. | 29 | 79 | 2,258,749.97 | 2,279,675.15 |
| Other operating expense. | ---- | 80 | 6,252,618.47 | 6,180,115.44 |
| TOTAL OPERATING EXPENSE AND PURCHASED POWER. | ---- | 81 | 71,478,806.92 | 75,689,157.05 |
| INCOME | | | | |
| Operating income (item 64, less item 81). | ---- | 82 | 8,380,055.34 | 4,593,576.74 |
| Other income. | 16 | 83 | 229,890.71 | 216,752.59 |
| Total income. | ---- | 84 | 8,609,946.05 | 4,810,329.33 |
| Miscellaneous income deductions. | 16 | 85 | 46,015.45 | 45,826.98 |
| Net income before debt expense. | ---- | 86 | 8,563,930.60 | 4,764,502.35 |
| DEBT EXPENSE | | | | |
| Interest on long-term debt - RUS. | 23 | 87 | 1,802,170.56 | 1,813,149.57 |
| Interest on long-term debt - CFC. | 23 | 88 | 206,868.36 | 248,368.55 |
| Interest on long-term debt - CoBank. | 23 | 89 | 151,248.67 | |
| Interest on long-term debt - other. | 26 | 90.1 | | |
| Interest - TVA. | 26 | 90.2 | 25,059.10 | 67,544.91 |
| Other interest expense. | ---- | 92 | 139,662.87 | 189,873.16 |
| Amortization of debt discount and expense. | ---- | 93 | | |
| Amortization of premium on debt - credit. | ---- | 94 | | |
| Total debt expense. | ---- | 95 | 2,325,009.56 | 2,318,936.19 |
| NET INCOME | | | | |
| Net income before extraordinary items (item 86, less item 95). | ---- | 96 | 6,238,921.04 | 2,445,566.16 |
| Extraordinary items. | 33 | 97 | | |
| Net Income. | 2 | 98 | 6,238,921.04 | 2,445,566.16 |

STATEMENT OF CASH FLOWS

Increase (Decrease) in Cash and Cash Equivalents

| | THIS YEAR | LAST YEAR |
|---|-----------------------|-----------------------|
| CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | |
| Net Income | 6,238,921.04 | 2,445,566.16 |
| Adjustments to Reconcile Net Income to Net Cash: | | |
| Depreciation | 4,231,984.63 | 4,146,976.02 |
| Amortization of: | | |
| Acquisition Adjustment | | |
| Additions to TVA Leases | | |
| Debt Premium or Discount | | |
| (Gain) or Loss on Sale of Plant | | |
| Changes in Current and Deferred Items: | | |
| Accounts Receivable | 9,978,245.73 | (10,892,907.53) |
| Materials and Supplies | 610,909.80 | (1,058,455.08) |
| Prepayments and Other Current Assets | (141,833.52) | 15,432.57 |
| Deferred Debits | 6,467.28 | 16,318.48 |
| Accounts Payable | 4,219,971.53 | 56,402.05 |
| Customer Deposits | 61,491.84 | 401,926.29 |
| Taxes and Interest Accrued | 13,137.81 | (31,941.28) |
| Other Current Liabilities | (6,851,708.08) | 5,421,395.28 |
| Deferred Credits | (534,903.35) | (23,490.53) |
| Other: | (64,487.34) | (4,021,139.18) |
| Net Cash Provided by (Used in) Operating Activities | 17,768,197.37 | (3,523,916.75) |
| CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES: | | |
| Additions to Plant | (4,854,194.02) | (9,819,127.63) |
| Removal Cost | (1,183,000.99) | (549,877.63) |
| Salvage | 217,640.20 | 62,831.57 |
| Net Change in Other Property and Investment | (582,791.05) | 2,477,480.33 |
| Energy Service Loans Receivable | (48,814.42) | (17,720.18) |
| Plant Sold (Purchased) - Noninstallment Method | | |
| Deferred Costs on TVA Leases (excluding amortization) | | |
| Other: | | |
| Net Cash Provided by (Used in) Investing Activities | (6,451,160.28) | (7,846,413.54) |
| CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | | |
| Additional Long-Term Borrowings | 7,300,000.00 | 2,500,000.00 |
| Payment of Principal on Long-Term Debt | (4,135,047.78) | (1,883,475.47) |
| Notes Payable | (9,750,000.00) | 9,750,000.00 |
| Memberships | 805.00 | 325.00 |
| Energy Service Loans Advances | 49,533.00 | 16,552.96 |
| Receipt for Plant Sold - Installment Method | | |
| Payment for Plant Purchased - Installment Method | | |
| Other: | (14,850.47) | 23,674.60 |
| Net Cash Provided by (Used in) Financing Activities | (6,549,560.25) | 10,407,077.09 |
| NET INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS .. | 4,767,476.84 | (963,253.20) |
| CASH AND TEMPORARY INVESTMENTS BEGINNING OF YEAR | 1,317,315.86 | 2,280,569.06 |
| CASH AND TEMPORARY INVESTMENTS END OF YEAR | 6,084,792.70 | 1,317,315.86 |

NOTE: Cash and Temporary Cash Investments include cash on hand and in demand deposits, and those investments which are generally a part of the power distributor's short-term cash management activities.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| ACCT. NO. | DESCRIPTION | EXPENSES | | PAYROLL DISTRIBUTION | |
|---|---|---------------------|---------------------|----------------------|-------------------|
| | | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
| OPERATING EXPENSE | | | | | |
| 1. TRANSMISSION | | | | | |
| 560 | Supervision and engineering. | | | | |
| 561 | Load dispatching. | | | | |
| 562 | Station expense. | | | | |
| 563 | Overhead line expense. | | | | |
| 564 | Underground line expense. | | | | |
| 566 | Miscellaneous. | | | | |
| 567 | Rents. | | | | |
| (600) | Total transmission operating expense (page 3, item 66). | | | | |
| 2. DISTRIBUTION | | | | | |
| 580 | Supervision and engineering. | 54,670.70 | 40,677.80 | 24,968.17 | 17,772.54 |
| 581 | Load dispatching. | | | | |
| 582 | Station expense. | 140,191.12 | 114,916.69 | 18,279.19 | 12,691.42 |
| 583 | Overhead line expense. | 1,527,702.54 | 901,960.13 | 462,695.70 | (149,819.62) |
| 584 | Underground line expense. | 68,958.61 | 97,130.60 | 17,143.60 | 26,017.62 |
| 585 | Street lighting and signal system expense. | 6,627.63 | 5,164.86 | 3,025.47 | 1,707.49 |
| 586 | Meter expense. | 455,681.24 | 517,787.79 | 66,530.92 | 94,992.97 |
| 587 | Customer installation expense. | 328,628.74 | 317,362.33 | 148,983.70 | 132,280.68 |
| 588 | Miscellaneous. | 242,304.54 | 196,173.30 | 83,774.43 | 62,077.32 |
| 589 | Rents. | 50,458.35 | 43,691.22 | | |
| (605) | Total distribution operating expense (page 3, item 67). | 2,875,223.47 | 2,234,864.72 | 825,401.18 | 197,720.42 |
| 3. CUSTOMER ACCOUNTS EXPENSE | | | | | |
| 901 | Supervision. | 193,159.85 | 194,799.19 | 110,879.12 | 105,773.55 |
| 902 | Meter reading expense. | 414,580.03 | 406,410.33 | 6,874.26 | 4,119.46 |
| 903 | Customer records and collection expense. | 1,697,105.08 | 1,668,233.27 | 699,258.69 | 660,001.45 |
| 904 | Uncollectible accounts. | 126,469.37 | 195,123.17 | | |
| 905 | Miscellaneous. | 1,176.91 | 1,101.63 | | |
| (610) | Total customer accounts expense (page 3, item 68). | 2,432,491.24 | 2,465,667.59 | 817,012.07 | 769,894.46 |
| 4. CUSTOMER SERVICES & INFORMATIONAL EXPENSE | | | | | |
| 907 | Supervision. | | | | |
| 908 | Customer assistance expense. | 5,501.81 | 10,178.85 | 2,987.31 | 5,645.47 |
| 909 | Informational and instructional advertising expense. | 19,763.04 | 17,805.43 | 6,852.62 | 5,248.37 |
| 910 | Miscellaneous customer service and informational expense. | 341.96 | 312.12 | | |
| (615) | Total customer services and informational expense (page 3, item 69). | 25,606.81 | 28,296.40 | 9,839.93 | 10,893.84 |
| 5. SALES EXPENSE | | | | | |
| 911 | Supervision. | | | | |
| 912 | Demonstrating and selling expense. | 144,505.11 | 118,780.56 | 70,762.79 | 48,107.31 |
| 913 | Advertising expense. | 24,372.45 | 23,340.08 | 6,392.78 | 5,000.33 |
| 916 | Miscellaneous. | 475.57 | 312.12 | | |
| (620) | Total sales expense (page 3, item 70). | 169,353.13 | 142,432.76 | 77,155.57 | 53,107.64 |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| ACCT. NO. | DESCRIPTION | EXPENSES | | PAYROLL DISTRIBUTION | |
|--|--|----------------------|----------------------|----------------------|---------------------|
| | | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
| 6. ADMINISTRATIVE & GENERAL | | | | | |
| 920 | Administrative and general salaries. | 1,177,340.83 | 1,097,396.51 | 681,246.43 | 598,493.74 |
| 921 | Office supplies and expense. | 208,546.25 | 173,482.91 | | |
| 922 | Administrative expense transferred - credit*. | | | | |
| 923 | Outside services employed. | 103,134.45 | 43,918.54 | | |
| 924 | Property insurance. | | | | |
| 925 | Injuries and damages. | | 3,775.88 | | |
| 926 | Employee pensions and benefits. | | | | |
| 927 | Franchise requirements*. | | | | |
| 928 | Regulatory commission expense*. | | | | |
| 929 | Duplicate charges - credit. | (14,899.88) | (12,299.45) | | |
| 930 | Miscellaneous general expense. | 466,563.37 | 498,847.70 | 28,658.19 | 34,380.94 |
| 931 | Rents. | 12,802.00 | 13,056.00 | | |
| (625) | Total administrative and general expense (page 3, item 71). | 1,953,487.02 | 1,818,178.09 | 709,904.62 | 632,874.68 |
| (630) | Total operating expense (Page 3 Item 72). | 7,456,161.67 | 6,689,439.56 | 2,439,313.37 | 1,664,491.04 |
| MAINTENANCE EXPENSE | | | | | |
| 1. TRANSMISSION | | | | | |
| 568 | Supervision and engineering. | | | | |
| 569 | Maintenance of structures. | | | | |
| 570 | Maintenance of station equipment. | | | | |
| 571 | Maintenance of overhead lines. | 8,168.43 | | 3,091.78 | |
| 572 | Maintenance of underground lines. | | | | |
| 573 | Miscellaneous. | | | | |
| (635) | Total transmission maintenance expense (page 3, item 73). | 8,168.43 | | 3,091.78 | |
| 2. DISTRIBUTION | | | | | |
| 590 | Supervision and engineering. | 39,365.77 | 35,850.15 | 21,519.78 | 17,717.81 |
| 591 | Maintenance of structures. | | | | |
| 592 | Maintenance of station equipment. | 275,456.99 | 365,754.38 | 87,155.53 | 72,017.86 |
| 593 | Maintenance of overhead lines. | 4,827,794.99 | 6,103,368.47 | 1,051,947.12 | 1,868,697.38 |
| 594 | Maintenance of underground lines. | 4,341.51 | 2,067.64 | 2,145.12 | 150.78 |
| 595 | Maintenance of line transformers. | 181,076.14 | 153,345.82 | 83,197.68 | 66,872.78 |
| 596 | Street lighting and signal systems. | 8,108.20 | 6,057.27 | 4,388.93 | 2,480.88 |
| 597 | Maintenance of meters. | 156,038.44 | 146,321.64 | 87,023.32 | 78,811.91 |
| 598 | Maintenance of miscellaneous distribution plant. | 206,296.04 | 158,012.36 | 98,732.12 | 58,006.18 |
| (640) | Total distribution maintenance expense (page 3, item 74). | 5,698,478.08 | 6,970,777.73 | 1,436,109.60 | 2,164,755.58 |
| 3. ADMINISTRATIVE & GENERAL | | | | | |
| 935 | Maintenance of general plant (page 3, items 75). | 132,671.12 | 69,327.95 | 4,312.02 | 350.78 |
| (645) | Total maintenance expense (page 3, item 76). | 5,839,317.63 | 7,040,105.68 | 1,443,513.40 | 2,165,106.36 |
| (650) | Total operating and maintenance expense. | 13,295,479.30 | 13,729,545.24 | 3,882,826.77 | 3,829,597.40 |
| (655) | Total direct and indirect payroll charged to construction and retirements. | | | 1,196,002.73 | 1,660,573.53 |
| (660) | Payroll charged to other accounts. | | | 90,483.21 | 71,624.68 |
| (662) | Fiscal year net change in accrued leave account - (increase) decrease. | | | 8,425.43 | 96,762.68 |
| (665) | Total payroll distribution for year. | | | 5,177,738.14 | 5,658,558.29 |

*FURNISH DETAILS OF THESE ACCOUNTS ON PAGES 32 AND 33.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

STATISTICAL DATA

| CLASS OF SERVICE | ITEM NO | REVENUE | | ITEM NO | KILOWATT-HOURS SOLD | |
|---|------------|----------------------|----------------------|------------|---------------------|--------------------|
| | | THIS YEAR | LAST YEAR | | THIS YEAR | LAST YEAR |
| Residential. | 100 | 52,020,986.41 | 51,746,791.61 | 107 | 475,533,158 | 455,724,949 |
| Gen. Power - 50 kW & under. | 101 | 9,858,493.12 | 9,452,435.37 | 108 | 71,742,009 | 68,352,346 |
| Gen. Power - Over 50 kW. | 102 | 14,616,207.34 | 15,741,472.40 | 109 | 166,070,998 | 164,549,624 |
| Street and athletic. | 103 | 156,938.45 | 178,134.24 | 110 | 1,732,093 | 1,759,513 |
| Outdoor lighting. | 104 | 1,319,706.83 | 1,430,970.40 | 111 | 10,420,119 | 10,415,788 |
| Subtotal. | 330 | 77,972,332.15 | 78,549,804.02 | | | |
| Unbilled revenue*. | 331 | | | | | |
| Total (page 3, item 59). | 332 | 77,972,332.15 | 78,549,804.02 | 335 | 725,498,377 | 700,802,220 |
| Kilowatt-hours for own use. | | | | 113 | 168,933 | 159,184 |
| Total kilowatt-hours sold and used. | | | | 114 | 725,667,310 | 700,961,404 |
| Kilowatt-hours in unbilled revenue (items 331) above* | | | | 336 | | |

| STATE | SALES TAX | TO ABOVE CLASSES OF REVENUE | CREDITS | GREEN POWER REVENUE |
|---|-----------|-----------------------------|---------|---------------------|
| State and local sales tax on above revenue. | KY | 1,108,798.91 | | |
| | | | | |
| | | | | |
| Total | | 1,108,798.91 | 712.80 | |

PURCHASED POWER

| CLASS OF SERVICE | ITEM NO | AMOUNT | | ITEM NO | KILOWATT-HOURS PURCHASED | |
|--|------------|----------------------|----------------------|------------|--------------------------|--------------------|
| | | THIS YEAR | LAST YEAR | | THIS YEAR | LAST YEAR |
| TVA | | | | | | |
| Purchased Power. | 115 | 51,575,176.39 | 55,406,115.53 | 119 | 791,010,538 | 754,498,823 |
| Facilities Rental. | 116 | 355,532.76 | 373,380.84 | | | |
| Other Charges/Credits. | 117 | | | | | |
| Total from TVA. | 118 | 51,930,709.15 | 55,779,496.37 | 122 | 791,010,538 | 754,498,823 |
| Other Purchased Power**. | 218 | | | 222 | | |
| Subtotal. | 340 | 51,930,709.15 | 55,779,496.37 | | | |
| Unbilled Purchases*. | 341 | | | | | |
| Total (page 3, item 65). | 342 | 51,930,709.15 | 55,779,496.37 | 345 | 791,010,538 | 754,498,823 |
| Less kilowatt hours sold and used (item 114). | | | | 123 | 725,667,310 | 700,961,404 |
| Line losses and kilowatt-hours unaccounted for. | | | | 124 | 65,343,228 | 53,537,419 |
| Percent of losses to purchases (2 decimal places). | | | | 125 | 8.26 | 7.10 |
| Kilowatt-hours in unbilled purchases (Item 341) above* | | | | 346 | | |

**Purchased other power under contract number _____ from _____

NUMBER OF CUSTOMERS

MISCELLANEOUS DATA

| CLASS OF SERVICE | MONTH OF JUNE | | MISCELLANEOUS DATA | THIS YEAR | LAST YEAR |
|---|---------------|---------------|--|--------------|--------------|
| | THIS YEAR | LAST YEAR | | | |
| Residential. (675) | 30,520 | 30,528 | Pole Line Miles: (2 decimal places). (715) | 3,156.08 | 3,144.88 |
| Gen. Power - 50 kW & under. . . (680) | 7,244 | 7,264 | Individual Outdoor Lts. | | |
| Gen. Power - Over 50 kW. . . . (685) | 333 | 316 | No. in plant. (720) | 15,344 | 15,446 |
| Street and athletic. (690) | 87 | 86 | Total investment. (725) | 4,475,978.37 | 4,329,863.17 |
| Outdoor Lighting - Excl. Code 77. (693) | | | O&M expense. (730) | 235,074.84 | 198,585.24 |
| Total. (695) | 38,184 | 38,194 | St. Ltg-Invest. Base. . . . (735) | 327,459.49 | 319,449.09 |
| Outdoor Lighting - Code 77. . . . (697) | 10,130 | 10,056 | O&M expense. (740) | 14,735.83 | 11,222.13 |
| | | | Lamps & Glassware. . . . (745) | | 297.51 |

*Item nos. 331, 336, 341, and 346 are to be filled in only if distributor chooses the option to estimate unbilled electric sales.

MODIFIED STREET LIGHTING COMPUTATION

Give computation of modified street lighting rate relative to lamps and glassware by customers, if applicable:

| TOWN | COST OF LAMPS AND GLASSWARE | KWH | ALLOWANCE | EXCESS TO BE BILLED |
|------------------------------------|--------------------------------|------------------|------------|------------------------|
| | | FROM STAT. REPT. | KWH X .003 | |
| Benton | | | | |
| Hardin | | | | |
| Cambridge Shores | | | | |
| Calvert City | | | | |
| Hazel | | | | |
| Calloway County Board of Education | | | | |
| Murray | | | | |
| Graves County Board of Education | | | | |
| Wingo | | | | |
| Milburn | | | | |
| Arlington | | | | |
| Kentucky Dept of Highways | | | | |
| Water Valley | | | | |
| Kentucky Dam Village Estates | | | | |
| City of Mayfield | | | | |
| TOTAL: | | | | |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | | ELECTRIC PLANT | | | | | |
|-----------|---|-------------------------|---------------------|---------------------|----------------------------|-----------------------------|------------------------|
| ACCT. NO. | | BALANCE BEG. OF YEAR | ADDITIONS | RETIREMENTS | RECLASSIFICATIONS DEBIT | RECLASSIFICATIONS CREDIT | BALANCE END OF YEAR |
| | INTANGIBLE | | | | | | |
| 301 | Organization. | | | | | | |
| 302 | Franchises and consents. | | | | | | |
| 303 | Miscellaneous. | | | | | | |
| (750) | Total intangible. | | | | | | |
| | PRODUCTION | | | | | | |
| 755 | Total production. | | | | | | |
| | TRANSMISSION | | | | | | |
| 350 | Land and land rights. | | | | | | |
| 351 | Clearing land and rights of way. | | | | | | |
| 352 | Structures and improvements. | 23,768.73 | | | | | 23,768.73 |
| 353 | Station equipment. | 113,478.96 | | | | | 113,478.96 |
| 354 | Towers and fixtures. | 60,798.45 | | | | | 60,798.45 |
| 355 | Poles and fixtures. | 232,868.10 | 65,860.52 | 10,507.50 | | | 288,221.12 |
| 356 | Overhead conductors and devices. | 119,105.10 | 23,121.07 | | | | 142,226.17 |
| 357 | Underground conduit. | | | | | | |
| 358 | Underground conductors and devices. | | | | | | |
| 359 | Roads and trails. | | | | | | |
| (760) | Total transmission. | 550,019.34 | 88,981.59 | 10,507.50 | | | 628,493.43 |
| | DISTRIBUTION | | | | | | |
| 360 | Land and land rights. | 195,943.79 | 9,313.00 | | | | 205,256.79 |
| 361 | Structures and improvements. | 421,818.22 | | | | | 421,818.22 |
| 362 | Station equipment. | 8,843,294.23 | 1,657,365.81 | | | | 10,500,660.04 |
| 363 | Storage battery equipment. | | | | | | |
| 364 | Poles, towers, and fixtures. | 47,723,283.09 | 4,710,848.67 | 1,685,502.00 | | | 50,748,629.76 |
| 365 | Overhead conductors and devices. | 15,413,866.45 | 575,179.01 | 300,048.96 | | | 15,688,996.50 |
| 366 | Underground conduit. | 3,122,620.71 | 188,351.67 | 3,724.00 | | | 3,307,248.38 |
| 367 | Underground conductors and devices. | 3,144,809.26 | 99,609.90 | 4,924.04 | | | 3,239,495.12 |
| 368 | Line transformers. | 24,495,278.88 | 536,561.27 | 676,178.24 | | | 24,355,661.91 |
| 369 | Services. | 5,400,535.00 | 229,023.58 | 78,198.00 | | | 5,551,360.58 |
| 370 | Meters. | 3,655,658.04 | 184,731.56 | 114,613.90 | | | 3,725,775.70 |
| 371 | Inst. on customers' premises. | 4,332,383.86 | 395,667.79 | 249,552.59 | | | 4,478,499.06 |
| 372 | Leased prop. on cust. premises. | 33,239.00 | | | | | 33,239.00 |
| 373 | St. lighting and signal systems. | 319,449.09 | 9,020.23 | 1,009.83 | | | 327,459.49 |
| (765) | Total distribution. | 117,102,179.62 | 8,595,672.49 | 3,113,751.56 | | | 122,584,100.55 |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | | ELECTRIC PLANT | | | | | |
|-----------------|--|-------------------------|-----------------------------------|---------------------|----------------------------|----------------------|------------------------|
| ACCT. NO. | GENERAL | BALANCE BEG. OF YEAR | ADDITIONS | RETIREMENTS | RECLASSIFICATIONS DEBIT | CREDIT | BALANCE END OF YEAR |
| 389 | Land and land rights. | 116,104.45 | | | | | 116,104.45 |
| 390 | Structures and improvements. | 2,190,919.09 | 9,889.90 | | | | 2,200,808.99 |
| 391 | Office furniture and equipment. | 742,798.38 | 45,853.81 | 8,562.04 | | | 780,090.15 |
| 392 | Transportation equipment. | 2,758,696.38 | 737,782.53 | 511,220.75 | | | 2,985,258.16 |
| 393 | Stores equipment. | 27,719.92 | 28,439.26 | 23,397.38 | | | 32,761.80 |
| 394 | Tools, shop, and garage equip.. | 426,776.11 | 49,129.37 | 2,384.60 | | | 473,520.88 |
| 395 | Laboratory equipment. | 193,274.53 | 926.39 | | | | 194,200.92 |
| 396 | Power operated equipment. | | | | | | |
| 397 | Communication equipment. | 479,482.01 | 19,582.44 | 78,420.65 | | | 420,643.80 |
| 398 | Miscellaneous equipment. | 79,912.58 | | | | | 79,912.58 |
| 399 | Other tangible property. | | | | | | |
| (770) | Total general. | 7,015,683.45 | 891,603.70 | 623,985.42 | | | 7,283,301.73 |
| 101 | Total plant in service. | 124,667,882.41 | 9,576,257.78 | 3,748,244.48 | | | 130,495,895.71 |
| 102 | Electric plant purchased or sold. | | | | | | |
| 104 | Electric plant leased to others. | | | | | | |
| 105 | Electric plant for future use. | 251,539.23 | | | | | 251,539.23 |
| 107 | Construction work in progress. | 5,776,459.19 | (4,722,063.76) | | | | 1,054,395.43 |
| (775) | Total other electric plant. | 6,027,998.42 | (4,722,063.76) | | | | 1,305,934.66 |
| (780) | Total electric plant (page 1, item 1). | 130,695,880.83 | 4,854,194.02 (Item 140) | 3,748,244.48 | | | 131,801,830.37 |
| RESERVES | | | | | | | |
| 108 | Accumulated provision for depreciation of electric plant in service. | | | | | 32,460,075.87 | |
| 109 | Accumulated provision for depreciation of electric plant leased to others. | | | | | | |
| 110 | Accumulated provision for depreciation of electric plant held for future use. | | | | | | |
| | Total accumulated provision for depreciation (page 1, item 2 and page 11). | | | | | 32,460,075.87 | |
| | Total electric plant, less accumulated provision for depreciation (page 1, item 3). | | | | | | 99,341,754.50 |

Reclassification Columns

Includes major corrections to prior years additions and retirements, transfers between accounts classified in prior years, and classification of plant purchased and/or sold.

Explanations of entries shown in the Reclassification Columns:

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

ACCUMULATED PROVISION FOR DEPRECIATION (Page 10)

| ACCT. NO. | DEPR. RATE | BALANCE BEG. OF YEAR | ACCRUAL | ORIGINAL COST | REMOVAL COST | SALVAGE | OTHER ENTRIES* | | BALANCE END OF YEAR | % DEPR. |
|---------------------|------------|----------------------|---------------------|---------------------|---------------------|-------------------|----------------|--------|----------------------|-----------|
| | | | | | | | DEBIT | CREDIT | | |
| 350 | | | | | | | | | | |
| 351 | | | | | | | | | | |
| 352 | 3.00 | 19,963.80 | 713.04 | | | | | | 20,676.84 | 87 |
| 353 | 3.00 | 104,627.89 | 3,404.40 | | | | | | 108,032.29 | 95 |
| 354 | 3.00 | 19,117.34 | 1,824.00 | | | | | | 20,941.34 | 34 |
| 355 | 3.00 | 103,502.51 | 7,692.80 | 10,507.50 | 2,611.63 | | | | 98,076.18 | 34 |
| 356 | 3.00 | 86,031.11 | 3,862.17 | | | | | | 89,893.28 | 63 |
| 357 | | | | | | | | | | |
| 358 | | | | | | | | | | |
| 359 | | | | | | | | | | |
| (785) TOTAL | | 333,242.65 | 17,496.41 | 10,507.50 | 2,611.63 | | | | 337,619.93 | 54 |
| 360 | 4.23 | 78,186.62 | 5,337.96 | | | | | | 83,524.58 | 41 |
| 361 | 3.00 | 409,301.37 | 334.08 | | | | | | 409,635.45 | 97 |
| 362 | 3.00 | 4,158,015.10 | 246,556.99 | | | | | | 4,404,572.09 | 42 |
| 363 | | | | | | | | | | |
| 364 | 3.00 | 4,459,379.06 | 1,448,971.50 | 1,685,502.00 | 789,431.71 | 19,502.47 | | | 3,452,919.32 | 7 |
| 365 | 2.75 | 3,688,466.71 | 426,945.75 | 300,048.96 | 102,016.04 | 1,823.30 | | | 3,715,170.76 | 24 |
| 366 | 4.00 | 674,641.63 | 129,645.08 | 3,724.00 | 141.25 | 127.96 | | | 800,549.42 | 24 |
| 367 | 4.00 | 988,018.80 | 128,581.95 | 4,924.04 | 3,204.00 | 644.64 | | | 1,109,117.35 | 34 |
| 368 | 3.00 | 9,280,034.02 | 730,920.53 | 676,178.24 | 30,299.01 | 52,730.03 | | | 9,357,207.33 | 38 |
| 369 | 6.00 | 2,435,318.29 | 329,513.80 | 78,198.00 | 68,448.17 | 1,288.44 | | | 2,619,474.36 | 47 |
| 370 | 2.50 | 597,138.87 | 91,192.40 | 114,613.90 | | 53.00 | | | 573,770.37 | 15 |
| 371 | 5.00 | 1,027,410.48 | 218,347.33 | 249,552.59 | 186,440.41 | 42,214.53 | | | 851,979.34 | 19 |
| 372 | 5.00 | 14,857.32 | 1,561.44 | | | | | | 16,418.76 | 49 |
| 373 | 4.00 | 143,188.33 | 13,050.96 | 1,009.83 | 408.77 | | | | 154,820.69 | 47 |
| (790) TOTAL | | 27,953,956.60 | 3,770,959.77 | 3,113,751.56 | 1,180,389.36 | 118,384.37 | | | 27,549,159.82 | 22 |
| 389 | | | | | | | | | | |
| 390 | 2.5-5 | 1,108,474.03 | 59,412.28 | | | | | | 1,167,886.31 | 53 |
| 391 | 4/10 | 552,447.30 | 66,647.19 | 8,562.04 | | | | | 610,532.45 | 78 |
| 392 | Var | 1,668,470.80 | 238,116.13 | 511,220.75 | | 95,255.83 | | | 1,490,622.01 | 50 |
| 393 | | 25,606.82 | | 23,397.38 | | 2,500.00 | | | 4,709.44 | 14 |
| 394 | 8.00 | 339,124.55 | 35,510.71 | 2,384.60 | | 1,500.00 | | | 373,750.66 | 79 |
| 395 | 8.00 | 193,274.53 | 926.39 | | | | | | 194,200.92 | 100 |
| 396 | | | | | | | | | | |
| 397 | 8.00 | 450,392.84 | 34,924.47 | 78,420.65 | | | | | 406,896.66 | 97 |
| 398 | 8.00 | 71,342.43 | 7,991.28 | | | | | | 79,333.71 | 99 |
| 399 | | | | | | | | | | |
| (795) TOTAL | | 4,409,133.30 | 443,528.45 | 623,985.42 | | 99,255.83 | | | 4,327,932.16 | 59 |
| (800) OTHER | | 245,363.96 | | | | | | | 245,363.96 | 19 |
| (805) TOTALS | | 32,941,696.51 | 4,231,984.63 | 3,748,244.48 | 1,183,000.99 | 217,640.20 | | | 32,460,075.87 | 25 |

(Item 142) (Item 138)

*Use other entries to report depreciation on property purchased, classifying accruals, unusual entries - explain on page 33.

ACCUMULATED PROVISION FOR DEPRECIATION - CONTINUED

| | | |
|--|-------------------|---------------------|
| Depreciation expense (403 and 404) (page 3, item 77) | (810) | 3,993,868.50 |
| Depreciation charged to transportation expense - clearing. | (815) | 238,116.13 |
| Depreciation charged to building expense - clearing. | (820) | |
| Depreciation charged to other accounts (list each account number). | (825) | |
| | (830) | |
| | (835) | |
| | (840) | |
| Total accrual (page 11) | (Item 128) | 4,231,984.63 |

Explanations (continue on page 33 if necessary)

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| INVESTMENTS IN ASSOCIATED COMPANIES (Report only the investments not considered as current assets) | | | |
|---|------------------------|------------------------|----------------------------|
| OTHER INVESTMENTS - GENERAL FUNDS | | | |
| Investments included in Accounts 123 and 124 | | | |
| DESCRIPTION OF INVESTMENTS (GROUP BY TYPE OF INVESTMENT AND SHOW NO. OF INVESTMENTS) | BALANCE END OF YEAR | INCOME | GAIN OR (LOSS) ON SALES |
| Stockholder Loan - CSA | 43,822.18 | 2,155.01 | |
| Pat. Capital-CFC,WKRTCC, UUS, KAEC, FEDERATED, COBANK | 532,036.20 | 141,670.50 | |
| Capital Term Certificates - NRUCFC | 1,395,767.92 | 64,203.85 | |
| Membership - NRUCFC, COBANK | 2,000.00 | | |
| Subtotal | 1,973,626.30 | 208,029.36 | |
| | (page 1, item 8) | (account 419, page 16) | |
| INVESTMENTS OF FUNDS OTHER THAN GENERAL FUNDS | | | |
| (Investments included in Accounts 125, 126, and 128 - page 15) | | | |
| NRUCFC - Medical Self Insurance / Property Tax / Building Fund | 500,000.00 | 3.77 | |
| Employee Savings Fund | 51,565.46 | | |
| Subtotal | 551,565.46 | 3.77 | |
| | (page 15) | (account 419, page 16) | |
| CASH AND TEMPORARY CASH INVESTMENTS - GENERAL FUNDS | | | |
| (Report only investments considered as current assets) | | | |
| NRUCFC Commercial Paper | 3,416,891.23 | 4,307.41 | |
| Total Temporary Cash Investments | 3,416,891.23 | 4,307.41 | |
| CASH (Accounts 131 - 135) | 2,667,901.47 | 9,443.04 | |
| Subtotal | 6,084,792.70 | 13,750.45 | |
| | (page 1, item 14) | (account 419, page 16) | |
| Grand Total | 8,609,984.46 | 221,783.58 | |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | SPECIAL FUNDS | | | | TOTAL OF ALL SPECIAL FUNDS |
|--|------------------------------------|-----------------------------------|-----------------------------------|------------|----------------------------|
| | ACCOUNT 125 TOTAL SINKING FUNDS | ACCOUNT 126 DEPRECIATION FUNDS | ACCOUNT 128 CONSTRUCTION FUNDS | | |
| Cash included in fund end of year. | | | | 551,565.46 | 551,565.46 |
| Investments in fund end of year (page 14). | | | | | |
| Balance of fund end of year (page 1). | | | | 551,565.46 | 551,565.46 |
| | (page 1, item 9) | (page 1, item 10) | (page 1, item 12) | | |
| Minimum balance required*. | | | | | |
| Authority creating fund** | | | | | |

* Explain difference if fund balance is less than minimum required.
 ** State whether fund is required by bond contract, board action, etc.
 Total Sinking

Depreciation

Construction

Other
N/A

Note: Report all debt service funds as sinking funds.
 Report all funds for renewals and replacements as depreciation funds.

NONUTILITY PROPERTY (Account 121)

| | DESCRIPTION AND LOCATION OF PROPERTY | DATE ACQUIRED | BOOK COST | NET INCOME (ACCOUNT 418) |
|--|--------------------------------------|---------------|-----------|-----------------------------|
| House and Lot | 1220 West Broadway, Mayfield, KY | 12/1/1952 | 22,447.85 | |
| Total. | | | 22,447.85 | |
| Less accumulated provision for depreciation (account 122). | | | 15,491.33 | |
| Total net of depreciation (page 1, item 7). | | | 6,956.52 | (page 16) |

| ACCT. NO. | OTHER INCOME | |
|-----------|---|------------|
| 415 | Revenue from merchandising, jobbing, etc. | 17,391.70 |
| 416 | Cost and expense of merchandising, etc. | (9,284.57) |
| 417* | Income from nonutility operations - net of expense. | |
| 418 | Nonoperating rental income - net of expense (page 15). | |
| 419 | Interest and dividend income (page 14). | 221,783.58 |
| 419.1 | Interest charged to construction. | |
| 421* | Misc. nonoperating income - net of expense. | |
| (845) | Total other income (page 3, item 83). | 229,890.71 |

*Explain these items briefly: 417 421

| ACCT. NO. | MISCELLANEOUS INCOME DEDUCTIONS | |
|-----------|---|-----------|
| 425* | Miscellaneous amortization. | |
| 426* | Miscellaneous income deductions. | 46,015.45 |
| (850) | Total misc. income deductions (page 3, item 85). | 46,015.45 |

*Explain these items briefly: 425 426
 Donated labor, transportation, overheads; Washington Youth Tour; Senior scholarships; Donation of electric grills and smokers for charity auctions; American Cancer Society; Cash donations for local schools activities.

INVESTMENT PROCEDURES

Are investments in excess of \$100,000 secured? Yes No If yes, how?
 Excess cash is invested in NRUCFC Commercial Paper which is rated P-1 by Moody's Investor Service, A-1 by Standard & Poor's, and F1 by Fitch Ratings. Cash in banks is secured by FDIC.

| ACCT. NO. | RECEIVABLES | |
|-----------|--|--------------|
| 141 | Notes receivable (Explain on page 33). | |
| 142 | Customer accounts receivable. | 7,042,410.04 |
| 143 | Other accounts receivable. | 501,727.72 |
| 146 | Accounts receivable municipality (Explain on page 33 if over 45 days past due). | |
| | Total. | 7,544,137.76 |
| 144 | Accumulated provision for uncollectible accounts. | 119,770.09 |
| | Accounts receivable net of reserve (page 1, item 15). | 7,424,367.67 |

AGE OF RECEIVABLES AT JUNE 30

| | ACCOUNT 141 | ACCOUNT 142 | ACCOUNT 143 | ACCOUNT 146 |
|-------------------------------------|-------------|-------------|-------------|-------------|
| Accounts with credit balances. | | | | |
| Due after June 30. | | | | |
| From 1 to 30 days past due. | | | | |
| From 31 to 60 days past due. | | | | |
| From 61 to 90 days past due. | | | | |
| Over 90 days past due. | | | | |
| Totals (as above). | | | | |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE | | | | | | |
|---|------------|---------------------------------|------------------------------|---------------|---------------------------------|---------------|
| DETAILS REGARDING BONDS ON PAGE | | | | | | |
| MATURITIES: MONTH AND DAY 100 | | | | | | |
| NAME OF ISSUE 200 | | CoBank Emergency Line of Credit | NCSC - TVA SUPPLEMENTAL LOAN | | NRUCFC Revolving Line of Credit | |
| CALENDAR YEAR | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE |
| 2010 | | | | | | |
| 2011 | | | | | | |
| 2012 | | | | | | |
| 2013 | | | | | | |
| 2014 | | | | | | |
| 2015 | | | | | | |
| 2016 | | | | | | |
| 2017 | | | | | | |
| 2018 | | | | | | |
| 2019 | | | | | | |
| 2020 | | | | | | |
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| 2051 | | | | | | |
| 2052 | | | | | | |
| 2053 | | | | | | |
| 2054 | | | | | | |
| OUTSTANDING END OF YEAR 300 | | | | | | |

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

| SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE | | | | | |
|---|------------|--------------------------|------------|---------------|------------------|
| DETAILS REGARDING BONDS ON PAGE | | | | | |
| MATURITIES: MONTH AND DAY 100 | | 0/0 | | | |
| NAME OF ISSUE 200 | | POST RETIREMENT BENEFITS | | | |
| CALENDAR YEAR | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE | TOTAL MATURITIES |
| 2010 | | | | | |
| 2011 | | | | | |
| 2012 | | | | | |
| 2013 | | | | | |
| 2014 | | | | | |
| 2015 | | | | | |
| 2016 | | | | | |
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| 2051 | | | | | |
| 2052 | | | | | |
| 2053 | | | | | |
| 2054 | | | | | |
| OUTSTANDING END OF YEAR 300 | | | | | |

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

SUMMARY OF LONG-TERM DEBT - RUS

| NOTE NUMBER | DATE OF NOTE | INT. RATE | TERM OF NOTE (YR) | DATE REPAYMENTS BEGIN MO/YEAR | AMOUNT OF ALLOTMENT | BALANCE DUE ON ALLOTMENT (ACCOUNT 224.2) | AMOUNT REPAID THIS YEAR | | | OUTSTANDING END OF YEAR EXCLUDING CUSHION OF CREDIT | | | | |
|---------------------------------|--------------|-----------|-------------------|-------------------------------|----------------------|--|-------------------------|---------------------|-------------------|---|------|------|------|------|
| | | | | | | | PRINCIPAL | INTEREST | DEFERRED INTEREST | | | | | |
| 01-B270 | 5/14/1983 | 5.00 | 35 | 05/1986 | 770,000.00 | | 31,542.84 | 16,782.36 | | 318,395.05 | | | | |
| 02-B272 | 5/14/1983 | 5.00 | 35 | 05/1986 | 770,000.00 | | 31,542.84 | 16,782.36 | | 318,395.05 | | | | |
| 03-B281 | 10/26/1986 | 5.00 | 35 | 08/1990 | 1,092,000.00 | | 38,731.65 | 30,719.55 | | 593,187.83 | | | | |
| 04-B283 | 10/26/1986 | 5.00 | 35 | 08/1990 | 1,092,000.00 | | 38,731.65 | 30,719.55 | | 593,187.83 | | | | |
| 05-B290 | 2/27/1995 | 5.00 | 35 | 03/1996 | 2,534,000.00 | | 60,714.95 | 96,494.41 | | 1,896,559.32 | | | | |
| 06-B291 | 4/10/1995 | 5.00 | 35 | 03/1996 | 427,500.00 | | 10,243.07 | 16,279.09 | | 319,958.98 | | | | |
| 07-B295 | 10/23/1995 | 5.00 | 35 | 03/1996 | 995,000.00 | | 23,840.31 | 37,889.49 | | 744,702.68 | | | | |
| 08-B297 | 5/20/1996 | 5.00 | 35 | 03/1998 | 1,966,500.00 | | 48,148.13 | 76,921.27 | | 1,511,993.30 | | | | |
| 09-B300 | 7/21/1999 | 5.00 | 35 | 02/2001 | 2,000,000.00 | | 37,528.91 | 86,551.09 | | 1,710,369.32 | | | | |
| 10-B301 | 3/1/2000 | 5.00 | 35 | 02/2001 | 2,400,000.00 | | 45,034.70 | 103,861.30 | | 2,052,443.11 | | | | |
| 11-B302 | 7/6/2000 | 5.00 | 35 | 02/2001 | 2,200,000.00 | | 41,281.81 | 95,206.19 | | 1,881,406.21 | | | | |
| 12-B303 | 11/2/2000 | 5.00 | 35 | 02/2001 | 1,600,000.00 | | 30,023.13 | 69,240.87 | | 1,368,295.40 | | | | |
| 13-B304 | 4/1/2002 | 5.00 | 35 | 05/2002 | 2,959,000.00 | | 56,255.92 | 130,161.08 | | 2,572,262.51 | | | | |
| 14-B310 | 9/23/2004 | 5.00 | 35 | 10/2004 | 3,000,000.00 | | 51,054.13 | 138,305.87 | | 2,737,982.49 | | | | |
| 15-B311 | 3/24/2005 | 5.00 | 35 | 04/2005 | 3,000,000.00 | | 51,598.43 | 139,201.57 | | 2,755,597.74 | | | | |
| 16-B320 | 2/17/2006 | 4.57 | 35 | 06/2007 | 3,000,000.00 | | 44,128.95 | 132,271.05 | | 2,870,007.03 | | | | |
| 17-B321 | 11/16/2006 | 4.68 | 35 | 06/2007 | 2,000,000.00 | | 28,915.68 | 90,364.32 | | 1,914,911.60 | | | | |
| 18-B322 | 3/14/2007 | 4.70 | 35 | 06/2007 | 2,800,000.00 | | 40,250.06 | 127,077.94 | | 2,681,580.98 | | | | |
| 19-B323 | 11/1/2007 | 4.68 | 35 | 11/2007 | 3,200,000.00 | | 46,240.91 | 145,375.09 | | 3,080,797.02 | | | | |
| 20-B324 | 5/13/2008 | 4.58 | 35 | 06/2007 | 2,500,000.00 | | 36,787.00 | 113,213.00 | | 2,424,918.51 | | | | |
| 21-B325 | 9/24/2008 | 4.42 | 35 | 10/2008 | 2,500,000.00 | | 38,246.89 | 108,753.11 | | 2,433,854.76 | | | | |
| 22- | | | | / | | | | | | | | | | |
| 23- | | | | / | | | | | | | | | | |
| 24- | | | | / | | | | | | | | | | |
| 25- | | | | / | | | | | | | | | | |
| 26- | | | | / | | | | | | | | | | |
| 27- | | | | / | | | | | | | | | | |
| 28- | | | | / | | | | | | | | | | |
| 29- | | | | / | | | | | | | | | | |
| 30- | | | | / | | | | | | | | | | |
| 31- | | | | / | | | | | | | | | | |
| 32- | | | | / | | | | | | | | | | |
| 33- | | | | / | | | | | | | | | | |
| 34- | | | | / | | | | | | | | | | |
| 35- | | | | / | | | | | | | | | | |
| 36- | | | | / | | | | | | | | | | |
| 37- | | | | / | | | | | | | | | | |
| 38- | | | | / | | | | | | | | | | |
| 39- | | | | / | | | | | | | | | | |
| 40- | | | | / | | | | | | | | | | |
| (860) Total | | | | | 42,806,000.00 | | 830,841.96 | 1,802,170.56 | | 36,780,806.72 | | | | |
| List Note Numbers Paid Monthly: | B270 | B272 | B281 | B283 | B290 | B291 | B295 | B297 | B300 | B301 | B302 | B303 | B304 | B310 |

