

Alaska Power & Telephone Company
Consolidated Balance Sheet
(unaudited)

ASSETS

	<u>6/30/2019</u>	<u>3/31/2019</u>	<u>12/31/2018</u>	<u>9/30/2018</u>
Property plant and equipment				
Electric	\$ 116,085,145	\$ 115,641,230	\$ 115,594,129	\$ 113,435,512
Telecommunications	69,367,873	69,349,784	69,383,567	66,044,850
Non-utility	42,214,230	42,200,819	42,201,643	41,033,135
	227,667,248	227,191,833	227,179,339	220,513,497
Less: accumulated depreciation	(138,143,007)	(136,109,619)	(133,835,966)	(132,870,072)
	89,524,241	91,082,215	93,343,373	87,643,425
Utility plant under construction	7,533,975	4,610,062	3,359,548	9,723,442
Net property, plant and equipment	97,058,216	95,692,277	96,702,921	97,366,867
Other assets				
Investments	5,767,336	5,767,336	5,912,451	6,000,112
Goodwill, net of amortization	-	-	-	433,053
Rate stabilization asset	4,982,862	4,987,863	4,992,864	4,830,401
Other assets	972,095	1,452,049	1,503,529	1,182,092
Total other assets	11,722,293	12,207,249	12,408,844	12,445,658
Current assets				
Cash	3,389,987	4,869,556	2,535,518	2,457,051
Receivables, less allowance	7,536,361	6,359,819	7,382,887	9,135,901
Securities available for sale	2,849	2,849	2,849	2,849
Inventory and other current assets	3,226,342	3,123,264	3,552,258	2,646,217
Income Taxes Recoverable	1,247,104	2,022,225	2,022,225	-
Total current assets	15,402,643	16,377,713	15,495,737	14,242,018
TOTAL ASSETS	\$ 124,183,152	\$ 124,277,239	\$ 124,607,502	\$ 124,054,543

LIABILITIES AND STOCKHOLDERS' EQUITY

Stockholders' equity				
Common stock	\$ 1,284,105	\$ 1,282,159	\$ 1,282,159	\$ 1,282,315
Additional paid-in capital	3,243,789	3,125,479	3,125,479	3,134,153
Retained earnings	51,917,305	50,459,395	48,966,438	49,019,119
Other comprehensive income / (loss)	(1,221,182)	(1,083,614)	(1,063,430)	(974,019)
Total stockholders' equity	55,224,017	53,783,419	52,310,646	52,461,568
Long-term debt				
CoBank debt	18,191,950	19,661,018	20,801,273	22,262,653
Goat Lake Hydro, Inc. note payable	6,129,145	6,500,000	6,716,667	6,933,333
Other term debt	13,225,560	13,814,597	14,106,370	14,381,183
Total long-term debt	37,546,655	39,975,615	41,624,310	43,577,170
Interest rate swap liability	1,673,978	1,483,678	1,471,060	1,336,439
Other liabilities				
Deferred income taxes	14,487,779	14,540,511	14,532,945	14,220,892
Other deferred credits	2,665,399	2,964,175	2,802,648	2,715,055
Total other liabilities	17,153,177	17,504,685	17,335,592	16,935,947
Current liabilities				
Accounts payable and accruals	5,785,687	4,730,204	5,066,257	3,290,889
Line of credit	-	-	-	-
Current portion of long-term debt	6,799,637	6,799,637	6,799,637	6,452,530
Total current liabilities	12,585,324	11,529,841	11,865,895	9,743,419
TOTAL LIABILITIES & STOCKHOLDERS EQUITY	\$ 124,183,152	\$ 124,277,239	\$ 124,607,502	\$ 124,054,543

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

	<u>6/30/2019</u>	<u>3/31/2019</u>	<u>12/31/2018</u>	<u>9/30/2018</u>
REVENUE				
Electric	\$ 4,552,470	\$ 5,471,646	\$ 5,198,373	\$ 5,249,490
Telecommunications	4,450,155	4,374,432	3,900,231	4,274,540
Other Nonregulated	5,569,122	4,665,788	3,637,284	5,626,825
	<u>14,571,747</u>	<u>14,511,866</u>	<u>12,735,887</u>	<u>15,150,855</u>
EXPENSES				
Electric	3,259,476	3,278,720	3,302,267	3,215,917
Telecommunications	2,611,330	2,710,501	2,750,206	2,721,496
Other Nonregulated	3,347,787	2,830,061	3,138,116	3,451,002
Operations and maintenance expense	<u>9,218,593</u>	<u>8,819,283</u>	<u>9,190,590</u>	<u>9,388,416</u>
Depreciation and amortization expense	<u>2,030,345</u>	<u>2,307,950</u>	<u>2,408,871</u>	<u>2,415,664</u>
	<u>11,248,938</u>	<u>11,127,233</u>	<u>11,599,461</u>	<u>11,804,080</u>
Income from operations	3,322,809	3,384,633	1,136,426	3,346,775
OTHER INCOME (EXPENSE)				
Gain / (Loss) on investments	108,840	110,073	71,269	224,747
Extraordinary Gain / (Loss)	-	-	-	-
Miscellaneous	54,045	51,701	(40,503)	51,202
Total other income	<u>162,885</u>	<u>161,774</u>	<u>30,766</u>	<u>275,949</u>
Interest income	20,374	7,559	12,392	8,278
Interest expense	(722,713)	(722,793)	(775,683)	(822,608)
Net interest expense	<u>(702,339)</u>	<u>(715,234)</u>	<u>(763,291)</u>	<u>(814,330)</u>
Income before Tax	2,783,354	2,831,172	403,901	2,808,394
Provision for income taxes	<u>709,075</u>	<u>722,779</u>	<u>(158,854)</u>	<u>715,120</u>
NET INCOME	<u><u>\$ 2,074,280</u></u>	<u><u>\$ 2,108,394</u></u>	<u><u>\$ 562,755</u></u>	<u><u>\$ 2,093,274</u></u>

