Alaska Power & Telephone Co.

Consolidated Balance Sheet

(unaudited)

ASSETS

	9/30/2015	6/30/2015	3/31/2015	12/31/2014
Property plant and equipment				
Electric	$ 103,870,215	$ 103,806,904	$ 104,798,116	$ 105,363,564
Telecommunications	58,989,188	58,985,652	61,654,555	61,669,288
Non-utility	24,167,963	24,167,941	20,061,537	20,061,537
	187,027,366	186,960,497	186,514,208	187,094,389
Less: accumulated depreciation	(112,516,971)	(110,621,792)	(108,855,159)	(107,043,159)
	74,510,395	76,338,704	77,659,049	80,051,230
Utility plant under construction	12,583,613	7,964,220	5,336,741	4,069,797
Net property, plant and equipment	87,094,008	84,302,925	82,995,790	84,121,027
Other assets				
Investments	10,854,459.55	10,826,052	10,804,069	10,772,212
Goodwill, net of amortization	5,629,617.29	6,062,664	6,495,711	6,928,758
Rate stabilization asset	4,845,561.13	4,907,537	4,958,574	5,078,487
Other assets	1,466,787.50	1,505,731	2,052,370	1,997,746
Total other assets	22,796,425	23,301,985	24,310,725	24,777,203
Current assets				
Cash	4,156,791	4,741,632	7,053,096	5,350,507
Receivables, less allowance	6,591,572	7,115,773	6,479,291	6,953,970
Securities available for sale	2,798	2,798	2,798	2,798
Inventory and other current assets	2,289,043	2,523,707	3,101,576	3,036,399
Deferred income taxes	6,538	6,538	6,538	6,538
Income Taxes Recoverable	617,969	-	-	-
Total current assets	13,664,711	14,390,447	16,643,298	15,350,212
TOTAL ASSETS	$ 123,555,145	$ 121,995,356	$ 123,949,813	$ 124,248,442

LIABILITIES AND STOCKHOLDERS' EQUITY

Stockholders' equity				
Common stock	$ 1,295,211	$ 1,297,336	$ 1,307,665	$ 1,307,665
Additional paid-in capital	3,891,393	3,955,797	4,254,297	4,254,297
Retained earnings	37,141,642	36,071,950	36,144,634	35,650,927
Other comprehensive income	(3,306,007)	(3,265,815)	(3,735,925)	(3,621,367)
Total stockholders' equity	39,022,239	38,059,268	37,970,670	37,591,521
Long-term debt				
CoBank debt	35,043,532	35,918,148	36,776,351	37,618,449
Goat Lake Hydro, Inc. note payable	9,533,333	9,750,000	9,966,667	10,183,333
Other term debt	7,180,310	7,412,714	7,623,536	7,850,350
Total long-term debt	51,757,175	53,080,863	54,366,554	55,652,132
Interest rate swap liability	5,473,522	5,406,979	6,185,307	5,995,641
Other liabilities				
Deferred income taxes	16,555,906	16,053,883	15,367,313	14,984,372
Other deferred credits	763,748	747,405	727,977	755,738
Total other liabilities	17,319,653	16,801,287	16,095,290	15,740,110
Current liabilities				
Accounts payable and accruals	3,615,095	3,279,498	3,964,531	3,901,577
Deferred income tax	151,693	151,693	151,693	151,693
Line of credit	1,000,000	-	-	-
Current portion of long-term debt	5,215,768	5,215,768	5,215,768	5,215,768
Total current liabilities	9,982,555	8,646,959	9,331,992	9,269,037
TOTAL LIABILITIES & STOCKHOLDERS EQUITY	$ 123,555,145	$ 121,995,356	$ 123,949,813	$ 124,248,442