*EXCLUDING CUSHION OF CREDIT.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| NOTE NUMBER | DATE OF NOTE | INT. RATE | CFC OR COBANK | TERM OF NOTE (YR) | SUMMARY OF LONG-TERM DEBT - CFC AND/OR COBANK | | | | OUTSTANDING END OF YEAR | RUS LOAN SUPPLEMENTED | |
|--------------------|--------------|-----------|---------------|-------------------|---|-----------------|--|------------|-------------------------|-----------------------|-------|
| | | | | | AMOUNT OF LOAN APPROVED | UNADVANCED LOAN | AMT REPAYED THIS YEAR FOR REGULAR BILLINGS | | | NOTE NUMBER | % |
| | | | | | | | PRINCIPAL | INTEREST | | | |
| 01-9005 | 1/17/1975 | 6.25 | CFC | 35 | 479,000.00 | | 28,732.04 | 876.03 | | B230/32 | 30.00 |
| 02-9007 | 3/26/1976 | 6.30 | CFC | 35 | 319,000.00 | | 22,901.02 | 2,396.08 | 24,377.97 | B240/42 | 20.00 |
| 03-9009 | 7/8/1979 | 6.40 | CFC | 35 | 758,000.00 | | 50,327.96 | 9,872.80 | 125,631.09 | B250/52 | 20.00 |
| 04-9013 | 8/13/1980 | 6.50 | CFC | 35 | 2,120,000.00 | | 115,900.67 | 49,669.02 | 706,100.29 | B260/62 | 30.00 |
| 05-9016 | 5/14/1982 | 6.60 | CFC | 35 | 695,000.00 | | 30,626.40 | 22,788.86 | 332,653.43 | B270/72 | 30.00 |
| 06-9017 | 10/26/1986 | 6.65 | CFC | 35 | 936,000.00 | | 32,484.11 | 37,868.32 | 559,887.42 | B281/83 | 30.00 |
| 07-9019007 | 8/29/2003 | 4.80 | CFC | 7 | 577,378.99 | | 577,378.99 | 26,774.57 | | | |
| 08-9019008 | 8/29/2003 | 5.05 | CFC | 8 | 577,378.99 | | | 28,435.91 | 577,378.99 | | |
| 09-9019009 | 8/29/2003 | 5.25 | CFC | 9 | 577,378.99 | | | 29,590.69 | 577,378.99 | | |
| 10-002349882 | 10/1/2009 | 2.97 | COBANK | 2 | 3,500,000.00 | | 1,288,228.85 | 67,472.01 | 2,211,771.15 | | |
| 11-002349917 | 10/1/2009 | 3.21 | COBANK | 3 | 3,800,000.00 | | 916,018.58 | 83,776.66 | 2,883,981.42 | | |
| 12- | | | | | | | | | | | |
| 13- | | | | | | | | | | | |
| 14- | | | | | | | | | | | |
| 15- | | | | | | | | | | | |
| 16- | | | | | | | | | | | |
| 17- | | | | | | | | | | | |
| 18- | | | | | | | | | | | |
| 19- | | | | | | | | | | | |
| 20- | | | | | | | | | | | |
| 21- | | | | | | | | | | | |
| 22- | | | | | | | | | | | |
| 23- | | | | | | | | | | | |
| 24- | | | | | | | | | | | |
| 25- | | | | | | | | | | | |
| 26- | | | | | | | | | | | |
| 27- | | | | | | | | | | | |
| 28- | | | | | | | | | | | |
| 29- | | | | | | | | | | | |
| 30- | | | | | | | | | | | |
| 31- | | | | | | | | | | | |
| 32- | | | | | | | | | | | |
| 33- | | | | | | | | | | | |
| 34- | | | | | | | | | | | |
| 35- | | | | | | | | | | | |
| 36- | | | | | | | | | | | |
| 37- | | | | | | | | | | | |
| 38- | | | | | | | | | | | |
| 39- | | | | | | | | | | | |
| 40- | | | | | | | | | | | |
| 41- | | | | | | | | | | | |
| (865) Total | | | | | 14,339,136.97 | | 3,062,598.62 | 359,520.95 | 7,999,160.75 | | |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| LONG-TERM DEBT - RUS | | |
|--|--|---|
| ACCT. | PRINCIPAL DATA | AMOUNT |
| 224.1 | Long-term debt - RUS. | 36,780,806.72 |
| 224.2 | Unadvanced RUS allotment - debit (page 21) | |
| 224.3 | Deferred interest - RUS. | |
| 224.4 | Long-term debt - RUS - matured and deferred. | |
| 224.5 | Cushion of credit - RUS - debit. | |
| | Net balance due RUS as above (page 2, item 36). | 36,780,806.72 |
| | Total additions to RUS long-term debt this year. (Item 132) | <input type="text"/> |
| | Repayments for the year excluding advance payments. (Item 143) | <input type="text" value="830,841.96"/> |
| INTEREST ACCRUED - RUS (Account 237.1) | | |
| | | AMOUNT |
| | Balance beginning of year (matured \$.00). | |
| | Accrued during year (Account 427.1) (page 3, item 87) (page 26 summary). | 1,802,170.56 |
| | Repayments this year. | 1,802,170.56 |
| | Balance end of year (matured \$.00) (page 2, item 49)(page 26 summary). | |
| LONG-TERM DEBT - CFC | | |
| ACCT. | PRINCIPAL DATA | AMOUNT |
| 223.1 | Subscriptions to CFC capital term certificates - debit. | |
| 223.2 | Unpaid subscriptions to CFC capital term certificates - credit. | |
| 223.4 | CFC loan approved - unadvanced - debit (page 22). | |
| 223.5 | Long-term debt - CFC credit. | 2,903,408.18 |
| 223.61 | Patronage capital certificates - debit. | |
| 223.62 | Deferred patronage dividends - credit. | |
| | Net CFC account (account 223) (page 2, item 37). | 2,903,408.18 |
| | Total additions to CFC long-term debt this year. (Item 135) | <input type="text"/> |
| | Repayments for the year excluding advance payments. (Item 144) | <input type="text" value="858,351.19"/> |
| INTEREST ACCRUED - CFC (Account 237.2) | | |
| | | AMOUNT |
| | Balance beginning of year (matured \$.00). | 18,474.28 |
| | Accrued during year (Account 427.1) (page 3, item 88) (page 26 summary). | 206,868.36 |
| | Repayments this year. | 208,272.28 |
| | Balance end of year (matured \$.00) (page 2, item 50)(page 26 summary). | 17,070.36 |
| LONG-TERM DEBT - COBANK | | |
| ACCT. | PRINCIPAL DATA | AMOUNT |
| 229.10 | Long Term Debt - CoBank - credit. | 5,095,752.57 |
| 229.20 | Unadvanced allotment - CoBank - debit. | |
| 229.30 | Subscription to class "C" stock - CoBank - debit. | |
| 229.40 | Unpaid subscription to class "C" stock - CoBank - credit. | |
| 229.50 | Allocated earnings receivable - CoBank - debit. | |
| 229.51 | Allocated earnings deferred - CoBank - credit. | |
| | Net CoBank account (account 229) (page 2, item 38). | 5,095,752.57 |
| | Amount received on allotment this year. (Item 136) | <input type="text" value="7,300,000.00"/> |
| | Repayments this year. (Item 145) | <input type="text" value="2,204,247.43"/> |
| INTEREST ACCRUED - COBANK (Account 237.6) | | |
| | | AMOUNT |
| | Balance beginning of year (matured \$.00). | |
| | Accrued during year (Account 427.4) (page 3, item 89) (page 26 summary). | 151,248.67 |
| | Repayments this year. | 151,248.67 |
| | Balance end of year (matured \$.00) (page 2, item 51)(page 26 summary). | |

BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)

Name of issue: POST RETIREMENT BENEFITS
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: PostRetirement - 228 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue: _____

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|---------------------------------|--------------|-----------------------------------|--|
| Balance beginning of year..... | 950,611.28 | Accrued beginning of year..... | |
| Issued during year..... | 285,811.92 | Accrued during year (427.3)..... | |
| Total..... | 1,236,423.20 | Total..... | |
| Bonds retired this year..... | 300,662.39 | Payments during year..... | |
| Balance end of year..... | 935,760.81 | Balance end of Year..... | |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | 935,760.81 | Balance less matured (237.3)..... | |

Name of issue: NCSC - TVA SUPPLEMENTAL LOAN
 Date of issue: 06/30/1995 Amount of original issue: \$ 7,539,000.00
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: 2\15 Quarterly Principal due dates: 2\15 Quarterly Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: TVA - 228 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue: \$2,500,000 direct financing loan. Remainder supplemental to RUS loans.

Conditions under which bonds may be called:
Due in full within one year of submitting notice of cancellation of power contract with TVA.

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|---------------------------------|--------------|-----------------------------------|-----------|
| Balance beginning of year..... | 4,543,341.75 | Accrued beginning of year..... | 5,852.25 |
| Issued during year..... | | Accrued during year (427.3)..... | 25,059.10 |
| Total..... | 4,543,341.75 | Total..... | 30,911.35 |
| Bonds retired this year..... | 241,607.20 | Payments during year..... | 26,074.55 |
| Balance end of year..... | 4,301,734.55 | Balance end of Year..... | 4,836.80 |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | 4,301,734.55 | Balance less matured (237.3)..... | 4,836.80 |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)

Name of issue: NRUCFC Revolving Line of Credit
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: Other Notes Payable - 231 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue: Revolving line of credit in the amount of \$4,000,000.00.

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|----------------------------------|--------------|------------------------------------|----------|
| Balance beginning of year. | | Accrued beginning of year. | 440.65 |
| Issued during year. | 7,504,076.34 | Accrued during year (427.3). | 2,326.87 |
| Total. | 7,504,076.34 | Total. | 2,767.52 |
| Bonds retired this year. | 7,504,076.34 | Payments during year. | 2,767.52 |
| Balance end of year. | | Balance end of Year. | |
| Including matured of (239). | | Including matured of (240). | |
| Balance less matured (221). | | Balance less matured (237.3). | |

Name of issue: CoBank Emergency Line of Credit
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: Other Notes Payable - 231 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue: Emergency line of credit issued for ice storm recovery costs

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|----------------------------------|--------------|------------------------------------|-----------|
| Balance beginning of year. | 9,750,000.00 | Accrued beginning of year. | |
| Issued during year. | | Accrued during year (427.3). | 90,782.22 |
| Total. | 9,750,000.00 | Total. | 90,782.22 |
| Bonds retired this year. | 9,750,000.00 | Payments during year. | 90,782.22 |
| Balance end of year. | | Balance end of Year. | |
| Including matured of (239). | | Including matured of (240). | |
| Balance less matured (221). | | Balance less matured (237.3). | |

BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)

Name of issue: _____
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: _____ Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue: _____

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|----------------------------------|--|------------------------------------|--|
| Balance beginning of year. | | Accrued beginning of year. | |
| Issued during year. | | Accrued during year (427.3). | |
| Total. | | Total. | |
| Bonds retired this year. | | Payments during year. | |
| Balance end of year. | | Balance end of Year. | |
| Including matured of (239). | | Including matured of (240). | |
| Balance less matured (221). | | Balance less matured (237.3). | |

SUMMARY OF LONG-TERM DEBT - BONDS (Account 221) AND OTHER (Account 228)

| | ACCOUNT 221 | OTHER* ACCOUNT 228 | TOTAL* | POST- RETIREMENT BENEFITS ACCOUNT 228 | TVA ACCOUNT 228 |
|---|-------------|-----------------------|--------|--|--------------------|
| Balance beginning of year. | | | | 950,611.28 | 4,543,341.75 |
| Issued during year. (Item 137) | | | | 285,811.92 | |
| Total. | | | | 1,236,423.20 | 4,543,341.75 |
| Bonds retired this year. (Item 146) | | | | 300,662.39 | 241,607.20 |
| Balance end of year. | | | | 935,760.81 | 4,301,734.55 |
| Including matured of (239). (Item 147) | | | | | |
| Balance less matured (221). | | | | 935,760.81 | 4,301,734.55 |

(page 2, item 39.1) (page 2, item 39.2) (page 2, item 39.3)

SUMMARY OF INTEREST ACCRUED - LONG-TERM DEBT(Account 237)

| | TOTAL |
|--|-----------|
| Accrued beginning of year. | 5,852.25 |
| Accrued during year (427.3) (page 26). | 25,059.10 |
| Total. | 30,911.35 |
| Payments during year. | 26,074.55 |
| Balance end of year. | 4,836.80 |
| Including matured of (240). | |
| Balance less matured (237.3) (page 26). | 4,836.80 |

*Less TVA Long-term Debt and Postretirement Benefits

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| NOTES PAYABLE (Account 231) | | | |
|---|----------------------|--|------------------|
| PRINCIPAL DATA | | INTEREST ACCRUED | |
| Balance beginning of year. | 9,750,000.00 | Accrued beginning of year. | 440.65 |
| New notes issued during year. | 7,504,076.34 | Accrued during year (as below). | 93,109.09 |
| Total. | 17,254,076.34 | Total. | 93,549.74 |
| Notes retired this year. | 17,254,076.34 | Payments during year. | 93,549.74 |
| Balance end of year. | | Balance end of year (as below). | |
| Portion of balance TVA (page 2, item 45.1). | | | |
| Portion of balance non-TVA (page 2, item 45.2). | | | |

| CUSTOMER DEPOSITS (Account 235) | |
|--|---------------------|
| Balance accrued interest on customer deposits end of year. | 7,860.00 |
| Balance customer deposits end of year (Account 235). | 1,781,493.55 |
| Total customer deposits (page 2, item 47). | 1,789,353.55 |

| SUMMARY OF ACCRUED INTEREST AND INTEREST EXPENSE | | | | | | | | | | |
|---|---------------------|---------------|--|----------|----------|---------------------|--|----------|---------------------|------------------|
| ACCT. NO. | DESCRIPTION | FROM PAGE NO. | REPORT ON BALANCE SHEET AS INDICATED BELOW | | | | REPORT ON REVENUE AND EXPENSE STATEMENT AS INDICATED BELOW | | | |
| | | | ACCT. NO. | PAGE NO. | ITEM NO. | ACCRUED END OF YEAR | ACCT. NO. | PAGE NO. | ITEM NO. | EXPENSE FOR YEAR |
| 221 | Bonds | 25 | 237.3 | 2 | 52.2 | | 427.3 | 3 | 90.1 | |
| 223 | CFC | 23 | 237.2 | 2 | 50 | 17,070.36 | 427.2 | 3 | 88 | 206,868.36 |
| 224 | RUS | 23 | 237.1 | 2 | 49 | | 427.1 | 3 | 87 | 1,802,170.56 |
| 229 | CoBank | 23 | 237.6 | 2 | 51 | | 427.4 | 3 | 89 | 151,248.67 |
| 228 | TVA long term | 25 | 237.3 | 2 | 52.1 | 4,836.80 | 427.3 | 3 | 90.2 | 25,059.10 |
| 228 | Other long term | 25 | 237.3 | 2 | 52.2 | | 427.3 | 3 | 90.1 | |
| 231 | TVA Notes Payable | Above | 237.5 | 2 | 52.1 | | 431 | 3 | 90.2 | |
| 231 | Other notes payable | Above | 237.5 | 2 | 52.2 | | 431 | 3 | 92 | 93,109.09 |
| 235 | Customer Deposits | Above | 235 | Above | --- | | 431 | 3 | 92 | 46,553.78 |
| --- | Delinquent taxes | --- | 237.5 | 2 | 52.2 | | 431 | 3 | 92 | |
| Total interest accrued end of year. | | | | | | 21,907.16 | Net expense for year. | | 2,325,009.56 | |
| Total item 49 (page 2) | | | | | | | Total item 87 (page 3). | | 1,802,170.56 | |
| Total item 50 (page 2) | | | | | | 17,070.36 | Total item 88 (page 3). | | 206,868.36 | |
| Total item 51 (page 2) | | | | | | | Total item 89 (page 3). | | 151,248.67 | |
| Total item 52.1 (page 2) | | | | | | 4,836.80 | Total item 90.1 (page 3). | | | |
| Total item 52.2 (page 2) | | | | | | | Total item 90.2 (page 3). | | 25,059.10 | |
| | | | | | | | Total item 92 (page 3). | | 139,662.87 | |

| ACCT. NO. | ACCOUNTS PAYABLE | |
|-----------|---|---------------------|
| 232 | Accounts payable - general (includes \$8,541,601.19 to TVA for purchased power and Fac.Rental). | 9,840,456.54 |
| 232 | Accrued purchased power. | |
| 233 | Accounts payable - spec. const. | |
| 234 | Payable to municipal - utility revenue. | |
| 234 | Other payables to municipality. | |
| | Total accounts payable - general (page 2, item 46). | 9,840,456.54 |

| ACCT. NO. | OTHER CURRENT AND ACCRUED LIABILITIES | |
|-----------|---|---------------------|
| 239 | Matured long-term debt (pages 23, 24, and 25). | |
| 240 | Matured interest (pages 23, 24, and 25). | |
| 241 | Tax collections payable. | 23,496.56 |
| 242 | Miscellaneous - accrued insurance. | 877.62 |
| 242 | Miscellaneous - employees' accrued leave. | 1,176,697.67 |
| 242 | Miscellaneous - other. | 1,233,845.46 |
| | Total other current and accrued liabilities (page 2, item 53). | 2,434,917.31 |

| OTHER DEFERRED CREDITS (Account 253) | |
|---|-------------------|
| Payables for plant purchases; (item 149) | |
| Other items (List): Budget Billing Differences. | 124,346.18 |
| Total other deferred credits (page 2, item 56) | |
| Total other deferred credits (page 2, item 56) | 124,346.18 |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| BASIS FOR COMPUTATION OF ACCRUAL FOR AD VALOREM PROPERTY TAX OR TAX EQUIVALENT | | | | | | | |
|--|---|-----------------------------------|-----------------------------------|--------------------------------------|----------------------|---|--|
| <input checked="" type="checkbox"/> TAX, OR <input type="checkbox"/> TAX EQUIVALENT | | TN. EQUAL- IZATION RATIO | STATE ASSESS- MENT RATIO | TAX ASSESSMENT OR VALUATION | RATE PER \$100 | TAX OR EQUIVALENT FOR TAX PERIOD | AMOUNT APPLICABLE FOR FISCAL YEAR |
| PERIOD | DISTRICT | | | | | | |
| 1/1/2009 12/31/2009 | State of Kentucky - Real Estate | | | 1,314,495.00 | .1220 | 1,603.68 | 801.84 |
| 1/1/2009 12/31/2009 | State of Kentucky - Tangible | | | 63,019,745.00 | .4500 | 283,588.86 | 141,794.43 |
| 1/1/2009 12/31/2009 | State of Kentucky - Manufacturing Machinery | | | 15,509,613.00 | .1500 | 23,264.42 | 11,632.21 |
| 1/1/2009 12/31/2009 | Calloway County - Real Estate | | | 89,920.00 | .6370 | 349.06 | 174.55 |
| 1/1/2009 12/31/2009 | Calloway County - Tangible | | | 21,623,829.00 | .6747 | 144,910.75 | 72,455.39 |
| 1/1/2009 12/31/2009 | Carlisle County - Real Estate | | | 2,135.00 | .7440 | 15.89 | 7.96 |
| 1/1/2009 12/31/2009 | Carlisle County - Tangible | | | 3,636,181.00 | .7376 | 26,820.47 | 13,410.25 |
| 1/1/2009 12/31/2009 | Graves County - Real Estate | | | 1,204,015.00 | .1990 | 2,395.99 | 1,198.01 |
| 1/1/2009 12/31/2009 | Graves County - Tangible | | | 22,567,636.00 | .2471 | 55,764.63 | 27,882.32 |
| 1/1/2009 12/31/2009 | Graves County Schools - Real Estate | | | 1,177,055.00 | .3530 | 4,155.00 | 2,077.50 |
| 1/1/2009 12/31/2009 | Graves County Schools - Tangible | | | 22,334,451.00 | .3530 | 78,840.61 | 39,420.31 |
| 1/1/2009 12/31/2009 | Hickman County - Tangible | | | 496,803.00 | .6865 | 3,410.56 | 1,705.28 |
| 1/1/2009 12/31/2009 | Livingston County - Tangible | | | 46,363.00 | .7094 | 328.90 | 164.47 |
| 1/1/2009 12/31/2009 | Marshall County - Real Estate | | | 18,425.00 | .7850 | 144.64 | 72.33 |
| 1/1/2009 12/31/2009 | Marshall County - Tangible | | | 14,648,933.00 | .8932 | 130,711.70 | 65,355.86 |
| 1/1/2009 12/31/2009 | Marshall County Fire Districts (All) - Tangible | | | 1,562,558.00 | .7905 | 12,352.03 | 6,176.02 |
| 1/1/2009 12/31/2009 | City of Arlington - Tangible | | | 87,801.00 | .3910 | 343.30 | 171.65 |
| 1/1/2009 12/31/2009 | City of Benton - Tangible | | | 94,992.00 | .2100 | 199.48 | 99.74 |
| 1/1/2009 12/31/2009 | City of Calvert City - Tangible | | | 138,099.00 | .3250 | 448.82 | 224.41 |
| 1/1/2009 12/31/2009 | City of Hardin - Tangible | | | 225,150.00 | .1560 | 351.23 | 175.62 |
| 1/1/2009 12/31/2009 | City of Hazel - Tangible | | | 76,507.00 | .5000 | 382.54 | 191.27 |
| 1/1/2009 12/31/2009 | City of Mayfield - Real Estate | | | 26,960.00 | .9830 | 265.02 | 132.51 |
| 1/1/2009 12/31/2009 | City of Mayfield - Tangible | | | 233,185.00 | .9830 | 2,292.21 | 1,146.11 |
| 1/1/2009 12/31/2009 | City of Murray - Tangible & Real Estate | | | 375,120.00 | .3985 | 1,488.73 | 744.38 |
| 1/1/2009 12/31/2009 | City of Murray Schools - Tangible & Real Estate | | | 255,425.00 | .5100 | 1,302.67 | 651.34 |
| 1/1/2009 12/31/2009 | City of Wingo - Tangible | | | 171,019.00 | .5300 | 906.40 | 453.21 |
| 7/1/2009 6/30/2010 | Underaccrual FY 2009 | | | | | | 1,008.32 |
| 1/1/2010 12/31/2010 | Estimated State | | | | | | 154,228.48 |
| 1/1/2010 12/31/2010 | Estimated Counties | | | | | | 230,100.12 |
| 1/1/2010 12/31/2010 | Estimated Cities | | | | | | 3,990.20 |
| 1/1/2009 12/31/2009 | State of Kentucky - Tangible Vehicle Tax | | | 939,308.00 | .4500 | 4,226.93 | 2,113.46 |
| 1/1/2009 12/31/2009 | Graves County - Tangible Vehicle Tax | | | 931,783.00 | .1910 | 1,794.14 | 897.06 |
| 1/1/2009 12/31/2009 | Graves County Schools - Tangible Vehicle Tax | | | 931,783.00 | .4640 | 4,323.50 | 2,161.77 |
| 1/1/2009 12/31/2009 | City of Mayfield - Tangible Vehicle Tax | | | 7,525.00 | 1.0290 | 77.43 | 38.71 |
| 1/1/2010 12/31/2010 | State of Kentucky - Tangible Vehicle Tax | | | 859,487.00 | .4500 | 3,867.74 | 1,933.87 |
| 1/1/2010 12/31/2010 | Graves County - Tangible Vehicle Tax | | | 859,487.00 | .1910 | 1,641.70 | 820.85 |
| 1/1/2010 12/31/2010 | Graves County Schools - Tangible Vehicle Tax | | | 859,487.00 | .4640 | 3,988.00 | 2,153.48 |
| 1/1/2010 12/31/2010 | City of Mayfield - Tangible Vehicle Tax | | | | | | |
| 7/1/2009 6/30/2010 | Total Tax Expense | | | | | | 787,765.29 |

Where more than one tax period is applicable to the current fiscal year, show beginning and ending dates of each tax period. Compute tax or tax equivalent for each tax period and show amount prorated to this fiscal year. For tax equivalents show all the components of the tax base and applicable tax equivalent by taxing districts. When tax equivalent payments are determined other than by applying applicable tax rates to net plant, describe basis, explain any change from previous period, and include data showing breakdown of net plant by taxing districts and applicable tax rates. Use extra sheets if needed.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

PREPAID TAXES

Do not report any taxes listed in schedule of Account 236 below as prepaid - if prepaid show debit balance in Account 236.

| TAXING JURISDICTION | % OF GROSS REVENUE | BALANCE BEGINNING OF YEAR | PAYMENTS | PERIOD COVERED | | ACCT. NO. | WRITEOFF AMOUNT | BALANCE END OF YEAR |
|---------------------|--------------------------|---------------------------------|----------|----------------|------------|--------------|--------------------------|---------------------------|
| GRAVES | | | 5,948.65 | 01/01/2010 | 12/31/2009 | 408.1 | 2,974.33 | 2,974.32 |
| GRAVES | | 3,058.83 | | 01/01/2010 | 12/31/2010 | 408.1 | 3,058.83 | |
| MAYFIELD | | | | 01/01/2009 | 12/31/2009 | 408.1 | | |
| MAYFIELD | | 38.71 | | 01/01/2010 | 12/31/2010 | 408.1 | 38.71 | |
| KY | | | 3,867.74 | 01/01/2009 | 12/31/2009 | 408.1 | 1,933.87 | 1,933.87 |
| KY | | 2,113.46 | | 01/01/2010 | 12/31/2010 | 408.1 | 2,113.46 | |
| Total | | 5,211.00 | 9,816.39 | | | | 10,119.20 (Add below) | 4,908.19 (Page 17) |

ACCRUED TAXES (Account 236)

| ACCT. NO. | KIND OF TAX | BALANCE BEG. OF YEAR | PAYMENTS | TAX EXPENSE (ACCOUNT 408) | TRANSFERRED | BALANCE END OF YEAR |
|------------------------|---|-------------------------|--------------|------------------------------|--------------|------------------------|
| 408.1 | Property | \$87,310.30 | 776,637.59 | | 777,646.09 | \$88,318.80 |
| 408.2 | U.S. Social Security - unemployment | 97.52 | 5,218.32 | | 5,179.81 | 59.01 |
| 408.3 | U.S. Social Security - FICA | | 385,073.83 | | 399,981.35 | 14,907.52 |
| 408.4 | State Social Security - unemployment | | 7,292.58 | | 7,412.90 | 120.32 |
| 408.5 | Gross receipts - state | | | | | |
| 408.6 | Income - state | | | | | |
| 408.7 | Other: (list below) | | | | | |
| 408.7 | Gross Receipts License Tax for Schools | | 2,258,749.97 | 2,258,749.97 | | |
| 408.7 | Reallocation of Prepaid Vehicle Taxes | | | (10,119.20) | 10,119.20 | |
| Total | | 387,407.82 | 3,432,972.29 | 2,248,630.77 | 1,200,339.35 | 403,405.65 |
| (885) | Tax expense from the writeoff of prepaid privilege taxes (as above) | | | 10,119.20 | | (page 2, item 48) |
| (890) | Total tax expense for the year (page 3, item 79) | | | 2,258,749.97 | | |

Social Security and Federal and State unemployment taxes paid should be reported under payments, and the portion not charged to tax expense should be reported as "Transferred".

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

GENERAL INFORMATION

1. Give the form of management of municipal system. (Power board, Mayor and council, etc.)

2. In the case of a Power Board (or Utilities Board), list any other departments of the city over which it exercises control.

3. (a) Give the statutes under which the electric system was created.
 RURAL ELECTRIFICATION ACT OF 1936

- (b) Give the statutes under which the electric system is currently operating if different from the above.

4. (a) Are customers' accounts billed by an outside organization? Y
 If so, give name. If not, give the type in-house hardware. Central Service Association, Tupelo, MS, on-line

- (b) At June 30:
 - 1) What percentage is added to customer bills for late payments? 5.00 %
 - 2) How many days are allowed between date of bill and last day before gross billing applies? 15 days
 - 3) Is an "Even Monthly Payment" (budget billing) plan available for electric consumers? Y Yes No
 - 4) Amount of security deposit required for residential service:

| | |
|------------------------------|---------------------------------------|
| Owner with Electric Heat | |
| Owner without Electric Heat | |
| Tenant with Electric Heat | \$175.00 |
| Tenant without Electric Heat | \$175.00 |
| Other (describe) | 2 months average bill for businesses. |

- 5) Are there any customer deposits that qualify (deposits exceeding 1 month's average bill and held longer than 6 months) for the payment of interest under the service practice standard entitled Deposit? If yes, what rate of interest is paid?

| Class | Yes/No | Interest Rate |
|--------------|--------|---------------|
| Residential | Y | 6.00 % |
| C & I Part A | Y | 6.00 % |
| C & I Part B | Y | 6.00 % |

- 6) Is interest on deposits:

| | | |
|---|-----------------|-------------|
| Refunded by check annually? | <u> </u> Yes | <u>N</u> No |
| Credited on customer's power bill annually? | <u> </u> Yes | <u>N</u> No |
| Credited to a deposit account annually? | <u> </u> Yes | <u>N</u> No |

Handled differently (Explain)
 Applied to final bill or refunded if credit balance.

- 7) Are prior written notice and due process afforded to customers before termination for nonpayment?

| | | |
|-----------------------------|--------------|----------------|
| Prior written notice? | <u>Y</u> Yes | <u> </u> No |
| Due process? | <u>Y</u> Yes | <u> </u> No |

- 8) Is information about policies and rates available upon request and application for service?

| | | |
|-------------------------------------|--------------|----------------|
| Upon request? | <u>Y</u> Yes | <u> </u> No |
| Upon application for service? | <u>Y</u> Yes | <u> </u> No |

- 9) Are the media used to inform customers about policies and rates?

| | | |
|---|----------------|----------------|
| Policies? | <u>Y</u> Yes | <u> </u> No |
| If yes, how many times during the past 12 months? | <u>4</u> Times | |
| Rates? | <u>Y</u> Yes | <u> </u> No |
| If yes, how many times during the past 12 months? | <u>4</u> Times | |

- 10) Is the most recent 12 months' prior usage available to customers upon request?

11) The cost of a membership certificate is \$5.00

GENERAL INFORMATION (CONTINUED)

5. Give the name of the audit firm conducting this year's audit:
 Alexander Thompson Arnold, LLC, Union City, TN

6. If water, gas, or other services are operated in connection with electric services, furnish the following information in connection with joint operations.

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
| | | | | | |
| | | | | | |

(a) Indicate the joint operations with the Electric Utility:

(b) Indicate the % of non-electric ownership of any jointly owned buildings:

(c) Percentage of building space rented to others _____ %

(d) Percentage of building space rented from others _____ %

(e) 1) Date of last joint expense study: _____

2) Joint expense study was prepared by: _____ TVA _____ Distributor _____ Other

3) Indicate the amount of the unresolved annual inequity as reflected by the TVA study:

4) Give the current status of the latest joint expense study:

GOVERNING BOARD

AMOUNT PAID*

| DIRECTORS OR MEMBERS OF GOVERNING BOARD NAME AND PRINCIPAL OCCUPATION | | TERM EXPIRES | AMOUNT PAID* | |
|--|--------------|--------------|--------------|-----------|
| | | | FEES | TRAVEL |
| JAMIE POTTS, PRESIDENT | AGRICULTURE | 07/01/2010 | 8,450.00 | 7,829.29 |
| CHAD WILLETT, VICE-PRESIDENT | REAL ESTATE | 07/01/2013 | 8,250.00 | 4,159.09 |
| CAROLYN WOOD, | RETIRED | 07/01/2011 | 7,700.00 | 1,548.39 |
| DENNIS BARNES | FACTORY | 07/01/2012 | 1,500.00 | 402.60 |
| RALPH EDRINGTON | AGRICULTURE | 07/01/2012 | 2,100.00 | 2,619.69 |
| TROY ENGLISH | SALES | 07/01/2013 | 2,500.00 | 5,019.81 |
| BOB HARGROVE | BANKING | 07/01/2013 | 7,100.00 | 445.80 |
| TED LOVETT | MAINTENANCE | 07/01/2011 | 6,600.00 | 1,688.39 |
| ROBERT SPALDING | CONSTRUCTION | 07/01/2010 | 2,100.00 | 1,699.39 |
| Total | | | 46,300.00 | 25,412.45 |

*Show total amounts paid from electric system funds for fiscal year.
 Method of determining amounts paid to board members is as follows:
 Board members elected prior to 07/05 receive \$100 per each meeting plus medical insurance. Members elected after 07/05 receive \$400 for each regular board meeting and no medical insurance and \$100 per other meeting days. Term for board members elected after July 2006 will be four years.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| GENERAL INFORMATION (CONTINUED) | |
|---|-------------------|
| Detail of Account 930 - Miscellaneous General Expense | EXPENSE |
| General Advertising Expense | 125,045.89 |
| Association Dues, Chambers of Commerce | 142,773.90 |
| Directors Fees | 46,300.00 |
| Directors Travel, Meetings and Mileage | 25,412.45 |
| Directors Meeting Registration | 5,516.75 |
| Directors Insurance | 51,582.00 |
| Annual Meeting | 44,946.58 |
| Newsletters | 2,325.96 |
| Employee Dinners | 5,247.72 |
| Directors' Miscellaneous - meals, publications, travel & accident insurance | 2,035.68 |
| Miscellaneous | 803.00 |
| Property Insurance Allocation | 4,097.99 |
| Property Tax Allocation | 2,752.49 |
| Directors' Liability Insurance | 7,722.96 |
| TOTAL | 466,563.37 |

GENERAL INFORMATION (CONTINUED)

EXPLAIN UNUSUAL INCREASES OR DECREASES IN OPERATING EXPENSES AND INCOME OVER LAST YEAR'S FIGURES; EXTRAORDINARY ITEMS PAGE 3; ITEMS MARKED * ON PAGES 5 AND 6; AND OTHER ENTRIES TO THE ACCUMULATED PROVISION FOR DEPRECIATION ON PAGE 11.

Page 1, Item 14; Page 2, Item 46; Page 26, Acct 232: In anticipation of a new wholesale and retail rate structure during April 2010 WKRECC requested that TVA move their wholesale meter reading date from April 24th to May. This resulted in a change in the due date of the wholesale power bill which moved the due date into the following month. Accounts payable at June 30, 2010 includes purchased power for the months of May and June. This also resulted in a corresponding increase in cash since the May power bill is still outstanding.

Page 1, Item 15: Decrease from last fiscal year is due to receiving \$9.8M payment from FEMA for FY 2009 ice storm damages and recovery. This amount was included in misc. accounts receivable at 06/30/09.

Page 2, Item 33: Beginning balance this year is different from ending balance last year due to adjustments made last year's adoption of SFAS 158.

Page 2, Item 53; Page 26, Misc - other current liabilities: Decrease due to payment to NRECA pension plan during FY 2010.

Page 3, Item 62: Increase due to increase in pole attachment rates.

Page 4, operating activities-other: change in prior year retained earnings.

Page 4, financing activities-other: change in accrued post retirement benefits.

Page 5, Account 583: Increase is due to installation of transformers when closing workorders. Prior year had \$2 credit for transformers purchased during ice storm.

Page 6, Account 923: Increase due to legal fees associated with territorial boundary lawsuit.

Page 6, Account 593: Decrease from last FY due to expense associated with ice storm recovery efforts during FY 2009.

Page 6, Account 935: Increase is due to painting warehouse and above ground fuel storage tanks.

Page 7: Inverse relationship between revenue and power cost vs. retail and wholesale kWh is due to reductions in fuel cost adjustments during FY 2010.

Page 7: Increase in line loss percentage is due to extreme hot weather during May and June, 2010.

Page 9, Account 362: Closed Walker substation to plant.

Pages 9 and 11, Accounts 364, 365, 368, 371: Increase due to closing work orders from FY 2009 ice storm. There was an associated decrease in account 107 - CWIP.

Page 11, Accounts 391, 397: There was no salvage associated with retirements. Items were junked.

Page 11, Account 395: Depreciation has been discontinued.

Page 11, Accounts 353, 361, 397, 398: Will monitor depreciation accrual during FY 2011.

Page 18, Customer advances for construction: Reviewed and confiscated several advances for which workorders had already been closed.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

KEY PERSONNEL

| KEY PERSONNEL | TITLE OR OCCUPATIONS | PERCENTAGE OF WAGES CHARGED TO THE ELECTRIC DEPARTMENT |
|---|---------------------------------------|--|
| David E. Smart | President, CEO | 100.00 |
| Ron N. Mays | V.P. Finance & Administration | 100.00 |
| Jack R. Clifford | Financial Officer/Accounting Manager | 100.00 |
| Anita Weatherly | Plant Accounting Supervisor | 100.00 |
| Julie Pittman | Member Billing Supervisor | 100.00 |
| Jamie Sears | Communications Director | 100.00 |
| Tim Vied | Manager of Engineering Services | 100.00 |
| Johnny Jackson | Operations Manager | 100.00 |
| Jimmy Greer | Construction & Maintenance Supervisor | 100.00 |
| Kim Grogan | Director of Safety | 100.00 |
| Jerry Wise | Right-of-Way Foreman | 100.00 |
| Roger Gough | Technology Coordinator | 100.00 |
| Marcia Pritchett | Human Resources Coordinator | 100.00 |
| (895) TOTAL NUMBER OF EQUIVALENT FULL-TIME EMPLOYEES: 86 | | |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| RETAINED EARNINGS ADJUSTMENT(S) | | |
|---------------------------------|--------------------|--------|
| Order | Amount Description | Reason |
| Total | \$0.00 | |

West Kentucky Rural Electric Cooperative Corporation

Name of Organization

1218 West Broadway Mayfield, KY 42066-0589

Address

Tennessee Valley Authority
1101 Market Street
Chattanooga, Tennessee 37402-2801

Gentlemen:

We are transmitting herewith our annual report for the year ended June 30, 2011. The report is in agreement with the books of account, and to the best of our knowledge and belief the statements therein contained are true and correctly reflect the financial condition at June 30, 2011, and the results of our electric operations for the year ended on that date.

Our books of account have been kept in accordance with the provisions of the power contract between this organization and the Tennessee Valley Authority, and are consistent with the requirements of the Federal Energy Regulatory Commission's system of accounts.

(Signed)

Jack R. Clifford

Accountant in charge of books

David E. Smart

Manager

08/03/2011

Date transmitted

TVA Act of 1933

In fulfilling the responsibilities of the TVA Act of 1933 [16 U.S.C. #831i and 831n-4(f)], TVA requires each distributor to provide certain financial and accounting information to TVA to ensure that electric power produced by TVA is being sold at rates which are as low as feasible. This form (TVA 3957) is for that purpose.

Public reporting burden for this collection of information is estimated to vary from ten to forty hours per response, with an average of nineteen hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Agency Clearance Officer, Tennessee Valley Authority, 1101 Market Street, Chattanooga, TN 37402; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

BALANCE SHEET

| ASSETS AND OTHER DEBITS | SEE PAGE NO | ITEM NO | JUNE 30 | |
|--|----------------|------------|----------------|----------------|
| | | | THIS YEAR | LAST YEAR |
| UTILITY PLANT | | | | |
| Electric Plant. | 10 | 1 | 137,039,725.58 | 131,801,830.37 |
| Less Depreciation. | 10 | 2 | 34,407,132.57 | 32,460,075.87 |
| Total. | 10 | 3 | 102,632,593.01 | 99,341,754.50 |
| Unamortized acq. adj. | 13 | 4 | | |
| Other utility plant - net. | ---- | 5 | | |
| Total Plant - net. | ---- | 6 | 102,632,593.01 | 99,341,754.50 |
| OTHER PROPERTY AND INVESTMENTS | | | | |
| Nonutility property - net. | 15 | 7 | 6,956.52 | 6,956.52 |
| Other investments. | 14 | 8 | 2,042,889.83 | 1,973,626.30 |
| Sinking funds. | 15 | 9 | | |
| Depreciation funds. | 15 | 10 | | |
| Other special funds. | 15 | 12 | 54,911.74 | 551,565.46 |
| Total. | ---- | 13 | 2,104,758.09 | 2,532,148.28 |
| CURRENT AND ACCRUED ASSETS | | | | |
| General cash and temporary cash investments. | 14 | 14 | 7,418,118.57 | 6,084,792.70 |
| Accounts receivable. | 16 | 15 | 7,576,071.92 | 7,424,367.67 |
| Materials and supplies. | 17 | 16 | 1,310,578.50 | 1,366,122.29 |
| Prepayments. | 17 | 17 | 305,123.01 | 351,752.86 |
| Other current assets. | 17 | 18 | 296,798.05 | 260,503.65 |
| Total. | ---- | 19 | 16,906,690.05 | 15,487,539.17 |
| DEFERRED DEBITS | | | | |
| Debt expense. | 17 | 20 | | |
| Preliminary survey. | ---- | 21 | | |
| Clearing accounts. | ---- | 22 | 10,519.51 | 8,950.03 |
| Energy Service Loans Receivables. | ---- | 24 | 241,143.51 | 229,430.66 |
| Deferred costs on TVA Leases. | 17 | 25 | | |
| Other deferred debits. | 17 | 26 | 35,949.20 | 39,664.78 |
| Total. | ---- | 27 | 287,612.22 | 278,045.47 |
| TOTAL ASSETS AND OTHER DEBITS. | ---- | 28 | 121,931,653.37 | 117,639,487.42 |

LIST UNRECORDED AND CONTINGENT ASSETS AND LIABILITIES OTHER THAN ACCRUED UTILITY REVENUE AND UNBILLED PURCHASED POWER

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

BALANCE SHEET

| LIABILITIES AND OTHER CREDITS | SEE PAGE NO | ITEM NO | JUNE 30 | |
|---|----------------|------------|-----------------------|-----------------------|
| | | | THIS YEAR | LAST YEAR |
| CAPITAL | | | | |
| Membership certificates. | ---- | 30 | 160,095.00 | 159,280.00 |
| EARNINGS REINVESTED IN SYSTEM ASSETS | | | | |
| Beginning of year. | ---- | 33 | 51,367,700.40 | 45,128,779.36 |
| Current year. | 3 | 34 | 8,366,844.39 | 6,238,921.04 |
| Total. | ---- | 35 | 59,734,544.79 | 51,367,700.40 |
| LONG-TERM DEBT | | | | |
| RUS. | 23 | 36 | 20,546,132.34 | 36,780,806.72 |
| CFC. | 23 | 37 | 2,057,007.20 | 2,903,408.18 |
| CoBank. | 23 | 38 | 17,350,046.01 | 5,095,752.57 |
| Bonds and other long-term debt. | 25 | 39.1 | | |
| TVA. | 25 | 39.3 | 4,060,127.35 | 4,301,734.55 |
| Debt premium and discount. | ---- | 40 | | |
| Total. | ---- | 41 | 44,013,312.90 | 49,081,702.02 |
| OTHER NON-CURRENT LIABILITIES | | | | |
| Postretirement Benefits. | 25 | 39.2 | 953,109.93 | 935,760.81 |
| Energy Service Loans - Advances. | ---- | 42 | 245,311.55 | 233,486.20 |
| Energy Service Loans - Other. | ---- | 43 | | |
| Total. | ---- | 44 | 1,198,421.48 | 1,169,247.01 |
| CURRENT AND ACCRUED LIABILITIES | | | | |
| TVA notes payable. | 26 | 45.1 | | |
| Other notes payable. | 26 | 45.2 | | |
| Accounts payable. | 26 | 46 | 11,635,513.58 | 9,840,456.54 |
| Customer deposits. | 26 | 47 | 1,848,875.67 | 1,789,353.55 |
| Taxes and equivalents accrued. | 29 | 48 | 406,998.66 | 403,405.65 |
| Interest accrued - RUS. | 23 | 49 | | |
| Interest accrued - CFC. | 23 | 50 | 10,590.72 | 17,070.36 |
| Interest accrued -CoBank. | 23 | 51 | | |
| Interest accrued -TVA. | 26 | 52.1 | 4,987.88 | 4,836.80 |
| Interest accrued - other. | 26 | 52.2 | | |
| Other current liabilities. | 26 | 53 | 1,479,769.04 | 2,434,917.31 |
| Total. | ---- | 54 | 15,386,735.55 | 14,490,040.21 |
| DEFERRED CREDITS | | | | |
| Advances for construction - refundable. | 18 | 55 | 1,214,854.45 | 1,247,171.60 |
| Other deferred credits. | 26 | 56 | 223,689.20 | 124,346.18 |
| Total. | ---- | 57 | 1,438,543.65 | 1,371,517.78 |
| TOTAL LIABILITIES AND OTHER CREDITS. | ---- | 58 | 121,931,653.37 | 117,639,487.42 |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| REVENUE AND EXPENSE STATEMENT | SEE PAGE NO | ITEM NO | THIS YEAR | LAST YEAR |
|--|----------------|------------|----------------------|----------------------|
| OPERATING REVENUE | | | | |
| Electric sales revenue (page 7, item 332) | ---- | 59 | 87,104,140.89 | 77,972,332.15 |
| Revenue from late payments. | ---- | 60 | 745,051.63 | 645,324.78 |
| Misc. service revenue. | ---- | 61 | 324,885.50 | 328,980.00 |
| Rent from electric property. | ---- | 62 | 1,093,904.64 | 899,771.00 |
| Other electric revenue. | ---- | 63 | 11,663.21 | 12,454.33 |
| Total operating revenue. | ---- | 64 | 89,279,645.87 | 79,858,862.26 |
| PURCHASED POWER | | | | |
| Total power cost (page 7, item 342). | 7 | 65 | 58,427,954.72 | 51,930,709.15 |
| OPERATION EXPENSE | | | | |
| Transmission expense. | 5 | 66 | | |
| Distribution expense. | 5 | 67 | 2,825,839.92 | 2,875,223.47 |
| Customer accounts expense. | 5 | 68 | 2,563,788.58 | 2,432,491.24 |
| Customer service and informational expense. | 5 | 69 | 16,846.99 | 25,606.81 |
| Sales expense. | 5 | 70 | 176,182.35 | 169,353.13 |
| Administrative and general expense. | 6 | 71 | 1,969,884.50 | 1,953,487.02 |
| Operation expense. | 6 | 72 | 7,552,542.34 | 7,456,161.67 |
| MAINTENANCE EXPENSE | | | | |
| Transmission expense. | 6 | 73 | 109.37 | 8,168.43 |
| Distribution expense. | 6 | 74 | 6,252,614.39 | 5,698,478.08 |
| Administrative and general expense. | 6 | 75 | 96,275.86 | 132,671.12 |
| Maintenance expense. | 6 | 76 | 6,348,999.62 | 5,839,317.63 |
| OTHER OPERATING EXPENSE | | | | |
| Depreciation expense. | 12 | 77 | 4,189,280.57 | 3,993,868.50 |
| Amortization of acquisition adjustment. | 13 | 78 | | |
| Taxes and tax equivalents. | 29 | 79 | 2,523,992.59 | 2,258,749.97 |
| Other operating expense. | ---- | 80 | 6,713,273.16 | 6,252,618.47 |
| TOTAL OPERATING EXPENSE AND PURCHASED POWER. | ---- | 81 | 79,042,769.84 | 71,478,806.92 |
| INCOME | | | | |
| Operating income (item 64, less item 81). | ---- | 82 | 10,236,876.03 | 8,380,055.34 |
| Other income. | 16 | 83 | 227,175.26 | 229,890.71 |
| Total income. | ---- | 84 | 10,464,051.29 | 8,609,946.05 |
| Miscellaneous income deductions. | 16 | 85 | 38,026.43 | 46,015.45 |
| Net income before debt expense. | ---- | 86 | 10,426,024.86 | 8,563,930.60 |
| DEBT EXPENSE | | | | |
| Interest on long-term debt - RUS. | 23 | 87 | 1,255,553.35 | 1,802,170.56 |
| Interest on long-term debt - CFC. | 23 | 88 | 157,377.34 | 206,868.36 |
| Interest on long-term debt - CoBank. | 23 | 89 | 564,705.79 | 151,248.67 |
| Interest on long-term debt - other. | 26 | 90.1 | | |
| Interest - TVA. | 26 | 90.2 | 25,516.58 | 25,059.10 |
| Other interest expense. | ---- | 92 | 56,027.41 | 139,662.87 |
| Amortization of debt discount and expense. | ---- | 93 | | |
| Amortization of premium on debt - credit. | ---- | 94 | | |
| Total debt expense. | ---- | 95 | 2,059,180.47 | 2,325,009.56 |
| NET INCOME | | | | |
| Net income before extraordinary items (item 86, less item 95). | ---- | 96 | 8,366,844.39 | 6,238,921.04 |
| Extraordinary items. | 33 | 97 | | |
| Net Income. | 2 | 98 | 8,366,844.39 | 6,238,921.04 |

