

**Salmon River Electric Cooperative, Inc.  
And Subsidiary Company**

Audited Financial Statements For Period Ending December 31, 2010

Assets		
	2010	2009
<b>Noncurrent Assets</b>		
Electric Utility Plant, Net	\$ 10,775,233	\$ 10,326,651
Propane Plant, Net	1,261,761	1,312,976
Investments	2,022,856	1,959,397
 Total Noncurrent Assets	 14,059,850	 13,599,024
<b>Current Assets</b>		
Cash & Cash Equivalents	802,508	651,681
Accounts Receivable	2,420,608	1,302,805
Interest Receivable	20,652	20,483
Materials & Supplies Inventory	706,380	630,461
Prepaid Expenses	64,347	54,021
 Total Current Assets	 4,014,495	 2,659,451
Deferred Charges	-	-
<b>Total Assets</b>	<b>\$ 18,074,345</b>	<b>\$ 16,258,475</b>

Liabilities & Equity		
	2010	2009
<b>Member Equity</b>		
Memberships	\$ 20,690	\$ 20,350
Patronage Capital	6,989,927	7,122,433
Other Equities	3,381,906	3,090,153
 Total Equity	 10,392,523	 10,232,936
<b>Long-Term Debt</b>		
Long-Term Debt CFC	3,660,746	3,193,984
<b>Current Liabilities</b>		
Current Maturities of Long-Term Debt	335,295	356,505
Short-Term Notes Payable	799,408	-
Accounts Payable	1,176,238	1,029,357
Consumer Deposits	435,653	436,698
Other Current Liabilities	692,050	341,933
 Total Current Liabilities	 3,438,644	 2,164,493
<b>Deferred Credits</b>		
Other Deferred Credits	582,432	667,062
<b>Total Liabilities &amp; Equity</b>	<b>\$ 18,074,345</b>	<b>\$ 16,258,475</b>

See Reverse

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And Subsidiary Company**

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Income Statement		
	2010	2009
<b>Operating Revenue</b>	\$ 12,520,369	\$ 10,694,947
<b>Operating Expenses</b>		
Cost of Power	9,574,426	7,815,466
Transmission Expense	224,443	88,306
Distribution Operations Expense	461,125	427,346
Distribution Maintenance Expense	329,128	443,128
Customer Service & Information	225,763	242,676
Administrative & General	631,376	608,041
Depreciation & Amortization	492,317	477,425
Taxes	99,985	98,014
Interest Expense On Long Term Debt	175,622	169,057
Other Operating Expenses	39,870	40,443
<b>Total Operating Expenses</b>	<b>12,254,055</b>	<b>10,409,902</b>
<b>Net Operating Margins</b>	<b>266,314</b>	<b>285,045</b>
<b>Non-Operating Margins- Electric</b>		
Interest Income	85,424	85,770
Patronage Capital From Other Cooperatives	86,338	77,299
Other Non-Operating Margins (Losses)	61,336	71,436
<b>Total Non-Operating Margins- Electric</b>	<b>233,098</b>	<b>234,505</b>
<b>Net Margins</b>	<b>\$ 499,412</b>	<b>\$ 519,550</b>

In accordance with the Salmon River Electric Cooperative, Inc. Bylaws Article III, Section 8, the following itemizes the annual costs of all benefits provided by the Cooperative to the directors.

Director Benefits Summary	
Meeting Fees	\$ 55,800
Travel Per Diem	6,813
24 Hour Accident Insurance	230
Business Travel Insurance	89
<b>Total Annual Cost for 7 Directors</b>	<b>\$ 62,932</b>