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

	9/30/15	6/30/15	3/31/15	12/31/14
REVENUE				
Electric	$ 5,226,074	$ 4,591,397	$ 4,999,704	$ 4,972,493
Telecommunications	3,988,008	3,717,877	3,535,284	3,757,145
Other Nonregulated	2,505,586	2,541,864	1,959,704	3,124,418
	11,719,668	10,851,138	10,494,692	11,854,056
EXPENSES				
Electric	2,885,008	2,810,905	2,679,980	3,128,158
Telecommunications	2,654,492	2,568,815	2,297,006	2,405,688
Other Nonregulated	1,091,192	1,597,429	1,166,363	2,197,095
Operations and maintenance expense	6,630,692	6,977,149	6,143,348	7,730,942
Depreciation and amortization expense	2,327,247	2,180,928	2,273,491	2,198,154
	8,957,938	9,158,077	8,416,839	9,929,096
Income from operations	2,761,730	1,693,061	2,077,853	1,924,961
OTHER INCOME (EXPENSE)				
Gain / (Loss) on investments	128,797	120,649	127,430	131,116
Miscellaneous	23,578	(77,253)	12,210	26,338
Total other income	152,376	43,395	139,640	157,454
Interest income	711	1,019	749	2,025
Interest expense	(1,054,259)	(1,155,172)	(1,114,179)	(1,016,036)
Net interest expense	(1,053,548)	(1,154,153)	(1,113,430)	(1,014,011)
Income before Tax	1,860,557	582,303	1,104,063	1,068,404
Provision for income taxes	528,374	378,352	458,049	370,378
NET INCOME	**$ 1,332,183**	**$ 203,951**	**$ 646,014**	**$ 698,026**

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			2,182,149		2,182,149
Sale of Common Stock	16,305	471,204			487,509
Repurchase of Common Stock	(28,758)	(834,108.42)			(862,867)
Fair value adjustment to interest rate swap, net of tax	-			315,360	315,360
Dividends			(564,321)		(564,321)
Other			(127,112)		(127,112)
Balance at September 30, 2015 (unaudited)	$ 1,295,211	$ 3,891,393	$ 37,141,642	$ (3,306,007)	$ 39,022,239

Alaska Power & Telephone Co.

Statement of Cash Flows

For the Quarters Ending

(unaudited)

	9/30/2015	6/30/2015	3/31/2015	12/31/2014
OPERATING ACTIVITIES				
Net income	$ 1,332,183	$ 203,951	$ 646,014	$ 698,026
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation & amortization	2,760,294	2,613,975	2,706,538	2,767,050
(Gains)/Losses and earnings from investments	-	-	-	-
Deferred income tax provision	528,374	378,352	458,049	(349,963)
Equity in earnings of investees	(28,407)	(21,983)	(31,858)	(32,773)
Accretion of rate stabilization asset	61,976	51,037	119,913	27,622
Changes in operating activities:				
Receivables	524,200	(636,482)	474,679	(961,609)
Payables	349,740	(817,824)	54,490	99,956
Income taxes recoverable	(617,969)	-	-	1,098,580
Other assets and liabilities	251,007	597,296	(92,938)	629,955
Net Cash Provided by Operating Activities	5,161,397	2,368,322	4,334,887	3,976,844
INVESTING ACTIVITIES				
Acquisition of utility plant	(5,118,330)	(3,488,063)	(1,148,254)	(2,936,358)
Changes in other assets & investments	38,943	546,639	(54,624)	(549,552)
Proceeds from / (purchases) of available for sale securities	-	-	-	-
Net Cash Used in Investing Activities	(5,079,386)	(2,941,423)	(1,202,878)	(3,485,910)
FINANCING ACTIVITIES				
Proceeds from long-term debt	-	-	-	5,018,265
Payments on long-term debt	(1,323,687)	(1,285,691)	(1,285,578)	(1,250,938)
Proceeds from grant funding	-	-	-	-
Grant funding unrecovered	-	-	-	-
Proceeds (uses) of special funds restricted	-	-	-	-
Payments of dividends	(276,635)	(143,843)	(143,843)	(145,583)
Net proceeds (uses) from common stock transactions	(66,529)	(308,828)	-	(444,562)
Net Cash Provided (Used) by Financing Activities	(666,852)	(1,738,363)	(1,429,421)	1,677,182
Increase (decrease) in cash	(584,841)	(2,311,464)	1,702,588	2,168,117
Cash at beginning of year	4,741,632	7,053,096	5,350,507	3,182,391
Cash at end of period	$ 4,156,791	$ 4,741,632	$ 7,053,096	$ 5,350,507