

# Exhibit 8

Part 1 of 2

**ANNUAL REPORT**

**Of**

**PENNYRILE RURAL ELECTRIC  
COOPERATIVE CORP.**

**For The Year Ended June 30, 2010**

**To**

**TENNESSEE VALLEY AUTHORITY**

Pennyrije Rural Electric Cooperative Corporation

Name of Organization

2000 Harrison Street Hopkinsville, KY 42241-0551

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)



SANDY GROGAN

Accountant in charge of books



ESTON GLOVER

Manager

8/12/10

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.

**Pennyrile 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
<b>UTILITY PLANT</b>				
Electric Plant .....	10	1	183,507,941.73	163,091,852.24
Less Depreciation .....	10	2	47,855,638.19	45,378,069.31
Total .....	10	3	115,652,303.54	117,713,782.93
Unamortized acq. adj. ....	13	4		
Other utility plant - net .....	----	5		
Total Plant - net .....	----	6	115,652,303.54	117,713,782.93
<b>OTHER PROPERTY AND INVESTMENTS</b>				
Nonutility property - net .....	15	7		
Other investments .....	14	8	1,576,968.40	1,378,563.76
Sinking funds .....	15	9		
Depreciation funds .....	15	10		
Other special funds .....	15	12		
Total .....	----	13	1,576,968.40	1,378,563.76
<b>CURRENT AND ACCRUED ASSETS</b>				
General cash and temporary cash investments .....	14	14	20,374,352.65	10,628,492.04
Accounts receivable .....	16	15	10,594,078.30	12,394,403.66
Materials and supplies .....	17	16	690,838.32	895,077.56
Prepayments .....	17	17	191,227.67	250,769.38
Other current assets .....	17	18	1,946,709.68	2,322,940.55
Total .....	----	19	33,797,206.62	26,491,683.19
<b>DEFERRED DEBITS</b>				
Debt expense .....	17	20		
Preliminary survey .....	----	21	15,831.37	12,900.17
Clearing accounts .....	----	22		
Energy Service Loans Receivables .....	----	24	2,144,707.67	2,093,962.74
Deferred costs on TVA Leases .....	17	25		
Other deferred debits .....	17	26	22,405,041.93	24,385,333.66
Total .....	----	27	24,565,580.97	26,492,196.57
<b>TOTAL ASSETS AND OTHER DEBITS .....</b>	<b>----</b>	<b>28</b>	<b>176,592,059.53</b>	<b>172,076,226.45</b>
<b>LIST UNRECORDED AND CONTINGENT ASSETS AND LIABILITIES OTHER THAN ACCRUED UTILITY REVENUE AND UNBILLED PURCHASED POWER</b>				

**Pennyrile Rural Electric Cooperative Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

PAGE 2

BALANCE SHEET				
LIABILITIES AND OTHER CREDITS	SEE PAGE NO	ITEM NO	JUNE 30	
			THIS YEAR	LAST YEAR
<b>CAPITAL</b>				
Membership certificates.....	---	30	802,588.73	776,553.02
<b>EARNINGS REINVESTED IN SYSTEM ASSETS</b>				
Beginning of year.....	----	33	63,843,117.73	60,267,542.15
Current year.....	3	34	4,668,825.58	3,536,975.58
<b>Total</b> .....	----	35	<b>68,511,943.31</b>	<b>63,804,517.73</b>
<b>LONG-TERM DEBT</b>				
RUS.....	23	36	7,586,290.12	7,217,481.10
CFC.....	23	37		
CoBank.....	23	38	17,190,595.73	24,011,378.08
Bonds and other long-term debt.....	25	39.1	51,954,325.33	49,824,653.06
TVA.....	25	39.3		
Debt premium and discount.....	---	40		
<b>Total</b> .....	----	41	<b>76,731,211.18</b>	<b>81,053,512.24</b>
<b>OTHER NON-CURRENT LIABILITIES</b>				
Postretirement Benefits.....	25	39.2	1,495,800.00	1,378,500.00
Energy Service Loans - Advances.....	---	42	2,162,239.25	2,123,081.65
Energy Service Loans - Other.....	---	43	1,986,160.13	2,094,309.13
<b>Total</b> .....	----	44	<b>5,644,199.38</b>	<b>5,595,890.78</b>
<b>CURRENT AND ACCRUED LIABILITIES</b>				
TVA notes payable.....	26	45.1		
Other notes payable.....	26	45.2		
Accounts payable.....	26	46	14,824,274.75	11,900,552.98
Customer deposits.....	26	47	5,153,552.82	4,852,166.31
Taxes and equivalents accrued.....	29	48	808,353.43	788,516.54
Interest accrued - RUS.....	23	49		6.46
Interest accrued - CFC.....	23	50		
Interest accrued -CoBank.....	23	51	85,676.71	109,526.45
Interest accrued -TVA.....	26	52.1		
Interest accrued - other.....	26	52.2		
Other current liabilities.....	26	53	1,846,559.32	1,627,489.14
<b>Total</b> .....	----	54	<b>22,518,417.03</b>	<b>19,278,257.88</b>
<b>DEFERRED CREDITS</b>				
Advances for construction - refundable.....	18	55	208,599.80	249,336.91
Other deferred credits.....	26	56	1,175,100.10	1,318,157.89
<b>Total</b> .....	----	57	<b>1,383,699.90</b>	<b>1,567,494.80</b>
<b>TOTAL LIABILITIES AND OTHER CREDITS.....</b>	----	<b>58</b>	<b>175,592,059.53</b>	<b>172,076,226.45</b>

**Pennyrile 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
<b>OPERATING REVENUE</b>				
Electric sales revenue (page 7, item 332)	---	59	106,973,887.14	113,836,320.95
Revenue from late payments	---	60	626,519.41	880,631.77
Misc. service revenue	---	61	149,975.00	157,875.00
Rent from electric property	---	62	1,206,080.62	1,068,136.29
Other electric revenue	---	63	42,072.86	72,070.15
<b>Total operating revenue</b>	---	64	<b>108,998,535.03</b>	<b>115,815,034.16</b>
<b>PURCHASED POWER</b>				
Total power cost (page 7, item 342)	7	65	79,931,432.93	88,260,110.30
<b>OPERATION EXPENSE</b>				
Transmission expense	5	66	7,446.35	7,933.70
Distribution expense	5	67	4,322,934.60	3,817,615.94
Customer accounts expense	5	68	2,153,410.05	1,997,858.40
Customer service and informational expense	5	69	128,164.08	122,440.22
Sales expense	5	70	328,985.95	241,170.91
Administrative and general expense	6	71	2,724,098.67	2,537,811.68
<b>Operation expense</b>	6	72	<b>9,665,039.70</b>	<b>8,724,830.85</b>
<b>MAINTENANCE EXPENSE</b>				
Transmission expense	6	73		
Distribution expense	6	74	3,692,543.02	4,525,343.05
Administrative and general expense	6	75	214,676.16	160,403.30
<b>Maintenance expense</b>	6	76	<b>3,907,219.18</b>	<b>4,685,746.35</b>
<b>OTHER OPERATING EXPENSE</b>				
Depreciation expense	12	77	5,559,255.98	5,363,991.28
Amortization of acquisition adjustment	13	78		
Taxes and tax equivalents	29	79	2,929,457.31	3,136,434.18
<b>Other operating expense</b>	---	80	<b>8,488,713.29</b>	<b>8,500,425.46</b>
<b>TOTAL OPERATING EXPENSE AND PURCHASED POWER</b>	---	81	<b>101,992,405.10</b>	<b>110,171,112.96</b>
<b>INCOME</b>				
Operating income (item 64, less item 81)	---	82	7,006,129.93	5,643,921.20
Other income	16	83	1,194,691.74	1,983,307.89
<b>Total Income</b>	---	84	<b>8,200,821.67</b>	<b>7,627,229.09</b>
Miscellaneous income deductions	16	85	88,334.78	117,875.99
<b>Net income before debt expense</b>	---	86	<b>8,112,486.89</b>	<b>7,509,353.10</b>
<b>DEBT EXPENSE</b>				
Interest on long-term debt - RUS	23	87	660,748.00	679,989.97
Interest on long-term debt - CFC	23	88		
Interest on long-term debt - CoBank	23	89	806,491.22	1,051,963.52
Interest on long-term debt - other	26	90.1	1,684,385.47	1,968,562.72
Interest - TVA	26	90.2		
Other interest expense	---	92	292,036.62	271,861.31
Amortization of debt discount and expense	---	93		
Amortization of premium on debt - credit	---	94		
<b>Total debt expense</b>	---	95	<b>3,443,661.31</b>	<b>3,972,377.52</b>
<b>NET INCOME</b>				
Net income before extraordinary items (item 86, less item 95)	---	96	4,668,825.58	3,536,975.58
Extraordinary items	33	97		
<b>Net Income</b>	2	98	<b>4,668,825.58</b>	<b>3,536,975.58</b>

**Pennyrile Rural Electric Cooperative Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

STATEMENT OF CASH FLOWS		
Increase (Decrease) In Cash and Cash Equivalents		
	THIS YEAR	LAST YEAR
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Net Income .....	4,668,825.58	3,536,975.58
Adjustments to Reconcile Net Income to Net Cash:		
Depreciation .....	5,952,990.42	5,743,339.40
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 .....	1,800,325.36	(2,097,792.24)
Materials and Supplies .....	204,239.24	203,568.94
Prepayments and Other Current Assets .....	435,772.58	(141,138.25)
Deferred Debits .....	1,977,360.53	(1,280,666.60)
Accounts Payable .....	2,723,721.77	(55,250.73)
Customer Deposits .....	301,386.51	405,407.52
Taxes and Interest Accrued .....	(4,019.31)	15,202.49
Other Current Liabilities .....	219,070.18	275,981.22
Deferred Credits .....	(183,794.90)	381,711.09
Other .....	38,600.00	(246,800.00)
Net Cash Provided by (Used In) Operating Activities .....	18,144,477.96	6,740,538.42
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:</b>		
Additions to Plant .....	(3,337,962.87)	(13,794,086.34)
Removal Cost .....	(1,033,734.71)	(829,967.69)
Salvage .....	470,186.55	455,074.80
Net Change in Other Property and Investment .....	(198,404.64)	(206,283.13)
Energy Service Loans Receivable .....	(50,744.93)	(269,038.97)
Plant Sold (Purchased) - NonInstallment Method .....		
Deferred Costs on TVA Leases (excluding amortization) .....		
Other .....		
Net Cash Provided by (Used In) Investing Activities .....	(4,150,660.60)	(14,644,300.33)
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Additional Long-Term Borrowings .....		8,000,000.00
Payment of Principal on Long-Term Debt .....	(4,322,301.06)	(4,143,188.77)
Notes Payable .....		
Memberships .....	26,035.71	25,747.18
Energy Service Loans Advances .....	(68,991.40)	1,613,298.23
Receipt for Plant Sold - Installment Method .....		
Payment for Plant Purchased - Installment Method .....		
Other .....	117,300.00	405,700.00
Net Cash Provided by (Used In) Financing Activities .....	(4,247,956.75)	5,901,556.64
<b>NET INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS ..</b>	<b>9,745,860.61</b>	<b>(2,002,205.27)</b>
<b>CASH AND TEMPORARY INVESTMENTS BEGINNING OF YEAR .....</b>	<b>10,628,492.04</b>	<b>12,630,697.31</b>
<b>CASH AND TEMPORARY INVESTMENTS END OF YEAR .....</b>	<b>20,374,352.65</b>	<b>10,628,492.04</b>
<p>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.</p>		

Pennyrile 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
	<b>OPERATING EXPENSE</b>				
	<b>1. TRANSMISSION</b>				
560	Supervision and engineering.....				
561	Load dispatching.....				
562	Station expense.....	2,988.73	3,153.74		
563	Overhead line expense.....	4,457.62	4,779.96		19.75
564	Underground line expense.....				
566	Miscellaneous.....				
567	Rents.....				
(600)	Total transmission operating expense (page 3, item 56)	7,446.35	7,933.70		19.75
	<b>2. DISTRIBUTION</b>				
580	Supervision and engineering.....	96,050.97	80,996.43	54,121.51	44,753.04
581	Load dispatching.....				
582	Station expense.....	212,260.49	214,464.12	37,112.49	32,034.71
583	Overhead line expense.....	2,429,698.28	2,006,908.21	576,296.63	438,750.97
584	Underground line expense.....	138,608.26	141,863.26	11,923.28	14,379.19
585	Street lighting and signal system expense.....	59,532.77	48,665.68	22,781.09	17,153.96
586	Meter expense.....	468,126.20	440,706.68	122,390.08	93,602.13
587	Customer installation expense.....	234,465.78	222,394.48	110,728.19	97,750.85
588	Miscellaneous.....	560,798.33	534,015.25	242,465.04	223,535.80
589	Rents.....	123,193.52	127,698.83		(14.54)
(605)	Total distribution operating expense (page 3, item 67)	4,322,934.60	3,817,615.94	1,177,818.31	961,888.11
	<b>3. CUSTOMER ACCOUNTS EXPENSE</b>				
901	Supervision.....	213,084.93	193,411.92	131,346.36	119,832.23
902	Meter reading expense.....	198,712.66	159,797.08	72,835.47	60,169.15
903	Customer records and collection expense.....	1,659,182.92	1,557,839.04	658,358.80	620,199.93
904	Uncollectible accounts.....	51,261.67	75,752.12		
905	Miscellaneous.....	11,167.87	11,058.24		
(610)	Total customer accounts expense (page 3, item 68)	2,153,410.05	1,997,858.40	862,540.63	800,201.31
	<b>4. CUSTOMER SERVICES &amp; INFORMATIONAL EXPENSE</b>				
907	Supervision.....	15,905.82	13,270.69	9,634.58	7,687.81
908	Customer assistance expense.....	39,209.25	36,749.26	8,099.35	6,787.49
909	Informational and instructional advertising expense.....	7,315.01	71,913.46	6,330.62	5,718.42
910	Miscellaneous customer service and informational expense.....	(106.00)	506.81		31.75
(615)	Total customer services and informational expense (page 3, item 69)	128,164.08	122,440.22	24,064.55	20,225.47
	<b>5. SALES EXPENSE</b>				
911	Supervision.....				
912	Demonstrating and selling expense.....	260,345.86	170,287.80	124,683.66	117,446.63
913	Advertising expense.....	26,038.09	24,128.86	6,358.25	5,084.63
916	Miscellaneous.....	42,602.00	46,754.25		
(620)	Total sales expense (page 3, item 70)	328,985.95	241,170.91	131,041.91	122,531.26



**Pennyrile 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
<b>5. ADMINISTRATIVE &amp; GENERAL</b>					
920	Administrative and general salaries.....	1,128,980.25	1,023,980.85	693,172.21	635,510.45
921	Office supplies and expense.....	214,974.11	230,415.01		
922	Administrative expense transferred - credit*				
923	Outside services employed.....	105,656.27	74,277.74		
924	Property insurance.....				
925	Injuries and damages.....	295,109.71	283,609.02	60,522.31	50,903.08
926	Employee pensions and benefits.....	238,454.56	200,678.08		
927	Franchise requirements*				
928	Regulatory commission expense*				
929	Duplicate charges - credit.....	(30,417.74)	(33,753.25)		
930	Miscellaneous general expense.....	771,341.51	758,604.45	16,595.99	14,463.92
931	Rents.....				
(625)	Total administrative and general expense (page 3, item 71).....	2,724,098.67	2,537,811.68	770,290.51	700,877.45
(630)	Total operating expense (Page 3 item 72).....	9,665,039.70	8,724,830.85	2,965,755.91	2,605,741.35
<b>MAINTENANCE EXPENSE</b>					
<b>1. TRANSMISSION</b>					
568	Supervision and engineering.....				
569	Maintenance of structures.....				
570	Maintenance of station equipment.....				
571	Maintenance of overhead lines.....				
572	Maintenance of underground lines.....				
573	Miscellaneous.....				
(635)	Total transmission maintenance expense (page 3, item 73).....				
<b>2. DISTRIBUTION</b>					
590	Supervision and engineering.....	76,742.32	67,106.73	45,502.34	38,701.50
591	Maintenance of structures.....				
592	Maintenance of station equipment.....	90,455.54	110,695.36	33,478.41	39,894.69
593	Maintenance of overhead lines.....	3,335,431.56	4,167,307.37	792,126.97	1,605,264.29
594	Maintenance of underground lines.....	16,101.96	15,020.76	3,512.31	3,896.30
595	Maintenance of line transformers.....	120,171.07	106,183.88	13,677.35	17,064.00
596	Street lighting and signal systems.....	7,181.33	5,634.54	3,092.30	2,115.20
597	Maintenance of meters.....	35,864.04	38,196.45	15,737.01	18,641.24
598	Maintenance of miscellaneous distribution plant.....	10,585.18	15,197.96	5,671.73	8,146.07
(640)	Total distribution maintenance expense (page 3, item 74).....	3,632,543.02	4,525,343.05	912,798.42	1,733,725.29
<b>3. ADMINISTRATIVE &amp; GENERAL</b>					
835	Maintenance of general plant (page 3, items 75).....	214,676.16	160,403.30	13,694.94	5,230.31
(645)	Total maintenance expense (page 3, item 76).....	3,907,219.18	4,685,746.35	926,493.36	1,738,955.60
(650)	Total operating and maintenance expense.....	13,572,258.88	13,410,577.20	3,892,249.27	4,344,696.95
(655)	Total direct and indirect payroll charged to construction and retirements.....			1,936,344.36	1,438,574.70
(660)	Payroll charged to other accounts.....			641,968.98	860,925.71
(662)	Fiscal year net change in accrued leave account - (increase) decrease.....			(2,076.43)	(26,576.94)
(665)	Total payroll distribution for year.....			6,468,486.18	6,635,618.42

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

**Pennyrile 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	57,481,979.68	60,427,798.04	107	593,966,673	573,052,156
Gen. Power - 50 kW & under	101	9,486,364.65	9,505,866.86	108	80,572,760	76,383,177
Gen. Power - Over 50 kW	102	38,771,817.94	42,059,398.59	109	456,602,478	460,335,017
Street and athletic	103	429,910.21	456,328.56	110	3,948,623	3,826,284
Outdoor lighting	104	1,207,956.83	1,322,527.32	111	12,359,015	12,332,223
Subtotal	330	107,378,029.31	113,771,919.17			
Unbilled revenue*	331	(404,142.17)	64,401.78			
Total (page 3, item 59)	332	106,973,887.14	113,836,320.95	335	1,157,449,549	1,125,928,857
Kilowatt-hours for own use				113	294,910	304,869
Total kilowatt-hours sold and used				114	1,157,744,459	1,126,233,726
Kilowatt-hours in unbilled revenue (items 331) above*				336	43,780,658	655,096

STATE SALES TAX	TO ABOVE CLASSES OF REVENUE	CREDITS	GREEN POWER REVENUE
State and local sales tax on above revenue	KY	2,178,884.90	
			2,755.33
Total		1,036,251.18	

PURCHASED POWER						
TVA	ITEM NO	AMOUNT		ITEM NO	KILOWATT-HOURS PURCHASED	
		THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR
Purchased Power	115	82,365,939.57	86,433,672.69	119	1,273,431,097	1,179,566,302
Facilities Rental	116	1,704,299.69	1,725,477.66			
Other Charges/Credits	117					
Total from TVA	118	84,070,239.26	88,159,150.35	122	1,273,431,097	1,179,566,302
Other Purchased Power**	218			222		
Subtotal	340	84,070,239.26	88,159,150.35			
Unbilled Purchases*	341	(4,136,806.33)	100,959.95			
Total (page 3, item 65)	342	79,931,432.93	88,260,110.30	345	1,273,431,097	1,179,566,302
Less kilowatt hours sold and used (item 114)				123	1,157,744,459	1,126,233,726
Line losses and kilowatt-hours unaccounted for				124	115,686,638	53,332,576
Percent of losses to purchases (2 decimal places)				125	9.09	4.52
Kilowatt-hours in unbilled purchases (Item 341) above*				346	(51,697,804)	1,261,090

\*\*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)	37,693	37,546	Individual Outdoor Lts.		
Gen. Power - 50 kW & under	(680)	8,586	8,530	No. in plant	14,287	14,177
Gen. Power - Over 50 kW	(685)	580	546	Total investment	5,242,572.26	5,041,328.70
Street and athletic	(690)	148	148	O&M expense	217,364.25	205,217.73
Outdoor Lighting - Excl. Code 77	(693)	83	78	St. Ltg-Invest. Base	1,853,619.91	1,777,095.49
Total	(695)	47,090	46,848	O&M expense	66,724.10	54,301.22
Outdoor Lighting - Code 77	(697)	231	11,090	Lamps & Glassware	1,441.34	1,182.54

