

Exhibit 8

Part 2 of 2

ANNUAL REPORT

Of

**PENNYRILE RURAL ELECTRIC
COOPERATIVE CORP.**

For The Year Ended June 30, 2012

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

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

(Signed)



SANDY GROGAN

Accountant in charge of books



ESTON GLOVER

Manager

August 15, 2012
Date transmitted

TVA Act of 1933

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

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

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

| BALANCE SHEET | | | | |
|--|----------------|------------|-----------------------|-----------------------|
| ASSETS AND OTHER DEBITS | SEE PAGE NO | ITEM NO | JUNE 30 | |
| | | | THIS YEAR | LAST YEAR |
| UTILITY PLANT | | | | |
| Electric Plant..... | 10 | 1 | 182,612,328.31 | 172,332,324.78 |
| Less Depreciation..... | 10 | 2 | 52,259,047.41 | 49,649,886.03 |
| Total..... | 10 | 3 | 130,353,280.90 | 122,682,438.75 |
| Unamortized acq. adj..... | 13 | 4 | | |
| Other utility plant - net..... | ---- | 5 | | |
| Total Plant - net..... | ---- | 6 | 130,353,280.90 | 122,682,438.75 |
| OTHER PROPERTY AND INVESTMENTS | | | | |
| Nonutility property - net..... | 15 | 7 | | |
| Other investments..... | 14 | 8 | 1,814,668.22 | 1,710,259.86 |
| Sinking funds..... | 15 | 9 | | |
| Depreciation funds..... | 15 | 10 | | |
| Other special funds..... | 15 | 12 | | |
| Total..... | ---- | 13 | 1,814,668.22 | 1,710,259.86 |
| CURRENT AND ACCRUED ASSETS | | | | |
| General cash and temporary cash investments..... | 14 | 14 | 13,765,034.47 | 20,491,075.59 |
| Accounts receivable..... | 16 | 15 | 11,874,328.11 | 10,955,344.79 |
| Materials and supplies..... | 17 | 16 | 848,725.94 | 799,016.04 |
| Prepayments..... | 17 | 17 | 247,290.93 | 279,944.49 |
| Other current assets..... | 17 | 18 | 1,929,247.16 | 2,047,565.08 |
| Total..... | ---- | 19 | 28,664,626.61 | 34,572,945.99 |
| DEFERRED DEBITS | | | | |
| Debt expense..... | 17 | 20 | 1,435,202.06 | 1,510,409.18 |
| Preliminary survey..... | ---- | 21 | 169,978.59 | 30,088.78 |
| Clearing accounts..... | ---- | 22 | | |
| Energy Service Loans Receivables..... | ---- | 24 | 2,444,196.10 | 2,355,937.73 |
| Deferred costs on TVA Leases..... | 17 | 25 | | |
| Other deferred debits..... | 17 | 26 | 22,340,550.74 | 21,141,357.38 |
| Total..... | ---- | 27 | 26,389,927.49 | 25,037,793.07 |
| TOTAL ASSETS AND OTHER DEBITS..... | ---- | 28 | 187,222,503.22 | 184,003,437.67 |
| LIST UNRECORDED AND CONTINGENT ASSETS AND LIABILITIES OTHER THAN ACCRUED UTILITY REVENUE AND UNBILLED PURCHASED POWER | | | | |

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

PAGE 2

| BALANCE SHEET | | | | |
|--|----------------|------------|----------------|----------------|
| LIABILITIES AND OTHER CREDITS | SEE PAGE NO | ITEM NO | JUNE 30 | |
| | | | THIS YEAR | LAST YEAR |
| CAPITAL | | | | |
| Membership certificates | ---- | 30 | 850,791.40 | 828,454.39 |
| EARNINGS REINVESTED IN SYSTEM ASSETS | | | | |
| Beginning of year | ---- | 33 | 72,804,361.40 | 68,549,743.31 |
| Current year | 3 | 34 | 5,920,520.80 | 4,352,718.09 |
| Total | ---- | 35 | 78,724,882.20 | 72,902,461.40 |
| LONG-TERM DEBT | | | | |
| RUS | 23 | 36 | 8,024,492.21 | 8,192,068.48 |
| CFC | 23 | 37 | | |
| CoBank | 23 | 38 | 8,160,115.22 | 9,752,170.77 |
| Bonds and other long-term debt | 25 | 39.1 | 59,585,482.51 | 61,805,284.68 |
| TVA | 25 | 39.3 | | |
| Debt premium and discount | ---- | 40 | | |
| Total | ---- | 41 | 75,770,089.94 | 79,749,523.93 |
| OTHER NON-CURRENT LIABILITIES | | | | |
| Postretirement Benefits | 25 | 39.2 | 1,827,000.00 | 1,609,900.00 |
| Energy Service Loans - Advances | ---- | 42 | 2,478,113.74 | 2,374,475.00 |
| Energy Service Loans - Other | ---- | 43 | 1,464,356.13 | 1,668,348.13 |
| Total | ---- | 44 | 5,769,469.87 | 5,652,723.13 |
| CURRENT AND ACCRUED LIABILITIES | | | | |
| TVA notes payable | 26 | 45.1 | | |
| Other notes payable | 26 | 45.2 | | |
| Accounts payable | 26 | 46 | 16,649,397.89 | 15,902,403.14 |
| Customer deposits | 26 | 47 | 5,717,484.81 | 5,422,365.07 |
| Taxes and equivalents accrued | 29 | 48 | 882,801.34 | 837,761.48 |
| Interest accrued - RUS | 23 | 49 | | |
| Interest accrued - CFC | 23 | 50 | | |
| Interest accrued - CoBank | 23 | 51 | 35,112.02 | 41,852.40 |
| Interest accrued - TVA | 26 | 52.1 | | |
| Interest accrued - other | 26 | 52.2 | | |
| Other current liabilities | 26 | 53 | 1,934,950.88 | 1,631,667.70 |
| Total | ---- | 54 | 25,219,748.94 | 23,836,049.79 |
| DEFERRED CREDITS | | | | |
| Advances for construction - refundable | 18 | 55 | | 2,717.25 |
| Other deferred credits | 26 | 56 | 887,522.87 | 1,031,507.78 |
| Total | ---- | 57 | 887,522.87 | 1,034,225.03 |
| TOTAL LIABILITIES AND OTHER CREDITS | ---- | 58 | 187,222,503.22 | 184,003,437.67 |

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

| REVENUE AND EXPENSE STATEMENT | SEE PAGE NO | ITEM NO | THIS YEAR | LAST YEAR |
|---|----------------|------------|----------------|----------------|
| OPERATING REVENUE | | | | |
| Electric sales revenue (page 7, item 332) | --- | 59 | 117,858,762.02 | 119,310,288.40 |
| Revenue from late payments | --- | 60 | 689,956.51 | 726,428.68 |
| Misc. service revenue | --- | 61 | 150,575.00 | 153,350.00 |
| Rent from electric property | --- | 62 | 1,344,173.00 | 1,306,232.65 |
| Other electric revenue | --- | 63 | 37,677.34 | 38,921.41 |
| Total operating revenue | --- | 64 | 120,081,143.87 | 121,537,221.34 |
| PURCHASED POWER | | | | |
| Total power cost (page 7, item 342) | 7 | 65 | 88,574,375.10 | 90,920,083.29 |
| OPERATION EXPENSE | | | | |
| Transmission expense | 5 | 66 | 8,388.16 | 7,447.47 |
| Distribution expense | 5 | 67 | 4,696,907.84 | 4,509,758.42 |
| Customer accounts expense | 5 | 68 | 2,276,957.09 | 2,320,209.67 |
| Customer service and informational expense | 5 | 69 | 121,448.61 | 125,213.71 |
| Sales expense | 5 | 70 | 330,139.20 | 339,570.70 |
| Administrative and general expense | 6 | 71 | 2,933,122.97 | 2,830,325.11 |
| Operation expense | 6 | 72 | 10,366,963.87 | 10,132,525.08 |
| MAINTENANCE EXPENSE | | | | |
| Transmission expense | 6 | 73 | | |
| Distribution expense | 6 | 74 | 4,018,080.39 | 4,504,595.71 |
| Administrative and general expense | 6 | 75 | 313,817.72 | 261,649.38 |
| Maintenance expense | 6 | 76 | 4,331,898.11 | 4,766,245.09 |
| OTHER OPERATING EXPENSE | | | | |
| Depreciation expense | 12 | 77 | 6,044,938.48 | 5,733,744.14 |
| Amortization of acquisition adjustment | 13 | 78 | | |
| Taxes and tax equivalents | 29 | 79 | 3,216,586.89 | 3,239,988.54 |
| Other operating expense | --- | 80 | 9,261,525.37 | 8,973,732.68 |
| TOTAL OPERATING EXPENSE AND PURCHASED POWER | --- | 81 | 112,534,762.45 | 114,792,586.14 |
| INCOME | | | | |
| Operating income (item 64, less item 81) | --- | 82 | 7,546,381.42 | 6,744,635.20 |
| Other income | 16 | 83 | 2,097,568.46 | 937,435.00 |
| Total Income | --- | 84 | 9,643,949.88 | 7,682,070.20 |
| Miscellaneous income deductions | 16 | 85 | 109,329.44 | 93,402.07 |
| Net income before debt expense | --- | 86 | 9,534,620.44 | 7,588,668.13 |
| DEBT EXPENSE | | | | |
| Interest on long-term debt - RUS | 23 | 87 | 513,509.20 | 547,122.56 |
| Interest on long-term debt - CFC | 23 | 88 | | |
| Interest on long-term debt - CoBank | 23 | 89 | 316,714.18 | 419,610.33 |
| Interest on long-term debt - other | 26 | 90.1 | 2,385,344.69 | 1,920,761.43 |
| Interest - TVA | 26 | 90.2 | | |
| Other interest expense | --- | 92 | 323,324.45 | 304,584.91 |
| Amortization of debt discount and expense | --- | 93 | 75,207.12 | 43,870.82 |
| Amortization of premium on debt - credit | --- | 94 | | |
| Total debt expense | --- | 95 | 3,614,099.64 | 3,235,950.04 |
| NET INCOME | | | | |
| Net Income before extraordinary items (item 86, less item 95) | --- | 96 | 5,920,520.80 | 4,352,718.09 |
| Extraordinary items | 33 | 97 | | |
| Net Income | 2 | 98 | 5,920,520.80 | 4,352,718.09 |

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

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| STATEMENT OF CASH FLOWS | | |
|--|------------------------|------------------------|
| Increase (Decrease) in Cash and Cash Equivalents | | |
| | THIS YEAR | LAST YEAR |
| CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | |
| Net Income | 5,920,520.80 | 4,352,718.09 |
| Adjustments to Reconcile Net Income to Net Cash: | | |
| Depreciation | 6,532,948.78 | 6,170,470.34 |
| Amortization of: | | |
| Acquisition Adjustment | | |
| Additions to TVA Leases | | |
| Debt Premium or Discount | 75,207.12 | 43,870.82 |
| (Gain) or Loss on Sale of Plant | | |
| Changes in Current and Deferred Items: | | |
| Accounts Receivable | (918,983.32) | (361,266.49) |
| Materials and Supplies | (49,709.90) | (108,177.72) |
| Prepayments and Other Current Assets | 150,971.48 | (189,572.22) |
| Deferred Debits | (1,339,083.17) | (304,852.86) |
| Accounts Payable | 746,994.75 | 1,278,128.39 |
| Customer Deposits | 295,119.74 | 268,812.25 |
| Taxes and Interest Accrued | 38,299.48 | (14,416.26) |
| Other Current Liabilities | 303,283.18 | (214,891.62) |
| Deferred Credits | (146,702.16) | (349,474.87) |
| Other | (98,100.00) | 37,800.00 |
| Net Cash Provided by (Used In) Operating Activities | 11,510,766.78 | 10,609,147.85 |
| CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES: | | |
| Additions to Plant | (13,669,165.60) | (12,600,465.31) |
| Removal Cost | (1,016,080.44) | (1,127,929.95) |
| Salvage | 481,455.11 | 527,789.71 |
| Net Change in Other Property and Investment | (104,408.36) | (133,291.46) |
| Energy Service Loans Receivable | (88,258.37) | (211,230.06) |
| Plant Sold (Purchased) - Noninstallment Method | | |
| Deferred Costs on TVA Leases (excluding amortization) | | |
| Other | | |
| Net Cash Provided by (Used In) Investing Activities | (14,396,457.66) | (13,545,127.07) |
| CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES: | | |
| Additional Long-Term Borrowings | 8,000,000.00 | 12,285,755.63 |
| Payment of Principal on Long-Term Debt | (11,979,433.99) | (9,267,442.88) |
| Notes Payable | | |
| Memberships | 22,337.01 | 25,865.66 |
| Energy Service Loans Advances | (100,353.26) | (105,576.25) |
| Receipt for Plant Sold - Installment Method | | |
| Payment for Plant Purchased - Installment Method | | |
| Other | 217,100.00 | 114,100.00 |
| Net Cash Provided by (Used In) Financing Activities | (3,840,350.24) | 3,052,702.16 |
| NET INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS | (6,726,041.12) | 116,722.94 |
| CASH AND TEMPORARY INVESTMENTS BEGINNING OF YEAR | 20,491,075.59 | 20,374,352.65 |
| CASH AND TEMPORARY INVESTMENTS END OF YEAR | 13,765,034.47 | 20,491,075.59 |
| <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, 2012

| ACCT. NO. | DESCRIPTION | EXPENSES | | PAYROLL DISTRIBUTION | |
|---|---|--------------|--------------|----------------------|--------------|
| | | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
| OPERATING EXPENSE | | | | | |
| 1. TRANSMISSION | | | | | |
| 560 | Supervision and engineering..... | | | | |
| 561 | Load dispatching..... | | | | |
| 562 | Station expense..... | 3,190.36 | 3,017.25 | | |
| 563 | Overhead line expense..... | 5,197.80 | 4,430.22 | | |
| 564 | Underground line expense..... | | | | |
| 566 | Miscellaneous..... | | | | |
| 567 | Rents..... | | | | |
| (600) | Total transmission operating expense (page 3, item 66) | 8,388.16 | 7,447.47 | | |
| 2. DISTRIBUTION | | | | | |
| 560 | Supervision and engineering..... | 74,148.19 | 79,473.57 | 42,834.82 | 44,498.74 |
| 581 | Load dispatching..... | | | | |
| 582 | Station expense..... | 214,516.21 | 224,665.04 | 36,301.48 | 44,644.12 |
| 583 | Overhead line expense..... | 2,541,203.37 | 2,501,715.39 | 581,550.52 | 565,691.64 |
| 584 | Underground line expense..... | 182,563.12 | 170,036.86 | 5,753.43 | 23,253.93 |
| 585 | Street lighting and signal system expense..... | 60,488.33 | 57,337.53 | 21,147.19 | 20,495.46 |
| 586 | Meter expense..... | 498,817.54 | 474,621.75 | 110,811.80 | 112,850.17 |
| 587 | Customer installation expense..... | 315,841.78 | 257,532.42 | 142,517.25 | 112,447.25 |
| 588 | Miscellaneous..... | 681,275.52 | 629,577.55 | 301,181.50 | 267,905.44 |
| 589 | Rents..... | 128,052.78 | 114,798.31 | | |
| (605) | Total distribution operating expense (page 3, item 67) | 4,696,907.84 | 4,509,758.42 | 1,242,097.99 | 1,191,786.75 |
| 3. CUSTOMER ACCOUNTS EXPENSE | | | | | |
| 901 | Supervision..... | 201,910.69 | 226,280.35 | 125,377.73 | 134,001.58 |
| 902 | Meter reading expense..... | 197,154.91 | 211,917.25 | 72,308.13 | 70,115.26 |
| 903 | Customer records and collection expense..... | 1,772,385.58 | 1,786,801.64 | 687,240.04 | 669,452.82 |
| 904 | Uncollectible accounts..... | 91,213.04 | 83,220.93 | | |
| 905 | Miscellaneous..... | 14,292.87 | 11,989.50 | | |
| (610) | Total customer accounts expense (page 3, item 68) | 2,276,957.09 | 2,320,209.67 | 884,925.90 | 873,569.66 |
| 4. CUSTOMER SERVICES & INFORMATIONAL EXPENSE | | | | | |
| 907 | Supervision..... | 16,357.18 | 15,449.47 | 9,794.80 | 8,993.66 |
| 908 | Customer assistance expense..... | 38,431.06 | 37,323.28 | 10,313.98 | 7,594.11 |
| 909 | Informational and instructional advertising expense..... | 68,660.37 | 70,585.96 | 6,558.61 | 6,901.78 |
| 910 | Miscellaneous customer service and informational expense..... | | 1,855.00 | | |
| (615) | Total customer services and informational expense (page 3, item 69) | 121,448.61 | 125,213.71 | 26,667.39 | 23,489.55 |
| 5. SALES EXPENSE | | | | | |
| 911 | Supervision..... | | | | |
| 912 | Demonstrating and selling expense..... | 263,622.31 | 274,266.18 | 117,327.58 | 124,393.97 |
| 913 | Advertising expense..... | 23,985.89 | 25,427.52 | 5,979.49 | 6,412.81 |
| 916 | Miscellaneous..... | 42,527.90 | 39,877.00 | | |
| (620) | Total sales expense (page 3, item 70) | 330,136.10 | 339,570.70 | 123,307.07 | 130,806.68 |

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| ACCT. NO. | DESCRIPTION | EXPENSES | | PAYROLL DISTRIBUTION | |
|--|---|---------------|---------------|----------------------|--------------|
| | | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
| 6. ADMINISTRATIVE & GENERAL | | | | | |
| 920 | Administrative and general salaries | 1,288,810.12 | 1,215,223.49 | 773,017.56 | 707,529.89 |
| 921 | Office supplies and expense | 205,485.44 | 201,562.62 | | |
| 922 | Administrative expense transferred - credit* | | | | |
| 923 | Outside services employed | 60,076.95 | 63,869.07 | | |
| 924 | Property insurance | | | | |
| 925 | Injuries and damages | 349,000.64 | 354,771.34 | 88,680.47 | 83,253.98 |
| 926 | Employee pensions and benefits | 214,147.62 | 247,434.43 | | |
| 927 | Franchise requirements* | | | | |
| 928 | Regulatory commission expense* | | | | |
| 929 | Duplicate charges - credit | (34,846.91) | (34,425.76) | | |
| 930 | Miscellaneous general expense | 870,449.11 | 781,889.92 | 16,253.26 | 15,619.56 |
| 931 | Rents | | | | |
| (625) | Total administrative and general expense (page 3, item 71) | 2,933,122.97 | 2,830,325.11 | 877,951.29 | 807,403.43 |
| (630) | Total operating expense (Page 3 Item 72) | 10,366,963.87 | 10,132,525.08 | 3,154,949.64 | 3,027,056.07 |
| MAINTENANCE EXPENSE | | | | | |
| 1. TRANSMISSION | | | | | |
| 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) | | | | |
| 2. DISTRIBUTION | | | | | |
| 590 | Supervision and engineering | 55,356.96 | 58,939.77 | 33,448.71 | 34,262.62 |
| 591 | Maintenance of structures | | | | |
| 592 | Maintenance of station equipment | 114,937.64 | 165,279.66 | 25,483.83 | 36,722.08 |
| 593 | Maintenance of overhead lines | 3,656,724.38 | 4,093,782.56 | 859,093.77 | 1,021,037.54 |
| 594 | Maintenance of underground lines | 21,024.43 | 23,792.96 | 6,607.19 | 3,916.16 |
| 595 | Maintenance of line transformers | 85,593.41 | 108,386.31 | 22,575.36 | 20,253.66 |
| 596 | Street lighting and signal systems | 12,503.06 | 7,767.64 | 5,266.55 | 2,546.97 |
| 597 | Maintenance of meters | 56,600.12 | 27,073.26 | 29,957.61 | 13,718.87 |
| 598 | Maintenance of miscellaneous distribution plant | 14,840.39 | 18,514.55 | 7,523.08 | 9,494.60 |
| (640) | Total distribution maintenance expense (page 3, item 74) | 4,018,080.39 | 4,504,595.71 | 989,966.10 | 1,141,954.90 |
| 3. ADMINISTRATIVE & GENERAL | | | | | |
| 935 | Maintenance of general plant (page 3, items 75) | 313,817.72 | 261,649.38 | 30,998.12 | 14,955.73 |
| (645) | Total maintenance expense (page 3, item 76) | 4,331,898.11 | 4,766,245.09 | 1,020,964.22 | 1,156,910.23 |
| (650) | Total operating and maintenance expense | 14,698,861.98 | 14,898,770.17 | 4,175,913.86 | 4,183,966.30 |
| (655) | Total direct and indirect payroll charged to construction and retirements | | | 1,735,194.77 | 2,017,008.00 |
| (660) | Payroll charged to other accounts | | | 1,068,511.47 | 710,596.68 |
| (662) | Fiscal year net change in accrued leave account - (increase) decrease | | | 14,110.20 | (13,058.49) |
| (665) | Total payroll distribution for year | | | 6,993,730.30 | 6,898,602.50 |

* FURNISH DETAILS OF THESE ACCOUNTS ON PAGES 32 AND 33

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

| STATISTICAL DATA | | | | | | |
|--|---------|----------------|----------------|---------|---------------------|---------------|
| CLASS OF SERVICE | ITEM NO | REVENUE | | ITEM NO | KILOWATT-HOURS SOLD | |
| | | THIS YEAR | LAST YEAR | | THIS YEAR | LAST YEAR |
| Residential..... | 100 | 61,426,735.18 | 64,751,594.03 | 107 | 549,773,164 | 602,176,756 |
| Gen. Power - 50 kW & under..... | 101 | 10,108,906.27 | 10,065,153.60 | 108 | 75,247,987 | 77,425,433 |
| Gen. Power - Over 50 kW..... | 102 | 44,605,706.79 | 42,589,154.15 | 109 | 497,298,548 | 483,458,068 |
| Street and athletic..... | 103 | 510,702.19 | 476,068.62 | 110 | 4,211,831 | 3,932,806 |
| Outdoor lighting..... | 104 | 1,348,805.31 | 1,333,098.02 | 111 | 12,315,057 | 12,333,466 |
| Subtotal..... | 330 | 118,000,855.74 | 119,215,068.42 | | | |
| Unbilled revenue* | 331 | (142,093.72) | 95,219.98 | | | |
| Total (page 3, Item 59)..... | 332 | 117,858,762.02 | 119,310,288.40 | 335 | 1,138,846,587 | 1,179,326,529 |
| Kilowatt-hours for own use..... | | | | 113 | 273,478 | 302,506 |
| Total kilowatt-hours sold and used..... | | | | 114 | 1,139,120,065 | 1,179,629,035 |
| Kilowatt-hours in unbilled revenue (Items 331) above*..... | | | | 336 | 21,481,050 | 20,940,094 |

| STATE | SALES TAX | TO ABOVE CLASSES OF REVENUE | CREDITS | GREEN POWER REVENUE |
|---|-----------|-----------------------------|--------------|---------------------|
| | | | | |
| State and local sales tax on above revenue..... | KY | 2,492,463.61 | | |
| | | | 3,314.00 | 2,644.00 |
| | | | 35,284.00 | |
| | | | 1,002,757.00 | |
| Total | | 2,492,463.61 | | |

| PURCHASED POWER | | | | | | |
|---|---------|---------------|---------------|---------|--------------------------|---------------|
| TVA | ITEM NO | AMOUNT | | ITEM NO | KILOWATT-HOURS PURCHASED | |
| | | THIS YEAR | LAST YEAR | | THIS YEAR | LAST YEAR |
| Purchased Power..... | 115 | 86,883,161.39 | 89,199,701.58 | 119 | 1,198,832,975 | 1,234,282,980 |
| Facilities Rental..... | 116 | 1,691,213.71 | 1,720,381.71 | | | |
| Other Charges/Credits..... | 117 | | | | | |
| Total from TVA..... | 118 | 88,574,375.10 | 90,920,083.29 | 122 | 1,198,832,975 | 1,234,282,980 |
| Other Purchased Power**..... | 218 | | | 222 | | |
| Subtotal..... | 340 | 88,574,375.10 | 90,920,083.29 | | | |
| Unbilled Purchases*..... | 341 | | | | | |
| Total (page 3, Item 65)..... | 342 | 88,574,375.10 | 90,920,083.29 | 345 | 1,198,832,975 | 1,234,282,980 |
| Less kilowatt hours sold and used (item 114)..... | | | | 123 | 1,139,120,065 | 1,179,629,035 |
| Line losses and kilowatt-hours unaccounted for..... | | | | 124 | 59,712,910 | 54,653,945 |
| Percent of losses to purchases (2 decimal places)..... | | | | 125 | 4.98 | 4.43 |
| Kilowatt-hours in unbilled purchases (Item 341) above*..... | | | | 346 | | |

