Alaska Power & Telephone Co.

Consolidated Balance Sheet

(unaudited)

ASSETS

	3/31/2016	12/31/2015	9/30/2015	6/30/2015
Property plant and equipment				
Electric	$ 106,783,742	$ 106,871,358	$ 103,870,215	$ 103,806,904
Telecommunications	59,748,415	59,757,077	58,989,188	58,985,652
Non-utility	24,904,236	24,966,259	24,167,963	24,167,941
	191,436,393	191,594,694	187,027,366	186,960,497
Less: accumulated depreciation	(114,905,254)	(113,093,108)	(112,516,971)	(110,621,792)
	76,531,140	78,501,587	74,510,395	76,338,704
Utility plant under construction	12,685,160	9,289,711	12,583,613	7,964,220
Net property, plant and equipment	89,216,300	87,791,297	87,094,008	84,302,925
Other assets				
Investments	10,841,935.12	10,909,307	10,854,459.55	10,826,052
Goodwill, net of amortization	4,763,523.29	5,196,570	5,629,617.29	6,062,664
Rate stabilization asset	4,973,276.22	5,104,894	4,845,561.13	4,907,537
Other assets	1,339,635.14	1,476,391	1,466,787.50	1,505,731
Total other assets	21,918,370	22,687,162	22,796,425	23,301,985
Current assets				
Cash	1,378,039	2,189,047	4,156,791	4,741,632
Receivables, less allowance	5,113,542	6,177,679	6,591,572	7,115,773
Securities available for sale	2,798	2,798	2,798	2,798
Inventory and other current assets	2,782,381	2,990,678	2,295,581	2,530,245
Income Taxes Recoverable	-	-	617,969	-
Total current assets	9,276,760	11,360,202	13,664,711	14,390,447
TOTAL ASSETS	$ 120,411,430	$ 121,838,661	$ 123,555,145	$ 121,995,356

LIABILITIES AND STOCKHOLDERS' EQUITY

Stockholders' equity				
Common stock	$ 1,300,395	$ 1,300,395	$ 1,295,211	$ 1,297,336
Additional paid-in capital	4,041,213	4,041,213	3,891,393	3,955,797
Retained earnings	38,585,908	37,978,983	37,141,642	36,071,950
Other comprehensive income	(3,355,674)	(3,029,376)	(3,306,007)	(3,265,815)
Total stockholders' equity	40,571,842	40,291,215	39,022,239	38,059,268
Long-term debt				
CoBank debt	32,970,926	33,879,316	35,043,532	35,918,148
Goat Lake Hydro, Inc. note payable	9,100,000	9,316,667	9,533,333	9,750,000
Other term debt	6,731,653	6,963,322	7,180,310	7,412,714
Total long-term debt	48,802,579	50,159,305	51,757,175	53,080,863
Interest rate swap liability	5,555,752	5,015,524	5,473,522	5,406,979
Other liabilities				
Deferred income taxes	15,501,620	15,212,125	16,555,906	16,053,883
Other deferred credits	707,430	775,727	763,748	747,405
Total other liabilities	16,209,051	15,987,853	17,319,653	16,801,287
Current liabilities				
Accounts payable and accruals	3,300,918	4,654,443	3,615,095	3,279,498
Deferred income tax	237,875	237,875	151,693	151,693
Line of credit	240,967	-	1,000,000	-
Current portion of long-term debt	5,492,447	5,492,447	5,215,768	5,215,768
Total current liabilities	9,272,207	10,384,765	9,982,555	8,646,959
TOTAL LIABILITIES & STOCKHOLDERS EQUITY	$ 120,411,430	$ 121,838,661	$ 123,555,145	$ 121,995,356

