

**NUSHAGAK ELECTRIC AND TELEPHONE COOPERATIVE, INC.****Statements of Operations and Patronage Capital**

Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating Revenues:		
Electric	\$ 7,417,256	\$ 7,016,710
Local network service	656,679	719,849
Network access services	3,146,937	2,935,645
Cable (net of retransmission fees)	205,576	221,741
Internet	442,875	455,008
Miscellaneous	58,754	94,969
Total Operating Revenues	<u>11,928,077</u>	<u>11,443,922</u>
Operating Expenses:		
Power production	4,896,440	4,470,036
Distribution	446,656	320,394
Plant specific	1,237,926	1,149,261
Plant non-specific	369,124	410,742
Depreciation	1,316,118	1,263,182
Customer	333,922	415,686
Administrative and general	2,378,875	2,310,890
Cable and internet	545,065	579,666
Operating taxes	87,952	80,975
Total Operating Expenses	<u>11,612,078</u>	<u>11,000,832</u>
Operating Margin	<u>315,999</u>	<u>443,090</u>
Other Income (Expense):		
Patronage capital	100,086	59,869
Interest and dividend income	5,239	7,865
Interest expense	(130,974)	(207,541)
Non-regulated net income	36,882	31,306
Net Other Income (Expense)	<u>11,233</u>	<u>(108,501)</u>
Net Margin	327,232	334,589
Beginning Patronage Capital	12,120,074	12,297,537
Patronage Capital Retired	(25,460)	(512,054)
Other Adjustments	689	2
Ending Patronage Capital	<u>\$ 12,422,535</u>	<u>\$ 12,120,074</u>

See accompanying notes to financial statements.