**Purchased other power under contract number _____ from _____

| NUMBER OF CUSTOMERS | | | MISCELLANEOUS DATA | | |
|---|---------------|-----------|---|--------------|--------------|
| CLASS OF SERVICE | MONTH OF JUNE | | Pole Line Miles* (2 decimal places) (715) | THIS YEAR | LAST YEAR |
| | THIS YEAR | LAST YEAR | | | |
| Residential..... (675) | 37,717 | 37,660 | Individual Outdoor Lts. (720) | 14,353 | 14,272 |
| Gen. Power - 50 kW & under... (680) | 8,509 | 8,587 | No. In plant..... (725) | 5,577,539.04 | 5,395,919.55 |
| Gen. Power - Over 50 kW..... (685) | 624 | 583 | O&M expense..... (730) | 271,251.51 | 246,775.63 |
| Street and athletic..... (690) | 149 | 148 | St. Ltg-Invest. Base.... (735) | 2,100,479.82 | 2,014,109.86 |
| Outdoor Lighting - Excl. Code 77..... (693) | 65 | 78 | O&M expense..... (740) | 72,991.39 | 65,105.17 |
| Total..... (695) | 47,064 | 47,056 | Lamps & Glassware..... (745) | 1,884.35 | 1,774.37 |
| Outdoor Lighting - Code 77..... (697) | 11,167 | 11,148 | | | |

*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, 2012

| 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 | 36.51 | 80,678 | 242.03 | |
| CADIZ | 242.68 | 509,284 | 1,527.85 | |
| APACHE HEIGHTS HOMEOWNERS | | 10,032 | 30.10 | |
| ELKTON | 394.04 | 458,764 | 1,376.29 | |
| GUTHRIE | 53.12 | 162,174 | 486.52 | |
| HOPKINSVILLE | 568.61 | 647,868 | 1,943.60 | |
| LAFAYETTE | 25.10 | 16,146 | 48.44 | |
| LEWISBURG | 55.12 | 125,155 | 375.47 | |
| OLMSTEAD | | 4,224 | 12.67 | |
| PEMBROKE | 68.82 | 86,166 | 258.50 | |
| TRENTON | | 64,945 | 194.84 | |
| OAK GROVE | 198.50 | 267,041 | 801.12 | |
| RUSSELLVILLE | 72.12 | 100,916 | 302.75 | |
| KY DEPT OF HIGHWAY | | 626,202 | 1,878.61 | |
| FT. CAMPBELL | 169.73 | 151,764 | 455.29 | |
| LATHAM RICHARD K (FAIRWAY) | | 11,616 | 34.85 | |
| HARRIS CW JR (STONEWALL) | | 1,584 | 4.75 | |
| TOTAL: | 1,884.35 | 3,324,559 | 9,973.68 | |

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| ACCT. NO. | DESCRIPTION | BALANCE BEG. OF YEAR | ADDITIONS | RETIREMENTS | RECLASSIFICATIONS | | BALANCE END OF YEAR |
|-----------------------|--|----------------------|--------------|--------------|-------------------|--------|---------------------|
| | | | | | DEBIT | CREDIT | |
| ELECTRIC PLANT | | | | | | | |
| INTANGIBLE | | | | | | | |
| 301 | Organization | | | | | | |
| 302 | Franchises and consents | | | | | | |
| 303 | Miscellaneous | | | | | | |
| (750) | Total intangible | | | | | | |
| 755 | PRODUCTION | | | | | | |
| | Total production | | | | | | |
| TRANSMISSION | | | | | | | |
| 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 | 198,613.38 | 26,186.53 | | | 531,834.88 |
| 356 | Overhead conductors and devices | 269,961.49 | 6,525.34 | 629.00 | | | 275,857.83 |
| 357 | Underground conduit | | | | | | |
| 358 | Underground conductors and devices | | | | | | |
| 359 | Roads and trails | | | | | | |
| (760) | Total transmission | 1,058,003.95 | 205,138.72 | 26,815.53 | | | 1,236,327.14 |
| DISTRIBUTION | | | | | | | |
| 360 | Land and land rights | 1,140,753.08 | | 116.64 | | | 1,140,636.44 |
| 361 | Structures and improvements | | | | | | |
| 362 | Station equipment | 10,439,156.60 | 144,354.50 | | | | 10,583,511.10 |
| 363 | Storage battery equipment | | | | | | |
| 364 | Poles, towers, and fixtures | 57,331,889.93 | 3,186,412.91 | 1,081,278.52 | | | 59,437,024.32 |
| 365 | Overhead conductors and devices | 21,722,351.43 | 1,239,642.85 | 192,541.91 | | | 22,769,452.37 |
| 366 | Underground conduit | 414.56 | | | | | 414.56 |
| 367 | Underground conductors and devices | 5,250,229.50 | 408,261.71 | 32,526.57 | | | 5,625,964.64 |
| 368 | Line transformers | 27,965,737.44 | 1,595,282.13 | 423,504.86 | | | 29,137,514.71 |
| 369 | Services | 8,918,450.41 | 509,311.39 | 101,391.00 | | | 9,326,370.80 |
| 370 | Meters | 11,456,487.73 | 405,260.57 | 65,670.10 | | | 11,796,078.20 |
| 371 | Inst. on customers' premises | 5,395,919.55 | 508,128.11 | 326,508.62 | | | 5,577,539.04 |
| 372 | Leased prop. on cust. premises | | | | | | |
| 373 | St. lighting and signal systems | 1,958,968.70 | 145,366.04 | 57,330.94 | | | 2,047,103.80 |
| (765) | Total distribution | 151,580,358.93 | 8,142,020.21 | 2,280,769.16 | | | 157,441,609.98 |

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| ACCT. NO. | GENERAL | BALANCE BEG. OF YEAR | ADDITIONS | RETIREMENTS | RECLASSIFICATIONS | | BALANCE END OF YEAR |
|--|---|----------------------|---------------|--------------|-------------------|---------------|---------------------|
| | | | | | DEBIT | CREDIT | |
| 389 | Land and land rights..... | 846,326.01 | 109,365.77 | | | | 955,691.78 |
| 390 | Structures and Improvements..... | 7,419,881.97 | 221,199.51 | 14,431.57 | | | 7,525,649.97 |
| 391 | Office furniture and equipment..... | 2,207,444.64 | 100,294.76 | 101,574.11 | | | 2,206,165.29 |
| 392 | Transportation equipment..... | 5,622,511.85 | 1,397,006.76 | 831,026.10 | | | 6,188,492.52 |
| 393 | Stores equipment..... | 293,423.17 | 34,474.76 | | | | 327,897.93 |
| 394 | Tools, shop, and garage equip..... | 628,488.57 | 80,617.50 | 4,783.14 | | | 704,322.93 |
| 395 | Laboratory equipment..... | 178,872.86 | 8,329.03 | | | | 185,201.89 |
| 396 | Power operated equipment..... | | | | | | |
| 397 | Communication equipment..... | 2,142,608.03 | 319,965.43 | 129,577.02 | | | 2,332,996.44 |
| 398 | Miscellaneous equipment..... | 12,509.02 | 2,195.49 | 185.50 | | | 14,519.01 |
| 399 | Other tangible property..... | | | | | | |
| (770) | Total general..... | 19,352,056.13 | 2,271,449.01 | 1,081,577.38 | | | 20,541,937.76 |
| 101 | Total plant in service..... | 17,190,429.01 | 10,618,607.94 | 3,389,162.07 | | | 179,219,374.88 |
| 102 | Electric plant purchased or sold..... | | | | | | |
| 104 | Electric plant leased to others..... | | | | | | |
| 105 | Electric plant for future use..... | | | | | | |
| 107 | Construction work in progress..... | 341,895.77 | 3,050,557.59 | | | | 3,392,453.43 |
| (775) | Total other electric plant..... | 341,895.77 | 3,050,557.66 | | | | 3,392,453.43 |
| (780) | Total electric plant (page 1, item 1)..... | 172,332,324.78 | 13,669,165.60 | 3,389,162.07 | | | 182,612,328.31 |
| | | | (item 140) | | | | |
| | RESERVES | | | | | | |
| 108 | Accumulated provision for depreciation of electric plant in service..... | | | | | 52,259,047.41 | |
| 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)..... | | | | | 52,259,047.41 | |
| | Total electric plant, less accumulated provision for depreciation (page 1, item 3)..... | | | | | | 130,353,280.90 |
| <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>W.P. \$2,452,700.93 - New Todd Logan Operations Center 873,803.54 - Construction W.I.P. 47,728.48 - Cadiz Wise/Pk Lot Lighting 15,020.48 - New Communication System 3,200.00 - Hopkinsville Heat/Pump</p> <p>Explanations of entries shown in the Reclassification Columns:</p> | | | | | | | |

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| 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 | 41,164.27 | 2,204.16 | | | | | | 43,368.43 | 79 |
| 353 | 4.00 | 225,740.75 | 12,047.52 | | | | | | 237,788.27 | 79 |
| 354 | | | | | | | | | | |
| 355 | 4.00 | 234,562.94 | 18,995.46 | 26,186.53 | 12,624.48 | (1,683.03) | | | 213,064.36 | 40 |
| 356 | 3.00 | 152,207.52 | 8,174.14 | 629.00 | 273.50 | | | | 159,479.16 | 58 |
| 357 | | | | | | | | | | |
| 358 | | | | | | | | | | |
| 359 | | | | | | | | | | |
| (785) TOTAL | | 653,675.48 | 41,421.28 | 26,815.53 | 12,697.98 | (1,683.03) | | | 653,700.22 | 53 |
| 360 | | | 116.64 | | | | | | | |
| 361 | | | | | | | | | | |
| 362 | 4.00 | 6,200,605.02 | 435,819.14 | | | | | | 6,636,424.16 | 63 |
| 363 | | | | | | | | | | |
| 364 | 3.25 | 13,390,204.29 | 1,902,193.94 | 1,081,278.52 | 564,478.59 | 118,447.72 | | | 13,765,088.84 | 23 |
| 365 | 2.50 | 6,347,657.07 | 555,392.84 | 192,541.91 | 93,172.31 | 90,137.05 | | | 6,707,472.74 | 29 |
| 366 | 3.00 | 390.00 | | | | | | | 390.00 | 94 |
| 367 | 3.00 | 949,340.45 | 160,497.77 | 32,526.57 | 19,129.93 | 3,481.90 | | | 1,061,663.62 | 19 |
| 368 | 3.00 | 10,174,390.60 | 855,073.13 | 423,504.86 | 63,244.78 | 46,815.43 | | | 10,589,529.52 | 36 |
| 369 | 4.50 | 2,719,858.37 | 411,722.02 | 101,391.00 | 50,299.07 | 26,594.26 | | | 3,006,484.58 | 32 |
| 370 | 3/6 | 1,178,049.94 | 680,135.39 | 65,670.10 | | 100.00 | | | 1,792,615.23 | 15 |
| 371 | 8/5 | 1,550,249.83 | 439,094.16 | 326,508.62 | 170,253.28 | 25,105.01 | | | 1,517,687.10 | 27 |
| 372 | | | | | | | | | | |
| 373 | 8.00 | 1,030,813.18 | 161,201.59 | 57,230.94 | 30,252.01 | 4,893.60 | | | 1,109,425.42 | 54 |
| (790) TOTAL | | 43,541,558.75 | 5,601,246.62 | 2,280,769.16 | 990,829.97 | 315,574.97 | | | 46,186,781.21 | 29 |
| 389 | | | | | | | | | | |
| 390 | VAR | 1,267,464.28 | 173,790.72 | 14,431.51 | 857.20 | 1,421.17 | | | 1,427,387.46 | 19 |
| 391 | 4/10/20 | 1,220,342.71 | 94,404.12 | 101,574.11 | | 2,250.00 | | | 1,215,422.72 | 55 |
| 392 | VAR | 2,187,800.78 | 488,010.30 | 831,026.10 | 4,671.20 | 151,845.00 | | | 1,991,958.78 | 32 |
| 393 | 4.00 | 86,014.48 | 12,073.07 | | | 1,364.00 | | | 99,451.55 | 30 |
| 394 | 8.00 | 277,825.65 | 45,751.51 | 4,783.14 | | 583.00 | | | 319,377.02 | 45 |
| 395 | 8.00 | 145,891.81 | 14,531.07 | | | | | | 160,422.88 | 87 |
| 396 | | | | | | | | | | |
| 397 | 3.00 | 298,204.24 | 61,266.42 | 129,577.02 | | 10,100.00 | | | 239,993.64 | 10 |
| 398 | 10.00 | 7,243.57 | 453.67 | 185.50 | | | | | 7,511.74 | 52 |
| 399 | | | | | | | | | | |
| (795) TOTAL | | 5,490,787.52 | 890,280.88 | 1,081,577.38 | 5,528.40 | 167,563.17 | | | 5,461,525.79 | 27 |
| (800) OTHER | | (36,135.72) | | 6,824.09 | | | | | (42,959.81) | (1) |
| (805) TOTALS | | 49,649,886.03 | 6,532,948.78 | 3,389,162.07 | 1,016,080.44 | 481,455.11 | | | 52,259,047.41 | 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, 2012

| ACCUMULATED PROVISION FOR DEPRECIATION - CONTINUED | | |
|---|-------------------|---------------------|
| Depreciation expense (403 and 404) (page 3, item 77) | (810) | 6,044,938.48 |
| Depreciation charged to transportation expense - clearing | (815) | 488,010.30 |
| Depreciation charged to building expense - clearing | (820) | |
| Depreciation charged to other accounts (list each account number) | (825) | |
| | (830) | |
| | (835) | |
| | (840) | |
| Total accrual (page 11) | (Item 128) | 6,532,948.78 |

Explanations (continue on page 33 if necessary)

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

| 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) | | | | | | | |
| 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) | | | | | | | |
| <p>*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.</p> | | | | | | | |
| 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, 2012

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 | 1,017,213.37 | 99,746.74 | |
| Investment in Federated Insurance Co. | 214,560.00 | 33,068.00 | |
| Long-Term Investment - KAEC | 5,000.00 | 16.39 | |
| Investment in PenWar - 500 shares | 500.00 | | |
| Investment in Southeastern Data Corp. stock | 100.00 | | |
| Investment - CFC | 1,000.00 | | |
| Patronage Capital Alloc - SEDC | 174,681.61 | 44,354.69 | |
| Patronage - United Utility Supply | 291,102.46 | 29,940.00 | |
| Patronage - Arkansas Electric | 10,670.97 | | |
| Patronage - KAEC | 88,097.49 | | |
| Patronage - Logan Telephone Coop | 11,742.32 | 784.57 | |
| Subtotal | 1,814,668.22 | 207,910.39 | |
| | (page 1, item B) | (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 15) | |
| CASH AND TEMPORARY CASH INVESTMENTS - GENERAL FUNDS | | | |
| (Report only investments considered as current assets) | | | |
| Interest - TVA Power Invoice | | .31 | |
| Cushion of Credit - Interest Income | | 311,599.71 | |
| Repurchase Agreement | 13,518,070.21 | 181,318.14 | |
| Interest - District Bank Account | | 7.40 | |
| Interest - UESC Phases I, II, III, & IV | | 490,336.59 | |
| Total Temporary Cash Investments | 13,518,070.21 | 983,262.15 | |
| CASH (Accounts 131 - 135) | 246,964.26 | | |
| Subtotal | 13,765,034.47 | 983,262.15 | |
| | (page 1, item 14) | (account 419, page 16) | |
| Grand Total | 15,579,702.69 | 1,191,172.54 | |

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | 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) | (page 1, item 9) | (page 1, item 10) | (page 1, item 12) | | |
| Minimum balance required* | | | | | |
| 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> | | | | | |
| 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) | | | | | |
| DESCRIPTION AND LOCATION OF PROPERTY | | DATE ACQUIRED | BOOK COST | NET INCOME (ACCOUNT 418) | |
| | | | | | |
| 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, 2012

| ACCT. NO. | OTHER INCOME | |
|-----------|--|--------------|
| 415 | Revenue from merchandising, jobbing, etc. | 783,078.65 |
| 416 | Cost and expense of merchandising, etc. | (58,116.76) |
| 417* | Income from nonutility operations - net of expense. | |
| 418 | Nonoperating rental income - net of expense (page 15). | |
| 419 | Interest and dividend income (page 14). | 1,191,172.54 |
| 419.1 | Interest charged to construction. | |
| 421* | Misc. nonoperating income - net of expense. | 181,434.03 |
| (845) | Total other income (page 3, item 83). | 2,097,568.46 |

*Explain these items briefly:

| | | | |
|-----|--------------------------------|------------|------|
| 417 | 421 | | |
| | Surge Protectors: | \$ | 3.71 |
| | Time Warner: | | 8.32 |
| | Coop Self Ins Fund | 180,422.00 | |
| | Oak Grove Property-Land Rental | 1,000.00 | |

| ACCT. NO. | MISCELLANEOUS INCOME DEDUCTIONS | |
|-----------|--|------------|
| 425* | Miscellaneous amortization. | |
| 426* | Miscellaneous income deductions. | 109,329.44 |
| (850) | Total misc. income deductions (page 3, item 85). | 109,329.44 |

*Explain these items briefly:

| | | | |
|-----|---------------------------------|---|-------------|
| 425 | 426 | | |
| | Community Donations | - | \$84,756.06 |
| | Counselling Committee | - | \$4,662.31 |
| | Employee Membership Dues | - | \$2,511.00 |
| | Abandoned Projects | - | \$ 7,193.43 |
| | Frankfort/Washington Youth Tour | - | \$10,204.64 |

INVESTMENT PROCEDURES

Are investments in excess of \$100,000 secured? Yes 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. | 10,737,842.84 |
| 143 | Other accounts receivable. | 1,148,985.27 |
| 146 | Accounts receivable municipality (Explain on page 33 If over 45 days past due). | |
| | Total. | 11,886,828.11 |
| 144 | Accumulated provision for uncollectible accounts. | 12,500.00 |
| | Accounts receivable net of reserve (page 1, item 15) | 11,874,328.11 |

AGE OF RECEIVABLES AT JUNE 30

| | ACCOUNT 141 | ACCOUNT 142 | ACCOUNT 143 | ACCOUNT 146 |
|-------------------------------|-------------|---------------|--------------|-------------|
| Accounts with credit balances | | 173,440.22 | 6,079.76 | |
| Due after June 30. | | 10,213,167.62 | 827,027.36 | |
| From 1 to 30 days past due. | | 279,525.63 | 132,066.45 | |
| From 31 to 60 days past due. | | 334,635.94 | 6,354.59 | |
| From 61 to 90 days past due. | | 15,237.07 | 2,894.81 | |
| Over 90 days past due. | | 68,716.80 | 186,721.82 | |
| Totals (as above). | | 10,737,842.84 | 1,148,985.27 | |

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

| ACCT. NO. | | MATERIALS AND SUPPLIES | |
|-----------|---|------------------------|------------|
| 154 | Plant materials and operating supplies..... | | 662,005.48 |
| 155 | Merchandise..... | | |
| 156 | Other materials and supplies..... | | 171,574.14 |
| 163 | Stores expense undistributed..... | | 15,146.32 |
| (655) | Total materials and supplies (page 1, Item 16)..... | | 848,725.94 |

Give dates of physical inventories this year: 12/16/2011
 Total of adjustments: \$ _____ over, or \$ 3,738.76 short

| ACCT. NO. | | PREPAYMENTS - Account No. 165 | |
|-----------|--|-------------------------------|------------|
| | Prepaid insurance..... | | 172,970.46 |
| | Prepaid employee pension plan..... | | |
| | Prepaid taxes (page 29)..... | | 13,866.17 |
| | Prepaid rents..... | | |
| | Other prepayments..... | | 60,454.30 |
| | Total prepayments (page 1, item 17)..... | | 247,290.93 |

| ACCT. NO. | | OTHER CURRENT ASSETS | |
|-----------|---|----------------------|--------------|
| 171 | Interest and dividends receivable..... | | 28,157.37 |
| 172 | Rents receivable..... | | 337,502.00 |
| 173 | Accrued utility revenue..... | | 1,563,587.79 |
| 174 | Miscellaneous current and accrued assets..... | | |
| | Total other current assets (page 1, Item 18)..... | | 1,929,247.16 |

| ACCT. NO. | | DEFERRED DEBITS | |
|-----------|---|-----------------|--------------|
| 181 | Unamortized debt expense (page 1, item 20)..... | | 1,435,202.06 |

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) | | 22,340,550.74 |
| List of Items: | | | |
| | Receivables from plant sales (item 148) | | |
| | Other items (list): | | |
| | Notes Receivable - PenWar, Inc. Customers | 36,177.47 | |
| | Retirement Deferred Debit | 2,442,297.69 | |
| | Notes Receivable - FTC - UESC | 19,862,075.58 | |
| | | | |
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| | | | |
| | Total as above | 22,340,550.74 | |

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

| CUSTOMER ADVANCES FOR CONSTRUCTION - REFUNDABLE (Account 252) | | | | | |
|---|-----------|------------|----------------|-------------------|---------------------------|
| BEGINNING BALANCE | ADDITIONS | REFUNDS | CONFISCATIONS* | ENDING BALANCE | AMOUNT MATURING NEXT YEAR |
| 2,717.25 | 7,165.30 | (9,882.55) | | (page 2, item 55) | |

*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.

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 \$692,632.70

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 | 43,332,855 |
| 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 |
| | | |
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Pennyrile Rural Electric Cooperative Corporation
 REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE | | | | | | |
|---|------------|---|---|---|------------|---------------|
| DETAILS REGARDING BONDS ON PAGE | | | | | | |
| MATURITIES: MONTH AND DAY | 100 | | | | | |
| NAME OF ISSUE | 200 | FEDERAL FINANCING BANK - PENNYRILE 0003 0003 | FEDERAL FINANCING BANK PENNYRILE 0003 0001 | FEDERAL FINANCING BANK PENNYRILE 0003 0002 | | |
| CALENDAR YEAR | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE |
| 2012 | | | | | | |
| 2013 | | | | | | |
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| 2056 | | | | | | |
| 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, 2012

| 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 0001 | FEDERAL FINANCING BANK PENNYRILE 0001 0002 | FEDERAL FINANCING BANK PENNYRILE 0001 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, 2012

| 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 0004 | | FEDERAL FINANCING BANK PENNYRILE 0001 0005 | | FEDERAL FINANCING BANK PENNYRILE 0002 0001 |
| 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, 2012

| 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 0002 | FEDERAL FINANCING BANK PENNYRILE 0002 0003 | FEDERAL FINANCING BANK PENNYRILE 0002 0004 | | |
| 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 municipally 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, 2012

| SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE | | | | | |
|---|-----------------------------|---------------|---|---------------|------------------|
| DETAILS REGARDING BONDS ON PAGE | | | | | |
| MATURITIES: MONTH AND DAY 100 | 0/0 | | 0/0 | | |
| NAME OF ISSUE 200 | FFB CUSHION OF CREDIT (RUS) | | POST RETIREMENT BENEFITS DUE TO EMPLOYEES | | |
| 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.