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

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

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 FROM STAT. REPT.	ALLOWANCE KWH X .003	EXCESS TO BE BILLED
ADAIRVILLE	21.57	84,076	252.23	
CADIZ	139.04	613,096	1,839.29	
APACHE HEIGHTS HOMEOWNERS	30.10	10,032	30.10	
ELKTON	204.49	337,716	1,013.15	
GUTHRIE	57.36	166,740	500.22	
HOPKINSVILLE	719.43	565,860	1,697.58	
LAFAYETTE	4.24	9,954	29.86	
LEWISBURG	8.48	129,292	387.88	
OLMSTEAD	7.84	4,224	12.67	
PEMBROKE	17.62	104,157	312.47	
TRENTON	9.76	79,612	238.84	
OAK GROVE	153.55	265,720	797.16	
RUSSELLVILLE	54.27	102,806	308.42	
KY DEPT OF HIGHWAY		260,579	781.74	
FT. CAMPBELL	30.79	228,093	684.28	
CHRISTIAN COUNTY		528	1.58	
LATHAM RICHARD K	(17.20)	(5,732)	(17.20)	
HARRIS C W JR.		1,584	4.75	
ROGERS GROUP		79,520	238.56	
DR. HART - CADIZ SUBDIVISION		968	2.90	
TOTAL:	1,441.34	3,038,825	9,116.48	

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

ACCT. NO.	DESCRIPTION	BALANCE BEG. OF YEAR	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS		BALANCE END OF YEAR
					DEBIT	CREDIT	
<b>ELECTRIC PLANT</b>							
<b>INTANGIBLE</b>							
301	Organization						
302	Franchises and consents						
303	Miscellaneous						
(750)	Total Intangible						
755	Total production						
<b>PRODUCTION</b>							
350	Land and land rights	71,983.04					71,983.04
351	Clearing land and rights of way						
352	Structures and improvements	55,160.21					55,160.21
353	Station equipment	301,491.18					301,491.18
354	Towers and fixtures						
355	Poles and fixtures	359,408.03					359,408.03
356	Overhead conductors and devices	289,981.49					289,981.49
357	Underground conduit						
358	Underground conductors and devices						
359	Roads and trails						
(760)	Total transmission	1,058,003.95					1,058,003.95
<b>DISTRIBUTION</b>							
360	Land and land rights	1,138,279.75	2,706.60	116.64			1,140,869.72
361	Structures and improvements						
362	Station equipment	10,315,512.12	1,077.45				10,316,589.57
363	Storage battery equipment						
364	Poles, towers, and fixtures	53,490,015.56	3,336,917.18	1,244,379.82			55,582,552.92
365	Overhead conductors and devices	19,599,591.89	1,215,178.35	209,204.58			20,605,565.66
366	Underground conduit	414.56					414.56
367	Underground conductors and devices	4,666,815.57	357,500.06	9,902.62			5,014,413.01
368	Line transformers	26,547,433.48	955,690.71	325,404.15			27,187,720.04
369	Services	7,732,978.01	851,795.40	119,288.71			8,465,464.70
370	Meters	11,195,004.76	172,489.47	40,489.61			11,327,004.42
371	Inst. on customers' premises	5,041,328.70	490,508.91	288,887.76			5,242,949.85
372	Leased prop. on cust. premises						
373	St. lighting and signal systems	1,723,719.47	136,625.61	61,776.63			1,799,188.45
(765)	Total distribution	141,451,093.88	7,530,489.74	2,298,850.72			146,682,732.90

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

ACCT. NO.	GENERAL	BALANCE BEG. OF YEAR	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS		BALANCE END OF YEAR
					DEBIT	CREDIT	
389	Land and land rights.....	653,541.83					653,541.83
390	Structures and improvements.....	5,216,476.00	16,317.73	3,602.05			5,229,191.68
391	Office furniture and equipment.....	1,983,633.26	111,607.72	22,915.90			2,072,325.08
392	Transportation equipment.....	4,666,659.37	777,741.48	542,088.94			5,222,311.91
393	Stores equipment.....	303,375.16					303,375.16
394	Tools, shop, and garage equip.....	561,977.14	46,868.86	49,248.88			559,597.12
395	Laboratory equipment.....	168,567.65					168,567.65
396	Power operated equipment.....						
397	Communication equipment.....	1,091,255.48	164,418.64	5,168.89			1,250,505.23
398	Miscellaneous equipment.....	9,442.51					9,442.51
399	Other tangible property.....						
(770)	Total general.....	14,974,988.40	1,116,954.43	623,022.66			15,468,920.17
101	Total plant in service.....	157,484,086.23	8,647,444.17	2,921,873.38			163,309,657.02
102	Electric plant purchased or sold.....						
104	Electric plant leased to others.....						
105	Electric plant for future use.....						
107	Construction work in progress.....	5,607,766.01	(5,309,481.30)				298,284.71
(775)	Total other electric plant.....	5,607,766.01	(5,309,481.30)				298,284.71
(780)	Total electric plant (page 1, item 1).....	163,091,852.24	3,337,962.87 (Item 140)	2,921,873.38			163,507,941.73
RESERVES							
108	Accumulated provision for depreciation of electric plant in service.....						
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).....						
	Total electric plant, less accumulated provision for depreciation (page 1, item 3).....						115,557,303.54
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:							

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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	4.00	36,755.95	2,204.16						38,960.11	71
353	4.00	201,645.71	12,047.52						213,693.23	71
354										
355	4.00	205,839.02	14,361.96						220,200.98	61
356	3.00	136,009.92	8,098.80						144,108.72	53
357										
358										
359										
(785) TOTAL		580,250.60	35,712.44						616,963.04	58
360			116.64							
361										
362	4.00	5,435,050.23	412,222.28						5,847,272.51	57
363										
364	3.25	13,045,165.09	1,787,087.14	1,244,379.82	717,503.67	92,058.11			12,882,426.85	23
365	2.50	5,751,943.95	502,766.73	209,204.58	119,449.88	78,033.55			5,004,089.77	29
366	3.00	390.00							390.00	94
367	3.00	746,045.41	145,022.25	9,902.62	5,326.03	700.09			877,539.10	18
368	3.00	9,362,997.27	804,848.89	325,404.15	71,841.43	41,717.15			9,812,317.73	36
369	4.50	2,250,308.02	369,603.71	119,288.71	70,638.62	25,127.20			2,455,111.60	29
370	3/6	33,829.10	626,845.59	40,489.81		5,585.35			625,770.23	6
371	8/5	1,620,677.27	412,698.72	288,887.76	159,274.27	20,940.10			1,606,154.06	31
372										
373	8.00	938,937.20	140,700.12	61,176.63	34,584.63	4,390.69			988,266.75	55
(790) TOTAL		38,185,343.54	5,202,912.07	2,298,850.72	1,178,618.53	268,552.24			41,179,338.60	28
389										
390	VAR	1,588,980.72	121,132.73	3,602.05	765.00				1,805,746.40	35
391	4/10/20	1,021,864.34	114,785.88	22,915.90					1,113,734.32	54
392	VAR	2,380,260.97	403,734.44	542,088.94	1,370.53	190,634.31			2,431,170.25	47
393	4.00	76,698.27	10,823.61						87,521.88	29
394	8.00	241,757.19	36,466.66	49,246.88		11,000.00			239,976.97	43
395	8.00	131,407.83	5,647.41						137,055.24	31
396										
397	3.00	258,200.91	30,163.02	5,168.89					283,195.04	23
398	10.00	6,325.42	612.16						6,937.58	73
399										
(795) TOTAL		5,805,495.65	723,365.91	623,022.66	2,135.53	201,634.31			6,105,337.68	39
(800) OTHER		(193,020.48)		(147,019.35)					(45,001.13)	(15)
(805) TOTALS		45,378,069.31	5,962,990.42	2,921,873.38	1,033,734.71	470,186.55			47,855,638.19	29

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

**Pennyrile Rural Electric Cooperative Corporation**  
 REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

ACCUMULATED PROVISION FOR DEPRECIATION - CONTINUED		
Depreciation expense (403 and 404) (page 3, item 17) .....	(810)	5,559,255.98
Depreciation charged to transportation expense - clearing .....	(815)	403,734.44
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 12B)	5,962,990.42

Explanations (continue on page 33 if necessary)

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

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*							
From whom property acquired (abbreviate)							TOTAL
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
Total				Total			
GAIN OR LOSS ON SALE OF ELECTRIC PLANT							
Selling price (Item 130)							
Less net plant sold (as above)							
Difference							
Less selling expense (Item 131)							
Gain or loss on sale (Item 129)							



**Pennyrile Rural Electric Cooperative Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<b>INVESTMENTS IN ASSOCIATED COMPANIES</b> (Report only the investments not considered as current assets)			
<b>OTHER INVESTMENTS - GENERAL FUNDS</b>			
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
Class E Stock	918,765.76	245,844.16	
Investment in Federated Insurance Co.	180,522.00	29,275.00	
Long-Term Investment - KAEC	5,000.00	28.64	
Investment in PenWar - 500 shares	500.00		
Investment in Southeastern Data Corp. stock	100.00		
Investment - CFC	1,000.00		
Patronage Capital Alloc - SEDC	115,878.89	39,845.00	
Patronage - United Utility Supply	246,337.46	60,208.00	
Patronage - Arkansas Electric	10,436.25	2,855.49	
Patronage - KAEC	87,670.22	2,557.70	
Patronage - Logan Telephone Coop	10,757.82	2,502.16	
Patronage - Southern States Coop			
<b>Subtotal</b>	<b>1,576,968.40</b>	<b>383,116.15</b>	
	(page 1, item 8)	(account 419, page 16)	
<b>INVESTMENTS OF FUNDS OTHER THAN GENERAL FUNDS</b>			
(Investments included in Accounts 125, 126, and 128 - page 15)			
<b>Subtotal</b>			
	(page 15)	(account 419, page 16)	
<b>CASH AND TEMPORARY CASH INVESTMENTS - GENERAL FUNDS</b>			
(Report only investments considered as current assets)			
Cash - Temporary Cash Investments		295.43	
Cushion of Credit - Interest Income		449,940.21	
Repurchase Agreement	20,274,777.64	48,664.69	
Interest - District Bank Account		29.36	
<b>Total Temporary Cash Investments</b>	<b>20,274,777.64</b>	<b>498,929.69</b>	
<b>CASH (Accounts 131 - 135)</b>	<b>99,575.01</b>		
<b>Subtotal</b>	<b>20,374,352.65</b>	<b>498,929.69</b>	
	(page 1, item 14)	(account 419, page 16)	
<b>Grand Total</b>	<b>21,951,321.05</b>	<b>882,045.84</b>	

Pennyrite 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	CONSTRUCTION FUNDS	ACCOUNT 128 TOTAL OTHER SPECIAL FUNDS	
Cash included in fund end of year					
Investments in fund end of year (page 14)					
Balance of fund end of year (page 1)	(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					
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 416)	
Total					
Less accumulated provision for depreciation (account 122)					
Total net of depreciation (page 1, item 7)				(page 16)	

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

PAGE 16

ACCT. NO.		OTHER INCOME	
415	Revenue from merchandising, jobbing, etc.		342,937.43
416	Cost and expense of merchandising, etc.		(30,333.05)
417*	Income from nonutility operations - net of expense.		
418	Nonoperating rental income - net of expense (page 15).		
419	Interest and dividend income (page 14).		882,045.84
419.1	Interest charged to construction.		
421*	Misc. nonoperating income - net of expense.		41.52
(845)	Total other income (page 3, item 83).		1,194,691.74
*Explain these items briefly:			
	417	421	
		Surge Protectors - \$39.92	
		Time Warner Dividends - \$1.60	
ACCT. NO.		MISCELLANEOUS INCOME DEDUCTIONS	
425*	Miscellaneous amortization.		
426*	Miscellaneous income deductions.		88,334.78
(850)	Total misc. income deductions (page 3, item 85).		88,334.78
*Explain these items briefly:			
	425	426	
		Donations - \$71,332.95	
		Abandoned Work Orders - \$3,261.27	
		Employee Membership Dues - \$1,698.10	
		Counseling Committee - \$3,815.19	
		Frankfort/Washington Youth Tours - \$8,227.27	
INVESTMENT PROCEDURES			
Are investments in excess of \$100,000 secured? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, how?			
U.S. Treasury obligations. Securities are held by third party and we have a safekeeping receipt.			
ACCT. NO.		RECEIVABLES	
141	Notes receivable (Explain on page 33).		
142	Customer accounts receivable.		10,259,848.25
143	Other accounts receivable.		346,730.05
146	Accounts receivable municipality (Explain on page 33 if over 45 days past due).		
	Total.		10,606,578.30
144	Accumulated provision for uncollectible accounts.		12,500.00
	Accounts receivable net of reserve (page 1, item 15).		10,594,078.30

**Pennyrile Rural Electric Cooperative Corporation**  
 REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

ACCT. NO.	MATERIALS AND SUPPLIES		
154	Plant materials and operating supplies.....		594,393.38
155	Merchandise.....		
158	Other materials and supplies.....		85,199.03
163	Stores expense undistributed.....		11,245.91
(855)	Total materials and supplies (page 1, item 16).....		690,838.32
Give dates of physical inventories this year: <u>12/11/2009</u>			
Total of adjustments: \$ _____ over, or \$ <u>374.75</u> short			
PREPAYMENTS - Account No. 165			
	Prepaid insurance.....		119,007.59
	Prepaid employee pension plan.....		
	Prepaid taxes (page 29).....		9,333.47
	Prepaid rents.....		
	Other prepayments.....		62,886.61
	Total prepayments (page 1, item 17).....		191,227.67
ACCT. NO.	OTHER CURRENT ASSETS		
171	Interest and dividends receivable.....		30,960.65
172	Rents receivable.....		305,287.50
173	Accrued utility revenue.....		1,610,461.53
174	Miscellaneous current and accrued assets.....		
	Total other current assets (page 1, item 18).....		1,946,709.88
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)		22,405,041.93
List of Items:			
	Receivables from plant sales (item 148)		
	Other items (list):		
	Notes Receivable - PenWar, Inc. Customers	46,647.79	
	Retirement Deferred Debit	2,867,045.61	
	Notes Receivable - FTC - UESC	19,491,348.53	
	Total as above		22,405,041.93

**Pennyrite Rural Electric Cooperative Corporation**  
 REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

CUSTOMER ADVANCES FOR CONSTRUCTION - REFUNDABLE (Account 252)					
BEGINNING BALANCE	ADDITIONS	REFUNDS	CONFISCATIONS*	ENDING BALANCE	AMOUNT MATURING NEXT YEAR
249,336.91		(54,055.33)	13,318.22	208,599.80	50,921.39
				(page 2, item 55)	

\*Please list the FERC account numbers and amounts credited when advances were confiscated:  
 252.01 \$13,318.22

The refundable customer advances for construction policy is as follows:  
 Advance from mobile home required and will be refunded if mobile home becomes a permanent dwelling.

\*Above amount is estimated; actual refunds will be determined FY2010.

**NONREFUNDABLE CONTRIBUTIONS**

The nonrefundable contribution in aid of construction policy is as follows:

Show the amounts of nonrefundable contributions and the FERC account numbers credited during the fiscal year.  
 10720 \$355,998.87

**INSURANCE**

PROPERTY OR CONTINGENCY COVERED	HAZARD INSURED AGAINST	AMOUNT OF COVERAGE
Employee Injury	Worker's Compensation	1,000,000/1,000,000
Public Liability	Bodily Injury	2,000,000/2,000,000
Public Liability	Property Damage	2,000,000/2,000,000
Excess Public Liability	Catastrophes	19,000,000
Automobiles and Trucks	Property Damage & Bodily Injury	2,000,000/2,000,000
Buildings and Contents	Property Damage	42,689,552
Theft and Embezzlement	Crime	1,000,000
Directors and Officers	Personal Liability	10,000,000
Other: Earthquake	Direct Physical Loss	25,000,000
Fiduciary Limit of Liability	Fiduciary	2,000,000
Electromagnetic Field Liability	EFT	1,000,000

Pennyrile 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		FEDERAL FINANCING BANK PENNYRILE 0003 0001	FEDERAL FINANCING BANK PENNYRILE 0001 0001	FEDERAL FINANCING BANK PENNYRILE 0001 0002		
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE
2010						
2011						
2012						
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
2044						
2045						
2046						
2047						
2048						
2049						
2050						
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.

**Pennyrile 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		FEDERAL FINANCING BANK PENNYRILE 0001 0003		FEDERAL FINANCING BANK PENNYRILE 0001 0004		FEDERAL FINANCING BANK PENNYRILE 0001 0005
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE
2010						
2011						
2012						
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
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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.

Pennyrile 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		FEDERAL FINANCING BANK PENNYRILE 0002 0001		FEDERAL FINANCING BANK PENNYRILE 0002 0002		FEDERAL FINANCING BANK PENNYRILE 0002 0003
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE
2010						
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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.



Pennyrile 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		FEDERAL FINANCING BANK PENNYRILE 0002 0004		FFB CUSHION OF CREDIT (RUS)		POST RETIREMENT BENEFITS DUE TO EMPLOYEES
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE
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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.

Pennyrile 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					
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	TOTAL MATURITIES
2010					
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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.

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE NUMBER	DATE OF NOTE	INT. RATE	TERM OF MONTHS	DATE REPAYMENTS BEGIN MONTH	AMOUNT OF ALLOTMENT	BALANCE DUE ON ALLOTMENT (ACCOUNT 224.2)	SUMMARY OF LONG-TERM DEBT - RUS		DEFERRED INTEREST	OUTSTANDING END OF YEAR EXCLUDING CUSHION OF CREDIT
							AMOUNT PAID THIS YEAR	PRINCIPAL		
01-4202	4/23/65	2.00	35	11/1/77	401,629.46		3,931.28	19.82		
02-1B250	7/28/83	5.00	35	11/1/86	947,500.00		38,959.63	20,505.53		388,731.61
03-1B252	7/28/83	5.00	35	11/1/86	947,500.00		38,959.63	20,505.53		388,731.61
04-1B275	6/19/95	5.00	35	01/1/98	2,042,000.00		49,357.65	77,327.95		1,519,376.40
05-1B280	10/29/96	5.00	35	07/1/98	6,626,000.00		141,046.30	259,427.62		5,310,778.23
06-1B285	2/2/98	5.00	35	07/1/98	3,935,000.00		83,495.18	159,966.50		3,153,295.27
07-1B286	6/22/98	5.13	35	07/1/98	2,691,000.00		56,208.57	113,001.51		2,173,697.44
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(860) Total					17,560,629.46		411,951.44	660,754.46		12,934,810.56
List Note Numbers Paid Monthly:					1B250	1B252	1B275	1B285	1B286	

EXCLUDING CUSHION OF CREDIT

Pennyrile 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)	AMOUNT OF LOAN APPROVED	UNADVANCED LOAN	AMT REPAID THIS YEAR FOR REGULAR BILLINGS			OUTSTANDING END OF YEAR	RUS LOAN SUPPLEMENTED NOTE NUMBER	%
							PRINCIPAL	INTEREST				
01-377756	3/18/97	8.09	COBANK	35	5,680,000.00		32,558.46	155,133.56		1,871,616.58	1B280	30.00
02-377747	7/7/97	7.80	COBANK	35	3,547,000.00		54,308.36	248,726.52		3,112,340.77	1B280	30.00
03-1679742	10/31/03	4.90	COBANK	13	6,081,760.08		586,837.11	146,979.97		2,537,759.55		
04-105638	9/1/05	5.38	COBANK	10	9,171,343.00		728,207.90	366,505.03		6,372,527.55		
05-2194594	2/1/08	3.99	COBANK	3	11,500,000.00		3,905,404.98	176,741.41		2,023,659.34		
06-2215155	4/10/08	3.74	COBANK	3	4,500,000.00		1,513,365.54	78,909.76		1,172,691.94		
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(866) Total					40,480,103.06		6,820,782.35	1,172,996.25		17,190,595.73		

Pennyrile 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	12,934,810.56
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	(5,348,520.44)
Net balance due RUS as above (page 2, item 36)		7,586,290.12
Total additions to RUS long-term debt this year (Item 132)		
Repayments for the year excluding advance payments (Item 143)		411,951.44
INTEREST ACCRUED - RUS (Account 237.1)		
		AMOUNT
Balance beginning of year (matured \$ .00)		6.46
Accrued during year (Account 427.1) (page 3, item 87) (page 26 summary)		660,748.00
Repayments this year		660,754.46
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	
223.61	Patronage capital certificates - debit	
223.62	Deferred patronage dividends - credit	
Net CFC account (account 223) (page 2, item 37)		
Total additions to CFC long-term debt this year (Item 135)		
Repayments for the year excluding advance payments (Item 144)		
INTEREST ACCRUED - CFC (Account 237.2)		
		AMOUNT
Balance beginning of year (matured \$ .00)		
Accrued during year (Account 427.1) (page 3, item 88) (page 26 summary)		
Repayments this year		
Balance end of year (matured \$ .00) (page 2, item 50) (page 26 summary)		
LONG-TERM DEBT - COBANK		
ACCT	PRINCIPAL DATA	AMOUNT
229.10	Long Term Debt - CoBank - credit	17,190,595.73
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)		17,190,595.73
Amount received on allotment this year (Item 136)		
Repayments this year (Item 145)		6,820,782.35
INTEREST ACCRUED - COBANK (Account 237.6)		
		AMOUNT
Balance beginning of year (matured \$ .00)		(1,583,929.31)
Accrued during year (Account 427.4) (page 3, item 89) (page 26 summary)		806,491.22
Repayments this year		1,172,996.25
Balance end of year (matured \$ .00) (page 2, item 51) (page 26 summary)		(1,950,434.34)

**Pennyrile 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: <u>FEDERAL FINANCING BANK PENNYRILE 0001 0001</u>			
Date of Issue: <u>04/22/1999</u>		Amount of original Issue: \$ <u>3,500,000.00</u>	
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: <u>Quarterly</u>		Principal due dates: <u>Quarterly</u> Denominations: \$ _____	
Agent for paying principal and interest: _____			
Revenue or general obligation bonds: <u>Other - 228</u>		Issued or assumed: _____	
If assumed from municipality give date and amount assumed: _____ \$ _____			
Amount authorized if different from amount issued: \$ _____			
Purpose of Issue: <u>SYSTEM IMPROVEMENTS</u>			
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 .....	3,072,393.47	Accrued beginning of year .....	
Issued during year .....		Accrued during year (427.3) .....	172,225.60
Total .....	3,072,393.47	Total .....	172,225.60
Bonds retired this year .....	64,798.52	Payments during year .....	172,225.60
Balance end of year .....	3,007,594.95	Balance end of Year .....	
Including matured of (239) .....		Including matured of (240) .....	
Balance less matured (221) .....	3,007,594.95	Balance less matured (237.3) .....	
Name of issue: <u>FEDERAL FINANCING BANK PENNYRILE 0001 0002</u>			
Date of Issue: <u>11/04/1999</u>		Amount of original Issue: \$ <u>4,000,000.00</u>	
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: <u>Quarterly</u>		Principal due dates: <u>Quarterly</u> Denominations: \$ _____	
Agent for paying principal and interest: _____			
Revenue or general obligation bonds: <u>Other - 228</u>		Issued or assumed: _____	
If assumed from municipality give date and amount assumed: _____ \$ _____			
Amount authorized if different from amount issued: \$ _____			
Purpose of Issue: <u>SYSTEM IMPROVEMENTS</u>			
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 .....	3,560,096.11	Accrued beginning of year .....	
Issued during year .....		Accrued during year (427.3) .....	223,249.18
Total .....	3,560,096.11	Total .....	223,249.18
Bonds retired this year .....	68,550.32	Payments during year .....	223,249.18
Balance end of year .....	3,491,545.79	Balance end of Year .....	
Including matured of (239) .....		Including matured of (240) .....	
Balance less matured (221) .....	3,491,545.79	Balance less matured (237.3) .....	

