

Arkansas River Power Authority
Second Quarter Balance Sheet Comparison
As of June 30, 2015

| | <u>Jun 30, 15</u> | <u>Jun 30, 14</u> | <u>\$ Change</u> |
|-----------------------------------|-----------------------------|------------------------------|--------------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| Cash & Cash Equivalents | 2,928,573.75 | 2,225,630.28 | 702,943.47 |
| Restricted Funds | 16,655,347.85 | 16,502,615.50 | 152,732.35 |
| Total Checking/Savings | <u>19,583,921.60</u> | <u>18,728,245.78</u> | <u>855,675.82</u> |
| Accounts Receivable | | | |
| Accounts Receivable | 2,693,341.13 | 2,773,391.22 | (80,050.09) |
| Misc. A/R | 0.00 | 0.00 | 0.00 |
| Total Accounts Receivable | <u>2,693,341.13</u> | <u>2,773,391.22</u> | <u>(80,050.09)</u> |
| Other Current Assets | | | |
| Inventories | 0.00 | 253,125.98 | (253,125.98) |
| Prepaid Expenses | 104,895.09 | 1,000,897.17 | (896,002.08) |
| Total Other Current Assets | <u>104,895.09</u> | <u>1,254,023.15</u> | <u>(1,149,128.06)</u> |
| Total Current Assets | 22,382,157.82 | 22,755,660.15 | (373,502.33) |
| Fixed Assets | | | |
| Fixed Assets, Office | 1,050,759.66 | 1,050,759.66 | 0.00 |
| Fixed Assets, Plant | 7,636,257.02 | 173,090,958.33 | (165,454,701.31) |
| Fixed Assets, Total Accum Depre | (3,325,781.64) | (8,850,571.61) | 5,524,789.97 |
| Projects in Process | 0.00 | 2,686,708.87 | (2,686,708.87) |
| Total Fixed Assets | <u>5,361,235.04</u> | <u>167,977,855.25</u> | <u>(162,616,620.21)</u> |
| TOTAL ASSETS | <u><u>27,743,392.86</u></u> | <u><u>190,733,515.40</u></u> | <u><u>(162,990,122.54)</u></u> |

Arkansas River Power Authority
Second Quarter Balance Sheet Comparison
As of June 30, 2015

| | <u>Jun 30, 15</u> | <u>Jun 30, 14</u> | <u>\$ Change</u> |
|--|-----------------------------|------------------------------|--------------------------------|
| LIABILITIES & EQUITY | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | | |
| Monthly Accounts Payable | 1,501,293.02 | 1,159,982.47 | 341,310.55 |
| Total Accounts Payable | <u>1,501,293.02</u> | <u>1,159,982.47</u> | <u>341,310.55</u> |
| Other Current Liabilities | | | |
| | | | 0.00 |
| Accrued O & M Costs | 103,372.40 | 31,642.39 | 71,730.01 |
| Accrued Vacation & Sick | 41,325.39 | 39,050.66 | 2,274.73 |
| Bond Interest | 1,974,836.20 | 2,038,018.22 | (63,182.02) |
| Bond Principle - S/T debt | 1,220,000.00 | 784,533.97 | 435,466.03 |
| Bonds, Accrued Bond Principle | 2,860,000.00 | 2,977,965.00 | (117,965.00) |
| LUB Disputed Costs | (319,817.14) | 0.00 | (319,817.14) |
| Overhaul Reserve | 0.00 | 400,000.00 | (400,000.00) |
| Payroll Liabilities | 6,833.72 | 6,382.05 | 451.67 |
| Premium Paid on Bonds | 6,461,747.77 | 6,716,605.45 | (254,857.68) |
| Retainage Payable | 573,845.49 | 573,845.49 | 0.00 |
| Total Other Current Liabilities | <u>12,922,143.83</u> | <u>13,568,043.23</u> | <u>(645,899.40)</u> |
| Total Current Liabilities | 14,423,436.85 | 14,728,025.70 | (304,588.85) |
| Long Term Liabilities | | | |
| 2003 Bond Issue-L/T Debt | 1,515,004.01 | 1,710,000.01 | (194,996.00) |
| 2006 Bond Issue-L/T Debt | 77,688,000.00 | 79,265,000.00 | (1,577,000.00) |
| 2007 Bond Issue-L/T Debt | 28,575,000.00 | 28,575,000.00 | 0.00 |
| 2008 Bond Issue-L/T Debt | 21,750,000.00 | 22,055,000.00 | (305,000.00) |
| 2010 Bond Issue-L/T Debt | 16,124,995.99 | 16,337,498.01 | (212,502.02) |
| Total Long Term Liabilities | <u>145,653,000.00</u> | <u>147,942,498.02</u> | <u>(2,289,498.02)</u> |
| Total Liabilities | <u>160,076,436.85</u> | <u>162,670,523.72</u> | <u>(2,594,086.87)</u> |
| Equity | | | |
| Member Contributions | 1,070,000.00 | 1,070,000.00 | 0.00 |
| Net Position, Beginning of Year | (133,971,422.69) | 26,810,807.89 | (160,782,230.58) |
| YTD Net Revenue/ (Loss) | 568,378.70 | 182,183.79 | 386,194.91 |
| Net Position | <u>(132,333,043.99)</u> | <u>28,062,991.68</u> | <u>(160,396,035.67)</u> |
| TOTAL LIABILITIES & EQUITY | <u><u>27,743,392.86</u></u> | <u><u>190,733,515.40</u></u> | <u><u>(162,990,122.54)</u></u> |