Pennyrite Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| NOTE NUMBER | DATE OF NOTE | INT. RATE | TERM OF NOTE (YEARS) | DATE REPAYMENTS BEGIN MO/YEAR | AMOUNT OF ALLOTMENT | BALANCE DUE ON ALLOTMENT (ACCOUNT #) | SUMMARY OF LONG-TERM DEBT - RUS | | DEFERRED INTEREST | OUTSTANDING END OF YEAR EXCLUDING CUSHION OF CREDIT |
|-------------|--------------|-----------|----------------------|-------------------------------|---------------------|--------------------------------------|---------------------------------|-------------------------|-------------------|---|
| | | | | | | | AMOUNT PAID THIS YEAR | AMOUNT REPAID THIS YEAR | | |
| | | | | | | | PRINCIPAL | INTEREST | | |
| 01-1B275 | 6/19/1995 | 5.00 | 35 | 01/1/1996 | 2,042,000.00 | | 13.46 | 17.62 | | 344.40 |
| 02-1B280 | 10/29/1996 | 5.00 | 35 | 07/1/1998 | 6,626,000.00 | | 155,497.56 | 254,979.36 | | 5,007,015.01 |
| 03-1B285 | 2/21/1998 | 5.00 | 35 | 07/1/1998 | 3,935,000.00 | | 92,036.23 | 151,415.45 | | 2,973,502.60 |
| 04-1B286 | 6/22/1998 | 5.13 | 35 | 07/1/1998 | 2,691,000.00 | | 62,113.31 | 107,096.77 | | 2,052,626.20 |
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| 38- | | | | | | | | | | |
| 39- | | | | | | | | | | |
| 40- | | | | | | | | | | |
| (860) Total | | | | | 15,294,000.00 | | 309,560.56 | 513,509.20 | | 10,033,488.21 |

List Note Numbers Paid Monthly: 1B275 1B280 1B285 1B286
EXCLUDING CUSHION OF CREDIT

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| NOTE NUMBER | DATE OF NOTE | INT. RATE | CFC OR COBANK | TERM OF NOTE (YRS) | AMOUNT OF LOAN APPROVED | UNADVANCED LOAN | AMT REPAYED THIS YEAR FOR REGULAR BILLINGS | | OUTSTANDING END OF YEAR | RUS LOAN SUPPLEMENTED NOTE NUMBER | % |
|-------------|--------------|-----------|---------------|--------------------|-------------------------|-----------------|--|------------|-------------------------|-----------------------------------|---|
| | | | | | | | PRINCIPAL | INTEREST | | | |
| 01-1679742 | 10/31/2003 | 4.90 | COBANK | 13 | 6,081,760.08 | | 588,933.01 | 87,000.01 | 1,432,395.78 | | |
| 02-105638 | 9/1/2005 | 5.38 | COBANK | 10 | 9,171,343.00 | | 862,196.47 | 281,761.95 | 4,717,233.93 | | |
| 03-2427406 | 7/19/2010 | 4.44 | COBANK | 18 | 2,285,755.63 | | 140,926.07 | 94,572.85 | 2,010,485.51 | | |
| 04- | | | | | | | | | | | |
| 05- | | | | | | | | | | | |
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| 40- | | | | | | | | | | | |
| (865) Total | | | | | 17,536,858.71 | | 1,592,055.55 | 463,334.81 | 8,160,115.22 | | |

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

| LONG-TERM DEBT - RUS | | |
|---|---|----------------|
| ACCT. | PRINCIPAL DATA | AMOUNT |
| 224.1 | Long-term debt - RUS | 10,033,488.21 |
| 224.2 | Unadvanced RUS allotment - debit (page 21) | |
| 224.3 | Deferred interest - RUS | |
| 224.4 | Long-term debt - RUS - matured and deferred | |
| 224.5 | Cushion of credit - RUS - debit | (2,008,996.00) |
| | Net balance due RUS as above (page 2, item 36) | 8,024,492.21 |
| | Total additions to RUS long-term debt this year (Item 132) | |
| | Repayments for the year excluding advance payments (Item 143) | 309,660.56 |
| INTEREST ACCRUED - RUS (Account 237.1) | | |
| | Balance beginning of year (matured \$.00) | |
| | Accrued during year (Account 427.1) (page 3, item 87) (page 26 summary) | 513,509.20 |
| | Repayments this year | 513,509.20 |
| | 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) | | |
| | 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 | 8,160,115.22 |
| 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) | 8,160,115.22 |
| | Amount received on allotment this year (Item 136) | |
| | Repayments this year (Item 145) | 1,592,055.55 |
| INTEREST ACCRUED - COBANK (Account 237.6) | | |
| | Balance beginning of year (matured \$.00) | (2,320,174.66) |
| | Accrued during year (Account 427.4) (page 3, item 89) (page 26 summary) | 316,714.18 |
| | Repayments this year | 463,334.81 |
| | Balance end of year (matured \$.00) (page 2, item 51)(page 26 summary) | (2,696,509.46) |

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

| BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228) | | | |
|--|---------------------------------------|--|------------|
| Name of Issue: 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 - 220 | | 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 | 2,939,084.50 | Accrued beginning of year | |
| Issued during year | | Accrued during year (427.3) | 165,701.74 |
| Total | 2,939,084.50 | Total | 165,701.74 |
| Bonds retired this year | 71,322.38 | Payments during year | 165,701.74 |
| Balance end of year | 2,867,762.12 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 2,867,762.12 | 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 | 3,418,599.78 | Accrued beginning of year | |
| Issued during year | | Accrued during year (427.3) | 215,624.49 |
| Total | 3,418,599.78 | Total | 215,624.49 |
| Bonds retired this year | 76,174.99 | Payments during year | 215,624.49 |
| Balance end of year | 3,342,424.79 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 3,342,424.79 | Balance less matured (237.3) | |

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

| BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228) | | | |
|--|---------------------------------------|--|---------------|
| Name of issue: <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..... | 5,079,943.89 | Accrued beginning of year..... | |
| Issued during year..... | | Accrued during year (427.3)..... | 301,869.63 |
| Total..... | 5,079,943.89 | Total..... | 301,869.63 |
| Bonds retired this year..... | 118,609.17 | Payments during year..... | 301,869.63 |
| Balance end of year..... | 4,961,334.72 | Balance end of Year..... | |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | 4,961,334.72 | 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..... | 1,609,900.00 | Accrued beginning of year..... | |
| Issued during year..... | 353,155.32 | Accrued during year (427.3)..... | |
| Total..... | 1,963,055.32 | Total..... | |
| Bonds retired this year..... | 136,055.32 | Payments during year..... | |
| Balance end of year..... | 1,827,000.00 | Balance end of Year..... | |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | 1,827,000.00 | Balance less matured (237.3)..... | |

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

| BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228) | | | |
|--|--|------------------------------|--------------------------|
| Name of issue: <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 | 4,809,633.13 | Accrued beginning of year | |
| Issued during year | | Accrued during year (427.3) | 207,211.18 |
| Total | 4,809,633.13 | Total | 207,211.18 |
| Bonds retired this year | 137,540.50 | Payments during year | 207,211.18 |
| Balance end of year | 4,672,092.63 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 4,672,092.63 | 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: <u>1</u> | Principal due dates: <u>1</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 | 4,552,893.40 | Accrued beginning of year | |
| Issued during year | | Accrued during year (427.3) | 196,150.19 |
| Total | 4,552,893.40 | Total | 196,150.19 |
| Bonds retired this year | 130,198.53 | Payments during year | 196,150.19 |
| Balance end of year | 4,422,694.87 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 4,422,694.87 | Balance less matured (237.3) | |

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

| BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228) | | | |
|--|------------------------------|--|---------------|
| Name of Issue: <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 | 5,423,574.16 | Accrued beginning of year | |
| Issued during year | | Accrued during year (427.3) | 232,215.81 |
| Total | 5,423,574.16 | Total | 232,215.81 |
| Bonds retired this year | 113,364.20 | Payments during year | 232,215.81 |
| Balance end of year | 5,310,209.96 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 5,310,209.96 | 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 | 7,342,515.41 | Accrued beginning of year | |
| Issued during year | | Accrued during year (427.3) | 351,052.46 |
| Total | 7,342,515.41 | Total | 351,052.46 |
| Bonds retired this year | 141,979.02 | Payments during year | 351,052.46 |
| Balance end of year | 7,200,536.39 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 7,200,536.39 | Balance less matured (237.3) | |

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

| BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228) | | | |
|--|------------------------------|--|---------------|
| Name of Issue: <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 | 7,464,149.48 | Accrued beginning of year | |
| Issued during year | | Accrued during year (427.3) | 366,400.07 |
| Total | 7,464,149.48 | Total | 366,400.07 |
| Bonds retired this year | 141,451.46 | Payments during year | 366,400.07 |
| Balance end of year | 7,322,698.02 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 7,322,698.02 | 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 | 3,258,431.75 | Accrued beginning of year | |
| Issued during year | | Accrued during year (427.3) | 167,127.52 |
| Total | 3,258,431.75 | Total | 167,127.52 |
| Bonds retired this year | 59,625.90 | Payments during year | 167,127.52 |
| Balance end of year | 3,198,805.85 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 3,198,805.85 | Balance less matured (237.3) | |

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

| BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228) | | | |
|--|------------------------------|---|---------------|
| Name of Issue: <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 | 7,834,652.89 | Accrued beginning of year | |
| Issued during year | | Accrued during year (427.3) | 269,408.81 |
| Total | 7,834,652.89 | Total | 269,408.81 |
| Bonds retired this year | 142,049.72 | Payments during year | 269,408.81 |
| Balance end of year | 7,692,603.17 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 7,692,603.17 | 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 | 9,697,914.66 | Accrued beginning of year | |
| Issued during year | | Accrued during year (427.3) | 15,360.69 |
| Total | 9,697,914.66 | Total | 15,360.69 |
| Bonds retired this year | 306,246.75 | Payments during year | 15,360.69 |
| Balance end of year | 9,391,667.91 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 9,391,667.91 | Balance less matured (237.3) | |

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

| BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228) | | | |
|--|------------------------------|--|---------------|
| Name of Issue: <u>FEDERAL FINANCING BANK - PENNYRILE 0003 0003</u> | | | |
| Date of Issue: <u>10/07/2011</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 | | Accrued beginning of year | |
| Issued during year | 8,000,000.00 | Accrued during year (427.3) | 163,473.75 |
| Total | 8,000,000.00 | Total | 163,473.75 |
| Bonds retired this year | 84,309.19 | Payments during year | 163,473.75 |
| Balance end of year | 7,915,690.81 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 7,915,690.81 | Balance less matured (237.3) | |
| Name of Issue: <u>FFB CUSHION OF CREDIT (RUS)</u> | | | |
| Date of Issue: _____ | | Amount of original Issue: \$ <u>8,713,038.73</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 | 8,713,038.73 | Payments during year | |
| Balance end of year | (8,713,038.73) | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | (8,713,038.73) | Balance less matured (237.3) | |

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

| BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228) | |
|--|--|
| Name of Issue: _____ | |
| Date of Issue: _____ | Amount of original issue: \$ _____ |
| Cash realized: \$ _____ | Discount: \$ _____ Premium: \$ _____ Exp: \$ _____ |
| If rates are variable, state what index they are tied to and length of time between readjustments: _____ | |
| Interest due dates: \ _____ | Principal due dates: \ _____ Denominations: \$ _____ |
| Agent for paying principal and interest: _____ | |
| Revenue or general obligation bonds: _____ | Issued or assumed _____ |
| If assumed from municipality give date and amount assumed: _____ \$ _____ | |
| Amount authorized if different from amount issued: \$ _____ | |
| Purpose of Issue: _____ | |
| Conditions under which bonds may be called: _____ | |
| If bonds were called this year give amount called: \$ _____ Price paid: \$ _____ | |

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

| SUMMARY OF LONG-TERM DEBT - BONDS (Account 221) AND OTHER (Account 228) | | | | | |
|---|-------------|-----------------------|---------------------|--|---------------------|
| | ACCOUNT 221 | OTHER* ACCOUNT 228 | TOTAL* | POST- RETIREMENT BENEFITS ACCOUNT 228 | TVA ACCOUNT 228 |
| Balance beginning of year. | | 61,821,393.05 | 61,821,393.05 | 1,609,900.00 | |
| Issued during year. (Item 137) | | 8,000,000.00 | 8,000,000.00 | 353,155.32 | |
| Total. | | 69,821,393.05 | 69,821,393.05 | 1,963,055.32 | |
| Bonds retired this year. (Item 146) | | 10,235,910.54 | 10,235,910.54 | 136,055.32 | |
| Balance end of year. | | 59,585,482.51 | 59,585,482.51 | 1,827,000.00 | |
| Including matured of (239) | | | | | |
| Balance less matured (221) | | 59,585,482.51 | 59,585,482.51 | 1,827,000.00 | |
| | | | (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) | | 2,651,596.34 |
| Total. | | 2,651,596.34 |
| Payments during year. | | 2,651,596.34 |
| 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, 2012

| 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. | | | | | | | | | | 150,418.13 | |
| Balance customer deposits end of year (Account 235). | | | | | | | | | | 5,567,066.68 | |
| Total customer deposits (page 2, Item 47). | | | | | | | | | | 5,717,484.81 | |
| 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 | 513,509.20 | |
| 229 | CoBank | 23 | 237.6 | 2 | 51 | (2,696,509.46) | 427.4 | 3 | 89 | 316,714.18 | |
| 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 | 2,651,596.34 | |
| 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 | 323,324.45 | |
| -- | Delinquent taxes | --- | 237.5 | 2 | 52.2 | | 431 | 3 | 92 | | |
| Total interest accrued end of year. | | | | | | (2,696,509.46) | Net expense for year. | | | | 3,805,144.17 |
| Total Item 49 (page 2) | | | | | | | Total Item 87 (page 3) | | | | 513,509.20 |
| Total Item 50 (page 2) | | | | | | | Total item 88 (page 3) | | | | |
| Total Item 51 (page 2) | | | | | | (2,696,509.46) | Total Item 89 (page 3) | | | | 316,714.18 |
| Total Item 52.1 (page 2) | | | | | | | Total Item 90.1 (page 3) | | | | 2,651,596.34 |
| Total Item 52.2 (page 2) | | | | | | | Total Item 90.2 (page 3) | | | | |
| | | | | | | | Total Item 92 (page 3) | | | | 323,324.45 |
| ACCOUNTS PAYABLE | | | | | | | | | | | |
| 232 | Accounts payable - general (includes \$15,652,728.40 to TVA for purchased power and Fac.Rental). | | | | | | | | | 16,649,397.89 | |
| 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). | | | | | | | | | | 16,649,397.89 | |
| 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. | | | | | | | | | 252,899.21 | |
| 242 | Miscellaneous - accrued insurance. | | | | | | | | | | |
| 242 | Miscellaneous - employees' accrued leave. | | | | | | | | | 429,838.99 | |
| 242 | Miscellaneous - other. | | | | | | | | | 1,252,212.68 | |
| Total other current and accrued liabilities (page 2, item 53). | | | | | | | | | | 1,934,950.88 | |
| OTHER DEFERRED CREDITS (Account 253) | | | | | | | | | | | |
| Payables for plant purchases; (item 149) | | | | | | | | | | | |
| Other items (List): See page 33. | | | | | | | | | | 687,522.87 | |
| Total other deferred credits (page 2, item 56) | | | | | | | | | | | |
| Total other deferred credits (page 2, item 56) | | | | | | | | | | 887,522.87 | |

Pennyrite Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| TO WHOM PAID | PERIOD COVERED | AMOUNT | TO WHOM PAID | PERIOD COVERED | AMOUNT |
|---|-----------------------|------------|--|---------------------|-----------|
| States (list): KY KY | 1/1/2011 12/31/2011 | 434,282.03 | Cities (list): TRENTON ELKTON ELKTON CADIZ CADIZ RUSSELLVILLE RUSSELLVILLE LEWISBURG PEMBROKE GUTHRIE HOPKINSVILLE HOPKINSVILLE ADAIRVILLE OAK GROVE | 1/1/2011 12/31/2011 | 662.13 |
| | 1/1/2012 12/31/2012 | 8,811.10 | | 1/1/2011 12/31/2011 | 5,290.22 |
| Counties (list): TRIGG TRIGG LOGAN LOGAN CALDWELL SIMPSON BUTLER MUHLENBERG TODD TODD CHRISTIAN LYON CHRISTIAN | Total states: | 443,093.13 | | 1/1/2012 12/31/2012 | 1,307.44 |
| | 1/1/2011 12/31/2011 | 126,180.52 | | 1/1/2011 12/31/2011 | 9,207.89 |
| | 1/1/2012 12/31/2012 | 2,964.66 | | 1/1/2011 12/31/2011 | 1,135.58 |
| | 1/1/2011 12/31/2011 | 137,641.26 | | 1/1/2011 12/31/2011 | 4,192.28 |
| | 1/1/2012 12/31/2012 | 2,407.38 | | 1/1/2012 12/31/2012 | 752.60 |
| | 1/1/2011 12/31/2011 | 19,337.43 | | 1/1/2011 12/31/2011 | 1,405.31 |
| | 1/1/2012 12/31/2011 | 374.99 | | 1/1/2011 12/31/2011 | 1,405.31 |
| | 1/1/2011 12/31/2011 | 11,175.90 | | 1/1/2011 12/31/2011 | 375.83 |
| | 1/1/2012 12/31/2011 | 47,132.70 | | 1/1/2011 12/31/2011 | 1,935.86 |
| | 1/1/2011 12/31/2011 | 92,228.97 | | 1/1/2011 12/31/2011 | 23,450.33 |
| | 1/1/2012 12/31/2012 | 3,121.50 | | 1/1/2012 12/31/2012 | 1,884.99 |
| | 1/1/2011 12/31/2011 | 237,881.50 | | 1/1/2011 12/31/2011 | 895.67 |
| | 1/1/2012 12/31/2011 | 23,507.98 | | 1/1/2011 12/31/2011 | 2,358.23 |
| | 1/1/2012 12/31/2012 | 5,347.11 | | | |
| | Total counties: | 709,281.90 | | Total cities: | 54,854.36 |
| | | | Total paid: | 1,207,229.39 | |

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.

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

| BASIS FOR COMPUTATION OF ACCRUAL FOR AD VALOREM PROPERTY TAX OR TAX EQUIVALENT | | | | | | | |
|--|-------------------|------------------------|------------------------|-----------------------------|----------------|----------------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> TAX, OR <input type="checkbox"/> TAX EQUIVALENT | | TN. 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 | | | | | | |
| 1/1/2011 12/31/2011 | STATE OF KENTUCKY | | | 114,324,300.00 | .3799 | | 434,282.03 |
| 1/1/2011 12/31/2011 | TRENTON | | | 133,494.00 | .4960 | | 662.13 |
| 1/1/2011 12/31/2011 | ELKTON | | | 1,527,725.00 | .3463 | | 5,290.22 |
| 1/1/2011 12/31/2011 | CADIZ | | | 3,196,533.00 | .2881 | | 9,207.89 |
| 1/1/2011 12/31/2011 | RUSSELLVILLE | | | 1,353,447.00 | .3097 | | 4,192.28 |
| 1/1/2011 12/31/2011 | LEWISBURG | | | 268,286.00 | .5350 | | 1,405.31 |
| 1/1/2011 12/31/2011 | PEMBROKE | | | 215,993.00 | .1740 | | 375.83 |
| 1/1/2011 12/31/2011 | GUTHRIE | | | 438,970.00 | .4500 | | 1,935.86 |
| 1/1/2011 12/31/2011 | HOPKINSVILLE | | | 9,670,521.00 | .2425 | | 23,450.33 |
| 1/1/2011 12/31/2011 | ADAIRVILLE | | | 232,558.00 | .3930 | | 895.67 |
| 1/1/2011 12/31/2011 | OAK GROVE | | | 1,267,864.00 | .1860 | | 2,358.23 |
| 1/1/2011 12/31/2011 | TRIGG COUNTY | | | 16,576,719.00 | .7611 | | 126,160.52 |
| 1/1/2011 12/31/2011 | LOGAN COUNTY | | | 16,968,670.00 | .8111 | | 137,641.26 |
| 1/1/2011 12/31/2011 | CALDWELL COUNTY | | | 2,925,039.00 | .6611 | | 19,337.43 |
| 1/1/2011 12/31/2011 | SIMPSON COUNTY | | | 49,956.00 | .7506 | | 374.99 |
| 1/1/2011 12/31/2011 | BUTLER COUNTY | | | 1,394,547.00 | .8014 | | 11,175.90 |
| 1/1/2011 12/31/2011 | MUHLENBERG COUNTY | | | 6,295,922.00 | .7486 | | 47,132.70 |
| 1/1/2011 12/31/2011 | TODD COUNTY | | | 14,131,513.00 | .6526 | | 92,228.97 |
| 1/1/2011 12/31/2011 | CHRISTIAN COUNTY | | | 35,001,952.00 | .6796 | | 237,881.50 |
| 1/1/2011 12/31/2011 | LYON COUNTY | | | 2,703,931.00 | .8694 | | 23,507.98 |
| 1/1/2012 12/31/2012 | CHRISTIAN COUNTY | | | 751,002.00 | .7120 | | 5,347.11 |
| 1/1/2012 12/31/2012 | LOGAN COUNTY | | | 342,093.00 | .7037 | | 2,407.38 |
| 1/1/2012 12/31/2012 | TODD COUNTY | | | 431,498.00 | .7234 | | 3,121.50 |
| 1/1/2012 12/31/2012 | TRIGG COUNTY | | | 433,427.00 | .6840 | | 2,964.66 |
| 1/1/2012 12/31/2012 | STATE OF KENTUCKY | | | 1,958,020.00 | .4500 | | 8,811.10 |
| 1/1/2012 12/31/2012 | HOPKINSVILLE | | | 751,002.00 | .2510 | | 1,884.99 |
| 1/1/2012 12/31/2012 | RUSSELLVILLE | | | 342,093.00 | .2200 | | 752.60 |
| 1/1/2012 12/31/2012 | ELKTON | | | 431,498.00 | .3030 | | 1,307.44 |
| 1/1/2012 12/31/2012 | CADIZ | | | 433,427.00 | .2620 | | 1,135.58 |
| | TOTAL PAID | | | | | | 1,207,229.39 |

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 to 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, 2012

