

**NUSHAGAK ELECTRIC AND TELEPHONE COOPERATIVE, INC.**

**Statements of Operations and Patronage Capital**

Years Ended December 31, 2010 and 2009

|                                    | <u>2010</u>          | <u>2009</u>          |
|------------------------------------|----------------------|----------------------|
| Operating Revenues:                |                      |                      |
| Electric                           | \$ 7,016,710         | \$ 8,325,485         |
| Local network service              | 719,849              | 733,218              |
| Network access services            | 2,935,645            | 2,880,069            |
| Cable (net of retransmission fees) | 221,741              | 238,509              |
| Internet                           | 455,008              | 436,309              |
| Miscellaneous                      | <u>94,969</u>        | <u>45,934</u>        |
| Total Operating Revenues           | <u>11,443,922</u>    | <u>12,659,524</u>    |
| Operating Expenses:                |                      |                      |
| Power production                   | 4,470,036            | 5,374,650            |
| Distribution                       | 320,394              | 307,463              |
| Plant specific                     | 1,149,261            | 1,066,391            |
| Plant non-specific                 | 410,742              | 478,568              |
| Depreciation                       | 1,263,182            | 1,276,594            |
| Customer                           | 415,686              | 489,471              |
| Administrative and general         | 2,310,890            | 2,037,372            |
| Cable and internet                 | 579,666              | 544,017              |
| Operating taxes                    | <u>80,975</u>        | <u>78,194</u>        |
| Total Operating Expenses           | <u>11,000,832</u>    | <u>11,652,720</u>    |
| Operating Margin                   | 443,090              | 1,006,804            |
| Other Income (Expense):            |                      |                      |
| Patronage capital                  | 59,869               | (35,357)             |
| Interest and dividend income       | 7,865                | 15,595               |
| Interest expense                   | (207,541)            | (301,805)            |
| Non-regulated net income           | <u>31,306</u>        | <u>8,019</u>         |
| Net Other Expense                  | <u>(108,501)</u>     | <u>(313,548)</u>     |
| Net Margin                         | <u>334,589</u>       | <u>693,256</u>       |
| Beginning Patronage Capital        | 12,297,537           | 12,059,782           |
| Patronage Capital Retired          | (512,054)            | (455,501)            |
| Other Adjustments                  | <u>2</u>             | <u>-</u>             |
| Ending Patronage Capital           | <u>\$ 12,120,074</u> | <u>\$ 12,297,537</u> |