STATEMENT OF CASH FLOWS

Increase (Decrease) in Cash and Cash Equivalents

| | THIS YEAR | LAST YEAR |
|---|-----------------------|-----------------------|
| CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | |
| Net Income | 8,366,844.39 | 6,238,921.04 |
| Adjustments to Reconcile Net Income to Net Cash: | | |
| Depreciation | 4,461,342.61 | 4,231,984.63 |
| Amortization of: | | |
| Acquisition Adjustment | | |
| Additions to TVA Leases | | |
| Debt Premium or Discount | | |
| (Gain) or Loss on Sale of Plant | | |
| Changes in Current and Deferred Items: | | |
| Accounts Receivable | (151,704.25) | 9,978,245.73 |
| Materials and Supplies | 55,543.79 | 610,909.80 |
| Prepayments and Other Current Assets | 10,335.45 | (141,833.52) |
| Deferred Debits | 2,146.10 | 6,467.28 |
| Accounts Payable | 1,795,057.04 | 4,219,971.53 |
| Customer Deposits | 59,522.12 | 61,491.84 |
| Taxes and Interest Accrued | (2,735.55) | 13,137.81 |
| Other Current Liabilities | (955,148.27) | (6,851,708.08) |
| Deferred Credits | 67,025.87 | (534,903.35) |
| Other: | | (64,487.34) |
| Net Cash Provided by (Used in) Operating Activities | 13,708,229.30 | 17,768,197.37 |
| CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES: | | |
| Additions to Plant | (7,207,878.16) | (4,854,194.02) |
| Removal Cost | (758,571.84) | (1,183,000.99) |
| Salvage | 129,268.88 | 217,640.20 |
| Net Change in Other Property and Investment | 427,390.19 | (582,791.05) |
| Energy Service Loans Receivable | (11,712.85) | (48,814.42) |
| Plant Sold (Purchased) - Noninstallment Method | 85,000.00 | |
| Deferred Costs on TVA Leases (excluding amortization) | | |
| Other: | | |
| Net Cash Provided by (Used in) Investing Activities | (7,336,503.78) | (6,451,160.28) |
| CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | | |
| Additional Long-Term Borrowings | 15,713,949.26 | 7,300,000.00 |
| Payment of Principal on Long-Term Debt | (20,782,338.38) | (4,135,047.78) |
| Notes Payable | | (9,750,000.00) |
| Memberships | 815.00 | 805.00 |
| Energy Service Loans Advances | 11,825.35 | 49,533.00 |
| Receipt for Plant Sold - Installment Method | | |
| Payment for Plant Purchased - Installment Method | | |
| Other: | 17,349.12 | (14,850.47) |
| Net Cash Provided by (Used in) Financing Activities | (5,038,399.65) | (6,549,560.25) |
| NET INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS .. | 1,333,325.87 | 4,767,476.84 |
| CASH AND TEMPORARY INVESTMENTS BEGINNING OF YEAR | 6,084,792.70 | 1,317,315.86 |
| CASH AND TEMPORARY INVESTMENTS END OF YEAR | 7,418,118.57 | 6,084,792.70 |

NOTE: Cash and Temporary Cash Investments include cash on hand and in demand deposits, and those investments which are generally a part of the power distributor's short-term cash management activities.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| ACCT. NO. | DESCRIPTION | EXPENSES | | PAYROLL DISTRIBUTION | |
|---|---|---------------------|---------------------|----------------------|-------------------|
| | | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
| OPERATING EXPENSE | | | | | |
| 1. TRANSMISSION | | | | | |
| 560 | Supervision and engineering. | | | | |
| 561 | Load dispatching. | | | | |
| 562 | Station expense. | | | | |
| 563 | Overhead line expense. | | | | |
| 564 | Underground line expense. | | | | |
| 566 | Miscellaneous. | | | | |
| 567 | Rents. | | | | |
| (600) | Total transmission operating expense (page 3, item 66). | | | | |
| 2. DISTRIBUTION | | | | | |
| 580 | Supervision and engineering. | 47,133.66 | 54,670.70 | 21,999.53 | 24,968.17 |
| 581 | Load dispatching. | | | | |
| 582 | Station expense. | 143,313.61 | 140,191.12 | 10,488.32 | 18,279.19 |
| 583 | Overhead line expense. | 1,383,118.71 | 1,527,702.54 | 149,679.12 | 462,695.70 |
| 584 | Underground line expense. | 81,075.22 | 68,958.61 | 22,271.52 | 17,143.60 |
| 585 | Street lighting and signal system expense. | 7,080.10 | 6,627.63 | 3,118.97 | 3,025.47 |
| 586 | Meter expense. | 550,878.12 | 455,681.24 | 159,312.93 | 66,530.92 |
| 587 | Customer installation expense. | 307,951.54 | 328,628.74 | 136,917.56 | 148,983.70 |
| 588 | Miscellaneous. | 249,872.58 | 242,304.54 | 82,590.81 | 83,774.43 |
| 589 | Rents. | 55,416.38 | 50,458.35 | | |
| (605) | Total distribution operating expense (page 3, item 67). | 2,825,839.92 | 2,875,223.47 | 586,378.76 | 825,401.18 |
| 3. CUSTOMER ACCOUNTS EXPENSE | | | | | |
| 901 | Supervision. | 190,566.82 | 193,159.85 | 112,914.87 | 110,879.12 |
| 902 | Meter reading expense. | 413,846.87 | 414,580.03 | 3,497.53 | 6,874.26 |
| 903 | Customer records and collection expense. | 1,794,464.52 | 1,697,105.08 | 752,242.10 | 699,258.69 |
| 904 | Uncollectible accounts. | 163,651.29 | 126,469.37 | | |
| 905 | Miscellaneous. | 1,259.08 | 1,176.91 | | |
| (610) | Total customer accounts expense (page 3, item 68). | 2,563,788.58 | 2,432,491.24 | 868,654.50 | 817,012.07 |
| 4. CUSTOMER SERVICES & INFORMATIONAL EXPENSE | | | | | |
| 907 | Supervision. | | | | |
| 908 | Customer assistance expense. | 1,330.42 | 5,501.81 | 761.08 | 2,987.31 |
| 909 | Informational and instructional advertising expense. | 15,150.85 | 19,763.04 | 3,078.06 | 6,852.62 |
| 910 | Miscellaneous customer service and informational expense. | 365.72 | 341.96 | | |
| (615) | Total customer services and informational expense (page 3, item 69). | 16,846.99 | 25,606.81 | 3,839.14 | 9,839.93 |
| 5. SALES EXPENSE | | | | | |
| 911 | Supervision. | | | | |
| 912 | Demonstrating and selling expense. | 149,867.20 | 144,505.11 | 79,442.44 | 70,762.79 |
| 913 | Advertising expense. | 25,934.52 | 24,372.45 | 5,682.93 | 6,392.78 |
| 916 | Miscellaneous. | 380.63 | 475.57 | | |
| (620) | Total sales expense (page 3, item 70). | 176,182.35 | 169,353.13 | 85,125.37 | 77,155.57 |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| ACCT. NO. | DESCRIPTION | EXPENSES | | PAYROLL DISTRIBUTION | |
|--|--|----------------------|----------------------|----------------------|---------------------|
| | | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
| 6. ADMINISTRATIVE & GENERAL | | | | | |
| 920 | Administrative and general salaries. | 1,148,769.23 | 1,177,340.83 | 684,709.31 | 681,246.43 |
| 921 | Office supplies and expense. | 244,789.95 | 208,546.25 | | |
| 922 | Administrative expense transferred - credit*. | | | | |
| 923 | Outside services employed. | 101,455.56 | 103,134.45 | | |
| 924 | Property insurance. | | | | |
| 925 | Injuries and damages. | | | | |
| 926 | Employee pensions and benefits. | | | | |
| 927 | Franchise requirements*. | | | | |
| 928 | Regulatory commission expense*. | | | | |
| 929 | Duplicate charges - credit. | (14,621.23) | (14,899.88) | | |
| 930 | Miscellaneous general expense. | 476,434.99 | 466,563.37 | 26,322.10 | 28,658.19 |
| 931 | Rents. | 13,056.00 | 12,802.00 | | |
| (625) | Total administrative and general expense (page 3, item 71). | 1,969,884.50 | 1,953,487.02 | 711,031.41 | 709,904.62 |
| (630) | Total operating expense (Page 3 Item 72). | 7,552,542.34 | 7,456,161.67 | 2,255,029.18 | 2,439,313.37 |
| MAINTENANCE EXPENSE | | | | | |
| 1. TRANSMISSION | | | | | |
| 568 | Supervision and engineering. | | | | |
| 569 | Maintenance of structures. | | | | |
| 570 | Maintenance of station equipment. | | | | |
| 571 | Maintenance of overhead lines. | 109.37 | 8,168.43 | 30.44 | 3,091.78 |
| 572 | Maintenance of underground lines. | | | | |
| 573 | Miscellaneous. | | | | |
| (635) | Total transmission maintenance expense (page 3, item 73). | 109.37 | 8,168.43 | 30.44 | 3,091.78 |
| 2. DISTRIBUTION | | | | | |
| 590 | Supervision and engineering. | 40,150.51 | 39,365.77 | 21,555.66 | 21,519.78 |
| 591 | Maintenance of structures. | | | | |
| 592 | Maintenance of station equipment. | 305,513.91 | 275,456.99 | 80,356.21 | 87,155.53 |
| 593 | Maintenance of overhead lines. | 5,297,717.65 | 4,827,794.99 | 1,059,808.62 | 1,051,947.12 |
| 594 | Maintenance of underground lines. | 16,958.70 | 4,341.51 | 11,745.24 | 2,145.12 |
| 595 | Maintenance of line transformers. | 281,245.56 | 181,076.14 | 140,421.80 | 83,197.68 |
| 596 | Street lighting and signal systems. | 7,192.47 | 8,108.20 | 3,821.06 | 4,388.93 |
| 597 | Maintenance of meters. | 159,419.36 | 156,038.44 | 87,839.05 | 87,023.32 |
| 598 | Maintenance of miscellaneous distribution plant. | 144,416.23 | 206,296.04 | 61,368.32 | 98,732.12 |
| (640) | Total distribution maintenance expense (page 3, item 74). | 6,252,614.39 | 5,698,478.08 | 1,466,915.96 | 1,436,109.60 |
| 3. ADMINISTRATIVE & GENERAL | | | | | |
| 935 | Maintenance of general plant (page 3, items 75). | 96,275.86 | 132,671.12 | 1,168.34 | 4,312.02 |
| (645) | Total maintenance expense (page 3, item 76). | 6,348,999.62 | 5,839,317.63 | 1,468,114.74 | 1,443,513.40 |
| (650) | Total operating and maintenance expense. | 13,901,541.96 | 13,295,479.30 | 3,723,143.92 | 3,882,826.77 |
| (655) | Total direct and indirect payroll charged to construction and retirements. | | | 1,473,400.34 | 1,196,002.73 |
| (660) | Payroll charged to other accounts. | | | 112,042.93 | 90,483.21 |
| (662) | Fiscal year net change in accrued leave account - (increase) decrease. | | | (63,190.40) | 8,425.43 |
| (665) | Total payroll distribution for year. | | | 5,245,396.79 | 5,177,738.14 |

*FURNISH DETAILS OF THESE ACCOUNTS ON PAGES 32 AND 33.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

STATISTICAL DATA

| CLASS OF SERVICE | ITEM NO | REVENUE | | ITEM NO | KILOWATT-HOURS SOLD | |
|---|------------|----------------------|----------------------|------------|---------------------|--------------------|
| | | THIS YEAR | LAST YEAR | | THIS YEAR | LAST YEAR |
| Residential. | 100 | 58,673,258.06 | 52,020,986.41 | 107 | 488,753,919 | 475,533,158 |
| Gen. Power - 50 kW & under. | 101 | 10,477,016.45 | 9,858,493.12 | 108 | 70,051,041 | 71,742,009 |
| Gen. Power - Over 50 kW. | 102 | 16,350,779.66 | 14,616,207.34 | 109 | 170,767,224 | 166,070,998 |
| Street and athletic. | 103 | 182,254.38 | 156,938.45 | 110 | 1,886,955 | 1,732,093 |
| Outdoor lighting. | 104 | 1,420,832.34 | 1,319,706.83 | 111 | 10,042,635 | 10,420,119 |
| Subtotal. | 330 | 87,104,140.89 | 77,972,332.15 | | | |
| Unbilled revenue*. | 331 | | | | | |
| Total (page 3, item 59). | 332 | 87,104,140.89 | 77,972,332.15 | 335 | 741,501,774 | 725,498,377 |
| Kilowatt-hours for own use. | | | | 113 | 161,070 | 168,933 |
| Total kilowatt-hours sold and used. | | | | 114 | 741,662,844 | 725,667,310 |
| Kilowatt-hours in unbilled revenue (items 331) above* | | | | 336 | | |

| STATE | SALES TAX | TO ABOVE CLASSES OF REVENUE | | GREEN POWER REVENUE |
|---|-----------|-----------------------------|-------------------|---------------------|
| | | CREDITS | | |
| State and local sales tax on above revenue. | KY | 1,211,827.14 | | 297.54 |
| | | | | |
| | | | | |
| Total | | 1,211,827.14 | 309,413.50 | |

PURCHASED POWER

| CLASS OF SERVICE | ITEM NO | AMOUNT | | ITEM NO | KILOWATT-HOURS PURCHASED | |
|--|------------|----------------------|----------------------|------------|--------------------------|--------------------|
| | | THIS YEAR | LAST YEAR | | THIS YEAR | LAST YEAR |
| TVA | | | | | | |
| Purchased Power. | 115 | 58,055,768.36 | 51,575,176.39 | 119 | 787,496,256 | 791,010,538 |
| Facilities Rental. | 116 | 372,186.36 | 355,532.76 | | | |
| Other Charges/Credits. | 117 | | | | | |
| Total from TVA. | 118 | 58,427,954.72 | 51,930,709.15 | 122 | 787,496,256 | 791,010,538 |
| Other Purchased Power**. | 218 | | | 222 | | |
| Subtotal. | 340 | 58,427,954.72 | 51,930,709.15 | | | |
| Unbilled Purchases*. | 341 | | | | | |
| Total (page 3, item 65). | 342 | 58,427,954.72 | 51,930,709.15 | 345 | 787,496,256 | 791,010,538 |
| Less kilowatt hours sold and used (item 114). | | | | 123 | 741,662,844 | 725,667,310 |
| Line losses and kilowatt-hours unaccounted for. | | | | 124 | 45,833,412 | 65,343,228 |
| Percent of losses to purchases (2 decimal places). | | | | 125 | 5.82 | 8.26 |
| Kilowatt-hours in unbilled purchases (Item 341) above* | | | | 346 | | |

**Purchased other power under contract number _____ from _____

NUMBER OF CUSTOMERS

MISCELLANEOUS DATA

| CLASS OF SERVICE | MONTH OF JUNE | | MISCELLANEOUS DATA | THIS YEAR | LAST YEAR |
|---|---------------|---------------|--|--------------|--------------|
| | THIS YEAR | LAST YEAR | | | |
| Residential. (675) | 30,426 | 30,520 | Pole Line Miles: (2 decimal places). (715) | 3,170.45 | 3,156.08 |
| Gen. Power - 50 kW & under. . . (680) | 7,327 | 7,244 | Individual Outdoor Lts. | | |
| Gen. Power - Over 50 kW. . . . (685) | 337 | 333 | No. in plant. (720) | 15,145 | 15,344 |
| Street and athletic. (690) | 85 | 87 | Total investment. (725) | 4,515,330.70 | 4,475,978.37 |
| Outdoor Lighting - Excl. Code 77. (693) | | | O&M expense. (730) | 183,799.41 | 235,074.84 |
| Total. (695) | 38,175 | 38,184 | St. Ltg-Invest. Base. . . . (735) | 344,874.86 | 327,459.49 |
| Outdoor Lighting - Code 77. . . . (697) | 10,188 | 10,130 | O&M expense. (740) | 14,272.57 | 14,735.83 |
| | | | Lamps & Glassware. . . (745) | | |

*Item nos. 331, 336, 341, and 346 are to be filled in only if distributor chooses the option to estimate unbilled electric sales.

MODIFIED STREET LIGHTING COMPUTATION

Give computation of modified street lighting rate relative to lamps and glassware by customers, if applicable:

| TOWN | COST OF LAMPS AND GLASSWARE | KWH | ALLOWANCE | EXCESS TO BE BILLED |
|------------------------------------|--------------------------------|------------------|------------|------------------------|
| | | FROM STAT. REPT. | KWH X .003 | |
| Benton | | | | |
| Hardin | | | | |
| Cambridge Shores | | | | |
| Calvert City | | | | |
| Hazel | | | | |
| Calloway County Board of Education | | | | |
| Murray | | | | |
| Graves County Board of Education | | | | |
| Wingo | | | | |
| Milburn | | | | |
| Arlington | | | | |
| Kentucky Dept of Highways | | | | |
| Water Valley | | | | |
| Kentucky Dam Village Estates | | | | |
| City of Mayfield | | | | |
| TOTAL: | | | | |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | | ELECTRIC PLANT | | | | | |
|---------------------|---|-------------------------|---------------------|---------------------|----------------------------|-------------------|------------------------|
| ACCT. NO. | | BALANCE BEG. OF YEAR | ADDITIONS | RETIREMENTS | RECLASSIFICATIONS DEBIT | CREDIT | BALANCE END OF YEAR |
| INTANGIBLE | | | | | | | |
| 301 | Organization. | | | | | | |
| 302 | Franchises and consents. | | | | | | |
| 303 | Miscellaneous. | | | | | | |
| (750) | Total intangible. | | | | | | |
| PRODUCTION | | | | | | | |
| 755 | Total production. | | | | | | |
| TRANSMISSION | | | | | | | |
| 350 | Land and land rights. | | | | | | |
| 351 | Clearing land and rights of way. | | | | | | |
| 352 | Structures and improvements. | 23,768.73 | 1,971.25 | | | | 25,739.98 |
| 353 | Station equipment. | 113,478.96 | 9,411.35 | | | | 122,890.31 |
| 354 | Towers and fixtures. | 60,798.45 | 3,049.65 | | | | 63,848.10 |
| 355 | Poles and fixtures. | 288,221.12 | | | | | 288,221.12 |
| 356 | Overhead conductors and devices. | 142,226.17 | 1,962.96 | | | | 144,189.13 |
| 357 | Underground conduit. | | | | | | |
| 358 | Underground conductors and devices. | | | | | | |
| 359 | Roads and trails. | | | | | | |
| (760) | Total transmission. | 628,493.43 | 16,395.21 | | | | 644,888.64 |
| DISTRIBUTION | | | | | | | |
| 360 | Land and land rights. | 205,256.79 | | | | | 205,256.79 |
| 361 | Structures and improvements. | 421,818.22 | | | | | 421,818.22 |
| 362 | Station equipment. | 10,500,660.04 | 267,905.13 | | | 207,902.31 | 10,560,662.86 |
| 363 | Storage battery equipment. | | | | | | |
| 364 | Poles, towers, and fixtures. | 50,748,629.76 | 2,110,648.43 | 732,725.09 | | 60,802.65 | 52,065,750.45 |
| 365 | Overhead conductors and devices. | 15,688,996.50 | 477,675.78 | 112,407.32 | 138,153.18 | 6,173.67 | 16,186,244.47 |
| 366 | Underground conduit. | 3,307,248.38 | 242,634.40 | 2,888.40 | | 4,944.47 | 3,542,049.91 |
| 367 | Underground conductors and devices. | 3,239,495.12 | 338,781.45 | 7,928.22 | | 4,698.07 | 3,565,650.28 |
| 368 | Line transformers. | 24,355,661.91 | 1,177,926.87 | 246,002.29 | | 16,167.63 | 25,271,418.86 |
| 369 | Services. | 5,551,360.58 | 227,641.65 | 73,561.80 | | 2,144.55 | 5,703,295.88 |
| 370 | Meters. | 3,725,775.70 | 53,930.52 | 87,740.27 | | 199.96 | 3,691,765.99 |
| 371 | Inst. on customers' premises. | 4,478,499.06 | 189,654.31 | 152,422.93 | | 399.74 | 4,515,330.70 |
| 372 | Leased prop. on cust. premises. | 33,239.00 | | | | | 33,239.00 |
| 373 | St. lighting and signal systems. | 327,459.49 | 18,435.34 | 1,019.97 | | | 344,874.86 |
| (765) | Total distribution. | 122,584,100.55 | 5,105,233.88 | 1,416,696.29 | 138,153.18 | 303,433.05 | 126,107,358.27 |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | | ELECTRIC PLANT | | | | | |
|-----------------|--|-------------------------|-----------------------------------|---------------------|----------------------------|----------------------|------------------------|
| ACCT. NO. | | BALANCE BEG. OF YEAR | ADDITIONS | RETIREMENTS | RECLASSIFICATIONS DEBIT | CREDIT | BALANCE END OF YEAR |
| GENERAL | | | | | | | |
| 389 | Land and land rights. | 116,104.45 | | | | | 116,104.45 |
| 390 | Structures and improvements. | 2,200,808.99 | 9,500.00 | | | | 2,210,308.99 |
| 391 | Office furniture and equipment. | 780,090.15 | 37,395.21 | 5,295.80 | | | 812,189.56 |
| 392 | Transportation equipment. | 2,985,258.16 | 575,358.64 | 375,151.39 | | | 3,185,465.41 |
| 393 | Stores equipment. | 32,761.80 | | | | | 32,761.80 |
| 394 | Tools, shop, and garage equip.. | 473,520.88 | 28,940.33 | | | | 502,461.21 |
| 395 | Laboratory equipment. | 194,200.92 | | | | | 194,200.92 |
| 396 | Power operated equipment. | | | | | | |
| 397 | Communication equipment. | 420,643.80 | 16,122.60 | 6,825.56 | | | 429,940.84 |
| 398 | Miscellaneous equipment. | 79,912.58 | 800.61 | 734.04 | | | 79,979.15 |
| 399 | Other tangible property. | | | | | | |
| (770) | Total general. | 7,283,301.73 | 668,117.39 | 388,006.79 | | | 7,563,412.33 |
| 101 | Total plant in service. | 130,495,895.71 | 5,789,746.48 | 1,804,703.08 | 138,153.18 | 303,433.05 | 134,315,659.24 |
| 102 | Electric plant purchased or sold. | | | | 303,433.05 | 303,433.05 | |
| 104 | Electric plant leased to others. | | | | | | |
| 105 | Electric plant for future use. | 251,539.23 | | | | | 251,539.23 |
| 107 | Construction work in progress. | 1,054,395.43 | 1,418,131.68 | | | | 2,472,527.11 |
| (775) | Total other electric plant. | 1,305,934.66 | 1,418,131.68 | | 303,433.05 | 303,433.05 | 2,724,066.34 |
| (780) | Total electric plant (page 1, item 1). | 131,801,830.37 | 7,207,878.16 (Item 140) | 1,804,703.08 | 441,586.23 | 606,866.10 | 137,039,725.58 |
| RESERVES | | | | | | | |
| 108 | Accumulated provision for depreciation of electric plant in service. | | | | | 34,407,132.57 | |
| 109 | Accumulated provision for depreciation of electric plant leased to others. | | | | | | |
| 110 | Accumulated provision for depreciation of electric plant held for future use. | | | | | | |
| | Total accumulated provision for depreciation (page 1, item 2 and page 11). | | | | | 34,407,132.57 | |
| | Total electric plant, less accumulated provision for depreciation (page 1, item 3). | | | | | | 102,632,593.01 |

Reclassification Columns

Includes major corrections to prior years additions and retirements, transfers between accounts classified in prior years, and classification of plant purchased and/or sold.

Pages 9, 10, and 11: Amounts shown in Acct 362 represent substation plant sold to Mayfield Electric for the net book value of \$25,000. Amounts shown in Accounts 365, 366, 367, 368, 370, and 371 represent distribution plant in Livingston County sold to Jackson Purchase EC for the net book amount of \$60,000.

Explanations of entries shown in the Reclassification Columns:

Debit and credit amounts shown in 101365 and 108365 respectively represent correction of error from FY 2010 where 3 gang switches were retired during closing ice storm work order and subsequently discovered to have been reused and should not have been retired. No depreciation accrual was associated with this transaction.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

ACCUMULATED PROVISION FOR DEPRECIATION (Page 10)

| ACCT. NO. | DEPR. RATE | BALANCE BEG. OF YEAR | ACCRUAL | ORIGINAL COST | REMOVAL COST | SALVAGE | OTHER ENTRIES* | | BALANCE END OF YEAR | % DEPR. |
|---------------------|------------|----------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|----------------------|-----------|
| | | | | | | | DEBIT | CREDIT | | |
| 350 | | | | | | | | | | |
| 351 | | | | | | | | | | |
| 352 | 3.00 | 20,676.84 | 767.27 | | | | | | 21,444.11 | 83 |
| 353 | 3.00 | 108,032.29 | 3,663.23 | | | | | | 111,695.52 | 91 |
| 354 | 3.00 | 20,941.34 | 1,907.82 | | | | | | 22,849.16 | 36 |
| 355 | 3.00 | 98,076.18 | 8,646.60 | | | | | | 106,722.78 | 37 |
| 356 | 3.00 | 89,893.28 | 4,320.74 | | | | | | 94,214.02 | 65 |
| 357 | | | | | | | | | | |
| 358 | | | | | | | | | | |
| 359 | | | | | | | | | | |
| (785) TOTAL | | 337,619.93 | 19,305.66 | | | | | | 356,925.59 | 55 |
| 360 | 4.23 | 83,524.58 | 4,647.12 | | | | | | 88,171.70 | 43 |
| 361 | 3.00 | 409,635.45 | 334.08 | | | | | | 409,969.53 | 97 |
| 362 | 3.00 | 4,404,572.09 | 299,795.88 | | | | 182,902.31 | | 4,521,465.66 | 43 |
| 363 | | | | | | | | | | |
| 364 | 3.00 | 3,452,919.32 | 1,539,246.29 | 732,725.09 | 516,261.77 | 16,112.27 | 22,614.29 | | 3,736,676.73 | 7 |
| 365 | 2.75 | 3,715,170.76 | 438,860.02 | 112,407.32 | 42,409.32 | 2,969.35 | 2,296.17 | 138,153.18 | 4,138,040.50 | 26 |
| 366 | 4.00 | 800,549.42 | 137,186.91 | 2,888.40 | 1,453.18 | 153.15 | 1,839.00 | | 931,708.90 | 26 |
| 367 | 4.00 | 1,109,117.35 | 136,780.66 | 7,928.22 | 5,842.81 | 395.16 | 1,747.36 | | 1,230,774.78 | 35 |
| 368 | 3.00 | 9,357,207.33 | 742,578.90 | 246,002.29 | 21,708.76 | 30,548.55 | 6,013.24 | | 9,856,610.49 | 39 |
| 369 | 6.00 | 2,619,474.36 | 337,550.95 | 73,561.80 | 46,906.47 | 961.29 | 797.63 | | 2,836,720.70 | 50 |
| 370 | 2.50 | 573,770.37 | 92,618.73 | 87,740.27 | | 106.00 | 74.37 | | 578,680.46 | 16 |
| 371 | 5.00 | 851,979.34 | 224,103.64 | 152,422.93 | 122,898.52 | 25,073.11 | 148.68 | | 825,685.96 | 18 |
| 372 | 5.00 | 16,418.76 | 1,561.44 | | | | | | 17,980.20 | 54 |
| 373 | 4.00 | 154,820.69 | 13,614.05 | 1,019.97 | 1,091.01 | | | | 166,323.76 | 48 |
| (790) TOTAL | | 27,549,159.82 | 3,968,878.67 | 1,416,696.29 | 758,571.84 | 76,318.88 | 218,433.05 | 138,153.18 | 29,338,809.37 | 23 |
| 389 | | | | | | | | | | |
| 390 | 2.5-5 | 1,167,886.31 | 61,103.90 | | | | | | 1,228,990.21 | 56 |
| 391 | 4/10 | 610,532.45 | 69,899.01 | 5,295.80 | | | | | 675,135.66 | 83 |
| 392 | Var | 1,490,622.01 | 272,062.04 | 375,151.39 | | 52,850.00 | | | 1,440,382.66 | 45 |
| 393 | | 4,709.44 | | | | | | | 4,709.44 | 14 |
| 394 | 8.00 | 373,750.66 | 38,944.10 | | | | | | 412,694.76 | 82 |
| 395 | 0.00 | 194,200.92 | | | | | | | 194,200.92 | 100 |
| 396 | | | | | | | | | | |
| 397 | 8.00 | 406,896.66 | 29,869.75 | 6,825.56 | | | | | 429,940.85 | 100 |
| 398 | 8.00 | 79,333.71 | 1,279.48 | 734.04 | | 100.00 | | | 79,979.15 | 100 |
| 399 | | | | | | | | | | |
| (795) TOTAL | | 4,327,932.16 | 473,158.28 | 388,006.79 | | 52,950.00 | | | 4,466,033.65 | 59 |
| (800) OTHER | | 245,363.96 | | | | | | | 245,363.96 | 9 |
| (805) TOTALS | | 32,460,075.87 | 4,461,342.61 | 1,804,703.08 | 758,571.84 | 129,268.88 | 218,433.05 | 138,153.18 | 34,407,132.57 | 26 |

(Item 142) (Item 138)

*Use other entries to report depreciation on property purchased, classifying accruals, unusual entries - explain on page 33.

ACCUMULATED PROVISION FOR DEPRECIATION - CONTINUED

| | | |
|--|-------------------|---------------------|
| Depreciation expense (403 and 404) (page 3, item 77) | (810) | 4,189,280.57 |
| Depreciation charged to transportation expense - clearing. | (815) | 272,062.04 |
| Depreciation charged to building expense - clearing. | (820) | |
| Depreciation charged to other accounts (list each account number). | (825) | |
| | (830) | |
| | (835) | |
| | (840) | |
| Total accrual (page 11) | (Item 128) | 4,461,342.61 |

Explanations (continue on page 33 if necessary)

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| ELECTRIC PLANT ACQUISITION ADJUSTMENTS (Account 114) | |
|--|--------|
| DESCRIPTION | AMOUNT |
| Balance beginning of year | |
| Additions during year (as below) | |
| Total | |
| Charged to expense (Account 406) (page 3, item 78) | |
| Other reductions (explain below) | |
| Balance end of year (page 1, item 4) | |

| ELECTRIC PLANT PURCHASED THIS YEAR* | | | |
|---|--|--|-------|
| | | | TOTAL |
| From whom property acquired (abbreviate) | | | |
| Date acquired | | | |
| Original cost | | | |
| Corrections to date | | | |
| Total original cost | | | |
| Depreciation reserve at acquisition | | | |
| Corrections to date | | | |
| Total depreciation reserve | | | |
| Base contract purchase price | | | |
| Net additions | | | |
| Acquisition expense | | | |
| Other (explain below) | | | |
| Total purchase cost (Item 141) | | | |
| Acquisition adjustment (purchase cost, less original cost, net of depreciation) | | | |

*If the original cost and depreciation at acquisition have not been determined for plant purchased this year, report the purchase information only and complete the schedule in the year the purchased plant is classified.

EXPLANATIONS

Give the method of amortizing the acquisition adjustment and other information as required:

CLASSIFICATION OF ELECTRIC PLANT PURCHASED OR SOLD

Furnish aging of plant purchased and sold on separate worksheet

| ELECTRIC PLANT PURCHASED | | | | ELECTRIC PLANT SOLD | | | |
|--------------------------|---------------|----------------------|-----------|---------------------|---------------|----------------------|-----------|
| ACCT. NO. | ORIGINAL COST | DEPRECIATION RESERVE | NET PLANT | ACCT. NO. | ORIGINAL COST | DEPRECIATION RESERVE | NET PLANT |
| | | | | 362 | 207,902.31 | 182,902.31 | 25,000.00 |
| | | | | 364 | 60,802.65 | 22,614.29 | 38,188.36 |
| | | | | 365 | 6,173.67 | 2,296.17 | 3,877.50 |
| | | | | 366 | 4,944.47 | 1,839.00 | 3,105.47 |
| | | | | 367 | 4,698.07 | 1,747.36 | 2,950.71 |
| | | | | 368 | 16,167.63 | 6,013.24 | 10,154.39 |
| | | | | 369 | 2,144.55 | 797.63 | 1,346.92 |
| | | | | 370 | 199.96 | 74.37 | 125.59 |
| | | | | 371 | 399.74 | 148.68 | 251.06 |
| Total | | | | Total | 303,433.05 | 218,433.05 | 85,000.00 |

GAIN OR LOSS ON SALE OF ELECTRIC PLANT

| | |
|---|-----------|
| Selling price (Item 130) | 85,000.00 |
| Less net plant sold (as above) | 85,000.00 |
| Difference | |
| Less selling expense (Item 131) | |
| Gain or loss on sale (Item 129) | |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| INVESTMENTS IN ASSOCIATED COMPANIES (Report only the investments not considered as current assets) | | | |
|---|------------------------|------------------------|----------------------------|
| OTHER INVESTMENTS - GENERAL FUNDS | | | |
| Investments included in Accounts 123 and 124 | | | |
| DESCRIPTION OF INVESTMENTS (GROUP BY TYPE OF INVESTMENT AND SHOW NO. OF INVESTMENTS) | BALANCE END OF YEAR | INCOME | GAIN OR (LOSS) ON SALES |
| Stockholder Loan - CSA | 43,822.18 | 2,109.28 | |
| Pat. Capital-CFC,WKRTCC, UUS, KAEC, FEDERATED, COBANK | 602,306.93 | 138,524.80 | |
| Capital Term Certificates - NRUCFC | 1,394,760.72 | 64,204.31 | |
| Membership - NRUCFC, COBANK | 2,000.00 | | |
| Subtotal | 2,042,889.83 | 204,838.39 | |
| | (page 1, item 8) | (account 419, page 16) | |
| INVESTMENTS OF FUNDS OTHER THAN GENERAL FUNDS | | | |
| (Investments included in Accounts 125, 126, and 128 - page 15) | | | |
| NRUCFC - Medical Self Insurance / Property Tax / Building Fund Employee Savings Fund | 54,911.74 | 2,187.83 | |
| Subtotal | 54,911.74 | 2,187.83 | |
| | (page 15) | (account 419, page 16) | |
| CASH AND TEMPORARY CASH INVESTMENTS - GENERAL FUNDS | | | |
| (Report only investments considered as current assets) | | | |
| NRUCFC Commercial Paper | 6,214,176.59 | 6,957.88 | |
| Total Temporary Cash Investments | 6,214,176.59 | 6,957.88 | |
| CASH (Accounts 131 - 135) | 1,203,941.98 | 5,003.17 | |
| Subtotal | 7,418,118.57 | 11,961.05 | |
| | (page 1, item 14) | (account 419, page 16) | |
| Grand Total | 9,515,920.14 | 218,987.27 | |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | SPECIAL FUNDS | | | | TOTAL OF ALL SPECIAL FUNDS |
|--|------------------------------------|-----------------------------------|-----------------------------------|-----------|----------------------------|
| | ACCOUNT 125 TOTAL SINKING FUNDS | ACCOUNT 126 DEPRECIATION FUNDS | ACCOUNT 128 CONSTRUCTION FUNDS | | |
| Cash included in fund end of year. | | | | 54,911.74 | 54,911.74 |
| Investments in fund end of year (page 14). | | | | | |
| Balance of fund end of year (page 1). | | | | 54,911.74 | 54,911.74 |
| | (page 1, item 9) | (page 1, item 10) | (page 1, item 12) | | |
| Minimum balance required*. | | | | | |
| Authority creating fund** | | | | | |

* Explain difference if fund balance is less than minimum required.
 ** State whether fund is required by bond contract, board action, etc.
 Total Sinking

Depreciation

Construction

Other
N/A

Note: Report all debt service funds as sinking funds.
 Report all funds for renewals and replacements as depreciation funds.

NONUTILITY PROPERTY (Account 121)

| | DESCRIPTION AND LOCATION OF PROPERTY | DATE ACQUIRED | BOOK COST | NET INCOME (ACCOUNT 418) |
|---------------|--|---------------|-----------|-----------------------------|
| House and Lot | 1220 West Broadway, Mayfield, KY | 12/1/1952 | 22,447.85 | |
| | Total. | | 22,447.85 | |
| | Less accumulated provision for depreciation (account 122). | | 15,491.33 | |
| | Total net of depreciation (page 1, item 7). | | 6,956.52 | (page 16) |

| ACCT. NO. | OTHER INCOME | |
|-----------|---|-------------------|
| 415 | Revenue from merchandising, jobbing, etc. | 31,870.84 |
| 416 | Cost and expense of merchandising, etc. | (23,682.85) |
| 417* | Income from nonutility operations - net of expense. | |
| 418 | Nonoperating rental income - net of expense (page 15). | |
| 419 | Interest and dividend income (page 14). | 218,987.27 |
| 419.1 | Interest charged to construction. | |
| 421* | Misc. nonoperating income - net of expense. | |
| (845) | Total other income (page 3, item 83). | 227,175.26 |

*Explain these items briefly: 417 421

| ACCT. NO. | MISCELLANEOUS INCOME DEDUCTIONS | |
|-----------|---|------------------|
| 425* | Miscellaneous amortization. | |
| 426* | Miscellaneous income deductions. | 38,026.43 |
| (850) | Total misc. income deductions (page 3, item 85). | 38,026.43 |

*Explain these items briefly: 425 426
 Donated labor, transportation and overheads; Washington Youth Tour; Senior scholarships; Donation of electric grills and smokers for charity auctions; American Cancer Society; Cash donations for schools' activities.