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

Page 28A

| TAX PERIOD JAN 1, 2011 TO DEC. 31, 2011 | TAX ASSESSMENT OF VALUATION | RATE | EQUIVALENT APPLICABLE FOR TAX PERIOD F/Y | APPLICABLE FOR FISCAL YEAR |
|--|--------------------------------|----------|---|-------------------------------|
| STATE OF KENTUCKY | | | | |
| Real Estate | 7,727,718 | 0.00122 | | \$9,427.82 |
| Tangible Property | 88,319,782 | 0.00450 | | 397,439.02 |
| Mfg. Machinery | 18,276,800 | 0.00150 | | 27,415.20 |
| | | | | ===== |
| Total | | | | \$434,282.03 |
| CITIES | | | | |
| Trenton | | | | |
| | 133,494 | 0.00496 | | \$662.13 |
| Elkton | | | | |
| Real Estate | 199,000 | 0.00248 | | \$493.52 |
| Tangible Property | 1,328,725 | 0.00361 | | 4,796.70 |
| | | | | ===== |
| Total | | | | \$5,290.22 |
| Cadiz | | | | |
| Real Estate | 1,594,200 | 0.002650 | | \$4,224.63 |
| Personal | 1,602,333 | 0.003110 | | 4,983.26 |
| | | | | ===== |
| Total | | | | \$9,207.89 |
| Russellville | | | | |
| Real Estate | 236,500 | 0.002550 | | 591.02 |
| Personal | 1,116,947 | 0.003290 | | 3,601.26 |
| | | | | ===== |
| Total | | | | \$4,192.28 |
| Lewisburg | | | | |
| | 268,286 | 0.00535 | | \$1,405.31 |
| Pembroke | | | | |
| | 215,993 | 0.00174 | | \$375.83 |
| Guthrie | | | | |
| | 438,970 | 0.0045 | | \$1,935.86 |
| Hopkinsville | | | | |
| Real Estate | 4,915,695 | 0.00244 | | \$11,994.30 |
| Personal | 4,754,826 | 0.00251 | | 11,934.61 |
| | | | | ===== |
| | | | | \$23,450.33 |
| Adairville | | | | |
| | 232,558 | 0.003930 | | \$895.67 |
| Oak Grove | | | | |
| | 1,267,864 | 0.00186 | | \$2,358.23 |

| TAX PERIOD JAN 1, 2011 TO DEC. 31, 2011 | TAX ASSESSMENT OF VALUATION | RATE | EQUIVALENT APPLICABLE FOR TAX PERIOD FY | APPLICABLE FOR FISCAL YEAR |
|--|--------------------------------|----------|--|-------------------------------|
| COUNTIES | | | | |
| Tngg | | | | |
| R. E. County | 1,798,902 | 0.000800 | | \$1,439.12 |
| R. E. School | 14,777,817 | 0.004740 | | 70,046.85 |
| T. P. County | 14,777,817 | 0.001143 | | 16,891.04 |
| T. P. School | 1,798,902 | 0.004740 | | 8,526.80 |
| T. P. Health | 14,777,817 | 0.001278 | | 18,886.05 |
| T. P. Library | 14,777,817 | 0.000563 | | 8,319.91 |
| R. E. Health | 1,798,902 | 0.000800 | | 1,439.12 |
| R. E. Library | 1,798,902 | 0.000340 | | 611.63 |
| | | | | ===== |
| Total | | | | \$126,160.52 |
| Logan | | | | |
| R. E. County | 469,424 | 0.001300 | | \$610.25 |
| Health | 469,424 | 0.000200 | | 93.88 |
| Library | 469,424 | 0.000860 | | 403.70 |
| Extension | 469,424 | 0.000440 | | 206.55 |
| Soil Conservation | 469,424 | 0.000141 | | 66.19 |
| Common School | 232,924 | 0.003770 | | 878.12 |
| Graded School | 236,500 | 0.007660 | | 1,811.59 |
| Big Muddy | 236,500 | 0.001000 | | 236.50 |
| Mud River | 232,924 | 0.000135 | | 31.44 |
| T. P. County | 16,499,246 | 0.002100 | | 34,648.42 |
| Health | 16,499,246 | 0.000200 | | 3,299.85 |
| Library | 16,499,246 | 0.001065 | | 17,571.70 |
| Extension | 16,499,246 | 0.000681 | | 11,235.99 |
| Common School | 15,382,299 | 0.003770 | | 57,991.27 |
| Graded School | 1,116,947 | 0.007660 | | 8,555.81 |
| | | | | ===== |
| Total | | | | \$137,841.26 |
| Caldwell - Stan Hudson | | | | |
| T. P. County | 2,925,039 | 0.00115 | | \$3,363.79 |
| T. P. School | 2,925,039 | 0.00352 | | 10,296.14 |
| T. P. Extension | 2,925,039 | 0.000426 | | 1,246.07 |
| Library - Tangible | 2,925,039 | 0.00062 | | 1,798.90 |
| Hospital - Tangible | 2,925,039 | 0.00055 | | 1,608.77 |
| Health - Tangible | 2,925,039 | 0.00035 | | 1,023.76 |
| | | | | ===== |
| Total | | | | \$19,337.43 |
| Simpson- Chris Cline | | | | |
| T.P. County | 49,956 | 0.002 | | 79.43 |
| T.P. School | 49,956 | 0.004547 | | 227.16 |
| Library | 49,956 | 0.000778 | | 38.86 |
| Extension | 49,956 | 0.000201 | | 10.05 |
| Ambulance | 49,956 | 0.000390 | | 19.49 |
| | | | | ===== |
| Total | | | | \$374.99 |

| TAX PERIOD JAN 1, 2011 TO DEC. 31, 2011 | TAX ASSESSMENT OF VALUATION | RATE | EQUIVALENT APPLICABLE FOR TAX PERIOD F/Y | APPLICABLE FOR FISCAL YEAR |
|--|--------------------------------|----------|---|-------------------------------|
| Butler | | | | |
| County | 1,394,547 | 0.000850 | | \$1,185.36 |
| School | 1,394,547 | 0.003770 | | 5,257.44 |
| Health | 1,394,547 | 0.000225 | | 313.77 |
| Ambulance | 1,394,547 | 0.000900 | | 1,255.09 |
| Library | 1,394,547 | 0.001389 | | 1,937.03 |
| Extension | 1,394,547 | 0.000880 | | 1,227.20 |
| | | | | ===== |
| Total | | | | \$11,175.90 |
| Muhlenberg | | | | |
| R E. School | 137,184 | 0.004970 | | \$681.80 |
| T P School | 6,158,738 | 0.004970 | | 30,608.93 |
| R E Library | 137,184 | 0.000780 | | 107.00 |
| T P Library | 6,158,738 | 0.001090 | | 6,713.02 |
| R E Franchise | 137,184 | 0.001020 | | 139.93 |
| T. P. Franchise | 6,158,736 | 0.000980 | | 6,035.56 |
| R E Health | 137,184 | 0.000180 | | 24.69 |
| T. P Health | 6,158,738 | 0.000180 | | 1,108.57 |
| R E Extension | 137,184 | 0.000180 | | 24.69 |
| T P Extension | 6,158,738 | 0.000181 | | 1,114.73 |
| R. E. Cons. Dist | 137,184 | 0.000052 | | 7.13 |
| R. E. Airport | 137,184 | 0.000090 | | 12.35 |
| T. P. Airport | 6,158,738 | 0.000090 | | 554.28 |
| | | | | ===== |
| Total | | | | \$47,132.70 |
| Todd - Joey Johnson | | | | |
| T P County | 13,881,337 | 0.001070 | | \$14,853.03 |
| T P School | 13,881,337 | 0.003740 | | 51,916.20 |
| T. P Library | 13,881,337 | 0.000726 | | 10,077.85 |
| T P Health | 13,881,337 | 0.000430 | | 5,968.97 |
| T. P Extension | 13,881,337 | 0.000570 | | 7,912.36 |
| R E County | 250,176 | 0.000990 | | 247.67 |
| R E School | 250,176 | 0.003740 | | 935.66 |
| R E Library | 250,176 | 0.000400 | | 100.07 |
| R E Extension | 250,176 | 0.000338 | | 84.56 |
| R E Soil Conservation | 250,176 | 0.000100 | | 25.02 |
| R. E Health | 250,176 | 0.000430 | | 107.58 |
| | | | | ===== |
| Total | | | | \$92,228.97 |
| Christian | | | | |
| T. P County | 29,929,920 | 0.00260 | | \$77,817.79 |
| T P School | 29,929,920 | 0.00379 | | 113,434.40 |
| T P Extension Service | 29,929,920 | 0.000351 | | 10,505.40 |
| T. P. Health | 29,929,920 | 0.00018 | | 5,387.39 |
| R E County | 5,072,032 | 0.00181 | | 9,180.38 |
| R. E. School | 5,072,032 | 0.00379 | | 19,223.00 |
| R E Health | 5,072,032 | 0.00018 | | 912.97 |
| R E Ext. Service | 5,072,032 | 0.000240 | | 1,217.29 |
| R E Soil Conservation | 5,072,032 | 0.00004 | | 202.88 |
| | | | | ===== |
| Total | | | | \$237,881.50 |

| TAX PERIOD JAN 1, 2011 TO DEC. 31, 2011 | TAX ASSESSMENT OF VALUATION | RATE | EQUIVALENT APPLICABLE FOR TAX PERIOD FY | APPLICABLE FOR FISCAL YEAR |
|--|--------------------------------|----------|--|-------------------------------|
| Lyon | | | | |
| T. P. County | 2,703,931 | 0.002220 | \$6,002.73 | |
| T. P. School | 2,703,931 | 0.004140 | 11,194.27 | |
| Library | 2,703,931 | 0.000590 | 1,595.32 | |
| Ambulance | 2,703,931 | 0.000690 | 1,865.71 | |
| Health | 2,703,931 | 0.000230 | 621.90 | |
| Extension Service | 2,703,931 | 0.000824 | 2,228.04 | |
| | | | ===== | |
| Total | | | \$23,507.98 | |
| | | | ----- | |
| | | | \$1,179,497.03 | \$589,748.51 |
| | | | ===== | |
| Estimated Tax Liability C/Y 2012 | | State | \$434,282.03 | |
| | | Cities | 49,773.75 | |
| | | Counties | 695,441.25 | |
| | | | ----- | |
| | | | \$1,179,497.03 | \$589,748.51 |
| | | | ===== | |
| Underaccrual FY '2011 | | State | \$64,911.05 | |
| | | Cities | 7,635.76 | |
| | | Counties | 135,649.89 | |
| | | | ----- | |
| | | | \$208,196.71 | \$208,196.71 |
| | | | ----- | |
| Total Tax Expense FY 2012 | | | | \$1,387,693.73 |
| | | | | ===== |

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 2011 to Dec. 31, 2011 | Tax Assessment of Valuation | Rate | Tax or Equivalent For Tax Period | Amount Applicable For FY '12 |
|--|-----------------------------------|----------|--|------------------------------------|
| Counties | | | | |
| ===== | | | | |
| Christian | | | | |
| ===== | | | | |
| 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 |
| TOTAL COUNTY | | | 6,241.71 | 3,120.85 |
| Logan | | | | |
| ===== | | | | |
| 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 |
| TOTAL COUNTY | | | 1,832.72 | 916.36 |
| Todd | | | | |
| ===== | | | | |
| 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 |
| TOTAL COUNTY | | | 2,785.51 | 1,392.76 |
| Trigg | | | | |
| ===== | | | | |
| 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 |
| TOTAL COUNTY | | | 2,178.83 | 1,089.41 |
| | | | ===== | ===== |
| | | | \$26,137.32 | \$13,068.66 |

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

Page 28F

| Tax Period Jan. 1 2012 to Dec. 31, 2012 | Tax Assessment of Valuation | Rate | Tax or Equivalent For Tax Period | Amount Applicable For FY '13 |
|--|-----------------------------------|----------|--|------------------------------------|
| <u>Counties</u> | | | | |
| ===== | | | | |
| Christian | | | | |
| ===== | | | | |
| State | 751,002 | 0.0045 | 3,379.50 | 1,689.75 |
| City-Hopkinsville | 751,002 | 0.00251 | 1,884.99 | 942.49 |
| County | 751,002 | 0.00116 | 871.17 | 435.59 |
| School | 751,002 | 0.00566 | 4,250.65 | 2,125.33 |
| Extension | 751,002 | 0.00012 | 90.12 | 45.06 |
| Health | 751,002 | 0.00018 | 135.17 | 67.59 |
| TOTAL COUNTY | | | 5,347.11 | 2,673.57 |
| | | | | |
| Logan | | | | |
| ===== | | | | |
| State | 342,093 | 0.0045 | 1,539.42 | 769.71 |
| City-Russellville | 342,093 | 0.0022 | 752.60 | 376.30 |
| County | 342,093 | 0.00106 | 362.65 | 181.32 |
| Health | 342,093 | 0.000200 | 68.42 | 34.21 |
| Extension | 342,093 | 0.000157 | 53.73 | 26.86 |
| Independent School | 342,093 | 0.00539 | 1,843.88 | 921.94 |
| Library | 342,093 | 0.00023 | 78.70 | 39.35 |
| TOTAL COUNTY | | | 2,407.38 | 1,203.68 |
| | | | | |
| Todd | | | | |
| ===== | | | | |
| State | 431,498 | 0.00450 | 1,941.75 | 970.88 |
| City-Elkton | 431,498 | 0.00303 | 1,307.44 | 653.72 |
| County | 431,498 | 0.00101 | 435.80 | 217.90 |
| School | 431,498 | 0.00524 | 2,281.05 | 1,130.52 |
| Health | 431,498 | 0.00043 | 185.54 | 92.77 |
| Extension | 431,498 | 0.00030 | 131.19 | 65.59 |
| Library | 431,498 | 0.00025 | 107.91 | 53.96 |
| TOTAL COUNTY | | | 3,121.50 | 1,560.74 |
| | | | | |
| Trigg | | | | |
| ===== | | | | |
| State | 433,427 | 0.00450 | 1,950.43 | 975.22 |
| City-Cadiz | 433,427 | 0.00262 | 1,135.58 | 567.79 |
| County | 433,427 | 0.00096 | 416.09 | 208.04 |
| School | 433,427 | 0.00459 | 1,989.43 | 994.71 |
| Health/Amb. | 433,427 | 0.00094 | 407.41 | 203.71 |
| Library | 433,427 | 0.00035 | 151.73 | 75.86 |
| TOTAL COUNTY | | | 2,964.66 | 1,482.32 |
| | | | ===== | ===== |
| Amount carried from Page 28E | | | \$27,732.36 | \$13,866.17 |
| | | | | \$13,068.66 |
| | | | | ===== |
| | | | | \$26,934.83 |

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| PREPAID TAXES | | | | | | | | | |
|--|---|---------------------------|--------------|---------------------------|--------------|---------------------|---|-----------|--|
| Do not report any taxes listed in schedule of Account 236 below as prepaid - if prepaid show debit balance in Account 236. | | | | | | | | | |
| TAXING JURISDICTION | % OF GROSS REVENUE | BALANCE BEGINNING OF YEAR | PAYMENTS | PERIOD COVERED | ACCT. NO. | WRITEOFF AMOUNT | BALANCE END OF YEAR | | |
| TRIGGS | | 1,089.42 | 2,964.66 | 12/31/2012 | 408.1 | 2,571.76 | 1,482.32 | | |
| LOGAN | | 916.36 | 2,407.38 | 12/31/2012 | 408.1 | 2,120.06 | 1,203.68 | | |
| TODD | | 1,392.75 | 3,121.50 | 12/31/2012 | 408.1 | 2,953.51 | 1,560.74 | | |
| CHRISTIAN | | 3,120.86 | 5,347.11 | 12/31/2012 | 408.1 | 5,794.40 | 2,673.57 | | |
| ELKTON | | 591.54 | 1,307.44 | 12/31/2012 | 408.1 | 1,245.26 | 653.72 | | |
| CADIZ | | 417.31 | 1,135.58 | 12/31/2012 | 408.1 | 985.10 | 567.79 | | |
| RUSSELLVILLE | | 286.50 | 752.60 | 12/31/2012 | 408.1 | 662.80 | 376.30 | | |
| HOPKINSVILLE | | 1,100.19 | 1,884.99 | 12/31/2012 | 408.1 | 2,042.69 | 942.49 | | |
| KY | | 4,153.73 | 8,811.10 | 12/31/2012 | 408.1 | 8,559.27 | 4,405.56 | | |
| Total | | 13,068.66 | 27,732.36 | | | 26,934.85 | 13,866.17 | (Page 17) | |
| | | | | | | | (Add below) | | |
| ACCRUED TAXES (Account 236) | | | | | | | | | |
| ACCT. NO. | KIND OF TAX | BALANCE OF YEAR | PAYMENTS | TAX EXPENSE (ACCOUNT 408) | TRANSFERRED | BALANCE END OF YEAR | | | |
| 408.1 | Property | 549,706.58 | 1,179,497.03 | | 1,219,538.96 | 589,748.51 | | | |
| 408.2 | U.S. Social Security - unemployment | 110.53 | 10,301.93 | | 10,452.55 | 261.15 | | | |
| 408.3 | U.S. Social Security - FICA | | 410,583.31 | | 410,583.31 | | | | |
| 408.4 | State Social Security - unemployment | | 11,442.86 | | 11,442.86 | | | | |
| 408.5 | Gross receipts - state | | | | | | | | |
| 408.6 | Income - state | | | | | | | | |
| 408.7 | Other: (list below) | | | | | | | | |
| 408.7 | Oak Grove Franchise Tax | | 240,773.00 | | 240,773.00 | | | | |
| 408.7 | Reallocation of Prepaid Vehicle Taxes | 267,944.37 | 3,211,739.58 | (26,934.85) | 26,934.85 | 292,791.68 | | | |
| 408.7 | School Tax | | | 3,215,586.89 | | | | | |
| (885) | Tax expense from the writeoff of prepaid privilege taxes (as above) | | 5,064,337.71 | 3,189,652.04 | 1,919,725.63 | 882,801.34 | (page 2, item 4b) | | |
| (890) | Total tax expense for the year (page 3, item 79) | | | 3,215,586.89 | | | | | |
| | | | | | | | 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" | | |

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

GENERAL INFORMATION

1. Give the form of management of municipal system. (Power board, Mayor and council, etc.)
 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> 12 </u> Times | |
| Rates? | <u> Y </u> Yes | <u> </u> No |
| If yes, how many times during the past 12 months? | <u> 12 </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

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

| 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 | FEES | TRAVEL |
| BATES PAYNE, JR-BOARD MEMBER | FARMER | 07/31/2013 | 18,575.00 | 5,537.20 | |
| DR GEORGE BROWN-SEC/TREAS | RETIRED VETERNARIAN | 07/31/2012 | 18,300.00 | 9,063.56 | |
| DUANE MOORE-CHAIRMAN | FARMER | 07/31/2014 | 18,850.00 | 7,067.49 | |
| JAMES W. LEAR-BOARD MEMBER | RETIRED FARMER | 07/31/2012 | 21,050.00 | 13,197.76 | |
| JOE ROGERS-ASST. SEC/TREAS | FARMER | 07/31/2013 | 19,950.00 | 7,480.05 | |
| ROBERT K. BROADBENT-BOARD | FARMER - DECEASED | 07/31/2011 | 275.00 | 566.84 | |
| JAMES R. RILEY-BOARD MEMBER | INSURANCE AGENT | 07/31/2013 | 18,025.00 | 4,647.22 | |
| BRYSON PRICE-VICE CHAIRMAN | FUNERAL HOME OWNER | 07/31/2014 | 18,850.00 | 9,704.87 | |
| JAMES FUTRELL - BOARD MEMBER | SELF-EMPLOYED | 07/31/2014 | 25,225.00 | 14,727.31 | |
| Total | | | 159,100.00 | 71,992.30 | |

*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 .555 CENTS PER MILE.

 DR BROWN AND LEAR'S TERM EXPIRES 07/31/2015 SINCE JULY 3, 2012 ANNUAL MEETING.

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

| GENERAL INFORMATION (CONTINUED) | |
|---|------------|
| Detail of Account 930 - Miscellaneous General Expense | EXPENSE |
| FEES - BOARD OF DIRECTORS | 159,100.00 |
| CONVENTION/TRAVEL/MEETINGS - BOARD OF DIRECTORS | 71,992.30 |
| INSURANCE | 11,664.08 |
| ANNUAL MEETING | 38,707.71 |
| KENTUCKY LIVING | 203,883.58 |
| PROPERTY TAX & INSURANCE | 50,321.86 |
| RURAL ELECTRIC RESOURCES | 2,100.00 |
| CUSTOMER COOP.COM CARDS | 12,520.26 |
| HOPKINSVILLE CHAMBER OF COMMERCE | 2,374.36 |
| KENTUCKY CHAMBER OF COMMERCE | 596.70 |
| UTILITIES TELE COUNCIL | 2,800.80 |
| LBL | 100.00 |
| VOLUNTEER FIRE DEPARTMENTS | 60.00 |
| CHRISTIAN COUNTY AGRI-BUS ASSN | 125.00 |
| LOGAN COUNTY CHAMBER OF COMMERCE | 789.20 |
| TVA POWER DISTRIBUTORS | 750.00 |
| TVPPA | 13,251.94 |
| KENTUCKY COUNCIL OF COOPS | 300.00 |
| HOMEBUILDERS OF HOPKINSVILLE | 200.00 |
| HOPKINSVILLE-CHRISTIAN COUNTY BOARD OF REALTORS | 125.00 |
| LOGAN COUNTY HOMEBUILDERS | 350.00 |
| CHRISTIAN CO FARM BUREAU | 50.00 |
| TOUCHSTONE ENERGY | 22,000.00 |
| NRECA | 49,682.03 |
| KAEC | 111,550.05 |
| CHRISTIAN COUNTY FARMER | 100.00 |
| ADAIRVILLE CHAMBER OF COMMERCE | 35.00 |
| ADVERTISING - PROMOTIONAL | 57,615.82 |
| ADVERTISING | 30,378.53 |
| PRECC BOARD MEETING EXPENSES | 26,924.89 |
| TOTAL | 870,449.11 |

GENERAL INFORMATION (CONTINUED)

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

PG 1 ITEM 14 - CASH DECREASE DUE TO FUNDING SEVERAL PROJECTS INCLUDING DAYSVILLE OPERATIONS CENTER, NEW RADIO SYSTEM, AND FIBER.

PG 1 ITEM 21 - PRELIMINARY SURVEY INCREASE DUE TO SOLAR PANEL PROJECT AND PLANNING OF SALEM CHURCH SUBSTATION.

PG 2 ITEM 55 - NO LONGER COLLECT REFUND OR CONFISCATE CONSTRUCTION COSTS (ACCT 252).

PG 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.

PG 3 ITEMS 83 & 90.1 - OTHER INCOME INCREASE DUE TO RECOMMENDATION OF RUS TO RECORD INTEREST EXPENSE AND INTEREST EARNED FROM FORT CAMPBELL (FTC) UESC LOANS SEPARATELY RATHER THAN A NET BASIS AND RECEIPT OF COOP SELF INS FUND FROM PRIOR YEARS.

PG 3 ITEM 89 - TWO LOANS WERE REFINANCED IN FY 2011; THEREFORE DECREASING INTEREST COSTS FOR FY 2012.

PG 3 ITEM 93 - FY2012 HAD FULL YEAR OF LOAN REFINANCING PENALTY.

PG 4 OTHER OPERATING ACTIVITIES-FASB158 ADJ; OTHER FINANCING ACTIVITIES-FASB106 ADJ.

PG 5 ACCT 587 - INCREASE DUE TO LABOR FOR THEFT ON CUSTOMER PREMISES.

PG 5 ACCT 910 - THERE WEREN'T ANY PURCHASES OF ELECTRICAL CODING BOOKS THIS FISCAL YEAR.

PG 6 ACCT 592 - DECREASE DUE TO FEWER PURCHASES OF RECLOSERS.

PG 6 ACCT 595 - DECREASE DUE TO LESS MAINTENANCE EXPENSE.

PG 6 ACCT 596 - INCREASE IN MAINTENANCE WORK TO STREET LIGHTS.

PG 6 ACCT 597 - INCREASE IN LABOR FOR METER MAINTENANCE THAT WAS PREVIOUSLY OUTSIDE CONTRACTOR WORK.

PG 7 ITEM 730 IS GREATER THAN ACCTS 587 & 598 DUE TO OTHER EXPENSES ON CUSTOMERS PREMISES IN ACCT 587.

PG 7 ITEM 735 IS GREATER THAN ACCT 373 DUE TO SPECIAL EQ ITEMS THAT ARE INVESTMENTS BUT IN ACCTS 368 & 370.

PGS 9 & 10 - A/C 355 & 356 - UPGRADED AND EXTENDED TRANSMISSION LINE TO SERVE NEW ADDITION TO PLYMOUTH TUBE

A/C 362 - INCREASE DUE TO INSTALLING ADDITIONAL BREAKERS & EQUIPMENT IN HAPPY HOLLOW SUBSTATION.

A/C 370 - ADDED MORE FIBER OPTICS FOR METER READING FROM SUBSTATIONS; 7 NEW OUTBOUND UNITS FOR TWACS.

A/C 389 - PURCHASED PROPERTY FOR NEW DAYSVILLE OPERATIONS CENTER.

A/C 390 - MISCELLANEOUS FINAL COST FOR HOPKINSVILLE OPERATIONS CENTER BUILT LAST FY. ALSO REPLACED A

HEAT/COOL UNIT AT HOPKINSVILLE OFFICE AND ADDED A SECURITY SYSTEM AT CADIZ.

A/C 391 - REPLACED 4 TRIMBLES, AND SEVERAL LAPTOPS.

A/C 393 - PURCHASED 3 WAREHOUSE FLOOR SCRUBBERS.

A/C 394 - PURCHASED A TRAILER AND SPECIAL TOOLS FOR FIBER OPTIC APPLICATION.

A/C 397 - UPGRADING RADIO SYSTEMS.

| | | | | |
|--------------------------|---------|-----------|---------|---------------------------|
| PG 11-SALVAGE FROM SALE: | A/C 362 | 0.00 | A/C 390 | 160.00 (OLD FENCE) |
| | A/C 364 | 32,161.63 | A/C 391 | 2,250.00 (4 OLD TRIMBLES) |
| | A/C 365 | 77,182.88 | A/C 392 | 50,345.00 |
| | A/C 368 | 32,038.65 | A/C 393 | 1,364.00 (OLD WHSE SELV) |
| | A/C 369 | 19,296.97 | A/C 394 | 583.00 (OLD MOWER) |
| | | | TOTAL | 215,382.13 |

PG 16 ACCT 143 BAL +90 DAYS INCLUDES BILLING OF TVA DRU PROJECT WHICH HAS NOT BEEN COLLECTED.