**Pennyrile Rural Electric Cooperative Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

PAGE 24a

BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)			
Name of issue: <u>FEDERAL FINANCING BANK PENNYRILE 0001 0003</u>			
Date of issue: <u>11/01/2000</u>		Amount of original issue: \$ <u>6,000,000.00</u>	
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: <u>Quarterly</u>		Principal due dates: <u>Quarterly</u> Denominations: \$ _____	
Agent for paying principal and interest: _____			
Revenue or general obligation bonds: <u>Other - 228</u>		Issued or assumed: _____	
If assumed from municipality give date and amount assumed: _____ \$ _____			
Amount authorized if different from amount issued: \$ _____			
Purpose of issue: <u>SYSTEM IMPROVEMENTS</u>			
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 .....	5,300,995.83	Accrued beginning of year .....	
Issued during year .....		Accrued during year (427.3) .....	313,192.59
Total .....	5,300,995.83	Total .....	313,192.59
Bonds retired this year .....	107,286.21	Payments during year .....	313,192.59
Balance end of year .....	5,193,709.62	Balance end of Year .....	
Including matured of (239) .....		Including matured of (240) .....	
Balance less matured (221) .....	5,193,709.62	Balance less matured (237.3) .....	
Name of issue: <u>POST RETIREMENT BENEFITS DUE TO EMPLOYEES</u>			
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: <u>PostRetirement - 228</u>		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 .....	1,378,500.00	Accrued beginning of year .....	
Issued during year .....	170,066.77	Accrued during year (427.3) .....	
Total .....	1,548,566.77	Total .....	
Bonds retired this year .....	52,766.77	Payments during year .....	
Balance end of year .....	1,495,800.00	Balance end of Year .....	
Including matured of (239) .....		Including matured of (240) .....	
Balance less matured (221) .....	1,495,800.00	Balance less matured (237.3) .....	

**Pennyrile 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: FEDERAL FINANCING BANK PENNYRILE 0001 0004  
 Date of Issue: 05/23/2002 Amount of original Issue: \$ 6,000,000.00  
 Cash realized: \$ 6,000,000.00 Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments:  
 Interest due dates: Quarterly Principal due dates: Quarterly Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: Other - 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.....	5,070,281.64	Accrued beginning of year.....	
Issued during year.....		Accrued during year (427.3).....	217,214.85
Total.....	5,070,281.64	Total.....	217,214.85
Bonds retired this year.....	127,536.83	Payments during year.....	217,214.85
Balance end of year.....	4,942,744.81	Balance end of Year.....	
Including matured of (239).....		Including matured of (240).....	
Balance less matured (221).....	4,942,744.81	Balance less matured (237.3).....	

Name of Issue: FEDERAL FINANCING BANK PENNYRILE 0001 0005  
 Date of Issue: 03/31/2003 Amount of original Issue: \$ 5,533,000.00  
 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: \ \_\_\_\_\_ Principal due dates: \ \_\_\_\_\_ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: Other - 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.....	4,799,628.40	Accrued beginning of year.....	
Issued during year.....		Accrued during year (427.3).....	205,619.85
Total.....	4,799,628.40	Total.....	205,619.85
Bonds retired this year.....	120,728.87	Payments during year.....	205,619.85
Balance end of year.....	4,678,899.53	Balance end of Year.....	
Including matured of (239).....		Including matured of (240).....	
Balance less matured (221).....	4,678,899.53	Balance less matured (237.3).....	



**Pennyrile 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:		FEDERAL FINANCING BANK PENNYRILE 0002 0001	
Date of Issue:	07/01/2005	Amount of original issue:	\$ 6,000,000.00
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: \	Principal due dates: \	Denominations: \$	
Agent for paying principal and interest:			
Revenue or general obligation bonds: Other - 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.....	5,639,635.81	Accrued beginning of year.....	
Issued during year.....		Accrued during year (427.3).....	238,220.63
Total.....	5,639,635.81	Total.....	238,220.63
Bonds retired this year.....	105,809.51	Payments during year.....	238,220.63
Balance end of year.....	5,533,826.30	Balance end of Year.....	
Including matured of (239).....		Including matured of (240).....	
Balance less matured (221).....	5,533,826.30	Balance less matured (237.3).....	
Name of Issue:		FEDERAL FINANCING BANK PENNYRILE 0002 0002	
Date of Issue:	02/09/2006	Amount of original Issue:	\$ 8,000,000.00
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: \	Principal due dates: \	Denominations: \$	
Agent for paying principal and interest:			
Revenue or general obligation bonds: Other - 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.....	7,611,918.95	Accrued beginning of year.....	
Issued during year.....		Accrued during year (427.3).....	359,305.74
Total.....	7,611,918.95	Total.....	359,305.74
Bonds retired this year.....	131,605.90	Payments during year.....	359,305.74
Balance end of year.....	7,480,313.05	Balance end of Year.....	
Including matured of (239).....		Including matured of (240).....	
Balance less matured (221).....	7,480,313.05	Balance less matured (237.3).....	

**Pennyrile 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: <u>FEDERAL FINANCING BANK PENNYRILE 0002 0003</u>			
Date of Issue: <u>03/26/2007</u>		Amount of original Issue: \$ <u>8,000,000.00</u>	
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: \ _____	
Agent for paying principal and interest: _____		Denominations: \$ _____	
Revenue or general obligation bonds: <u>Other - 228</u>		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 .....	7,732,266.24	Accrued beginning of year .....	
Issued during year .....		Accrued during year (427.3) .....	374,796.60
Total .....	7,732,266.24	Total .....	374,796.60
Bonds retired this year .....	130,894.57	Payments during year .....	374,796.60
Balance end of year .....	7,601,371.67	Balance end of Year .....	
Including matured of (239) .....		Including matured of (240) .....	
Balance less matured (221) .....	7,601,371.67	Balance less matured (237.3) .....	
Name of Issue: <u>FEDERAL FINANCING BANK PENNYRILE 0002 0004</u>			
Date of Issue: <u>08/13/2007</u>		Amount of original Issue: \$ <u>3,482,000.00</u>	
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: \ _____	
Agent for paying principal and interest: _____		Denominations: \$ _____	
Revenue or general obligation bonds: <u>Other - 228</u>		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 .....	3,371,251.04	Accrued beginning of year .....	
Issued during year .....		Accrued during year (427.3) .....	170,787.92
Total .....	3,371,251.04	Total .....	170,787.92
Bonds retired this year .....	55,018.44	Payments during year .....	170,787.92
Balance end of year .....	3,316,232.60	Balance end of Year .....	
Including matured of (239) .....		Including matured of (240) .....	
Balance less matured (221) .....	3,316,232.60	Balance less matured (237.3) .....	

**Pennyrile 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: <u>FEDERAL FINANCING BANK PENNYRILE 0003 0001</u>			
Date of Issue: <u>02/06/2009</u> Amount of original issue: \$ <u>8,000,000.00</u>			
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: <u>Other - 228</u> 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 . . . . .	8,000,000.00	Accrued beginning of year . . . . .	
Issued during year . . . . .		Accrued during year (427.3) . . . . .	18,371.96
Total . . . . .	8,000,000.00	Total . . . . .	18,371.96
Bonds retired this year . . . . .		Payments during year . . . . .	18,371.96
Balance end of year . . . . .	8,000,000.00	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	8,000,000.00	Balance less matured (237.3) . . . . .	
Name of Issue: <u>FFB CUSHION OF CREDIT (RUS)</u>			
Date of Issue: _____ Amount of original Issue: \$ <u>1,291,912.99</u>			
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: <u>Other - 228</u> 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 . . . . .	1,291,912.99	Payments during year . . . . .	
Balance end of year . . . . .	(1,291,912.99)	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	(1,291,912.99)	Balance less matured (237.3) . . . . .	

**Pennyrile 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: \_\_\_\_\_  
 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: \_\_\_\_\_ Issue 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		54,158,467.49	54,158,467.49	1,378,500.00	
Issued during year (Item 137)				170,066.77	
Total		54,158,467.49	54,158,467.49	1,548,566.77	
Bonds retired this year (Item 146)		2,204,142.16	2,204,142.16	52,766.77	
Balance end of year		51,954,325.33	51,954,325.33	1,495,800.00	
Including matured of (239) (Item 147)					
Balance less matured (221)		51,954,325.33	51,954,325.33	1,495,800.00	

(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	
Accrued during year (427.3) (page 26)	2,292,984.90
Total	2,292,984.90
Payments during year	2,292,984.90
Balance end of year	
Including matured of (240)	
Balance less matured (237.3) (page 26)	

\*Less TVA Long-term Debt and Postretirement Benefits

**Pennyrite 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 .....						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 .....										134,425.99	
Balance customer deposits end of year (Account 235) .....										5,019,126.83	
Total customer deposits (page 2, item 47) .....										5,153,552.82	
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		427.2	3	88		
224	RUS	23	237.1	2	49		427.1	3	87	660,748.00	
229	CoBank	23	237.6	2	51	(1,950,434.34)	427.4	3	89	806,491.22	
228	TVA long term	25	237.3	2	52.1		427.3	3	90.2		
228	Other long term	25	237.3	2	52.2		427.3	3	90.1	2,292,984.90	
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		
235	Customer Deposits	Above	235	Above	—		431	3	92	292,036.62	
---	Delinquent taxes	---	237.5	2	52.2		431	3	92		
Total interest accrued end of year .....						(1,950,434.34)	Net expense for year .....				4,052,260.74
Total item 49 (page 2) .....							Total item 87 (page 3) .....				660,748.00
Total item 50 (page 2) .....							Total item 88 (page 3) .....				
Total item 51 (page 2) .....						(1,950,434.34)	Total item 89 (page 3) .....				806,491.22
Total item 52.1 (page 2) .....							Total item 90.1 (page 3) .....				2,292,984.90
Total item 52.2 (page 2) .....							Total item 90.2 (page 3) .....				
							Total item 92 (page 3) .....				292,036.62
ACCOUNTS PAYABLE											
232	Accounts payable - general (includes \$13,949,410.70 to TVA for purchased power and Fac.Rental) .....									14,624,274.75	
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 48) .....										14,624,274.75	
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 .....									209,885.97	
242	Miscellaneous - accrued insurance .....										
242	Miscellaneous - employees' accrued leave .....									233,890.70	
242	Miscellaneous - other .....									1,402,782.65	
Total other current and accrued liabilities (page 2, item 53) .....										1,846,559.32	
OTHER DEFERRED CREDITS (Account 253)											
Payables for plant purchases; (item 149) .....											
Other items (List): See Page 33 .....										1,175,100.10	
Total other deferred credits (page 2, item 56) .....											
Total other deferred credits (page 2, item 56) .....										1,175,100.10	

Pennyrite Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

TO WHOM PAID		PAYMENTS OF AD VALOREM TAXES OR TAX EQUIVALENTS		PERIOD COVERED		AMOUNT	
		TO WHOM PAID		PERIOD COVERED		AMOUNT	
States (list):		Cities (list):					
1/1/09	12/31/09	TRENTON	1/1/09	12/31/09	658.89		
1/1/10	12/31/10	ELKTON	1/1/09	12/31/10	5,992.23		
		ELKTON	1/1/10	12/31/10	1,056.36		
		CADIZ	1/1/09	12/31/09	9,136.16		
		CADIZ	1/1/10	12/31/10	749.99		
		RUSSELLVILLE	1/1/09	12/31/09	3,196.82		
		RUSSELLVILLE	1/1/10	12/31/10	447.23		
		LEWISBURG	1/1/09	12/31/09	943.20		
		PEMBROKE	1/1/09	12/31/09	281.21		
		GUTHRIE	1/1/09	12/31/09	1,782.34		
		HOPKINSVILLE	1/1/09	12/31/09	19,826.30		
		HOPKINSVILLE	1/1/10	12/31/10	1,201.82		
		ADAIRVILLE	1/1/09	12/31/09	604.05		
		OAK GROVE	1/1/09	12/31/09	2,088.24		
Total states: .....		403,637.24		Total Cities: .....		47,964.84	
Counties (list):		Total counties: .....				1,078,405.93	
1/1/09	12/31/09	TRIGG	114,013.79				
1/1/10	12/31/10	TRIGG	1,957.97				
1/1/09	12/31/09	LOGAN	119,170.92				
1/1/10	12/31/10	LOGAN	1,430.46				
1/1/09	12/31/09	CALDWELL	16,816.64				
1/1/09	12/31/09	SIMPSON	252.00				
1/1/09	12/31/09	BUTLER	10,362.65				
1/1/09	12/31/09	MUHLENBERG	43,630.45				
1/1/09	12/31/09	TODD	78,670.50				
1/1/10	12/31/10	TODD	2,487.25				
1/1/09	12/31/09	CHRISTIAN	206,358.00				
1/1/09	12/31/09	LYON	28,243.98				
1/1/10	12/31/10	CHRISTIAN	3,409.24				
Total counties: .....		626,803.86					

Total paid, .....

If all the tax equivalent is paid to a city and the city makes redistribution payments to states or counties, show these redistribution payments above and mark them with an \*.

Also give method of determining amounts redistributed.

**Pennyrite 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="radio"/> TAX, OR <input type="radio"/> TAX EQUIVALENT		DISTRICT	TN. EQUAL- IZATION RATIO	STATE ASSESS- MENT RATIO	TAX	TAX OR	AMOUNT
PERIOD	ASSESSMENT OR VALUATION				RATE PER \$100	EQUIVALENT FOR TAX PERIOD	APPLICABLE FOR FISCAL YEAR
1/1/09 12/31/09		STATE OF KENTUCKY			105,221,858.00	.3779	397,710.62
1/1/09 12/31/09		TRENTON			136,701.00	.4820	658.89
1/1/09 12/31/09		ELKTON			1,436,692.00	.4171	5,992.23
1/1/09 12/31/09		CADIZ			3,162,759.00	.2888	9,136.16
1/1/09 12/31/09		RUSSELLVILLE			1,044,503.00	.3061	3,196.82
1/1/09 12/31/09		LEWISBURG			260,121.00	.3700	943.20
1/1/09 12/31/09		PEMBROKE			198,038.00	.1420	281.21
1/1/09 12/31/09		GUTHRIE			396,076.00	.4500	1,782.34
1/1/09 12/31/09		HOPKINSVILLE			8,170,151.00	.2427	19,826.30
1/1/09 12/31/09		ADAIRVILLE			184,159.00	.3347	604.05
1/1/09 12/31/09		OAK GROVE			1,122,712.00	.1860	2,088.24
1/1/09 12/31/09		TRIGG COUNTY			15,451,913.00	.7379	114,013.79
1/1/09 12/31/09		LOGAN COUNTY			15,686,680.00	.7597	119,170.92
1/1/09 12/31/09		CALDWELL COUNTY			2,624,319.00	.6408	16,816.64
1/1/09 12/31/09		SIMPSON COUNTY			36,563.00	.6892	252.00
1/1/09 12/31/09		BUTLER COUNTY			1,290,653.00	.8029	10,362.65
1/1/09 12/31/09		MUHLENBERG COUNTY			5,772,159.00	.7559	43,630.45
1/1/09 12/31/09		TODD COUNTY			12,963,544.00	.6069	78,670.50
1/1/09 12/31/09		CHRISTIAN COUNTY			31,021,554.00	.6652	206,358.00
1/1/09 12/31/09		LYON COUNTY			2,482,333.00	1.1378	28,243.98
1/1/10 12/31/10		CHRISTIAN COUNTY			478,825.00	.7120	3,409.24
1/1/10 12/31/10		LOGAN COUNTY			203,280.00	.7037	1,430.46
1/1/10 12/31/10		TODD COUNTY			348,639.00	.7134	2,487.25
1/1/10 12/31/10		TRIGG COUNTY			286,250.00	.6840	1,957.97
1/1/10 12/31/10		STATE OF KENTUCKY			1,316,994.00	.4500	5,926.62
1/1/10 12/31/10		HOPKINSVILLE			478,825.00	.2510	1,201.82
1/1/10 12/31/10		RUSSELLVILLE			203,280.00	.2200	447.23
1/1/10 12/31/10		ELKTON			348,639.00	.3030	1,056.36
1/1/10 12/31/10		CADIZ			286,250.00	.2620	749.99
		TOTAL PAID					1,078,405.93

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.

Pennyrile 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		
TRIGG		866.48	1,957.97	01/01/2010 - 12/31/2010	408.1	1,845.46	978.99		
LOGAN		880.60	1,430.46	01/01/2010 - 12/31/2010	408.1	1,596.82	715.24		
TODD		1,000.13	2,487.25	01/01/2010 - 12/31/2010	408.1	2,243.76	1,243.62		
CHRISTIAN		1,666.68	3,409.24	01/01/2010 - 12/31/2010	408.1	3,371.30	1,704.62		
ELKTON		424.78	1,056.36	01/01/2010 - 12/31/2010	408.1	952.96	528.18		
CADIZ		331.90	749.99	01/01/2010 - 12/31/2010	408.1	706.90	374.99		
RUSSELLVILLE		275.32	447.23	01/01/2010 - 12/31/2010	408.1	498.94	223.61		
HOPKINSVILLE		585.90	1,201.82	01/01/2010 - 12/31/2010	408.1	1,186.81	600.91		
KY		2,814.45	5,926.62	01/01/2010 - 12/31/2010	408.1	5,777.76	2,963.31		
Total		8,846.24	18,666.94			18,179.71	9,333.47	(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	518,398.72	1,059,738.99		1,071,209.77	539,869.50			
408.2	U.S. Social Security - unemployment	211.91	7,006.47		7,063.35	268.79			
408.3	U.S. Social Security - FICA								
408.4	State Social Security - unemployment		10,089.11		10,089.11				
408.5	Gross receipts - state								
408.6	Income - state								
408.7	Other (list below)								
408.7	Oak Grove Franchise Tax	15,223.16	248,863.66		233,640.50				
408.7	Reallocation of Prepaid Vehicle Taxes			(18,179.71)	18,179.71				
408.7	School Tax	254,632.75	2,905,924.92	2,929,457.31		278,215.14			
(885)	Total	788,516.54	4,231,623.15	2,911,277.60	1,340,182.44	808,353.43			
(890)	Tax expense from the writeoff of prepaid privilege taxes (as above)			18,179.71					
(890)	Total tax expense for the year (page 3, item 79)			2,929,457.31			(page 2, item 48)		

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".



GENERAL INFORMATION

1. Give the form of management of municipal system. (Power board, Mayor and council, etc.)  
 Power Board
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.  
 KENTUCKY REVISED STATUTES, CHAPTER 279
- (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?       N        
 If so, give name. If not, give the type in-house hardware. HP 9000
- (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       No
  - 4) Amount of security deposit required for residential service:
 

Owner with Electric Heat	\$125.00
Owner without Electric Heat	\$125.00
Tenant with Electric Heat	\$200.00
Tenant without Electric Heat	\$200.00
Other (describe)	
  - 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>      Y      </u> Yes	<u>      N      </u> No
Credited on customer's power bill annually? .....	<u>      Y      </u> Yes	<u>      No      </u> No
Credited to a deposit account annually? .....	<u>      Y      </u> Yes	<u>      N      </u> No
Handled differently (Explain)		
  - 7) Are prior written notice and due process afforded to customers before termination for nonpayment?
 