INVESTMENT PROCEDURES

Are investments in excess of \$100,000 secured? Yes No If yes, how?
 Excess cash is invested in NRUCFC Commercial Paper which is rated P-1 by Moody's Investor Service, A-1 by Standard & Poor's, and F1 by Fitch Ratings. Cash in banks is secured by FDIC and pledged securities.

| ACCT. NO. | RECEIVABLES | |
|-----------|--|---------------------|
| 141 | Notes receivable (Explain on page 33). | |
| 142 | Customer accounts receivable. | 7,336,139.49 |
| 143 | Other accounts receivable. | 380,478.95 |
| 146 | Accounts receivable municipality (Explain on page 33 if over 45 days past due). | |
| | Total. | 7,716,618.44 |
| 144 | Accumulated provision for uncollectible accounts. | 140,546.52 |
| | Accounts receivable net of reserve (page 1, item 15). | 7,576,071.92 |

AGE OF RECEIVABLES AT JUNE 30

| | ACCOUNT 141 | ACCOUNT 142 | ACCOUNT 143 | ACCOUNT 146 |
|-------------------------------------|-------------|-------------|-------------|-------------|
| Accounts with credit balances. | | | | |
| Due after June 30. | | | | |
| From 1 to 30 days past due. | | | | |
| From 31 to 60 days past due. | | | | |
| From 61 to 90 days past due. | | | | |
| Over 90 days past due. | | | | |
| Totals (as above). | | | | |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| ACCT. NO. | MATERIALS AND SUPPLIES | |
|-----------|--|---------------------|
| 154 | Plant materials and operating supplies. | 1,283,731.72 |
| 155 | Merchandise. | 4,391.48 |
| 156 | Other materials and supplies. | |
| 163 | Stores expense undistributed. | 22,455.30 |
| (855) | Total materials and supplies (page 1, item 16). | 1,310,578.50 |

Give dates of physical inventories this year: 05/21/2011
Total of adjustments: \$ 19,164.14 over, or \$ _____ short

| PREPAYMENTS - Account No. 165 | |
|---|-------------------|
| Prepaid insurance. | 205,183.85 |
| Prepaid employee pension plan. | |
| Prepaid taxes (page 29). | 6,218.88 |
| Prepaid rents. | |
| Other prepayments. | 93,720.28 |
| Total prepayments (page 1, item 17). | 305,123.01 |

| ACCT. NO. | OTHER CURRENT ASSETS | |
|-----------|--|-------------------|
| 171 | Interest and dividends receivable. | 25,402.66 |
| 172 | Rents receivable. | 271,395.39 |
| 173 | Accrued utility revenue. | |
| 174 | Miscellaneous current and accrued assets. | |
| | Total other current assets (page 1, item 18). | 296,798.05 |

| ACCT. NO. | DEFERRED DEBITS | |
|-----------|---|--|
| 181 | Unamortized debt expense (page 1, item 20). | |

Give method and period of amortization:

| | | |
|-----|---|-----------|
| 186 | Deferred costs on TVA leases (page 1, item 25) | |
| | Additions | |
| | Removal Costs | |
| | Salvage | |
| | Accumulated Amortization | |
| | Total as above | |
| 186 | Miscellaneous deferred debits (page 1, item 26) | 35,949.20 |

List of Items:

| | |
|--|------------------|
| Receivables from plant sales (item 148) | |
| Other items (list): | |
| Advances for Construction Receivable | 2,363.52 |
| Deferred Dispatching System Software Costs | 33,585.68 |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
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| | |
| | |
| | |
| Total as above | 35,949.20 |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE | | | | | | |
|---|------------|---------------------------------|-------------------------------|---------------|---------------------------------|---------------|
| DETAILS REGARDING BONDS ON PAGE | | | | | | |
| MATURITIES: MONTH AND DAY 100 | | | | | | |
| NAME OF ISSUE 200 | | CoBank Emergency Line of Credit | N CSC - TVA SUPPLEMENTAL LOAN | | NRUCFC Revolving Line of Credit | |
| CALENDAR YEAR | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE |
| 2011 | | | | | | |
| 2012 | | | | | | |
| 2013 | | | | | | |
| 2014 | | | | | | |
| 2015 | | | | | | |
| 2016 | | | | | | |
| 2017 | | | | | | |
| 2018 | | | | | | |
| 2019 | | | | | | |
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| 2053 | | | | | | |
| 2054 | | | | | | |
| 2055 | | | | | | |
| OUTSTANDING END OF YEAR 300 | | | | | | |

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

| SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE | | | | | |
|---|------------|--------------------------|------------|---------------|------------------|
| DETAILS REGARDING BONDS ON PAGE | | | | | |
| MATURITIES: MONTH AND DAY 100 | | 0/0 | | | |
| NAME OF ISSUE 200 | | POST RETIREMENT BENEFITS | | | |
| CALENDAR YEAR | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE | TOTAL MATURITIES |
| 2011 | | | | | |
| 2012 | | | | | |
| 2013 | | | | | |
| 2014 | | | | | |
| 2015 | | | | | |
| 2016 | | | | | |
| 2017 | | | | | |
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| 2053 | | | | | |
| 2054 | | | | | |
| 2055 | | | | | |
| OUTSTANDING END OF YEAR 300 | | | | | |

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| SUMMARY OF LONG-TERM DEBT - RUS | | | | | | | | | | | |
|---|--------------|-----------|-------------------|-------------------------------|----------------------|--|-------------------------|---------------------|-------------------|---|--|
| NOTE NUMBER | DATE OF NOTE | INT. RATE | TERM OF NOTE (YR) | DATE REPAYMENTS BEGIN MO/YEAR | AMOUNT OF ALLOTMENT | BALANCE DUE ON ALLOTMENT (ACCOUNT 224.2) | AMOUNT REPAID THIS YEAR | | | OUTSTANDING END OF YEAR EXCLUDING CUSHION OF CREDIT | |
| | | | | | | | PRINCIPAL | INTEREST | DEFERRED INTEREST | | |
| 01-B270 | 5/14/1983 | 5.00 | 35 | 05/1986 | 770,000.00 | | 318,395.05 | 5,507.24 | | | |
| 02-B272 | 5/14/1983 | 5.00 | 35 | 05/1986 | 770,000.00 | | 318,395.05 | 5,507.24 | | | |
| 03-B281 | 10/26/1986 | 5.00 | 35 | 08/1990 | 1,092,000.00 | | 593,187.83 | 10,308.64 | | | |
| 04-B283 | 10/26/1986 | 5.00 | 35 | 08/1990 | 1,092,000.00 | | 593,187.83 | 10,308.64 | | | |
| 05-B290 | 2/27/1995 | 5.00 | 35 | 03/1996 | 2,534,000.00 | | 1,896,559.32 | 33,111.28 | | | |
| 06-B291 | 4/10/1995 | 5.00 | 35 | 03/1996 | 427,500.00 | | 319,958.98 | 5,586.04 | | | |
| 07-B295 | 10/23/1995 | 5.00 | 35 | 03/1996 | 995,000.00 | | 744,702.68 | 13,001.46 | | | |
| 08-B297 | 5/20/1996 | 5.00 | 35 | 03/1998 | 1,966,500.00 | | 1,511,993.30 | 26,397.91 | | | |
| 09-B300 | 7/21/1999 | 5.00 | 35 | 02/2001 | 2,000,000.00 | | 1,710,369.32 | 29,902.20 | | | |
| 10-B301 | 3/1/2000 | 5.00 | 35 | 02/2001 | 2,400,000.00 | | 2,052,443.11 | 35,882.64 | | | |
| 11-B302 | 7/6/2000 | 5.00 | 35 | 02/2001 | 2,200,000.00 | | 1,881,406.21 | 32,892.43 | | | |
| 12-B303 | 11/2/2000 | 5.00 | 35 | 02/2001 | 1,600,000.00 | | 1,368,295.40 | 23,921.75 | | | |
| 13-B304 | 4/1/2002 | 5.00 | 35 | 05/2002 | 2,959,000.00 | | 2,572,262.51 | 44,959.67 | | | |
| 14-B310 | 9/23/2004 | 5.00 | 35 | 10/2004 | 3,000,000.00 | | 53,664.37 | 135,695.63 | | 2,684,318.12 | |
| 15-B311 | 3/24/2005 | 5.00 | 35 | 04/2005 | 3,000,000.00 | | 54,236.49 | 136,563.51 | | 2,701,361.25 | |
| 16-B320 | 2/17/2006 | 4.57 | 35 | 06/2007 | 3,000,000.00 | | 46,186.96 | 130,213.04 | | 2,823,820.07 | |
| 17-B321 | 11/16/2006 | 4.68 | 35 | 06/2007 | 2,000,000.00 | | 30,297.37 | 88,982.63 | | 1,884,614.23 | |
| 18-B322 | 3/14/2007 | 4.70 | 35 | 06/2007 | 2,800,000.00 | | 42,181.72 | 125,146.28 | | 2,639,399.26 | |
| 19-B323 | 11/1/2007 | 4.68 | 35 | 11/2007 | 3,200,000.00 | | 48,450.45 | 143,165.55 | | 3,032,346.57 | |
| 20-B324 | 5/13/2008 | 4.58 | 35 | 06/2007 | 2,500,000.00 | | 38,525.60 | 111,474.40 | | 2,386,392.91 | |
| 21-B325 | 9/24/2008 | 4.42 | 35 | 10/2008 | 2,500,000.00 | | 39,974.83 | 107,025.17 | | 2,393,879.93 | |
| 22- | | | | / | | | | | | | |
| 23- | | | | / | | | | | | | |
| 24- | | | | / | | | | | | | |
| 25- | | | | / | | | | | | | |
| 26- | | | | / | | | | | | | |
| 27- | | | | / | | | | | | | |
| 28- | | | | / | | | | | | | |
| 29- | | | | / | | | | | | | |
| 30- | | | | / | | | | | | | |
| 31- | | | | / | | | | | | | |
| 32- | | | | / | | | | | | | |
| 33- | | | | / | | | | | | | |
| 34- | | | | / | | | | | | | |
| 35- | | | | / | | | | | | | |
| 36- | | | | / | | | | | | | |
| 37- | | | | / | | | | | | | |
| 38- | | | | / | | | | | | | |
| 39- | | | | / | | | | | | | |
| 40- | | | | / | | | | | | | |
| (860) Total | | | | | 42,806,000.00 | | 16,234,674.38 | 1,255,553.35 | | 20,546,132.34 | |
| List Note Numbers Paid Monthly: B270 B272 B281 B283 B290 B291 B295 B297 B300 B301 B302 B303 B304 B310 | | | | | | | | | | | |

*EXCLUDING CUSHION OF CREDIT.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| NOTE NUMBER | DATE OF NOTE | INT. RATE | CFC OR COBANK | TERM OF NOTE (YR) | SUMMARY OF LONG-TERM DEBT - CFC AND/OR COBANK | | | | OUTSTANDING END OF YEAR | RUS LOAN SUPPLEMENTED | |
|--------------------|--------------|-----------|---------------|-------------------|---|-----------------|---|-------------------|-------------------------|-----------------------|-------|
| | | | | | AMOUNT OF LOAN APPROVED | UNADVANCED LOAN | AMT REPAYD THIS YEAR FOR REGULAR BILLINGS | | | NOTE NUMBER | % |
| | | | | | | | PRINCIPAL | INTEREST | | | |
| 01-9007 | 3/26/1976 | 6.30 | CFC | 35 | 319,000.00 | | 24,377.97 | 948.17 | | B240/42 | 20.00 |
| 02-9009 | 7/8/1979 | 6.40 | CFC | 35 | 758,000.00 | | 53,627.07 | 6,638.14 | 72,004.02 | B250/52 | 20.00 |
| 03-9013 | 8/13/1980 | 6.50 | CFC | 35 | 2,120,000.00 | | 123,619.84 | 42,098.30 | 582,480.45 | B260/62 | 30.00 |
| 04-9016 | 5/14/1982 | 6.60 | CFC | 35 | 695,000.00 | | 32,698.33 | 20,756.18 | 299,955.10 | B270/72 | 30.00 |
| 05-9017 | 10/26/1986 | 6.65 | CFC | 35 | 936,000.00 | | 34,698.78 | 35,695.29 | 525,188.64 | B281/83 | 30.00 |
| 06-9019008 | 8/29/2003 | 5.05 | CFC | 8 | 577,378.99 | | 577,378.99 | 28,130.21 | | | |
| 07-9019009 | 8/29/2003 | 5.25 | CFC | 9 | 577,378.99 | | | 29,590.69 | 577,378.99 | | |
| 08-002349882 | 10/1/2009 | 2.97 | COBANK | 2 | 3,500,000.00 | | 1,762,832.33 | 45,093.91 | 448,938.82 | | |
| 09-002349917 | 10/1/2009 | 3.21 | COBANK | 3 | 3,800,000.00 | | 1,256,125.72 | 77,305.11 | 1,627,855.70 | | |
| 10-002448494 | 11/5/2010 | 4.31 | COBANK | 18 | 15,713,949.26 | | 440,697.77 | 442,306.77 | 15,273,251.49 | | |
| 11- | | | | | | | | | | | |
| 12- | | | | | | | | | | | |
| 13- | | | | | | | | | | | |
| 14- | | | | | | | | | | | |
| 15- | | | | | | | | | | | |
| 16- | | | | | | | | | | | |
| 17- | | | | | | | | | | | |
| 18- | | | | | | | | | | | |
| 19- | | | | | | | | | | | |
| 20- | | | | | | | | | | | |
| 21- | | | | | | | | | | | |
| 22- | | | | | | | | | | | |
| 23- | | | | | | | | | | | |
| 24- | | | | | | | | | | | |
| 25- | | | | | | | | | | | |
| 26- | | | | | | | | | | | |
| 27- | | | | | | | | | | | |
| 28- | | | | | | | | | | | |
| 29- | | | | | | | | | | | |
| 30- | | | | | | | | | | | |
| 31- | | | | | | | | | | | |
| 32- | | | | | | | | | | | |
| 33- | | | | | | | | | | | |
| 34- | | | | | | | | | | | |
| 35- | | | | | | | | | | | |
| 36- | | | | | | | | | | | |
| 37- | | | | | | | | | | | |
| 38- | | | | | | | | | | | |
| 39- | | | | | | | | | | | |
| 40- | | | | | | | | | | | |
| 41- | | | | | | | | | | | |
| (865) Total | | | | | 28,996,707.24 | | 4,306,056.80 | 728,562.77 | 19,407,053.21 | | |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| LONG-TERM DEBT - RUS | | |
|--|--|----------------------|
| ACCT. | PRINCIPAL DATA | AMOUNT |
| 224.1 | Long-term debt - RUS. | 20,546,132.34 |
| 224.2 | Unadvanced RUS allotment - debit (page 21) | |
| 224.3 | Deferred interest - RUS. | |
| 224.4 | Long-term debt - RUS - matured and deferred. | |
| 224.5 | Cushion of credit - RUS - debit. | |
| | Net balance due RUS as above (page 2, item 36). | 20,546,132.34 |
| | Total additions to RUS long-term debt this year. (Item 132) | <input type="text"/> |
| | Repayments for the year excluding advance payments. (Item 143) | 16,234,674.38 |
| INTEREST ACCRUED - RUS (Account 237.1) | | |
| | Balance beginning of year (matured \$.00). | |
| | Accrued during year (Account 427.1) (page 3, item 87) (page 26 summary). | 1,255,553.35 |
| | Repayments this year. | 1,255,553.35 |
| | Balance end of year (matured \$.00) (page 2, item 49)(page 26 summary). | |
| LONG-TERM DEBT - CFC | | |
| ACCT. | PRINCIPAL DATA | AMOUNT |
| 223.1 | Subscriptions to CFC capital term certificates - debit. | |
| 223.2 | Unpaid subscriptions to CFC capital term certificates - credit. | |
| 223.4 | CFC loan approved - unadvanced - debit (page 22). | |
| 223.5 | Long-term debt - CFC credit. | 2,057,007.20 |
| 223.61 | Patronage capital certificates - debit. | |
| 223.62 | Deferred patronage dividends - credit. | |
| | Net CFC account (account 223) (page 2, item 37). | 2,057,007.20 |
| | Total additions to CFC long-term debt this year. (Item 135) | <input type="text"/> |
| | Repayments for the year excluding advance payments. (Item 144) | 846,400.98 |
| INTEREST ACCRUED - CFC (Account 237.2) | | |
| | Balance beginning of year (matured \$.00). | 17,070.36 |
| | Accrued during year (Account 427.1) (page 3, item 88) (page 26 summary). | 157,377.34 |
| | Repayments this year. | 163,856.98 |
| | Balance end of year (matured \$.00) (page 2, item 50)(page 26 summary). | 10,590.72 |
| LONG-TERM DEBT - COBANK | | |
| ACCT. | PRINCIPAL DATA | AMOUNT |
| 229.10 | Long Term Debt - CoBank - credit. | 17,350,046.01 |
| 229.20 | Unadvanced allotment - CoBank - debit. | |
| 229.30 | Subscription to class "C" stock - CoBank - debit. | |
| 229.40 | Unpaid subscription to class "C" stock - CoBank - credit. | |
| 229.50 | Allocated earnings receivable - CoBank - debit. | |
| 229.51 | Allocated earnings deferred - CoBank - credit. | |
| | Net CoBank account (account 229) (page 2, item 38). | 17,350,046.01 |
| | Amount received on allotment this year. (Item 136) | 15,713,949.26 |
| | Repayments this year. (Item 145) | 3,459,655.82 |
| INTEREST ACCRUED - COBANK (Account 237.6) | | |
| | Balance beginning of year (matured \$.00). | |
| | Accrued during year (Account 427.4) (page 3, item 89) (page 26 summary). | 564,705.79 |
| | Repayments this year. | 564,705.79 |
| | Balance end of year (matured \$.00) (page 2, item 51)(page 26 summary). | |

BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)

Name of issue: POST RETIREMENT BENEFITS
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: PostRetirement - 228 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue: _____

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|---------------------------------|--------------|-----------------------------------|--|
| Balance beginning of year..... | 935,760.81 | Accrued beginning of year..... | |
| Issued during year..... | 285,811.92 | Accrued during year (427.3)..... | |
| Total..... | 1,221,572.73 | Total..... | |
| Bonds retired this year..... | 268,462.80 | Payments during year..... | |
| Balance end of year..... | 953,109.93 | Balance end of Year..... | |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | 953,109.93 | Balance less matured (237.3)..... | |

Name of issue: NCSC - TVA SUPPLEMENTAL LOAN
 Date of issue: 06/30/1995 Amount of original issue: \$ 7,539,000.00
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: 2\15 Quarterly Principal due dates: 2\15 Quarterly Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: TVA - 228 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue: \$2,500,000 direct financing loan. Remainder supplemental to RUS loans.

Conditions under which bonds may be called:

Due in full within one year of submitting notice of cancellation of power contract with TVA.

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|---------------------------------|--------------|-----------------------------------|-----------|
| Balance beginning of year..... | 4,301,734.55 | Accrued beginning of year..... | 4,836.80 |
| Issued during year..... | | Accrued during year (427.3)..... | 25,516.58 |
| Total..... | 4,301,734.55 | Total..... | 30,353.38 |
| Bonds retired this year..... | 241,607.20 | Payments during year..... | 25,365.50 |
| Balance end of year..... | 4,060,127.35 | Balance end of Year..... | 4,987.88 |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | 4,060,127.35 | Balance less matured (237.3)..... | 4,987.88 |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)

Name of issue: NRUCFC Revolving Line of Credit
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: Other Notes Payable - 231 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue: Revolving line of credit in the amount of \$4,000,000.00.

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|----------------------------------|--------------|------------------------------------|--------|
| Balance beginning of year. | | Accrued beginning of year. | |
| Issued during year. | 4,159,226.19 | Accrued during year (427.3). | 234.58 |
| Total. | 4,159,226.19 | Total. | 234.58 |
| Bonds retired this year. | 4,159,226.19 | Payments during year. | 234.58 |
| Balance end of year. | | Balance end of Year. | |
| Including matured of (239). | | Including matured of (240). | |
| Balance less matured (221). | | Balance less matured (237.3). | |

Name of issue: CoBank Emergency Line of Credit
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: Other Notes Payable - 231 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue:

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|----------------------------------|-----------|------------------------------------|-------|
| Balance beginning of year. | | Accrued beginning of year. | |
| Issued during year. | 10,751.63 | Accrued during year (427.3). | 24.71 |
| Total. | 10,751.63 | Total. | 24.71 |
| Bonds retired this year. | 10,751.63 | Payments during year. | 24.71 |
| Balance end of year. | | Balance end of Year. | |
| Including matured of (239). | | Including matured of (240). | |
| Balance less matured (221). | | Balance less matured (237.3). | |

BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)

Name of issue: _____
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: _____ Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue: _____

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|----------------------------------|--|------------------------------------|--|
| Balance beginning of year. | | Accrued beginning of year. | |
| Issued during year. | | Accrued during year (427.3). | |
| Total. | | Total. | |
| Bonds retired this year. | | Payments during year. | |
| Balance end of year. | | Balance end of Year. | |
| Including matured of (239). | | Including matured of (240). | |
| Balance less matured (221). | | Balance less matured (237.3). | |

SUMMARY OF LONG-TERM DEBT - BONDS (Account 221) AND OTHER (Account 228)

| | ACCOUNT 221 | OTHER* ACCOUNT 228 | TOTAL* | POST- RETIREMENT BENEFITS ACCOUNT 228 | TVA ACCOUNT 228 |
|---|-------------|-----------------------|--------|--|--------------------|
| Balance beginning of year. | | | | 935,760.81 | 4,301,734.55 |
| Issued during year. (Item 137) | | | | 285,811.92 | |
| Total. | | | | 1,221,572.73 | 4,301,734.55 |
| Bonds retired this year. (Item 146) | | | | 268,462.80 | 241,607.20 |
| Balance end of year. | | | | 953,109.93 | 4,060,127.35 |
| Including matured of (239). (Item 147) | | | | | |
| Balance less matured (221). | | | | 953,109.93 | 4,060,127.35 |

(page 2, item 39.1) (page 2, item 39.2) (page 2, item 39.3)

SUMMARY OF INTEREST ACCRUED - LONG-TERM DEBT(Account 237)

| | TOTAL |
|--|-----------|
| Accrued beginning of year. | 4,836.80 |
| Accrued during year (427.3) (page 26). | 25,516.58 |
| Total. | 30,353.38 |
| Payments during year. | 25,365.50 |
| Balance end of year. | 4,987.88 |
| Including matured of (240). | |
| Balance less matured (237.3) (page 26). | 4,987.88 |

*Less TVA Long-term Debt and Postretirement Benefits

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| NOTES PAYABLE (Account 231) | | | |
|---|---------------------|--|---------------|
| PRINCIPAL DATA | | INTEREST ACCRUED | |
| Balance beginning of year. | | Accrued beginning of year. | |
| New notes issued during year. | 4,169,977.82 | Accrued during year (as below). | 259.29 |
| Total. | 4,169,977.82 | Total. | 259.29 |
| Notes retired this year. | 4,169,977.82 | Payments during year. | 259.29 |
| Balance end of year. | | Balance end of year (as below). | |
| Portion of balance TVA (page 2, item 45.1). | | | |
| Portion of balance non-TVA (page 2, item 45.2). | | | |

| CUSTOMER DEPOSITS (Account 235) | |
|--|---------------------|
| Balance accrued interest on customer deposits end of year. | 1,840,289.55 |
| Balance customer deposits end of year (Account 235). | 8,586.12 |
| Total customer deposits (page 2, item 47). | 1,848,875.67 |

| SUMMARY OF ACCRUED INTEREST AND INTEREST EXPENSE | | | | | | | | | | |
|---|---------------------|---------------|--|----------|----------|---------------------|--|----------|---------------------|------------------|
| ACCT. NO. | DESCRIPTION | FROM PAGE NO. | REPORT ON BALANCE SHEET AS INDICATED BELOW | | | | REPORT ON REVENUE AND EXPENSE STATEMENT AS INDICATED BELOW | | | |
| | | | ACCT. NO. | PAGE NO. | ITEM NO. | ACCRUED END OF YEAR | ACCT. NO. | PAGE NO. | ITEM NO. | EXPENSE FOR YEAR |
| 221 | Bonds | 25 | 237.3 | 2 | 52.2 | | 427.3 | 3 | 90.1 | |
| 223 | CFC | 23 | 237.2 | 2 | 50 | 10,590.72 | 427.2 | 3 | 88 | 157,377.34 |
| 224 | RUS | 23 | 237.1 | 2 | 49 | | 427.1 | 3 | 87 | 1,255,553.35 |
| 229 | CoBank | 23 | 237.6 | 2 | 51 | | 427.4 | 3 | 89 | 564,705.79 |
| 228 | TVA long term | 25 | 237.3 | 2 | 52.1 | 4,987.88 | 427.3 | 3 | 90.2 | 25,516.58 |
| 228 | Other long term | 25 | 237.3 | 2 | 52.2 | | 427.3 | 3 | 90.1 | |
| 231 | TVA Notes Payable | Above | 237.5 | 2 | 52.1 | | 431 | 3 | 90.2 | |
| 231 | Other notes payable | Above | 237.5 | 2 | 52.2 | | 431 | 3 | 92 | 259.29 |
| 235 | Customer Deposits | Above | 235 | Above | --- | | 431 | 3 | 92 | 55,768.12 |
| --- | Delinquent taxes | --- | 237.5 | 2 | 52.2 | | 431 | 3 | 92 | |
| Total interest accrued end of year. | | | | | | 15,578.60 | Net expense for year. | | 2,059,180.47 | |
| Total item 49 (page 2) | | | | | | | Total item 87 (page 3). | | 1,255,553.35 | |
| Total item 50 (page 2) | | | | | | 10,590.72 | Total item 88 (page 3). | | 157,377.34 | |
| Total item 51 (page 2) | | | | | | | Total item 89 (page 3). | | 564,705.79 | |
| Total item 52.1 (page 2) | | | | | | 4,987.88 | Total item 90.1 (page 3). | | | |
| Total item 52.2 (page 2) | | | | | | | Total item 90.2 (page 3). | | 25,516.58 | |
| | | | | | | | Total item 92 (page 3). | | 56,027.41 | |

| ACCT. NO. | ACCOUNTS PAYABLE | |
|-----------|---|----------------------|
| 232 | Accounts payable - general (includes \$9,711,094.89 to TVA for purchased power and Fac.Rental). | 11,635,513.58 |
| 232 | Accrued purchased power. | |
| 233 | Accounts payable - spec. const. | |
| 234 | Payable to municipal - utility revenue. | |
| 234 | Other payables to municipality. | |
| | Total accounts payable - general (page 2, item 46). | 11,635,513.58 |

| ACCT. NO. | OTHER CURRENT AND ACCRUED LIABILITIES | |
|-----------|---|---------------------|
| 239 | Matured long-term debt (pages 23, 24, and 25). | |
| 240 | Matured interest (pages 23, 24, and 25). | |
| 241 | Tax collections payable. | 13,333.88 |
| 242 | Miscellaneous - accrued insurance. | |
| 242 | Miscellaneous - employees' accrued leave. | 1,239,888.07 |
| 242 | Miscellaneous - other. | 226,547.09 |
| | Total other current and accrued liabilities (page 2, item 53). | 1,479,769.04 |

| OTHER DEFERRED CREDITS (Account 253) | |
|---|-------------------|
| Payables for plant purchases; (item 149) | |
| Other items (List): Budget Billing Differences. | 223,689.20 |
| Total other deferred credits (page 2, item 56) | |
| Total other deferred credits (page 2, item 56) | 223,689.20 |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| BASIS FOR COMPUTATION OF ACCRUAL FOR AD VALOREM PROPERTY TAX OR TAX EQUIVALENT | | | | | | | |
|--|---|-----------------------------------|-----------------------------------|--------------------------------------|----------------------|---|--|
| <input checked="" type="checkbox"/> TAX, OR <input type="checkbox"/> TAX EQUIVALENT | | TN. EQUAL- IZATION RATIO | STATE ASSESS- MENT RATIO | TAX ASSESSMENT OR VALUATION | RATE PER \$100 | TAX OR EQUIVALENT FOR TAX PERIOD | AMOUNT APPLICABLE FOR FISCAL YEAR |
| PERIOD | DISTRICT | | | | | | |
| 1/1/2010 12/31/2010 | State of Kentucky - Real Estate | | | 1,314,495.00 | .1220 | 1,603.68 | 801.84 |
| 1/1/2010 12/31/2010 | State of Kentucky - Tangible | | | 63,019,745.00 | .4500 | 283,588.86 | 141,794.43 |
| 1/1/2010 12/31/2010 | State of Kentucky - Manufacturing Machinery | | | 15,509,613.00 | .1500 | 23,264.42 | 11,632.21 |
| 1/1/2010 12/31/2010 | Calloway County - Real Estate | | | 89,920.00 | .6370 | 349.06 | 174.55 |
| 1/1/2010 12/31/2010 | Calloway County - Tangible | | | 21,623,829.00 | .6747 | 144,910.75 | 72,455.39 |
| 1/1/2010 12/31/2010 | Carlisle County - Real Estate | | | 2,135.00 | .7440 | 15.89 | 7.96 |
| 1/1/2010 12/31/2010 | Carlisle County - Tangible | | | 3,636,181.00 | .7376 | 26,820.47 | 13,410.25 |
| 1/1/2010 12/31/2010 | Graves County - Real Estate | | | 1,204,015.00 | .1990 | 2,395.99 | 1,198.01 |
| 1/1/2010 12/31/2010 | Graves County - Tangible | | | 22,567,636.00 | .2471 | 55,764.63 | 27,882.32 |
| 1/1/2010 12/31/2010 | Graves County Schools - Real Estate | | | 1,177,055.00 | .3530 | 4,155.00 | 2,077.50 |
| 1/1/2010 12/31/2010 | Graves County Schools - Tangible | | | 22,334,451.00 | .3530 | 78,840.61 | 39,420.31 |
| 1/1/2010 12/31/2010 | Hickman County - Tangible | | | 496,803.00 | .6865 | 3,410.56 | 1,705.28 |
| 1/1/2010 12/31/2010 | Livingston County - Tangible | | | 46,363.00 | .7094 | 328.90 | 164.47 |
| 1/1/2010 12/31/2010 | Marshall County - Real Estate | | | 18,425.00 | .7850 | 144.64 | 72.33 |
| 1/1/2010 12/31/2010 | Marshall County - Tangible | | | 14,648,933.00 | .8932 | 130,711.70 | 65,355.86 |
| 1/1/2010 12/31/2010 | Marshall County Fire Districts (All) - Tangible | | | 1,562,558.00 | .7905 | 12,352.03 | 6,176.02 |
| 1/1/2010 12/31/2010 | City of Arlington - Tangible | | | 87,801.00 | .3910 | 343.30 | 171.65 |
| 1/1/2010 12/31/2010 | City of Benton - Tangible | | | 94,992.00 | .2100 | 199.48 | 99.74 |
| 1/1/2010 12/31/2010 | City of Calvert City - Tangible | | | 138,099.00 | .3250 | 448.82 | 224.41 |
| 1/1/2010 12/31/2010 | City of Hardin - Tangible | | | 225,150.00 | .1560 | 351.23 | 175.62 |
| 1/1/2010 12/31/2010 | City of Hazel - Tangible | | | 76,507.00 | .5000 | 382.54 | 191.27 |
| 1/1/2010 12/31/2010 | City of Mayfield - Real Estate | | | 26,960.00 | .9830 | 265.02 | 132.51 |
| 1/1/2010 12/31/2010 | City of Mayfield - Tangible | | | 233,185.00 | .9830 | 2,292.21 | 1,146.11 |
| 1/1/2010 12/31/2010 | City of Murray - Tangible & Real Estate | | | 375,120.00 | .3985 | 1,488.73 | 744.38 |
| 1/1/2010 12/31/2010 | City of Murray Schools - Tangible & Real Estate | | | 255,425.00 | .5100 | 1,302.67 | 651.34 |
| 1/1/2010 12/31/2010 | City of Wingo - Tangible | | | 171,019.00 | .5300 | 906.40 | 453.21 |
| 7/1/2010 6/30/2011 | Underaccrual FY 2009 | | | | | | 1,008.32 |
| 1/1/2011 12/31/2011 | Estimated State | | | | | | 154,228.48 |
| 1/1/2011 12/31/2011 | Estimated Counties | | | | | | 230,100.12 |
| 1/1/2011 12/31/2011 | Estimated Cities | | | | | | 3,990.20 |
| 1/1/2010 12/31/2010 | State of Kentucky - Tangible Vehicle Tax | | | 939,308.00 | .4500 | 4,226.93 | 2,113.46 |
| 1/1/2010 12/31/2010 | Graves County - Tangible Vehicle Tax | | | 931,783.00 | .1910 | 1,794.14 | 897.06 |
| 1/1/2010 12/31/2010 | Graves County Schools - Tangible Vehicle Tax | | | 931,783.00 | .4640 | 4,323.50 | 2,161.77 |
| 1/1/2010 12/31/2010 | City of Mayfield - Tangible Vehicle Tax | | | 7,525.00 | 1.0290 | 77.43 | 38.71 |
| 1/1/2011 12/31/2011 | State of Kentucky - Tangible Vehicle Tax | | | 859,487.00 | .4500 | 3,867.74 | 1,933.87 |
| 1/1/2011 12/31/2011 | Graves County - Tangible Vehicle Tax | | | 859,487.00 | .1910 | 1,641.70 | 820.85 |
| 1/1/2011 12/31/2011 | Graves County Schools - Tangible Vehicle Tax | | | 859,487.00 | .4640 | 3,988.00 | 2,153.48 |
| 1/1/2011 12/31/2011 | City of Mayfield - Tangible Vehicle Tax | | | | | | |
| 7/1/2010 6/30/2011 | Total Tax Expense | | | | | | 787,765.29 |

Where more than one tax period is applicable to the current fiscal year, show beginning and ending dates of each tax period. Compute tax or tax equivalent for each tax period and show amount prorated to this fiscal year. For tax equivalents show all the components of the tax base and applicable tax equivalent by taxing districts. When tax equivalent payments are determined other than by applying applicable tax rates to net plant, describe basis, explain any change from previous period, and include data showing breakdown of net plant by taxing districts and applicable tax rates. Use extra sheets if needed.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| PREPAID TAXES | | | | | | | | |
|--|---|---------------------------|--------------|---------------------------|--------------|---------------------|--------------------------|-----------------------|
| Do not report any taxes listed in schedule of Account 236 below as prepaid - if prepaid show debit balance in Account 236. | | | | | | | | |
| TAXING JURISDICTION | % OF GROSS REVENUE | BALANCE BEGINNING OF YEAR | PAYMENTS | PERIOD COVERED | | ACCT. NO. | WRITEOFF AMOUNT | BALANCE END OF YEAR |
| GRAVES | | | 7,448.96 | 01/01/2011 | 12/31/2011 | 408.1 | 3,724.48 | 3,724.48 |
| GRAVES | | 2,974.32 | | 01/01/2011 | 12/31/2010 | 408.1 | 2,974.32 | |
| MAYFIELD | | | | 01/01/2011 | 12/31/2011 | 408.1 | | |
| MAYFIELD | | | | 01/01/2010 | 12/31/2010 | 408.1 | | |
| KY | | | 4,988.80 | 01/01/2011 | 12/31/2011 | 408.1 | 2,494.40 | 2,494.40 |
| KY | | 1,933.87 | | 01/01/2010 | 12/31/2010 | 408.1 | 1,933.87 | |
| Total | | 4,908.19 | 12,437.76 | | | | 11,127.07 (Add below) | 6,218.88 (Page 17) |
| ACCRUED TAXES (Account 236) | | | | | | | | |
| ACCT. NO. | KIND OF TAX | BALANCE BEG. OF YEAR | PAYMENTS | TAX EXPENSE (ACCOUNT 408) | TRANSFERRED | BALANCE END OF YEAR | | |
| 408.1 | Property | 88,318.80 | 13,957.28 | | 32,617.14 | 406,978.66 | | |
| 408.2 | U.S. Social Security - unemployment | 59.01 | 4,915.99 | | 4,863.38 | 6.40 | | |
| 408.3 | U.S. Social Security - FICA | 14,907.52 | 411,412.73 | | 396,505.21 | | | |
| 408.4 | State Social Security - unemployment | 120.32 | 7,055.95 | | 6,949.23 | 13.60 | | |
| 408.5 | Gross receipts - state | | | | | | | |
| 408.6 | Income - state | | | | | | | |
| 408.7 | Other: (list below) | | | | | | | |
| 408.7 | Gross Receipts License Tax for Schools | | 2,523,992.59 | 2,523,992.59 | | | | |
| 408.7 | Reallocation of Prepaid Vehicle Taxes | | | (11,127.07) | 11,127.07 | | | |
| Total | | 403,405.65 | 3,761,334.54 | 2,512,865.52 | 1,252,062.03 | 406,998.66 | | |
| (885) | Tax expense from the writeoff of prepaid privilege taxes (as above) | | | 11,127.07 | | | (page 2, item 48) | |
| (890) | Total tax expense for the year (page 3, item 79) | | | 2,523,992.59 | | | | |
| Social Security and Federal and State unemployment taxes paid should be reported under payments, and the portion not charged to tax expense should be reported as "Transferred". | | | | | | | | |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

GENERAL INFORMATION

1. Give the form of management of municipal system. (Power board, Mayor and council, etc.)

2. In the case of a Power Board (or Utilities Board), list any other departments of the city over which it exercises control.

3. (a) Give the statutes under which the electric system was created.
 RURAL ELECTRIFICATION ACT OF 1936

- (b) Give the statutes under which the electric system is currently operating if different from the above.

4. (a) Are customers' accounts billed by an outside organization? Y
 If so, give name. If not, give the type in-house hardware. Central Service Association, Tupelo, MS, on-line

- (b) At June 30:
 - 1) What percentage is added to customer bills for late payments? 5.00 %
 - 2) How many days are allowed between date of bill and last day before gross billing applies? 15 days
 - 3) Is an "Even Monthly Payment" (budget billing) plan available for electric consumers? Y Yes No
 - 4) Amount of security deposit required for residential service:

| | |
|------------------------------|---------------------------------------|
| Owner with Electric Heat | |
| Owner without Electric Heat | |
| Tenant with Electric Heat | \$175.00 |
| Tenant without Electric Heat | \$175.00 |
| Other (describe) | 2 months average bill for businesses. |

- 5) Are there any customer deposits that qualify (deposits exceeding 1 month's average bill and held longer than 6 months) for the payment of interest under the service practice standard entitled Deposit? If yes, what rate of interest is paid?

| Class | Yes/No | Interest Rate |
|--------------|--------|---------------|
| Residential | Y | 6.00 % |
| C & I Part A | Y | 6.00 % |
| C & I Part B | Y | 6.00 % |

- 6) Is interest on deposits:

| | | |
|---|-----------------|-------------|
| Refunded by check annually? | <u> </u> Yes | <u>N</u> No |
| Credited on customer's power bill annually? | <u> </u> Yes | <u>N</u> No |
| Credited to a deposit account annually? | <u> </u> Yes | <u>N</u> No |

Handled differently (Explain)
 Applied to final bill or refunded if credit balance.

- 7) Are prior written notice and due process afforded to customers before termination for nonpayment?

| | | |
|-----------------------------|--------------|----------------|
| Prior written notice? | <u>Y</u> Yes | <u> </u> No |
| Due process? | <u>Y</u> Yes | <u> </u> No |

- 8) Is information about policies and rates available upon request and application for service?

| | | |
|-------------------------------------|--------------|----------------|
| Upon request? | <u>Y</u> Yes | <u> </u> No |
| Upon application for service? | <u>Y</u> Yes | <u> </u> No |

- 9) Are the media used to inform customers about policies and rates?

| | | |
|---|----------------|----------------|
| Policies? | <u>Y</u> Yes | <u> </u> No |
| If yes, how many times during the past 12 months? | <u>6</u> Times | |
| Rates? | <u>Y</u> Yes | <u> </u> No |
| If yes, how many times during the past 12 months? | <u>6</u> Times | |

- 10) Is the most recent 12 months' prior usage available to customers upon request?

11) The cost of a membership certificate is \$5.00

GENERAL INFORMATION (CONTINUED)

5. Give the name of the audit firm conducting this year's audit:
 Alexander Thompson Arnold, LLC, Union City, TN

6. If water, gas, or other services are operated in connection with electric services, furnish the following information in connection with joint operations.

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
| | | | | | |
| | | | | | |

(a) Indicate the joint operations with the Electric Utility:

(b) Indicate the % of non-electric ownership of any jointly owned buildings:

(c) Percentage of building space rented to others _____ %

(d) Percentage of building space rented from others _____ %

(e) 1) Date of last joint expense study: _____

2) Joint expense study was prepared by: _____ TVA _____ Distributor _____ Other

3) Indicate the amount of the unresolved annual inequity as reflected by the TVA study:

4) Give the current status of the latest joint expense study:

GOVERNING BOARD

AMOUNT PAID*

| DIRECTORS OR MEMBERS OF GOVERNING BOARD NAME AND PRINCIPAL OCCUPATION | | TERM EXPIRES | AMOUNT PAID* | |
|--|--------------|--------------|--------------|-----------|
| | | | FEES | TRAVEL |
| JAMIE POTTS, PRESIDENT | AGRICULTURE | 07/01/2014 | 8,750.00 | 3,757.34 |
| TROY ENGLISH, VICE PRESIDENT | SALES | 07/01/2013 | 3,300.00 | 6,186.03 |
| CAROLYN WOOD, | RETIRED | 07/01/2014 | 7,700.00 | 640.53 |
| DENNIS BARNES | FACTORY | 07/01/2012 | 1,550.00 | 738.03 |
| RALPH EDRINGTON | AGRICULTURE | 07/01/2012 | 2,150.00 | 2,198.06 |
| CHAD WILLETT | REAL ESTATE | 07/01/2013 | 8,550.00 | 3,134.39 |
| BOB HARGROVE | BANKING | 07/01/2013 | 7,400.00 | 296.94 |
| TED LOVETT | MAINTENANCE | 07/01/2012 | 7,900.00 | 986.75 |
| ROBERT SPALDING | CONSTRUCTION | 07/01/2014 | 2,050.00 | 1,140.29 |
| Total | | | 49,350.00 | 19,078.36 |

*Show total amounts paid from electric system funds for fiscal year.
 Method of determining amounts paid to board members is as follows:
 Board members elected prior to 07/05 receive \$100 per each meeting plus medical insurance. Members elected after 07/05 receive \$400 for each regular board meeting and no medical insurance and \$100 per other meeting days. Term for board members elected after July 2006 will be four years.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| GENERAL INFORMATION (CONTINUED) | |
|---|------------|
| Detail of Account 930 - Miscellaneous General Expense | EXPENSE |
| General Advertising Expense | 87,625.15 |
| Association Dues, Chambers of Commerce | 151,203.79 |
| Directors Fees | 49,350.00 |
| Directors Travel, Meetings and Mileage | 19,078.36 |
| Directors Meeting Registration | 6,099.00 |
| Directors Insurance | 42,895.36 |
| Annual Meeting | 91,138.63 |
| Employee Dinners | 4,471.06 |
| Directors' Miscellaneous - meals, publications, travel & accident insurance | 4,985.99 |
| Property Insurance Allocation | 4,405.16 |
| Property Tax Allocation | 2,947.02 |
| Directors' Liability Insurance | 7,737.00 |
| Service Awards | 4,498.47 |
| TOTAL | 476,434.99 |

GENERAL INFORMATION (CONTINUED)

EXPLAIN UNUSUAL INCREASES OR DECREASES IN OPERATING EXPENSES AND INCOME OVER LAST YEAR'S FIGURES; EXTRAORDINARY ITEMS PAGE 3; ITEMS MARKED * ON PAGES 5 AND 6; AND OTHER ENTRIES TO THE ACCUMULATED PROVISION FOR DEPRECIATION ON PAGE 11.

Page 3, Item 59: Increase due primarily to increase in rates.

Page 3, Item 60: Increase due to economic downturn and higher electric bills.

Page 3, Item 62: Increase due to rate increases for pole rental.

Page 4: Cash provided by financing activities "other" represents change in accrued post retirement benefits.

Page 5, Account 583: Payroll charged to expense from work order closing decreased by \$226,250 due to ice storm work order closed during FY 2010.

Page 5, Account 586: Estimated labor credit from first installation of meters decreased by \$95,200 due to fewer meter purchases during FY 2011

Page 6, Account 571: Decrease due to less maintenance performed on transmission lines this FY.

Page 6, Account 593: Routine maintenance decreased approximately \$197,000 this FY. However, ROW program expenses increased approximately \$608,000 and expense from major storms increased by \$42,000.

Page 6, Account 595: Increase in transformer maintenance expense was due to less last year from having an employee on disability. Employee returned to work during FY 2011 and also had an additional employee assigned this task.

Page 7, Items 101, 104 and 115: Inverse relationship between revenue and power cost vs. retail and wholesale due to rate increases during FY 2011.

Page 7, Items 124 and 125: Decrease in line loss kWh and percentage is due to having extreme hot temperatures during May and June 2010.

Page 9, Account 368: Increase due to transformer purchases associated with upgrade projects.

Page 10, Account 107: Increase due to new office building construction project and substation upgrade projects currently in process.

Page 11, Accounts 364, 365, 368 and 371: Decrease in retirements due to large amount of retirements associated with Ice Storm 2009 being reflected in FY 2010 report.

Page 11, Accounts 391 and 397: Retired plant having no salvage value.

Page 11, Accounts 397 and 398: Depreciation discontinued during FY 2011.

Pages 9, 10, 11 and 13: Electric substation plant sold to Mayfield EWS at NBV of \$25,000 and electric distribution plant to Jackson Purchase EC at NBV of \$60,000.

Pages 21, 22 and 23: Refinanced RUS note numbers B270 - B304 with CoBank.

Page 24a: CoBank Line of Credit advance was for accrued interest payoff when refinancing RUS debt.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

KEY PERSONNEL

| KEY PERSONNEL | TITLE OR OCCUPATIONS | PERCENTAGE OF WAGES CHARGED TO THE ELECTRIC DEPARTMENT |
|---|---------------------------------------|--|
| David E. Smart | President, CEO | 100.00 |
| Ron N. Mays | V.P. Finance & Administration | 100.00 |
| Jack R. Clifford | Financial Officer/Accounting Manager | 100.00 |
| Anita Weatherly | Plant Accounting Supervisor | 100.00 |
| Julie Pittman | Member Billing Supervisor | 100.00 |
| Jamie Sears | Communications Director | 100.00 |
| Tim Vied | Manager of Engineering Services | 100.00 |
| Johnny Jackson | Operations Manager | 100.00 |
| Jimmy Greer | Construction & Maintenance Supervisor | 100.00 |
| Kim Grogan | Director of Safety | 100.00 |
| Jerry Wise | Right-of-Way Foreman | 100.00 |
| Roger Gough | Technology Coordinator | 100.00 |
| Marcia Pritchett | Human Resources Coordinator | 100.00 |
| (895) TOTAL NUMBER OF EQUIVALENT FULL-TIME EMPLOYEES: 85 | | |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

RETAINED EARNINGS ADJUSTMENT(S)

| Order | Amount Description | Reason |
|-------|--------------------|--------|
| Total | \$0.00 | |

West Kentucky Rural Electric Cooperative Corporation

Name of Organization

1218 West Broadway Mayfield, KY 42066-0589

Address

Tennessee Valley Authority
1101 Market Street
Chattanooga, Tennessee 37402-2801

Gentlemen:

We are transmitting herewith our annual report for the year ended June 30, 2012. The report is in agreement with the books of account, and to the best of our knowledge and belief the statements therein contained are true and correctly reflect the financial condition at June 30, 2012, and the results of our electric operations for the year ended on that date.

Our books of account have been kept in accordance with the provisions of the power contract between this organization and the Tennessee Valley Authority, and are consistent with the requirements of the Federal Energy Regulatory Commission's system of accounts.

(Signed)

Jack R. Clifford

Accountant in charge of books

David E. Smart

Manager

08/13/2012

Date transmitted

TVA Act of 1933

In fulfilling the responsibilities of the TVA Act of 1933 [16 U.S.C. #831i and 831n-4(f)], TVA requires each distributor to provide certain financial and accounting information to TVA to ensure that electric power produced by TVA is being sold at rates which are as low as feasible. This form (TVA 3957) is for that purpose.