PG 17 OTHER PREPAYMENTS INCLUDE SALES TAX, TVA POWER INVOICE, AND DUES FOR KAEC, NRECA, TOUCHSTONE AND ALMOST NASHVILLE/LEAD.

PGS 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.

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

GENERAL INFORMATION (CONTINUED)

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

PG 26 - POLE RENTAL: \$56,492; MGMNT FEE FOR FTC/UESC LOAN: \$829,332.34; TVA ECON/REEP ACCT: \$875.00; EMPLOYEE ACCT: \$823.53.

PG 26 ITEM 90.1 - DIFFERENCE REFLECTS CREDIT FROM UESC CONTRACT APPLIED TO LTD INTEREST (SEE EXPLANATION FOR PAGE 3 ITEMS 83 & 90.1).

PG 29 KY TAXES ARE PAID ON A CALENDAR YEAR BASIS SO PAYMENTS AND ACCRUALS NEVER MATCH.

PG 3 ITEM 29 & PG 29: THE DISTRIBUTOR FOLLOWS FUNCTIONAL ACCOUNTING PROCEDURES BY ALLOCATING TAX EXPENSE TO THE INDIVIDUAL EXPENSE ACCOUNTS BASED ON THE PLANT INVESTMENT IN ACCTS 352 THRU 373 ON THEIR PLANT RECORDS. THE TRANSFER COLUMN ON PAGE 29 OF THE AR REFLECTS THIS PORCESS AND THEREFORE DOESN'T SHOW ANY TAX EXPENSES ON THE INCOME STATEMENT.

ECONOMIC DEVELOPMENT- FY12 EXPENSES WENT TO ACCT 916 WERE \$42,527 FOR TOUCHSTONE, KAEC AND LOCAL ECONOMIC DEVELOPMENT DUES.

LOC-PRECC HAS AMENDMENT TO PROMISSORY NOTE WITH COBANK SIMILIAR TO REVOLVING CREDIT WITH RENEWAL OPTIONS.

CUSTOMER DEPOSITS- OWNER \$125; TENANT \$200

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

| 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 OF CUSTOMER ACCOUNTS AND SERVICE | 100.00 |
| BARNEY BISHOP | MANAGER KEY ACCTS | 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 | | |

2013

ANNUAL REPORT

Of

**PENNYRILE RURAL ELECTRIC
COOPERATIVE CORP.**

For The Year Ended June 30, 2013

To

TENNESSEE VALLEY AUTHORITY

Pennyrile Rural Electric Cooperative Corporation

Name of Organization

2000 Harrison Street Hopkinsville, KY 42241-0551

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

Gentlemen:

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


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

(Signed)



SANDY GROGAN

Accountant in charge of books



ESTON GLOVER

Manager

8/14/13
Date transmitted

TVA Act of 1933

In fulfilling the responsibilities of the TVA Act of 1933 [16 U.S.C. #831] 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.

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

| BALANCE SHEET | | | | |
|--|----------------|------------|-----------------------|-----------------------|
| ASSETS AND OTHER DEBITS | SEE PAGE NO | ITEM NO | JUNE 30 | |
| | | | THIS YEAR | LAST YEAR |
| UTILITY PLANT | | | | |
| Electric Plant | 10 | 1 | 190,246,207.08 | 182,612,328.31 |
| Less Depreciation | 10 | 2 | 54,979,623.59 | 52,259,047.41 |
| Total | 10 | 3 | 135,266,583.49 | 130,353,280.90 |
| Unamortized acq. adj. | 13 | 4 | | |
| Other utility plant - net. | --- | 5 | | |
| Total Plant - net. | --- | 6 | 135,266,583.49 | 130,353,280.90 |
| OTHER PROPERTY AND INVESTMENTS | | | | |
| Nonutility property - net. | 15 | 7 | | |
| Other Investments | 14 | 8 | 1,893,495.30 | 1,814,668.22 |
| Sinking funds | 15 | 9 | | |
| Depreciation funds | 15 | 10 | | |
| Other special funds | 15 | 12 | | |
| Total | --- | 13 | 1,893,495.30 | 1,814,668.22 |
| CURRENT AND ACCRUED ASSETS | | | | |
| General cash and temporary cash investments | 14 | 14 | 19,272,821.05 | 13,765,034.47 |
| Accounts receivable | 16 | 15 | 11,576,759.05 | 11,874,328.11 |
| Materials and supplies | 17 | 16 | 647,970.70 | 848,725.94 |
| Prepayments | 17 | 17 | 182,953.78 | 247,290.93 |
| Other current assets | 17 | 18 | 1,972,131.93 | 1,929,247.16 |
| Total | --- | 19 | 33,652,636.51 | 28,664,626.61 |
| DEFERRED DEBITS | | | | |
| Debt expense | 17 | 20 | 1,359,994.94 | 1,435,202.06 |
| Preliminary survey | --- | 21 | 7,014.95 | 169,978.59 |
| Clearing accounts | --- | 22 | | |
| Energy Service Loans Receivables | --- | 24 | 2,293,230.13 | 2,444,196.10 |
| Deferred costs on TVA Leases | 17 | 25 | | |
| Other deferred debits | 17 | 26 | 24,283,272.16 | 22,340,550.74 |
| Total | --- | 27 | 27,943,512.18 | 26,389,927.49 |
| TOTAL ASSETS AND OTHER DEBITS | --- | 28 | 198,756,227.48 | 187,222,503.22 |
| LIST UNRECORDED AND CONTINGENT ASSETS AND LIABILITIES OTHER THAN ACCRUED UTILITY REVENUE AND UNBILLED PURCHASED POWER | | | | |

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

| BALANCE SHEET | | | | |
|---|-------------|-----------|-----------------------|-----------------------|
| LIABILITIES AND OTHER CREDITS | SEE PAGE NO | ITEM NO | JUNE 30 | |
| | | | THIS YEAR | LAST YEAR |
| CAPITAL | | | | |
| Membership certificates..... | --- | 30 | 869,106.42 | 850,791.40 |
| EARNINGS REINVESTED IN SYSTEM ASSETS | | | | |
| Beginning of year..... | --- | 33 | 78,614,782.20 | 72,804,361.40 |
| Current year..... | 3 | 34 | 6,427,873.31 | 5,920,520.80 |
| Total..... | --- | 35 | 85,042,655.51 | 78,724,882.20 |
| LONG-TERM DEBT | | | | |
| RUS..... | 23 | 36 | 8,520,650.08 | 8,024,492.21 |
| CFC..... | 23 | 37 | | |
| CoBank..... | 23 | 38 | 6,550,447.02 | 8,160,115.22 |
| Bonds and other long-term debt..... | 25 | 39.1 | 66,777,439.37 | 59,585,482.51 |
| TVA..... | 25 | 39.3 | | |
| Debt premium and discount..... | --- | 40 | | |
| Total..... | --- | 41 | 81,848,536.47 | 75,770,089.94 |
| OTHER NON-CURRENT LIABILITIES | | | | |
| Postretirement Benefits..... | 25 | 39.2 | 2,053,600.00 | 1,827,000.00 |
| Energy Service Loans - Advances..... | --- | 42 | 2,311,887.20 | 2,478,113.74 |
| Energy Service Loans - Other..... | --- | 43 | 1,619,867.10 | 1,464,356.13 |
| Total..... | --- | 44 | 5,985,354.30 | 5,769,469.87 |
| CURRENT AND ACCRUED LIABILITIES | | | | |
| TVA notes payable..... | 26 | 45.1 | | |
| Other notes payable..... | 26 | 45.2 | | |
| Accounts payable..... | 26 | 46 | 15,254,663.82 | 16,649,397.89 |
| Customer deposits..... | 26 | 47 | 5,721,823.75 | 5,717,484.81 |
| Taxes and equivalents accrued..... | 29 | 48 | 907,176.48 | 882,801.34 |
| Interest accrued - RUS..... | 23 | 49 | | |
| Interest accrued - CFC..... | 23 | 50 | | |
| Interest accrued - CoBank..... | 23 | 51 | 28,274.51 | 35,112.02 |
| Interest accrued - TVA..... | 26 | 52.1 | | |
| Interest accrued - other..... | 26 | 52.2 | | |
| Other current liabilities..... | 26 | 53 | 2,031,469.20 | 1,934,950.88 |
| Total..... | --- | 54 | 23,943,407.76 | 25,219,746.94 |
| DEFERRED CREDITS | | | | |
| Advances for construction - refundable..... | 18 | 55 | | |
| Other deferred credits..... | 26 | 56 | 1,067,167.02 | 887,522.87 |
| Total..... | --- | 57 | 1,067,167.02 | 887,522.87 |
| TOTAL LIABILITIES AND OTHER CREDITS..... | --- | 58 | 198,756,227.48 | 187,222,503.22 |

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

| REVENUE AND EXPENSE STATEMENT | SEE PAGE NO | ITEM NO | THIS YEAR | LAST YEAR |
|---|----------------|------------|-----------------------|-----------------------|
| OPERATING REVENUE | | | | |
| Electric sales revenue (page 7, item 332) | ---- | 59 | 120,533,805.52 | 117,858,762.02 |
| Revenue from late payments | ---- | 60 | 730,171.73 | 689,956.51 |
| Misc. service revenue | ---- | 61 | 151,260.00 | 150,575.00 |
| Rent from electric property | ---- | 62 | 1,327,627.25 | 1,344,173.00 |
| Other electric revenue | ---- | 63 | 38,407.62 | 37,677.34 |
| Total operating revenue | ---- | 64 | 122,781,272.12 | 120,081,143.87 |
| PURCHASED POWER | | | | |
| Total power cost (page 7, Item 342) | 7 | 65 | 89,964,787.39 | 88,574,375.10 |
| OPERATION EXPENSE | | | | |
| Transmission expense | 5 | 66 | 9,257.16 | 8,388.16 |
| Distribution expense | 5 | 67 | 4,735,233.97 | 4,696,907.84 |
| Customer accounts expense | 5 | 68 | 2,327,080.13 | 2,276,957.09 |
| Customer service and informational expense | 5 | 69 | 170,048.66 | 121,448.61 |
| Sales expense | 5 | 70 | 314,811.43 | 330,139.20 |
| Administrative and general expense | 6 | 71 | 2,935,560.05 | 2,933,122.97 |
| Operation expense | 6 | 72 | 10,491,991.40 | 10,366,963.87 |
| MAINTENANCE EXPENSE | | | | |
| Transmission expense | 6 | 73 | | |
| Distribution expense | 6 | 74 | 4,516,298.86 | 4,018,080.39 |
| Administrative and general expense | 6 | 75 | 283,158.75 | 313,817.72 |
| Maintenance expense | 6 | 76 | 4,799,457.61 | 4,331,898.11 |
| OTHER OPERATING EXPENSE | | | | |
| Depreciation expense | 12 | 77 | 6,337,145.92 | 6,044,938.48 |
| Amortization of acquisition adjustment | 13 | 78 | | |
| Taxes and tax equivalents | 29 | 79 | 3,268,432.74 | 3,216,586.89 |
| Other operating expense | ---- | 80 | 9,605,578.66 | 9,261,525.37 |
| TOTAL OPERATING EXPENSE AND PURCHASED POWER | ---- | 81 | 114,861,815.06 | 112,534,762.45 |
| INCOME | | | | |
| Operating Income (item 64, less Item 81) | ---- | 82 | 7,919,457.06 | 7,546,381.42 |
| Other income | 16 | 83 | 2,471,036.81 | 2,097,568.46 |
| Total Income | ---- | 84 | 10,390,493.87 | 9,643,949.88 |
| Miscellaneous income deductions | 16 | 85 | 152,995.82 | 109,329.44 |
| Net Income before debt expense | ---- | 86 | 10,237,498.05 | 9,534,620.44 |
| DEBT EXPENSE | | | | |
| Interest on long-term debt - RUS | 23 | 87 | 496,157.87 | 513,509.20 |
| Interest on long-term debt - CFC | 23 | 88 | | |
| Interest on long-term debt - CoBank | 23 | 89 | 380,935.67 | 316,714.18 |
| Interest on long-term debt - other | 26 | 90.1 | 2,639,226.56 | 2,385,344.69 |
| Interest - TVA | 26 | 90.2 | | |
| Other interest expense | ---- | 92 | 218,097.52 | 323,324.45 |
| Amortization of debt discount and expense | ---- | 93 | 75,207.12 | 75,207.12 |
| Amortization of premium on debt - credit | ---- | 94 | | |
| Total debt expense | ---- | 95 | 3,809,624.74 | 3,614,099.64 |
| NET INCOME | | | | |
| Net income before extraordinary items (item 86, less Item 95) | ---- | 96 | 6,427,873.31 | 5,920,520.80 |
| Extraordinary items | 33 | 97 | | |
| Net Income | 2 | 98 | 6,427,873.31 | 5,920,520.80 |

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

| STATEMENT OF CASH FLOWS | | |
|---|------------------------|------------------------|
| Increase (Decrease) in Cash and Cash Equivalents | | |
| | THIS YEAR | LAST YEAR |
| CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | |
| Net Income | 6,427,873.31 | 5,920,520.80 |
| Adjustments to Reconcile Net Income to Net Cash: | | |
| Depreciation | 6,879,484.77 | 6,532,948.78 |
| Amortization of: | | |
| Acquisition Adjustment | | |
| Additions to TVA Leases | | |
| Debt Premium or Discount | 75,207.12 | 75,207.12 |
| (Gain) or Loss on Sale of Plant | (71,986.37) | |
| Changes in Current and Deferred Items: | | |
| Accounts Receivable | 297,569.06 | (918,983.32) |
| Materials and Supplies | 200,755.24 | (49,709.90) |
| Prepayments and Other Current Assets | 21,452.38 | 150,971.48 |
| Deferred Debits | (1,779,757.78) | (1,339,083.17) |
| Accounts Payable | (1,394,734.07) | 746,994.75 |
| Customer Deposits | 4,338.94 | 295,119.74 |
| Taxes and Interest Accrued | 17,537.63 | 38,299.48 |
| Other Current Liabilities | 96,518.32 | 303,283.18 |
| Deferred Credits | 179,644.15 | (146,702.16) |
| Other | (110,100.00) | (98,100.00) |
| Net Cash Provided by (Used In) Operating Activities | 10,843,802.70 | 11,510,766.78 |
| CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES: | | |
| Additions to Plant | (11,324,548.89) | (13,669,185.60) |
| Removal Cost | (1,085,981.20) | (1,016,080.44) |
| Salvage | 578,451.10 | 481,455.11 |
| Net Change in Other Property and Investment | (78,827.08) | (104,408.36) |
| Energy Service Loans Receivable | 150,965.97 | (88,258.37) |
| Plant Sold (Purchased) - Noninstallment Method | 111,278.00 | |
| Deferred Costs on TVA Leases (excluding amortization) | | |
| Other | | |
| Net Cash Provided by (Used In) Investing Activities | (11,648,662.10) | (14,396,457.66) |
| CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | | |
| Additional Long-Term Borrowings | 5,000,000.00 | 8,000,000.00 |
| Payment of Principal on Long-Term Debt | 1,078,446.53 | (11,979,433.99) |
| Notes Payable | | |
| Memberships | 18,315.02 | 22,337.01 |
| Energy Service Loans Advances | (10,715.57) | (100,353.26) |
| Receipt for Plant Sold - Installment Method | | |
| Payment for Plant Purchased - Installment Method | | |
| Other | 226,600.00 | 217,100.00 |
| Net Cash Provided by (Used in) Financing Activities | 6,312,645.98 | (3,840,350.24) |
| NET INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS | 5,507,786.58 | (6,726,041.12) |
| CASH AND TEMPORARY INVESTMENTS BEGINNING OF YEAR | 13,765,034.47 | 20,491,075.59 |
| CASH AND TEMPORARY INVESTMENTS END OF YEAR | 19,272,821.05 | 13,765,034.47 |
| 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, 2013

| ACCT. NO. | DESCRIPTION | EXPENSES | | PAYROLL DISTRIBUTION | |
|-----------|---|--------------|--------------|----------------------|--------------|
| | | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
| | 1. TRANSMISSION | | | | |
| | Supervision and engineering | | | | |
| 560 | Load dispatching | | | | |
| 561 | Station expense | 3,178.35 | 3,190.36 | | |
| 562 | Overhead line expense | 6,078.81 | 5,197.80 | | |
| 563 | Underground line expense | | | | |
| 564 | Miscellaneous | | | | |
| 565 | Rents | | | | |
| 567 | Total transmission operating expense (page 3, item 66) | 9,257.16 | 8,388.16 | | |
| (600) | | | | | |
| | 2. DISTRIBUTION | | | | |
| | Supervision and engineering | | | | |
| 580 | Load dispatching | 102,900.72 | 74,146.19 | 61,906.33 | 42,834.82 |
| 581 | Station expense | 445.08 | | | |
| 582 | Overhead line expense | 236,315.60 | 214,516.21 | 43,295.39 | 36,301.48 |
| 583 | Underground line expense | 2,480,588.49 | 2,541,203.37 | 580,500.66 | 581,550.52 |
| 584 | Street lighting and signal system expense | 170,480.12 | 182,566.12 | 4,790.34 | 5,753.43 |
| 585 | Meter expense | 67,891.04 | 60,488.33 | 24,886.11 | 21,147.19 |
| 586 | Customer installation expense | 481,460.56 | 498,817.54 | 35,016.48 | 110,811.80 |
| 587 | Miscellaneous | 326,721.81 | 315,841.78 | 148,886.02 | 142,517.25 |
| 588 | Rents | 686,621.97 | 681,275.52 | 318,595.86 | 301,181.50 |
| 589 | Total distribution operating expense (page 3, item 67) | 181,808.56 | 128,052.78 | | |
| (605) | | 4,735,233.97 | 4,696,907.84 | 1,217,877.19 | 1,242,097.99 |
| | 3. CUSTOMER ACCOUNTS EXPENSE | | | | |
| | Supervision | | | | |
| 901 | Meter reading expense | 177,781.59 | 201,910.69 | 110,666.47 | 125,377.73 |
| 902 | Customer records and collection expense | 227,456.17 | 197,154.91 | 73,724.45 | 72,308.13 |
| 903 | Uncollectible accounts | 1,837,175.39 | 1,772,385.58 | 733,176.63 | 687,240.04 |
| 904 | Miscellaneous | 65,294.67 | 91,213.04 | | |
| 905 | Total customer accounts expense (page 3, item 68) | 19,372.31 | 14,292.87 | | |
| (610) | | 2,327,080.13 | 2,276,957.09 | 917,567.55 | 884,925.90 |
| | 4. CUSTOMER SERVICES & INFORMATIONAL EXPENSE | | | | |
| | Supervision | | | | |
| 907 | Customer assistance expense | 19,594.83 | 16,357.18 | 12,031.92 | 9,784.80 |
| 908 | Informational and instructional advertising expense | 78,753.70 | 38,431.06 | 14,942.05 | 10,313.98 |
| 909 | Miscellaneous customer service and informational expense | 71,775.13 | 66,660.37 | 8,340.55 | 6,558.61 |
| 910 | Total customer services and informational expense (page 3, item 69) | (75.00) | | | |
| (615) | | 170,048.66 | 121,448.61 | 35,314.52 | 26,667.39 |
| | 5. SALES EXPENSE | | | | |
| | Supervision | | | | |
| 911 | Demonstrating and selling expense | 287,088.23 | 263,622.31 | 135,536.69 | 117,327.58 |
| 912 | Advertising expense | 27,723.20 | 23,989.89 | 7,785.54 | 5,979.49 |
| 916 | Miscellaneous | | 42,527.00 | | |
| (620) | Total sales expense (page 3, item 70) | 314,811.43 | 330,139.20 | 143,322.23 | 123,307.07 |

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| ACCT. NO. | DESCRIPTION | EXPENSES | | PAYROLL DISTRIBUTION | |
|--|--|---------------|---------------|----------------------|--------------|
| | | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
| 6. ADMINISTRATIVE & GENERAL | | | | | |
| 920 | Administrative and general salaries..... | 1,213,514.20 | 1,268,810.12 | 756,141.20 | 773,017.56 |
| 921 | Office supplies and expense..... | 209,040.87 | 205,485.44 | | |
| 922 | Administrative expense transferred - credit* | | | | |
| 923 | Outside services employed..... | 75,343.48 | 60,076.95 | | |
| 924 | Property insurance..... | | | | |
| 925 | Injuries and damages..... | 352,697.74 | 349,000.54 | 95,777.08 | 88,680.47 |
| 926 | Employee pensions and benefits..... | 230,924.59 | 214,147.62 | | |
| 927 | Franchise requirements* | | | | |
| 928 | Regulatory commission expense* | | | | |
| 929 | Duplicate charges - credit..... | (42,295.61) | (34,846.91) | | |
| 930 | Miscellaneous general expense..... | 895,434.78 | 870,449.11 | 41,294.79 | 16,253.26 |
| 931 | Rents..... | | | | |
| (625) | Total administrative and general expense (page 3, item 71)..... | 2,935,560.05 | 2,933,122.97 | 893,213.07 | 877,951.29 |
| (630) | Total operating expense (Page 3 item 72)..... | 10,491,991.40 | 10,366,963.87 | 3,207,294.56 | 3,154,949.64 |
| MAINTENANCE EXPENSE | | | | | |
| 1. TRANSMISSION | | | | | |
| 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)..... | | | | |
| 2. DISTRIBUTION | | | | | |
| 590 | Supervision and engineering..... | 83,585.20 | 55,856.96 | 51,289.79 | 33,448.71 |
| 591 | Maintenance of structures..... | | | | |
| 592 | Maintenance of station equipment..... | 169,695.19 | 114,937.64 | 48,171.81 | 25,483.83 |
| 593 | Maintenance of overhead lines..... | 4,018,056.24 | 3,656,724.38 | 864,515.04 | 859,093.77 |
| 594 | Maintenance of underground lines..... | 23,943.90 | 21,024.43 | 8,434.71 | 6,607.19 |
| 595 | Maintenance of line transformers..... | 101,044.91 | 85,593.41 | 28,029.28 | 22,575.36 |
| 596 | Street lighting and signal systems..... | 4,828.94 | 12,503.06 | 2,225.60 | 5,266.55 |
| 597 | Maintenance of meters..... | 100,492.66 | 56,600.12 | 50,090.68 | 29,967.61 |
| 598 | Maintenance of miscellaneous distribution plant..... | 14,851.62 | 14,840.39 | 7,895.04 | 7,523.08 |
| (640) | Total distribution maintenance expense (page 3, item 74)..... | 4,516,298.86 | 4,018,080.39 | 1,060,551.95 | 989,966.10 |
| 3. ADMINISTRATIVE & GENERAL | | | | | |
| 935 | Maintenance of general plant (page 3, items 75)..... | 283,158.75 | 313,817.72 | 42,249.69 | 30,998.12 |
| (645) | Total maintenance expense (page 3, item 76)..... | 4,799,457.61 | 4,331,898.11 | 1,102,901.64 | 1,020,964.22 |
| (650) | Total operating and maintenance expense..... | 15,291,449.01 | 14,698,861.98 | 4,310,196.20 | 4,175,913.66 |
| (655) | Total direct and indirect payroll charged to construction and retirements..... | | | 957,598.68 | 1,735,194.77 |
| (660) | Payroll charged to other accounts..... | | | 1,976,181.67 | 1,088,511.47 |
| (662) | Fiscal year net change in accrued leave account - (increase) decrease..... | | | (29,220.15) | 14,110.20 |
| (665) | Total payroll distribution for year..... | | | 7,214,756.40 | 5,993,730.30 |

FURNISH DETAILS OF THESE ACCOUNTS ON PAGES 32 AND 33.