Arkansas River Power Authority
Income Statement Comparison
Second Quarter

| | <u>Apr - Jun 15</u> | <u>Apr - Jun 14</u> | <u>\$ Change</u> | <u>% Change</u> |
|--|--------------------------|--------------------------|---------------------------|-----------------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Amort of Bond Premiums | 64,107.63 | 64,107.63 | 0.00 | 0.0% |
| Interest Income | 5,975.21 | 9,959.61 | -3,984.40 | -40.01% |
| Miscellaneous Income | 494.67 | 575.40 | -80.73 | -14.03% |
| Power Sales | <u>6,731,606.39</u> | <u>6,929,013.14</u> | <u>-197,406.75</u> | <u>-2.85%</u> |
| Total Income | 6,802,183.90 | 7,003,655.78 | -201,471.88 | -2.88% |
| Cost of Goods Sold | | | | |
| 1 Lamar Light & Power | 325,744.66 | 548,580.01 | -222,835.35 | -40.62% |
| 3 O & M Expense | 1,127.85 | 1,452.56 | -324.71 | -22.35% |
| 4 Members Fuel Expense | 3,974.00 | 1,625.23 | 2,348.77 | 144.52% |
| 5 WAPA/Loveland | 881,410.12 | 885,774.73 | -4,364.61 | -0.49% |
| 6 WAPA/Salt Lake | 51,324.15 | 51,971.57 | -647.42 | -1.25% |
| 7 ARPA Wind | 20,966.94 | 21,941.17 | -974.23 | -4.44% |
| 8 Lamar Wind | 161,507.16 | 161,236.64 | 270.52 | 0.17% |
| 9 Purchase Power | 1,809,979.93 | 1,808,207.49 | 1,772.44 | 0.1% |
| 9.1 Scheduling Service | 0.00 | 57,000.00 | -57,000.00 | -100.0% |
| 9.2 Operating Reserve | 0.00 | 30,385.64 | -30,385.64 | -100.0% |
| 9.3 Transmission Expense | <u>664,206.57</u> | <u>565,680.79</u> | <u>98,525.78</u> | <u>17.42%</u> |
| Total COGS | <u>3,920,241.38</u> | <u>4,133,855.83</u> | <u>-213,614.45</u> | <u>-5.17%</u> |
| Gross Profit | 2,881,942.52 | 2,869,799.95 | 12,142.57 | 0.42% |
| Expense | | | | |
| Discount Expense | 393.21 | 393.21 | 0.00 | 0.0% |
| Employee Expenses | 81,916.31 | 83,796.64 | -1,880.33 | -2.24% |
| Insurance Expense | 11,601.99 | 13,340.43 | -1,738.44 | -13.03% |
| Interest Expense - Bonds | 2,010,069.00 | 2,041,752.00 | -31,683.00 | -1.55% |
| Lease Exp - LRP City Land | 0.00 | 0.00 | 0.00 | 0.0% |
| Lease Exp - Willow Creek Line | 0.00 | 0.00 | 0.00 | 0.0% |
| Members Services | 1,588.87 | 3,000.00 | -1,411.13 | -47.04% |
| Misc. Dues & General Expense | 10,049.85 | 9,101.88 | 947.97 | 10.42% |
| Office Expenses | 7,606.69 | 7,240.42 | 366.27 | 5.06% |
| Professional & Outside Services | 422,130.41 | 133,678.60 | 288,451.81 | 215.78% |
| Travel Expense | <u>6,000.53</u> | <u>7,243.96</u> | <u>-1,243.43</u> | <u>-17.17%</u> |
| Total A & G Expense | <u>2,551,356.86</u> | <u>2,299,547.14</u> | <u>251,809.72</u> | <u>10.95%</u> |
| Net Ordinary Income | <u>330,585.66</u> | <u>570,252.81</u> | <u>-239,667.15</u> | <u>-42.03%</u> |
| Net Operating Income | <u>330,585.66</u> | <u>570,252.81</u> | <u>-239,667.15</u> | <u>-42.03%</u> |
| Debt Service Adder | 638,623.47 | 639,382.22 | -758.75 | -0.12% |
| 1 Return of Reserves | <u>638,623.47</u> | <u>639,382.22</u> | <u>-758.75</u> | <u>-0.12%</u> |
| Net Income Before Depreciation | <u>330,585.66</u> | <u>570,252.81</u> | <u>-239,667.15</u> | <u>-42.03%</u> |
| Depreciation Expense | <u>66,492.99</u> | <u>216,930.66</u> | <u>-150,437.67</u> | <u>-69.35%</u> |
| Net Income After Depreciation | <u>264,092.67</u> | <u>353,322.15</u> | <u>149,678.92</u> | <u>69.23%</u> |