Prior written notice? .....	<u>      Y      </u> Yes	<u>      No      </u> No
Due process? .....	<u>      Y      </u> Yes	<u>      No      </u> No
  - 8) Is information about policies and rates available upon request and application for service?
 

Upon request? .....	<u>      Y      </u> Yes	<u>      No      </u> No
Upon application for service? .....	<u>      Y      </u> Yes	<u>      No      </u> No
  - 9) Are the media used to inform customers about policies and rates?
 

Policies? .....	<u>      Y      </u> Yes	<u>      No      </u> No
If yes, how many times during the past 12 months? .....	<u>      4      </u> Times	
Rates? .....	<u>      Y      </u> Yes	<u>      No      </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       \$15.00

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

GENERAL INFORMATION (CONTINUED)

5. Give the name of the audit firm conducting this year's audit:  
 Kem, Duguid & Associates

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
BATES PAYNE, JR-BOARD MEMBER	FARMER	07/31/2010	8,525.00	8,185.46
DR GEORGE BROWN-SEC/TREAS	VETERNARIAN	07/31/2012	7,150.00	6,114.44
DUANE MOORE-VICE CHAIRMAN	FARMER	07/31/2011	6,875.00	5,074.61
JAMES W. LEAR-CHAIRMAN	FARMER	07/31/2012	8,800.00	10,726.88
JOE ROGERS-ASST. SEC/TREAS	FARMER	07/31/2010	8,250.00	6,673.55
ROBERT K. BROADBENT-BOARD	FARMER	07/31/2011	5,775.00	4,463.77
JAMES R. RILEY-BOARD MEMBER	INSURANCE AGENT	07/31/2010	9,350.00	7,972.52
BRYSON PRICE-BOARD MEMBER	FUNERAL HOME OWNER	07/31/2011	6,050.00	4,728.65
Total .....			60,775.00	53,939.88

\*Show total amounts paid from electric system funds for fiscal year.  
 Method of determining amounts paid to board members is as follows:  
 BOARD MEMBERS RECEIVE \$275.00 EACH MEETING PLUS .50 CENTS PER MILE.

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

GENERAL INFORMATION (CONTINUED)	EXPENSE
Detail of Account 930 - Miscellaneous General Expense	
TOTAL	

**Pennyrile Rural Electric Cooperative Corporation**  
 REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 2 - RETAINED EARNINGS FOR BEGINNING OF YEAR ARE NOT THE SAME AS THE END OF LAST YEAR'S RETAINED EARNINGS DUE TO FASB 158 ADJUSTMENT.

PAGE 5 - A/C 593 THE DECREASE IS DUE TO RECEIPT OF FEMA FUNDS APPLIED TO EXPENSE ACCOUNT (AS DIRECTED BY RUS) BEFORE APPLIED TO JOBS.

PAGE 5 - A/C 910 THE CREDIT IS DUE TO THE SALE OF TWO ELECTRICAL CODE BOOKS (53.00 EACH).

PAGE 7 - CREDITS INCLUDES 5MRC SINCE IT STARTED IN FISCAL YEAR 2010.

PAGE 7 - ITEM 335 - BILLING IN ARREARS CUSTOMERS WERE BROUGHT TO CURRENT BILLING.

PAGE 7 - ITEMS 125 & 346 - WHOLESALE METER READING WAS CHANGED FROM THE 12TH OF THE MONTH TO THE 30TH OF THE MONTH IN APRIL 2010. ADDITIONAL KILOWATT HOURS PURCHASED IS REFLECTED IN ADDITIONAL 18 DAYS ON POWER BILL EQUIVALENT TO 47,626,313 KWH.

PAGE 8 - CUSTOMER HAD BEEN BILLED FOR THE WRONG TYPE OF LIGHT SO A CREDIT WAS ISSUED TO THE CUSTOMER'S ACCOUNT.

PAGES 9 & 10

A/C 364, 365, 369 - INCREASE TO ADDITION DUE TO CLOSING ICE STORM JOBS IN DECEMBER 2009 WITH PARTIAL REIMBURSEMENT OF FEMA FUNDS RECEIVED IN JANUARY 2010.

A/C 368 - PURCHASES DOWN DUE TO JANUARY 2009 ICE STORM REQUIREMENTS IN LAST FY.

A/C 389 - REDUCTION DUE TO A MAJOR PURCHASE IN FY 2009.

A/C 390 - REDUCTION DUE TO A MAJOR PURCHASE IN FY 2009.

A/C 391 - PURCHASED 20 ADDITIONAL LAPTOP COMPUTERS; REPLACED FIVE COPIERS WITH IMPROVED OPTIONS; ADDED A MAIL EXCHANGE SERVER, AND ANOTHER UPN SERVER.

A/C 397 - PURCHASED TWO SATELLITE TELEPHONES, A OUTAGE MANAGEMENT SYSTEM, AND UPGRADED THE PORCHE SYSTEM.

A/C 107 - REDUCTION REFLECTS CLOSED ICE STORM JOBS IN DECEMBER 2009.

PAGE 11

SALVAGE FROM SALE:	A/C 362	0.00	A/C 370 -	5,585.35
	A/C 364	30,090.99	A/C 371 -	132.37
	A/C 365	72,218.36	A/C 392 -	190,634.31
	A/C 368	36,571.38	A/C 394 -	11,000.00 (CHIPPER)
	A/C 369	18,054.59		
				\$ 364,287.35

A/C 370 - ACCRUAL FOR TWAC METERS IS GAIN ON THE ORIGINAL COST OF RETIRED METERS IN FY07.

A/C 394 - RETIRED AN AIR COMPRESSOR, AND REPLACED A CHIPPER FOR WHICH WE RECEIVED \$11,000 SALVAGE.

A/C 397 - RETIRED OLD MOBILE RADIOS.

(800) OTHER - REDUCTION DUE TO CLOSED ICE STORM JOBS IN DECEMBER 2009.

PAGES 23 & 26 - INTEREST ACCRUED - COBANK; A LOAN AGREEMENT WAS ENTERED INTO WITH FTC FOR UTILITY ENERGY SERVICE CONTRACT (UESC) FY 06. LONG TERM DEBT INTEREST AND PRINCIPAL IS BEING REPAYED TO COBANK THROUGH THIS LOAN. INTEREST JOURNAL ENTRIES ARE MADE EACH MONTH TO ACCURE INTEREST (PAGE 2, ITEM 51) AND THEN IS BILLED TO FTC.

PAGE 26 - A/C 232 ACCOUNTS PAYABLE WILL INCLUDE TWO MONTHS OF POWER INVOICE BILLING DUE TO METER READING CHANGE DATE. SEE PAGE 7 FOOT NOTE ABOVE.

PAGE 26 - ITEM 90.1 - DIFFERENCE REFLECTS CREDIT FROM UESC CONTRACT APPLIED TO LTD INTEREST.

PAGE 26 - A/C 253 - POLE RENTAL: \$47,850; MGMNT FEE FOR FTC/UESC LOAN: \$1,125,588.34; TVA ECON/REEP ACCT: \$875.00; EMPLOYEE ACCT: \$786.76.

TVA LINE LOSS TRUE-UP JUNE 2010: PAYABLE OF \$69,410.69.

Pennyrite 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
ESTON GLOVER	PRESIDENT/CEO	100.00
SANDRA GROGAN	VICE PRESIDENT & CFO	100.00
JOHN WHEELER	VICE PRESIDENT ENGINEERING	100.00
MICHELE SMALL	VICE PRESIDENT HUMAN RESOURCES	100.00
FREDDIE POWELL	VICE PRESIDENT OPERATIONS	100.00
JANICE SHOLAR	PLANT ACCOUNTANT	100.00
DEBORAH PRITCHETT	MANAGER SUPERVISOR CUST SERV/BILLING	100.00
MARK LINDSEY	MANAGER KEY ACCTS	100.00
VICKY PALMER	SUPERVISOR MANAGER OF CUSTOMER SERVICE	100.00
BRENT GILKEY	MANAGER OF MEMBER SERVICES	100.00
STEVE WALTERS	DISTRICT MANAGER	100.00
RICKY TURNER	DISTRICT MANAGER	100.00
MARK WILKINS	DISTRICT MANAGER	100.00
(895) TOTAL NUMBER OF EQUIVALENT FULL-TIME EMPLOYEES: 116		

**Pennyrile Rural Electric Cooperative Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

EFFECTIVE DATE		RATE SCHEDULES	
<b>RESIDENTIAL RATE - SCHEDULE RS</b>			
6/1/10	CUSTOMER CHARGE...	\$ 16.22	per month less \$1.71 Hydro allocation credit.
6/1/10	ENERGY CHARGE.....	All	kWh per month at 0.08739 per kWh Additional kWh at _____ per month
<b>GENERAL POWER RATE - SCHEDULE GSA</b>			
<b>PART 1.</b>			
6/1/10	CUSTOMER CHARGE...	\$ 14.51	per delivery point per month
6/1/10	ENERGY CHARGE.....	All	kWh per month at 0.10026 per kWh Additional kWh at _____ per month
<b>PART 2.</b>			
6/1/10	CUSTOMER CHARGE...	\$ 60.96	per delivery point per month
6/1/10	DEMAND CHARGE.....	First 50 kW of billing demand per month, no charge Excess over 50 kW of billing demand per month, at \$ 15.40 per kW	
6/1/10	ENERGY CHARGE.....	All 15,000 kWh per month at	0.09962 per kWh Additional kWh per month at 0.05064 per kWh
<b>PART 3.</b>			
6/1/10	CUSTOMER CHARGE...	\$ 146.31	per delivery point per month
6/1/10	DEMAND CHARGE.....	First 1,000 kW of billing demand per month, at \$ 14.50 per kW Excess over 1,000 kW of billing demand per month, at 16.91 per kW, plus an additional \$ 16.91 per kW per month for each, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand	
6/1/10	ENERGY CHARGE.....	All	kWh per month at 0.05045 per kWh Additional kWh per month at _____ per kWh
<b>GENERAL POWER RATE - SCHEDULE GSB</b>			
6/1/10	CUSTOMER CHARGE...	\$ 1,500.00	per delivery point per month
6/1/10	DEMAND CHARGE.....	\$ 15.40 per kW of billing demand per month, plus an additional \$ 15.40 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand	
6/1/10	ENERGY CHARGE.....	0.04132 per kWh for up to 620 hours use of metered demand per month 0.03372 per kWh for all additional kWh per month	
<b>GENERAL POWER RATE - SCHEDULE GSC</b>			
6/1/10	CUSTOMER CHARGE...	\$ 1,500.00	per delivery point per month
6/1/10	DEMAND CHARGE.....	\$ 14.89 per kW of billing demand per month, plus an additional \$ 14.89 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand	
6/1/10	ENERGY CHARGE.....	0.04132 per kWh for up to 620 hours use of metered demand per month 0.03372 per kWh for all additional kWh per month	
<b>GENERAL POWER RATE - SCHEDULE GSD</b>			
6/1/10	CUSTOMER CHARGE...	\$ 1,500.00	per delivery point per month
6/1/10	DEMAND CHARGE.....	\$ 18.24 per kW of billing demand per month, plus an additional \$ 18.24 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand	
6/1/10	ENERGY CHARGE.....	0.03314 per kWh per month	
<b>OUTDOOR LIGHTING RATE - SCHEDULE LS</b>			
6/1/10	CUSTOMER CHARGE...	\$ 2.50	
6/1/10	ENERGY CHARGE.....	0.05904 per kWh	
6/1/10	FACILITY CHARGE.....	LS ( 11.00 )%	B A or B



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**ANNUAL REPORT**

**Of**

**PENNYRILE RURAL ELECTRIC  
COOPERATIVE CORP.**

**For The Year Ended June 30, 2011**

**To**

**TENNESSEE VALLEY AUTHORITY**

Pennyrile Rural Electric Cooperative Corporation

Name of Organization

2000 Harrison Street Hopkinsville, KY 42241-0551

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.

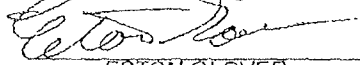
Our books of account have been kept in accordance with the provisions of the power contract between this organization and the Tennessee Valley Authority, and are consistent with the requirements of the Federal Energy Regulatory Commission's system of accounts.

(Signed)



SANDY GROGAN

Accountant in Charge of books



ESTON GLOVER

Manager

08/22/11

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.

**Pennyrile 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
<b>UTILITY PLANT</b>				
Electric Plant .....	10	1	172,332,324.78	163,507,941.73
Less Depreciation .....	10	2	49,649,886.03	47,855,638.19
Total .....	10	3	122,682,438.75	115,652,303.54
Unamortized acq. adj. ....	13	4		
Other utility plant - net. ....	----	5		
Total Plant - net. ....	----	6	122,682,438.75	115,652,303.54
<b>OTHER PROPERTY AND INVESTMENTS</b>				
Nonutility property - net. ....	15	7		
Other Investments .....	14	8	1,710,259.86	1,576,968.40
Sinking funds .....	15	9		
Depreciation funds .....	15	10		
Other special funds .....	15	12		
Total .....	----	13	1,710,259.86	1,576,968.40
<b>CURRENT AND ACCRUED ASSETS</b>				
General cash and temporary cash investments .....	14	14	20,491,075.59	20,374,352.65
Accounts receivable .....	16	15	10,955,344.79	10,594,078.30
Materials and supplies .....	17	16	799,016.04	690,838.32
Prepayments .....	17	17	279,944.49	191,227.67
Other current assets .....	17	18	2,047,565.08	1,946,709.68
Total .....	----	19	34,572,945.99	33,797,206.62
<b>DEFERRED DEBITS</b>				
Debt expense .....	17	20	1,510,409.18	
Preliminary survey .....	----	21	30,088.78	15,831.37
Clearing accounts .....	----	22		
Energy Service Loans Receivables .....	----	24	2,355,937.73	2,144,707.67
Deferred costs on TVAl Leases .....	17	25		
Other deferred debits .....	17	26	21,141,357.38	22,405,041.93
Total .....	----	27	25,037,793.07	24,565,580.97
<b>TOTAL ASSETS AND OTHER DEBITS. ....</b>	<b>----</b>	<b>28</b>	<b>184,003,437.67</b>	<b>175,592,059.53</b>
<b>LIST UNRECORDED AND CONTINGENT ASSETS AND LIABILITIES OTHER THAN ACCRUED UTILITY REVENUE AND UNBILLED PURCHASED POWER</b>				

**Pennyrile Rural Electric Cooperative Corporation**  
 REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

PAGE 2

BALANCE SHEET				
LIABILITIES AND OTHER CREDITS	SEE PAGE NO	ITEM NO	JUNE 30	
			THIS YEAR	LAST YEAR
<b>CAPITAL</b>				
Membership certificates .....	---	30	828,454.39	802,588.73
<b>EARNINGS REINVESTED IN SYSTEM ASSETS</b>				
Beginning of year .....	---	33	68,549,743.31	63,843,117.73
Current year .....	3	34	4,352,718.09	4,668,825.58
Total .....	---	35	72,902,461.40	68,511,943.31
<b>LONG-TERM DEBT</b>				
RUS .....	23	36	8,192,068.48	7,586,290.12
CFC .....	23	37		
CoBank .....	23	38	9,752,170.77	17,190,595.73
Bonds and other long-term debt .....	25	39.1	61,805,284.68	51,954,325.33
TVA .....	25	39.3		
Debt premium and discount .....	---	40		
Total .....	---	41	79,749,523.93	76,731,211.18
<b>OTHER NON-CURRENT LIABILITIES</b>				
Postretirement Benefits .....	25	39.2	1,609,900.00	1,495,800.00
Energy Service Loans - Advances .....	---	42	2,374,475.00	2,162,239.25
Energy Service Loans - Other .....	---	43	1,668,348.13	1,986,160.13
Total .....	---	44	5,652,723.13	5,644,199.38
<b>CURRENT AND ACCRUED LIABILITIES</b>				
TVA notes payable .....	26	45.1		
Other notes payable .....	26	45.2		
Accounts payable .....	26	46	15,902,403.14	14,624,274.75
Customer deposits .....	26	47	5,422,365.07	5,153,552.82
Taxes and equivalents accrued .....	29	48	837,761.48	808,353.43
Interest accrued - RUS .....	23	49		
Interest accrued - CFC .....	23	50		
Interest accrued - CoBank .....	23	51	41,852.40	85,676.71
Interest accrued - TVA .....	26	52.1		
Interest accrued - other .....	26	52.2		
Other current liabilities .....	26	53	1,631,667.70	1,846,559.32
Total .....	---	54	23,836,049.79	22,518,417.03
<b>DEFERRED CREDITS</b>				
Advances for construction - refundable .....	18	55	2,717.25	208,599.80
Other deferred credits .....	26	56	1,031,507.78	1,175,100.10
Total .....	---	57	1,034,225.03	1,383,699.90
<b>TOTAL LIABILITIES AND OTHER CREDITS .....</b>	<b>---</b>	<b>58</b>	<b>184,003,437.67</b>	<b>175,592,059.53</b>

**Pennyrile 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
<b>OPERATING REVENUE</b>				
Electric sales revenue (page 7, item 332)	----	59	119,310,288.40	106,973,887.14
Revenue from late payments	----	60	726,428.68	626,519.41
Misc. service revenue	----	61	153,350.00	149,975.00
Rent from electric property	----	62	1,308,232.85	1,206,080.62
Other electric revenue	----	63	38,921.41	42,072.86
<b>Total operating revenue</b>	----	64	<b>121,537,221.34</b>	<b>108,998,535.03</b>
<b>PURCHASED POWER</b>				
<b>Total power cost (page 7, item 342)</b>	7	65	<b>90,920,083.29</b>	<b>79,931,432.93</b>
<b>OPERATION EXPENSE</b>				
Transmission expense	5	66	7,447.47	7,446.35
Distribution expense	5	67	4,509,758.42	4,322,934.60
Customer accounts expense	5	68	2,320,209.67	2,153,410.05
Customer service and informational expense	5	69	125,213.71	128,164.08
Sales expense	5	70	339,570.70	328,985.95
Administrative and general expense	6	71	2,830,325.11	2,724,098.67
<b>Operation expense</b>	6	72	<b>10,132,525.08</b>	<b>9,665,039.70</b>
<b>MAINTENANCE EXPENSE</b>				
Transmission expense	6	73		
Distribution expense	6	74	4,504,595.71	3,692,543.02
Administrative and general expense	6	75	261,649.38	214,676.16
<b>Maintenance expense</b>	6	76	<b>4,766,245.09</b>	<b>3,907,219.18</b>
<b>OTHER OPERATING EXPENSE</b>				
Depreciation expense	12	77	5,733,744.14	5,559,255.98
Amortization of acquisition adjustment	13	78		
Taxes and tax equivalents	29	79	3,239,988.54	2,929,457.31
<b>Other operating expense</b>	----	80	<b>8,973,732.68</b>	<b>8,488,713.29</b>
<b>TOTAL OPERATING EXPENSE AND PURCHASED POWER</b>	----	81	<b>114,792,586.14</b>	<b>101,992,405.10</b>
<b>INCOME</b>				
Operating income (item 64, less item 81)	----	82	6,744,635.20	7,006,129.93
Other income	16	83	937,435.00	1,194,691.74
<b>Total Income</b>	----	84	<b>7,682,070.20</b>	<b>8,200,821.67</b>
Miscellaneous income deductions	16	85	93,402.07	88,334.78
<b>Net income before debt expense</b>	----	86	<b>7,588,668.13</b>	<b>8,112,486.89</b>
<b>DEBT EXPENSE</b>				
Interest on long-term debt - RUS	23	87	547,122.55	660,748.00
Interest on long-term debt - CFC	23	88		
Interest on long-term debt - CoBank	23	89	419,610.33	806,491.22
Interest on long-term debt - other	26	90.1	1,920,761.43	1,684,385.47
Interest - TVA	26	90.2		
Other interest expense	----	92	304,584.91	292,036.62
Amortization of debt discount and expense	----	93	43,870.82	
Amortization of premium on debt - credit	----	94		
<b>Total debt expense</b>	----	95	<b>3,235,950.04</b>	<b>3,443,661.31</b>
<b>NET INCOME</b>				
Net income before extraordinary items (item 86, less item 95)	----	96	4,352,718.09	4,668,825.58
Extraordinary items	33	97		
<b>Net Income</b>	2	98	<b>4,352,718.09</b>	<b>4,668,825.58</b>

**Pennyrite Rural Electric Cooperative Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

PAGE 4

<b>STATEMENT OF CASH FLOWS</b>		
Increase (Decrease) In Cash and Cash Equivalents		
	THIS YEAR	LAST YEAR
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Net Income	4,352,718.09	4,668,825.58
<b>Adjustments to Reconcile Net Income to Net Cash:</b>		
Depreciation	6,170,470.34	5,962,990.42
<b>Amortization of:</b>		
Acquisition Adjustment		
Additions to TVA Leases		
Debt Premium or Discount	43,870.82	
(Gain) or Loss on Sale of Plant		
<b>Changes In Current and Deferred Items:</b>		
Accounts Receivable	(361,266.49)	1,800,325.36
Materials and Supplies	(108,177.72)	204,239.24
Prepayments and Other Current Assets	(189,572.22)	435,772.58
Deferred Debits	(304,852.86)	1,977,360.53
Accounts Payable	1,278,128.39	2,723,721.77
Customer Deposits	268,812.25	301,386.51
Taxes and Interest Accrued	(14,416.26)	(4,019.31)
Other Current Liabilities	(214,891.62)	219,070.18
Deferred Credits	(349,474.87)	(183,794.90)
Other	37,800.00	38,600.00
Net Cash Provided by (Used in) Operating Activities	10,609,147.85	18,144,477.96
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:</b>		
Additions to Plant	(12,600,465.31)	(3,337,962.87)
Removal Cost	(1,127,929.95)	(1,033,734.71)
Salvage	527,789.71	470,186.55
Net Change in Other Property and Investment	(133,291.46)	(198,404.64)
Energy Service Loans Receivable	(211,230.06)	(50,744.93)
Plant Sold (Purchased) - Noninstallment Method		
Deferred Costs on TVA Leases (excluding amortization)		
Other		
Net Cash Provided by (Used in) Investing Activities	(13,545,127.07)	(4,150,660.60)
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Additional Long-Term Borrowings	12,285,755.63	
Payment of Principal on Long-Term Debt	(9,267,442.88)	(4,322,301.06)
Notes Payable		
Memberships	25,865.66	26,035.71
Energy Service Loans Advances	(105,576.25)	(68,991.40)
Receipt for Plant Sold - Installment Method		
Payment for Plant Purchased - Installment Method		
Other	114,100.00	117,300.00
Net Cash Provided by (Used in) Financing Activities	3,052,702.16	(4,247,956.75)
<b>NET INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<b>116,722.94</b>	<b>9,745,860.61</b>
<b>CASH AND TEMPORARY INVESTMENTS BEGINNING OF YEAR</b>	<b>20,374,352.65</b>	<b>10,628,492.04</b>
<b>CASH AND TEMPORARY INVESTMENTS END OF YEAR</b>	<b>20,491,075.59</b>	<b>20,374,352.65</b>
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.		