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

| STATISTICAL DATA | | | | | | |
|---|---------|----------------|----------------|---------|---------------------|---------------|
| CLASS OF SERVICE | ITEM NO | REVENUE | | ITEM NO | KILOWATT-HOURS SOLD | |
| | | THIS YEAR | LAST YEAR | | THIS YEAR | LAST YEAR |
| Residential..... | 100 | 63,982,714.55 | 61,426,735.18 | 107 | 573,807,310 | 549,773,164 |
| Gen. Power - 50 kW & under..... | 101 | 9,706,251.40 | 10,108,906.27 | 108 | 73,348,463 | 75,247,987 |
| Gen. Power - Over 50 kW..... | 102 | 44,914,237.09 | 44,605,706.79 | 109 | 498,579,840 | 497,298,548 |
| Street and athletic..... | 103 | 519,818.27 | 510,702.19 | 110 | 4,220,477 | 4,211,831 |
| Outdoor lighting..... | 104 | 1,374,750.00 | 1,348,805.31 | 111 | 12,307,526 | 12,315,057 |
| Subtotal..... | 330 | 120,497,771.31 | 118,000,855.74 | | | |
| Unbilled revenue* | 331 | 36,034.21 | (142,093.72) | | | |
| Total (page 3, item 59)..... | 332 | 120,533,805.52 | 117,858,762.02 | 335 | 1,162,263,616 | 1,138,846,587 |
| Kilowatt-hours for own use..... | | | | 113 | 3,547,054 | 273,478 |
| Total kilowatt-hours sold and used..... | | | | 114 | 1,165,810,670 | 1,139,120,065 |
| Kilowatt-hours in unbilled revenue (items 331) above* . | 336 | | | | 30,385,301 | 21,481,050 |

| STATE | SALES TAX | TO ABOVE CLASSES OF REVENUE | | GREEN POWER REVENUE | |
|---|-----------|-----------------------------|--|---------------------|----------|
| | | CREDITS | | | |
| State and local sales tax on above revenue..... | KY | 2,468,497.41 | | 9,122.09 | 2,652.00 |
| | | | | 105,797.70 | |
| | | | | 791,974.23 | |
| Total | | 2,468,497.41 | | | |

| PURCHASED POWER | | | | | | |
|--|---------|---------------|---------------|---------|--------------------------|---------------|
| TVA | ITEM NO | AMOUNT | | ITEM NO | KILOWATT-HOURS PURCHASED | |
| | | THIS YEAR | LAST YEAR | | THIS YEAR | LAST YEAR |
| Purchased Power..... | 115 | 88,341,435.95 | 86,083,161.39 | 119 | 1,217,691,287 | 1,198,832,975 |
| Facilities Rental..... | 116 | 1,623,351.44 | 1,691,213.71 | | | |
| Other Charges/Credits..... | 117 | | | | | |
| Total from TVA..... | 118 | 89,964,787.39 | 88,574,375.10 | 122 | 1,217,691,287 | 1,198,832,975 |
| Other Purchased Power**..... | 218 | | | 222 | | |
| Subtotal..... | 340 | 89,964,787.39 | 88,574,375.10 | | | |
| Unbilled Purchases*..... | 341 | | | | | |
| Total (page 3, item 65)..... | 342 | 89,964,787.39 | 88,574,375.10 | 345 | 1,217,691,287 | 1,198,832,975 |
| Less kilowatt hours sold and used (item 114)..... | | | | 123 | 1,165,810,670 | 1,139,120,065 |
| Line losses and kilowatt-hours unaccounted for..... | | | | 124 | 51,880,617 | 59,712,910 |
| Percent of losses to purchases (2 decimal places)..... | | | | 125 | 4.28 | 4.98 |
| Kilowatt-hours in unbilled purchases (Item 341) above* . | 346 | | | | | |

**Purchased other power under contract number _____ from _____

| NUMBER OF CUSTOMERS | | | MISCELLANEOUS DATA | | |
|---|---------------|-----------|--|--------------|--------------|
| CLASS OF SERVICE | MONTH OF JUNE | | Pole Line Miles (2 decimal places) (715) | THIS YEAR | LAST YEAR |
| | THIS YEAR | LAST YEAR | | | |
| Residential..... (675) | 41,783 | 37,717 | Individual Outdoor Lts. (716) | | |
| Gen. Power - 50 kW & under..... (680) | 4,338 | 8,509 | No. in plant..... (720) | 14,428 | 14,353 |
| Gen. Power - Over 50 kW..... (685) | 615 | 624 | Total investment..... (725) | 5,726,065.58 | 5,577,539.04 |
| Street and athletic..... (690) | 131 | 149 | O&M expense..... (730) | 306,963.60 | 271,251.51 |
| Outdoor Lighting - Excl. Code 77..... (693) | 60 | 65 | St. Lig-Invest. Base..... (735) | 2,111,547.14 | 2,100,479.82 |
| Total..... (695) | 46,927 | 47,064 | O&M expense..... (740) | 72,519.98 | 72,991.39 |
| Outdoor Lighting - Code 77..... (697) | 11,225 | 11,167 | Lamps & Glassware..... (745) | 2,068.22 | 1,884.35 |

*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, 2013

| MODIFIED STREET LIGHTING COMPUTATION | | | | |
|--|--------------------------------|-------------------------|-------------------------|------------------------|
| Give computation of modified street lighting rate relative to lamps and glassware by customers, if applicable: | | | | |
| TOWN | COST OF LAMPS AND GLASSWARE | KWH FROM STAT. REPT. | ALLOWANCE KWH X .003 | EXCESS TO BE BILLED |
| ADAIRVILLE | 16.96 | 79,128 | 237.38 | |
| CADIZ | 471.90 | 496,216 | 1,488.65 | |
| APACHE HEIGHTS HOMEOWNERS | | 10,868 | 32.60 | |
| ELKTON | 108.28 | 472,954 | 1,418.86 | |
| GUTHRIE | 64.74 | 155,428 | 466.28 | |
| HOPKINSVILLE | 675.05 | 648,612 | 1,945.84 | |
| LAFAYETTE | 44.32 | 15,846 | 47.54 | |
| LEWISBURG | 44.16 | 125,838 | 377.51 | |
| OLMSTEAD | | 3,825 | 11.48 | |
| PEMBROKE | 66.23 | 85,518 | 256.55 | |
| TRENTON | 14.54 | 57,341 | 172.02 | |
| OAK GROVE | 389.46 | 267,318 | 801.95 | |
| RUSSELLVILLE | 49.62 | 101,016 | 303.05 | |
| KY DEPT OF HIGHWAY | | 692,901 | 2,078.70 | |
| FT. CAMPBELL | 118.72 | 151,764 | 455.29 | |
| LATHAM (RICHARD)(FAIRWAY) | | 11,616 | 34.85 | |
| HARRIS CW JR (STONEWALL) | 4.24 | 1,584 | 4.75 | |
| TOTAL: | 2,068.22 | 3,377,773 | 10,133.30 | |

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| ACCT. NO. | DESCRIPTION | BALANCE BEG. OF YEAR | ADDITIONS | RETIREMENTS | RECLASSIFICATIONS | | BALANCE END OF YEAR |
|-----------------------|---|----------------------|--------------|--------------|-------------------|--------|---------------------|
| | | | | | DEBIT | CREDIT | |
| ELECTRIC PLANT | | | | | | | |
| | INTANGIBLE | | | | | | |
| 301 | Organization..... | | | | | | |
| 302 | Franchises and consents..... | | | | | | |
| 303 | Miscellaneous..... | | | | | | |
| (750) | Total intangible..... | | | | | | |
| | PRODUCTION | | | | | | |
| 755 | Total production..... | | | | | | |
| | TRANSMISSION | | | | | | |
| 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..... | 531,834.88 | 45,998.18 | 14,397.72 | | | 563,435.34 |
| 356 | Overhead conductors and devices..... | 275,857.83 | | | | | 275,857.83 |
| 357 | Underground conduit..... | | | | | | |
| 358 | Underground conductors and devices..... | | | | | | |
| 359 | Roads and trails..... | | | | | | |
| (760) | Total transmission..... | 1,236,327.14 | 45,998.18 | 14,397.72 | | | 1,267,927.60 |
| | DISTRIBUTION | | | | | | |
| 360 | Land and land rights..... | 1,140,636.44 | 7,002.00 | 116.64 | | | 1,147,521.80 |
| 361 | Structures and improvements..... | | | | | | |
| 362 | Station equipment..... | 10,583,511.10 | 151,108.83 | 50,941.58 | | | 10,683,678.35 |
| 363 | Storage battery equipment..... | | | | | | |
| 364 | Poles, towers, and fixtures..... | 59,437,024.32 | 3,722,456.01 | 1,171,179.32 | | | 61,988,303.01 |
| 365 | Overhead conductors and devices..... | 22,769,452.37 | 1,744,235.44 | 287,973.41 | | | 24,225,714.40 |
| 366 | Underground conduit..... | 414.56 | | | | | 414.56 |
| 367 | Underground conductors and devices..... | 5,625,864.64 | 268,314.87 | 10,345.35 | | | 5,883,934.16 |
| 368 | Line transformers..... | 29,137,514.71 | 1,453,264.92 | 391,062.53 | | | 30,199,697.10 |
| 369 | Services..... | 9,326,370.80 | 458,114.80 | 76,324.56 | | | 9,708,161.04 |
| 370 | Meters..... | 11,796,078.20 | 920,274.05 | 95,418.94 | | | 12,620,933.31 |
| 371 | Inst. on customers' premises..... | 5,577,539.04 | 459,972.10 | 311,445.56 | | | 5,726,065.58 |
| 372 | Leased prop. on cust. premises..... | | | | | | |
| 373 | St. lighting and signal systems..... | 2,047,103.80 | 78,256.13 | 67,188.81 | | | 2,058,171.12 |
| (765) | Total distribution..... | 157,441,609.98 | 9,263,001.15 | 2,462,016.70 | | | 164,242,594.43 |

Pennyrile Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| ACCT. NO. | GENERAL | BALANCE BEG. OF YEAR | ADDITIONS | RETIREMENTS | RECLASSIFICATIONS | | BALANCE END OF YEAR |
|---|---|----------------------|----------------|--------------|-------------------|---------------|---------------------|
| | | | | | DEBIT | CREDIT | |
| ELECTRIC PLANT | | | | | | | |
| 389 | Land and land rights. | 955,691.76 | 598,020.06 | | | 3,000.00 | 1,550,711.84 |
| 390 | Structures and improvements. | 7,626,649.97 | 2,653,803.56 | 10,185.00 | | 125,727.12 | 10,144,540.53 |
| 381 | Office furniture and equipment | 2,205,165.29 | 233,974.50 | 50,645.35 | | | 2,389,494.44 |
| 392 | Transportation equipment | 6,185,492.52 | 678,764.70 | 831,316.79 | | | 6,035,940.43 |
| 393 | Stores equipment. | 327,897.93 | 27,953.79 | 1,968.70 | | | 353,883.02 |
| 394 | Tools, shop, and garage equip. | 704,322.95 | 77,295.39 | 96,089.74 | | | 685,529.58 |
| 395 | Laboratory equipment. | 185,201.89 | 39,300.90 | 5,926.54 | | | 215,576.25 |
| 396 | Power operated equipment. | | | | | | |
| 397 | Communication equipment. | 2,332,996.44 | 225,501.95 | 85,383.96 | | | 2,473,114.43 |
| 398 | Miscellaneous equipment. | 14,519.01 | 6,355.96 | 1,011.50 | | | 19,863.47 |
| 399 | Other tangible property. | | 122,103.98 | | | | 122,103.98 |
| (770) | Total general. | 20,541,937.76 | 4,663,077.91 | 1,085,528.58 | | 128,727.12 | 23,990,759.97 |
| 101 | Total plant in service. | 179,219,874.82 | 13,972,077.34 | 3,561,843.00 | | 128,727.12 | 189,501,242.00 |
| 102 | Electric plant purchased or sold. | | | | | | |
| 104 | Electric plant leased to others. | | | | | | |
| 105 | Electric plant for future use. | | | | | | |
| 107 | Construction work in progress. | 3,392,453.43 | (2,647,528.35) | | | | 744,925.08 |
| (775) | Total other electric plant. | 3,392,453.43 | (2,647,528.35) | | | | 744,925.08 |
| (780) | Total electric plant (page 1, item 1). | 192,612,329.31 | 11,324,549.39 | 3,561,843.00 | | 128,727.12 | 190,246,207.08 |
| | | | (Item 140) | | | | |
| RESERVES | | | | | | | |
| 108 | Accumulated provision for depreciation of electric plant in service. | | | | | 54,979,623.59 | |
| 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). | | | | | 54,979,623.59 | |
| | Total electric plant, less accumulated provision for depreciation (page 1, item 3). | | | | | | 135,266,583.49 |
| 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. A/C 389 SOLD ELKTON WAREHOUSE PROPERTIES A/C 390 SOLD ELKTON WAREHOUSES | | | | | | | |
| Explanations of entries shown in the Reclassification Columns: | | | | | | | |

Pennyrite Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| ACCT. DEPR. NO. | DEPR. RATE | BALANCE BEG. OF YEAR | ACCURAL | ACCUMULATED PROVISION FOR DEPRECIATION (Page 10) | | | | OTHER ENTRIES* | | BALANCE END OF YEAR | % DEPR. |
|-----------------|------------|----------------------|--------------|--|--------------|------------|-----------|----------------|--|---------------------|---------|
| | | | | ORIGINAL COST | REMOVAL COST | SALVAGE | DEBIT | CREDIT | | | |
| 350 | | | | | | | | | | | |
| 351 | | | | | | | | | | | |
| 352 | 4.00 | 43,368.43 | 2,204.16 | | | | | | | 45,572.59 | 83 |
| 353 | 4.00 | 237,788.27 | 7,724.62 | | | | | | | 245,512.89 | 81 |
| 354 | | | | | | | | | | | |
| 355 | 4.00 | 213,064.36 | 22,054.24 | 14,397.72 | 14,942.45 | 2,250.00 | | | | 208,028.43 | 37 |
| 356 | 3.00 | 159,479.16 | 8,275.68 | | | | | | | 167,754.84 | 61 |
| 357 | | | | | | | | | | | |
| 358 | | | | | | | | | | | |
| 359 | | | | | | | | | | | |
| (785) TOTAL | | 653,700.22 | 40,258.70 | 14,397.72 | 14,942.45 | 2,250.00 | | | | 666,868.75 | 53 |
| 360 | | | 116.64 | | | | | | | | |
| 361 | | | | | | | | | | | |
| 362 | 4.00 | 6,636,424.16 | 425,585.56 | 50,941.58 | 269.62 | | | | | 7,010,798.52 | 66 |
| 363 | | | | | | | | | | | |
| 364 | 3.25 | 13,765,088.84 | 1,970,703.03 | 1,171,179.32 | 618,152.84 | 117,347.75 | | | | 14,063,807.46 | 23 |
| 365 | 2.50 | 6,707,472.74 | 582,096.66 | 287,973.41 | 139,966.63 | 92,657.41 | | | | 6,954,286.77 | 29 |
| 366 | 3.00 | 390.00 | | | | | | | | 390.00 | 94 |
| 367 | 3.00 | 1,061,663.62 | 174,323.65 | 10,345.35 | 3,745.54 | 364.42 | | | | 1,222,260.80 | 21 |
| 368 | 3.00 | 10,589,529.52 | 890,661.08 | 391,082.53 | 64,478.93 | 38,165.15 | | | | 11,082,794.29 | 37 |
| 369 | 4.50 | 3,006,484.58 | 429,419.36 | 76,324.56 | 39,823.38 | 22,587.66 | | | | 3,342,343.66 | 34 |
| 370 | 3.60 | 1,792,615.23 | 749,129.15 | 95,418.94 | 35.06 | 943.40 | | | | 2,447,233.78 | 19 |
| 371 | 8.5 | 1,517,687.10 | 451,071.43 | 311,445.56 | 162,045.04 | 25,499.84 | | | | 1,520,767.77 | 27 |
| 372 | | | | | | | | | | | |
| 373 | 8.00 | 1,109,425.42 | 163,719.36 | 67,188.81 | 31,323.90 | 3,091.47 | | | | 1,177,723.54 | 57 |
| (750) TOTAL | | 46,186,781.21 | 5,836,825.92 | 2,462,016.70 | 1,059,840.94 | 300,657.10 | | | | 48,802,406.59 | 30 |
| 389 | | | | | | | | | | | |
| 390 | VAR | 1,427,387.46 | 216,769.27 | 10,186.00 | 16,389.70 | | 89,435.49 | | | 1,528,145.54 | 15 |
| 391 | 4/10/20 | 1,215,422.72 | 97,925.54 | 50,645.35 | 27.70 | 2,184.00 | | | | 1,264,859.21 | 53 |
| 392 | VAR | 1,991,958.78 | 542,338.85 | 831,316.79 | 6,774.54 | 223,225.00 | | | | 1,919,431.30 | 32 |
| 393 | 4.00 | 99,451.55 | 13,100.10 | 1,968.70 | | | | | | 110,582.95 | 31 |
| 394 | 8.00 | 319,377.02 | 41,711.32 | 96,089.74 | 142.51 | 50,135.00 | | | | 314,991.09 | 46 |
| 395 | 8.00 | 160,422.88 | 15,148.11 | 8,926.54 | | | | | | 166,644.45 | 77 |
| 396 | | | | | | | | | | | |
| 397 | 3.00 | 239,993.64 | 70,644.65 | 85,383.96 | 868.13 | | | | | 224,386.20 | 9 |
| 398 | 10.00 | 7,511.74 | 1,165.09 | 1,011.50 | | | | | | 7,665.33 | 39 |
| 399 | | | 3,597.22 | | | | | | | 3,597.22 | 3 |
| (795) TOTAL | | 5,461,525.79 | 1,002,400.15 | 1,085,528.58 | 24,202.58 | 275,544.00 | 89,435.49 | | | 5,540,303.29 | 23 |
| (800) OTHER | | (42,959.81) | | (13,004.77) | | | | | | (29,955.04) | (4) |
| (805) TOTALS | | 52,259,047.41 | 6,879,484.77 | 3,561,943.00 | 1,085,981.20 | 578,451.10 | 89,435.49 | | | 54,979,623.59 | 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, 2013

| ACCUMULATED PROVISION FOR DEPRECIATION - CONTINUED | | |
|---|------------|--------------|
| Depreciation expense (403 and 404) (page 3, item 77) | (810) | 6,337,145.92 |
| Depreciation charged to transportation expense - clearing | (815) | 542,338.85 |
| Depreciation charged to building expense - clearing | (820) | |
| Depreciation charged to other accounts (list each account number) | (825) | |
| | (830) | |
| | (835) | |
| | (840) | |
| Total accrual (page 11) | (Item 128) | 6,879,484.77 |
| <p>Explanations (continue on page 33 if necessary)</p> | | |

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

| ELECTRIC PLANT ACQUISITION ADJUSTMENTS (Account 114) | | AMOUNT | | | | | |
|--|---------------|----------------------|------------|---------------------|---------------|----------------------|-----------|
| DESCRIPTION | | | | | | | |
| 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 depreciations) | | | | | | | |
| <p>*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.</p> | | | | | | | |
| 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 |
| | | | | 389 | 3,000.00 | | 3,000.00 |
| | | | | 390 | 125,727.12 | 89,435.49 | 36,291.63 |
| Total | | | | Total | 128,727.12 | 89,435.49 | 39,291.63 |
| GAIN OR LOSS ON SALE OF ELECTRIC PLANT | | | | | | | |
| Selling price | (Item 130) | | 111,278.00 | | | | |
| Less net plant sold (as above) | | | 39,291.63 | | | | |
| Difference | | | 71,986.37 | | | | |
| Less selling expense | (Item 131) | | | | | | |
| Gain or loss on sale | (Item 129) | | 71,986.37 | | | | |

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

| INVESTMENTS IN ASSOCIATED COMPANIES (Report only the investments not considered as current assets) | | | |
|---|------------------------|------------------------|----------------------------|
| OTHER INVESTMENTS - GENERAL FUNDS | | | |
| Investments included in Accounts 123 and 124 | | | |
| DESCRIPTION OF INVESTMENTS (GROUP BY TYPE OF INVESTMENT AND SHOW NO. OF INVESTMENTS) | BALANCE END OF YEAR | INCOME | GAIN OR (LOSS) ON SALES |
| Class E Stock | 1,037,921.73 | 82,833.46 | |
| Investment in Federated Insurance Co. | 237,338.00 | 46,434.00 | |
| Long-Term Investment - KAEC | 5,000.00 | 18.02 | |
| Investment in PenWar - 500 shares | 500.00 | | |
| Investment in Southeastern Data Corp. stock | 100.00 | | |
| Investment - CFC | 1,000.00 | | |
| Patronage Capital Alloc - SEDC | 207,676.54 | 46,714.33 | |
| Patronage - United Utility Supply | 291,102.46 | | |
| Patronage - Arkansas Electric | 10,670.97 | | |
| Patronage - KAEC | 88,097.49 | | |
| Patronage - Logan Telephone Coop | 14,088.11 | 2,640.38 | |
| Subtotal | 1,893,495.30 | 178,640.19 | |
| | (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) | | | |
| Cushion of Credit - Interest Income | | 448,434.90 | |
| Repurchase Agreement | 19,024,330.29 | 175,000.27 | |
| Interest - District Bank Account | | 4.00 | |
| Interest - UESC Phases I, II, III, & IV | | 1,155,820.03 | |
| Total Temporary Cash Investments | 19,024,330.29 | 1,779,259.20 | |
| CASH (Accounts 131 - 135) | 248,490.76 | | |
| Subtotal | 19,272,821.05 | 1,779,259.20 | |
| | (page 1, item 14) | (account 419, page 16) | |
| Grand Total | 21,166,316.35 | 1,957,899.39 | |

Pennyrite Rural Electric Cooperative Corporation

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | SPECIAL FUNDS | | | TOTAL OF ALL SPECIAL FUNDS |
|--|---------------------|--------------------|--------------------------|----------------------------|
| | ACCOUNT 125 | ACCOUNT 126 | ACCOUNT 128 | |
| | TOTAL SINKING FUNDS | DEPRECIATION FUNDS | CONSTRUCTION FUNDS | 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) | | | | |
| 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) | | | | |
| DESCRIPTION AND LOCATION OF PROPERTY | DATE ACQUIRED | BOOK COST | NET INCOME (ACCOUNT 418) | |
| | | | | |
| Total | | | | (page 16) |
| Less accumulated provision for depreciation (account 122) | | | | |
| Total net of depreciation (page 1, item 7) | | | | |

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

| SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE | | | | | | |
|---|---|---|---|---------------|------------|---------------|
| DETAILS REGARDING BONDS ON PAGE | | | | | | |
| MATURITIES: MONTH AND DAY 100 | | | | | | |
| NAME OF ISSUE 200 | FEDERAL FINANCING BANK - PENNYRILE 0003 0003 | FEDERAL FINANCING BANK - PENNYRILE 0003 0004 | FEDERAL FINANCING BANK PENNYRILE 0003 0001 | | | |
| CALENDAR YEAR | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE | MATURITIES | INTEREST RATE |
| 2010 | | | | | | |
| 2013 | | | | | | |
| 2014 | | | | | | |
| 2015 | | | | | | |
| 2016 | | | | | | |
| 2017 | | | | | | |
| 2018 | | | | | | |
| 2019 | | | | | | |
| 2020 | | | | | | |
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| 2051 | | | | | | |
| 2052 | | | | | | |
| 2053 | | | | | | |
| 2054 | | | | | | |
| 2056 | | | | | | |
| 2057 | | | | | | |
| 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, 2013

| 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 0002 | FEDERAL FINANCING BANK PENNYRILE 0001 0001 | FEDERAL FINANCING BANK PENNYRILE 0001 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, 2013

| 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 | | | | | | |
| 2013 | | | | | | |
| 2014 | | | | | | |
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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, 2013

| 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, 2013

| 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 |
| 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, 2013

| 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 |
| 2013 | | | | | |
| 2014 | | | | | |
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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, 2013

| NOTE NUMBER | DATE OF NOTE | INT. RATE | TERM OF NOTE | DATE REPAYMENTS BEGIN MO/YEAR | AMOUNT OF ALLOTMENT | BALANCE DUE ON ALLOTMENT (ACCOUNT 242) | AMOUNT REPAID THIS YEAR | | DEFERRED INTEREST | OUTSTANDING END OF YEAR EXCLUDING CUSHION OF CREDIT |
|---------------------------------|--------------|-----------|--------------|-------------------------------|---------------------|--|-------------------------|------------|-------------------|---|
| | | | | | | | PRINCIPAL | INTEREST | | |
| 01-1B275 | 6/19/1995 | 5.00 | 35 | 01/1996 | 2,042,000.00 | | 14.22 | 16.86 | | 330.18 |
| 02-1B280 | 10/29/1996 | 5.00 | 35 | 07/1998 | 5,526,000.00 | | 154,161.56 | 246,315.36 | | 4,842,853.45 |
| 03-1B285 | 2/2/1998 | 5.00 | 35 | 07/1998 | 3,935,000.00 | | 97,165.71 | 146,285.97 | | 2,876,336.89 |
| 04-1B286 | 6/22/1998 | 5.13 | 35 | 07/1998 | 2,591,000.00 | | 65,670.40 | 103,539.68 | | 1,986,955.80 |
| 05- | | | | | | | | | | |
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| 36- | | | | | | | | | | |
| 37- | | | | | | | | | | |
| 38- | | | | | | | | | | |
| 39- | | | | | | | | | | |
| 40- | | | | | | | | | | |
| (860) Total | | | | | 15,294,000.00 | | 327,011.89 | 496,157.87 | | 9,706,476.32 |
| List Note Numbers Paid Monthly: | | | | | 18275 | 18280 | 18285 | 18290 | 18295 | 18300 |

*EXCLUDING CUSHION OF CREDIT.