Public reporting burden for this collection of information is estimated to vary from ten to forty hours per response, with an average of nineteen hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Agency Clearance Officer, Tennessee Valley Authority, 1101 Market Street, Chattanooga, TN 37402; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

BALANCE SHEET

| ASSETS AND OTHER DEBITS | SEE PAGE NO | ITEM NO | JUNE 30 | |
|--|----------------|------------|----------------|----------------|
| | | | THIS YEAR | LAST YEAR |
| UTILITY PLANT | | | | |
| Electric Plant. | 10 | 1 | 144,693,701.14 | 137,039,725.58 |
| Less Depreciation. | 10 | 2 | 36,425,190.93 | 34,407,132.57 |
| Total. | 10 | 3 | 108,268,510.21 | 102,632,593.01 |
| Unamortized acq. adj. | 13 | 4 | | |
| Other utility plant - net. | ---- | 5 | | |
| Total Plant - net. | ---- | 6 | 108,268,510.21 | 102,632,593.01 |
| OTHER PROPERTY AND INVESTMENTS | | | | |
| Nonutility property - net. | 15 | 7 | 6,956.52 | 6,956.52 |
| Other investments. | 14 | 8 | 2,158,135.48 | 2,042,889.83 |
| Sinking funds. | 15 | 9 | | |
| Depreciation funds. | 15 | 10 | | |
| Other special funds. | 15 | 12 | 56,526.17 | 54,911.74 |
| Total. | ---- | 13 | 2,221,618.17 | 2,104,758.09 |
| CURRENT AND ACCRUED ASSETS | | | | |
| General cash and temporary cash investments. | 14 | 14 | 6,268,368.25 | 7,418,118.57 |
| Accounts receivable. | 16 | 15 | 7,038,048.52 | 7,576,071.92 |
| Materials and supplies. | 17 | 16 | 1,187,424.82 | 1,310,578.50 |
| Prepayments. | 17 | 17 | 286,640.96 | 305,123.01 |
| Other current assets. | 17 | 18 | 292,266.99 | 296,798.05 |
| Total. | ---- | 19 | 15,072,749.54 | 16,906,690.05 |
| DEFERRED DEBITS | | | | |
| Debt expense. | 17 | 20 | | |
| Preliminary survey. | ---- | 21 | 40,263.40 | |
| Clearing accounts. | ---- | 22 | (550.32) | 10,519.51 |
| Energy Service Loans Receivables. | ---- | 24 | 227,498.37 | 241,143.51 |
| Deferred costs on TVA Leases. | 17 | 25 | | |
| Other deferred debits. | 17 | 26 | 40,471.46 | 35,949.20 |
| Total. | ---- | 27 | 307,682.91 | 287,612.22 |
| TOTAL ASSETS AND OTHER DEBITS. | ---- | 28 | 125,870,560.83 | 121,931,653.37 |

LIST UNRECORDED AND CONTINGENT ASSETS AND LIABILITIES OTHER THAN ACCRUED UTILITY REVENUE AND UNBILLED PURCHASED POWER

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

BALANCE SHEET

| LIABILITIES AND OTHER CREDITS | SEE PAGE NO | ITEM NO | JUNE 30 | |
|---|----------------|------------|----------------|----------------|
| | | | THIS YEAR | LAST YEAR |
| CAPITAL | | | | |
| Membership certificates. | ---- | 30 | 160,950.00 | 160,095.00 |
| EARNINGS REINVESTED IN SYSTEM ASSETS | | | | |
| Beginning of year. | ---- | 33 | 59,734,544.79 | 51,367,700.40 |
| Current year. | 3 | 34 | 7,538,601.54 | 8,366,844.39 |
| Total. | ---- | 35 | 67,273,146.33 | 59,734,544.79 |
| LONG-TERM DEBT | | | | |
| RUS. | 23 | 36 | 14,904,239.21 | 20,546,132.34 |
| CFC. | 23 | 37 | 1,218,657.79 | 2,057,007.20 |
| CoBank. | 23 | 38 | 20,203,627.81 | 17,350,046.01 |
| Bonds and other long-term debt. | 25 | 39.1 | | |
| TVA. | 25 | 39.3 | 3,818,520.15 | 4,060,127.35 |
| Debt premium and discount. | ---- | 40 | | |
| Total. | ---- | 41 | 40,145,044.96 | 44,013,312.90 |
| OTHER NON-CURRENT LIABILITIES | | | | |
| Postretirement Benefits. | 25 | 39.2 | 919,387.26 | 953,109.93 |
| Energy Service Loans - Advances. | ---- | 42 | 231,901.96 | 245,311.55 |
| Energy Service Loans - Other. | ---- | 43 | | |
| Total. | ---- | 44 | 1,151,289.22 | 1,198,421.48 |
| CURRENT AND ACCRUED LIABILITIES | | | | |
| TVA notes payable. | 26 | 45.1 | | |
| Other notes payable. | 26 | 45.2 | | |
| Accounts payable. | 26 | 46 | 11,885,073.29 | 11,635,513.58 |
| Customer deposits. | 26 | 47 | 1,915,961.79 | 1,848,875.67 |
| Taxes and equivalents accrued. | 29 | 48 | 433,720.15 | 406,998.66 |
| Interest accrued - RUS. | 23 | 49 | | |
| Interest accrued - CFC. | 23 | 50 | 7,045.65 | 10,590.72 |
| Interest accrued -CoBank. | 23 | 51 | | |
| Interest accrued -TVA. | 26 | 52.1 | 4,054.95 | 4,987.88 |
| Interest accrued - other. | 26 | 52.2 | | |
| Other current liabilities. | 26 | 53 | 1,510,137.58 | 1,479,769.04 |
| Total. | ---- | 54 | 15,755,993.41 | 15,386,735.55 |
| DEFERRED CREDITS | | | | |
| Advances for construction - refundable. | 18 | 55 | 1,214,298.17 | 1,214,854.45 |
| Other deferred credits. | 26 | 56 | 169,838.74 | 223,689.20 |
| Total. | ---- | 57 | 1,384,136.91 | 1,438,543.65 |
| TOTAL LIABILITIES AND OTHER CREDITS. | ---- | 58 | 125,870,560.83 | 121,931,653.37 |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| REVENUE AND EXPENSE STATEMENT | SEE PAGE NO | ITEM NO | THIS YEAR | LAST YEAR |
|--|----------------|------------|----------------------|----------------------|
| OPERATING REVENUE | | | | |
| Electric sales revenue (page 7, item 332) | ---- | 59 | 82,384,843.43 | 87,104,140.89 |
| Revenue from late payments. | ---- | 60 | 688,368.75 | 745,051.63 |
| Misc. service revenue. | ---- | 61 | 321,497.23 | 324,885.50 |
| Rent from electric property. | ---- | 62 | 1,450,839.66 | 1,093,904.64 |
| Other electric revenue. | ---- | 63 | 12,469.80 | 11,663.21 |
| Total operating revenue. | ---- | 64 | 84,858,018.87 | 89,279,645.87 |
| PURCHASED POWER | | | | |
| Total power cost (page 7, item 342). | 7 | 65 | 56,120,941.47 | 58,427,954.72 |
| OPERATION EXPENSE | | | | |
| Transmission expense. | 5 | 66 | | |
| Distribution expense. | 5 | 67 | 3,007,207.91 | 2,825,839.92 |
| Customer accounts expense. | 5 | 68 | 2,637,351.14 | 2,563,788.58 |
| Customer service and informational expense. | 5 | 69 | 21,815.16 | 16,846.99 |
| Sales expense. | 5 | 70 | 175,256.33 | 176,182.35 |
| Administrative and general expense. | 6 | 71 | 2,008,984.09 | 1,969,884.50 |
| Operation expense. | 6 | 72 | 7,850,614.63 | 7,552,542.34 |
| MAINTENANCE EXPENSE | | | | |
| Transmission expense. | 6 | 73 | 1,752.07 | 109.37 |
| Distribution expense. | 6 | 74 | 4,819,318.18 | 6,252,614.39 |
| Administrative and general expense. | 6 | 75 | 259,760.49 | 96,275.86 |
| Maintenance expense. | 6 | 76 | 5,080,830.74 | 6,348,999.62 |
| OTHER OPERATING EXPENSE | | | | |
| Depreciation expense. | 12 | 77 | 4,300,260.41 | 4,189,280.57 |
| Amortization of acquisition adjustment. | 13 | 78 | | |
| Taxes and tax equivalents. | 29 | 79 | 2,386,679.62 | 2,523,992.59 |
| Other operating expense. | ---- | 80 | 6,686,940.03 | 6,713,273.16 |
| TOTAL OPERATING EXPENSE AND PURCHASED POWER. | ---- | 81 | 75,739,326.87 | 79,042,769.84 |
| INCOME | | | | |
| Operating income (item 64, less item 81). | ---- | 82 | 9,118,692.00 | 10,236,876.03 |
| Other income. | 16 | 83 | 323,109.03 | 227,175.26 |
| Total income. | ---- | 84 | 9,441,801.03 | 10,464,051.29 |
| Miscellaneous income deductions. | 16 | 85 | 45,879.25 | 38,026.43 |
| Net income before debt expense. | ---- | 86 | 9,395,921.78 | 10,426,024.86 |
| DEBT EXPENSE | | | | |
| Interest on long-term debt - RUS. | 23 | 87 | 864,066.46 | 1,255,553.35 |
| Interest on long-term debt - CFC. | 23 | 88 | 115,220.44 | 157,377.34 |
| Interest on long-term debt - CoBank. | 23 | 89 | 771,141.65 | 564,705.79 |
| Interest on long-term debt - other. | 26 | 90.1 | | |
| Interest - TVA. | 26 | 90.2 | 21,169.85 | 25,516.58 |
| Other interest expense. | ---- | 92 | 85,721.84 | 56,027.41 |
| Amortization of debt discount and expense. | ---- | 93 | | |
| Amortization of premium on debt - credit. | ---- | 94 | | |
| Total debt expense. | ---- | 95 | 1,857,320.24 | 2,059,180.47 |
| NET INCOME | | | | |
| Net income before extraordinary items (item 86, less item 95). | ---- | 96 | 7,538,601.54 | 8,366,844.39 |
| Extraordinary items. | 33 | 97 | | |
| Net Income. | 2 | 98 | 7,538,601.54 | 8,366,844.39 |

STATEMENT OF CASH FLOWS

Increase (Decrease) in Cash and Cash Equivalents

| | THIS YEAR | LAST YEAR |
|---|------------------------|-----------------------|
| CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | |
| Net Income | 7,538,601.54 | 8,366,844.39 |
| Adjustments to Reconcile Net Income to Net Cash: | | |
| Depreciation | 4,594,138.75 | 4,461,342.61 |
| Amortization of: | | |
| Acquisition Adjustment | | |
| Additions to TVA Leases | | |
| Debt Premium or Discount | | |
| (Gain) or Loss on Sale of Plant | | |
| Changes in Current and Deferred Items: | | |
| Accounts Receivable | 538,023.40 | (151,704.25) |
| Materials and Supplies | 123,153.68 | 55,543.79 |
| Prepayments and Other Current Assets | 23,013.11 | 10,335.45 |
| Deferred Debits | (33,715.83) | 2,146.10 |
| Accounts Payable | 249,559.71 | 1,795,057.04 |
| Customer Deposits | 67,086.12 | 59,522.12 |
| Taxes and Interest Accrued | 22,243.49 | (2,735.55) |
| Other Current Liabilities | 30,368.54 | (955,148.27) |
| Deferred Credits | (54,406.74) | 67,025.87 |
| Other: | | |
| Net Cash Provided by (Used in) Operating Activities | 13,098,065.77 | 13,708,229.30 |
| CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES: | | |
| Additions to Plant | (9,705,314.08) | (7,207,878.16) |
| Removal Cost | (753,248.42) | (758,571.84) |
| Salvage | 228,506.55 | 129,268.88 |
| Net Change in Other Property and Investment | (116,860.08) | 427,390.19 |
| Energy Service Loans Receivable | 13,645.14 | (11,712.85) |
| Plant Sold (Purchased) - Noninstallment Method | | 85,000.00 |
| Deferred Costs on TVA Leases (excluding amortization) | | |
| Other: | | |
| Net Cash Provided by (Used in) Investing Activities | (10,333,270.89) | (7,336,503.78) |
| CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | | |
| Additional Long-Term Borrowings | 5,321,746.01 | 15,713,949.26 |
| Payment of Principal on Long-Term Debt | (9,190,013.95) | (20,782,338.38) |
| Notes Payable | | |
| Memberships | 855.00 | 815.00 |
| Energy Service Loans Advances | (13,409.59) | 11,825.35 |
| Receipt for Plant Sold - Installment Method | | |
| Payment for Plant Purchased - Installment Method | | |
| Other: | (33,722.67) | 17,349.12 |
| Net Cash Provided by (Used in) Financing Activities | (3,914,545.20) | (5,038,399.65) |
| NET INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS .. | (1,149,750.32) | 1,333,325.87 |
| CASH AND TEMPORARY INVESTMENTS BEGINNING OF YEAR | 7,418,118.57 | 6,084,792.70 |
| CASH AND TEMPORARY INVESTMENTS END OF YEAR | 6,268,368.25 | 7,418,118.57 |

NOTE: Cash and Temporary Cash Investments include cash on hand and in demand deposits, and those investments which are generally a part of the power distributor's short-term cash management activities.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| ACCT. NO. | DESCRIPTION | EXPENSES | | PAYROLL DISTRIBUTION | |
|---|---|---------------------|---------------------|----------------------|-------------------|
| | | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
| OPERATING EXPENSE | | | | | |
| 1. TRANSMISSION | | | | | |
| 560 | Supervision and engineering. | | | | |
| 561 | Load dispatching. | | | | |
| 562 | Station expense. | | | | |
| 563 | Overhead line expense. | | | | |
| 564 | Underground line expense. | | | | |
| 566 | Miscellaneous. | | | | |
| 567 | Rents. | | | | |
| (600) | Total transmission operating expense (page 3, item 66). | | | | |
| 2. DISTRIBUTION | | | | | |
| 580 | Supervision and engineering. | 55,223.17 | 47,133.66 | 23,265.75 | 21,999.53 |
| 581 | Load dispatching. | | | | |
| 582 | Station expense. | 145,422.82 | 143,313.61 | 6,605.14 | 10,488.32 |
| 583 | Overhead line expense. | 1,546,309.84 | 1,383,118.71 | 179,624.26 | 149,679.12 |
| 584 | Underground line expense. | 83,058.40 | 81,075.22 | 21,861.59 | 22,271.52 |
| 585 | Street lighting and signal system expense. | 7,556.37 | 7,080.10 | 3,158.23 | 3,118.97 |
| 586 | Meter expense. | 566,540.07 | 550,878.12 | 143,713.92 | 159,312.93 |
| 587 | Customer installation expense. | 305,004.18 | 307,951.54 | 134,539.05 | 136,917.56 |
| 588 | Miscellaneous. | 247,092.32 | 249,872.58 | 86,706.20 | 82,590.81 |
| 589 | Rents. | 51,000.74 | 55,416.38 | | |
| (605) | Total distribution operating expense (page 3, item 67). | 3,007,207.91 | 2,825,839.92 | 599,474.14 | 586,378.76 |
| 3. CUSTOMER ACCOUNTS EXPENSE | | | | | |
| 901 | Supervision. | 187,862.93 | 190,566.82 | 113,556.38 | 112,914.87 |
| 902 | Meter reading expense. | 417,495.01 | 413,846.87 | 3,624.06 | 3,497.53 |
| 903 | Customer records and collection expense. | 1,915,393.58 | 1,794,464.52 | 821,301.41 | 752,242.10 |
| 904 | Uncollectible accounts. | 115,277.02 | 163,651.29 | | |
| 905 | Miscellaneous. | 1,322.60 | 1,259.08 | | |
| (610) | Total customer accounts expense (page 3, item 68). | 2,637,351.14 | 2,563,788.58 | 938,481.85 | 868,654.50 |
| 4. CUSTOMER SERVICES & INFORMATIONAL EXPENSE | | | | | |
| 907 | Supervision. | | | | |
| 908 | Customer assistance expense. | 6,583.36 | 1,330.42 | | 761.08 |
| 909 | Informational and instructional advertising expense. | 14,850.16 | 15,150.85 | 3,421.60 | 3,078.06 |
| 910 | Miscellaneous customer service and informational expense. | 381.64 | 365.72 | | |
| (615) | Total customer services and informational expense (page 3, item 69). | 21,815.16 | 16,846.99 | 3,421.60 | 3,839.14 |
| 5. SALES EXPENSE | | | | | |
| 911 | Supervision. | | | | |
| 912 | Demonstrating and selling expense. | 150,501.99 | 149,867.20 | 79,893.51 | 79,442.44 |
| 913 | Advertising expense. | 24,372.70 | 25,934.52 | 5,488.01 | 5,682.93 |
| 916 | Miscellaneous. | 381.64 | 380.63 | | |
| (620) | Total sales expense (page 3, item 70). | 175,256.33 | 176,182.35 | 85,381.52 | 85,125.37 |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| ACCT. NO. | DESCRIPTION | EXPENSES | | PAYROLL DISTRIBUTION | |
|--|--|----------------------|----------------------|----------------------|---------------------|
| | | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
| 6. ADMINISTRATIVE & GENERAL | | | | | |
| 920 | Administrative and general salaries. | 1,219,114.80 | 1,148,769.23 | 735,756.99 | 684,709.31 |
| 921 | Office supplies and expense. | 260,838.70 | 244,789.95 | | |
| 922 | Administrative expense transferred - credit*. | | | | |
| 923 | Outside services employed. | 22,314.94 | 101,455.56 | | |
| 924 | Property insurance. | | | | |
| 925 | Injuries and damages. | 2,259.36 | | | |
| 926 | Employee pensions and benefits. | | | | |
| 927 | Franchise requirements*. | | | | |
| 928 | Regulatory commission expense*. | | | | |
| 929 | Duplicate charges - credit. | (14,730.53) | (14,621.23) | | |
| 930 | Miscellaneous general expense. | 505,442.82 | 476,434.99 | 29,043.57 | 26,322.10 |
| 931 | Rents. | 13,744.00 | 13,056.00 | | |
| (625) | Total administrative and general expense (page 3, item 71). | 2,008,984.09 | 1,969,884.50 | 764,800.56 | 711,031.41 |
| (630) | Total operating expense (Page 3 Item 72). | 7,850,614.63 | 7,552,542.34 | 2,391,559.67 | 2,255,029.18 |
| MAINTENANCE EXPENSE | | | | | |
| 1. TRANSMISSION | | | | | |
| 568 | Supervision and engineering. | | | | |
| 569 | Maintenance of structures. | | | | |
| 570 | Maintenance of station equipment. | | | | |
| 571 | Maintenance of overhead lines. | 1,752.07 | 109.37 | 726.72 | 30.44 |
| 572 | Maintenance of underground lines. | | | | |
| 573 | Miscellaneous. | | | | |
| (635) | Total transmission maintenance expense (page 3, item 73). | 1,752.07 | 109.37 | 726.72 | 30.44 |
| 2. DISTRIBUTION | | | | | |
| 590 | Supervision and engineering. | 41,929.31 | 40,150.51 | 23,216.40 | 21,555.66 |
| 591 | Maintenance of structures. | | | | |
| 592 | Maintenance of station equipment. | 549,112.02 | 305,513.91 | 183,547.07 | 80,356.21 |
| 593 | Maintenance of overhead lines. | 3,666,417.16 | 5,297,717.65 | 1,022,688.33 | 1,059,808.62 |
| 594 | Maintenance of underground lines. | 15,910.12 | 16,958.70 | 7,420.33 | 11,745.24 |
| 595 | Maintenance of line transformers. | 262,227.99 | 281,245.56 | 132,146.01 | 140,421.80 |
| 596 | Street lighting and signal systems. | 7,236.47 | 7,192.47 | 3,862.49 | 3,821.06 |
| 597 | Maintenance of meters. | 164,591.17 | 159,419.36 | 93,168.41 | 87,839.05 |
| 598 | Maintenance of miscellaneous distribution plant. | 111,893.94 | 144,416.23 | 44,369.60 | 61,368.32 |
| (640) | Total distribution maintenance expense (page 3, item 74). | 4,819,318.18 | 6,252,614.39 | 1,510,418.64 | 1,466,915.96 |
| 3. ADMINISTRATIVE & GENERAL | | | | | |
| 935 | Maintenance of general plant (page 3, items 75). | 259,760.49 | 96,275.86 | 25,732.76 | 1,168.34 |
| (645) | Total maintenance expense (page 3, item 76). | 5,080,830.74 | 6,348,999.62 | 1,536,878.12 | 1,468,114.74 |
| (650) | Total operating and maintenance expense. | 12,931,445.37 | 13,901,541.96 | 3,928,437.79 | 3,723,143.92 |
| (655) | Total direct and indirect payroll charged to construction and retirements. | | | 1,805,924.32 | 1,473,400.34 |
| (660) | Payroll charged to other accounts. | | | 61,788.29 | 112,042.93 |
| (662) | Fiscal year net change in accrued leave account - (increase) decrease. | | | 8,779.33 | (63,190.40) |
| (665) | Total payroll distribution for year. | | | 5,804,929.73 | 5,245,396.79 |

*FURNISH DETAILS OF THESE ACCOUNTS ON PAGES 32 AND 33.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATISTICAL DATA

| CLASS OF SERVICE | ITEM NO | REVENUE | | ITEM NO | KILOWATT-HOURS SOLD | |
|---|------------|----------------------|----------------------|------------|---------------------|--------------------|
| | | THIS YEAR | LAST YEAR | | THIS YEAR | LAST YEAR |
| Residential. | 100 | 54,083,554.50 | 58,673,258.06 | 107 | 444,264,086 | 488,753,919 |
| Gen. Power - 50 kW & under. | 101 | 10,103,643.36 | 10,477,016.45 | 108 | 67,628,940 | 70,051,041 |
| Gen. Power - Over 50 kW. | 102 | 16,590,433.15 | 16,350,779.66 | 109 | 167,408,511 | 170,767,224 |
| Street and athletic. | 103 | 189,629.44 | 182,254.38 | 110 | 2,008,113 | 1,886,955 |
| Outdoor lighting. | 104 | 1,417,582.98 | 1,420,832.34 | 111 | 9,625,597 | 10,042,635 |
| Subtotal. | 330 | 82,384,843.43 | 87,104,140.89 | | | |
| Unbilled revenue*. | 331 | | | | | |
| Total (page 3, item 59). | 332 | 82,384,843.43 | 87,104,140.89 | 335 | 690,935,247 | 741,501,774 |
| Kilowatt-hours for own use. | | | | 113 | 162,832 | 161,070 |
| Total kilowatt-hours sold and used. | | | | 114 | 691,098,079 | 741,662,844 |
| Kilowatt-hours in unbilled revenue (items 331) above* | | | | 336 | | |

| STATE | SALES TAX | TO ABOVE CLASSES OF REVENUE | CREDITS | GREEN POWER REVENUE | |
|--------------|-----------|-----------------------------|-------------------------------------|---------------------|---|
| | | | | | State and local sales tax on above revenue. |
| | | | Gen. Power - 50 kW & under. | 44,656.62 | |
| | | | Gen. Power - Over 50kW. | 210,443.20 | |
| Total | | 1,212,800.99 | | | |

PURCHASED POWER

| TVA | ITEM NO | AMOUNT | | ITEM NO | KILOWATT-HOURS PURCHASED | |
|--|------------|----------------------|----------------------|------------|--------------------------|--------------------|
| | | THIS YEAR | LAST YEAR | | THIS YEAR | LAST YEAR |
| Purchased Power. | 115 | 55,745,390.19 | 58,055,768.36 | 119 | 742,440,421 | 787,496,256 |
| Facilities Rental. | 116 | 375,551.28 | 372,186.36 | | | |
| Other Charges/Credits. | 117 | | | | | |
| Total from TVA. | 118 | 56,120,941.47 | 58,427,954.72 | 122 | 742,440,421 | 787,496,256 |
| Other Purchased Power**. | 218 | | | 222 | | |
| Subtotal. | 340 | 56,120,941.47 | 58,427,954.72 | | | |
| Unbilled Purchases*. | 341 | | | | | |
| Total (page 3, item 65). | 342 | 56,120,941.47 | 58,427,954.72 | 345 | 742,440,421 | 787,496,256 |
| Less kilowatt hours sold and used (item 114). | | | | 123 | 691,098,079 | 741,662,844 |
| Line losses and kilowatt-hours unaccounted for. | | | | 124 | 51,342,342 | 45,833,412 |
| Percent of losses to purchases (2 decimal places). | | | | 125 | 6.92 | 5.82 |
| Kilowatt-hours in unbilled purchases (Item 341) above* | | | | 346 | | |

**Purchased other power under contract number _____ from _____

NUMBER OF CUSTOMERS

MISCELLANEOUS DATA

| CLASS OF SERVICE | MONTH OF JUNE | | Pole Line Miles: (2 decimal places). (715) | THIS YEAR | LAST YEAR | |
|---|---------------|---------------|--|-----------------------------------|--------------|--------------|
| | THIS YEAR | LAST YEAR | | | | |
| Residential. (675) | 30,469 | 30,426 | Individual Outdoor Lts. | | | |
| Gen. Power - 50 kW & under. . . (680) | 7,514 | 7,327 | | No. in plant. (720) | 15,627 | 15,145 |
| Gen. Power - Over 50 kW. . . . (685) | 354 | 337 | | Total investment. (725) | 4,574,512.24 | 4,515,330.70 |
| Street and athletic. (690) | 85 | 85 | | O&M expense. (730) | 170,998.51 | 183,799.41 |
| Outdoor Lighting - Excl. Code 77. (693) | | | | St. Ltg-Invest. Base. . . . (735) | 345,333.87 | 344,874.86 |
| Total. (695) | 38,422 | 38,175 | | O&M expense. (740) | 14,792.84 | 14,272.57 |
| Outdoor Lighting - Code 77. . . . (697) | 10,292 | 10,188 | Lamps & Glassware. . . (745) | | | |

*Item nos. 331, 336, 341, and 346 are to be filled in only if distributor chooses the option to estimate unbilled electric sales.

MODIFIED STREET LIGHTING COMPUTATION

Give computation of modified street lighting rate relative to lamps and glassware by customers, if applicable:

| TOWN | COST OF LAMPS AND GLASSWARE | KWH | ALLOWANCE | EXCESS TO BE BILLED |
|------------------------------------|--------------------------------|------------------|------------|------------------------|
| | | FROM STAT. REPT. | KWH X .003 | |
| Benton | | | | |
| Hardin | | | | |
| Cambridge Shores | | | | |
| Calvert City | | | | |
| Hazel | | | | |
| Calloway County Board of Education | | | | |
| Murray | | | | |
| Graves County Board of Education | | | | |
| Wingo | | | | |
| Milburn | | | | |
| Arlington | | | | |
| Kentucky Dept of Highways | | | | |
| Water Valley | | | | |
| Kentucky Dam Village Estates | | | | |
| City of Mayfield | | | | |
| TOTAL: | | | | |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | | ELECTRIC PLANT | | | | | |
|-----------|---|-------------------------|---------------------|---------------------|----------------------------|--------|------------------------|
| ACCT. NO. | | BALANCE BEG. OF YEAR | ADDITIONS | RETIREMENTS | RECLASSIFICATIONS DEBIT | CREDIT | BALANCE END OF YEAR |
| | INTANGIBLE | | | | | | |
| 301 | Organization. | | | | | | |
| 302 | Franchises and consents. | | | | | | |
| 303 | Miscellaneous. | | | | | | |
| (750) | Total intangible. | | | | | | |
| | PRODUCTION | | | | | | |
| 755 | Total production. | | | | | | |
| | TRANSMISSION | | | | | | |
| 350 | Land and land rights. | | | | | | |
| 351 | Clearing land and rights of way. | | | | | | |
| 352 | Structures and improvements. | 25,739.98 | | | | | 25,739.98 |
| 353 | Station equipment. | 122,890.31 | | | | | 122,890.31 |
| 354 | Towers and fixtures. | 63,848.10 | 17,630.92 | 3,843.98 | | | 77,635.04 |
| 355 | Poles and fixtures. | 288,221.12 | 19,477.81 | 19,258.61 | | | 288,440.32 |
| 356 | Overhead conductors and devices. | 144,189.13 | | | | | 144,189.13 |
| 357 | Underground conduit. | | | | | | |
| 358 | Underground conductors and devices. | | | | | | |
| 359 | Roads and trails. | | | | | | |
| (760) | Total transmission. | 644,888.64 | 37,108.73 | 23,102.59 | | | 658,894.78 |
| | DISTRIBUTION | | | | | | |
| 360 | Land and land rights. | 205,256.79 | 18,035.00 | | | | 223,291.79 |
| 361 | Structures and improvements. | 421,818.22 | | | | | 421,818.22 |
| 362 | Station equipment. | 10,560,662.86 | 42,546.54 | 910.36 | | | 10,602,299.04 |
| 363 | Storage battery equipment. | | | | | | |
| 364 | Poles, towers, and fixtures. | 52,065,750.45 | 1,631,621.23 | 744,644.51 | | | 52,952,727.17 |
| 365 | Overhead conductors and devices. | 16,186,244.47 | 682,584.40 | 209,821.23 | | | 16,659,007.64 |
| 366 | Underground conduit. | 3,542,049.91 | 205,723.78 | 2,527.69 | | | 3,745,246.00 |
| 367 | Underground conductors and devices. | 3,565,650.28 | 304,823.14 | 21,834.33 | | | 3,848,639.09 |
| 368 | Line transformers. | 25,271,418.86 | 1,773,866.71 | 417,611.51 | | | 26,627,674.06 |
| 369 | Services. | 5,703,295.88 | 272,208.91 | 174,423.43 | | | 5,801,081.36 |
| 370 | Meters. | 3,691,765.99 | 125,708.00 | 110,747.25 | | | 3,706,726.74 |
| 371 | Inst. on customers' premises. | 4,515,330.70 | 216,399.30 | 156,676.19 | | | 4,575,053.81 |
| 372 | Leased prop. on cust. premises. | 33,239.00 | | | | | 33,239.00 |
| 373 | St. lighting and signal systems. | 344,874.86 | 2,046.61 | 1,587.60 | | | 345,333.87 |
| (765) | Total distribution. | 126,107,358.27 | 5,275,563.62 | 1,840,784.10 | | | 129,542,137.79 |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | | ELECTRIC PLANT | | | | | |
|-----------------|--|-------------------------|-----------------------------------|---------------------|----------------------------|----------------------|------------------------|
| ACCT. NO. | | BALANCE BEG. OF YEAR | ADDITIONS | RETIREMENTS | RECLASSIFICATIONS DEBIT | CREDIT | BALANCE END OF YEAR |
| GENERAL | | | | | | | |
| 389 | Land and land rights. | 116,104.45 | | | | | 116,104.45 |
| 390 | Structures and improvements. | 2,210,308.99 | 140,314.40 | 5,089.56 | | | 2,345,533.83 |
| 391 | Office furniture and equipment. | 812,189.56 | 92,521.00 | 4,379.97 | | | 900,330.59 |
| 392 | Transportation equipment. | 3,185,465.41 | 391,605.98 | 173,753.98 | | | 3,403,317.41 |
| 393 | Stores equipment. | 32,761.80 | | | | | 32,761.80 |
| 394 | Tools, shop, and garage equip.. . . . | 502,461.21 | 40,021.80 | | | | 542,483.01 |
| 395 | Laboratory equipment. | 194,200.92 | | | | | 194,200.92 |
| 396 | Power operated equipment. | | | | | | |
| 397 | Communication equipment. | 429,940.84 | | 3,905.43 | | | 426,035.41 |
| 398 | Miscellaneous equipment. | 79,979.15 | 1,192.03 | 322.89 | | | 80,848.29 |
| 399 | Other tangible property. | | | | | | |
| (770) | Total general. | 7,563,412.33 | 665,655.21 | 187,451.83 | | | 8,041,615.71 |
| 101 | Total plant in service. | 134,315,659.24 | 5,978,327.56 | 2,051,338.52 | | | 138,242,648.28 |
| 102 | Electric plant purchased or sold. | | | | | | |
| 104 | Electric plant leased to others. | | | | | | |
| 105 | Electric plant for future use. | 251,539.23 | | | | | 251,539.23 |
| 107 | Construction work in progress. | 2,472,527.11 | 3,726,986.52 | | | | 6,199,513.63 |
| (775) | Total other electric plant. | 2,724,066.34 | 3,726,986.52 | | | | 6,451,052.86 |
| (780) | Total electric plant (page 1, item 1). | 137,039,725.58 | 9,705,314.08 (Item 140) | 2,051,338.52 | | | 144,693,701.14 |
| RESERVES | | | | | | | |
| 108 | Accumulated provision for depreciation of electric plant in service. | | | | | 36,425,190.93 | |
| 109 | Accumulated provision for depreciation of electric plant leased to others. | | | | | | |
| 110 | Accumulated provision for depreciation of electric plant held for future use. | | | | | | |
| | Total accumulated provision for depreciation (page 1, item 2 and page 11). | | | | | 36,425,190.93 | |
| | Total electric plant, less accumulated provision for depreciation (page 1, item 3). | | | | | | 108,268,510.21 |

Reclassification Columns

Includes major corrections to prior years additions and retirements, transfers between accounts classified in prior years, and classification of plant purchased and/or sold.

Explanations of entries shown in the Reclassification Columns:

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| ACCUMULATED PROVISION FOR DEPRECIATION (Page 10) | | | | | | | | | | |
|--|------------|----------------------|---------------------|---------------------|-------------------|-------------------|----------------|--------|----------------------|-----------|
| ACCT. NO. | DEPR. RATE | BALANCE BEG. OF YEAR | ACCRUAL | ORIGINAL COST | REMOVAL COST | SALVAGE | OTHER ENTRIES* | | BALANCE END OF YEAR | % DEPR. |
| | | | | | | | DEBIT | CREDIT | | |
| 350 | | | | | | | | | | |
| 351 | | | | | | | | | | |
| 352 | 3.00 | 21,444.11 | 772.20 | | | | | | 22,216.31 | 86 |
| 353 | 3.00 | 111,695.52 | 3,686.76 | | | | | | 115,382.28 | 94 |
| 354 | 3.00 | 22,849.16 | 2,165.94 | 3,843.98 | 4,855.71 | | | | 16,315.41 | 21 |
| 355 | 3.00 | 106,722.78 | 8,459.03 | 19,258.61 | 5,003.83 | | | | 90,919.37 | 32 |
| 356 | 3.00 | 94,214.02 | 4,325.66 | | | | | | 98,539.68 | 68 |
| 357 | | | | | | | | | | |
| 358 | | | | | | | | | | |
| 359 | | | | | | | | | | |
| (785) TOTAL | | 356,925.59 | 19,409.59 | 23,102.59 | 9,859.54 | | | | 343,373.05 | 52 |
| 360 | 4.23 | 88,171.70 | 4,647.12 | | | | | | 92,818.82 | 42 |
| 361 | 3.00 | 409,969.53 | 334.08 | | | | | | 410,303.61 | 97 |
| 362 | 3.00 | 4,521,465.66 | 304,899.54 | 910.36 | 900.29 | 1,293.53 | | | 4,825,848.08 | 46 |
| 363 | | | | | | | | | | |
| 364 | 3.00 | 3,736,676.73 | 1,574,342.63 | 744,644.51 | 455,131.31 | 25,034.95 | | | 4,136,278.49 | 8 |
| 365 | 2.75 | 4,138,040.50 | 450,139.62 | 209,821.23 | 81,143.44 | 1,083.98 | | | 4,298,299.43 | 26 |
| 366 | 4.00 | 931,708.90 | 145,581.02 | 2,527.69 | 684.49 | 12.00 | | | 1,074,089.74 | 29 |
| 367 | 4.00 | 1,230,774.78 | 148,541.57 | 21,834.33 | 12,898.07 | 348.08 | | | 1,344,932.03 | 35 |
| 368 | 3.00 | 9,856,610.49 | 781,408.70 | 417,611.51 | 25,163.71 | 150,731.37 | | | 10,345,975.34 | 39 |
| 369 | 6.00 | 2,836,720.70 | 346,246.44 | 174,423.43 | 52,042.74 | 1,407.59 | | | 2,957,908.56 | 51 |
| 370 | 2.50 | 578,680.46 | 92,983.55 | 110,747.25 | | 3,179.50 | | | 564,096.26 | 15 |
| 371 | 5.00 | 825,685.96 | 226,765.87 | 156,676.19 | 115,064.36 | 23,811.55 | | | 804,522.83 | 18 |
| 372 | 5.00 | 17,980.20 | 1,561.44 | | | | | | 19,541.64 | 59 |
| 373 | 4.00 | 166,323.76 | 13,813.83 | 1,587.60 | 360.47 | | | | 178,189.52 | 52 |
| (790) TOTAL | | 29,338,809.37 | 4,091,265.41 | 1,840,784.10 | 743,388.88 | 206,902.55 | | | 31,052,804.35 | 24 |
| 389 | | | | | | | | | | |
| 390 | 2.5-5 | 1,228,990.21 | 70,535.86 | 5,089.56 | | | | | 1,294,436.51 | 55 |
| 391 | 4/10 | 675,135.66 | 76,607.86 | 4,379.97 | | 25.00 | | | 747,388.55 | 83 |
| 392 | Var | 1,440,382.66 | 293,878.34 | 173,753.98 | | 21,579.00 | | | 1,582,086.02 | 46 |
| 393 | | 4,709.44 | | | | | | | 4,709.44 | 14 |
| 394 | 8.00 | 412,694.76 | 41,249.67 | | | | | | 453,944.43 | 84 |
| 395 | 0.00 | 194,200.92 | | | | | | | 194,200.92 | 100 |
| 396 | | | | | | | | | | |
| 397 | 8.00 | 429,940.85 | (.01) | 3,905.43 | | | | | 426,035.41 | 100 |
| 398 | 8.00 | 79,979.15 | 1,192.03 | 322.89 | | | | | 80,848.29 | 100 |
| 399 | | | | | | | | | | |
| (795) TOTAL | | 4,466,033.65 | 483,463.75 | 187,451.83 | | 21,604.00 | | | 4,783,649.57 | 59 |
| (800) OTHER | | 245,363.96 | | | | | | | 245,363.96 | 4 |
| (805) TOTALS | | 34,407,132.57 | 4,594,138.75 | 2,051,338.52 | 753,248.42 | 228,506.55 | | | 36,425,190.93 | 26 |

(Item 142) (Item 138)

*Use other entries to report depreciation on property purchased, classifying accruals, unusual entries - explain on page 33.

ACCUMULATED PROVISION FOR DEPRECIATION - CONTINUED

| | | |
|--|-------------------|---------------------|
| Depreciation expense (403 and 404) (page 3, item 77)..... | (810) | 4,300,260.41 |
| Depreciation charged to transportation expense - clearing..... | (815) | 293,878.34 |
| Depreciation charged to building expense - clearing..... | (820) | |
| Depreciation charged to other accounts (list each account number)..... | (825) | |
| | (830) | |
| | (835) | |
| | (840) | |
| Total accrual (page 11)..... | (Item 128) | 4,594,138.75 |

Explanations (continue on page 33 if necessary)

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| INVESTMENTS IN ASSOCIATED COMPANIES (Report only the investments not considered as current assets) | | | |
|---|------------------------|------------------------|----------------------------|
| OTHER INVESTMENTS - GENERAL FUNDS | | | |
| Investments included in Accounts 123 and 124 | | | |
| DESCRIPTION OF INVESTMENTS (GROUP BY TYPE OF INVESTMENT AND SHOW NO. OF INVESTMENTS) | BALANCE END OF YEAR | INCOME | GAIN OR (LOSS) ON SALES |
| Stockholder Loan - CSA | 51,482.14 | 987.96 | |
| Pat. Capital-CFC,WKRTCC, UUS, KAEC, FEDERATED, COBANK | 710,968.48 | 236,927.23 | |
| Capital Term Certificates - NRUCFC | 1,393,684.86 | 64,292.77 | |
| Membership - NRUCFC, COBANK | 2,000.00 | | |
| Subtotal | 2,158,135.48 | 302,207.96 | |
| | (page 1, item 8) | (account 419, page 16) | |
| INVESTMENTS OF FUNDS OTHER THAN GENERAL FUNDS | | | |
| (Investments included in Accounts 125, 126, and 128 - page 15) | | | |
| NRUCFC - Medical Self Insurance / Property Tax / Building Fund Employee Savings Fund | 56,526.17 | | |
| Subtotal | 56,526.17 | | |
| | (page 15) | (account 419, page 16) | |
| CASH AND TEMPORARY CASH INVESTMENTS - GENERAL FUNDS | | | |
| (Report only investments considered as current assets) | | | |
| NRUCFC Commercial Paper | 4,806,699.40 | 5,532.05 | |
| Total Temporary Cash Investments | 4,806,699.40 | 5,532.05 | |
| CASH (Accounts 131 - 135) | 1,461,668.85 | 2,877.23 | |
| Subtotal | 6,268,368.25 | 8,409.28 | |
| | (page 1, item 14) | (account 419, page 16) | |
| Grand Total | 8,483,029.90 | 310,617.24 | |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | SPECIAL FUNDS | | | | TOTAL OF ALL SPECIAL FUNDS |
|--|------------------------------------|-----------------------------------|-----------------------------------|-----------|----------------------------|
| | ACCOUNT 125 TOTAL SINKING FUNDS | ACCOUNT 126 DEPRECIATION FUNDS | ACCOUNT 128 CONSTRUCTION FUNDS | | |
| Cash included in fund end of year. | | | | 56,526.17 | 56,526.17 |
| Investments in fund end of year (page 14). | | | | | |
| Balance of fund end of year (page 1). | | | | 56,526.17 | 56,526.17 |
| | (page 1, item 9) | (page 1, item 10) | (page 1, item 12) | | |
| Minimum balance required*. | | | | | |
| Authority creating fund** | | | | | |

* Explain difference if fund balance is less than minimum required.
 ** State whether fund is required by bond contract, board action, etc.
 Total Sinking

Depreciation

Construction

Other
N/A

Note: Report all debt service funds as sinking funds.
 Report all funds for renewals and replacements as depreciation funds.