Pennyrile 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
	<b>OPERATING EXPENSE</b>				
	<b>1. TRANSMISSION</b>				
	Supervision and engineering.....				
560	Load dispatching.....				
561	Station expense.....	3,017.25	2,988.73		
562	Overhead line expense.....	4,430.22	4,457.62		
563	Underground line expense.....				
564	Miscellaneous.....				
565	Rents.....	7,447.47	7,446.35		
(600)	Total transmission operating expense (page 3, item 66)				
	<b>2. DISTRIBUTION</b>				
	Supervision and engineering.....	79,473.57	96,050.97	44,498.74	54,121.51
580	Load dispatching.....				
581	Station expense.....	224,665.04	212,260.49	44,644.12	37,112.49
582	Overhead line expense.....	2,501,715.39	2,429,698.28	565,691.64	576,286.63
583	Underground line expense.....	170,036.86	138,808.26	23,253.93	11,923.28
584	Street lighting and signal system expense.....	57,337.53	59,532.77	20,495.45	22,781.09
585	Meter expense.....	474,621.75	468,126.20	112,850.17	122,380.08
586	Customer installation expense.....	257,532.42	234,465.78	112,447.25	110,728.19
587	Miscellaneous.....	629,577.55	560,798.33	267,905.44	242,465.04
588	Rents.....	114,798.31	123,193.52		
589	Total distribution operating expense (page 3, item 67)	4,509,758.42	4,322,934.60	1,191,786.75	1,177,818.31
(605)					
	<b>3. CUSTOMER ACCOUNTS EXPENSE</b>				
	Supervision.....	226,280.35	213,084.93	134,001.58	131,346.36
901	Meter reading expense.....	211,917.25	198,712.66	70,115.26	72,835.47
902	Customer records and collection expense.....	1,766,801.64	1,669,182.92	669,452.82	658,358.80
903	Uncollectible accounts.....	93,220.93	61,261.67		
904	Miscellaneous.....	11,989.50	11,167.87		
905	Total customer accounts expense (page 3, item 68)	2,320,209.67	2,153,410.05	873,569.66	862,540.63
(610)					
	<b>4. CUSTOMER SERVICES &amp; INFORMATIONAL EXPENSE</b>				
	Supervision.....	15,449.47	15,905.82	8,993.65	9,634.58
907	Customer assistance expense.....	37,323.28	39,209.25	7,594.11	8,099.35
908	Informational and instructional advertising expense.....	70,585.96	73,155.01	6,501.76	6,330.62
909	Miscellaneous customer service and informational expense.....	1,855.00	(106.00)		
910	Total customer services and informational expense (page 3, item 69)	125,213.71	128,164.08	23,489.55	24,064.55
(615)					
	<b>5. SALES EXPENSE</b>				
	Supervision.....	274,266.18	260,345.86	124,393.87	124,683.66
911	Demonstrating and selling expense.....	25,427.52	26,038.09	6,412.81	6,338.25
912	Advertising expense.....	39,877.00	42,602.00		
913	Miscellaneous.....	339,570.70	328,985.95	130,806.68	131,041.91
914	Total sales expense (page 3, item 70)				
(620)					

Pennyrile 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
<b>5. ADMINISTRATIVE &amp; GENERAL</b>					
920	Administrative and general salaries.....	1,215,223.49	1,126,980.25	707,529.89	693,172.21
921	Office supplies and expense.....	201,582.62	214,974.11		
922	Administrative expense transferred - credit.....				
923	Outside services employed.....	63,869.07	105,656.27		
924	Property insurance.....				
925	Injuries and damages.....	354,771.34	295,109.71	83,253.98	60,522.31
926	Employee pensions and benefits.....	247,434.43	238,454.56		
927	Franchise requirements.....				
928	Regulatory commission expense*.....	(34,425.76)	(30,417.74)		
929	Duplicate charges - credit.....	781,889.92	771,341.51	16,619.56	16,595.99
930	Miscellaneous general expense.....				
931	Rents.....				
(625)	Total administrative and general expense (page 3, item 71).....	2,830,325.11	2,724,098.67	807,403.43	770,290.51
(630)	Total operating expense (Page 3 item 72).....	10,132,525.08	9,665,039.70	3,027,056.07	2,965,755.91
<b>MAINTENANCE EXPENSE</b>					
<b>1. TRANSMISSION</b>					
568	Supervision and engineering.....				
569	Maintenance of structures.....				
570	Maintenance of station equipment.....				
571	Maintenance of overhead lines.....				
572	Maintenance of underground lines.....				
573	Miscellaneous.....				
(635)	Total transmission maintenance expense (page 3, item 73).....				
<b>2. DISTRIBUTION</b>					
590	Supervision and engineering.....	58,998.77	76,742.32	34,262.62	45,502.34
591	Maintenance of structures.....				
592	Maintenance of station equipment.....	166,279.66	90,455.54	36,722.08	33,478.41
593	Maintenance of overhead lines.....	4,093,782.56	3,335,431.56	1,021,037.54	792,126.97
594	Maintenance of underground lines.....	23,792.96	16,101.98	3,918.16	3,512.31
595	Maintenance of line transformers.....	108,386.31	120,171.07	20,253.66	13,677.35
596	Street lighting and signal systems.....	7,767.64	7,191.33	2,546.97	3,092.30
597	Maintenance of meters.....	27,073.26	35,864.04	13,718.87	15,737.01
598	Maintenance of miscellaneous distribution plant.....	18,514.55	10,585.18	9,494.60	5,671.73
(640)	Total distribution maintenance expense (page 3, item 74).....	4,504,595.71	3,692,543.02	1,141,954.50	912,798.42
<b>3. ADMINISTRATIVE &amp; GENERAL</b>					
935	Maintenance of general plant (page 3, items 75).....	261,649.38	214,676.16	14,955.73	13,694.94
(645)	Total maintenance expense (page 3, item 76).....	4,766,245.09	3,907,219.18	1,156,910.23	926,493.36
(650)	Total operating and maintenance expense.....	14,898,770.17	13,572,258.88	4,183,966.30	3,892,249.27
(655)	Total direct and indirect payroll charged to construction and retirements.....			2,017,008.00	1,936,344.96
(660)	Payroll charged to other accounts.....			710,596.69	641,968.98
(662)	Fiscal year net change in accrued leave account - (increase) decrease.....			(13,068.49)	(2,076.43)
(665)	Total payroll distribution for year.....			6,898,502.50	6,468,486.18

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



Pennyrile 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	64,751,594.03	57,481,979.68	107	602,176,756	593,966,673
Gen. Power - 50 kW & under	101	10,065,153.60	9,486,364.65	108	77,425,433	80,572,760
Gen. Power - Over 50 kW	102	42,589,154.15	38,771,817.94	109	483,458,068	466,602,478
Street and athletic	103	476,068.62	429,910.21	110	3,932,806	3,948,623
Outdoor lighting	104	1,333,098.02	1,207,956.83	111	12,333,466	12,359,015
Subtotal	330	119,215,068.42	107,378,029.31			
Unbilled revenue*	331	95,219.98	(404,142.17)			
Total (page 3, item 59)	332	119,310,288.40	106,973,887.14	335	1,179,326,529	1,157,449,549
				113	302,506	294,910
				114	1,179,629,035	1,157,744,459
				336	20,940,094	43,780,658
Kilowatt-hours for own use						
Total kilowatt-hours sold and used						
Kilowatt-hours in unbilled revenue (items 331) above*						

STATE	SALES TAX	TO ABOVE CLASSES OF REVENUE	CREDITS	GREEN POWER REVENUE
KY	2,312,360.57	Residential		2,630.67
		Gen. Power - 50 kW & under		
		Gen. Power - Over 50kW	1,086,174.35	
Total	2,312,360.57			

PURCHASED POWER						
TVA	ITEM NO	AMOUNT		ITEM NO	KILOWATT-HOURS PURCHASED	
		THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR
Purchased Power	115	89,199,701.58	82,365,939.57	119	1,234,282,980	1,273,431,097
Facilities Rental	116	1,720,381.71	1,704,299.69			
Other Charges/Credits	117					
Total from TVA	118	90,920,083.29	84,070,239.26	122	1,234,282,980	1,273,431,097
Other Purchased Power**	218			222		
Subtotal	340	90,920,083.29	84,070,239.26			
Unbilled Purchases*	341		(4,138,806.33)			
Total (page 3, item 65)	342	90,920,083.29	79,931,432.93	345	1,234,282,980	1,273,431,097
				123	1,179,629,035	1,157,744,459
				124	54,653,945	115,686,638
				125	4.43	9.09
				346		(51,697,804)
Less kilowatt hours sold and used (item 114)						
Line losses and kilowatt-hours unaccounted for						
Percent of losses to purchases (2 decimal places)						
Kilowatt-hours in unbilled purchases (Item 341) above*						

\*\*Purchased other power under contract number \_\_\_\_\_ from \_\_\_\_\_

NUMBER OF CUSTOMERS			MISCELLANEOUS DATA		
CLASS OF SERVICE	MONTH OF JUNE		Miscellaneous Data (2 decimal places)	THIS YEAR	LAST YEAR
	THIS YEAR	LAST YEAR			
Residential (675)	37,660	37,693	(715)	5,089.00	5,085.00
Gen. Power - 50 kW & under (680)	8,587	8,586	Individual Outdoor Lts. (720)	14,272	14,287
Gen. Power - Over 50 kW (685)	583	580	No. in plant (725)	5,395,919.55	5,242,572.26
Street and athletic (690)	148	148	Total investment (730)	246,775.63	217,304.25
Outdoor lighting - Excl. Code 77 (693)	78	83	O&M expense (735)	2,014,109.86	1,853,619.91
Total (695)	47,056	47,090	St. Ltg. Invest. Base (740)	65,105.17	66,724.10
Outdoor Lighting - Code 77 (697)	11,148	11,184	Lamps & Glassware (745)	1,774.37	1,441.34

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

**Pennyrile Rural Electric Cooperative Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

MODIFIED STREET LIGHTING COMPUTATION				
Give computation of modified street lighting rate relative to lamps and glassware by customers, if applicable:				
TOWN	COST OF LAMPS	KWH	ALLOWANCE	EXCESS TO BE BILLED
	AND GLASSWARE	FROM STAT. REPT.	KWH X .003	
ADAIRVILLE	20.85	83,640	250.92	
CADIZ	235.48	513,822	1,541.47	
APACHE HEIGHTS HOMEOWNERS	8.17	10,032	30.10	
ELKTON	312.16	338,115	1,014.35	
GUTHRIE	53.81	167,521	502.56	
HOPKINSVILLE	417.37	593,132	1,779.40	
LAFAYETTE	8.48	16,170	48.51	
LEWISBURG	38.77	116,727	350.18	
OLMSTEAD	8.13	4,224	12.67	
PEMBROKE	16.96	88,175	264.52	
TRENTON	19.56	70,895	212.69	
OAK GROVE	258.58	265,476	796.43	
RUSSELLVILLE	52.13	101,714	305.14	
KY DEPT OF HIGHWAY		420,521	1,261.56	
FT. CAMPBELL	299.41	155,908	467.72	
CHRISTIAN COUNTY		484	1.45	
LATHAM RICHARD K	24.51	11,616	34.85	
HARRIS C W JR.		1,584	4.75	
ROGERS GROUP				
DR. HART. - CADIZ SUBDIVISION				
TOTAL:	1,774.37	2,959,756	8,879.27	

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

ACCT. NO.	DESCRIPTION	BALANCE BEG. OF YEAR	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS		BALANCE END OF YEAR
					DEBIT	CREDIT	
<b>ELECTRIC PLANT</b>							
<b>INTANGIBLE</b>							
301	Organization.....						
302	Franchises and consents.....						
303	Miscellaneous.....						
(750)	Total intangible.....						
<b>PRODUCTION</b>							
755	Total production.....						
<b>TRANSMISSION</b>							
350	Land and land rights.....	71,983.04					71,983.04
351	Cleaning land and rights of way.....						
352	Structures and improvements.....	55,160.21					55,160.21
353	Station equipment.....	301,491.18					301,491.18
354	Towers and fixtures.....						
355	Poles and fixtures.....	359,408.03					359,408.03
356	Overhead conductors and devices.....	269,961.49					269,961.49
357	Underground conduit.....						
358	Underground conductors and devices.....						
359	Roads and trails.....						
(760)	Total transmission.....	1,058,003.95					1,058,003.95
<b>DISTRIBUTION</b>							
360	Land and land rights.....	1,140,869.72		116.64			1,140,753.08
361	Structures and improvements.....						
362	Station equipment.....	10,316,589.57	183,767.03	61,200.00			10,439,156.60
363	Storage battery equipment.....						
364	Poles, towers, and fixtures.....	55,582,552.92	2,734,127.32	984,790.31			57,331,899.93
365	Overhead conductors and devices.....	20,605,565.66	1,330,754.46	213,968.69			21,722,351.43
366	Underground conduit.....	414.56					414.56
367	Underground conductors and devices.....	5,014,413.01	296,407.26	60,590.77			5,250,229.50
368	Line transformers.....	27,187,720.04	1,219,197.41	441,180.01			27,965,737.44
369	Services.....	8,465,484.70	561,516.23	108,550.52			8,918,450.41
370	Meters.....	11,327,004.42	218,922.43	89,439.12			11,456,487.73
371	Inst. on customers' premises.....	5,242,949.85	486,362.12	333,382.42			5,395,919.55
372	Leased prop. on cust. premises.....	1,799,168.45	233,164.09	73,363.84			1,958,968.70
373	St. lighting and signal systems.....	146,682,732.90	7,264,208.35	2,366,582.32			151,580,358.93
(765)	Total distribution.....						

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

ACCT. NO.	GENERAL	BALANCE BEG. OF YEAR	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS		BALANCE END OF YEAR
					DEBIT	CREDIT	
<b>ELECTRIC PLANT</b>							
389	Land and land rights.....	653,541.83	192,784.18				846,326.01
390	Structures and improvements.....	5,229,191.88	2,738,358.36	567,688.07			7,419,881.97
391	Office furniture and equipment.....	2,072,385.08	143,779.41	8,719.85			2,207,444.64
392	Transportation equipment.....	3,222,311.91	1,199,329.33	799,329.38			5,822,511.66
393	Stores equipment.....	303,575.16	2,343.03	12,295.02			293,423.17
394	Tools, shop, and garage equip.....	599,599.12	69,955.67	1,066.22			628,488.57
395	Laboratory equipment.....	168,567.65	10,305.21				178,872.86
396	Power operated equipment.....						
397	Communication equipment.....	1,250,505.23	912,524.20	20,421.40			2,142,608.03
398	Miscellaneous equipment.....	9,442.51	3,066.51				12,509.02
399	Other tangible property.....						
(770)	Total general.....	15,468,920.17	5,292,645.90	1,409,499.94			19,352,066.13
101	Total plant in service.....	163,209,657.02	12,556,854.25	3,776,082.26			171,990,429.01
102	Electric plant purchased or sold.....						
104	Electric plant leased to others.....						
105	Electric plant for future use.....						
107	Construction work in progress.....	298,284.71	43,611.06				341,895.77
(775)	Total other electric plant.....	298,284.71	43,611.06				341,895.77
(780)	Total electric plant (page 1, item 1).....	163,507,941.73	12,600,465.31	3,776,082.25			172,332,324.78
(item 140)							
<b>RESERVES</b>							
108	Accumulated provision for depreciation of electric plant in service.....					49,649,386.03	
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).....					49,649,386.03	
	Total electric plant, less accumulated provision for depreciation (page 1, item 3).....						122,682,438.75
<p>Reclassification Columns</p> <p>Includes major corrections to prior years additions and retirements, transfers between accounts classified in prior years, and classification of plant purchased and/or sold.</p> <p>Explanations of entries shown in the Reclassification Columns:</p>							

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

ACCT. NO.	DEPR. RATE	BALANCE BEG. OF YEAR	ACCURAL	ORIGINAL COST	REMOVAL COST	SALVAGE	OTHER ENTRIES*		BALANCE END OF YEAR	% DEPR.
							DEBIT	CREDIT		
350										
351										
352	4.00	38,950.11	2,204.16						41,164.27	75
353	4.00	213,693.23	12,047.52						225,740.75	75
354										
355	4.00	220,200.98	14,361.95						234,562.94	65
356	3.00	144,108.72	8,098.80						152,207.52	56
357										
358										
359										
(785) TOTAL		616,953.04	36,712.44						653,675.48	62
360			116.64							
361										
362	4.00	5,847,272.51	415,516.12	61,200.00	983.61				6,200,605.02	59
363										
364	3.25	12,952,426.85	1,835,851.89	984,730.31	552,042.69	128,758.55			13,390,204.29	23
365	2.50	6,004,089.77	531,238.21	213,988.69	117,610.90	143,908.68			6,347,657.07	29
366	3.00	390.00							390.00	94
367	3.00	877,539.10	154,287.21	60,590.77	27,469.59	5,574.50			949,340.45	18
368	3.00	9,812,317.73	826,272.03	441,180.01	73,726.97	50,707.82			10,174,390.60	36
369	4.50	2,455,111.60	392,109.32	108,550.52	58,635.87	39,823.84			2,719,858.37	30
370	3/6	625,770.23	64,155.83	89,439.12		160.00			1,178,049.94	10
371	8/5	1,606,154.06	426,820.89	333,382.42	177,775.93	28,433.23			1,550,249.83	29
372										
373	8.00	988,266.75	148,818.35	73,363.84	39,356.44	6,448.36			1,030,813.18	53
(790) TOTAL		41,179,338.50	5,372,589.49	2,366,582.32	1,047,602.00	403,814.98			43,541,558.75	29
389										
390	VAR	1,805,746.40	115,444.79	567,688.07	87,497.07	1,438.23			1,267,464.28	17
391	4/10/20	1,113,734.32	115,328.24	87,198.85					1,220,342.71	55
392	VAR	2,431,170.25	436,726.20	799,329.38	2,416.29	121,650.00			2,187,800.78	39
393	4.00	87,521.88	10,787.62	12,295.02					86,014.48	29
394	8.00	239,976.97	38,914.90	1,065.22					277,825.65	44
395	8.00	137,055.24	8,836.57						145,891.81	82
396										
397	3.00	283,195.04	34,824.10	20,421.40	250.00	886.50			298,204.24	14
398	10.00	6,937.58	305.99						7,243.57	58
399										
(795) TOTAL		6,105,337.68	761,168.41	1,409,499.94	90,193.36	123,974.73			5,490,787.52	28
(800) OTHER		(46,001.13)		(9,865.41)					(36,135.72)	(11)
(805) TOTALS		47,855,638.19	6,170,470.34	3,775,082.26	1,127,929.95	527,799.71			49,649,886.03	29

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

**Pennyrile Rural Electric Cooperative Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

ACCUMULATED PROVISION FOR DEPRECIATION - CONTINUED		
Depreciation expense (403 and 404) (page 3, item 77) .....	(810)	5,733,744.14
Depreciation charged to transportation expense - clearing .....	(815)	436,726.20
Depreciation charged to building expense - clearing .....	(820)	
Depreciation charged to other accounts (list each account number) .....	(825)	
.....	(830)	
.....	(835)	
.....	(840)	
<b>Total accrual (page 11) .....</b>	<b>(Item 128)</b>	<b>6,170,470.34</b>

Explanations (continue on page 33 if necessary)

**Pennyrile 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
Total				Total			

GAIN OR LOSS ON SALE OF ELECTRIC PLANT	
Selling price .....	(Item 130) .....
Less net plant sold (as above) .....	
Difference .....	
Less selling expense .....	(Item 131) .....
Gain or loss on sale .....	(Item 129) .....

