Alaska Power & Telephone Co.

Consolidated Balance Sheet

(unaudited)

ASSETS

	6/30/2015	3/31/2015	12/31/2014	9/30/2014
Property plant and equipment				
Electric	$ 103,806,904	$ 104,798,116	$ 105,363,564	$ 99,232,890
Telecommunications	58,985,652	61,654,555	61,669,288	59,001,054
Non-utility	24,167,941	20,061,537	20,061,537	18,871,425
	186,960,497	186,514,208	187,094,389	177,105,369
Less: accumulated depreciation	(110,621,792)	(108,855,159)	(107,043,159)	(104,214,448)
	76,338,704	77,659,049	80,051,230	72,890,921
Utility plant under construction	7,964,220	5,336,741	4,069,797	10,491,901
Net property, plant and equipment	84,302,925	82,995,790	84,121,027	83,382,822
Other assets				
Investments	10,826,052.32	10,804,069	10,772,212	10,739,439
Goodwill, net of amortization	6,062,664.29	6,495,711	6,928,758	7,497,654
Rate stabilization asset	4,907,537.01	4,958,574	5,078,487	5,106,109
Other assets	1,505,730.94	2,052,370	1,997,746	1,448,194
Total other assets	23,301,985	24,310,725	24,777,203	24,791,397
Current assets				
Cash	4,741,632	7,053,096	5,350,507	3,182,391
Receivables, less allowance	7,115,773	6,479,291	6,953,970	5,992,360
Securities available for sale	2,798	2,798	2,798	2,798
Inventory and other current assets	2,523,707	3,101,576	3,036,399	3,684,018
Deferred income taxes	6,538	6,538	6,538	6,895
Income Taxes Recoverable	-	-	-	1,057,800
Total current assets	14,390,447	16,643,298	15,350,212	13,926,262
TOTAL ASSETS	$ 121,995,356	$ 123,949,813	$ 124,248,442	$ 122,100,481

LIABILITIES AND STOCKHOLDERS' EQUITY

Stockholders' equity				
Common stock	$ 1,297,336	$ 1,307,665	$ 1,307,665	$ 1,323,480
Additional paid-in capital	3,955,797	4,254,297	4,254,297	4,683,044
Retained earnings	36,071,950	36,144,634	35,650,927	35,088,279
Other comprehensive income	(3,265,815)	(3,735,925)	(3,621,367)	(3,493,656)
Total stockholders' equity	38,059,268	37,970,670	37,591,521	37,601,147
Long-term debt				
CoBank debt	35,918,148	36,776,351	37,618,449	38,697,704
Goat Lake Hydro, Inc. note payable	9,750,000	9,966,667	10,183,333	10,400,000
Other term debt	7,412,714	7,623,536	7,850,350	3,774,659
Total long-term debt	53,080,863	54,366,554	55,652,132	52,872,362
Interest rate swap liability	5,406,979	6,185,307	5,995,641	5,784,197
Other liabilities				
Deferred income taxes	16,053,883	15,367,313	14,984,372	15,418,425
Other deferred credits	747,405	727,977	755,738	773,402
Total other liabilities	16,801,287	16,095,290	15,740,110	16,191,827
Current liabilities				
Accounts payable and accruals	3,279,498	3,964,531	3,901,577	3,811,825
Deferred income tax	151,693	151,693	151,693	110,913
Line of credit	-	-	-	1,500,000
Current portion of long-term debt	5,215,768	5,215,768	5,215,768	4,228,211
Total current liabilities	8,646,959	9,331,992	9,269,037	9,650,948
TOTAL LIABILITIES & STOCKHOLDERS EQUITY	$ 121,995,356	$ 123,949,813	$ 124,248,442	$ 122,100,481

Alaska Power & Telephone Company
Consolidated Income Statements
For the Quarters Ending
(unaudited)