NONUTILITY PROPERTY (Account 121)

| | DESCRIPTION AND LOCATION OF PROPERTY | DATE ACQUIRED | BOOK COST | NET INCOME (ACCOUNT 418) |
|--|--------------------------------------|---------------|-----------|-----------------------------|
| House and Lot | 1220 West Broadway, Mayfield, KY | 12/1/1952 | 22,447.85 | |
| Total. | | | 22,447.85 | |
| Less accumulated provision for depreciation (account 122). | | | 15,491.33 | |
| Total net of depreciation (page 1, item 7). | | | 6,956.52 | (page 16) |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| ACCT. NO. | MATERIALS AND SUPPLIES | |
|-----------|--|---------------------|
| 154 | Plant materials and operating supplies. | 1,147,820.64 |
| 155 | Merchandise. | 5,990.46 |
| 156 | Other materials and supplies. | |
| 163 | Stores expense undistributed. | 33,613.72 |
| (855) | Total materials and supplies (page 1, item 16). | 1,187,424.82 |

Give dates of physical inventories this year: 05/18/2012
Total of adjustments: \$ _____ **over, or \$** 11,647.70 **short**

| PREPAYMENTS - Account No. 165 | |
|---|-------------------|
| Prepaid insurance. | 188,506.25 |
| Prepaid employee pension plan. | |
| Prepaid taxes (page 29). | 7,532.99 |
| Prepaid rents. | |
| Other prepayments. | 90,601.72 |
| Total prepayments (page 1, item 17). | 286,640.96 |

| ACCT. NO. | OTHER CURRENT ASSETS | |
|-----------|--|-------------------|
| 171 | Interest and dividends receivable. | 16,351.85 |
| 172 | Rents receivable. | 275,915.14 |
| 173 | Accrued utility revenue. | |
| 174 | Miscellaneous current and accrued assets. | |
| | Total other current assets (page 1, item 18). | 292,266.99 |

| ACCT. NO. | DEFERRED DEBITS | |
|-----------|---|--|
| 181 | Unamortized debt expense (page 1, item 20). | |

Give method and period of amortization:

| | | |
|-----|---|-----------|
| 186 | Deferred costs on TVA leases (page 1, item 25) | |
| | Additions | |
| | Removal Costs | |
| | Salvage | |
| | Accumulated Amortization | |
| | Total as above | |
| 186 | Miscellaneous deferred debits (page 1, item 26) | 40,471.46 |

List of Items:

| | |
|---|------------------|
| Receivables from plant sales (item 148) | |
| Other items (list): | |
| Advances for Construction Receivable | |
| Deferred Software Costs | 40,471.46 |
| | |
| | |
| | |
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| | |
| | |
| Total as above | 40,471.46 |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE | | | | | | |
|---|------------|-----------------------|--------------|------------------------------|------------|-----------------------|
| DETAILS REGARDING BONDS ON PAGE | | | | | | |
| MATURITIES: MONTH AND DAY 100 | | | | | | |
| NAME OF ISSUE 200 | | CoBank Line of Credit | | NCSC - TVA SUPPLEMENTAL LOAN | | NRUCFC Line of Credit |
| CALENDAR YEAR | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE |
| 2012 | | | 120,803.60 | | | |
| 2013 | | | 241,607.20 | | | |
| 2014 | | | 241,607.20 | | | |
| 2015 | | | 241,607.20 | | | |
| 2016 | | | 241,607.20 | | | |
| 2017 | | | 241,607.20 | | | |
| 2018 | | | 241,607.20 | | | |
| 2019 | | | 241,607.20 | | | |
| 2020 | | | 241,607.20 | | | |
| 2021 | | | 241,607.20 | | | |
| 2022 | | | 241,607.20 | | | |
| 2023 | | | 241,607.20 | | | |
| 2024 | | | 241,607.20 | | | |
| 2025 | | | 241,607.20 | | | |
| 2026 | | | 241,607.20 | | | |
| 2027 | | | 115,004.65 | | | |
| 2028 | | | 72,803.80 | | | |
| 2029 | | | 72,803.80 | | | |
| 2030 | | | 54,603.50 | | | |
| 2031 | | | | | | |
| 2032 | | | | | | |
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| 2053 | | | | | | |
| 2054 | | | | | | |
| 2055 | | | | | | |
| 2056 | | | | | | |
| OUTSTANDING END OF YEAR 300 | | | 3,818,520.15 | | | |

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

| SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE | | | | | |
|---|------------|--------------------------|------------|---------------|---------------------|
| DETAILS REGARDING BONDS ON PAGE | | | | | |
| MATURITIES: MONTH AND DAY 100 | | 0/0 | | | |
| NAME OF ISSUE 200 | | POST RETIREMENT BENEFITS | | | |
| CALENDAR YEAR | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE | TOTAL MATURITIES |
| 2012 | | | | | 120,803.60 |
| 2013 | | | | | 241,607.20 |
| 2014 | | | | | 241,607.20 |
| 2015 | | | | | 241,607.20 |
| 2016 | | | | | 241,607.20 |
| 2017 | | | | | 241,607.20 |
| 2018 | | | | | 241,607.20 |
| 2019 | | | | | 241,607.20 |
| 2020 | | | | | 241,607.20 |
| 2021 | | | | | 241,607.20 |
| 2022 | | | | | 241,607.20 |
| 2023 | | | | | 241,607.20 |
| 2024 | | | | | 241,607.20 |
| 2025 | | | | | 241,607.20 |
| 2026 | | | | | 241,607.20 |
| 2027 | | | | | 115,004.65 |
| 2028 | | | | | 72,803.80 |
| 2029 | | | | | 72,803.80 |
| 2030 | | | | | 54,603.50 |
| 2031 | | | | | |
| 2032 | | | | | |
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| 2053 | | | | | |
| 2054 | | | | | |
| 2055 | | | | | |
| 2056 | | | | | |
| OUTSTANDING END OF YEAR 300 | | | | | 3,818,520.15 |

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

SUMMARY OF LONG-TERM DEBT - RUS

| NOTE NUMBER | DATE OF NOTE | INT. RATE | TERM OF NOTE (YR) | DATE REPAYMENTS BEGIN MO/YEAR | AMOUNT OF ALLOTMENT | BALANCE DUE ON ALLOTMENT (ACCOUNT 224.2) | AMOUNT REPAID THIS YEAR | | | OUTSTANDING END OF YEAR EXCLUDING CUSHION OF CREDIT |
|--------------------|--------------|-----------|-------------------|-------------------------------|----------------------|--|-------------------------|-------------------|-------------------|---|
| | | | | | | | PRINCIPAL | INTEREST | DEFERRED INTEREST | |
| 01-B310 | 9/23/2004 | 5.00 | 35 | 10/2004 | 3,000,000.00 | | 2,684,318.12 | 84,062.27 | | |
| 02-B311 | 3/24/2005 | 5.00 | 35 | 04/2005 | 3,000,000.00 | | 2,701,361.25 | 84,593.95 | | |
| 03-B320 | 2/17/2006 | 4.57 | 35 | 06/2007 | 3,000,000.00 | | 48,161.91 | 128,238.09 | | 2,775,658.16 |
| 04-B321 | 11/16/2006 | 4.68 | 35 | 06/2007 | 2,000,000.00 | | 31,622.61 | 87,657.39 | | 1,852,991.62 |
| 05-B322 | 3/14/2007 | 4.70 | 35 | 06/2007 | 2,800,000.00 | | 44,033.84 | 123,294.16 | | 2,595,365.42 |
| 06-B323 | 11/1/2007 | 4.68 | 35 | 11/2007 | 3,200,000.00 | | 50,568.51 | 141,047.49 | | 2,981,778.06 |
| 07-B324 | 5/13/2008 | 4.58 | 35 | 06/2007 | 2,500,000.00 | | 40,193.05 | 109,806.95 | | 2,346,199.86 |
| 08-B325 | 9/24/2008 | 4.42 | 35 | 10/2008 | 2,500,000.00 | | 41,633.84 | 105,366.16 | | 2,352,246.09 |
| 09- | | | | / | | | | | | |
| 10- | | | | / | | | | | | |
| 11- | | | | / | | | | | | |
| 12- | | | | / | | | | | | |
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| 37- | | | | / | | | | | | |
| 38- | | | | / | | | | | | |
| 39- | | | | / | | | | | | |
| 40- | | | | / | | | | | | |
| (860) Total | | | | | 22,000,000.00 | | 5,641,893.13 | 864,066.46 | | 14,904,239.21 |

List Note Numbers Paid Monthly: B310 B311 B320 B321 B322 B323 B324 B325

*EXCLUDING CUSHION OF CREDIT.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| NOTE NUMBER | DATE OF NOTE | INT. RATE | CFC OR COBANK | TERM OF NOTE (YR) | SUMMARY OF LONG-TERM DEBT - CFC AND/OR COBANK | | | | | | |
|--------------------|--------------|-----------|---------------|-------------------|---|-----------------|--|-------------------|-------------------------|-----------------------|-------|
| | | | | | AMOUNT OF LOAN APPROVED | UNADVANCED LOAN | AMT REPAYED THIS YEAR FOR REGULAR BILLINGS | | OUTSTANDING END OF YEAR | RUS LOAN SUPPLEMENTED | |
| | | | | | | | PRINCIPAL | INTEREST | | NOTE NUMBER | % |
| 01-9009 | 7/8/1979 | 6.40 | CFC | 35 | 758,000.00 | | 57,142.46 | 3,191.41 | 14,861.56 | B250/52 | 20.00 |
| 02-9013 | 8/13/1980 | 6.50 | CFC | 35 | 2,120,000.00 | | 131,853.11 | 34,023.36 | 450,627.34 | B260/62 | 30.00 |
| 03-9016 | 5/14/1982 | 6.60 | CFC | 35 | 695,000.00 | | 34,910.41 | 18,585.98 | 265,044.69 | B270/72 | 30.00 |
| 04-9017 | 10/26/1986 | 6.65 | CFC | 35 | 936,000.00 | | 37,064.44 | 33,374.08 | 488,124.20 | B281/83 | 30.00 |
| 05-9019009 | 8/29/2003 | 5.25 | CFC | 9 | 577,378.99 | | 577,378.99 | 29,590.68 | | | |
| 06-002349882 | 10/1/2009 | 2.97 | COBANK | 2 | 3,500,000.00 | | 448,938.82 | 3,247.59 | | | |
| 07-002349917 | 10/1/2009 | 3.21 | COBANK | 3 | 3,800,000.00 | | 1,297,045.90 | 36,143.27 | 330,809.80 | | |
| 08-002448494 | 11/5/2010 | 4.31 | COBANK | 18 | 15,713,949.26 | | 610,159.28 | 658,545.17 | 14,663,092.21 | | |
| 09-002584133 | 2/15/2012 | 3.64 | COBANK | 15 | 5,321,746.01 | | 112,020.21 | 73,205.62 | 5,209,725.80 | | |
| 10- | | | | | | | | | | | |
| 11- | | | | | | | | | | | |
| 12- | | | | | | | | | | | |
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| 26- | | | | | | | | | | | |
| 27- | | | | | | | | | | | |
| 28- | | | | | | | | | | | |
| 29- | | | | | | | | | | | |
| 30- | | | | | | | | | | | |
| 31- | | | | | | | | | | | |
| 32- | | | | | | | | | | | |
| 33- | | | | | | | | | | | |
| 34- | | | | | | | | | | | |
| 35- | | | | | | | | | | | |
| 36- | | | | | | | | | | | |
| 37- | | | | | | | | | | | |
| 38- | | | | | | | | | | | |
| 39- | | | | | | | | | | | |
| 40- | | | | | | | | | | | |
| 41- | | | | | | | | | | | |
| (865) Total | | | | | 33,422,074.26 | | 3,306,513.62 | 889,907.16 | 21,422,285.60 | | |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| LONG-TERM DEBT - RUS | | |
|--|--|---|
| ACCT. | PRINCIPAL DATA | AMOUNT |
| 224.1 | Long-term debt - RUS. | 14,904,239.21 |
| 224.2 | Unadvanced RUS allotment - debit (page 21) | |
| 224.3 | Deferred interest - RUS. | |
| 224.4 | Long-term debt - RUS - matured and deferred. | |
| 224.5 | Cushion of credit - RUS - debit. | |
| | Net balance due RUS as above (page 2, item 36). | 14,904,239.21 |
| | Total additions to RUS long-term debt this year. (Item 132) | <input type="text"/> |
| | Repayments for the year excluding advance payments. (Item 143) | <input type="text" value="5,641,893.13"/> |
| INTEREST ACCRUED - RUS (Account 237.1) | | |
| | Balance beginning of year (matured \$.00). | |
| | Accrued during year (Account 427.1) (page 3, item 87) (page 26 summary). | 864,066.46 |
| | Repayments this year. | 864,066.46 |
| | Balance end of year (matured \$.00) (page 2, item 49)(page 26 summary). | |
| LONG-TERM DEBT - CFC | | |
| ACCT. | PRINCIPAL DATA | AMOUNT |
| 223.1 | Subscriptions to CFC capital term certificates - debit. | |
| 223.2 | Unpaid subscriptions to CFC capital term certificates - credit. | |
| 223.4 | CFC loan approved - unadvanced - debit (page 22). | |
| 223.5 | Long-term debt - CFC credit. | 1,218,657.79 |
| 223.61 | Patronage capital certificates - debit. | |
| 223.62 | Deferred patronage dividends - credit. | |
| | Net CFC account (account 223) (page 2, item 37). | 1,218,657.79 |
| | Total additions to CFC long-term debt this year. (Item 135) | <input type="text"/> |
| | Repayments for the year excluding advance payments. (Item 144) | <input type="text" value="838,349.41"/> |
| INTEREST ACCRUED - CFC (Account 237.2) | | |
| | Balance beginning of year (matured \$.00). | 10,590.72 |
| | Accrued during year (Account 427.1) (page 3, item 88) (page 26 summary). | 115,220.44 |
| | Repayments this year. | 118,765.51 |
| | Balance end of year (matured \$.00) (page 2, item 50)(page 26 summary). | 7,045.65 |
| LONG-TERM DEBT - COBANK | | |
| ACCT. | PRINCIPAL DATA | AMOUNT |
| 229.10 | Long Term Debt - CoBank - credit. | 20,203,627.81 |
| 229.20 | Unadvanced allotment - CoBank - debit. | |
| 229.30 | Subscription to class "C" stock - CoBank - debit. | |
| 229.40 | Unpaid subscription to class "C" stock - CoBank - credit. | |
| 229.50 | Allocated earnings receivable - CoBank - debit. | |
| 229.51 | Allocated earnings deferred - CoBank - credit. | |
| | Net CoBank account (account 229) (page 2, item 38). | 20,203,627.81 |
| | Amount received on allotment this year. (Item 136) | <input type="text" value="5,321,746.01"/> |
| | Repayments this year. (Item 145) | <input type="text" value="2,468,164.21"/> |
| INTEREST ACCRUED - COBANK (Account 237.6) | | |
| | Balance beginning of year (matured \$.00). | |
| | Accrued during year (Account 427.4) (page 3, item 89) (page 26 summary). | 771,141.65 |
| | Repayments this year. | 771,141.65 |
| | Balance end of year (matured \$.00) (page 2, item 51)(page 26 summary). | |

BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)

Name of issue: POST RETIREMENT BENEFITS
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: PostRetirement - 228 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue: _____

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|---------------------------------|--------------|-----------------------------------|--|
| Balance beginning of year..... | 953,109.93 | Accrued beginning of year..... | |
| Issued during year..... | 285,811.92 | Accrued during year (427.3)..... | |
| Total..... | 1,238,921.85 | Total..... | |
| Bonds retired this year..... | 319,534.59 | Payments during year..... | |
| Balance end of year..... | 919,387.26 | Balance end of Year..... | |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | 919,387.26 | Balance less matured (237.3)..... | |

Name of issue: NCSC - TVA SUPPLEMENTAL LOAN
 Date of issue: 06/30/1995 Amount of original issue: \$ 7,539,000.00
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: 2\15 Quarterly Principal due dates: 2\15 Quarterly Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: TVA - 228 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue: \$2,500,000 direct financing loan. Remainder supplemental to RUS loans.

Conditions under which bonds may be called:
Due in full within one year of submitting notice of cancellation of power contract with TVA.

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|---------------------------------|--------------|-----------------------------------|-----------|
| Balance beginning of year..... | 4,060,127.35 | Accrued beginning of year..... | 4,987.88 |
| Issued during year..... | | Accrued during year (427.3)..... | 21,169.85 |
| Total..... | 4,060,127.35 | Total..... | 26,157.73 |
| Bonds retired this year..... | 241,607.20 | Payments during year..... | 22,102.78 |
| Balance end of year..... | 3,818,520.15 | Balance end of Year..... | 4,054.95 |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | 3,818,520.15 | Balance less matured (237.3)..... | 4,054.95 |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)

Name of issue: NRUCFC Line of Credit
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: Other Notes Payable - 231 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ 4,000,000.00
 Purpose of issue: NRUCFC Short Term Line of Credit used during cash flow shortages.

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|----------------------------------|------------|------------------------------------|--|
| Balance beginning of year. | | Accrued beginning of year. | |
| Issued during year. | 357,060.35 | Accrued during year (427.3). | |
| Total. | 357,060.35 | Total. | |
| Bonds retired this year. | 357,060.35 | Payments during year. | |
| Balance end of year. | | Balance end of Year. | |
| Including matured of (239). | | Including matured of (240). | |
| Balance less matured (221). | | Balance less matured (237.3). | |

Name of issue: CoBank Line of Credit
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: Other Notes Payable - 231 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ 10,000,000.00
 Purpose of issue: Emergency Line of Credit issued during 2009 ice storm.

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|----------------------------------|-----------|------------------------------------|-----|
| Balance beginning of year. | | Accrued beginning of year. | |
| Issued during year. | 10,829.58 | Accrued during year (427.3). | .88 |
| Total. | 10,829.58 | Total. | .88 |
| Bonds retired this year. | 10,829.58 | Payments during year. | .88 |
| Balance end of year. | | Balance end of Year. | |
| Including matured of (239). | | Including matured of (240). | |
| Balance less matured (221). | | Balance less matured (237.3). | |

BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)

Name of issue: _____
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: _____ Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue: _____

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|----------------------------------|--|------------------------------------|--|
| Balance beginning of year. | | Accrued beginning of year. | |
| Issued during year. | | Accrued during year (427.3). | |
| Total. | | Total. | |
| Bonds retired this year. | | Payments during year. | |
| Balance end of year. | | Balance end of Year. | |
| Including matured of (239). | | Including matured of (240). | |
| Balance less matured (221). | | Balance less matured (237.3). | |

SUMMARY OF LONG-TERM DEBT - BONDS (Account 221) AND OTHER (Account 228)

| | ACCOUNT 221 | OTHER* ACCOUNT 228 | TOTAL* | POST- RETIREMENT BENEFITS ACCOUNT 228 | TVA ACCOUNT 228 |
|---|-------------|-----------------------|--------|--|--------------------|
| Balance beginning of year. | | | | 953,109.93 | 4,060,127.35 |
| Issued during year. (Item 137) | | | | 285,811.92 | |
| Total. | | | | 1,238,921.85 | 4,060,127.35 |
| Bonds retired this year. (Item 146) | | | | 319,534.59 | 241,607.20 |
| Balance end of year. | | | | 919,387.26 | 3,818,520.15 |
| Including matured of (239). (Item 147) | | | | | |
| Balance less matured (221). | | | | 919,387.26 | 3,818,520.15 |

(page 2, item 39.1) (page 2, item 39.2) (page 2, item 39.3)

SUMMARY OF INTEREST ACCRUED - LONG-TERM DEBT(Account 237)

| | TOTAL |
|--|-----------|
| Accrued beginning of year. | 4,987.88 |
| Accrued during year (427.3) (page 26). | 21,169.85 |
| Total. | 26,157.73 |
| Payments during year. | 22,102.78 |
| Balance end of year. | 4,054.95 |
| Including matured of (240). | |
| Balance less matured (237.3) (page 26). | 4,054.95 |

*Less TVA Long-term Debt and Postretirement Benefits

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| NOTES PAYABLE (Account 231) | | | |
|---|-------------------|--|------------|
| PRINCIPAL DATA | | INTEREST ACCRUED | |
| Balance beginning of year. | | Accrued beginning of year. | |
| New notes issued during year. | 367,889.93 | Accrued during year (as below). | .88 |
| Total. | 367,889.93 | Total. | .88 |
| Notes retired this year. | 367,889.93 | Payments during year. | .88 |
| Balance end of year. | | Balance end of year (as below). | |
| Portion of balance TVA (page 2, item 45.1). | | | |
| Portion of balance non-TVA (page 2, item 45.2). | | | |

| CUSTOMER DEPOSITS (Account 235) | |
|--|---------------------|
| Balance accrued interest on customer deposits end of year. | 9,387.06 |
| Balance customer deposits end of year (Account 235). | 1,906,574.73 |
| Total customer deposits (page 2, item 47). | 1,915,961.79 |

| SUMMARY OF ACCRUED INTEREST AND INTEREST EXPENSE | | | | | | | | | | |
|---|---------------------|---------------|--|----------|----------|---------------------|--|----------|---------------------|------------------|
| ACCT. NO. | DESCRIPTION | FROM PAGE NO. | REPORT ON BALANCE SHEET AS INDICATED BELOW | | | | REPORT ON REVENUE AND EXPENSE STATEMENT AS INDICATED BELOW | | | |
| | | | ACCT. NO. | PAGE NO. | ITEM NO. | ACCRUED END OF YEAR | ACCT. NO. | PAGE NO. | ITEM NO. | EXPENSE FOR YEAR |
| 221 | Bonds | 25 | 237.3 | 2 | 52.2 | | 427.3 | 3 | 90.1 | |
| 223 | CFC | 23 | 237.2 | 2 | 50 | 7,045.65 | 427.2 | 3 | 88 | 115,220.44 |
| 224 | RUS | 23 | 237.1 | 2 | 49 | | 427.1 | 3 | 87 | 864,066.46 |
| 229 | CoBank | 23 | 237.6 | 2 | 51 | | 427.4 | 3 | 89 | 771,141.65 |
| 228 | TVA long term | 25 | 237.3 | 2 | 52.1 | 4,054.95 | 427.3 | 3 | 90.2 | 21,169.85 |
| 228 | Other long term | 25 | 237.3 | 2 | 52.2 | | 427.3 | 3 | 90.1 | |
| 231 | TVA Notes Payable | Above | 237.5 | 2 | 52.1 | | 431 | 3 | 90.2 | |
| 231 | Other notes payable | Above | 237.5 | 2 | 52.2 | | 431 | 3 | 92 | .88 |
| 235 | Customer Deposits | Above | 235 | Above | --- | | 431 | 3 | 92 | 85,720.96 |
| --- | Delinquent taxes | --- | 237.5 | 2 | 52.2 | | 431 | 3 | 92 | |
| Total interest accrued end of year. | | | | | | 11,100.60 | Net expense for year. | | 1,857,320.24 | |
| Total item 49 (page 2) | | | | | | | Total item 87 (page 3). | | 864,066.46 | |
| Total item 50 (page 2) | | | | | | 7,045.65 | Total item 88 (page 3). | | 115,220.44 | |
| Total item 51 (page 2) | | | | | | | Total item 89 (page 3). | | 771,141.65 | |
| Total item 52.1 (page 2) | | | | | | 4,054.95 | Total item 90.1 (page 3). | | | |
| Total item 52.2 (page 2) | | | | | | | Total item 90.2 (page 3). | | 21,169.85 | |
| | | | | | | | Total item 92 (page 3). | | 85,721.84 | |

| ACCT. NO. | ACCOUNTS PAYABLE | |
|-----------|--|----------------------|
| 232 | Accounts payable - general (includes \$10,499,455.39 to TVA for purchased power and Fac.Rental). | 11,885,073.29 |
| 232 | Accrued purchased power. | |
| 233 | Accounts payable - spec. const.. | |
| 234 | Payable to municipal - utility revenue. | |
| 234 | Other payables to municipality. | |
| | Total accounts payable - general (page 2, item 46). | 11,885,073.29 |

| ACCT. NO. | OTHER CURRENT AND ACCRUED LIABILITIES | |
|-----------|---|---------------------|
| 239 | Matured long-term debt (pages 23, 24, and 25). | |
| 240 | Matured interest (pages 23, 24, and 25). | |
| 241 | Tax collections payable. | 15,694.42 |
| 242 | Miscellaneous - accrued insurance. | |
| 242 | Miscellaneous - employees' accrued leave. | 1,231,108.74 |
| 242 | Miscellaneous - other. | 263,334.42 |
| | Total other current and accrued liabilities (page 2, item 53). | 1,510,137.58 |

| OTHER DEFERRED CREDITS (Account 253) | |
|---|-------------------|
| Payables for plant purchases; (item 149) | |
| Other items (List): Budget Billing Differences. | 169,838.74 |
| Total other deferred credits (page 2, item 56) | |
| Total other deferred credits (page 2, item 56) | 169,838.74 |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| BASIS FOR COMPUTATION OF ACCRUAL FOR AD VALOREM PROPERTY TAX OR TAX EQUIVALENT | | | | | | | |
|--|---|-----------------------------------|-----------------------------------|--------------------------------------|----------------------|---|--|
| <input checked="" type="checkbox"/> TAX, OR <input type="checkbox"/> TAX EQUIVALENT | | TN. EQUAL- IZATION RATIO | STATE ASSESS- MENT RATIO | TAX ASSESSMENT OR VALUATION | RATE PER \$100 | TAX OR EQUIVALENT FOR TAX PERIOD | AMOUNT APPLICABLE FOR FISCAL YEAR |
| PERIOD | DISTRICT | | | | | | |
| 1/1/2011 12/31/2011 | State of Kentucky - Real Estate | | | 1,212,215.00 | .1220 | 1,478.90 | 739.45 |
| 1/1/2011 12/31/2011 | State of Kentucky - Tangible | | | 69,784,076.00 | .4500 | 314,028.34 | 157,014.17 |
| 1/1/2011 12/31/2011 | State of Kentucky - Manufacturing Machinery | | | 16,432,281.00 | .1500 | 24,648.43 | 12,324.22 |
| 1/1/2011 12/31/2011 | Calloway County - Real Estate | | | 60,063.00 | .6640 | 299.87 | 149.95 |
| 1/1/2011 12/31/2011 | Calloway County - Tangible | | | 23,349,809.00 | .7135 | 165,522.49 | 82,761.26 |
| 1/1/2011 12/31/2011 | Carlisle County - Real Estate | | | 2,136.00 | .8600 | 18.20 | 9.12 |
| 1/1/2011 12/31/2011 | Carlisle County - Tangible | | | 3,879,727.00 | .8700 | 33,443.24 | 16,721.64 |
| 1/1/2011 12/31/2011 | Graves County - Real Estate | | | 1,131,583.00 | .2040 | 2,348.42 | 1,174.23 |
| 1/1/2011 12/31/2011 | Graves County - Tangible | | | 26,459,715.00 | .2634 | 69,694.89 | 34,847.45 |
| 1/1/2011 12/31/2011 | Graves County Schools - Real Estate | | | 1,097,915.00 | .3700 | 4,062.29 | 2,031.15 |
| 1/1/2011 12/31/2011 | Graves County Schools - Tangible | | | 26,262,500.00 | .3700 | 97,171.25 | 48,585.63 |
| 1/1/2011 12/31/2011 | Hickman County - Tangible | | | 531,568.00 | .7143 | 3,796.99 | 1,898.50 |
| 1/1/2011 12/31/2011 | Livingston County - Tangible | | | | | | |
| 1/1/2011 12/31/2011 | Marshall County - Real Estate | | | 18,425.00 | .7850 | 144.64 | 72.33 |
| 1/1/2011 12/31/2011 | Marshall County - Tangible | | | 14,648,933.00 | .8932 | 130,711.70 | 65,355.86 |
| 1/1/2011 12/31/2011 | Marshall County Fire Districts (All) - Tangible | | | 1,562,558.00 | .7905 | 12,352.03 | 6,176.02 |
| 1/1/2011 12/31/2011 | City of Arlington - Tangible | | | 87,801.00 | .3910 | 343.30 | 171.65 |
| 1/1/2011 12/31/2011 | City of Benton - Tangible | | | 94,992.00 | .2100 | 199.48 | 99.74 |
| 1/1/2011 12/31/2011 | City of Calvert City - Tangible | | | 138,099.00 | .3250 | 448.82 | 224.41 |
| 1/1/2011 12/31/2011 | City of Hardin - Tangible | | | 225,150.00 | .1560 | 351.23 | 175.62 |
| 1/1/2011 12/31/2011 | City of Hazel - Tangible | | | 76,507.00 | .5000 | 382.54 | 191.27 |
| 1/1/2011 12/31/2011 | City of Mayfield - Real Estate | | | 26,960.00 | .9830 | 265.02 | 132.51 |
| 1/1/2011 12/31/2011 | City of Mayfield - Tangible | | | 233,185.00 | .9830 | 2,292.21 | 1,146.11 |
| 1/1/2011 12/31/2011 | City of Murray - Tangible & Real Estate | | | 375,120.00 | .3985 | 1,488.73 | 744.38 |
| 1/1/2011 12/31/2011 | City of Murray Schools - Tangible & Real Estate | | | 255,425.00 | .5600 | 1,290.42 | 645.21 |
| 1/1/2011 12/31/2011 | City of Wingo - Tangible | | | 182,818.00 | .5300 | 986.93 | 493.47 |
| 7/1/2011 6/30/2012 | Underaccrual FY 2011 | | | | | | 26,565.50 |
| 1/1/2012 12/31/2012 | Estimated State | | | | | | 170,068.84 |
| 1/1/2012 12/31/2012 | Estimated Counties | | | | | | 259,407.65 |
| 1/1/2012 12/31/2012 | Estimated Cities | | | | | | 4,058.85 |
| 1/1/2011 12/31/2011 | State of Kentucky - Tangible Vehicle Tax | | | 1,108,614.00 | .4500 | 4,988.80 | 2,494.40 |
| 1/1/2011 12/31/2011 | Graves County - Tangible Vehicle Tax | | | 1,108,614.00 | .1910 | 2,117.52 | 1,058.76 |
| 1/1/2011 12/31/2011 | Graves County Schools - Tangible Vehicle Tax | | | 1,108,614.00 | .4640 | 5,331.44 | 2,665.72 |
| 1/1/2011 12/31/2011 | City of Mayfield - Tangible Vehicle Tax | | | | | | |
| 1/1/2012 12/31/2012 | State of Kentucky - Tangible Vehicle Tax | | | 1,105,282.00 | .4500 | 7,826.39 | 3,913.19 |
| 1/1/2012 12/31/2012 | Graves County - Tangible Vehicle Tax | | | 1,105,282.00 | .1910 | 2,111.08 | 1,055.54 |
| 1/1/2012 12/31/2012 | Graves County Schools - Tangible Vehicle Tax | | | 1,105,282.00 | .4640 | 5,128.51 | 2,564.26 |
| 1/1/2012 12/31/2012 | City of Mayfield - Tangible Vehicle Tax | | | | | | |
| 7/1/2011 6/30/2012 | Total Tax Expense | | | | | | 907,397.22 |

Where more than one tax period is applicable to the current fiscal year, show beginning and ending dates of each tax period. Compute tax or tax equivalent for each tax period and show amount prorated to this fiscal year. For tax equivalents show all the components of the tax base and applicable tax equivalent by taxing districts. When tax equivalent payments are determined other than by applying applicable tax rates to net plant, describe basis, explain any change from previous period, and include data showing breakdown of net plant by taxing districts and applicable tax rates. Use extra sheets if needed.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| PREPAID TAXES | | | | | | | | |
|--|--------------------|---------------------------|-----------|----------------|------------|-----------|--------------------------|-----------------------|
| Do not report any taxes listed in schedule of Account 236 below as prepaid - if prepaid show debit balance in Account 236. | | | | | | | | |
| TAXING JURISDICTION | % OF GROSS REVENUE | BALANCE BEGINNING OF YEAR | PAYMENTS | PERIOD COVERED | | ACCT. NO. | WRITEOFF AMOUNT | BALANCE END OF YEAR |
| GRAVES | | | | 01/01/2012 | 12/31/2011 | 408.1 | | |
| GRAVES | | 3,724.48 | 7,239.59 | 01/01/2012 | 12/31/2012 | 408.1 | 7,344.28 | 3,619.79 |
| MAYFIELD | | | | 01/01/2011 | 12/31/2011 | 408.1 | | |
| MAYFIELD | | | | 01/01/2012 | 12/31/2012 | 408.1 | | |
| KY | | | | 01/01/2011 | 12/31/2011 | 408.1 | | |
| KY | | 2,494.40 | 7,826.39 | 01/01/2012 | 12/31/2012 | 408.1 | 6,407.59 | 3,913.20 |
| Total | | 6,218.88 | 15,065.98 | | | | 13,751.87 (Add below) | 7,532.99 (Page 17) |

ACCRUED TAXES (Account 236)

| ACCT. NO. | KIND OF TAX | BALANCE BEG. OF YEAR | PAYMENTS | TAX EXPENSE (ACCOUNT 408) | TRANSFERRED | BALANCE END OF YEAR |
|--------------|---|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|
| 408.1 | Property | 406,978.66 | 867,088.67 | | 893,645.35 | 433,535.34 |
| 408.2 | U.S. Social Security - unemployment | 6.40 | 5,758.88 | | 5,777.51 | 25.03 |
| 408.3 | U.S. Social Security - FICA | | 441,575.60 | | 441,575.60 | |
| 408.4 | State Social Security - unemployment | 13.60 | 8,182.18 | | 8,328.36 | 159.78 |
| 408.5 | Gross receipts - state | | | | | |
| 408.6 | Income - state | | | | | |
| 408.7 | Other: (list below) | | | | | |
| 408.7 | Gross Receipts License Tax for Schools | | 2,386,679.62 | 2,386,679.62 | | |
| 408.7 | Reallocation of Prepaid Vehicle Taxes | | | (13,751.87) | 13,751.87 | |
| Total | | 406,998.66 | 3,709,284.95 | 2,372,927.75 | 1,363,078.69 | 433,720.15 |
| (885) | Tax expense from the writeoff of prepaid privilege taxes (as above) | | | 13,751.87 | | (page 2, item 48) |
| (890) | Total tax expense for the year (page 3, item 79) | | | 2,386,679.62 | | |

Social Security and Federal and State unemployment taxes paid should be reported under payments, and the portion not charged to tax expense should be reported as "Transferred".

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

GENERAL INFORMATION

1. Give the form of management of municipal system. (Power board, Mayor and council, etc.)

2. In the case of a Power Board (or Utilities Board), list any other departments of the city over which it exercises control.

3. (a) Give the statutes under which the electric system was created.
 RURAL ELECTRIFICATION ACT OF 1936

- (b) Give the statutes under which the electric system is currently operating if different from the above.

4. (a) Are customers' accounts billed by an outside organization? Y
 If so, give name. If not, give the type in-house hardware. Central Service Association, Tupelo, MS, on-line

- (b) At June 30:
 - 1) What percentage is added to customer bills for late payments? 5.00 %
 - 2) How many days are allowed between date of bill and last day before gross billing applies? 15 days
 - 3) Is an "Even Monthly Payment" (budget billing) plan available for electric consumers? Y Yes No
 - 4) Amount of security deposit required for residential service:

| | |
|------------------------------|---------------------------------------|
| Owner with Electric Heat | |
| Owner without Electric Heat | |
| Tenant with Electric Heat | \$175.00 |
| Tenant without Electric Heat | \$175.00 |
| Other (describe) | 2 months average bill for businesses. |

- 5) Are there any customer deposits that qualify (deposits exceeding 1 month's average bill and held longer than 6 months) for the payment of interest under the service practice standard entitled Deposit? If yes, what rate of interest is paid?

| Class | Yes/No | Interest Rate |
|--------------|--------|---------------|
| Residential | Y | 6.00 % |
| C & I Part A | Y | 6.00 % |
| C & I Part B | Y | 6.00 % |

- 6) Is interest on deposits:

| | | | |
|---|-----------------|---------------|----------------|
| Refunded by check annually? | <u> </u> Yes | <u> </u> N | <u> </u> No |
| Credited on customer's power bill annually? | <u> </u> Yes | <u> </u> N | <u> </u> No |
| Credited to a deposit account annually? | <u> </u> Yes | <u> </u> N | <u> </u> No |

Handled differently (Explain)
 Applied to final bill or refunded if credit balance.

- 7) Are prior written notice and due process afforded to customers before termination for nonpayment?

| | | |
|-----------------------------|--------------|----------------|
| Prior written notice? | <u>Y</u> Yes | <u> </u> No |
| Due process? | <u>Y</u> Yes | <u> </u> No |

- 8) Is information about policies and rates available upon request and application for service?

| | | |
|-------------------------------------|--------------|----------------|
| Upon request? | <u>Y</u> Yes | <u> </u> No |
| Upon application for service? | <u>Y</u> Yes | <u> </u> No |

- 9) Are the media used to inform customers about policies and rates?

| | | |
|---|----------------|----------------|
| Policies? | <u>Y</u> Yes | <u> </u> No |
| If yes, how many times during the past 12 months? | <u>4</u> Times | |
| Rates? | <u>Y</u> Yes | <u> </u> No |
| If yes, how many times during the past 12 months? | <u>4</u> Times | |

- 10) Is the most recent 12 months' prior usage available to customers upon request?

11) The cost of a membership certificate is \$5.00

GENERAL INFORMATION (CONTINUED)

5. Give the name of the audit firm conducting this year's audit:
 Alexander Thompson Arnold, LLC, Union City, TN

6. If water, gas, or other services are operated in connection with electric services, furnish the following information in connection with joint operations.

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
| | | | | | |
| | | | | | |

(a) Indicate the joint operations with the Electric Utility:

(b) Indicate the % of non-electric ownership of any jointly owned buildings:

(c) Percentage of building space rented to others _____ %

(d) Percentage of building space rented from others _____ %

(e) 1) Date of last joint expense study: _____

2) Joint expense study was prepared by: _____ TVA _____ Distributor _____ Other

3) Indicate the amount of the unresolved annual inequity as reflected by the TVA study:

4) Give the current status of the latest joint expense study:

GOVERNING BOARD

AMOUNT PAID*

| DIRECTORS OR MEMBERS OF GOVERNING BOARD NAME AND PRINCIPAL OCCUPATION | | TERM EXPIRES | AMOUNT PAID* | |
|--|--------------|--------------|--------------|-----------|
| | | | FEES | TRAVEL |
| JAMIE POTTS, PRESIDENT | AGRICULTURE | 07/01/2014 | 10,100.00 | 9,555.87 |
| CHAD WILLETT, VICE PRESIDENT | REAL ESTATE | 07/01/2013 | 9,800.00 | 4,750.98 |
| CAROLYN WOOD, | RETIRED | 07/01/2014 | 7,300.00 | 341.13 |
| DENNIS BARNES | FACTORY | 07/01/2016 | 5,000.00 | 264.18 |
| RALPH EDRINGTON | AGRICULTURE | 07/01/2016 | 2,000.00 | 1,237.16 |
| TROY ENGLISH | SALES | 07/01/2013 | 3,200.00 | 3,514.10 |
| BOB HARGROVE | BANKING | 07/01/2013 | 7,300.00 | 303.03 |
| TED LOVETT | MAINTENANCE | 07/01/2016 | 8,300.00 | 1,275.00 |
| ROBERT SPALDING | CONSTRUCTION | 07/01/2014 | 2,300.00 | 1,013.45 |
| Total | | | 55,300.00 | 22,254.90 |

*Show total amounts paid from electric system funds for fiscal year.
 Method of determining amounts paid to board members is as follows:
 Board members elected prior to 07/05 receive \$100 per each meeting plus medical insurance. Members elected after 07/05 receive \$400 for each regular board meeting and no medical insurance and \$100 per other meeting days. Term for board members elected after July 2006 will be four years.

GENERAL INFORMATION (CONTINUED)

EXPLAIN UNUSUAL INCREASES OR DECREASES IN OPERATING EXPENSES AND INCOME OVER LAST YEAR'S FIGURES; EXTRAORDINARY ITEMS PAGE 3; ITEMS MARKED * ON PAGES 5 AND 6; AND OTHER ENTRIES TO THE ACCUMULATED PROVISION FOR DEPRECIATION ON PAGE 11.

Pg 1, Item 21: Preliminary survey amount is accumulation of cost of fiber optic study and work performed for fiber optic loop for substations, office and warehouse facilities communications systems. This will be transferred to a voucher order in FY 2013.

Pg 1, Item 22: Credit balance in clearing accounts is due to overallocation of transportation expense.

Pg 3, Item 62: Incr in rent from electric property due to receipt of \$294,668.05 from Mediacom for pole attachments associated with CY 2005-2009 unpaid contractual amounts and \$137,295.81 unreported attachments.

Pg 3, Item 92: Incr in other interest expense due to increase in interest on customer deposits applied during July 2011.

Pg 5, Acct 904: Decrease due to less writeoffs this FY.

Pg 5, Acct 908: Incr due to school tax credit given to customers participating in Valley Investment Initiative program. WKRECC passes the VII credit and associated school tax credit to the customer but only receives the VII credit and reimbursement from TVA. This is related to the change in accounting method as recommended by TVA this fiscal year.

Pg 6, Acct 923: Decr due to decrease in outside attorney fees associated with service boundary dispute (Bardwell case). Also received \$50,000.00 contribution from the NRUCFC Integrity Fund for defense of the boundary dispute which was credited to this account.

Pg 6, Acct 592: Incr due to maintenance associated with work done at Hickory Grove and Pilot Oak substations.

Pg 6, Acct 593: Decr due to credit in amount of \$2,505,316.66 associated with FEMA reimbursements during FY 2012. Credits are not reflected in payroll for the fiscal year.

Pg 6, Acct 935: Incr due to work at warehouse, garage and pole yard this fiscal year. Replaced and installed new floor and shelving in one of the warehouse buildings; resurfaced and reworked pole yard area.

Pg 6, Item 655: Incr due to continued work on substation upgrades and radio tower installation.

Pg 7, Item 102: Inverse relationship between revenue and kWh sold due to rates and \$226,030.94 adjustment to revenue associated with change in accounting method recommended by TVA for Valley Investment Initiative program.

Pg 7, Credits: Credits for Gen. Power - Over 50 KW do not include Valley Investment Initiative credits.

Pg 7, Losses: Line loss percentage increase due to significantly warmer weather.

Pg 9, Acct 364: Decr due to \$761,774.25 credit associated with FEMA reimbursements received during FY 2012 associated with ice storm and wind damages incurred in FY 2010.

Pg 9, Acct 368: Incr due to incr purchases of line transformers this FY in anticipation of line upgrade work. Also retired more transformers this fiscal year.

Pg 9, Acct 370: Incr due to increase in meter purchases this fiscal year.

Pg 10, Acct 390: Incr due to installation of \$139,000 scissor lift at garage.

Pg 10, Acct 391: Incr due to computer purchases during this fiscal year.

Pg 10, Acct 392: Decrease in additions due to fewer vehicles budgeted and purchased this FY.

Pg 10, Acct 107: Incr due to substation upgrades, radio tower and new office construction which continued this fiscal year.

Pg 11, Acct 353: Will monitor depreciation for overaccrual during FY 2013.

Pg 11, Accts 354 and 355: Reworked a section of transmission line having no salvage value.

Pg 11, Acct 361: Will monitor depreciation during FY 2013.

Pg 11, Acct 365: Incr in retirements due to replacing more old conductor.

Pg 11, Acct 367: Retired old underground line having no salvage value.

Pg 11, Acct 368: Retired and scrapped more old transformers due to new maintenance program. Also sold 3 voltage regulators to Hickman-Fulton RECC.

Pg 11, Acct 370: Retired more old meters.

Pg 11, Accts 390, 397, 398: Retired items having no salvage value.

Pg 11, Acct 393: Will resume depreciation during FY 2013.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

GENERAL INFORMATION (CONTINUED)

EXPLAIN UNUSUAL INCREASES OR DECREASES IN OPERATING EXPENSES AND INCOME OVER LAST YEAR'S FIGURES; EXTRAORDINARY ITEMS PAGE 3; ITEMS MARKED * ON PAGES 5 AND 6; AND OTHER ENTRIES TO THE ACCUMULATED PROVISION FOR DEPRECIATION ON PAGE 11.

Pg 11, Acct 369: Incr in retirements due to adjusting plant records to reflect abandoned services removed during year and those identified as being removed in prior years but not removed from plant records.

Pg 11, Accts 390, 397, 398: Retired items having no salvage value.

Pg 11, Acct 393: Will resume depreciation during FY 2013.

Pg11, Accts 390, 397, 398: Retired items having no salvage value.

Pg 11, Acct 393: Will resume depreciation during FY 2013.

Pg 11, Acct 397, 398: Discontinued depreciation during FY 2012. Credit depreciation due to adjustment to accru

Pg 14, Pg 16, Total other income: Incr in pat cap income and total other income due to \$96,370.63 incr in CoBank patronage capital this fiscal year due to more activity with that lender.

Pg 16, Misc Income Deductions: Increase due to \$2500 contribution to Western Regional Center for Emerging Technology, \$2500 sponsorship to Mid Continent University, and increasing sponsorship from 2 students to 3 students attending the Washington Youth Tour.

Pg 16, Acct 143: Accounts over 90 days past due includes \$107,352.00 from MediaCom which was sold to Zito Media. Arrangements for payment have been made with Zito Media who will have the balance completely paid by the end of August 2012. At August 20, 2012, the balance owed by Zito on this amount \$32,724.50.

Pgs 21, 22 and 23: Refinanced RUS Note Numbers B310 and B311 with CoBank at lower int rate.

Pg 24a: CoBank Line of Credit amt is to pay accrued int associated with RUS debt refinance.

Pg 29: Tax exp allocated to functional exp accts.

Pg 30: Residential homeowners are not required to pay a deposit.

KEY PERSONNEL

| KEY PERSONNEL | TITLE OR OCCUPATIONS | PERCENTAGE OF WAGES CHARGED TO THE ELECTRIC DEPARTMENT |
|---|---------------------------------------|--|
| David E. Smart | President, CEO | 100.00 |
| Ron N. Mays | V.P. Finance & Administration | 100.00 |
| Jack R. Clifford | Financial Officer/Accounting Manager | 100.00 |
| Anita Weatherly | Plant Accounting Supervisor | 100.00 |
| Julie Pittman | Member Billing Supervisor | 100.00 |
| Jamie Sears | Communications Director | 100.00 |
| Tim Vied | Manager of Engineering Services | 100.00 |
| Jimmy Greer | Construction & Maintenance Supervisor | 100.00 |
| Kim Grogan | Director of Safety | 100.00 |
| Jerry Wise | Right-of-Way Foreman | 100.00 |
| Roger Gough | Technology Coordinator | 100.00 |
| Marcia Pritchett | Human Resources Coordinator | 100.00 |
| Calvin Larkins | Line Maintenance Supervisor | 100.00 |
| (895) TOTAL NUMBER OF EQUIVALENT FULL-TIME EMPLOYEES: 89 | | |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| RETAINED EARNINGS ADJUSTMENT(S) | | |
|--|---------------------------|---------------|
| Order | Amount Description | Reason |
| Total | \$0.00 | |

West Kentucky Rural Electric Cooperative Corporation

Name of Organization

1218 West Broadway Mayfield, KY 42066-0589

Address

Tennessee Valley Authority
1101 Market Street
Chattanooga, Tennessee 37402-2801

Gentlemen:

We are transmitting herewith our annual report for the year ended June 30, 2013. The report is in agreement with the books of account, and to the best of our knowledge and belief the statements therein contained are true and correctly reflect the financial condition at June 30, 2013, and the results of our electric operations for the year ended on that date.

Our books of account have been kept in accordance with the provisions of the power contract between this organization and the Tennessee Valley Authority, and are consistent with the requirements of the Federal Energy Regulatory Commission's system of accounts.

(Signed)

Jack R. Clifford

Accountant in charge of books

David E. Smart

Manager

Date transmitted

TVA Act of 1933

In fulfilling the responsibilities of the TVA Act of 1933 [16 U.S.C. #831i and 831n-4(f)], TVA requires each distributor to provide certain financial and accounting information to TVA to ensure that electric power produced by TVA is being sold at rates which are as low as feasible. This form (TVA 3957) is for that purpose.