**Pennyrile Rural Electric Cooperative Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

PAGE 14

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
Class E Stock	982,302.01	181,532.15	
Investment in Federated Insurance Co.	200,687.00	30,676.00	
Long-Term Investment - KAEC	5,000.00	24.32	
Investment in PenWar - 500 shares	500.00		
Investment in Southeastern Data Corp. stock	100.00		
Investment - CFC	1,000.00		
Patronage Capital Alloc - SEDC	143,550.31	36,995.00	
Patronage - United Utility Supply	267,150.46	29,423.00	
Patronage - Arkansas Electric	10,670.97	293.40	
Patronage - KAEC	88,097.49	534.09	
Patronage - Logan Telephone Coop	11,201.62	615.28	
Subtotal	1,710,259.86	280,093.24	
	(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)			
Subtotal			
	(page 15)	(account 419, page 16)	
CASH AND TEMPORARY CASH INVESTMENTS - GENERAL FUNDS			
(Report only investments considered as current assets)			
Cash - Temporary Cash Investments		2.16	
Cushion of Credit - Interest Income		247,605.87	
Repurchase Agreement	20,290,790.91	93,650.62	
Interest - District Bank Account		16.94	
Total Temporary Cash Investments	20,290,790.91	341,275.59	
CASH (Accounts 131 - 135)	200,284.68		
Subtotal	20,491,075.59	341,275.59	
	(page 1, item 14)	(account 419, page 16)	
Grand Total	22,201,335.45	621,368.83	



Pennyrite Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	SPECIAL FUNDS			TOTAL OTHER SPECIAL FUNDS	TOTAL OF ALL SPECIAL FUNDS
	ACCOUNT 125	ACCOUNT 126	ACCOUNT 128		
	TOTAL SINKING FUNDS	DEPRECIATION FUNDS	CONSTRUCTION FUNDS		
Cash included in fund end of year					
Investments in fund end of year (page 14)					
Balance of fund end of year (page 1)					
Minimum balance required*	(page 1, item 9)	(page 1, item 10)		(page 1, item 12)	
Authority creating fund**					
<p>* Explain difference if fund balance is less than minimum required.                  ** State whether fund is required by bond contract, board action, etc.</p>					
Total Sinking					
Depreciation					
Construction					
Other					
<p>Note: Report all debt service funds as sinking funds.                  Report all funds for renewals and replacements as depreciation funds.</p>					
NONUTILITY PROPERTY (Account 121)					
	NONUTILITY PROPERTY (Account 121)				
	DESCRIPTION AND LOCATION OF PROPERTY	DATE ACQUIRED	BOOK COST	NET INCOME (ACCOUNT 418)	
Total					
Less accumulated provision for depreciation (account 122)					(page 16)
Total net of depreciation (page 1, item 7)					

**Pennyrile Rural Electric Cooperative Corporation**  
 REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

PAGE 16

ACCT. NO.	OTHER INCOME										
415	Revenue from merchandising, jobbing, etc.....	410,315.48									
416	Cost and expense of merchandising, etc.....	(94,340.24)									
417*	Income from nonutility operations - net of expense.....										
418	Nonoperating rental income - net of expense (page 15).....										
419	Interest and dividend income (page 14).....	621,368.83									
419.1	Interest charged to construction.....										
421*	Misc. nonoperating income - net of expense.....	90.93									
(845)	Total other Income (page 3, item 83).....	937,435.00									
<p>*Explain these items briefly:</p> <table border="0" style="width:100%;"> <tr> <td style="width:33%; text-align:center;">417</td> <td style="width:33%;"></td> <td style="width:33%; text-align:center;">421</td> </tr> <tr> <td></td> <td></td> <td style="text-align:center;">Surge Protectors - \$83.89</td> </tr> <tr> <td></td> <td></td> <td style="text-align:center;">Time Warner Dividends - \$7.04</td> </tr> </table>			417		421			Surge Protectors - \$83.89			Time Warner Dividends - \$7.04
417		421									
		Surge Protectors - \$83.89									
		Time Warner Dividends - \$7.04									

ACCT. NO.	MISCELLANEOUS INCOME DEDUCTIONS																						
425*	Miscellaneous amortization.....																						
426*	Miscellaneous income deductions.....	93,402.07																					
(850)	Total misc. income deductions (page 3, item 85).....	93,402.07																					
<p>*Explain these items briefly:</p> <table border="0" style="width:100%;"> <tr> <td style="width:33%; text-align:center;">425</td> <td style="width:33%;"></td> <td style="width:33%; text-align:center;">426</td> </tr> <tr> <td></td> <td></td> <td style="text-align:center;">Community Donations - \$73,966.30</td> </tr> <tr> <td></td> <td></td> <td style="text-align:center;">Counselling Committee - \$3,921.32</td> </tr> <tr> <td></td> <td></td> <td style="text-align:center;">Employee Membership Dues - \$2,246.67</td> </tr> <tr> <td></td> <td></td> <td style="text-align:center;">Penalties - \$942.30</td> </tr> <tr> <td></td> <td></td> <td style="text-align:center;">Abandoned Work Orders - \$3,919.75</td> </tr> <tr> <td></td> <td></td> <td style="text-align:center;">Frankfort/Washington Youth Tour - \$8,405.73</td> </tr> </table>			425		426			Community Donations - \$73,966.30			Counselling Committee - \$3,921.32			Employee Membership Dues - \$2,246.67			Penalties - \$942.30			Abandoned Work Orders - \$3,919.75			Frankfort/Washington Youth Tour - \$8,405.73
425		426																					
		Community Donations - \$73,966.30																					
		Counselling Committee - \$3,921.32																					
		Employee Membership Dues - \$2,246.67																					
		Penalties - \$942.30																					
		Abandoned Work Orders - \$3,919.75																					
		Frankfort/Washington Youth Tour - \$8,405.73																					

INVESTMENT PROCEDURES		
<p>Are Investments in excess of \$100,000 secured?    <input checked="" type="checkbox"/> Yes    <input type="checkbox"/> No    If yes, how?            U.S. Treasury obligations. Securities are held by third party and we have a safekeeping receipt.</p>		

ACCT. NO.	RECEIVABLES	
141	Notes receivable (Explain on page 33).....	
142	Customer accounts receivable.....	10,667,620.09
143	Other accounts receivable.....	300,224.70
146	Accounts receivable municipality (Explain on page 33 if over 45 days past due).....	
	Total.....	10,967,844.79
144	Accumulated provision for uncollectible accounts.....	12,500.00
	Accounts receivable net of reserve (page 1, item 15).....	10,955,344.79

**Pennyrite Rural Electric Cooperative Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

ACCT. NO.	MATERIALS AND SUPPLIES	
154	Plant materials and operating supplies .....	613,996.69
155	Merchandise .....	
156	Other materials and supplies .....	170,762.83
163	Stores expense undistributed .....	14,256.52
(855)	Total materials and supplies (page 1, item 16) .....	799,016.04

Give dates of physical inventories this year: 12/10/2010  
Total of adjustments: \$ \_\_\_\_\_ over, or \$ 2,190.93 short

PREPAYMENTS - Account No. 165		
	Prepaid insurance .....	206,907.71
	Prepaid employee pension plan .....	
	Prepaid taxes (page 29) .....	13,068.66
	Prepaid rents .....	
	Other prepayments .....	59,968.12
	Total prepayments (page 1, item 17) .....	279,944.49

ACCT. NO.	OTHER CURRENT ASSETS	
171	Interest and dividends receivable .....	13,226.07
172	Rents receivable .....	328,657.50
173	Accrued utility revenue .....	1,705,681.51
174	Miscellaneous current and accrued assets .....	
	Total other current assets (page 1, item 18) .....	2,047,565.08

ACCT. NO.	DEFERRED DEBITS	
181	Unamortized debt expense (page 1, item 20) .....	1,510,409.18

Give method and period of amortization:  
AMORTIZED OVER LIFE OF LOAN

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) .....	21,141,357.38

List of Items:

	Receivables from plant sales (item 143) .....	
	Other items (list):	
	Notes Receivable - PenWar, Inc. Customers .....	44,227.93
	Retirement Deferred Debit .....	2,654,671.65
	Notes Receivable - FTC - UESC .....	18,442,457.80
	.....	
	.....	
	.....	
	.....	
	.....	
	.....	
	.....	
	.....	
	Total as above .....	21,141,357.38

**Pennyrite Rural Electric Cooperative Corporation**  
 REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

CUSTOMER ADVANCES FOR CONSTRUCTION - REFUNDABLE (Account 252)					
BEGINNING BALANCE	ADDITIONS	REFUNDS	CONFISCATIONS*	ENDING BALANCE	
208,599.80		(9,882.55)	(196,000.00)	2,717.25	
				(page 2, item 55)	
					AMOUNT MATURING NEXT YEAR
					2,717.25

\*Please list the FERC account numbers and amounts credited when advances were confiscated:  
 252.01

The refundable customer advances for construction policy is as follows:  
 Advance from mobile home required and will be refunded if mobile home becomes a permanent dwelling.

\*Above amount is estimated; actual refunds will be determined FY2012.

**NONREFUNDABLE CONTRIBUTIONS**

The nonrefundable contribution in aid of construction policy is as follows:

Show the amounts of nonrefundable contributions and the FERC account numbers credited during the fiscal year.  
 10720 \$323,659.53

**INSURANCE**

PROPERTY OR CONTINGENCY COVERED	HAZARD INSURED AGAINST	AMOUNT OF COVERAGE
Employee Injury	Worker's Compensation	1,000,000/1,000,000
Public Liability	Property Damage	2,000,000/2,000,000
Public Liability	Bodily Injury	2,000,000/2,000,000
Excess Public Liability	Catastrophes	19,000,000
Automobiles and Trucks	Property Damage & Bodily Injury	2,000,000/2,000,000
Buildings and Contents	Property Damage	42,935,150
Theft and Embezzlement	Crime	1,000,000
Directors and Officers	Personal Liability	10,000,000
Other: Earthquake	Direct Physical Loss	25,000,000
Fiduciary Limit of Liability	Fiduciary	2,000,000
Electromagnetic Field Liability	EFT	1,000,000

**Pennyrile 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	FEDERAL FINANCING BANK PENNYRILE 0003 0001		FEDERAL FINANCING BANK PENNYRILE 0003 0002		FEDERAL FINANCING BANK PENNYRILE 0001 0001	
NAME OF ISSUE 200	FEDERAL FINANCING BANK PENNYRILE 0003 0001		FEDERAL FINANCING BANK PENNYRILE 0003 0002		FEDERAL FINANCING BANK PENNYRILE 0001 0001	
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE
2010						
2011						
2012						
2013						
2014						
2015						
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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.

**Pennyrile 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		FEDERAL FINANCING BANK PENNYRILE 0001 0002	FEDERAL FINANCING BANK PENNYRILE 0001 0003	FEDERAL FINANCING BANK PENNYRILE 0001 0004		
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE
2010						
2011						
2012						
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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.

**Pennyrile 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		FEDERAL FINANCING BANK PENNYRILE 0001 0005	FEDERAL FINANCING BANK PENNYRILE 0002 0001	FEDERAL FINANCING BANK PENNYRILE 0002 0002		
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE
2010						
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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.

**Pennyrile 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		FEDERAL FINANCING BANK PENNYRILE 0002 0003		FEDERAL FINANCING BANK PENNYRILE 0002 0004		FFB CUSHION OF CREDIT (RUS)
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE
2011						
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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.



**Pennyrite 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		0/0			
NAME OF ISSUE 200		POST RETIREMENT BENEFITS DUE TO EMPLOYEES			
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	TOTAL MATURITIES
2010					
2011					
2012					
2013					
2014					
2015					
2016					
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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.

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE NUMBER	DATE OF NOTE	INT RATE	term of months	DATE REPAYMENTS BEGIN MO/YEAR	AMOUNT OF ALLOTMENT	BALANCE DUE ON FALLOTMENT (ACCOUNT 2842)	SUMMARY OF LONG-TERM DEBT - RUS		DEFERRED INTEREST	OUTSTANDING END OF YEAR EXCLUDING CUSHION OF CREDIT
							AMOUNT PAID THIS YEAR	INTEREST		
01-1B250	7/28/83	5.00	35	11/1/88	947,500.00		388,731.61	4,818.68		
02-1B252	7/28/83	5.00	35	11/1/88	947,500.00		388,731.61	7,876.40		
03-1B275	6/19/95	5.00	35	01/1/96	2,042,000.00		1,519,018.54	6,468.82		357.86
04-1B280	10/29/96	5.00	35	07/1/98	6,626,000.00		148,265.66	262,211.26		5,162,512.57
05-1B285	2/2/98	5.00	35	07/1/98	3,935,000.00		87,756.44	155,695.24		3,065,538.83
06-1B286	6/22/98	5.13	35	07/1/98	2,691,000.00		59,157.93	110,052.15		2,114,739.51
07-										
08-										
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36-										
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38-										
39-										
40-										
(860) Total					17,189,000.00		2,591,661.79	547,122.55		10,343,148.77
List Note Numbers Paid Monthly:			1B250	1B252	1B275	1B280	1B285	1B286		

\*EXCLUDING CUSHION OF CREDIT.

Pennyrile 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 MONTHS	AMOUNT OF LOAN APPROVED	UNADVANCED LOAN	AMT PAID THIS YEAR FOR REGULAR BILLINGS			OUTSTANDING END OF YEAR	RUS LOAN SUPPLEMENTED	
							PRINCIPAL	INTEREST			NOTE NUMBER	%
01-377756	3/18/97	8.09	COBANK	35	5,680,000.00		1,871,616.58	98,083.45		1B280	30.00	
02-377747	7/7/97	7.80	COBANK	35	3,547,000.00		3,112,340.77	103,112.75		1B280	30.00	
03-1879742	10/31/03	4.90	COBANK	13	6,081,760.08		616,430.76	119,635.49	2,021,328.79			
04-105638	9/1/06	5.38	COBANK	10	9,171,343.00		793,097.15	329,439.55	5,579,430.40			
05-2194594	2/1/08	3.99	COBANK	3	11,500,000.00		2,023,659.34	37,871.10				
06-2215155	4/10/08	3.74	COBANK	3	4,500,000.00		1,172,691.94	25,672.97				
07-2427406	7/19/10	4.44	COBANK	18	2,285,755.63		134,344.05	75,535.34	2,151,411.58			
08-												
09-												
10-												
11-												
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41-												
(855) Total					42,765,858.71		9,724,180.59	789,350.65	9,752,170.77			

**Pennyrile 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	10,343,148.77
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	(2,151,080.29)
Net balance due RUS as above (page 2, item 36)		8,192,068.48
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="2,591,661.79"/>		
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)		547,122.55
Repayments this year		547,122.55
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	
223.61	Patronage capital certificates - debit	-
223.62	Deferred patronage dividends - credit	
Net CFC account (account 223) (page 2, item 37)		
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"/>		
INTEREST ACCRUED - CFC (Account 237.2)		
		AMOUNT
Balance beginning of year (matured \$.00)		
Accrued during year (Account 427.1) (page 3, item 88) (page 26 summary)		
Repayments this year		
Balance end of year (matured \$.00) (page 2, item 50)(page 26 summary)		
LONG-TERM DEBT - COBANK		
ACCT.	PRINCIPAL DATA	AMOUNT
229.10	Long Term Debt - CoBank - credit	9,752,170.77
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)		9,752,170.77
Amount received on allotment this year (Item 136) <input type="text" value="2,285,755.63"/>		
Repayments this year (Item 145) <input type="text" value="9,724,180.59"/>		
INTEREST ACCRUED - COBANK (Account 237.6)		
		AMOUNT
Balance beginning of year (matured \$.00)		(1,950,434.34)
Accrued during year (Account 427.4) (page 3, item 89) (page 26 summary)		419,610.33
Repayments this year		789,350.65
Balance end of year (matured \$.00) (page 2, item 51)(page 26 summary)		(2,320,174.66)

**Pennyrile 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: FEDERAL FINANCING BANK PENNYRILE 0001 0001  
 Date of Issue: 04/22/1999 Amount of original Issue: \$ 3,500,000.00  
 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: Quarterly Principal due dates: Quarterly Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: Other - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: SYSTEM IMPROVEMENTS

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	3,007,594.95	Accrued beginning of year	
Issued during year		Accrued during year (427.3)	168,513.67
Total	3,007,594.95	Total	168,513.67
Bonds retired this year	68,510.45	Payments during year	168,513.67
Balance end of year	2,939,084.50	Balance end of Year	
Including matured of (239)		Including matured of (240)	
Balance less matured (221)	2,939,084.50	Balance less matured (237.3)	

Name of Issue: FEDERAL FINANCING BANK PENNYRILE 0001 0002  
 Date of Issue: 11/04/1999 Amount of original Issue: \$ 4,000,000.00  
 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: Quarterly Principal due dates: Quarterly Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: Other - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: SYSTEM IMPROVEMENTS

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	3,491,545.79	Accrued beginning of year	
Issued during year		Accrued during year (427.3)	218,853.47
Total	3,491,545.79	Total	218,853.47
Bonds retired this year	72,946.01	Payments during year	218,853.47
Balance end of year	3,418,599.78	Balance end of Year	
Including matured of (239)		Including matured of (240)	
Balance less matured (221)	3,418,599.78	Balance less matured (237.3)	

**Pennyrile Rural Electric Cooperative Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)			
Name of Issue: <u>FEDERAL FINANCING BANK PENNYRILE 0001 0003</u>			
Date of Issue: <u>11/01/2000</u>		Amount of original Issue: \$ <u>6,000,000.00</u>	
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: <u>Quarterly</u>	Principal due dates: <u>Quarterly</u>	Denominations: \$ _____	
Agent for paying principal and interest: _____			
Revenue or general obligation bonds: <u>Other - 228</u>		Issued or assumed: _____	
If assumed from municipality give date and amount assumed: _____ \$ _____			
Amount authorized if different from amount issued: \$ _____			
Purpose of Issue: <u>SYSTEM IMPROVEMENTS</u>			
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 . . . . .	5,193,709.62	Accrued beginning of year . . . . .	
Issued during year . . . . .		Accrued during year (427.3) . . . . .	306,713.07
Total . . . . .	5,193,709.62	Total . . . . .	306,713.07
Bonds retired this year . . . . .	113,765.73	Payments during year . . . . .	306,713.07
Balance end of year . . . . .	5,079,943.89	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	5,079,943.89	Balance less matured (237.3) . . . . .	
Name of Issue: <u>POST RETIREMENT BENEFITS DUE TO EMPLOYEES</u>			
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: <u>PostRetirement - 228</u>		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 . . . . .	1,495,800.00	Accrued beginning of year . . . . .	
Issued during year . . . . .	177,703.33	Accrued during year (427.3) . . . . .	
Total . . . . .	1,673,503.33	Total . . . . .	
Bonds retired this year . . . . .	63,603.33	Payments during year . . . . .	
Balance end of year . . . . .	1,609,900.00	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	1,609,900.00	Balance less matured (237.3) . . . . .	

**Pennyrite 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: <u>FEDERAL FINANCING BANK PENNYRILE 0001 0004</u>			
Date of Issue: <u>05/23/2002</u>	Amount of original Issue: \$ <u>6,000,000.00</u>		
Cash realized: \$ <u>6,000,000.00</u>	Discount: \$ _____	Premium: \$ _____	Exp: \$ _____
If rates are variable, state what Index they are tied to and length of time between readjustments: _____			
Interest due dates: <u>Quarterly</u>	Principal due dates: <u>Quarterly</u>	Denominations: \$ _____	
Agent for paying principal and interest: _____			
Revenue or general obligation bonds: <u>Other - 228</u>			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.....	4,942,744.81	Accrued beginning of year.....	
Issued during year.....		Accrued during year (427.3).....	211,640.00
Total.....	4,942,744.81	Total.....	211,640.00
Bonds retired this year.....	133,111.68	Payments during year.....	211,640.00
Balance end of year.....	4,809,633.13	Balance end of Year.....	
Including matured of (239).....		Including matured of (240).....	
Balance less matured (221).....	4,809,633.13	Balance less matured (237.3).....	
Name of Issue: <u>FEDERAL FINANCING BANK PENNYRILE 0001 0005</u>			
Date of Issue: <u>03/31/2003</u>	Amount of original Issue: \$ <u>5,533,000.00</u>		
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: <u>Other - 228</u>			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.....	4,678,899.53	Accrued beginning of year.....	
Issued during year.....		Accrued during year (427.3).....	200,342.59
Total.....	4,678,899.53	Total.....	200,342.59
Bonds retired this year.....	126,006.13	Payments during year.....	200,342.59
Balance end of year.....	4,552,893.40	Balance end of Year.....	
Including matured of (239).....		Including matured of (240).....	
Balance less matured (221).....	4,552,893.40	Balance less matured (237.3).....	