Alaska Power & Telephone Company
Statement of Stockholders' Equity
(unaudited)

	<u>Common Stock</u> (\$1 par value)	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Other Comprehensive Loss</u>	<u>Total</u>
Balance at December 31, 2017	\$ 1,291,276	\$ 3,636,503	\$ 44,909,946	\$ (1,813,004)	\$ 48,024,721
Net Income			6,451,880		6,451,880
Sale of Common Stock	17,370	968,015			985,385
Repurchase of Common Stock	(26,487)	(1,479,039)			(1,505,526)
Fair value adjustment to interest rate swap, net of tax	-			749,574	749,574
Dividends			(2,395,394)		(2,395,394)
Other					-
Balance at December 31, 2018	\$ 1,282,159	\$ 3,125,479	\$ 48,966,432	\$ (1,063,430)	\$ 52,310,640
Net Income			4,182,673		4,182,673
Sale of Common Stock	13,164	800,393			813,557
Repurchase of Common Stock	(11,218)	(682,083)			(693,301)
Fair value adjustment to interest rate swap, net of tax	-			(157,752)	(157,752)
Dividends			(1,231,801)		(1,231,801)
Other					-
Balance at June 30, 2019 (unaudited)	<u>\$ 1,284,105</u>	<u>\$ 3,243,789</u>	<u>\$ 51,917,305</u>	<u>\$ (1,221,182)</u>	<u>\$ 55,224,017</u>

Alaska Power & Telephone Company

Statement of Cash Flows

For the Quarters Ending

(unaudited)

	<u>6/30/2019</u>	<u>3/31/2019</u>	<u>12/31/2018</u>	<u>9/30/2018</u>
OPERATING ACTIVITIES				
Net income	\$ 2,074,280	\$ 2,108,394	\$ 562,755	\$ 2,093,274
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation & amortization	2,030,345	2,307,950	2,841,924	2,848,711
Asset impairment	-	-	-	-
Loss on abandoned project	-	-	-	-
Equity in earnings of investees	-	145,115	87,661	(105,005)
Deferred income tax provision	-	-	357,263	-
Accretion of rate stabilization asset	5,001	5,001	(162,464)	58,750
Changes in operating activities:				
Receivables	(1,176,542)	1,023,068	1,753,014	(2,085,613)
Payables	1,054,550	(336,053)	1,775,443	(373,784)
Income taxes recoverable	775,121	-	(2,022,225)	-
Other assets and liabilities	(401,854)	590,521	(818,449)	1,260,252
Net Cash Provided by Operating Activities	<u>4,360,900</u>	<u>5,843,996</u>	<u>4,374,923</u>	<u>3,696,585</u>
INVESTING ACTIVITIES				
Acquisition of utility plant	(3,396,284)	(1,297,306)	(1,744,925)	(3,699,786)
Changes in other assets & investments	479,904	51,479	(321,437)	(11,769)
Net Cash Used in Investing Activities	<u>(2,916,329)</u>	<u>(1,245,827)</u>	<u>(2,066,362)</u>	<u>(3,711,555)</u>
FINANCING ACTIVITIES				
Proceeds (payments) of short-term debt	-	-	-	-
Proceeds from long-term debt	-	-	-	-
Payments on long-term debt	(2,428,960)	(1,648,694)	(1,605,754)	(1,010,817)
Payments of dividends	(615,436)	(615,436)	(615,511)	(622,278)
Net proceeds (uses) from common stock transactions	120,257	-	(8,830)	(782,672)
Net Cash Provided (Used) by Financing Activities	<u>(2,924,140)</u>	<u>(2,264,131)</u>	<u>(2,230,094)</u>	<u>(2,415,767)</u>
Increase (decrease) in cash	<u>(1,479,569)</u>	<u>2,334,039</u>	<u>78,466</u>	<u>(2,430,737)</u>
Cash at beginning of year	<u>4,869,556</u>	<u>2,535,518</u>	<u>2,457,051</u>	<u>4,887,789</u>
Cash at end of period	<u>\$ 3,389,987</u>	<u>\$ 4,869,556</u>	<u>\$ 2,535,518</u>	<u>\$ 2,457,051</u>