Public reporting burden for this collection of information is estimated to vary from ten to forty hours per response, with an average of nineteen hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Agency Clearance Officer, Tennessee Valley Authority, 1101 Market Street, Chattanooga, TN 37402; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

BALANCE SHEET

| ASSETS AND OTHER DEBITS | SEE PAGE NO | ITEM NO | JUNE 30 | |
|--|----------------|------------|----------------|----------------|
| | | | THIS YEAR | LAST YEAR |
| UTILITY PLANT | | | | |
| Electric Plant. | 10 | 1 | 154,699,144.71 | 144,693,701.14 |
| Less Depreciation. | 10 | 2 | 38,115,412.78 | 36,425,190.93 |
| Total. | 10 | 3 | 116,583,731.93 | 108,268,510.21 |
| Unamortized acq. adj. | 13 | 4 | | |
| Other utility plant - net. | ---- | 5 | | |
| Total Plant - net. | ---- | 6 | 116,583,731.93 | 108,268,510.21 |
| OTHER PROPERTY AND INVESTMENTS | | | | |
| Nonutility property - net. | 15 | 7 | 6,956.52 | 6,956.52 |
| Other investments. | 14 | 8 | 2,243,818.96 | 2,158,135.48 |
| Sinking funds. | 15 | 9 | | |
| Depreciation funds. | 15 | 10 | | |
| Other special funds. | 15 | 12 | 61,376.92 | 56,526.17 |
| Total. | ---- | 13 | 2,312,152.40 | 2,221,618.17 |
| CURRENT AND ACCRUED ASSETS | | | | |
| General cash and temporary cash investments. | 14 | 14 | 5,253,889.59 | 6,268,368.25 |
| Accounts receivable. | 16 | 15 | 6,635,243.42 | 7,038,048.52 |
| Materials and supplies. | 17 | 16 | 1,084,342.34 | 1,187,424.82 |
| Prepayments. | 17 | 17 | 288,244.40 | 286,640.96 |
| Other current assets. | 17 | 18 | 299,975.52 | 292,266.99 |
| Total. | ---- | 19 | 13,561,695.27 | 15,072,749.54 |
| DEFERRED DEBITS | | | | |
| Debt expense. | 17 | 20 | | |
| Preliminary survey. | ---- | 21 | 29,887.74 | 40,263.40 |
| Clearing accounts. | ---- | 22 | 10,847.24 | (550.32) |
| Energy Service Loans Receivables. | ---- | 24 | 243,090.17 | 227,498.37 |
| Deferred costs on TVA Leases. | 17 | 25 | | |
| Other deferred debits. | 17 | 26 | 28,360.05 | 40,471.46 |
| Total. | ---- | 27 | 312,185.20 | 307,682.91 |
| TOTAL ASSETS AND OTHER DEBITS. | ---- | 28 | 132,769,764.80 | 125,870,560.83 |

LIST UNRECORDED AND CONTINGENT ASSETS AND LIABILITIES OTHER THAN ACCRUED UTILITY REVENUE AND UNBILLED PURCHASED POWER

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

BALANCE SHEET

| LIABILITIES AND OTHER CREDITS | SEE PAGE NO | ITEM NO | JUNE 30 | |
|---|----------------|------------|----------------|----------------|
| | | | THIS YEAR | LAST YEAR |
| CAPITAL | | | | |
| Membership certificates. | ---- | 30 | 161,040.00 | 160,950.00 |
| EARNINGS REINVESTED IN SYSTEM ASSETS | | | | |
| Beginning of year. | ---- | 33 | 67,273,146.33 | 59,734,544.79 |
| Current year. | 3 | 34 | 6,430,675.50 | 7,538,601.54 |
| Total. | ---- | 35 | 73,703,821.83 | 67,273,146.33 |
| LONG-TERM DEBT | | | | |
| RUS. | 23 | 36 | 14,633,984.83 | 14,904,239.21 |
| CFC. | 23 | 37 | 986,297.94 | 1,218,657.79 |
| CoBank. | 23 | 38 | 22,147,398.97 | 20,203,627.81 |
| Bonds and other long-term debt. | 25 | 39.1 | | |
| TVA. | 25 | 39.3 | 3,576,912.95 | 3,818,520.15 |
| Debt premium and discount. | ---- | 40 | | |
| Total. | ---- | 41 | 41,344,594.69 | 40,145,044.96 |
| OTHER NON-CURRENT LIABILITIES | | | | |
| Postretirement Benefits. | 25 | 39.2 | 945,507.56 | 919,387.26 |
| Energy Service Loans - Advances. | ---- | 42 | 247,437.88 | 231,901.96 |
| Energy Service Loans - Other. | ---- | 43 | | |
| Total. | ---- | 44 | 1,192,945.44 | 1,151,289.22 |
| CURRENT AND ACCRUED LIABILITIES | | | | |
| TVA notes payable. | 26 | 45.1 | | |
| Other notes payable. | 26 | 45.2 | | |
| Accounts payable. | 26 | 46 | 11,220,615.98 | 11,885,073.29 |
| Customer deposits. | 26 | 47 | 1,703,084.73 | 1,915,961.79 |
| Taxes and equivalents accrued. | 29 | 48 | 463,431.23 | 433,720.15 |
| Interest accrued - RUS. | 23 | 49 | | |
| Interest accrued - CFC. | 23 | 50 | 5,417.50 | 7,045.65 |
| Interest accrued -CoBank. | 23 | 51 | | |
| Interest accrued -TVA. | 26 | 52.1 | 4,319.74 | 4,054.95 |
| Interest accrued - other. | 26 | 52.2 | | |
| Other current liabilities. | 26 | 53 | 1,498,398.61 | 1,510,137.58 |
| Total. | ---- | 54 | 14,895,267.79 | 15,755,993.41 |
| DEFERRED CREDITS | | | | |
| Advances for construction - refundable. | 18 | 55 | 1,212,421.18 | 1,214,298.17 |
| Other deferred credits. | 26 | 56 | 259,673.87 | 169,838.74 |
| Total. | ---- | 57 | 1,472,095.05 | 1,384,136.91 |
| TOTAL LIABILITIES AND OTHER CREDITS. | ---- | 58 | 132,769,764.80 | 125,870,560.83 |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| REVENUE AND EXPENSE STATEMENT | SEE PAGE NO | ITEM NO | THIS YEAR | LAST YEAR |
|--|----------------|------------|----------------------|----------------------|
| OPERATING REVENUE | | | | |
| Electric sales revenue (page 7, item 332) | ---- | 59 | 82,563,072.01 | 82,384,843.43 |
| Revenue from late payments. | ---- | 60 | 713,351.43 | 688,368.75 |
| Misc. service revenue. | ---- | 61 | 311,533.48 | 321,497.23 |
| Rent from electric property. | ---- | 62 | 1,202,487.51 | 1,450,839.66 |
| Other electric revenue. | ---- | 63 | 11,333.71 | 12,469.80 |
| Total operating revenue. | ---- | 64 | 84,801,778.14 | 84,858,018.87 |
| PURCHASED POWER | | | | |
| Total power cost (page 7, item 342). | 7 | 65 | 56,096,619.29 | 56,120,941.47 |
| OPERATION EXPENSE | | | | |
| Transmission expense. | 5 | 66 | | |
| Distribution expense. | 5 | 67 | 3,213,023.67 | 3,007,207.91 |
| Customer accounts expense. | 5 | 68 | 2,624,003.30 | 2,637,351.14 |
| Customer service and informational expense. | 5 | 69 | 21,130.00 | 21,815.16 |
| Sales expense. | 5 | 70 | 134,976.59 | 175,256.33 |
| Administrative and general expense. | 6 | 71 | 2,112,279.66 | 2,008,984.09 |
| Operation expense. | 6 | 72 | 8,105,413.22 | 7,850,614.63 |
| MAINTENANCE EXPENSE | | | | |
| Transmission expense. | 6 | 73 | | 1,752.07 |
| Distribution expense. | 6 | 74 | 5,617,199.96 | 4,819,318.18 |
| Administrative and general expense. | 6 | 75 | 179,146.68 | 259,760.49 |
| Maintenance expense. | 6 | 76 | 5,796,346.64 | 5,080,830.74 |
| OTHER OPERATING EXPENSE | | | | |
| Depreciation expense. | 12 | 77 | 4,510,263.17 | 4,300,260.41 |
| Amortization of acquisition adjustment. | 13 | 78 | | |
| Taxes and tax equivalents. | 29 | 79 | 2,396,319.46 | 2,386,679.62 |
| Other operating expense. | ---- | 80 | 6,906,582.63 | 6,686,940.03 |
| TOTAL OPERATING EXPENSE AND PURCHASED POWER. | ---- | 81 | 76,904,961.78 | 75,739,326.87 |
| INCOME | | | | |
| Operating income (item 64, less item 81). | ---- | 82 | 7,896,816.36 | 9,118,692.00 |
| Other income. | 16 | 83 | 325,103.54 | 323,109.03 |
| Total income. | ---- | 84 | 8,221,919.90 | 9,441,801.03 |
| Miscellaneous income deductions. | 16 | 85 | 43,341.31 | 45,879.25 |
| Net income before debt expense. | ---- | 86 | 8,178,578.59 | 9,395,921.78 |
| DEBT EXPENSE | | | | |
| Interest on long-term debt - RUS. | 23 | 87 | 681,369.62 | 864,066.46 |
| Interest on long-term debt - CFC. | 23 | 88 | 71,179.21 | 115,220.44 |
| Interest on long-term debt - CoBank. | 23 | 89 | 858,570.02 | 771,141.65 |
| Interest on long-term debt - other. | 26 | 90.1 | | |
| Interest - TVA. | 26 | 90.2 | 21,677.19 | 21,169.85 |
| Other interest expense. | ---- | 92 | 115,107.05 | 85,721.84 |
| Amortization of debt discount and expense. | ---- | 93 | | |
| Amortization of premium on debt - credit. | ---- | 94 | | |
| Total debt expense. | ---- | 95 | 1,747,903.09 | 1,857,320.24 |
| NET INCOME | | | | |
| Net income before extraordinary items (item 86, less item 95). | ---- | 96 | 6,430,675.50 | 7,538,601.54 |
| Extraordinary items. | 33 | 97 | | |
| Net Income. | 2 | 98 | 6,430,675.50 | 7,538,601.54 |

STATEMENT OF CASH FLOWS

Increase (Decrease) in Cash and Cash Equivalents

| | THIS YEAR | LAST YEAR |
|---|------------------------|------------------------|
| CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | |
| Net Income | 6,430,675.50 | 7,538,601.54 |
| Adjustments to Reconcile Net Income to Net Cash: | | |
| Depreciation | 4,817,855.60 | 4,594,138.75 |
| Amortization of: | | |
| Acquisition Adjustment | | |
| Additions to TVA Leases | | |
| Debt Premium or Discount | | |
| (Gain) or Loss on Sale of Plant | | |
| Changes in Current and Deferred Items: | | |
| Accounts Receivable | 402,805.10 | 538,023.40 |
| Materials and Supplies | 103,082.48 | 123,153.68 |
| Prepayments and Other Current Assets | (9,311.97) | 23,013.11 |
| Deferred Debits | 11,089.51 | (33,715.83) |
| Accounts Payable | (664,457.31) | 249,559.71 |
| Customer Deposits | (212,877.06) | 67,086.12 |
| Taxes and Interest Accrued | 28,347.72 | 22,243.49 |
| Other Current Liabilities | (11,738.97) | 30,368.54 |
| Deferred Credits | 87,958.14 | (54,406.74) |
| Other: | | |
| Net Cash Provided by (Used in) Operating Activities | 10,983,428.74 | 13,098,065.77 |
| CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES: | | |
| Additions to Plant | (12,460,315.09) | (9,705,314.08) |
| Removal Cost | (839,292.98) | (753,248.42) |
| Salvage | 156,569.11 | 228,506.55 |
| Net Change in Other Property and Investment | (90,534.23) | (116,860.08) |
| Energy Service Loans Receivable | (15,591.80) | 13,645.14 |
| Plant Sold (Purchased) - Noninstallment Method | 9,961.64 | |
| Deferred Costs on TVA Leases (excluding amortization) | | |
| Other: | | |
| Net Cash Provided by (Used in) Investing Activities | (13,239,203.35) | (10,333,270.89) |
| CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | | |
| Additional Long-Term Borrowings | 3,800,000.00 | 5,321,746.01 |
| Payment of Principal on Long-Term Debt | (2,600,450.27) | (9,190,013.95) |
| Notes Payable | | |
| Memberships | 90.00 | 855.00 |
| Energy Service Loans Advances | 15,535.92 | (13,409.59) |
| Receipt for Plant Sold - Installment Method | | |
| Payment for Plant Purchased - Installment Method | | |
| Other: Postretirement Benefits | 26,120.30 | (33,722.67) |
| Net Cash Provided by (Used in) Financing Activities | 1,241,295.95 | (3,914,545.20) |
| NET INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS .. | (1,014,478.66) | (1,149,750.32) |
| CASH AND TEMPORARY INVESTMENTS BEGINNING OF YEAR | 6,268,368.25 | 7,418,118.57 |
| CASH AND TEMPORARY INVESTMENTS END OF YEAR | 5,253,889.59 | 6,268,368.25 |

NOTE: Cash and Temporary Cash Investments include cash on hand and in demand deposits, and those investments which are generally a part of the power distributor's short-term cash management activities.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| ACCT. NO. | DESCRIPTION | EXPENSES | | PAYROLL DISTRIBUTION | |
|---|---|---------------------|---------------------|----------------------|-------------------|
| | | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
| OPERATING EXPENSE | | | | | |
| 1. TRANSMISSION | | | | | |
| 560 | Supervision and engineering. | | | | |
| 561 | Load dispatching. | | | | |
| 562 | Station expense. | | | | |
| 563 | Overhead line expense. | | | | |
| 564 | Underground line expense. | | | | |
| 566 | Miscellaneous. | | | | |
| 567 | Rents. | | | | |
| (600) | Total transmission operating expense (page 3, item 66). | | | | |
| 2. DISTRIBUTION | | | | | |
| 580 | Supervision and engineering. | 47,227.74 | 55,223.17 | 22,898.59 | 23,265.75 |
| 581 | Load dispatching. | | | | |
| 582 | Station expense. | 247,352.51 | 145,422.82 | 22,136.39 | 6,605.14 |
| 583 | Overhead line expense. | 1,618,826.31 | 1,546,309.84 | 336,124.00 | 179,624.26 |
| 584 | Underground line expense. | 124,771.08 | 83,058.40 | 38,794.52 | 21,861.59 |
| 585 | Street lighting and signal system expense. | 8,492.27 | 7,556.37 | 3,657.91 | 3,158.23 |
| 586 | Meter expense. | 538,927.60 | 566,540.07 | 136,006.51 | 143,713.92 |
| 587 | Customer installation expense. | 320,133.88 | 305,004.18 | 144,191.20 | 134,539.05 |
| 588 | Miscellaneous. | 272,766.65 | 247,092.32 | 91,975.09 | 86,706.20 |
| 589 | Rents. | 34,525.63 | 51,000.74 | | |
| (605) | Total distribution operating expense (page 3, item 67). | 3,213,023.67 | 3,007,207.91 | 795,784.21 | 599,474.14 |
| 3. CUSTOMER ACCOUNTS EXPENSE | | | | | |
| 901 | Supervision. | 186,955.77 | 187,862.93 | 117,077.55 | 113,556.38 |
| 902 | Meter reading expense. | 418,759.89 | 417,495.01 | 3,874.51 | 3,624.06 |
| 903 | Customer records and collection expense. | 1,873,303.76 | 1,915,393.58 | 822,874.07 | 821,301.41 |
| 904 | Uncollectible accounts. | 143,578.54 | 115,277.02 | | |
| 905 | Miscellaneous. | 1,405.34 | 1,322.60 | | |
| (610) | Total customer accounts expense (page 3, item 68). | 2,624,003.30 | 2,637,351.14 | 943,826.13 | 938,481.85 |
| 4. CUSTOMER SERVICES & INFORMATIONAL EXPENSE | | | | | |
| 907 | Supervision. | | | | |
| 908 | Customer assistance expense. | 6,909.73 | 6,583.36 | 637.79 | |
| 909 | Informational and instructional advertising expense. | 13,815.67 | 14,850.16 | 3,205.56 | 3,421.60 |
| 910 | Miscellaneous customer service and informational expense. | 404.60 | 381.64 | | |
| (615) | Total customer services and informational expense (page 3, item 69). | 21,130.00 | 21,815.16 | 3,843.35 | 3,421.60 |
| 5. SALES EXPENSE | | | | | |
| 911 | Supervision. | | | | |
| 912 | Demonstrating and selling expense. | 111,703.17 | 150,501.99 | 77,169.51 | 79,893.51 |
| 913 | Advertising expense. | 22,868.82 | 24,372.70 | 4,996.32 | 5,488.01 |
| 916 | Miscellaneous. | 404.60 | 381.64 | | |
| (620) | Total sales expense (page 3, item 70). | 134,976.59 | 175,256.33 | 82,165.83 | 85,381.52 |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| ACCT. NO. | DESCRIPTION | EXPENSES | | PAYROLL DISTRIBUTION | |
|--|--|----------------------|----------------------|----------------------|---------------------|
| | | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
| 6. ADMINISTRATIVE & GENERAL | | | | | |
| 920 | Administrative and general salaries. | 1,205,665.08 | 1,219,114.80 | 752,370.23 | 735,756.99 |
| 921 | Office supplies and expense. | 333,101.11 | 260,838.70 | | |
| 922 | Administrative expense transferred - credit*. | | | | |
| 923 | Outside services employed. | 71,658.92 | 22,314.94 | | |
| 924 | Property insurance. | | | | |
| 925 | Injuries and damages. | | 2,259.36 | | |
| 926 | Employee pensions and benefits. | | | | |
| 927 | Franchise requirements*. | | | | |
| 928 | Regulatory commission expense*. | | | | |
| 929 | Duplicate charges - credit. | (7,619.02) | (14,730.53) | | |
| 930 | Miscellaneous general expense. | 496,417.57 | 505,442.82 | 29,330.60 | 29,043.57 |
| 931 | Rents. | 13,056.00 | 13,744.00 | | |
| (625) | Total administrative and general expense (page 3, item 71). | 2,112,279.66 | 2,008,984.09 | 781,700.83 | 764,800.56 |
| (630) | Total operating expense (Page 3 Item 72). | 8,105,413.22 | 7,850,614.63 | 2,607,320.35 | 2,391,559.67 |
| MAINTENANCE EXPENSE | | | | | |
| 1. TRANSMISSION | | | | | |
| 568 | Supervision and engineering. | | | | |
| 569 | Maintenance of structures. | | | | |
| 570 | Maintenance of station equipment. | | | | |
| 571 | Maintenance of overhead lines. | | 1,752.07 | | 726.72 |
| 572 | Maintenance of underground lines. | | | | |
| 573 | Miscellaneous. | | | | |
| (635) | Total transmission maintenance expense (page 3, item 73). | | 1,752.07 | | 726.72 |
| 2. DISTRIBUTION | | | | | |
| 590 | Supervision and engineering. | 39,526.37 | 41,929.31 | 23,010.16 | 23,216.40 |
| 591 | Maintenance of structures. | | | | |
| 592 | Maintenance of station equipment. | 399,994.02 | 549,112.02 | 102,254.69 | 183,547.07 |
| 593 | Maintenance of overhead lines. | 4,438,335.69 | 3,666,417.16 | 1,021,348.21 | 1,022,688.33 |
| 594 | Maintenance of underground lines. | 14,769.75 | 15,910.12 | 8,073.87 | 7,420.33 |
| 595 | Maintenance of line transformers. | 450,628.38 | 262,227.99 | 239,859.89 | 132,146.01 |
| 596 | Street lighting and signal systems. | 9,230.59 | 7,236.47 | 6,098.06 | 3,862.49 |
| 597 | Maintenance of meters. | 147,592.24 | 164,591.17 | 91,377.20 | 93,168.41 |
| 598 | Maintenance of miscellaneous distribution plant. | 117,122.92 | 111,893.94 | 46,645.37 | 44,369.60 |
| (640) | Total distribution maintenance expense (page 3, item 74). | 5,617,199.96 | 4,819,318.18 | 1,538,667.45 | 1,510,418.64 |
| 3. ADMINISTRATIVE & GENERAL | | | | | |
| 935 | Maintenance of general plant (page 3, items 75). | 179,146.68 | 259,760.49 | 18,708.54 | 25,732.76 |
| (645) | Total maintenance expense (page 3, item 76). | 5,796,346.64 | 5,080,830.74 | 1,557,375.99 | 1,536,878.12 |
| (650) | Total operating and maintenance expense. | 13,901,759.86 | 12,931,445.37 | 4,164,696.34 | 3,928,437.79 |
| (655) | Total direct and indirect payroll charged to construction and retirements. | | | 1,492,755.29 | 1,805,924.32 |
| (660) | Payroll charged to other accounts. | | | 154,114.74 | 61,788.29 |
| (662) | Fiscal year net change in accrued leave account - (increase) decrease. | | | (116,847.50) | 8,779.33 |
| (665) | Total payroll distribution for year. | | | 5,694,718.87 | 5,804,929.73 |

*FURNISH DETAILS OF THESE ACCOUNTS ON PAGES 32 AND 33.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

STATISTICAL DATA

| CLASS OF SERVICE | ITEM NO | REVENUE | | ITEM NO | KILOWATT-HOURS SOLD | |
|---|------------|----------------------|----------------------|------------|---------------------|--------------------|
| | | THIS YEAR | LAST YEAR | | THIS YEAR | LAST YEAR |
| Residential. | 100 | 55,002,777.70 | 54,083,554.50 | 107 | 457,272,573 | 444,264,086 |
| Gen. Power - 50 kW & under. | 101 | 10,273,162.38 | 10,103,643.36 | 108 | 70,533,314 | 67,628,940 |
| Gen. Power - Over 50 kW. | 102 | 15,652,994.96 | 16,590,433.15 | 109 | 160,961,442 | 167,408,511 |
| Street and athletic. | 103 | 189,111.69 | 189,629.44 | 110 | 1,987,628 | 2,008,113 |
| Outdoor lighting. | 104 | 1,445,025.28 | 1,417,582.98 | 111 | 9,717,005 | 9,625,597 |
| Subtotal. | 330 | 82,563,072.01 | 82,384,843.43 | | | |
| Unbilled revenue*. | 331 | | | | | |
| Total (page 3, item 59). | 332 | 82,563,072.01 | 82,384,843.43 | 335 | 700,471,962 | 690,935,247 |
| Kilowatt-hours for own use. | | | | 113 | 353,255 | 162,832 |
| Total kilowatt-hours sold and used. | | | | 114 | 700,825,217 | 691,098,079 |
| Kilowatt-hours in unbilled revenue (items 331) above* | | | | 336 | | |

| STATE | SALES TAX | TO ABOVE CLASSES OF REVENUE | CREDITS | GREEN POWER REVENUE |
|--------------|---------------------|-------------------------------------|------------|---------------------|
| | | | | |
| KY | 1,103,066.93 | Residential. | 22,687.69 | |
| | | Gen. Power - 50 kW & under. | 175,930.27 | |
| | | Gen. Power - Over 50kW. | 216,920.15 | |
| Total | 1,103,066.93 | | | |

PURCHASED POWER

| CLASS OF SERVICE | ITEM NO | AMOUNT | | ITEM NO | KILOWATT-HOURS PURCHASED | |
|--|------------|----------------------|----------------------|------------|--------------------------|--------------------|
| | | THIS YEAR | LAST YEAR | | THIS YEAR | LAST YEAR |
| TVA | | | | | | |
| Purchased Power. | 115 | 55,735,808.21 | 55,745,390.19 | 119 | 749,848,118 | 742,440,421 |
| Facilities Rental. | 116 | 360,811.08 | 375,551.28 | | | |
| Other Charges/Credits. | 117 | | | | | |
| Total from TVA. | 118 | 56,096,619.29 | 56,120,941.47 | 122 | 749,848,118 | 742,440,421 |
| Other Purchased Power**. | 218 | | | 222 | | |
| Subtotal. | 340 | 56,096,619.29 | 56,120,941.47 | | | |
| Unbilled Purchases*. | 341 | | | | | |
| Total (page 3, item 65). | 342 | 56,096,619.29 | 56,120,941.47 | 345 | 749,848,118 | 742,440,421 |
| Less kilowatt hours sold and used (item 114). | | | | 123 | 700,825,217 | 691,098,079 |
| Line losses and kilowatt-hours unaccounted for. | | | | 124 | 49,022,901 | 51,342,342 |
| Percent of losses to purchases (2 decimal places). | | | | 125 | 6.54 | 6.92 |
| Kilowatt-hours in unbilled purchases (Item 341) above* | | | | 346 | | |

**Purchased other power under contract number _____ from _____

NUMBER OF CUSTOMERS

MISCELLANEOUS DATA

| CLASS OF SERVICE | MONTH OF JUNE | | Pole Line Miles: (2 decimal places). (715) | THIS YEAR | LAST YEAR |
|---|---------------|---------------|--|------------|------------|
| | THIS YEAR | LAST YEAR | | | |
| Residential. (675) | 30,284 | 30,469 | Individual Outdoor Lts. | 14,948 | 15,627 |
| Gen. Power - 50 kW & under. . . (680) | 7,716 | 7,514 | | | |
| Gen. Power - Over 50 kW. . . . (685) | 331 | 354 | | | |
| Street and athletic. (690) | 83 | 85 | | | |
| Outdoor Lighting - Excl. Code 77. (693) | | | | | |
| Total. (695) | 38,414 | 38,422 | | | |
| Outdoor Lighting - Code 77. . . . (697) | 10,245 | 10,292 | O&M expense. (730) | 165,877.92 | 170,998.51 |
| | | | St. Ltg-Invest. Base. . . . (735) | 367,387.69 | 345,333.87 |
| | | | O&M expense. (740) | 17,722.86 | 14,792.84 |
| | | | Lamps & Glassware. . . . (745) | 8,492.97 | |

*Item nos. 331, 336, 341, and 346 are to be filled in only if distributor chooses the option to estimate unbilled electric sales.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

MODIFIED STREET LIGHTING COMPUTATION

Give computation of modified street lighting rate relative to lamps and glassware by customers, if applicable:

| TOWN | COST OF LAMPS AND GLASSWARE | KWH | ALLOWANCE | EXCESS TO BE BILLED |
|------------------------------------|--------------------------------|------------------|------------|------------------------|
| | | FROM STAT. REPT. | KWH X .003 | |
| Benton | | 148,050 | 444.15 | |
| Hardin | | 77,101 | 231.30 | |
| Cambridge Shores | | 23,868 | 71.60 | |
| Calvert City | | 161,118 | 483.35 | |
| Hazel | | 105,425 | 316.28 | |
| Calloway County Board of Education | | 26,109 | 78.33 | |
| Murray | | 249,897 | 749.69 | |
| Graves County Board of Education | | 37,220 | 111.66 | |
| Wingo | | 116,771 | 350.31 | |
| Milburn | | 25,164 | 75.49 | |
| Arlington | | 34,742 | 104.23 | |
| Kentucky Dept of Highways | | 628,800 | 1,886.40 | |
| Water Valley | | 31,584 | 94.75 | |
| Kentucky Dam Village Estates | | 2,517 | 7.55 | |
| City of Mayfield | | 18,971 | 56.91 | |
| Total All Systems | 8,492.27 | | | 8,492.27 |
| TOTAL: | 8,492.27 | 1,687,337 | 5,062.00 | 8,492.27 |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | | ELECTRIC PLANT | | | | | |
|---------------------|---|-------------------------|---------------------|---------------------|----------------------------|------------------|------------------------|
| ACCT. NO. | | BALANCE BEG. OF YEAR | ADDITIONS | RETIREMENTS | RECLASSIFICATIONS DEBIT | CREDIT | BALANCE END OF YEAR |
| INTANGIBLE | | | | | | | |
| 301 | Organization. | | | | | | |
| 302 | Franchises and consents. | | | | | | |
| 303 | Miscellaneous. | | | | | | |
| (750) | Total intangible. | | | | | | |
| PRODUCTION | | | | | | | |
| 755 | Total production. | | | | | | |
| TRANSMISSION | | | | | | | |
| 350 | Land and land rights. | | | | | | |
| 351 | Clearing land and rights of way. | | | | | | |
| 352 | Structures and improvements. | 25,739.98 | | | | | 25,739.98 |
| 353 | Station equipment. | 122,890.31 | | | | | 122,890.31 |
| 354 | Towers and fixtures. | 77,635.04 | | | | | 77,635.04 |
| 355 | Poles and fixtures. | 288,440.32 | 13,267.57 | 5,981.07 | | | 295,726.82 |
| 356 | Overhead conductors and devices. | 144,189.13 | 6,433.20 | | | | 150,622.33 |
| 357 | Underground conduit. | | | | | | |
| 358 | Underground conductors and devices. | | | | | | |
| 359 | Roads and trails. | | | | | | |
| (760) | Total transmission. | 658,894.78 | 19,700.77 | 5,981.07 | | | 672,614.48 |
| DISTRIBUTION | | | | | | | |
| 360 | Land and land rights. | 223,291.79 | 113,913.00 | | | | 337,204.79 |
| 361 | Structures and improvements. | 421,818.22 | | | | | 421,818.22 |
| 362 | Station equipment. | 10,602,299.04 | 11,008.77 | 96,966.30 | | | 10,516,341.51 |
| 363 | Storage battery equipment. | | | | | | |
| 364 | Poles, towers, and fixtures. | 52,952,727.17 | 2,362,723.43 | 774,247.41 | | 11,048.70 | 54,530,154.49 |
| 365 | Overhead conductors and devices. | 16,659,007.64 | 758,783.41 | 174,741.16 | | 1,881.21 | 17,241,168.68 |
| 366 | Underground conduit. | 3,745,246.00 | 215,801.31 | 4,290.07 | | | 3,956,757.24 |
| 367 | Underground conductors and devices. | 3,848,639.09 | 260,279.72 | 31,914.18 | | | 4,077,004.63 |
| 368 | Line transformers. | 26,627,674.06 | 1,542,103.66 | 631,943.81 | | 10,186.83 | 27,527,647.08 |
| 369 | Services. | 5,801,081.36 | 274,919.90 | 113,977.01 | | | 5,962,024.25 |
| 370 | Meters. | 3,706,726.74 | 189,932.65 | 119,362.46 | | | 3,777,296.93 |
| 371 | Inst. on customers' premises. | 4,575,053.81 | 219,312.91 | 137,885.72 | | 326.81 | 4,656,154.19 |
| 372 | Leased prop. on cust. premises. | 33,239.00 | | | | | 33,239.00 |
| 373 | St. lighting and signal systems. | 345,333.87 | 22,454.96 | 401.14 | | | 367,387.69 |
| (765) | Total distribution. | 129,542,137.79 | 5,971,233.72 | 2,085,729.26 | | 23,443.55 | 133,404,198.70 |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| ELECTRIC PLANT | | | | | | | |
|-----------------------|--|-------------------------|------------------------------------|-----------------------|----------------------------|----------------------|------------------------|
| ACCT. NO. | | BALANCE BEG. OF YEAR | ADDITIONS | RETIREMENTS | RECLASSIFICATIONS DEBIT | CREDIT | BALANCE END OF YEAR |
| GENERAL | | | | | | | |
| 389 | Land and land rights. | 116,104.45 | | | | | 116,104.45 |
| 390 | Structures and improvements. | 2,345,533.83 | 6,743.06 | | | | 2,352,276.89 |
| 391 | Office furniture and equipment. | 900,330.59 | 202,640.54 | 23,370.27 | | | 1,079,600.86 |
| 392 | Transportation equipment. | 3,403,317.41 | 308,051.54 | 34,929.89 | | | 3,676,439.06 |
| 393 | Stores equipment. | 32,761.80 | | | | | 32,761.80 |
| 394 | Tools, shop, and garage equip.. | 542,483.01 | 46,839.73 | | | | 589,322.74 |
| 395 | Laboratory equipment. | 194,200.92 | 23,783.45 | | | | 217,984.37 |
| 396 | Power operated equipment. | | | | | | |
| 397 | Communication equipment. | 426,035.41 | 531,516.89 | 29,878.25 | | | 927,674.05 |
| 398 | Miscellaneous equipment. | 80,848.29 | 19,172.85 | | | | 100,021.14 |
| 399 | Other tangible property. | | | | | | |
| (770) | Total general. | 8,041,615.71 | 1,138,748.06 | 88,178.41 | | | 9,092,185.36 |
| 101 | Total plant in service. | 138,242,648.28 | 7,129,682.55 | 2,179,888.74 | | 23,443.55 | 143,168,998.54 |
| 102 | Electric plant purchased or sold. | | | | 23,443.55 | 23,443.55 | |
| 104 | Electric plant leased to others. | | | | | | |
| 105 | Electric plant for future use. | 251,539.23 | | 251,539.23 | | | |
| 107 | Construction work in progress. | 6,199,513.63 | 5,330,632.54 | | | | 11,530,146.17 |
| (775) | Total other electric plant. | 6,451,052.86 | 5,330,632.54 | 251,539.23 | 23,443.55 | 23,443.55 | 11,530,146.17 |
| (780) | Total electric plant (page 1, item 1). | 144,693,701.14 | 12,460,315.09 (Item 140) | 2,431,427.97 | 23,443.55 | 46,887.10 | 154,699,144.71 |
| RESERVES | | | | | | | |
| 108 | Accumulated provision for depreciation of electric plant in service. | | | | | 38,366,952.01 | |
| 109 | Accumulated provision for depreciation of electric plant leased to others. | | | | | | |
| 110 | Accumulated provision for depreciation of electric plant held for future use. | | | | | | |
| | Total accumulated provision for depreciation (page 1, item 2 and page 11). | | | | | 38,366,952.01 | |
| | Total electric plant, less accumulated provision for depreciation (page 1, item 3). | | | | | | 116,332,192.70 |

Reclassification Columns

Includes major corrections to prior years additions and retirements, transfers between accounts classified in prior years, and classification of plant purchased and/or sold.

Explanations of entries shown in the Reclassification Columns:

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

ACCUMULATED PROVISION FOR DEPRECIATION (Page 10)

| ACCT. NO. | DEPR. RATE | BALANCE BEG. OF YEAR | ACCRUAL | ORIGINAL COST | REMOVAL COST | SALVAGE | OTHER ENTRIES* | | BALANCE END OF YEAR | % DEPR. |
|---------------------|------------|----------------------|---------------------|---------------------|-------------------|-------------------|------------------|--------|----------------------|-----------|
| | | | | | | | DEBIT | CREDIT | | |
| 350 | | | | | | | | | | |
| 351 | | | | | | | | | | |
| 352 | 3.00 | 22,216.31 | 772.20 | | | | | | 22,988.51 | 89 |
| 353 | 3.00 | 115,382.28 | 3,686.76 | | | | | | 119,069.04 | 97 |
| 354 | 3.00 | 16,315.41 | 2,329.08 | | | | | | 18,644.49 | 24 |
| 355 | 3.00 | 90,919.37 | 8,853.62 | 5,981.07 | 373.57 | | | | 93,418.35 | 32 |
| 356 | 3.00 | 98,539.68 | 4,502.63 | | | | | | 103,042.31 | 68 |
| 357 | | | | | | | | | | |
| 358 | | | | | | | | | | |
| 359 | | | | | | | | | | |
| (785) TOTAL | | 343,373.05 | 20,144.29 | 5,981.07 | 373.57 | | | | 357,162.70 | 53 |
| 360 | 4.23 | 92,818.82 | 4,647.12 | | | | | | 97,465.94 | 29 |
| 361 | 3.00 | 410,303.61 | 298.88 | | | | | | 410,602.49 | 97 |
| 362 | 3.00 | 4,825,848.08 | 324,305.72 | 96,966.30 | 19,724.23 | | | | 5,033,463.27 | 48 |
| 363 | | | | | | | | | | |
| 364 | 3.00 | 4,136,278.49 | 1,609,354.13 | 774,247.41 | 508,521.60 | 15,905.06 | 6,073.52 | | 4,472,695.15 | 8 |
| 365 | 2.75 | 4,298,299.43 | 465,605.03 | 174,741.16 | 86,562.94 | 4,274.36 | 1,088.19 | | 4,505,786.53 | 26 |
| 366 | 4.00 | 1,074,089.74 | 153,316.63 | 4,290.07 | 1,791.14 | 113.47 | | | 1,221,438.63 | 31 |
| 367 | 4.00 | 1,344,932.03 | 157,819.75 | 31,914.18 | 6,433.57 | | | | 1,464,404.03 | 36 |
| 368 | 3.00 | 10,345,975.34 | 810,713.31 | 631,943.81 | 16,646.41 | 96,642.10 | 6,320.20 | | 10,598,420.33 | 39 |
| 369 | 6.00 | 2,957,908.56 | 352,886.25 | 113,977.01 | 62,431.81 | 2,330.72 | | | 3,136,716.71 | 53 |
| 370 | 2.50 | 564,096.26 | 95,189.33 | 119,362.46 | | 110.29 | | | 540,033.42 | 14 |
| 371 | 5.00 | 804,522.83 | 230,237.69 | 137,885.72 | 136,745.28 | 17,193.11 | | | 777,322.63 | 17 |
| 372 | 5.00 | 19,541.64 | 1,561.44 | | | | | | 21,103.08 | 63 |
| 373 | 4.00 | 178,189.52 | 14,060.99 | 401.14 | 62.43 | | | | 191,786.94 | 52 |
| (790) TOTAL | | 31,052,804.35 | 4,219,996.27 | 2,085,729.26 | 838,919.41 | 136,569.11 | 13,481.91 | | 32,471,239.15 | 24 |
| 389 | | | | | | | | | | |
| 390 | 2.5-5 | 1,294,436.51 | 48,149.75 | | | | | | 1,342,586.26 | 57 |
| 391 | 4/10 | 747,388.55 | 90,252.18 | 23,370.27 | | | | | 814,270.46 | 75 |
| 392 | Var | 1,582,086.02 | 307,592.43 | 34,929.89 | | 20,000.00 | | | 1,874,748.56 | 51 |
| 393 | | 4,709.44 | | | | | | | 4,709.44 | 14 |
| 394 | 8.00 | 453,944.43 | 45,416.77 | | | | | | 499,361.20 | 85 |
| 395 | 8.00 | 194,200.92 | 5,573.24 | | | | | | 199,774.16 | 92 |
| 396 | | | | | | | | | | |
| 397 | 8.00 | 426,035.41 | 65,509.27 | 29,878.25 | | | | | 461,666.43 | 50 |
| 398 | 8.00 | 80,848.29 | 9,046.13 | | | | | | 89,894.42 | 90 |
| 399 | | | | | | | | | | |
| (795) TOTAL | | 4,783,649.57 | 571,539.77 | 88,178.41 | | 20,000.00 | | | 5,287,010.93 | 58 |
| (800) OTHER | | 245,363.96 | 6,175.27 | | | | | | 251,539.23 | 2 |
| (805) TOTALS | | 36,425,190.93 | 4,817,855.60 | 2,179,888.74 | 839,292.98 | 156,569.11 | 13,481.91 | | 38,366,952.01 | 27 |

(Item 142) (Item 138)

*Use other entries to report depreciation on property purchased, classifying accruals, unusual entries - explain on page 33.

ACCUMULATED PROVISION FOR DEPRECIATION - CONTINUED

| | | |
|--|-------------------|---------------------|
| Depreciation expense (403 and 404) (page 3, item 77) | (810) | 4,510,263.17 |
| Depreciation charged to transportation expense - clearing. | (815) | 307,592.43 |
| Depreciation charged to building expense - clearing. | (820) | |
| Depreciation charged to other accounts (list each account number). | (825) | |
| | (830) | |
| | (835) | |
| | (840) | |
| Total accrual (page 11) | (Item 128) | 4,817,855.60 |

Explanations (continue on page 33 if necessary)

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| ELECTRIC PLANT ACQUISITION ADJUSTMENTS (Account 114) | |
|--|--------|
| DESCRIPTION | AMOUNT |
| Balance beginning of year | |
| Additions during year (as below) | |
| Total | |
| Charged to expense (Account 406) (page 3, item 78) | |
| Other reductions (explain below) | |
| Balance end of year (page 1, item 4) | |

| ELECTRIC PLANT PURCHASED THIS YEAR* | | | |
|---|--|--|-------|
| | | | TOTAL |
| From whom property acquired (abbreviate) | | | |
| Date acquired | | | |
| Original cost | | | |
| Corrections to date | | | |
| Total original cost | | | |
| Depreciation reserve at acquisition | | | |
| Corrections to date | | | |
| Total depreciation reserve | | | |
| Base contract purchase price | | | |
| Net additions | | | |
| Acquisition expense | | | |
| Other (explain below) | | | |
| Total purchase cost (Item 141) | | | |
| Acquisition adjustment (purchase cost, less original cost, net of depreciation) | | | |

*If the original cost and depreciation at acquisition have not been determined for plant purchased this year, report the purchase information only and complete the schedule in the year the purchased plant is classified.

EXPLANATIONS

Give the method of amortizing the acquisition adjustment and other information as required:

CLASSIFICATION OF ELECTRIC PLANT PURCHASED OR SOLD

Furnish aging of plant purchased and sold on separate worksheet

| ELECTRIC PLANT PURCHASED | | | | ELECTRIC PLANT SOLD | | | |
|--------------------------|---------------|----------------------|-----------|---------------------|---------------|----------------------|-----------|
| ACCT. NO. | ORIGINAL COST | DEPRECIATION RESERVE | NET PLANT | ACCT. NO. | ORIGINAL COST | DEPRECIATION RESERVE | NET PLANT |
| | | | | 364 | 11,048.70 | 6,073.52 | 4,975.18 |
| | | | | 365 | 1,881.21 | 1,088.19 | 793.02 |
| | | | | 368 | 10,186.83 | 6,320.20 | 3,866.63 |
| | | | | 371 | 326.81 | | 326.81 |
| Total | | | | Total | 23,443.55 | 13,481.91 | 9,961.64 |

GAIN OR LOSS ON SALE OF ELECTRIC PLANT

| | |
|---|----------|
| Selling price (Item 130) | 9,961.64 |
| Less net plant sold (as above) | 9,961.64 |
| Difference | |
| Less selling expense (Item 131) | |
| Gain or loss on sale (Item 129) | |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| INVESTMENTS IN ASSOCIATED COMPANIES (Report only the investments not considered as current assets) | | | |
|---|------------------------|------------------------|----------------------------|
| OTHER INVESTMENTS - GENERAL FUNDS | | | |
| Investments included in Accounts 123 and 124 | | | |
| DESCRIPTION OF INVESTMENTS (GROUP BY TYPE OF INVESTMENT AND SHOW NO. OF INVESTMENTS) | BALANCE END OF YEAR | INCOME | GAIN OR (LOSS) ON SALES |
| Stockholder Loan - CSA | 50,257.70 | 643.53 | |
| Pat. Capital-CFC,WKRTCC, UUS, KAEC, FEDERATED, COBANK | 799,025.61 | 244,515.17 | |
| Capital Term Certificates - NRUCFC | 1,392,535.65 | 64,028.75 | |
| Membership - NRUCFC, COBANK | 2,000.00 | | |
| Subtotal | 2,243,818.96 | 309,187.45 | |
| | (page 1, item 8) | (account 419, page 16) | |
| INVESTMENTS OF FUNDS OTHER THAN GENERAL FUNDS | | | |
| (Investments included in Accounts 125, 126, and 128 - page 15) | | | |
| Employee Savings Fund | 61,376.92 | | |
| Subtotal | 61,376.92 | | |
| | (page 15) | (account 419, page 16) | |
| CASH AND TEMPORARY CASH INVESTMENTS - GENERAL FUNDS | | | |
| (Report only investments considered as current assets) | | | |
| NRUCFC Commercial Paper | 3,943,698.77 | 3,615.98 | |
| Total Temporary Cash Investments | 3,943,698.77 | 3,615.98 | |
| CASH (Accounts 131 - 135) | 1,310,190.82 | 1,853.07 | |
| Subtotal | 5,253,889.59 | 5,469.05 | |
| | (page 1, item 14) | (account 419, page 16) | |
| Grand Total | 7,559,085.47 | 314,656.50 | |

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | SPECIAL FUNDS | | | | TOTAL OF ALL SPECIAL FUNDS |
|--|------------------------------------|-----------------------------------|-----------------------------------|-----------------|----------------------------|
| | ACCOUNT 125 TOTAL SINKING FUNDS | ACCOUNT 126 DEPRECIATION FUNDS | ACCOUNT 128 CONSTRUCTION FUNDS | | |
| Cash included in fund end of year. | | | | 61,376.92 | 61,376.92 |
| Investments in fund end of year (page 14). | | | | | |
| Balance of fund end of year (page 1). | | | | 61,376.92 | 61,376.92 |
| Minimum balance required*. | (page 1, item 9) | (page 1, item 10) | (page 1, item 12) | 61,376.92 | 61,376.92 |
| Authority creating fund** | | | | Other (Explain) | |

* Explain difference if fund balance is less than minimum required.
 ** State whether fund is required by bond contract, board action, etc.
 Total Sinking

Depreciation

Construction

Other
 None. This amount represents the balance of employees' Christmas savings account. An offsetting credit is recorded as a liability.

Note: Report all debt service funds as sinking funds.
 Report all funds for renewals and replacements as depreciation funds.

