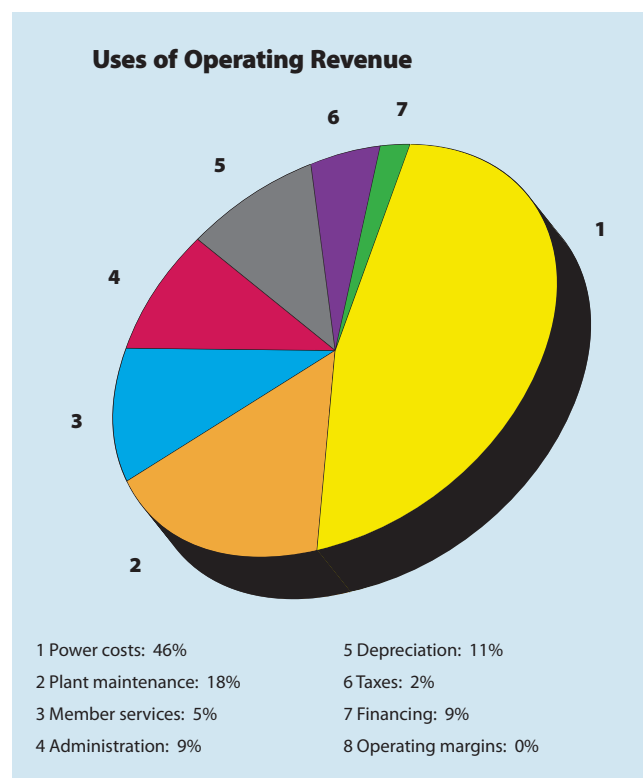


# NLI 2010 Annual Report



## Comparative Statement Of Revenue & Expenses

	2010	2009
<b>Operating Revenues and Patronage Capital</b>	\$25,033,420	\$24,805,375
<b>Operating Expenses</b>		
Cost of purchased power (1)	11,451,663	10,026,398
Power production expense (1)	145,927	175,856
Transmission-maintenance (2)	23,507	40,665
Distribution-operation (2)	1,280,118	1,191,782
Distribution-maintenance (2)	3,265,828	3,308,732
Consumer accounts (3)	1,037,038	990,816
Sales and rebates (3)	156,696	155,207
Administration and general (4)	2,342,766	2,247,385
Depreciation and amortization (5)	2,780,324	2,687,587
Taxes (6)	473,197	551,192
Interest (7)	2,150,767	2,245,996
Other	41,096	6,155
<b>Total operating expense</b>	<b>25,148,927</b>	<b>23,627,771</b>
Net operating margins (8)	(115,507)	1,177,604
<b>Non-Operating Margins</b>		
Interest income	132,143	136,641
Other	901,930	989,668
<b>Total nonoperating margins</b>	<b>1,034,073</b>	<b>1,126,309</b>
<b>Net Margins</b>	<b>\$918,566</b>	<b>\$2,303,913</b>