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

| NOTE NUMBER | DATE OF NOTE | INT. RATE | CFC OR COBANK | NO. OF MONTHS | AMOUNT OF LOAN APPROVED | UNADVANCED LOAN | AMT REPAID THIS YEAR FOR REGULAR BILLINGS | | OUTSTANDING END OF YEAR | RUS LOAN SUPPLEMENTED NOTE NUMBER | % |
|-------------|--------------|-----------|---------------|---------------|-------------------------|-----------------|---|------------|-------------------------|-----------------------------------|---|
| | | | | | | | PRINCIPAL | INTEREST | | | |
| 01-1679742 | 10/31/2003 | 4.90 | COBANK | 13 | 6,081,760.08 | | 525,482.18 | 61,430.11 | 906,913.60 | | |
| 02-105638 | 9/1/2005 | 5.38 | COBANK | 10 | 9,171,343.00 | | 935,758.68 | 237,956.93 | 3,781,475.25 | | |
| 03-2427406 | 7/19/2010 | 4.44 | COBANK | 18 | 2,285,755.63 | | 148,427.34 | 88,386.14 | 1,862,058.17 | | |
| 04- | | | | | | | | | | | |
| 05- | | | | | | | | | | | |
| 06- | | | | | | | | | | | |
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| 38- | | | | | | | | | | | |
| 39- | | | | | | | | | | | |
| 40- | | | | | | | | | | | |
| (665) Total | | | | | 17,538,858.71 | | 1,609,668.20 | 387,773.18 | 6,550,447.02 | | |

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

| LONG-TERM DEBT - RUS | | |
|---|--|----------------|
| ACCT. | PRINCIPAL DATA | AMOUNT |
| 224.1 | Long-term debt - RUS | 9,706,476.32 |
| 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 | (1,185,826.24) |
| Net balance due RUS as above (page 2, Item 36) | | 8,520,650.08 |
| Total additions to RUS long-term debt this year (Item 132) | | |
| Repayments for the year excluding advance payments (Item 143) | | 327,011.89 |
| 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) | | 496,157.87 |
| Repayments this year | | 496,157.87 |
| 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 | 6,550,447.02 |
| 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) | | 6,550,447.02 |
| Amount received on allotment this year (Item 136) | | |
| Repayments this year (Item 145) | | 1,609,668.20 |
| INTEREST ACCRUED - COBANK (Account 237.6) | | |
| | | AMOUNT |
| Balance beginning of year (matured \$.00) | | (2,696,509.46) |
| Accrued during year (Account 427.4) (page 3, item 89) (page 26 summary) | | 380,935.67 |
| Repayments this year | | 387,773.18 |
| Balance end of year (matured \$.00) (page 2, Item 51)(page 26 summary) | | (2,703,346.97) |

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

| BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228) | | | |
|--|--------------------|---|---------------|
| Name of issue: <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..... | 2,867,762.12 | Accrued beginning of year..... | |
| Issued during year..... | | Accrued during year (427.3)..... | 159,718.90 |
| Total..... | 2,867,762.12 | Total..... | 159,718.90 |
| Bonds retired this year..... | 77,305.22 | Payments during year..... | 159,718.90 |
| Balance end of year..... | 2,790,456.90 | Balance end of Year..... | |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | 2,790,456.90 | 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..... | 3,342,424.79 | Accrued beginning of year..... | |
| Issued during year..... | | Accrued during year (427.3)..... | 208,257.40 |
| Total..... | 3,342,424.79 | Total..... | 208,257.40 |
| Bonds retired this year..... | 83,542.08 | Payments during year..... | 208,257.40 |
| Balance end of year..... | 3,258,882.71 | Balance end of Year..... | |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | 3,258,882.71 | Balance less matured (237.3)..... | |

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

| BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228) | | | |
|--|--------------------|---|---------------|
| Name of Issue: <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 | 4,961,334.72 | Accrued beginning of year | |
| Issued during year | | Accrued during year (427.3) | 291,241.30 |
| Total | 4,961,334.72 | Total | 291,241.30 |
| Bonds retired this year | 129,237.50 | Payments during year | 291,241.30 |
| Balance end of year | 4,832,097.22 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 4,832,097.22 | 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 | 1,827,000.00 | Accrued beginning of year | |
| Issued during year | 317,027.19 | Accrued during year (427.3) | |
| Total | 2,144,027.19 | Total | |
| Bonds retired this year | 90,427.19 | Payments during year | |
| Balance end of year | 2,053,600.00 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 2,053,600.00 | Balance less matured (237.3) | |

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

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| 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..... | 4,672,092.63 | Accrued beginning of year..... | |
| Issued during year..... | | Accrued during year (427.3)..... | 198,852.60 |
| Total..... | 4,672,092.63 | Total..... | 198,852.60 |
| Bonds retired this year..... | 145,899.18 | Payments during year..... | 198,852.60 |
| Balance end of year..... | 4,526,193.45 | Balance end of Year..... | |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | 4,526,193.45 | 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..... | 4,422,694.87 | Accrued beginning of year..... | |
| Issued during year..... | | Accrued during year (427.3)..... | 188,237.69 |
| Total..... | 4,422,694.87 | Total..... | 188,237.69 |
| Bonds retired this year..... | 138,111.03 | Payments during year..... | 188,237.69 |
| Balance end of year..... | 4,284,583.84 | Balance end of Year..... | |
| Including matured of (239)..... | | Including matured of (240)..... | |
| Balance less matured (221)..... | 4,284,583.84 | Balance less matured (237.3)..... | |

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

| BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228) | | | |
|--|------------------------------|--|---------------|
| Name of Issue: <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 | 5,310,209.96 | Accrued beginning of year | |
| Issued during year | | Accrued during year (427.3) | 224,689.68 |
| Total | 5,310,209.96 | Total | 224,689.68 |
| Bonds retired this year | 120,670.78 | Payments during year | 224,689.68 |
| Balance end of year | 5,189,539.18 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 5,189,539.18 | 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 | 7,200,536.39 | Accrued beginning of year | |
| Issued during year | | Accrued during year (427.3) | 340,211.37 |
| Total | 7,200,536.39 | Total | 340,211.37 |
| Bonds retired this year | 152,536.73 | Payments during year | 340,211.37 |
| Balance end of year | 7,047,999.66 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 7,047,999.66 | Balance less matured (237.3) | |

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

| BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228) | | | |
|--|------------------------------|--|---------------|
| Name of Issue: <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 | 7,322,698.02 | Accrued beginning of year | |
| Issued during year | | Accrued during year (427.3) | 355,222.95 |
| Total | 7,322,698.02 | Total | 355,222.95 |
| Bonds retired this year | 152,343.96 | Payments during year | 355,222.95 |
| Balance end of year | 7,170,354.06 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 7,170,354.06 | 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 | 3,198,805.85 | Accrued beginning of year | |
| Issued during year | | Accrued during year (427.3) | 162,135.58 |
| Total | 3,198,805.85 | Total | 162,135.58 |
| Bonds retired this year | 64,496.15 | Payments during year | 162,135.58 |
| Balance end of year | 3,134,309.70 | Balance end of Year | |
| Including matured of (239) | | Including matured of (240) | |
| Balance less matured (221) | 3,134,309.70 | Balance less matured (237.3) | |

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

| BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228) | | | |
|--|------------------------------|---|---------------|
| Name of Issue: <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. | 7,692,603.17 | Accrued beginning of year. | |
| Issued during year. | | Accrued during year (427.3). | 261,473.22 |
| Total. | 7,692,603.17 | Total. | 261,473.22 |
| Bonds retired this year. | 149,696.79 | Payments during year. | 261,473.22 |
| Balance end of year. | 7,542,906.38 | Balance end of Year. | |
| Including matured of (239). | | Including matured of (240). | |
| Balance less matured (221). | 7,542,906.38 | 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. | 9,391,667.91 | Accrued beginning of year. | |
| Issued during year. | | Accrued during year (427.3). | 18,143.71 |
| Total. | 9,391,667.91 | Total. | 18,143.71 |
| Bonds retired this year. | 304,731.58 | Payments during year. | 18,143.71 |
| Balance end of year. | 9,086,936.33 | Balance end of Year. | |
| Including matured of (239). | | Including matured of (240). | |
| Balance less matured (221). | 9,086,936.33 | Balance less matured (237.3). | |

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

| BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228) | | | |
|--|------------------------------|--|---------------|
| Name of issue: <u>FEDERAL FINANCING BANK - PENNYRILE 0003 0003</u> | | | |
| Date of issue: <u>10/07/2011</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. | 7,915,690.81 | Accrued beginning of year. | |
| Issued during year. | | Accrued during year (427.3). | 220,907.92 |
| Total. | 7,915,690.81 | Total. | 220,907.92 |
| Bonds retired this year. | 170,556.44 | Payments during year. | 220,907.92 |
| Balance end of year. | 7,745,134.37 | Balance end of Year. | |
| Including matured of (239). | | Including matured of (240). | |
| Balance less matured (221). | 7,745,134.37 | Balance less matured (237.3) | |
| Name of issue: <u>FEDERAL FINANCING BANK - PENNYRILE 0003 0004</u> | | | |
| Date of issue: <u>07/17/2012</u> | | Amount of original issue: \$ <u>5,000,000.00</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. | 5,000,000.00 | Accrued during year (427.3). | 10,134.34 |
| Total. | 5,000,000.00 | Total. | 10,134.34 |
| Bonds retired this year. | 122,621.20 | Payments during year. | 10,134.34 |
| Balance end of year. | 4,877,378.80 | Balance end of Year. | |
| Including matured of (239). | | Including matured of (240). | |
| Balance less matured (221). | 4,877,378.80 | Balance less matured (237.3) | |

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

| BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228) | | | | | |
|--|------------------------------|--|-----------------------------------|--|---------------------|
| Name of Issue: <u>FFB CUSHION OF CREDIT (RUS)</u> | | | | | |
| Date of Issue: | | Amount of original issue: \$ <u>4,709,333.23</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..... | 4,709,333.23 | | Payments during year..... | | |
| Balance end of year..... | (4,709,333.23) | | Balance end of Year..... | | |
| Including matured of (239)..... | | | Including matured of (240)..... | | |
| Balance less matured (221)..... | (4,709,333.23) | | 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..... | | 68,298,521.24 | 68,298,521.24 | 1,827,000.00 | |
| Issued during year..... (Item 137) | | 5,000,000.00 | 5,000,000.00 | 317,027.19 | |
| Total..... | | 73,298,521.24 | 73,298,521.24 | 2,144,027.19 | |
| Bonds retired this year..... (Item 146) | | 6,521,081.87 | 6,521,081.87 | 90,427.19 | |
| Balance end of year..... | | 66,777,439.37 | 66,777,439.37 | 2,053,600.00 | |
| Including matured of (239)..... (Item 147) | | | | | |
| Balance less matured (221)..... | | 66,777,439.37 | 66,777,439.37 | 2,053,600.00 | |
| | | | (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..... | | | | | 2,639,226.56 |
| Accrued during year (427.3) (page 26)..... | | | | | 2,639,226.56 |
| Total..... | | | | | 2,639,226.56 |
| Payments during year..... | | | | | 2,639,226.56 |
| 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, 2013

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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..... | | | | | | | | | | 5,721,823.75 | |
| Balance customer deposits end of year (Account 235)..... | | | | | | | | | | 5,721,823.75 | |
| Total customer deposits (page 2, item 47)..... | | | | | | | | | | 5,721,823.75 | |
| SUMMARY OF ACCRUED INTEREST AND INTEREST EXPENSE | | | | | | | | | | | |
| ACCT. NO. | DESCRIPTION | FROM PAGE NO. | REPORT ON BALANCE SHEET AS INDICATED BELOW | | | ACCRUED END OF YEAR | REPORT ON REVENUE AND EXPENSE STATEMENT AS INDICATED BELOW | | | | |
| | | | ACCT. NO. | PAGE NO. | ITEM NO. | | 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 | 496,157.87 | |
| 229 | CoBank | 23 | 237.6 | 2 | 51 | (2,703,346.97) | 427.4 | 3 | 89 | 380,935.67 | |
| 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 | 2,639,226.56 | |
| 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 | 218,097.52 | |
| -- | Delinquent taxes | --- | 237.5 | 2 | 52.2 | | 431 | 3 | 92 | | |
| Total interest accrued end of year..... | | | | | | (2,703,346.97) | Net expense for year..... | | | | 3,734,417.62 |
| Total Item 49 (page 2)..... | | | | | | | Total Item 87 (page 3)..... | | | | 496,157.87 |
| Total Item 50 (page 2)..... | | | | | | | Total Item 88 (page 3)..... | | | | |
| Total Item 51 (page 2)..... | | | | | | (2,703,346.97) | Total item 89 (page 3)..... | | | | 380,935.67 |
| Total Item 52.1 (page 2)..... | | | | | | | Total Item 90.1 (page 3)..... | | | | 2,639,226.56 |
| Total Item 52.2 (page 2)..... | | | | | | | Total Item 90.2 (page 3)..... | | | | |
| | | | | | | | Total item 92 (page 3)..... | | | | 218,097.52 |
| ACCOUNTS PAYABLE | | | | | | | | | | | |
| 232 | Accounts payable - general (includes \$14,454,360.00 to TVA for purchased power and Fac.Rental)..... | | | | | | | | | 15,254,663.82 | |
| 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)..... | | | | | | | | | | 15,254,663.82 | |
| 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..... | | | | | | | | | 234,308.95 | |
| 242 | Miscellaneous - accrued insurance..... | | | | | | | | | | |
| 242 | Miscellaneous - employees' accrued leave..... | | | | | | | | | 467,240.32 | |
| 242 | Miscellaneous - other..... | | | | | | | | | 1,329,919.93 | |
| Total other current and accrued liabilities (page 2, item 53)..... | | | | | | | | | | 2,031,469.20 | |
| OTHER DEFERRED CREDITS (Account 253) | | | | | | | | | | | |
| Payables for plant purchases; (item 149)..... | | | | | | | | | | | |
| Other items (List): See page 33..... | | | | | | | | | | 1,067,167.02 | |
| Total other deferred credits (page 2, item 56)..... | | | | | | | | | | | |
| Total other deferred credits (page 2, item 56)..... | | | | | | | | | | 1,067,167.02 | |

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

| BASIS FOR COMPUTATION OF ACCRUAL FOR AD VALOREM PROPERTY TAX OR TAX EQUIVALENT | | | | | | | | |
|--|-------------------|--|-----------------------------------|-----------------------------------|--------------------------------------|----------------------|---|--|
| <input checked="" type="checkbox"/> TAX, OR <input type="checkbox"/> TAX EQUIVALENT | | | TN. EQUAL- IZATION RATIO | STATE ASSESS- MENT RATIO | TAX ASSESSMENT OR VALUATION | RATE PER \$100 | TAX OR EQUIVALENT FOR TAX PERIOD | AMOUNT APPLICABLE FOR FISCAL YEAR |
| PERIOD | DISTRICT | | | | | | | |
| 1/1/2012 12/31/2012 | STATE OF KENTUCKY | | | | 120,799,172.00 | .3784 | | 457,150.62 |
| 1/1/2012 12/31/2012 | TRENTON | | | | 138,895.00 | .2332 | | 323.96 |
| 1/1/2012 12/31/2012 | ELKTON | | | | 350,482.00 | .2422 | | 849.03 |
| 1/1/2012 12/31/2012 | CADIZ | | | | 3,349,006.00 | .3010 | | 10,079.58 |
| 1/1/2012 12/31/2012 | RUSSELLVILLE | | | | 1,388,834.00 | .3095 | | 4,298.17 |
| 1/1/2012 12/31/2012 | LEWISBURG | | | | 283,054.00 | .4106 | | 1,162.28 |
| 1/1/2012 12/31/2012 | PEMBROKE | | | | 218,022.00 | .1740 | | 379.36 |
| 1/1/2012 12/31/2012 | GUTHRIE | | | | 460,834.00 | .4410 | | 2,032.27 |
| 1/1/2012 12/31/2012 | HOPKINSVILLE | | | | 12,090,154.00 | .2424 | | 29,311.17 |
| 1/1/2012 12/31/2012 | ADAIRVILLE | | | | 250,283.00 | .4018 | | 1,005.64 |
| 1/1/2012 12/31/2012 | OAK GROVE | | | | 1,512,845.00 | .1948 | | 2,947.06 |
| 1/1/2012 12/31/2012 | TRIGG COUNTY | | | | 17,319,659.00 | .7784 | | 134,815.43 |
| 1/1/2012 12/31/2012 | LOGAN COUNTY | | | | 17,779,322.00 | .8345 | | 148,373.64 |
| 1/1/2012 12/31/2012 | CALDWELL COUNTY | | | | 3,040,588.00 | .6938 | | 21,150.32 |
| 1/1/2012 12/31/2012 | SIMPSON COUNTY | | | | 51,449.00 | .7495 | | 385.61 |
| 1/1/2012 12/31/2012 | BUTLER COUNTY | | | | 1,429,231.00 | .7923 | | 11,323.80 |
| 1/1/2012 12/31/2012 | MUHLENBERG COUNTY | | | | 6,557,328.00 | .7784 | | 51,044.44 |
| 1/1/2012 12/31/2012 | TODD COUNTY | | | | 15,075,954.00 | .6361 | | 95,900.80 |
| 1/1/2012 12/31/2012 | CHRISTIAN COUNTY | | | | 38,308,726.00 | .6642 | | 254,453.80 |
| 1/1/2012 12/31/2012 | LYON COUNTY | | | | 2,671,186.00 | .8730 | | 23,319.45 |
| 1/1/2013 12/31/2013 | CHRISTIAN COUNTY | | | | 826,837.00 | .7170 | | 5,928.46 |
| 1/1/2013 12/31/2013 | LOGAN COUNTY | | | | 49,350.00 | .6389 | | 315.29 |
| 1/1/2013 12/31/2013 | TODD COUNTY | | | | 728,145.00 | .7234 | | 5,267.43 |
| 1/1/2013 12/31/2013 | TRIGG COUNTY | | | | 395,862.00 | .6840 | | 2,707.72 |
| 1/1/2013 12/31/2013 | STATE OF KENTUCKY | | | | 2,000,194.00 | .4500 | | 9,000.95 |
| 1/1/2013 12/31/2013 | HOPKINSVILLE | | | | 826,837.00 | .2510 | | 2,075.34 |
| 1/1/2013 12/31/2013 | RUSSELLVILLE | | | | 8,850.00 | .2200 | | 19.47 |
| 1/1/2013 12/31/2013 | ELKTON | | | | 67,450.00 | .3030 | | 204.37 |
| 1/1/2013 12/31/2013 | CADIZ | | | | 395,862.00 | .2620 | | 1,037.18 |
| | TOTAL PAID | | | | | | | 1,276,862.64 |

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, 2013

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

Page 28A

| TAX PERIOD JAN 1, 2012 TO DEC. 31, 2012 | TAX ASSESSMENT OF VALUATION | RATE | EQUIVALENT APPLICABLE FOR TAX PERIOD F/Y | APPLICABLE FOR FISCAL YEAR |
|--|--------------------------------|----------|---|-------------------------------|
| STATE OF KENTUCKY | | | | |
| Real Estate | 9,374,533 | 0.00122 | | \$11,436.93 |
| Tangible Property | 92,858,910 | 0.00450 | | 417,865.10 |
| Mfg. Machinery | 18,565,729 | 0.00150 | | 27,848.59 |
| | | | | ===== |
| Total | | | | \$457,150.62 |
| CITIES | | | | |
| Trenton | | | | |
| | 138,895 | 0.00238 | | \$323.96 |
| Elkton | | | | |
| Real Estate | 199,000 | 0.00247 | | \$491.53 |
| Tangible Property | 151,482 | 0.00236 | | 357.50 |
| | | | | ===== |
| Total | | | | \$849.03 |
| Cadiz | | | | |
| Real Estate | 1,600,900 | 0.002660 | | \$4,258.39 |
| Personal | 1,748,106 | 0.003330 | | 5,821.19 |
| | | | | ===== |
| Total | | | | \$10,079.58 |
| Russellville | | | | |
| Real Estate | 247,800 | 0.002550 | | 619.25 |
| Personal | 1,141,034 | 0.003290 | | 3,678.92 |
| | | | | ===== |
| Total | | | | \$4,298.17 |
| Lewisburg | | | | |
| | 283,054 | 0.00419 | | \$1,162.28 |
| Pembroke | | | | |
| | 218,022 | 0.00174 | | \$379.36 |
| Guthrie | | | | |
| | 460,834 | 0.0045 | | \$2,032.27 |
| Hopkinsville | | | | |
| Real Estate | 6,241,732 | 0.002440 | | \$15,229.83 |
| Personal | 5,848,422 | 0.00251 | | 14,679.54 |
| | | | | ===== |
| | | | | \$29,311.17 |
| Adairville | | | | |
| | 250,283 | 0.004100 | | \$1,005.64 |
| Oak Grove | | | | |
| Real Estate | 193,000 | 0.00255 | | \$492.15 |
| Tangible Property | 1,319,845 | 0.00186 | | \$2,454.91 |
| | | | | ===== |
| | | | | \$2,947.06 |

| TAX PERIOD JAN 1, 2012 TO DEC. 31, 2012 | TAX ASSESSMENT OF VALUATION | RATE | EQUIVALENT APPLICABLE FOR TAX PERIOD FY | APPLICABLE FOR FISCAL YEAR |
|--|--------------------------------|----------|--|-------------------------------|
| COUNTIES | | | | |
| Trigg | | | | |
| R. E. County | 1,808,309 | 0.000800 | | \$1,446.65 |
| R. E. School | 1,808,309 | 0.004890 | | 8,842.63 |
| T. P. County | 15,511,350 | 0.001143 | | 17,729.47 |
| T. P. School | 15,511,350 | 0.004890 | | 75,850.50 |
| T. P. Health | 15,511,350 | 0.001278 | | 19,823.51 |
| T. P. Library | 15,511,350 | 0.000583 | | 9,043.12 |
| R. E. Health | 1,808,309 | 0.000800 | | 1,446.65 |
| R. E. Library | 1,808,309 | 0.000350 | | 632.91 |
| | | | | ===== |
| Total | | | | \$134,815.43 |
| Logan | | | | |
| R. E. County | 480,724 | 0.001300 | | \$624.94 |
| Health | 480,724 | 0.000200 | | 96.14 |
| Library | 480,724 | 0.000870 | | 418.23 |
| Extension | 480,724 | 0.000470 | | 225.94 |
| Soil Conservation | 480,724 | 0.000150 | | 72.11 |
| Common School | 232,924 | 0.003800 | | 885.11 |
| Graded School | 247,900 | 0.007740 | | 1,918.75 |
| Blg Muddy | 247,800 | 0.001000 | | 247.80 |
| Mud River | 232,924 | 0.000135 | | 31.44 |
| T. P. County | 17,298,598 | 0.002100 | | 36,327.06 |
| Health | 17,298,598 | 0.000200 | | 3,459.72 |
| Library | 17,298,598 | 0.001168 | | 20,204.76 |
| Extension | 17,298,598 | 0.000788 | | 13,631.30 |
| Common School | 16,157,564 | 0.003800 | | 61,398.74 |
| Graded School | 1,141,034 | 0.007740 | | 8,831.60 |
| | | | | ===== |
| Total | | | | \$148,373.64 |
| Caldwell - Stan Hudson | | | | |
| T. P. County | 3,040,588 | 0.00115 | | \$3,496.68 |
| T. P. School | 3,040,588 | 0.00361 | | 10,976.52 |
| T. P. Extension | 3,040,588 | 0.000476 | | 1,447.32 |
| Library - Tangible | 3,040,588 | 0.00067 | | 2,037.19 |
| Hospital - Tangible | 3,040,588 | 0.00055 | | 1,672.32 |
| Health - Tangible | 3,040,588 | 0.00050 | | 1,520.29 |
| | | | | ===== |
| Total | | | | \$21,150.32 |
| Simpson- Chrls Cline | | | | |
| T.P. County | 51,449 | 0.001590 | | 81.80 |
| T.P. School | 51,449 | 0.004610 | | 237.18 |
| Library | 51,449 | 0.000705 | | 36.27 |
| Extenslon | 51,449 | 0.000200 | | 10.29 |
| Ambulance | 51,449 | 0.000390 | | 20.07 |
| | | | | ===== |
| Total | | | | \$385.61 |