NONUTILITY PROPERTY (Account 121)

| | DESCRIPTION AND LOCATION OF PROPERTY | DATE ACQUIRED | BOOK COST | NET INCOME (ACCOUNT 418) |
|---------------|--|---------------|-----------|-----------------------------|
| House and Lot | 1220 West Broadway, Mayfield, KY | 12/1/1952 | 22,447.85 | |
| | Total. | | 22,447.85 | |
| | Less accumulated provision for depreciation (account 122). | | 15,491.33 | |
| | Total net of depreciation (page 1, item 7). | | 6,956.52 | (page 16) |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE | | | | | | |
|---|------------|-----------------------|------------------------------|---------------|-----------------------|---------------|
| DETAILS REGARDING BONDS ON PAGE | | | | | | |
| MATURITIES: MONTH AND DAY 100 | | | | | | |
| NAME OF ISSUE 200 | | CoBank Line of Credit | NCSC - TVA SUPPLEMENTAL LOAN | | NRUCFC Line of Credit | |
| CALENDAR YEAR | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE |
| 2013 | | | 120,803.60 | | | |
| 2014 | | | 241,607.20 | | | |
| 2015 | | | 241,607.20 | | | |
| 2016 | | | 241,607.20 | | | |
| 2017 | | | 241,607.20 | | | |
| 2018 | | | 241,607.20 | | | |
| 2019 | | | 241,607.20 | | | |
| 2020 | | | 241,607.20 | | | |
| 2021 | | | 241,607.20 | | | |
| 2022 | | | 241,607.20 | | | |
| 2023 | | | 241,607.20 | | | |
| 2024 | | | 241,607.20 | | | |
| 2025 | | | 241,607.20 | | | |
| 2026 | | | 241,607.20 | | | |
| 2027 | | | 115,004.65 | | | |
| 2028 | | | 72,803.80 | | | |
| 2029 | | | 72,803.80 | | | |
| 2030 | | | 54,603.50 | | | |
| 2031 | | | | | | |
| 2032 | | | | | | |
| 2033 | | | | | | |
| 2034 | | | | | | |
| 2035 | | | | | | |
| 2036 | | | | | | |
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| 2050 | | | | | | |
| 2051 | | | | | | |
| 2052 | | | | | | |
| 2053 | | | | | | |
| 2054 | | | | | | |
| 2055 | | | | | | |
| 2056 | | | | | | |
| 2057 | | | | | | |
| OUTSTANDING END OF YEAR 300 | | | 3,576,912.95 | | | |

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

| SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE | | | | | |
|---|------------|--------------------------|------------|---------------|------------------|
| DETAILS REGARDING BONDS ON PAGE | | | | | |
| MATURITIES: MONTH AND DAY 100 | | 0/0 | | | |
| NAME OF ISSUE 200 | | POST RETIREMENT BENEFITS | | | |
| CALENDAR YEAR | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE | TOTAL MATURITIES |
| 2013 | | | | | 120,803.60 |
| 2014 | | | | | 241,607.20 |
| 2015 | | | | | 241,607.20 |
| 2016 | | | | | 241,607.20 |
| 2017 | | | | | 241,607.20 |
| 2018 | | | | | 241,607.20 |
| 2019 | | | | | 241,607.20 |
| 2020 | | | | | 241,607.20 |
| 2021 | | | | | 241,607.20 |
| 2022 | | | | | 241,607.20 |
| 2023 | | | | | 241,607.20 |
| 2024 | | | | | 241,607.20 |
| 2025 | | | | | 241,607.20 |
| 2026 | | | | | 241,607.20 |
| 2027 | | | | | 115,004.65 |
| 2028 | | | | | 72,803.80 |
| 2029 | | | | | 72,803.80 |
| 2030 | | | | | 54,603.50 |
| 2031 | | | | | |
| 2032 | | | | | |
| 2033 | | | | | |
| 2034 | | | | | |
| 2035 | | | | | |
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| 2051 | | | | | |
| 2052 | | | | | |
| 2053 | | | | | |
| 2054 | | | | | |
| 2055 | | | | | |
| 2056 | | | | | |
| 2057 | | | | | |
| OUTSTANDING END OF YEAR 300 | | | | | 3,576,912.95 |

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SUMMARY OF LONG-TERM DEBT - RUS

| NOTE NUMBER | DATE OF NOTE | INT. RATE | TERM OF NOTE (YR) | DATE REPAYMENTS BEGIN MO/YEAR | AMOUNT OF ALLOTMENT | BALANCE DUE ON ALLOTMENT (ACCOUNT 224.2) | AMOUNT REPAID THIS YEAR | | | OUTSTANDING END OF YEAR EXCLUDING CUSHION OF CREDIT |
|--------------------|--------------|-----------|-------------------|-------------------------------|----------------------|--|-------------------------|-------------------|-------------------|---|
| | | | | | | | PRINCIPAL | INTEREST | DEFERRED INTEREST | |
| 01-B320 | 2/17/2006 | 4.57 | 35 | 06/2007 | 3,000,000.00 | | 50,771.83 | 125,628.17 | | 2,724,886.33 |
| 02-B321 | 11/16/2006 | 4.68 | 35 | 06/2007 | 2,000,000.00 | | 33,382.46 | 85,897.54 | | 1,819,609.16 |
| 03-B322 | 3/14/2007 | 4.70 | 35 | 06/2007 | 2,800,000.00 | | 46,497.13 | 120,830.87 | | 2,548,868.29 |
| 04-B323 | 11/1/2007 | 4.68 | 35 | 11/2007 | 3,200,000.00 | | 53,385.21 | 138,230.79 | | 2,928,392.85 |
| 05-B324 | 5/13/2008 | 4.58 | 35 | 06/2007 | 2,500,000.00 | | 42,404.24 | 107,595.76 | | 2,303,795.62 |
| 06-B325 | 9/24/2008 | 4.42 | 35 | 10/2008 | 2,500,000.00 | | 43,813.51 | 103,186.49 | | 2,308,432.58 |
| 07- | | | | / | | | | | | |
| 08- | | | | / | | | | | | |
| 09- | | | | / | | | | | | |
| 10- | | | | / | | | | | | |
| 11- | | | | / | | | | | | |
| 12- | | | | / | | | | | | |
| 13- | | | | / | | | | | | |
| 14- | | | | / | | | | | | |
| 15- | | | | / | | | | | | |
| 16- | | | | / | | | | | | |
| 17- | | | | / | | | | | | |
| 18- | | | | / | | | | | | |
| 19- | | | | / | | | | | | |
| 20- | | | | / | | | | | | |
| 21- | | | | / | | | | | | |
| 22- | | | | / | | | | | | |
| 23- | | | | / | | | | | | |
| 24- | | | | / | | | | | | |
| 25- | | | | / | | | | | | |
| 26- | | | | / | | | | | | |
| 27- | | | | / | | | | | | |
| 28- | | | | / | | | | | | |
| 29- | | | | / | | | | | | |
| 30- | | | | / | | | | | | |
| 31- | | | | / | | | | | | |
| 32- | | | | / | | | | | | |
| 33- | | | | / | | | | | | |
| 34- | | | | / | | | | | | |
| 35- | | | | / | | | | | | |
| 36- | | | | / | | | | | | |
| 37- | | | | / | | | | | | |
| 38- | | | | / | | | | | | |
| 39- | | | | / | | | | | | |
| 40- | | | | / | | | | | | |
| (860) Total | | | | | 16,000,000.00 | | 270,254.38 | 681,369.62 | | 14,633,984.83 |

List Note Numbers Paid Monthly: B320 B321 B322 B323 B324 B325

*EXCLUDING CUSHION OF CREDIT.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| NOTE NUMBER | DATE OF NOTE | INT. RATE | CFC OR COBANK | TERM OF NOTE (YR) | SUMMARY OF LONG-TERM DEBT - CFC AND/OR COBANK | | | | OUTSTANDING END OF YEAR | RUS LOAN SUPPLEMENTED | |
|--------------------|--------------|-----------|---------------|-------------------|---|-----------------|---|-------------------|-------------------------|-----------------------|-------|
| | | | | | AMOUNT OF LOAN APPROVED | UNADVANCED LOAN | AMT REPAYD THIS YEAR FOR REGULAR BILLINGS | | | NOTE NUMBER | % |
| | | | | | | | PRINCIPAL | INTEREST | | | |
| 01-9009 | 7/8/1979 | 6.40 | CFC | 35 | 758,000.00 | | 14,861.56 | 233.15 | | B250/52 | 20.00 |
| 02-9013 | 8/13/1980 | 6.50 | CFC | 35 | 2,120,000.00 | | 140,634.76 | 25,410.59 | 309,992.58 | B260/62 | 30.00 |
| 03-9016 | 5/14/1982 | 6.60 | CFC | 35 | 695,000.00 | | 37,272.16 | 16,268.96 | 227,772.53 | B270/72 | 30.00 |
| 04-9017 | 10/26/1986 | 6.65 | CFC | 35 | 936,000.00 | | 39,591.37 | 30,894.66 | 448,532.83 | B281/83 | 30.00 |
| 05-RX0742T02 | 10/1/2009 | 3.21 | COBANK | 3 | 3,800,000.00 | | 330,809.80 | 2,584.49 | | | |
| 06-RI0742T03 | 11/5/2010 | 4.31 | COBANK | 18 | 15,713,949.26 | | 636,982.92 | 629,633.56 | 14,026,109.29 | | |
| 07-RI0742T04 | 2/15/2012 | 3.64 | COBANK | 15 | 5,321,746.01 | | 275,872.23 | 188,194.01 | 4,933,853.57 | | |
| 08-RI0742T05 | 11/26/2012 | 1.96 | COBANK | 3 | 3,800,000.00 | | 612,563.89 | 38,157.96 | 3,187,436.11 | | |
| 09- | | | | | | | | | | | |
| 10- | | | | | | | | | | | |
| 11- | | | | | | | | | | | |
| 12- | | | | | | | | | | | |
| 13- | | | | | | | | | | | |
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| 36- | | | | | | | | | | | |
| 37- | | | | | | | | | | | |
| 38- | | | | | | | | | | | |
| 39- | | | | | | | | | | | |
| 40- | | | | | | | | | | | |
| 41- | | | | | | | | | | | |
| (865) Total | | | | | 33,144,695.27 | | 2,088,588.69 | 931,377.38 | 23,133,696.91 | | |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| LONG-TERM DEBT - RUS | | |
|--|---|---------------|
| ACCT. | PRINCIPAL DATA | AMOUNT |
| 224.1 | Long-term debt - RUS. | 14,633,984.83 |
| 224.2 | Unadvanced RUS allotment - debit (page 21) | |
| 224.3 | Deferred interest - RUS. | |
| 224.4 | Long-term debt - RUS - matured and deferred. | |
| 224.5 | Cushion of credit - RUS - debit. | |
| Net balance due RUS as above (page 2, item 36). | | 14,633,984.83 |
| Total additions to RUS long-term debt this year. (Item 132) | | |
| Repayments for the year excluding advance payments. (Item 143) | | 270,254.38 |
| INTEREST ACCRUED - RUS (Account 237.1) | | |
| Balance beginning of year (matured \$.00). | | |
| Accrued during year (Account 427.1) (page 3, item 87) (page 26 summary). | | 681,369.62 |
| Repayments this year. | | 681,369.62 |
| Balance end of year (matured \$.00) (page 2, item 49)(page 26 summary). | | |
| LONG-TERM DEBT - CFC | | |
| ACCT. | PRINCIPAL DATA | AMOUNT |
| 223.1 | Subscriptions to CFC capital term certificates - debit. | |
| 223.2 | Unpaid subscriptions to CFC capital term certificates - credit. | |
| 223.4 | CFC loan approved - unadvanced - debit (page 22). | |
| 223.5 | Long-term debt - CFC credit. | 986,297.94 |
| 223.61 | Patronage capital certificates - debit. | |
| 223.62 | Deferred patronage dividends - credit. | |
| Net CFC account (account 223) (page 2, item 37). | | 986,297.94 |
| Total additions to CFC long-term debt this year. (Item 135) | | |
| Repayments for the year excluding advance payments. (Item 144) | | 232,359.85 |
| INTEREST ACCRUED - CFC (Account 237.2) | | |
| Balance beginning of year (matured \$.00). | | 7,045.65 |
| Accrued during year (Account 427.1) (page 3, item 88) (page 26 summary). | | 71,179.21 |
| Repayments this year. | | 72,807.36 |
| Balance end of year (matured \$.00) (page 2, item 50)(page 26 summary). | | 5,417.50 |
| LONG-TERM DEBT - COBANK | | |
| ACCT. | PRINCIPAL DATA | AMOUNT |
| 229.10 | Long Term Debt - CoBank - credit. | 22,147,398.97 |
| 229.20 | Unadvanced allotment - CoBank - debit. | |
| 229.30 | Subscription to class "C" stock - CoBank - debit. | |
| 229.40 | Unpaid subscription to class "C" stock - CoBank - credit. | |
| 229.50 | Allocated earnings receivable - CoBank - debit. | |
| 229.51 | Allocated earnings deferred - CoBank - credit. | |
| Net CoBank account (account 229) (page 2, item 38). | | 22,147,398.97 |
| Amount received on allotment this year. (Item 136) | | 3,800,000.00 |
| Repayments this year. (Item 145) | | 1,856,228.84 |
| INTEREST ACCRUED - COBANK (Account 237.6) | | |
| Balance beginning of year (matured \$.00). | | |
| Accrued during year (Account 427.4) (page 3, item 89) (page 26 summary). | | 858,570.02 |
| Repayments this year. | | 858,570.02 |
| Balance end of year (matured \$.00) (page 2, item 51)(page 26 summary). | | |

BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)

Name of issue: POST RETIREMENT BENEFITS
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: PostRetirement - 228 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue: _____

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|---------------------------------|--------------|-----------------------------------|--|
| Balance beginning of year..... | 919,387.26 | Accrued beginning of year..... | |
| Issued during year..... | 285,811.92 | Accrued during year (427.3)..... | |
| Total..... | 1,205,199.18 | Total..... | |
| Bonds retired this year..... | 259,691.62 | Payments during year..... | |
| Balance end of year..... | 945,507.56 | Balance end of Year..... | |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | 945,507.56 | Balance less matured (237.3)..... | |

Name of issue: NCSC - TVA SUPPLEMENTAL LOAN
 Date of issue: 06/30/1995 Amount of original issue: \$ 7,539,000.00
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: 2\15 Quarterly Principal due dates: 2\15 Quarterly Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: TVA - 228 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue: \$2,500,000 direct financing loan. Remainder supplemental to RUS loans.

Conditions under which bonds may be called:

Due in full within one year of submitting notice of cancellation of power contract with TVA.

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|---------------------------------|--------------|-----------------------------------|-----------|
| Balance beginning of year..... | 3,818,520.15 | Accrued beginning of year..... | 4,054.95 |
| Issued during year..... | | Accrued during year (427.3)..... | 21,677.19 |
| Total..... | 3,818,520.15 | Total..... | 25,732.14 |
| Bonds retired this year..... | 241,607.20 | Payments during year..... | 21,412.40 |
| Balance end of year..... | 3,576,912.95 | Balance end of Year..... | 4,319.74 |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | 3,576,912.95 | Balance less matured (237.3)..... | 4,319.74 |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)

Name of issue: NRUCFC Line of Credit
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: Other Notes Payable - 231 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ 5,000,000.00
 Purpose of issue: _____

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|---------------------------------|--------------|-----------------------------------|----------|
| Balance beginning of year..... | | Accrued beginning of year..... | |
| Issued during year..... | 6,190,719.46 | Accrued during year (427.3)..... | 2,022.64 |
| Total..... | 6,190,719.46 | Total..... | 2,022.64 |
| Bonds retired this year..... | 6,190,719.46 | Payments during year..... | 2,022.64 |
| Balance end of year..... | | Balance end of Year..... | |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | | Balance less matured (237.3)..... | |

Name of issue: CoBank Line of Credit
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: Other Notes Payable - 231 Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ 10,000,000.00
 Purpose of issue: _____

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|---------------------------------|--|-----------------------------------|--|
| Balance beginning of year..... | | Accrued beginning of year..... | |
| Issued during year..... | | Accrued during year (427.3)..... | |
| Total..... | | Total..... | |
| Bonds retired this year..... | | Payments during year..... | |
| Balance end of year..... | | Balance end of Year..... | |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | | Balance less matured (237.3)..... | |

BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)

Name of issue: _____
 Date of issue: _____ Amount of original issue: \$ _____
 Cash realized: \$ _____ Discount: \$ _____ Premium: \$ _____ Exp: \$ _____
 If rates are variable, state what index they are tied to and length of time between readjustments: _____
 Interest due dates: \ _____ Principal due dates: \ _____ Denominations: \$ _____
 Agent for paying principal and interest: _____
 Revenue or general obligation bonds: _____ Issued or assumed: _____
 If assumed from municipality give date and amount assumed: _____ \$ _____
 Amount authorized if different from amount issued: \$ _____
 Purpose of issue: _____

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ _____ Price paid: \$ _____

| PRINCIPAL DATA | | INTEREST ACCRUED | |
|----------------------------------|--|------------------------------------|--|
| Balance beginning of year. | | Accrued beginning of year. | |
| Issued during year. | | Accrued during year (427.3). | |
| Total. | | Total. | |
| Bonds retired this year. | | Payments during year. | |
| Balance end of year. | | Balance end of Year. | |
| Including matured of (239). | | Including matured of (240). | |
| Balance less matured (221). | | Balance less matured (237.3). | |

SUMMARY OF LONG-TERM DEBT - BONDS (Account 221) AND OTHER (Account 228)

| | ACCOUNT 221 | OTHER* ACCOUNT 228 | TOTAL* | POST- RETIREMENT BENEFITS ACCOUNT 228 | TVA ACCOUNT 228 |
|---|-------------|-----------------------|--------|--|--------------------|
| Balance beginning of year. | | | | 919,387.26 | 3,818,520.15 |
| Issued during year. (Item 137) | | | | 285,811.92 | |
| Total. | | | | 1,205,199.18 | 3,818,520.15 |
| Bonds retired this year. (Item 146) | | | | 259,691.62 | 241,607.20 |
| Balance end of year. | | | | 945,507.56 | 3,576,912.95 |
| Including matured of (239). (Item 147) | | | | | |
| Balance less matured (221). | | | | 945,507.56 | 3,576,912.95 |

(page 2, item 39.1) (page 2, item 39.2) (page 2, item 39.3)

SUMMARY OF INTEREST ACCRUED - LONG-TERM DEBT(Account 237)

| | TOTAL |
|--|-----------|
| Accrued beginning of year. | 4,054.95 |
| Accrued during year (427.3) (page 26). | 21,677.19 |
| Total. | 25,732.14 |
| Payments during year. | 21,412.40 |
| Balance end of year. | 4,319.74 |
| Including matured of (240). | |
| Balance less matured (237.3) (page 26). | 4,319.74 |

*Less TVA Long-term Debt and Postretirement Benefits

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| NOTES PAYABLE (Account 231) | | | | | | | | | | | |
|--|--|---------------|--|----------|----------|---|--|----------|----------|----------------------|---------------------|
| PRINCIPAL DATA | | | | | | INTEREST ACCRUED | | | | | |
| Balance beginning of year. | | | | | | Accrued beginning of year. | | | | | |
| New notes issued during year. | | | | | | Accrued during year (as below). | | | | | |
| Total. | | | | | | Total. | | | | | |
| Notes retired this year. | | | | | | Payments during year. | | | | | |
| Balance end of year. | | | | | | Balance end of year (as below). | | | | | |
| Portion of balance TVA (page 2, item 45.1). | | | | | | | | | | | |
| Portion of balance non-TVA (page 2, item 45.2). | | | | | | | | | | | |
| CUSTOMER DEPOSITS (Account 235) | | | | | | | | | | | |
| Balance accrued interest on customer deposits end of year. | | | | | | | | | | 10,851.22 | |
| Balance customer deposits end of year (Account 235). | | | | | | | | | | 1,692,233.51 | |
| Total customer deposits (page 2, item 47). | | | | | | | | | | 1,703,084.73 | |
| SUMMARY OF ACCRUED INTEREST AND INTEREST EXPENSE | | | | | | | | | | | |
| ACCT. NO. | DESCRIPTION | FROM PAGE NO. | REPORT ON BALANCE SHEET AS INDICATED BELOW | | | | REPORT ON REVENUE AND EXPENSE STATEMENT AS INDICATED BELOW | | | | |
| | | | ACCT. NO. | PAGE NO. | ITEM NO. | ACCRUED END OF YEAR | ACCT. NO. | PAGE NO. | ITEM NO. | EXPENSE FOR YEAR | |
| 221 | Bonds | 25 | 237.3 | 2 | 52.2 | | 427.3 | 3 | 90.1 | | |
| 223 | CFC | 23 | 237.2 | 2 | 50 | 5,417.50 | 427.2 | 3 | 88 | 71,179.21 | |
| 224 | RUS | 23 | 237.1 | 2 | 49 | | 427.1 | 3 | 87 | 681,369.62 | |
| 229 | CoBank | 23 | 237.6 | 2 | 51 | | 427.4 | 3 | 89 | 858,570.02 | |
| 228 | TVA long term | 25 | 237.3 | 2 | 52.1 | 4,319.74 | 427.3 | 3 | 90.2 | 21,677.19 | |
| 228 | Other long term | 25 | 237.3 | 2 | 52.2 | | 427.3 | 3 | 90.1 | | |
| 231 | TVA Notes Payable | Above | 237.5 | 2 | 52.1 | | 431 | 3 | 90.2 | | |
| 231 | Other notes payable | Above | 237.5 | 2 | 52.2 | | 431 | 3 | 92 | 2,022.64 | |
| 235 | Customer Deposits | Above | 235 | Above | --- | | 431 | 3 | 92 | 113,084.41 | |
| --- | Delinquent taxes | --- | 237.5 | 2 | 52.2 | | 431 | 3 | 92 | | |
| Total interest accrued end of year. | | | | | | 9,737.24 | Net expense for year. | | | | 1,747,903.09 |
| Total item 49 (page 2) | | | | | | | Total item 87 (page 3). | | | | 681,369.62 |
| Total item 50 (page 2) | | | | | | 5,417.50 | Total item 88 (page 3). | | | | 71,179.21 |
| Total item 51 (page 2) | | | | | | | Total item 89 (page 3). | | | | 858,570.02 |
| Total item 52.1 (page 2) | | | | | | 4,319.74 | Total item 90.1 (page 3). | | | | |
| Total item 52.2 (page 2) | | | | | | | Total item 90.2 (page 3). | | | | 21,677.19 |
| | | | | | | | Total item 92 (page 3). | | | | 115,107.05 |
| ACCOUNTS PAYABLE | | | | | | | | | | | |
| 232 | Accounts payable - general (includes \$9,264,798.08 to TVA for purchased power and Fac.Rental). | | | | | | | | | 11,220,615.98 | |
| 232 | Accrued purchased power. | | | | | | | | | | |
| 233 | Accounts payable - spec. const.. | | | | | | | | | | |
| 234 | Payable to municipal - utility revenue. | | | | | | | | | | |
| 234 | Other payables to municipality. | | | | | | | | | | |
| Total accounts payable - general (page 2, item 46). | | | | | | | | | | 11,220,615.98 | |
| OTHER CURRENT AND ACCRUED LIABILITIES | | | | | | | | | | | |
| 239 | Matured long-term debt (pages 23, 24, and 25). | | | | | | | | | | |
| 240 | Matured interest (pages 23, 24, and 25). | | | | | | | | | | |
| 241 | Tax collections payable. | | | | | | | | | 16,573.23 | |
| 242 | Miscellaneous - accrued insurance. | | | | | | | | | | |
| 242 | Miscellaneous - employees' accrued leave. | | | | | | | | | 1,240,346.28 | |
| 242 | Miscellaneous - other. | | | | | | | | | 241,479.10 | |
| Total other current and accrued liabilities (page 2, item 53). | | | | | | | | | | 1,498,398.61 | |
| OTHER DEFERRED CREDITS (Account 253) | | | | | | | | | | | |
| Payables for plant purchases; (item 149) | | | | | | | | | | | |
| Other items (List): Budget Billing Differences. | | | | | | | | | | 259,673.87 | |
| Total other deferred credits (page 2, item 56) | | | | | | | | | | | |
| Total other deferred credits (page 2, item 56) | | | | | | | | | | 259,673.87 | |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| BASIS FOR COMPUTATION OF ACCRUAL FOR AD VALOREM PROPERTY TAX OR TAX EQUIVALENT | | | | | | | |
|--|---|-----------------------------------|-----------------------------------|--------------------------------------|----------------------|---|--|
| <input checked="" type="checkbox"/> TAX, OR <input type="checkbox"/> TAX EQUIVALENT | | TN. EQUAL- IZATION RATIO | STATE ASSESS- MENT RATIO | TAX ASSESSMENT OR VALUATION | RATE PER \$100 | TAX OR EQUIVALENT FOR TAX PERIOD | AMOUNT APPLICABLE FOR FISCAL YEAR |
| PERIOD | DISTRICT | | | | | | |
| 1/1/2012 12/31/2012 | State of Kentucky - Real Estate | | | 1,198,993.00 | .1220 | 1,462.77 | 731.38 |
| 1/1/2012 12/31/2012 | State of Kentucky - Tangible | | | 74,140,076.00 | .4500 | 333,630.34 | 166,815.17 |
| 1/1/2012 12/31/2012 | State of Kentucky - Manufacturing Machinery | | | 18,389,010.00 | .1500 | 27,583.52 | 13,791.76 |
| 1/1/2012 12/31/2012 | Calloway County - Real Estate | | | 45,406.00 | .6750 | 329.51 | 164.78 |
| 1/1/2012 12/31/2012 | Calloway County - Tangible | | | 25,138,732.00 | .7157 | 178,807.42 | 89,403.71 |
| 1/1/2012 12/31/2012 | Carlisle County - Real Estate | | | 2,136.00 | .8930 | 19.12 | 9.56 |
| 1/1/2012 12/31/2012 | Carlisle County - Tangible | | | 4,201,146.00 | .9040 | 37,978.37 | 18,989.20 |
| 1/1/2012 12/31/2012 | Graves County - Real Estate | | | 1,133,017.00 | .2040 | 2,350.56 | 1,175.29 |
| 1/1/2012 12/31/2012 | Graves County - Tangible | | | 27,336,602.00 | .2634 | 72,004.61 | 36,002.32 |
| 1/1/2012 12/31/2012 | Graves County Schools - Real Estate | | | 1,078,587.00 | .3750 | 4,044.70 | 2,022.35 |
| 1/1/2012 12/31/2012 | Graves County Schools - Tangible | | | 27,124,096.00 | .3750 | 101,715.36 | 50,857.68 |
| 1/1/2012 12/31/2012 | Hickman County - Tangible | | | 573,321.00 | .7270 | 4,168.05 | 2,084.04 |
| 1/1/2012 12/31/2012 | Livingston County - Tangible | | | | | | |
| 1/1/2012 12/31/2012 | Marshall County - Real Estate | | | 18,434.00 | .8760 | 161.48 | 80.75 |
| 1/1/2012 12/31/2012 | Marshall County - Tangible | | | 16,890,275.00 | .8342 | 140,754.82 | 70,377.43 |
| 1/1/2012 12/31/2012 | Marshall County Fire Districts (All) - Tangible | | | 1,679,933.00 | .7905 | 13,279.86 | 6,639.96 |
| 1/1/2012 12/31/2012 | City of Arlington - Tangible | | | 101,179.00 | .4150 | 419.89 | 209.95 |
| 1/1/2012 12/31/2012 | City of Benton - Tangible | | | 106,340.00 | .2010 | 209.47 | 104.74 |
| 1/1/2012 12/31/2012 | City of Calvert City - Tangible | | | 159,848.00 | .2800 | 447.57 | 223.79 |
| 1/1/2012 12/31/2012 | City of Hardin - Tangible | | | 260,611.00 | .2589 | 674.72 | 337.36 |
| 1/1/2012 12/31/2012 | City of Hazel - Tangible | | | 89,361.00 | .4700 | 419.99 | 210.00 |
| 1/1/2012 12/31/2012 | City of Mayfield - Real Estate | | | 54,430.00 | .9730 | 529.61 | 264.81 |
| 1/1/2012 12/31/2012 | City of Mayfield - Tangible | | | 212,506.00 | .9730 | 2,067.68 | 1,033.85 |
| 1/1/2012 12/31/2012 | City of Murray - Tangible & Real Estate | | | 364,047.00 | .4110 | 1,496.24 | 748.13 |
| 1/1/2012 12/31/2012 | City of Murray Schools - Tangible & Real Estate | | | 224,242.00 | .5620 | 1,260.24 | 630.13 |
| 1/1/2012 12/31/2012 | City of Wingo - Tangible | | | 197,473.00 | .5300 | 1,046.61 | 523.31 |
| 7/1/2012 6/30/2013 | Underaccrual FY 2012 | | | | | | 29,895.68 |
| 1/1/2013 12/31/2013 | Estimated State | | | | | | 181,338.32 |
| 1/1/2013 12/31/2013 | Estimated Counties | | | | | | 277,806.90 |
| 1/1/2013 12/31/2013 | Estimated Cities | | | | | | 4,286.01 |
| 1/1/2012 12/31/2012 | State of Kentucky - Tangible Vehicle Tax | | | 1,105,282.00 | .4500 | 7,826.39 | 3,913.20 |
| 1/1/2012 12/31/2012 | Graves County - Tangible Vehicle Tax | | | 1,105,282.00 | .1910 | 2,111.08 | 1,055.58 |
| 1/1/2012 12/31/2012 | Graves County Schools - Tangible Vehicle Tax | | | 1,105,282.00 | .4640 | 5,315.98 | 2,564.21 |
| 1/1/2012 12/31/2012 | City of Mayfield - Tangible Vehicle Tax | | | | | | |
| 1/1/2013 12/31/2013 | State of Kentucky - Tangible Vehicle Tax | | | 1,086,185.00 | .4500 | 4,887.86 | 2,443.92 |
| 1/1/2013 12/31/2013 | Graves County - Tangible Vehicle Tax | | | 1,086,185.00 | .1910 | 2,074.69 | 1,037.35 |
| 1/1/2013 12/31/2013 | Graves County Schools - Tangible Vehicle Tax | | | 1,086,185.00 | .4640 | 5,039.91 | 2,519.96 |
| 1/1/2013 12/31/2013 | City of Mayfield - Tangible Vehicle Tax | | | | | | |
| 7/1/2012 6/30/2013 | Total Tax Expense | | | | | | 970,292.58 |

Where more than one tax period is applicable to the current fiscal year, show beginning and ending dates of each tax period. Compute tax or tax equivalent for each tax period and show amount prorated to this fiscal year. For tax equivalents show all the components of the tax base and applicable tax equivalent by taxing districts. When tax equivalent payments are determined other than by applying applicable tax rates to net plant, describe basis, explain any change from previous period, and include data showing breakdown of net plant by taxing districts and applicable tax rates. Use extra sheets if needed.

West Kentucky Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

PREPAID TAXES

Do not report any taxes listed in schedule of Account 236 below as prepaid - if prepaid show debit balance in Account 236.

| TAXING JURISDICTION | % OF GROSS REVENUE | BALANCE BEGINNING OF YEAR | PAYMENTS | PERIOD COVERED | | ACCT. NO. | WRITEOFF AMOUNT | BALANCE END OF YEAR |
|---------------------|--------------------------|---------------------------------|-----------|----------------|------------|--------------|--------------------------|---------------------------|
| GRAVES | | | 7,114.60 | 01/01/2013 | 12/31/2013 | 408.1 | 3,557.31 | 3,557.29 |
| GRAVES | | 3,619.79 | | 01/01/2012 | 12/31/2012 | 408.1 | 3,619.79 | |
| MAYFIELD | | | | 01/01/2012 | 12/31/2012 | 408.1 | | |
| MAYFIELD | | | | 01/01/2013 | 12/31/2013 | 408.1 | | |
| KY | | | 4,887.86 | 01/01/2013 | 12/31/2013 | 408.1 | 2,443.92 | 2,443.94 |
| KY | | 3,913.20 | | 01/01/2012 | 12/31/2012 | 408.1 | 3,913.20 | |
| Total | | 7,532.99 | 12,002.46 | | | | 13,534.22 (Add below) | 6,001.23 (Page 17) |

ACCRUED TAXES (Account 236)

| ACCT. NO. | KIND OF TAX | BALANCE BEG. OF YEAR | PAYMENTS | TAX EXPENSE (ACCOUNT 408) | TRANSFERRED | BALANCE END OF YEAR |
|------------------------|---|-------------------------|--------------|------------------------------|--------------|------------------------|
| 408.1 | Property | 433,535.34 | 926,862.47 | | 956,758.36 | 463,431.23 |
| 408.2 | U.S. Social Security - unemployment | 25.03 | 7,846.93 | | 7,821.90 | |
| 408.3 | U.S. Social Security - FICA | | 447,041.84 | | 447,041.84 | |
| 408.4 | State Social Security - unemployment | 159.78 | 8,698.44 | | 8,538.66 | |
| 408.5 | Gross receipts - state | | | | | |
| 408.6 | Income - state | | | | | |
| 408.7 | Other: (list below) | | | | | |
| 408.7 | Gross Receipts License Tax for Schools | | 2,396,319.46 | 2,396,319.46 | | |
| 408.7 | Reallocation of Prepaid Vehicle Taxes | | | (13,534.22) | 13,534.22 | |
| Total | | 433,720.15 | 3,786,769.14 | 2,382,785.24 | 1,433,694.98 | 463,431.23 |
| (885) | Tax expense from the writeoff of prepaid privilege taxes (as above) | | | 13,534.22 | | (page 2, item 48) |
| (890) | Total tax expense for the year (page 3, item 79) | | | 2,396,319.46 | | |

Social Security and Federal and State unemployment taxes paid should be reported under payments, and the portion not charged to tax expense should be reported as "Transferred".

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

GENERAL INFORMATION

1. Give the form of management of municipal system. (Power board, Mayor and council, etc.)

2. In the case of a Power Board (or Utilities Board), list any other departments of the city over which it exercises control.

3. (a) Give the statutes under which the electric system was created.
 RURAL ELECTRIFICATION ACT OF 1936

- (b) Give the statutes under which the electric system is currently operating if different from the above.

4. (a) Are customers' accounts billed by an outside organization? Y
 If so, give name. If not, give the type in-house hardware. Central Service Association, Tupelo, MS, on-line

- (b) At June 30:
 - 1) What percentage is added to customer bills for late payments? 5.00 %
 - 2) How many days are allowed between date of bill and last day before gross billing applies? 15 days
 - 3) Is an "Even Monthly Payment" (budget billing) plan available for electric consumers? Y Yes No
 - 4) Amount of security deposit required for residential service:

| | |
|------------------------------|---------------------------------------|
| Owner with Electric Heat | |
| Owner without Electric Heat | |
| Tenant with Electric Heat | \$175.00 |
| Tenant without Electric Heat | \$175.00 |
| Other (describe) | 2 months average bill for businesses. |

- 5) Are there any customer deposits that qualify (deposits exceeding 1 month's average bill and held longer than 6 months) for the payment of interest under the service practice standard entitled Deposit? If yes, what rate of interest is paid?

| Class | Yes/No | Interest Rate |
|--------------|--------|---------------|
| Residential | Y | 2.00 % |
| C & I Part A | Y | 2.00 % |
| C & I Part B | Y | 2.00 % |

- 6) Is interest on deposits:

| | | |
|---|-----------------|-------------|
| Refunded by check annually? | <u> </u> Yes | <u>N</u> No |
| Credited on customer's power bill annually? | <u> </u> Yes | <u>N</u> No |
| Credited to a deposit account annually? | <u> </u> Yes | <u>N</u> No |

Handled differently (Explain)
 Applied to final bill or refunded if credit balance.

- 7) Are prior written notice and due process afforded to customers before termination for nonpayment?

| | | |
|-----------------------------|--------------|----------------|
| Prior written notice? | <u>Y</u> Yes | <u> </u> No |
| Due process? | <u>Y</u> Yes | <u> </u> No |

- 8) Is information about policies and rates available upon request and application for service?

| | | |
|-------------------------------------|--------------|----------------|
| Upon request? | <u>Y</u> Yes | <u> </u> No |
| Upon application for service? | <u>Y</u> Yes | <u> </u> No |

- 9) Are the media used to inform customers about policies and rates?

| | | |
|---|----------------|----------------|
| Policies? | <u>Y</u> Yes | <u> </u> No |
| If yes, how many times during the past 12 months? | <u>4</u> Times | |
| Rates? | <u>Y</u> Yes | <u> </u> No |
| If yes, how many times during the past 12 months? | <u>4</u> Times | |

- 10) Is the most recent 12 months' prior usage available to customers upon request?

| | |
|--------------|----------------|
| <u>Y</u> Yes | <u> </u> No |
|--------------|----------------|

- 11) The cost of a membership certificate is \$5.00

GENERAL INFORMATION (CONTINUED)

5. Give the name of the audit firm conducting this year's audit:
 Alexander Thompson Arnold, LLC, Union City, TN

6. If water, gas, or other services are operated in connection with electric services, furnish the following information in connection with joint operations.

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
| | | | | | |
| | | | | | |

(a) Indicate the joint operations with the Electric Utility:

(b) Indicate the % of non-electric ownership of any jointly owned buildings:

(c) Percentage of building space rented to others _____ %

(d) Percentage of building space rented from others _____ %

(e) 1) Date of last joint expense study: _____

2) Joint expense study was prepared by: _____ TVA _____ Distributor _____ Other

3) Indicate the amount of the unresolved annual inequity as reflected by the TVA study:

4) Give the current status of the latest joint expense study:

GOVERNING BOARD

AMOUNT PAID*

| DIRECTORS OR MEMBERS OF GOVERNING BOARD NAME AND PRINCIPAL OCCUPATION | | TERM EXPIRES | AMOUNT PAID* | |
|--|--------------|--------------|--------------|-----------|
| | | | FEES | TRAVEL |
| CHAD WILLETT, PRESIDENT | REAL ESTATE | 07/01/2013 | 9,400.00 | 3,763.86 |
| TROY ENGLISH, VICE-PRESIDENT | SALES | 07/01/2013 | 4,100.00 | 5,599.29 |
| CAROLYN WOOD, | RETIRED | 07/01/2014 | 7,400.00 | 250.08 |
| DENNIS BARNES | FACTORY | 07/01/2016 | 8,500.00 | 2,365.75 |
| KEVIN CRIDER | AGRICULTURE | 07/01/2016 | 2,400.00 | 90.40 |
| JAMIE POTTS | AGRICULTURE | 07/01/2014 | 9,800.00 | 6,935.99 |
| BOB HARGROVE | BANKING | 07/01/2013 | 8,200.00 | 2,188.93 |
| TED LOVETT | MAINTENANCE | 07/01/2016 | 8,400.00 | 1,680.57 |
| ROBERT SPALDING | CONSTRUCTION | 07/01/2014 | 2,200.00 | 1,024.48 |
| RALPH EDRINGTON, RETIRED | AGRICULTURE | 01/10/2013 | 800.00 | 177.00 |
| Total | | | 61,200.00 | 24,076.35 |

*Show total amounts paid from electric system funds for fiscal year.
 Method of determining amounts paid to board members is as follows:
 Board members elected prior to 07/05 receive \$100 per each meeting plus medical insurance. Members elected after 07/05 receive \$400 for each regular board meeting and no medical insurance and \$100 per other meeting days. Term for board members elected after July 2006 will be four years.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| GENERAL INFORMATION (CONTINUED) | |
|---|------------|
| Detail of Account 930 - Miscellaneous General Expense | EXPENSE |
| General Advertising Expense | 94,767.54 |
| Association Dues, Chambers of Commerce | 152,082.60 |
| Directors Fees | 61,200.00 |
| Directors Travel, Meetings and Mileage | 24,076.35 |
| Directors Meeting Registration | 12,928.00 |
| Directors Insurance | 24,802.70 |
| Annual Meeting | 82,727.12 |
| Employee Dinners | 7,756.87 |
| Directors' Miscellaneous - meals, publications, travel & accident insurance, uniforms | 8,342.95 |
| Property Insurance Allocation | 4,873.85 |
| Property Tax Allocation | 3,386.44 |
| Directors' Liability Insurance | 8,554.00 |
| Miscellaneous | 6,969.15 |
| Service Awards | 3,950.00 |
| TOTAL | 496,417.57 |

GENERAL INFORMATION (CONTINUED)

EXPLAIN UNUSUAL INCREASES OR DECREASES IN OPERATING EXPENSES AND INCOME OVER LAST YEAR'S FIGURES; EXTRAORDINARY ITEMS PAGE 3; ITEMS MARKED * ON PAGES 5 AND 6; AND OTHER ENTRIES TO THE ACCUMULATED PROVISION FOR DEPRECIATION ON PAGE 11.

West KY RECC maintains open lines of credit with NRUCFC in the amount of \$5,000,000.00 and CoBank in the amount of \$10,000,000.00.

There are no outstanding loans to other lines of business.

West KY RECC did not participate in any annexations during FY 2013.

Page 1, Item 21, Preliminary Survey: During FY's 2012 and 2013, the cooperative was billed \$10,375.66 and 10,868.40, respectively, by the National Rural Telecommunications Cooperative Corp. which should have been billed to the local telephone cooperative. These amounts were originally charged to this account as preliminary costs for WKRECC's fiber optic project. WKRECC requested and received full reimbursement from NRTCC during FY 2012 which was credited to this account resulting in an overall decrease. The remaining balance of this account, representing the cost of a fiber optic feasibility study, will be reclassified in Account 107 - CWIP during FY 2014.

Page 1, Item 22, Clearing Accounts: Balance represents transportation costs not cleared at June 30, 2013. Additional costs are charged to this account subsequent to the transportation costs being cleared each month which results in this account not being completely cleared to zero each period.

Page 2, Item 50, Interest Accrued on Long-Term Debt - CFC: Decrease is due to lower interest payments due to decrease in long-term debt balance. WKRECC paid a balloon payment of \$577,378.99 in May, 2012 which significantly reduced the total debt owed to NRUCFC.

Page 2, Item 56, Other Deferred Credits: Increase due to increase in budget billing differences at June 30, 2013

Page 3, Item 70, Sales Expense: See explanations for page 5 expense items.

Page 3, Item 73, Transmission Expense: See explanations for page 6 expense items.

Page 3, Item 75, Admin & General Expense: See explanations for page 6 expense items.

Page 3, Item 87, Interest on Long-Term Debt - RUS: Decrease is due to refinancing RUS debt in the amount of \$5,209,725.80 with CoBank during February 2012. CoBank interest is accrued and paid monthly.

Page 3, Item 92, Other Interest Expense: Increase due to increase in interest on customer deposits and NRUCFC line of credit.

Page 4, Cash Provided By (Used In) Financing Activities: Represents net change in post-retirement benefit obligation at June 30, 2013.

Page 5, Acct 582: Increase due to \$86,867 payment to outside contractor for testing substation transformers and additional labor and overheads for WKRECC personnel for substation testing and operations.

Page 5, Acct 584: Increase due to increase in WKRECC payroll, transportation and overheads charges to this account for underground line inspections and locations.

Page 5, Acct 589: Decrease due to cancellation of radio tower rental contract with third party provider due to WKRECC's construction of company-owned communications tower.

Page 5, Acct 904: Increase due to increase in write-offs during FY 2013

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**GENERAL INFORMATION (CONTINUED)**

EXPLAIN UNUSUAL INCREASES OR DECREASES IN OPERATING EXPENSES AND INCOME OVER LAST YEAR'S FIGURES; EXTRAORDINARY ITEMS PAGE 3; ITEMS MARKED * ON PAGES 5 AND 6; AND OTHER ENTRIES TO THE ACCUMULATED PROVISION FOR DEPRECIATION ON PAGE 11.

Page 6, Acct 571: There were no expenses associated with transmission line maintenance during FY 2013.

Page 6, Acct 592: Decrease due to FY 2012 increased maintenance at Hickory Grove and Pilot Oak substations. Did not have that expense this FY.

Page 6, Acct 593: Last FY lower due to FEMA reimbursement credit for FY 2009 ice storm. FEMA payments were completed in FY 2012.

Page 6, Acct 595: Increase due to increase in transformer maintenance by newly formed maintenance crews who spent more time on transformer maintenance and arrestor changeouts.

Page 6, Acct 596: Increase due to more time spent on street lighting maintenance this FY.

Page 6, Acct 935: Decrease due to last FY having increased maintenance at warehouse and garage facilities. Replaced floors and shelving and resurfaced and reworked pole yard.

Pages 5 and 6, Accts 909, 913, and 930.1: Total advertising expenses for FY 2013 were \$118,312.

Page 7: The total amount of gross receipts tax added to sales revenue was \$2,396,319 for FY 2013.

Page 7: kWh for own use increase is due to recording kWh for new office building currently under construction.

Page 7: Decrease in number of outdoor lights due to project to identify and retire outdoor lights at locations with service.

Page 7: Increase in investment in outdoor lights due to higher costs of new lights.

Page 9, Acct 360: Additions are for land purchased for new substation sites. There were no retirements during FY 2013.

Page 10, Acct 391: Large increase in Acct 391 due primarily to purchases of new computer equipment for office replacements and use in field. Also, purchased new server equipment for use in new office building.

Page 10, Acct 397: Increase due to closing work order for new communications tower.

Pages 9 & 10: Reclassification amounts are for original cost of plant sold to Jackson Purchase Energy Cooperative during FY 2013.

Pages 9 & 10: Accts 356, 390, 394, 395: Added new plant with no associated retirements.

Page 10, Acct 107: Increase in CWIP due to ongoing construction of new office facilities, new substations, and fiber optic project.

Page 11, Accts 355, 362, 367, 373: Retired items having no salvage value.

Page 11, Other Entries: Amounts are to remove accumulated depreciation of plant sold to Jackson Purchase Energy Cooperative during FY 2013 and to clear Acct 102 - Electric Plant Purchased and Sold.

Page 11, Accts 353 and 361: Will discontinue depreciation during FY 2014.

GENERAL INFORMATION (CONTINUED)

EXPLAIN UNUSUAL INCREASES OR DECREASES IN OPERATING EXPENSES AND INCOME OVER LAST YEAR'S FIGURES; EXTRAORDINARY ITEMS PAGE 3; ITEMS MARKED * ON PAGES 5 AND 6; AND OTHER ENTRIES TO THE ACCUMULATED PROVISION FOR DEPRECIATION ON PAGE 11.

Page 26, Acct 242, Miscellaneous Other includes: Accrued payroll, \$40,919.08; Inactive memberships and depo \$65,976.97; Pole rents payable, \$4,460.63; Customer assistance program (ENUF), \$349.50; Employee savings account, \$61,376.92; AFLAC, \$189.63; NRECA supplemental life insurance, \$5.37; Deferred payable to EDC's, \$67,326.00; Employees' contributions to ACRE, \$550.00; Outstanding gift certificates, \$325.00.

Page 30: West KY RECC does not require deposits from homeowners but does require deposits from tenants.

West KY RECC follows functional accounting procedures of allocating property tax expense to individual expense accounts based on the plant investment in Accounts 360 - 373. Will begin allocating a portion of tax expense to transmission expense during FY 2014.

During FY 2013, West KY RECC made economic development contributions of \$15,000.00 each to Calloway Co EDC, Graves Growth Alliance, and Marshall County EDC. The total of \$45,000.00 reduced the EDC liability in Account 242 which was established for EDC activities with funds received upon dissolution of SKIDA.

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

KEY PERSONNEL

| KEY PERSONNEL | TITLE OR OCCUPATIONS | PERCENTAGE OF WAGES CHARGED TO THE ELECTRIC DEPARTMENT |
|---|---------------------------------------|--|
| David E. Smart | President, CEO | 100.00 |
| Ron N. Mays | V.P. Finance & Administration | 100.00 |
| Jack R. Clifford | Financial Officer/Accounting Manager | 100.00 |
| Anita Weatherly | Plant Accounting Supervisor | 100.00 |
| Julie Pittman | Member Billing Supervisor | 100.00 |
| Jamie Sears | Communications Director | 100.00 |
| Tim Vied | Manager of Engineering Services | 100.00 |
| Jimmy Greer | Construction & Maintenance Supervisor | 100.00 |
| Kim Grogan | Director of Safety | 100.00 |
| Jerry Wise | Right-of-Way Foreman | 100.00 |
| Roger Gough | Technology Coordinator | 100.00 |
| Marcia Pritchett | Human Resources Coordinator | 100.00 |
| Calvin Larkins | Line Maintenance Supervisor | 100.00 |
| (895) TOTAL NUMBER OF EQUIVALENT FULL-TIME EMPLOYEES: 90 | | |

West Kentucky Rural Electric Cooperative Corporation
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

RETAINED EARNINGS ADJUSTMENT(S)

| Order | Amount Description | Reason |
|-------|--------------------|--------|
| Total | \$0.00 | |