## Comparative Balance Sheet

### Assets and Other Debits

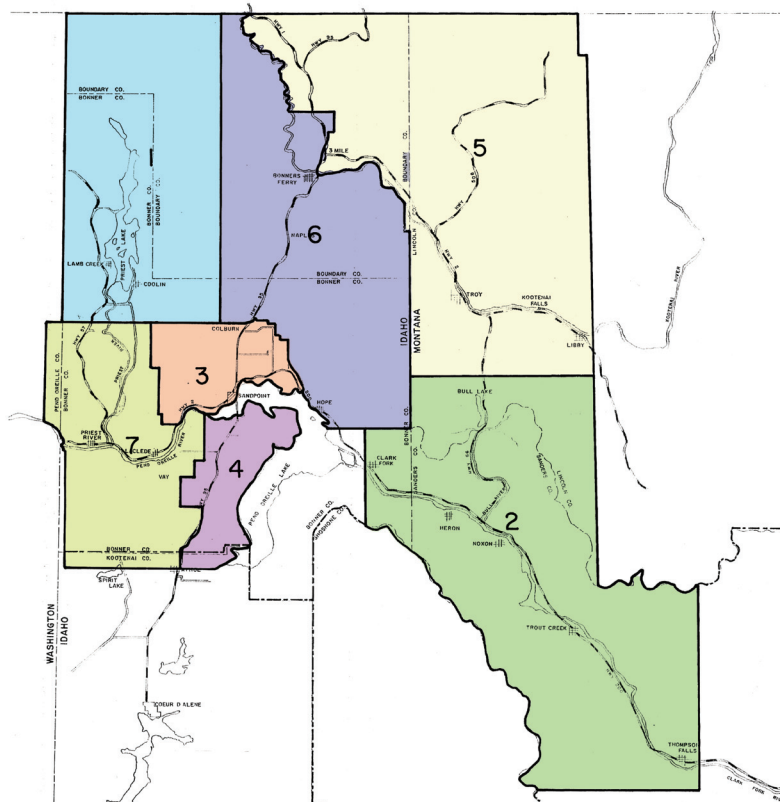
	2010	2009
<b>Utility Plant At Cost</b>		
Electric plant in service	\$108,492,688	\$105,250,635
Construction in progress	2,031,087	1,205,055
	110,523,775	106,455,690
Less: Accumulated depreciation	40,776,675	38,609,047
Net utility plant	69,747,100	67,846,643
<b>Other Assets And Investments</b>		
Investments in associated organizations	3,784,724	3,583,059
Other investments	350,813	453,827
<b>Current Assets</b>		
Cash-general funds	176,033	182,650
<b>Temporary investments</b>	-	-
Notes receivable	103,018	96,490
Accounts receivable	4,158,151	3,796,033
Materials and supplies	1,138,374	1,207,352
Other current and accrued assets	66,272	56,629
Deferred Charges	936,311	871,567
<b>Total Assets</b>	<b>\$80,460,796</b>	<b>\$78,094,250</b>

### Liabilities And Other Credits

	2010	2009
<b>Equities and Margins</b>		
Memberships	\$163,377	\$163,377
Patronage capital	31,486,900	30,681,591
Other equities	1,429,377	1,534,542
	33,079,654	32,379,510
<b>Noncurrent Liabilities</b>		
Postretirement obligation	2,496,131	2,192,989
Cooperative Finance Corp. notes	36,061,468	35,904,043
	38,557,599	38,097,032
<b>Current maturities of longterm debt</b>	1,737,209	1,619,680
Line of credit	3,335,000	2,200,000
Accounts payable	1,774,691	1,813,667
Consumer deposits	258,787	262,949
Other current liabilities	1,674,911	1,680,190
	8,780,598	7,576,486
Deferred Credits	42,945	41,222
<b>Total Liabilities and Equities</b>	<b>\$80,460,796</b>	<b>\$78,094,250</b>

Directors' Expenses*	2010		2009	
	Expenses & Per Diem	Insurance	Expenses & Per Diem	Insurance
1. Eric Anderson Priest Lake, ID (208) 443-1201	\$9,422	\$19,531	\$12,056	\$17,590
2. Judith Simonson Noxon, MT (406) 847-2643 Also a director for Montana Electric Co-op Association	\$7,512	\$19,525	\$7,380	\$17,590
3. Dr. Steve Elgar Sandpoint, ID (208) 265-0570	\$2,340	\$19,531	\$2,474	\$17,590
4. Orin LaRitchie Careywood, ID (208) 683-3221 Also a director for Idaho Consumer-Owned Utilities Association, Ruralite Services and Idaho Energy Authority	\$14,496	\$19,531	\$16,028	\$17,590
5. Don Vickaryous Moyie Springs, ID (208) 267-1601	\$5,602	\$19,525	\$10,130	\$17,584
6. G.E. Butch Hagen Bonners Ferry, ID (208) 267-3514	\$7,975	\$19,531	\$7,448	\$17,590
7. Vern Hollett Priest River, ID (208) 265-5249	\$6,211	\$19,521	\$7,974	\$17,580
<b>Totals</b>	<b>\$ 53,558</b>	<b>\$136,694</b>	<b>\$63,490</b>	<b>\$123,114</b>

\* Per diem, travel expenses while attending meetings and insurance benefits



New services connected in 2010	196
Total services in place	19,830
Average services per mile	7.05

Financial information presented herein was compiled from complete financial statements audited by the firm of Moss Adams LLP, Certified Public Accountants, Portland, Oregon, who expressed their unqualified opinion on the fairness of the statements. Copies of the complete statements, together with the auditors' report, may be examined at the cooperative's business office.

*Judith M. Simonson*

Judith Simonson  
Secretary/Treasurer