**Pennyrile 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: <u>FEDERAL FINANCING BANK PENNYRILE 0002 0001</u>			
Date of Issue: <u>07/01/2005</u>	Amount of original Issue: \$ <u>6,000,000.00</u>		
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: <u>Other - 228</u>			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 . . . . .	5,533,826.30	Accrued beginning of year . . . . .	
Issued during year . . . . .		Accrued during year (427.3) . . . . .	235,421.38
<b>Total . . . . .</b>	<b>5,533,826.30</b>	<b>Total . . . . .</b>	<b>235,421.38</b>
Bonds retired this year . . . . .	110,252.14	Payments during year . . . . .	235,421.38
Balance end of year . . . . .	5,423,574.16	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	5,423,574.16	Balance less matured (237.3) . . . . .	
Name of Issue: <u>FEDERAL FINANCING BANK PENNYRILE 0002 0002</u>			
Date of Issue: <u>02/09/2006</u>	Amount of original Issue: \$ <u>8,000,000.00</u>		
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: <u>Other - 228</u>			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 . . . . .	7,480,313.05	Accrued beginning of year . . . . .	
Issued during year . . . . .		Accrued during year (427.3) . . . . .	355,346.08
<b>Total . . . . .</b>	<b>7,480,313.05</b>	<b>Total . . . . .</b>	<b>355,346.08</b>
Bonds retired this year . . . . .	137,797.64	Payments during year . . . . .	355,346.08
Balance end of year . . . . .	7,342,515.41	Balance end of Year . . . . .	
Including matured of (239) . . . . .		Including matured of (240) . . . . .	
Balance less matured (221) . . . . .	7,342,515.41	Balance less matured (237.3) . . . . .	



**Pennyrile 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: <u>FEDERAL FINANCING BANK PENNYRILE 0002 0003</u>			
Date of Issue: <u>03/26/2007</u>		Amount of original Issue: \$ <u>8,000,000.00</u>	
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: <u>Other - 228</u>		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 .....	7,601,371.67	Accrued beginning of year .....	
Issued during year .....		Accrued during year (427.3) .....	370,739.83
Total .....	7,601,371.67	Total .....	370,739.83
Bonds retired this year .....	137,222.19	Payments during year .....	370,739.83
Balance end of year .....	7,464,149.48	Balance end of Year .....	
Including matured of (239) .....		Including matured of (240) .....	
Balance less matured (221) .....	7,464,149.48	Balance less matured (237.3) .....	
Name of Issue: <u>FEDERAL FINANCING BANK PENNYRILE 0002 0004</u>			
Date of Issue: <u>08/13/2007</u>		Amount of original Issue: \$ <u>3,462,000.00</u>	
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: <u>Other - 228</u>		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 .....	3,316,232.60	Accrued beginning of year .....	
Issued during year .....		Accrued during year (427.3) .....	168,998.16
Total .....	3,316,232.60	Total .....	168,998.16
Bonds retired this year .....	57,800.85	Payments during year .....	168,998.16
Balance end of year .....	3,258,431.75	Balance end of Year .....	
Including matured of (239) .....		Including matured of (240) .....	
Balance less matured (221) .....	3,258,431.75	Balance less matured (237.3) .....	

**Pennyrile 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: <u>FEDERAL FINANCING BANK PENNYRILE 0003 0001</u>			
Date of Issue: <u>02/06/2009</u>		Amount of original Issue: \$ <u>8,000,000.00</u>	
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: <u>Other - 228</u>		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 .....	8,000,000.00	Accrued beginning of year .....	
Issued during year .....		Accrued during year (427.3) .....	208,895.95
Total .....	8,000,000.00	Total .....	208,895.95
Bonds retired this year .....	165,347.11	Payments during year .....	208,895.95
Balance end of year .....	7,834,652.89	Balance end of Year .....	
Including matured of (239) .....		Including matured of (240) .....	
Balance less matured (221) .....	7,834,652.89	Balance less matured (237.3) .....	
Name of Issue: <u>FEDERAL FINANCING BANK PENNYRILE 0003 0002</u>			
Date of Issue: <u>07/29/2010</u>		Amount of original Issue: \$ <u>10,000,000.00</u>	
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: <u>Other - 228</u>		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 .....	10,000,000.00	Accrued during year (427.3) .....	24,429.83
Total .....	10,000,000.00	Total .....	24,429.83
Bonds retired this year .....	302,085.34	Payments during year .....	24,429.83
Balance end of year .....	9,697,914.66	Balance end of Year .....	
Including matured of (239) .....		Including matured of (240) .....	
Balance less matured (221) .....	9,697,914.66	Balance less matured (237.3) .....	

**Pennyryle 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: <u>FFB CUSHION OF CREDIT (RUS)</u>			
Date of issue:	Amount of original Issue: \$	16,108.37	
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 - 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		Accrued beginning of year	
Issued during year		Accrued during year (427.3)	
Total		Total	
Bonds retired this year	16,108.37	Payments during year	
Balance end of year	(16,108.37)	Balance end of Year	
Including matured of (239)		Including matured of (240)	
Balance less matured (221)	(16,108.37)	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		53,246,238.32	53,246,238.32	1,495,800.00	
Issued during year (Item 137)		10,000,000.00	10,000,000.00	177,703.33	
Total		63,246,238.32	63,246,238.32	1,673,503.33	
Bonds retired this year (Item 146)		1,440,953.64	1,440,953.64	63,603.33	
Balance end of year		61,805,284.68	61,805,284.68	1,609,900.00	
Including matured of (239) (Item 147)					
Balance less matured (221)		61,805,284.68	61,805,284.68	1,609,900.00	
			(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		
Accrued during year (427.3) (page 26)		2,469,894.03
Total		2,469,894.03
Payments during year		2,469,894.03
Balance end of year		
Including matured of (240)		
Balance less matured (237.3) (page 26)		
*Less TVA Long-term Debt and Postretirement Benefits		

**Pennyrile Rural Electric Cooperative Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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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 .....										141,829.42	
Balance customer deposits end of year (Account 235) .....										5,280,535.65	
Total customer deposits (page 2, item 47) .....										5,422,365.07	
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		427.2	3	88		
224	RUS	23	237.1	2	49		427.1	3	87	547,122.55	
229	CoBank	23	237.6	2	51	(2,320,174.66)	427.4	3	89	419,610.33	
228	TVA long term	25	237.3	2	52.1		427.3	3	90.2		
228	Other long term	25	237.3	2	52.2		427.3	3	90.1	2,469,894.03	
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		
235	Customer Deposits	Above	235	Above	---		431	3	92	304,584.91	
--	Delinquent taxes	---	237.5	2	52.2		431	3	92		
Total interest accrued end of year .....						(2,320,174.66)	Net expense for year .....				3,741,211.82
Total item 49 (page 2) .....							Total item 87 (page 3) .....				547,122.55
Total item 50 (page 2) .....							Total item 88 (page 3) .....				
Total item 51 (page 2) .....						(2,320,174.66)	Total item 89 (page 3) .....				419,610.33
Total item 52.1 (page 2) .....							Total item 90.1 (page 3) .....				2,469,894.03
Total item 52.2 (page 2) .....							Total item 90.2 (page 3) .....				
							Total item 92 (page 3) .....				304,584.91
ACCOUNTS PAYABLE											
232	Accounts payable - general (includes \$14,653,500.00 to TVA for purchased power and Fac.Rental) .....									15,902,403.14	
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) .....										15,902,403.14	
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 .....									225,480.97	
242	Miscellaneous - accrued insurance .....										
242	Miscellaneous - employees' accrued leave .....									252,409.79	
242	Miscellaneous - other .....									1,153,776.94	
Total other current and accrued liabilities (page 2, item 53) .....										1,631,667.70	
OTHER DEFERRED CREDITS (Account 253)											
Payables for plant purchases; (item 149) .....											
Other items (List): See Page 33 .....										1,031,507.78	
Total other deferred credits (page 2, item 56) .....											
Total other deferred credits (page 2, item 56) .....										1,031,507.78	

**Pennyrile Rural Electric Cooperative Corporation**

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

TO WHOM PAID		PERIOD COVERED		AMOUNT		TO WHOM PAID		PERIOD COVERED		AMOUNT	
States (list):		1/1/10	12/31/10	406,322.16		TRENTON	1/1/10	12/31/10	665.96		
KY		1/1/11	12/31/11	8,307.47		ELKTON	1/1/10	12/31/10	4,424.93		
KY						ELKTON	1/1/11	12/31/11	1,183.09		
						CADIZ	1/1/10	12/31/10	9,430.82		
						CADIZ	1/1/11	12/31/11	834.62		
						RUSSELLVILLE	1/1/10	12/31/10	2,914.46		
						RUSSELLVILLE	1/1/11	12/31/11	572.99		
						LEWISBURG	1/1/10	12/31/10	1,068.10		
						PEMBROKE	1/1/10	12/31/10	555.38		
						GUTHRIE	1/1/10	12/31/10	1,789.97		
						HOPKINSVILLE	1/1/10	12/31/10	19,565.05		
						HOPKINSVILLE	1/1/11	12/31/11	2,200.38		
						ADAIRVILLE	1/1/10	12/31/10	768.07		
						OAK GROVE	1/1/10	12/31/10	2,170.70		
Total states.....				414,629.63							48,144.52
Counties (list):		1/1/10	12/31/10	116,946.56							
TRIGG		1/1/11	12/31/11	2,178.83							
TRIGG		1/1/10	12/31/10	129,073.90							
LOGAN		1/1/11	12/31/11	1,832.72							
LOGAN		1/1/10	12/31/10	17,714.44							
CALDWELL		1/1/10	12/31/10	269.56							
SIMPSON		1/1/10	12/31/10	10,776.58							
BUTLER		1/1/10	12/31/10	44,608.10							
MUHLENBERG		1/1/10	12/31/10	84,108.09							
TODD		1/1/11	12/31/11	2,785.51							
TODD		1/1/10	12/31/10	216,938.81							
CHRISTIAN		1/1/10	12/31/10	29,301.52							
LYON		1/1/11	12/31/11	6,241.71							
CHRISTIAN											
Total counties.....				662,776.33							1,125,550.48

Total paid..... 48,144.52  
 if all the tax equivalent is paid to a city and the city makes redistribution payments to states or counties, show these redistribution payments above and mark them with an \*  
 Also give method of determining amounts redistributed.

**Pennyrite 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="radio"/> TAX, OR <input type="radio"/> TAX EQUIVALENT		TN. EQUALIZATION RATIO	STATE ASSESSMENT RATIO	TAX ASSESSMENT OR VALUATION	RATE PER \$100	TAX OR EQUIVALENT FOR TAX PERIOD	AMOUNT APPLICABLE FOR FISCAL YEAR
PERIOD	DISTRICT						
1/1/10 12/31/10	STATE OF KENTUCKY			107,174,173.00	.3791		406,322.16
1/1/10 12/31/10	TRENTON			176,180.00	.3780		665.96
1/1/10 12/31/10	ELKTON			1,471,300.00	.3007		4,424.93
1/1/10 12/31/10	CADIZ			3,167,068.00	.2978		9,430.82
1/1/10 12/31/10	RUSSELLVILLE			957,126.00	.3045		2,914.46
1/1/10 12/31/10	LEWISBURG			278,035.00	.3920		1,068.10
1/1/10 12/31/10	PEMBROKE			205,697.00	.2700		555.38
1/1/10 12/31/10	GUTHRIE			405,888.00	.4500		1,789.97
1/1/10 12/31/10	HOPKINSVILLE			8,065,990.00	.2426		19,565.05
1/1/10 12/31/10	ADAIRVILLE			199,426.00	.3930		768.07
1/1/10 12/31/10	OAK GROVE			1,167,042.00	.1860		2,170.70
1/1/10 12/31/10	TRIGG COUNTY			15,778,140.00	.7412		116,946.56
1/1/10 12/31/10	LOGAN COUNTY			16,007,238.00	.8063		129,073.90
1/1/10 12/31/10	CALDWELL COUNTY			2,728,237.00	.6493		17,714.44
1/1/10 12/31/10	SIMPSON COUNTY			37,469.00	.7194		269.56
1/1/10 12/31/10	BUTLER COUNTY			1,322,118.00	.8151		10,776.58
1/1/10 12/31/10	MUHLENBERG COUNTY			5,922,826.00	.7532		44,608.10
1/1/10 12/31/10	TODD COUNTY			13,349,736.00	.6300		84,108.09
1/1/10 12/31/10	CHRISTIAN COUNTY			31,807,436.00	.6864		218,938.81
1/1/10 12/31/10	LYON COUNTY			2,568,506.00	1.1408		29,301.52
1/1/11 12/31/11	CHRISTIAN COUNTY			876,647.00	.7120		6,241.71
1/1/11 12/31/11	LOGAN COUNTY			260,440.00	.7037		1,832.72
1/1/11 12/31/11	TODD COUNTY			390,459.00	.7134		2,785.51
1/1/11 12/31/11	TRIGG COUNTY			318,546.00	.8840		2,178.83
1/1/11 12/31/11	STATE OF KENTUCKY			1,846,092.00	.4500		8,307.47
1/1/11 12/31/11	HOPKINSVILLE			876,647.00	.2510		2,200.38
1/1/11 12/31/11	RUSSELLVILLE			260,440.00	.2200		572.99
1/1/11 12/31/11	ELKTON			390,459.00	.3030		1,183.09
1/1/11 12/31/11	CADIZ			318,546.00	.2620		834.62
	TOTAL PAID						1,125,550.48

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.

REPORT FOR FISCAL YEAR ENDED JUNE 30, 2011

PENNYRILE RURAL ELECTRIC COOPERATIVE CORPORATION  
 BASIS FOR COMPUTATION OF ACCRUAL FOR AD VALOREM PROPERTY  
 TAX OR TAX EQUIVALENT X TAX OR EQUIVALENT

TAX PERIOD JAN 1, 2010 TO DEC. 31, 2010	TAX ASSESSMENT OF VALUATION	RATE	EQUIVALENT APPLICABLE FOR TAX PERIOD F/Y	APPLICABLE FOR FISCAL YEAR
<b>STATE OF KENTUCKY</b>				
Real Estate	6,830,555	0.00122		\$8,333.28
Tangible Property	82,491,151	0.00450		371,210.18
Mfg. Machinery	17,852,467	0.00150		26,778.70
				=====
Total				\$406,322.16
<b>CITIES</b>				
Trenton				
	176,180	0.00378		\$665.96
Elkton				
Real Estate	199,000	0.00248		\$493.52
Tangible Property	1,272,300	0.00309		3,931.41
				=====
Total				\$4,424.93
Cadiz				
Real Estate	1,594,200	0.002650		\$4,224.63
Personal	1,572,868	0.003310		5,206.19
				=====
Total				\$9,430.82
Russellville				
Real Estate	236,500	0.002550		591.02
Personal	720,626	0.003290		2,323.44
				=====
Total				\$2,914.46
Lewisburg				
	278,035	0.00392		\$1,068.10
Pembroke				
	205,697	0.00270		\$555.38
Guthrie				
	405,888	0.0045		\$1,789.97
Hopkinsville				
Real Estate	4,018,532	0.00244		\$9,805.22
Personal	4,047,458	0.00251		10,159.12
				=====
				\$19,565.05
Adairville				
	199,426	0.003930		\$768.07
Oak Grove				
	1,167,042	0.00186		\$2,170.70

TAX PERIOD JAN 1, 2010 TO DEC. 31, 2010	TAX ASSESSMENT OF VALUATION	RATE	EQUIVALENT APPLICABLE FOR TAX PERIOD FY	APPLICABLE FOR FISCAL YEAR
<b>COUNTIES</b>				
Trigg				
R. E. County	1,798,902	0.000800		\$1,439.12
R. E. School	1,798,902	0.004590		8,256.96
T. P. County	13,979,238	0.001143		15,978.27
T. P. School	13,979,238	0.004590		64,164.70
T. P. Health	13,979,238	0.001278		17,865.47
T. P. Library	13,979,238	0.000517		7,227.27
R. E. Health	1,798,902	0.000800		1,439.12
R. E. Library	1,798,902	0.000320		575.65
				=====
Total				\$116,946.56
Logan				
R. E. County	469,424	0.001300		\$610.25
Health	469,424	0.000200		93.88
Library	469,424	0.000840		394.32
Extension	469,424	0.000405		190.12
Soil Conservation	469,424	0.000141		66.19
Common School	232,924	0.003660		852.50
Graded School	236,500	0.007330		1,733.55
Big Muddy	236,500	0.001000		236.50
Mud River	232,924	0.000135		31.44
T. P. County	15,537,814	0.002200		34,183.19
Health	15,537,814	0.000200		3,107.56
Library	15,537,814	0.001127		17,511.12
Extension	15,537,814	0.000679		10,550.18
Common School	14,817,188	0.003660		54,230.91
Graded School	720,626	0.007330		5,282.19
				=====
Total				\$129,073.90
Caldwell - Stan Hudson				
T. P. County	2,728,237	0.00115		\$3,137.47
T. P. School	2,728,237	0.00350		9,548.83
T. P. Extension	2,728,237	0.000387		1,055.83
Library - Tangible	2,728,237	0.00056		1,516.90
Hospital - Tangible	2,728,237	0.00055		1,500.53
Health - Tangible	2,728,237	0.00035		954.88
				=====
Total				\$17,714.44
Simpson- Gene Starks				
T.P. County	37,469	0.002		59.58
T.P. School	37,469	0.004370		163.74
Library	37,469	0.000770		28.85
Extension	37,469	0.000211		7.91
Ambulance	37,469	0.000400		14.99
				=====
Total				\$269.56



TAX PERIOD JAN 1, 2010 TO DEC. 31, 2010	TAX ASSESSMENT OF VALUATION	RATE	EQUIVALENT APPLICABLE FOR TAX PERIOD F/Y	APPLICABLE FOR FISCAL YEAR
<b>Butler</b>				
County	1,322,118	0.000860		\$1,137.02
School	1,322,118	0.003770		4,984.38
Health	1,322,118	0.000225		297.48
Ambulance	1,322,118	0.001000		1,322.12
Library	1,322,118	0.001404		1,856.25
Extension	1,322,118	0.000892		1,179.33
				=====
Total				\$10,776.58
<b>Muhlenberg</b>				
R. E. School	137,184	0.004970		\$681.80
T. P. School	5,785,642	0.004970		28,754.64
R. E. Library	137,184	0.000810		111.12
T. P. Library	5,785,642	0.001137		6,578.27
R. E. Franchise	137,184	0.001020		139.93
T. P. Franchise	5,785,642	0.000980		5,669.93
R. E. Health	137,184	0.000180		24.69
T. P. Health	5,785,642	0.000180		1,041.42
R. E. Extension	137,184	0.000180		24.69
T. P. Extension	5,785,642	0.000180		1,041.42
R. E. Cons. Dist.	137,184	0.000052		7.13
R. E. Airport	137,184	0.000090		12.35
T. P. Airport	5,785,642	0.000090		520.71
				=====
Total				\$44,608.10
<b>Todd - Keith Wells</b>				
T. P. County	13,099,560	0.001099		\$14,396.42
T. P. School	13,099,560	0.003610		47,289.41
T. P. Library	13,099,560	0.000689		9,025.60
T. P. Health	13,099,560	0.000330		4,322.85
T. P. Extension	13,099,560	0.000583		7,637.04
R. E. County	250,176	0.000990		247.67
R. E. School	250,176	0.003610		903.14
R. E. Library	250,176	0.000370		92.57
R. E. Extension	250,176	0.000343		85.81
R. E. Soil Conservation	250,176	0.000100		25.02
R. E. Health	250,176	0.000330		82.56
				=====
Total				\$84,108.09
<b>Christian</b>				
T. P. County	27,432,567	0.00270		\$74,067.93
T. P. School	27,432,567	0.00379		103,969.43
T. P. Extension Service	27,432,567	0.000328		8,997.88
T. P. Health	27,432,567	0.00018		4,937.86
R. E. County	4,174,869	0.00174		7,264.27
R. E. School	4,174,869	0.00379		15,822.75
R. E. Health	4,174,869	0.00018		751.48
R. E. Ext. Service	4,174,869	0.000230		960.22
R. E. Soil Conservation	4,174,869	0.00004		166.99
				=====
Total				\$216,938.81