	6/30/15	3/31/15	12/31/14	9/30/14
REVENUE				
Electric	$ 4,591,397	$ 4,999,704	$ 4,972,493	$ 4,931,753
Telecommunications	3,717,877	3,535,284	3,757,145	3,816,320
Other Nonregulated	2,541,864	1,959,704	3,124,418	2,203,707
	10,851,138	10,494,692	11,854,056	10,951,781
EXPENSES				
Electric	2,810,905	2,679,980	3,128,158	3,092,356
Telecommunications	2,568,815	2,297,006	2,405,688	2,596,473
Other Nonregulated	1,597,429	1,166,363	2,197,095	863,668
Operations and maintenance expense	6,977,149	6,143,348	7,730,942	6,552,497
Depreciation and amortization expense	2,180,928	2,273,491	2,198,154	2,315,118
	9,158,077	8,416,839	9,929,096	8,867,615
Income from operations	1,693,061	2,077,853	1,924,961	2,084,165
OTHER INCOME (EXPENSE)				
Gain / (Loss) on investments	120,649	127,430	131,116	131,116
Miscellaneous	(77,253)	12,210	26,338	28,360
Total other income	43,395	139,640	157,454	159,476
Interest income	1,019	749	2,025	788
Interest expense	(1,155,172)	(1,114,179)	(1,016,036)	(1,012,660)
Net interest expense	(1,154,153)	(1,113,430)	(1,014,011)	(1,011,872)
Income before Tax	582,303	1,104,063	1,068,404	1,231,769
Provision for income taxes	378,352	458,049	370,378	365,588
NET INCOME	**$ 203,951**	**$ 646,014**	**$ 698,026**	**$ 866,181**

Alaska Power & Telephone Co.

Statement of Stockholders' Equity

(unaudited)

	Common Stock ($1 par value)	Additional Paid-In Capital	Retained Earnings	Other Comprehensive Loss	Total
Balance at December 31, 2013	$ 1,341,064	$ 5,159,738	$ 33,443,955	$ (3,764,182)	$ 36,180,575
Net Income			2,781,370		2,781,370
Sale of Common Stock	22,099	599,095			621,194
Repurchase of Common Stock	(55,498)	(1,504,536)			(1,560,034)
Fair value adjustment to interest rate swap, net of tax	-			142,815	142,815
Dividends			(574,399)		(574,399)
Other					-
Balance at December 31, 2014	$ 1,307,665	$ 4,254,297	$ 35,650,926	$ (3,621,367)	$ 37,591,521
Net Income			849,966		849,966
Sale of Common Stock	9,368	270,724			280,092
Repurchase of Common Stock	(19,696)	(569,224)			(588,921)
Fair value adjustment to interest rate swap, net of tax	-			355,552	355,552
Dividends			(431,529)		(431,529)
Other			2,587		2,587
Balance at June 30, 2015 (unaudited)	$ 1,297,336	$ 3,955,797	$ 36,071,950	$ (3,265,815)	$ 38,059,268

Alaska Power & Telephone Co.

Statement of Cash Flows
For the Quarters Ending
(unaudited)

	6/30/2015	3/31/2015	12/31/2014	9/30/2014
OPERATING ACTIVITIES				
Net income	$ 203,951	$ 646,014	$ 698,026	$ 866,181
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation & amortization	2,613,975	2,706,538	2,767,050	2,884,014
(Gains)/Losses and earnings from investments	-	-	-	-
Deferred income tax provision	378,352	458,049	(349,963)	356,811
Equity in earnings of investees	(21,983)	(31,858)	(32,773)	(32,773)
Accretion of rate stabilization asset	51,037	119,913	27,622	20,919
Changes in operating activities:				
Receivables	(636,482)	474,679	(961,609)	(506,688)
Payables	(817,824)	62,954	91,493	942,734
Income taxes recoverable	-	-	1,098,580	(665,168)
Other assets and liabilities	597,296	(92,938)	629,955	(300,583)
Net Cash Provided by Operating Activities	2,368,322	4,343,352	3,968,381	3,565,447
INVESTING ACTIVITIES				
Acquisition of utility plant	(3,488,063)	(1,148,254)	(2,936,358)	(3,708,604)
Changes in other assets & investments	546,639	(54,624)	(549,552)	67,190
Proceeds from / (purchases) of available for sale securities	-	-	-	210,000
Net Cash Used in Investing Activities	(2,941,423)	(1,202,878)	(3,485,910)	(3,431,414)
FINANCING ACTIVITIES				
Proceeds from long-term debt	-	-	5,018,265	1,223,400
Payments on long-term debt	(1,285,691)	(1,285,578)	(1,250,938)	(1,168,451)
Proceeds from grant funding	-	-	-	-
Grant funding unrecovered	-	-	-	-
Proceeds (uses) of special funds restricted	-	-	-	-
Payments of dividends	(143,843)	(152,307)	(137,119)	(145,951)
Net proceeds (uses) from common stock transactions	(308,828)	-	(444,562)	93,932
Net Cash Provided (Used) by Financing Activities	(1,738,363)	(1,437,886)	1,685,646	1,502,929
Increase (decrease) in cash	(2,311,464)	1,702,588	2,168,117	1,636,963
Cash at beginning of year	7,053,096	5,350,507	3,182,391	1,545,428
Cash at end of period	$ 4,741,632	$ 7,053,096	$ 5,350,507	$ 3,182,391