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

	3/31/16	12/31/15	9/30/15	6/30/15
REVENUE				
Electric	$ 4,596,267	$ 4,510,275	$ 5,111,301	$ 4,711,525
Telecommunications	3,601,407	3,813,928	3,988,008	3,719,183
Other Nonregulated	2,381,757	2,702,249	2,505,544	2,541,908
	10,579,430	11,026,452	11,604,853	10,972,616
EXPENSES				
Electric	2,533,495	2,935,699	2,781,722	2,925,192
Telecommunications	2,534,523	3,071,027	2,654,492	2,570,121
Other Nonregulated	1,058,179	1,238,337	1,115,752	1,783,988
Operations and maintenance expense	6,126,197	7,245,063	6,551,966	7,279,301
Depreciation and amortization expense	2,298,827	1,881,520	2,259,754	2,229,001
	8,425,024	9,126,584	8,811,720	9,508,301
Income from operations	2,154,406	1,899,869	2,793,133	1,464,315
OTHER INCOME (EXPENSE)				
Gain / (Loss) on investments	128,607	165,425	128,797	120,649
Miscellaneous	30,873	(308,922)	35,065	(83,095)
Total other income	159,481	(143,497)	163,863	37,554
Interest income	590	1,212	711	1,029
Interest expense	(927,141)	(484,918)	(1,121,752)	(1,107,099)
Net interest expense	(926,551)	(483,707)	(1,121,040)	(1,106,071)
Income before Tax	1,387,335	1,272,665	1,835,955	395,798
Provision for income taxes	503,425	159,424	539,537	367,189
NET INCOME	**$ 883,910**	**$ 1,113,242**	**$ 1,296,418**	**$ 28,609**

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, 2014	$ 1,307,665	$ 4,254,297	$ 35,650,926	$ (3,621,367)	$ 37,591,521
Net Income			3,295,391		3,295,391
Sale of Common Stock	30,889	892,687			923,576
Repurchase of Common Stock	(38,159)	(1,105,771)			(1,143,930)
Fair value adjustment to interest rate swap, net of tax	-			591,991	591,991
Dividends			(967,332)		(967,332)
Other					-
Balance at December 31, 2015	$ 1,300,395	$ 4,041,213	$ 37,978,985	$ (3,029,376)	$ 40,291,217
Net Income			883,910		883,910
Sale of Common Stock	-	-			-
Repurchase of Common Stock	-	-			-
Fair value adjustment to interest rate swap, net of tax	-			(326,298)	(326,298)
Dividends			(276,987)		(276,987)
Other					-
Balance at March 31, 2016 (unaudited)	$ 1,300,395	$ 4,041,213	$ 38,585,908	$ (3,355,674)	$ 40,571,842

Alaska Power & Telephone Co.

Statement of Cash Flows

For the Quarters Ending

(unaudited)

	3/31/2016	12/31/2015	9/30/2015	6/30/2015
OPERATING ACTIVITIES				
Net income	$ 883,910	$ 1,113,242	$ 1,296,418	$ 28,609
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation & amortization	2,731,874	2,314,567	2,692,801	2,662,048
(Gains)/Losses and earnings from investments	-	-	-	-
Deferred income tax provision	503,425	(1,525,147)	528,374	378,352
Equity in earnings of investees	67,372	(54,848)	(28,407)	(21,983)
Accretion of rate stabilization asset	131,618	(259,333)	61,976	51,037
Changes in operating activities:				
Receivables	1,064,137	413,893	524,200	(636,482)
Payables	(1,353,523)	1,038,681	385,505	(642,482)
Income taxes recoverable	-	704,151	(617,969)	-
Other assets and liabilities	139,999	(683,117)	251,007	597,296
Net Cash Provided by Operating Activities	4,168,813	3,062,089	5,093,905	2,416,395
INVESTING ACTIVITIES				
Acquisition of utility plant	(3,723,830)	(2,578,810)	(5,050,837)	(3,536,135)
Changes in other assets & investments	136,756	(9,603)	38,943	546,639
Proceeds from / (purchases) of available for sale securities	-	-	-	-
Changes in investments	-	-	-	-
Net Cash Used in Investing Activities	(3,587,074)	(2,588,413)	(5,011,894)	(2,989,496)
FINANCING ACTIVITIES				
Proceeds (payments) of short-term debt	240,967	(1,000,000)	1,000,000	-
Proceeds from long-term debt	-	-	-	-
Payments on long-term debt	(1,356,726)	(1,321,192)	(1,323,687)	(1,285,691)
Payments of dividends	(276,987)	(275,232)	(276,635)	(143,843)
Net proceeds (uses) from common stock transactions	-	155,004	(66,529)	(308,828)
Net Cash Provided (Used) by Financing Activities	(1,392,747)	(2,441,420)	(666,852)	(1,738,363)
Increase (decrease) in cash	(811,008)	(1,967,744)	(584,841)	(2,311,464)
Cash at beginning of year	2,189,047	4,156,791	4,741,632	7,053,096
Cash at end of period	$ 1,378,039	$ 2,189,047	$ 4,156,791	$ 4,741,632