TAX PERIOD JAN 1, 2010 TO DEC. 31, 2010	TAX ASSESSMENT OF VALUATION	RATE	EQUIVALENT APPLICABLE FOR TAX PERIOD F/Y	APPLICABLE FOR FISCAL YEAR
Lyon				
T. P. County	2,568,506	0.002320	\$5,958.93	
T. P. School	2,568,506	0.004010	10,299.71	
Library	2,568,506	0.001746	4,484.61	
Ambulance	2,568,506	0.002278	5,851.06	
Health	2,568,506	0.000230	590.76	
Extension Service	2,568,506	0.000824	2,116.45	
			=====	
Total			\$29,301.52	
			-----	
			\$1,099,413.16	\$549,706.58
			=====	
Estimated Tax Liability C/Y 2011		State	\$406,322.16	
		Cities	43,353.43	
		Counties	649,737.56	
			-----	
			\$1,099,413.16	\$549,706.58
			=====	
Underaccrual F/Y '2010		State	\$36,951.18	
		Cities	1,215.44	
		Counties	89,946.21	
			-----	
			\$128,112.82	\$128,112.82
			-----	
Total Tax Expense F/Y 2011				\$1,227,525.98
				=====

PENNYRILE RURAL ELECTRIC COOPERATIVE CORPORATION  
BASIS FOR COMPUTATION OF PREPAID AD VALOREM PROPERTY TAX  
TAX OR TAX EQUIVALENT X TAX OR EQUIVALENT

Page 28E

Tax Period Jan. 1 2010 to Dec. 31, 2010	Tax Assessment of Valuation	Rate	Tax or Equivalent For Tax Period	Amount Applicable For FY '11
<b>Counties</b>				
===== Christian =====				
State	478,825	0.0045	2,154.80	1,077.40
City-Hopkinsville	478,825	0.00251	1,201.82	600.91
County	478,825	0.00116	555.41	277.71
School	478,825	0.00566	2,709.98	1,354.99
Extension	478,825	0.00012	57.48	28.74
Health	478,825	0.00018	86.31	43.15
Library	162	0.00035	0.06	0.03
TOTAL COUNTY			3,409.24	1,704.62
===== Logan =====				
State	203,280	0.0045	914.78	457.39
City-Russellville	203,280	0.0022	447.23	223.61
County	203,280	0.00106	215.49	107.75
Health	203,280	0.000200	40.68	20.34
Extension	203,280	0.000157	31.89	15.95
Independent School	203,280	0.00539	1,095.66	547.83
Library	203,280	0.00023	46.74	23.37
TOTAL COUNTY			1,430.46	715.24
===== Todd =====				
State	348,639	0.00450	1,568.90	784.45
City-Elkton	348,639	0.00303	1,056.36	528.18
County	348,639	0.00101	352.13	176.06
School	348,639	0.00524	1,826.88	913.44
Health	348,639	0.00033	115.06	57.53
Extension	348,639	0.00030	106.00	53.00
Library	348,639	0.00025	87.18	43.59
TOTAL COUNTY			2,487.25	1,243.62
===== Trigg =====				
State	286,250	0.00450	1,288.14	644.07
City-Cadiz	286,250	0.00262	749.99	374.99
County	286,250	0.00096	274.81	137.41
School	286,250	0.00459	1,313.90	656.95
Health/Amb.	286,250	0.00094	269.07	134.54
Library	286,250	0.00035	100.19	50.09
TOTAL COUNTY			1,957.97	978.99
			=====	=====
			\$18,666.94	\$9,333.47

PENNYRILE RURAL ELECTRIC COOPERATIVE CORPORATION  
BASIS FOR COMPUTATION OF PREPAID AD VALOREM PROPERTY TAX  
TAX OR TAX EQUIVALENT X TAX OR EQUIVALENT

Tax Period Jan. 1 2011 to Dec. 31, 2011	Tax Assessment of Valuation	Rate	Tax or Equivalent For Tax Period	Amount Applicable For FY '12
<b>Counties</b>				
=====				
<b>Christian</b>				
=====				
State	876,647	0.0045	3,944.93	1,972.47
City-Hopkinsville	876,647	0.00251	2,200.38	1,100.19
County	876,647	0.00116	1,016.91	508.46
School	876,647	0.00566	4,961.78	2,480.89
Extension	876,647	0.00012	105.23	52.61
Health	876,647	0.00018	157.79	78.89
<b>TOTAL COUNTY</b>			<b>6,241.71</b>	<b>3,120.85</b>
<b>Logan</b>				
=====				
State	260,440	0.0045	1,171.99	586.00
City-Russellville	260,440	0.0022	572.99	286.49
County	260,440	0.00106	276.06	138.03
Health	260,440	0.000200	52.11	26.05
Extension	260,440	0.000157	40.88	20.44
Independent School	260,440	0.00539	1,403.78	701.89
Library	260,440	0.00023	59.89	29.95
<b>TOTAL COUNTY</b>			<b>1,832.72</b>	<b>916.36</b>
<b>Todd</b>				
=====				
State	390,459	0.00450	1,757.08	878.54
City-Elkton	390,459	0.00303	1,183.09	591.55
County	390,459	0.00101	394.35	197.18
School	390,459	0.00524	2,046.01	1,023.00
Health	390,459	0.00033	128.84	64.42
Extension	390,459	0.00030	118.70	59.35
Library	390,459	0.00025	97.61	48.81
<b>TOTAL COUNTY</b>			<b>2,785.51</b>	<b>1,392.76</b>
<b>Trigg</b>				
=====				
State	318,546	0.00450	1,433.47	716.73
City-Cadiz	318,546	0.00262	834.62	417.31
County	318,546	0.00096	305.79	152.90
School	318,546	0.00459	1,462.13	731.06
Health/Amb.	318,546	0.00094	299.43	149.71
Library	318,546	0.00035	111.48	55.74
<b>TOTAL COUNTY</b>			<b>2,178.83</b>	<b>1,089.41</b>
			=====	=====
			\$26,137.32	\$13,068.66
Amount carried from Page 28E				\$9,333.47
				=====
				\$22,402.13

### Pennyrille 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		BALANCE END OF YEAR		
						AMOUNT				
TRIGG		978.99	2,178.93	01/01/2011	408.1	2,068.40		1,089.42		
LOGAN		715.24	1,832.72	01/01/2011	408.1	1,631.60		916.36		
TODD		1,243.62	2,785.51	01/01/2011	408.1	2,636.38		1,392.75		
CHRISTIAN		1,704.62	6,241.71	01/01/2011	408.1	4,825.47		3,120.86		
ELKTON		528.18	1,183.09	01/01/2011	408.1	1,119.73		591.54		
CADIZ		374.99	834.62	01/01/2011	408.1	792.30		417.31		
RUSSELLVILLE		223.61	572.99	01/01/2011	408.1	510.10		286.50		
HOPKINSVILLE		600.91	2,200.38	01/01/2011	408.1	1,701.10		1,100.19		
KY		2,963.31	8,307.47	01/01/2011	408.1	7,117.05		4,153.73		
Total		9,333.47	26,137.32			22,402.13		13,068.66		(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	529,889.50	1,099,413.16		1,119,250.24	549,706.58				
408.2	U.S. Social Security - unemployment	268.79	6,982.31		6,824.05	110.53				
408.3	U.S. Social Security - FICA		406,379.23		406,379.23					
408.4	State Social Security - unemployment		9,732.92		9,732.92					
408.5	Gross receipts - state									
408.6	Income - state									
408.7	Other (list below)									
408.7	Oak Grove Franchise Tax		237,629.55	(22,402.13)	237,629.55					
408.7	Reallocation of Prepaid Vehicle Taxes	278,215.14	3,231,898.83	3,239,988.84	1,639.52	287,944.37				
408.7	School Tax									
(865)	Total	808,353.43	4,992,036.00	3,217,586.41	1,803,857.64	837,761.48				
(890)	Tax expense from the writeoff of prepaid privilege taxes (as above)			22,402.13						
	Total tax expense for the year (page 3, item 79)			3,239,988.54						

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".

**Pennyrile 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.)  
 Board of Directors and General Manager
  
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.  
 KENTUCKY REVISED STATUTES, CHAPTER 279
  
- (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?       N        
 If so, give name. If not, give the type in-house hardware. HP 9000
  
- (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	\$125.00
Owner without Electric Heat	\$125.00
Tenant with Electric Heat	\$200.00
Tenant without Electric Heat	\$200.00
Other (describe)	
  - 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>      Y      </u> Yes	<u>      </u> No
Credited to a deposit account annually? .....	<u>      </u> Yes	<u>      N      </u> No
Handled differently (Explain)		
  
- 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       \$15.00

**Pennyrile Rural Electric Cooperative Corporation**  
 REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**GENERAL INFORMATION (CONTINUED)**

5. Give the name of the audit firm conducting this year's audit:  
 Kem, Duguid & Associates

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
BATES PAYNE, JR-BOARD MEMBER	FARMER	07/31/2013	5,500.00	4,641.54
DR GEORGE BROWN-SEC/TREAS	RETIRED VETERNARIAN	07/31/2012	5,500.00	5,272.05
DUANE MOORE-VICE CHAIRMAN	FARMER	07/31/2011	4,675.00	5,638.73
JAMES W. LEAR-CHAIRMAN	FARMER	07/31/2012	5,775.00	9,931.55
JOE ROGERS-ASST. SEC/TREAS	FARMER	07/31/2013	4,400.00	3,494.97
ROBERT K. BROADBENT-BOARD	FARMER	07/31/2011	3,575.00	4,718.98
JAMES R. RILEY-BOARD MEMBER	INSURANCE AGENT	07/31/2013	6,050.00	5,922.58
BRYSON PRICE-BOARD MEMBER	FUNERAL HOME OWNER	07/31/2011	4,675.00	3,486.39
		Total	40,150.00	43,106.79

\*Show total amounts paid from electric system funds for fiscal year.  
 Method of determining amounts paid to board members is as follows:  
 BOARD MEMBERS RECEIVE \$275.00 EACH MEETING PLUS .51 CENTS PER MILE.

BROADBENT, MOORE & PRICE'S TERM EXPIRES 07/31/2014 SINCE JULY 5, 2011 ANNUAL MEETING.





**Pennyrile Rural Electric Cooperative Corporation**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**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 20 - LOANS WERE PAID OFF EARLY. PENALTY SET UP IN DEFERRED DEBIT TO BE EXPENSED OFF THE LIFE TO THE LOAN.

PAGE 2 - RETAINED EARNINGS FOR BEGINNING OF YEAR ARE NOT THE SAME AS THE END OF LAST YEAR'S RETAINED EARNINGS DUE TO FASB 158 ADJUSTMENT.

PAGE 3, ITEM 93 & PAGE 4, DEBT PREMIUM OR DISCOUNT - PORTION OF EARLY LOAN PAYOFF PENALTY EXPENSED THIS YEAR. WILL BE EXPENSED OVER THE LIFE OF THE LOAN.

PAGE 6

A/C 592 - INCREASE DUE TO PURCHASE OF RECLOSER CONTROLS.

A/C 593 - INCREASE DUE TO RIGHT-OF-WAY, POLE TREATMENT AND CONTRACTOR MAINTENANCE AND INCREASE IN PAYROLL/BENEFITS DUE TO OUTAGES.

PAGES 9 & 10

A/C-362 - UPGRADED BREAKER IN GREEN HILL SUBSTATION & ADDED BATTERY BACK-UP.

A/C-368 - TRANSFORMER PURCHASES MORE IN LINE WITH 2009 ICE STORM.

A/C-370 - ADDED FIBER OPTICS FOR METER READING FROM SUBSTATIONS.

A/C-389 - PURCHASED A NEW OAK GROVE PROPERTY.

A/C-390 - BUILT NEW OPERATIONS CENTER IN HOPKINSVILLE AND RAZED OLD WAREHOUSE BUILDINGS.

A/C-397 - INSTALLED SYSTEM WIDE FIBER OPTICS FOR INTERNAL COMMUNICATION USE.

PAGE 11

SALVAGE FROM SALE: A/C 362		A/C 370	160.00	
	A/C 364	52,188.94	A/C 371	200.34
	A/C 365	125,253.44	A/C 390	817.48 (OLD FENCE)
	A/C 368	42,533.13	A/C 392	121,650.00
	A/C 369	31,313.36	A/C 397	886.50 (OLD TOWER)
			TOTAL	375,003.19

A/C 370 - ACCRUAL FOR TWAC METERS IS GAINING ON THE ORIGINAL COST OF RETIRED METERS IN F/Y '07.

A/C 390 - REMOVED OLD WAREHOUSE 4, WAREHOUSE 1, AND FENCE AT HOPKINSVILLE.

A/C 397 - RETIRED STEEL TOWER AND LIGHTENING AGUMENTATION AT HOPKINSVILLE OFFICE. RECEIVED SALVAGE FOR TOWER.

PAGES 23 & 26 - INTEREST ACCRUED - COBANK; A LOAN AGREEMENT WAS ENTERED INTO WITH FTC FOR UTILITY ENERGY SERVICE CONTRACT (UESC) FY 06. LONG TERM DEBT INTEREST AND PRINCIPAL IS BEING REPAYED TO COBANK THROUGH THIS LOAN. INTEREST JOURNAL ENTRIES ARE MADE EACH MONTH TO ACCRUE INTEREST (PAGE 2, ITEM 51) AND THEN IS BILLED TO FTC.

PAGE 26 - ITEM 90.1 - DIFFERENCE REFLECTS CREDIT FROM UESC CONTRACT APPLIED TO LTD INTEREST.

PAGE 26 - A/C 253 - POLE RENTAL: \$52,312.50; MGMNT FEE FOR FTC/UESC LOAN: \$977,460.34; TVA ECON/REEP ACCT: \$875.00; EMPLOYEE ACCT: \$859.94.

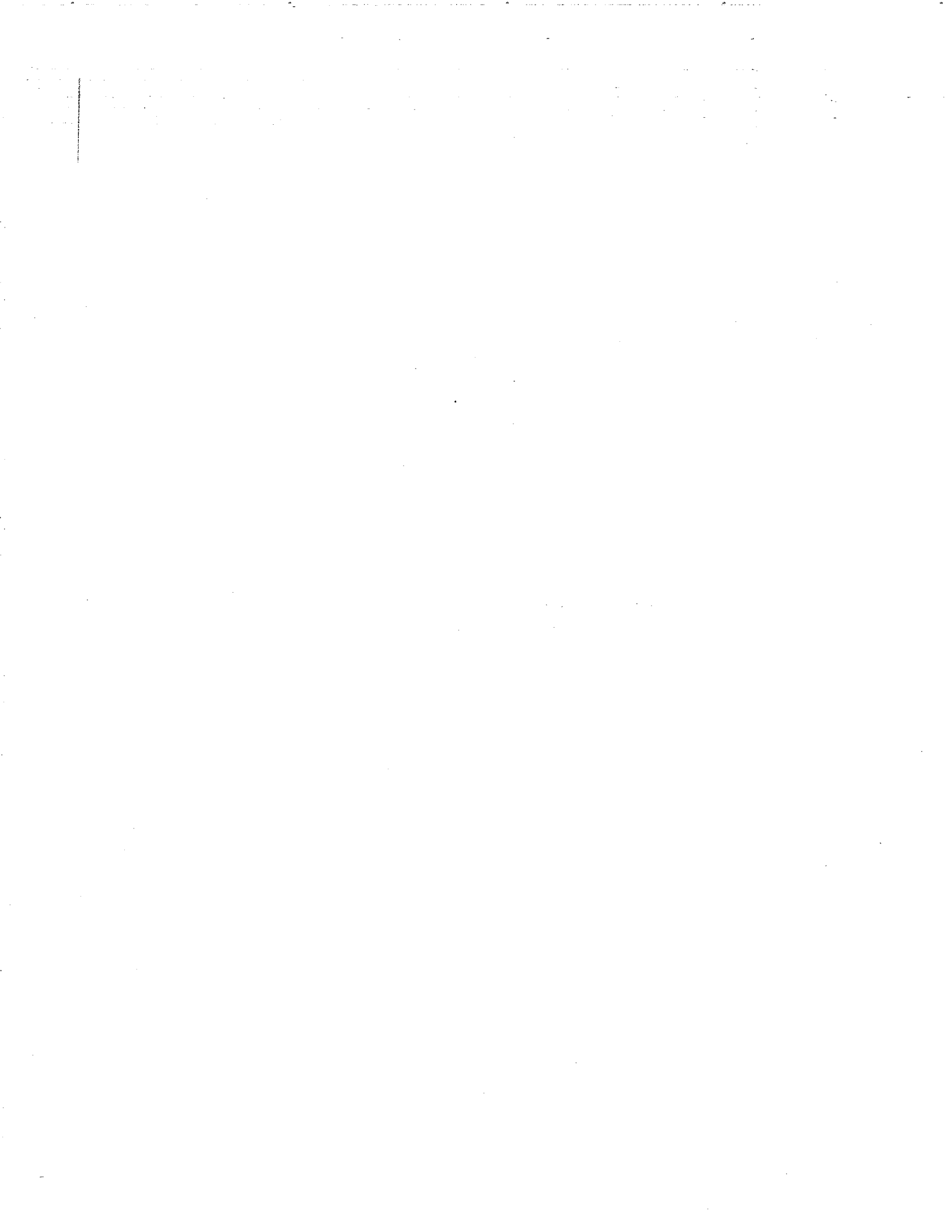
PAGE 35 - PER TVA FIELD ACCT., RATE PAGE IS NOT APPLICABLE THIS YEAR DUE TO THE RATE CHANGE AND RE-WORKING OF THE FORMAT.

**Pennyrile 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
ESTON GLOVER	PRESIDENT/CEO	100.00
SANDRA GROGAN	VICE PRESIDENT & CFO	100.00
JOHN WHEELER	VICE PRESIDENT ENGINEERING	100.00
MICHELE SMALL	VICE PRESIDENT HUMAN RESOURCES	100.00
FREDDIE POWELL	VICE PRESIDENT OPERATIONS	100.00
JANICE SHOLAR	PLANT ACCOUNTANT	100.00
DEBORAH PRITCHETT	MANAGER SUPERVISOR CUST SERV/BILLING	100.00
MARK LINDSEY	MANAGER KEY ACCTS	100.00
VICKY PALMER	SUPERVISOR MANAGER OF CUSTOMER SERVICE	100.00
BRENT GILKEY	MANAGER OF MEMBER SERVICES	100.00
STEVE WALTERS	DISTRICT MANAGER	100.00
RICKY TURNER	DISTRICT MANAGER	100.00
MARK WILKINS	DISTRICT MANAGER	100.00
(895) TOTAL NUMBER OF EQUIVALENT FULL-TIME EMPLOYEES: 119		

**Pennyrile Rural Electric Cooperative Corporation**  
 REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

RATE SCHEDULES	
EFFECTIVE DATE	
<b>RESIDENTIAL RATE - SCHEDULE RS</b>	
CUSTOMER CHARGE..	\$ _____ per month less \$1.71 Hydro allocation credit.
ENERGY CHARGE.....	All _____ kWh per month at _____ per kWh Additional kWh at _____ per month
<b>GENERAL POWER RATE - SCHEDULE GSA</b>	
<b>PART 1.</b>	
CUSTOMER CHARGE..	\$ _____ per delivery point per month
ENERGY CHARGE.....	All _____ kWh per month at _____ per kWh Additional kWh at _____ per month
<b>PART 2.</b>	
CUSTOMER CHARGE..	\$ _____ per delivery point per month
DEMAND CHARGE.....	First 50 kW of billing demand per month, no charge Excess over 50 kW of billing demand per month, at \$ _____ per kW
ENERGY CHARGE.....	All 15,000 kWh per month at _____ per kWh Additional kWh per month at _____ per kWh
<b>PART 3.</b>	
CUSTOMER CHARGE..	\$ _____ per delivery point per month
DEMAND CHARGE.....	First 1,000 kW of billing demand per month, at \$ _____ per kW Excess over 1,000 kW of billing demand per month, at _____ per kW, plus an additional \$ _____ per kW per month for each, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand
ENERGY CHARGE.....	All _____ kWh per month at _____ per kWh Additional kWh per month at _____ per kWh
<b>GENERAL POWER RATE - SCHEDULE GSB</b>	
CUSTOMER CHARGE..	\$ _____ per delivery point per month
DEMAND CHARGE.....	\$ _____ per kW of billing demand per month, plus an additional \$ _____ per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
ENERGY CHARGE.....	_____ per kWh for up to 620 hours use of metered demand per month _____ per kWh for all additional kWh per month
<b>GENERAL POWER RATE - SCHEDULE GSC</b>	
CUSTOMER CHARGE..	\$ _____ per delivery point per month
DEMAND CHARGE.....	\$ _____ per kW of billing demand per month, plus an additional \$ _____ per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
ENERGY CHARGE.....	_____ per kWh for up to 620 hours use of metered demand per month _____ per kWh for all additional kWh per month
<b>GENERAL POWER RATE - SCHEDULE GSD</b>	
CUSTOMER CHARGE..	\$ _____ per delivery point per month
DEMAND CHARGE.....	\$ _____ per kW of billing demand per month, plus an additional \$ _____ per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
ENERGY CHARGE.....	_____ per kWh per month
<b>OUTDOOR LIGHTING RATE - SCHEDULE LS</b>	
CUSTOMER CHARGE..	\$ _____
ENERGY CHARGE.....	_____ per kWh
FACILITY CHARGE.....	LS ( _____ )% $\frac{B}{A \text{ or } B}$



2017