| TAX PERIOD JAN 1, 2012 TO DEC. 31, 2012 | TAX ASSESSMENT OF VALUATION | RATE | EQUIVALENT APPLICABLE FOR TAX PERIOD FY | APPLICABLE FOR FISCAL YEAR |
|--|--------------------------------|----------|--|-------------------------------|
| Butler | | | | |
| County | 1,429,231 | 0.000840 | | \$1,200.55 |
| School | 1,429,231 | 0.003770 | | 5,388.20 |
| Health | 1,429,231 | 0.000225 | | 321.58 |
| Ambulance | 1,429,231 | 0.000890 | | 1,272.02 |
| Library | 1,429,231 | 0.001300 | | 1,858.00 |
| Extension | 1,429,231 | 0.000898 | | 1,283.45 |
| | | | | ===== |
| Total | | | | \$11,323.80 |
| Muhlenberg | | | | |
| R. E. School | 137,184 | 0.004970 | | \$681.80 |
| T. P. School | 6,420,144 | 0.004970 | | 31,908.12 |
| R. E. Library | 137,184 | 0.000830 | | 113.86 |
| T. P. Library | 6,420,144 | 0.001362 | | 8,744.24 |
| R. E. Franchise | 137,184 | 0.001020 | | 139.93 |
| T. P. Franchise | 6,420,144 | 0.000980 | | 6,291.74 |
| R. E. Health | 137,184 | 0.000180 | | 24.69 |
| T. P. Health | 6,420,144 | 0.000180 | | 1,155.63 |
| R. E. Extension | 137,184 | 0.000190 | | 26.06 |
| T. P. Extension | 6,420,144 | 0.000212 | | 1,361.07 |
| R. E. Cons. Dist. | 137,184 | 0.000052 | | 7.13 |
| R. E. Airport | 137,184 | 0.000090 | | 12.35 |
| T. P. Airport | 6,420,144 | 0.000090 | | 577.81 |
| | | | | ===== |
| Total | | | | \$51,044.44 |
| Todd - Joey Johnson | | | | |
| T. P. County | 14,718,706 | 0.000990 | | \$14,571.52 |
| T. P. School | 14,718,706 | 0.003790 | | 55,783.90 |
| T. P. Library | 14,718,706 | 0.000653 | | 9,611.32 |
| T. P. Health | 14,718,706 | 0.000430 | | 6,329.04 |
| T. P. Extension | 14,718,706 | 0.000505 | | 7,432.95 |
| R. E. County | 357,248 | 0.000990 | | 353.68 |
| R. E. School | 357,248 | 0.003790 | | 1,353.97 |
| R. E. Library | 357,248 | 0.000420 | | 150.04 |
| R. E. Extension | 357,248 | 0.000350 | | 125.04 |
| R. E. Soil Conservation | 357,248 | 0.000100 | | 35.72 |
| R. E. Health | 357,248 | 0.000430 | | 153.62 |
| | | | | ===== |
| Total | | | | \$95,900.80 |
| Christlan | | | | |
| T. P. County | 31,717,658 | 0.00230 | | \$72,950.61 |
| T. P. School | 31,717,658 | 0.00387 | | 122,747.34 |
| T. P. Extension Service | 31,717,658 | 0.00033 | | 10,530.26 |
| T. P. Health | 31,717,658 | 0.00023 | | 7,295.06 |
| R. E. County | 6,591,068 | 0.00183 | | 12,061.65 |
| R. E. School | 6,591,068 | 0.00387 | | 25,507.43 |
| R. E. Health | 6,591,068 | 0.00023 | | 1,515.95 |
| R. E. Ext. Service | 6,591,068 | 0.000240 | | 1,581.86 |
| R. E. Soil Conservation | 6,591,068 | 0.00004 | | 263.64 |
| | | | | ===== |
| Total | | | | \$254,453.80 |

| TAX PERIOD JAN 1, 2012 TO DEC. 31, 2012 | TAX ASSESSMENT OF VALUATION | RATE | EQUIVALENT APPLICABLE FOR TAX PERIOD FY | APPLICABLE FOR FISCAL YEAR |
|--|--------------------------------|----------|--|-------------------------------|
| Lyon | | | | |
| T. P. County | 2,671,186 | 0.002320 | \$6,197.15 | |
| T. P. School | 2,671,186 | 0.004250 | 11,352.54 | |
| Library | 2,671,186 | 0.000520 | 1,389.02 | |
| Ambulance | 2,671,186 | 0.000690 | 1,843.12 | |
| Health | 2,671,186 | 0.000250 | 667.80 | |
| Extension Service | 2,671,186 | 0.000700 | 1,869.83 | |
| | | | ===== | |
| Total | | | \$23,319.45 | |
| | | | ===== | |
| | | | \$1,250,306.43 | \$625,153.21 |
| | | | ===== | |
| Estimated Tax Liability C/Y 2013 | | State | \$457,150.62 | |
| | | Cities | 52,388.52 | |
| | | Counties | 740,767.29 | |
| | | | ----- | |
| | | | \$1,250,306.43 | \$625,153.21 |
| | | | ===== | |
| Underaccrual FY '2012 | | State | \$87,779.64 | |
| | | Cities | 10,250.52 | |
| | | Counties | 180,975.93 | |
| | | | ----- | |
| | | | \$279,006.09 | \$279,006.09 |
| | | | ----- | |
| Total Tax Expense FY 2013 | | | | \$1,529,312.52 |
| | | | | ===== |

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 2012 to Dec. 31, 2012 | Tax Assessment of Valuation | Rate | Tax or Equivalent For Tax Period | Amount Applicable For FY '13 |
|--|-----------------------------------|----------|--|------------------------------------|
| Counties | | | | |
| ===== | | | | |
| Christian | | | | |
| ===== | | | | |
| State | 751,002 | 0.0045 | 3,379.50 | 1,689.75 |
| City-Hopkinsville | 751,002 | 0.00251 | 1,884.99 | 942.49 |
| County | 751,002 | 0.00116 | 871.17 | 435.59 |
| School | 751,002 | 0.00566 | 4,250.65 | 2,125.33 |
| Extension | 751,002 | 0.00012 | 90.12 | 45.06 |
| Health | 751,002 | 0.00018 | 135.17 | 67.59 |
| TOTAL COUNTY | | | 5,347.11 | 2,673.57 |
| Logan | | | | |
| ===== | | | | |
| State | 342,093 | 0.0045 | 1,539.42 | 769.71 |
| City-Russellville | 342,093 | 0.0022 | 752.60 | 376.30 |
| County | 342,093 | 0.00106 | 362.65 | 181.32 |
| Health | 342,093 | 0.000200 | 68.42 | 34.21 |
| Extension | 342,093 | 0.000157 | 53.73 | 26.86 |
| Independent School | 342,093 | 0.00539 | 1,843.88 | 921.94 |
| Library | 342,093 | 0.00023 | 78.70 | 39.35 |
| TOTAL COUNTY | | | 2,407.38 | 1,203.68 |
| Todd | | | | |
| ===== | | | | |
| State | 431,498 | 0.00450 | 1,941.75 | 970.88 |
| City-Elkton | 431,498 | 0.00303 | 1,307.44 | 653.72 |
| County | 431,498 | 0.00101 | 435.80 | 217.90 |
| School | 431,498 | 0.00524 | 2,261.05 | 1,130.52 |
| Health | 431,498 | 0.00043 | 185.54 | 92.77 |
| Extension | 431,498 | 0.00030 | 131.19 | 65.59 |
| Library | 431,498 | 0.00025 | 107.91 | 53.96 |
| TOTAL COUNTY | | | 3,121.50 | 1,560.74 |
| Trigg | | | | |
| ===== | | | | |
| State | 433,427 | 0.00450 | 1,950.43 | 975.22 |
| City-Cadiz | 433,427 | 0.00262 | 1,135.58 | 567.79 |
| County | 433,427 | 0.00096 | 416.09 | 208.04 |
| School | 433,427 | 0.00459 | 1,989.43 | 994.71 |
| Health/Amb. | 433,427 | 0.00094 | 407.41 | 203.71 |
| Library | 433,427 | 0.00035 | 151.73 | 75.86 |
| TOTAL COUNTY | | | 2,964.66 | 1,482.32 |
| | | | ===== | ===== |
| | | | \$27,732.36 | \$13,866.17 |

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

Page 28F

| Tax Period Jan. 1 2013 to Dec. 31, 2013 | Tax Assessment of Valuation | Rate | Tax or Equivalent For Tax Period | Amount Applicable For FY '14 |
|--|-----------------------------------|----------|--|------------------------------------|
| Counties | | | | |
| ===== | | | | |
| Christian | | | | |
| ===== | | | | |
| State | 826,837 | 0.0045 | 3,720.79 | 1,860.39 |
| City-Hopkinsville | 826,837 | 0.00251 | 2,075.34 | 1,037.67 |
| County | 826,837 | 0.00116 | 959.12 | 479.56 |
| School | 826,837 | 0.00566 | 4,679.91 | 2,339.95 |
| Extension | 826,837 | 0.00012 | 99.24 | 49.62 |
| Health | 826,837 | 0.00023 | 190.19 | 95.10 |
| TOTAL COUNTY | | | 5,928.46 | 2,964.23 |
| | | | | |
| Logan | | | | |
| ===== | | | | |
| State | 49,350 | 0.0045 | 222.08 | 111.04 |
| City-Russellville | 8,850 | 0.0022 | 19.47 | 9.74 |
| County | 49,350 | 0.00106 | 52.31 | 26.16 |
| School | 40,500 | 0.0046 | 186.30 | 93.15 |
| Health | 49,350 | 0.000200 | 9.87 | 4.94 |
| Extension | 49,350 | 0.000157 | 7.75 | 3.87 |
| Independent School | 8850 | 0.00539 | 47.70 | 23.85 |
| Library | 49,350 | 0.00023 | 11.36 | 5.68 |
| TOTAL COUNTY | | | 315.29 | 157.65 |
| | | | | |
| Todd | | | | |
| ===== | | | | |
| State | 728,145 | 0.00450 | 3,276.67 | 1,638.33 |
| City-Elkton | 67,450 | 0.00303 | 204.37 | 102.19 |
| County | 728,145 | 0.00101 | 735.41 | 367.70 |
| School | 728,145 | 0.00524 | 3,815.49 | 1,907.74 |
| Health | 728,145 | 0.00043 | 313.11 | 156.56 |
| Extension | 728,145 | 0.00030 | 221.35 | 110.67 |
| Library | 728,145 | 0.00025 | 182.08 | 91.04 |
| TOTAL COUNTY | | | 5,267.43 | 2,633.71 |
| | | | | |
| Trigg | | | | |
| ===== | | | | |
| State | 395,862 | 0.00450 | 1,781.41 | 890.70 |
| City-Cadiz | 395,862 | 0.00262 | 1,037.18 | 518.59 |
| County | 395,862 | 0.00096 | 380.03 | 190.01 |
| School | 395,862 | 0.00459 | 1,817.00 | 908.50 |
| Health/Amb. | 395,862 | 0.00094 | 372.12 | 186.06 |
| Library | 395,862 | 0.00035 | 138.57 | 69.29 |
| TOTAL COUNTY | | | 2,707.72 | 1,353.86 |
| | | | ===== | ===== |
| Amount carried from Page 28E | | | \$26,556.21 | \$13,278.10 |
| | | | | \$13,866.17 |
| | | | | ===== |
| | | | | \$27,144.27 |

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? 17 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 | N | .018% |
| C & I Part A | N | .018% |
| C & I Part B | N | .018% |
- 6) Is interest on deposits:

| | | |
|---|--------------------------|--------------------------|
| Refunded by check annually? | <u> Yes </u> | <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> Yes </u> | <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> 12 </u> Times | |
| Rates? | <u> Y </u> Yes | <u> No </u> No |
| If yes, how many times during the past 12 months? | <u> 12 </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, 2013

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 | 18,025.00 | 7,216.90 |
| DR GEORGE BROWN-SEC/TREAS | RETIRED VETERNARIAN | 07/31/2015 | 18,300.00 | 10,631.94 |
| DUANE MOORE-CHAIRMAN | FARMER | 07/31/2014 | 19,125.00 | 9,650.35 |
| JAMES W. LEAR-BOARD MEMBER | RETIRED FARMER | 07/31/2015 | 17,200.00 | 9,395.23 |
| JOE ROGERS-ASST. SEC/TREAS | FARMER | 07/31/2013 | 19,675.00 | 10,139.03 |
| JAMES R. RILEY-BOARD MEMBER | INSURANCE AGENT | 07/31/2013 | 19,950.00 | 8,787.07 |
| BRYSON PRICE-VICE CHAIRMAN | FUNERAL HOME OWNER | 07/31/2014 | 16,100.00 | 4,350.27 |
| JAMES FUTRELL - BOARD MEMBER | SELF-EMPLOYED | 07/31/2014 | 19,400.00 | 10,427.16 |
| Total | | | 147,775.00 | 70,597.95 |

*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 .565 CENTS PER MILE.

PAYNE, RILEY, AND ROGERS TERMS EXPIRE 07/31/2016 SINCE JULY 2, 2013 ANNUAL MEETING.

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

| GENERAL INFORMATION (CONTINUED) | |
|---|------------|
| Detail of Account 930 - Miscellaneous General Expense | EXPENSE |
| FEES - BOARD OF DIRECTORS | 147,775.00 |
| CONVENTION/TRAVEL/MEETINGS - BOARD OF DIRECTORS | 70,597.95 |
| INSURANCE | 7,582.14 |
| ANNUAL MEETING | 45,282.80 |
| KENTUCKY LIVING | 203,545.53 |
| PROPERTY TAX & INSURANCE | 59,241.01 |
| RURAL ELECTRIC RESOURCES | 2,200.00 |
| NRECA COOP.COM CARDS FOR NEW CUSTOMERS | 596.46 |
| HOPKINSVILLE CHAMBER OF COMMERCE | 2,374.36 |
| KENTUCKY CHAMBER OF COMMERCE | 596.63 |
| UTILITIES TELE COUNCIL | 3,750.00 |
| LBL | 100.00 |
| VOLUNTEER FIRE DEPARTMENTS | 95.00 |
| CHRISTIAN COUNTY AGRI-BUS ASSN | 350.00 |
| LOGAN COUNTY CHAMBER OF COMMERCE | 788.60 |
| TVA POWER DISTRIBUTORS | 650.00 |
| TVPPA | 13,252.78 |
| KENTUCKY COUNCIL OF COOPS | 300.00 |
| HOMEBUILDERS OF HOPKINSVILLE | 200.00 |
| HOPKINSVILLE-CHRISTIAN COUNTY BOARD OF REALTORS | 125.00 |
| LOGAN COUNTY HOMEBUILDERS | 350.00 |
| CHRISTIAN CO FARM BUREAU | 50.00 |
| TOUCHSTONE ENERGY | 22,000.00 |
| NRECA | 49,142.14 |
| KAEC | 111,672.47 |
| CHRISTIAN COUNTY FARMER | 100.00 |
| ADAIRVILLE CHAMBER OF COMMERCE | 35.00 |
| ADVERTISING - PROMOTIONAL (GIVEAWAYS, 75TH ANNIV) | 28,786.52 |
| ADVERTISING | 99,703.45 |
| PRECC BOARD MEETING EXPENSES | 21,816.94 |
| EAGLE AMBASSADOR | 2,000.00 |
| CADIZ-TRIGG COUNTY CHAMBER | 470.00 |
| KENTUCKY PUBLIC POWER ASSOCIATION | 200.00 |
| KENTUCKY ASSOC ECONOMIC DEV | 150.00 |
| ASSOCIATION OF THE UNITED STATES ARMY | 405.00 |
| KENTUCKY ROUNDTABLE UTILITY SAFETY | 150.00 |
| TOTAL | 896,434.78 |

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

GENERAL INFORMATION (CONTINUED)

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

PG 2 ITEM 55-NO LONGER COLLECT REFUND OR CONFISCATE CONSTRUCTION COSTS (ACCT 252)

PG 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 92-DECREASE DUE TO DEPOSIT INTEREST RATE CHGD TO CALCULATE BASED ON CONSTANT MATURITY TREASURY RATE.

PAGE 5-A/C 908-INCREASE DUE TO CLASSIFICATION OF COMPREHENSIVE SERVICES PROGRAM FROM 912 PER TVA.

PAGE 5-A/C 916 ECON DEV FY13 EXP WERE MOVED TO ACCT 912 IN THE AMOUNT OF \$40,690.97.

PAGE 7 - CLASS OF SERVICE (RES) INCREASE DUE TO NEW RATE IMPLEMENTED CALLED SRB RATE FOR RESIDENTIAL APPURTENANCE.

PAGE 7 - ITEM 730 IS GREAT THAN ACCTS 587 & 598 DUE TO OTHER EXPENSES ON CUSTOMERS PREMISES IN ACCT 587. PAGE 7 - ITEM 735 IS GREATER THAN ACCT 373 DUE TO SPECIAL EQ ITEMS THAT ARE INVESTMENTS BUT IN ACCTS 368 AND 370.

PAGE 9&10

A/C 355-CHANGED 8 TRANSMISSION POLES FOR MID VALLEY AND DANA

A/C 360-ADDITIONAL COSTS TO SALEM SUBSTATION LOT

A/C 362-ADDED SIX NEW BREAKERS AT GREEN HILLS SUBSTATION

A/C 364-MORE RELOCATION PROJECTS IN FY

A/C 367-DECREASE IN CONSTRUCTION DUE TO LARGE INCREASE IN FY 2012

A/C 370-PURCHASED 3,000 AMRS AND RETIRED 461.

A/C 373-LESS NEW CONSTRUCTION FOR SUBDIVISION STREET LIGHTING

A/C 391-PURCHASE OF DAYSVILLE OFFICE EQUIPMENT

A/C 392-DELAYED PURCHASE OF CONSTRUCTION VEHICLES THIS FY

A/C 394-RETIRED 2 CHIPPERS WITHOUT REPLACEMENT

A/C 395-METER TEST BOARD PURCHASED

A/C 397-FIBER OPTICS INSTALLATION, OUTAGE MANAGEMENT SYSTEM & DAYSVILLE PHONE SYSTEM

A/C 398-APPLIANCES FOR BREAKROOM & COMMUNITY CENTER @ DAYSVILLE

A/C 399-INSTALLED SOLAR PANELS @ DAYSVILLE

A/C 107-BALANCE CHANGE IS DUE TO CAPITALIZING DAYSVILLE OPERATIONS CENTER

PAGE 11

A/C 364-\$28,219.69 A/C 370-\$ 943.40

A/C 365-\$69,207.45 A/C 391-\$ 2,025.00 (TV, TRIMBLES)

A/C 368-\$29,429.37 A/C 392-\$140,000.00

A/C 369-\$17,220.29 A/C 394- 50,135.00 (CHIPPER & TRLS)

TOTAL-\$337,180.20

A/C 362-RETIRED 5 BREAKERS @ GREEN HILLS SUBSTATION

A/C 370-RETIREMENT OF METERS

A/C 390-REMOVAL COSTS FOR ELKTON & RUSSELLVILLE OFFICE UPGRADES

A/C 390-OTHER ENTRIES-CLEARED DEPRECIATION ACCRUAL FOR ELKTON WAREHOUSE STRUCTURES.

A/C 391-RETIRED OFFICE EQUIPMENT ELKTON & RUSSELLVILLE WAREHOUSES

A/C 394-REC'D SALVAGE FOR 2 CHIPPERS

PAGE 12

403 & 404 ACCRUAL \$5,733,744.14

184.01 ACCRUAL 542,338.85

\$6,276,082.99 CHECK 108 ACCRUAL

PAGE 13

BREAKDOWN ACCTS FOR PLANT PURCHASED OR SOLD

(SEE FORMS-TVA PAGE 13)

PAGE 16

A/C 143 03-DUE AFTER JUNE30-\$469,971.75 (KY DOT- ON GOING PROJECTS:\$0)

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

PAGE 33a

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 18

NONREFUNDABLE CONTRIBUTIONS: \$1,607,349.91

PAGE 23 & 26 - INTEREST ACCRUED - COBANK; A LOAN AGREEMENT WAS ENTERED INTO WITH FTC FOR UTILITY ENERGY SERVICE CONTRACT (UESC) FY06. 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.

PG 26 ACCT 242 - EMPLOYEES ACCRD LEAVE (PAYROLL & VAC)-(\$467,240.32); METER BASE DEP-(\$1,923.50); COBANK INT. ACCRL-(\$108,064.77); WIRES OUTSIDE OF MONTH-(\$22,873.15); POLE RENTAL (\$30,838.81); AMSOUTH-(\$54,049.73); INSURANCE/FLEX SPD-(\$1,112,689.75); CLOTHING PURCH BY EMPLOYEE-\$519.78

PG 26 ACCT 253 - PREPAY RESERVE FEE-\$5,300; EMPLOYEE ACCT-\$895.84; TVA REEP-\$875.00; POLE RENTAL-\$57,621.06; MGMNT FEE FOR FTC/UESC-\$1,002,475.12.

PG 29 KY TAXES ARE PAID ON A CALENDAR YEAR BASIS SO PAYMENTS AND ACCRUALS NEVER MATCH.

PG 3 ITEM 29 & PG 29- THE DISTRIBUTOR FOLLOWS FUNCTIONAL ACCOUNTING PROCEDURES BY ALLOCATING TAX EXPENSE TO THE INDIVIDUAL EXPENSE ACCOUNTS BASED ON THE PLANT INVESTMENT IN ACCTS 352 THRU 373 ON THEIR PLANT RECORDS. THE TRANSFER COLUMN ON PAGE 29 OF THE AR REFLECTS THIS PROCESS AND THEREFORE DOESN'T SHOW ANY TAX EXPENSES ON THE INCOME STATEMENT.

LOC-PRECC HAS AMENDMENT TO PROMISSORY NOTE WITH COBANK SIMILAR TO REVOLVING CREDIT WITH RENEWAL OPTIONS.

CUSTOMER DEPOSITS - OWNER \$125; TENANT \$200.

CUSTOMER DEPOSITS ARE INCLUDED IN OUR CASH ACCOUNT AND NOT RESTRICTED.

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

| KEY PERSONNEL | | |
|---|--|--|
| KEY PERSONNEL | TITLE OR OCCUPATIONS | PERCENTAGE OF WAGES CHARGED TO THE ELECTRIC DEPARTMENT |
| 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 OF CUSTOMER ACCOUNTS AND SERVICE | 100.00 |
| BARNEY BISHOP | MANAGER KEY ACCTS | 100.00 |
| BRENT GILKEY | VICE PRESIDENT 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, 2013

PAGE 35

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