

Alaska Power & Telephone Co.
Consolidated Balance Sheet
(unaudited)

ASSETS

	<u>3/31/2012</u>	<u>12/31/2011</u>	<u>9/30/2011</u>	<u>6/30/2011</u>
Property plant and equipment				
Electric	\$ 95,749,206	\$ 96,296,214	\$ 94,573,785	\$ 94,543,708
Telecommunications	46,477,597	46,451,369	44,957,934	47,663,425
Non-utility	22,964,392	22,922,004	21,491,078	22,681,222
	165,191,195	165,669,587	161,022,798	164,888,354
Less: accumulated depreciation	(89,369,551)	(87,332,686)	(86,684,617)	(87,914,115)
	75,821,644	78,336,901	74,338,181	76,974,239
Utility plant under construction	5,837,510	5,001,802	8,697,899	8,412,514
Net property, plant and equipment	81,659,154	83,338,703	83,036,080	85,386,752
Other assets				
Investments	12,616,153	12,441,248	12,696,002	7,005,993
Goodwill, net of amortization	9,266,403	9,266,403	9,266,403	9,266,403
Rate stabilization asset	5,037,775	5,057,013	4,975,838	4,876,465
Special funds - restricted	2,053,006	2,053,682	2,063,043	2,081,358
Other assets	2,154,025	1,967,044	2,054,401	3,741,341
Total other assets	31,127,362	30,785,389	31,055,687	26,971,559
Current assets				
Cash	4,976,546	2,973,467	3,158,054	3,457,089
Receivables, less allowance	5,166,542	5,816,039	5,009,529	6,238,906
Securities available for sale	212,914	212,914	210,151	366,932
Inventory and other current assets	3,171,637	2,954,577	2,965,458	3,127,831
Income Taxes Recoverable	1,087,662	1,087,662	797,402	736,293
Total current assets	14,615,301	13,044,659	12,140,593	13,927,051
TOTAL ASSETS	\$ 127,401,817	\$ 127,168,751	\$ 126,232,360	\$ 126,285,363

LIABILITIES AND STOCKHOLDERS' EQUITY

Stockholders' equity				
Common stock	\$ 1,494,382	\$ 1,497,207	\$ 1,490,851	\$ 1,487,582
Additional paid-in capital	8,253,240	8,303,139	8,191,421	8,133,967
Retained earnings	30,407,989	29,647,425	28,721,330	27,599,329
Other comprehensive income	(3,993,545)	(4,274,112)	(3,938,954)	(1,596,191)
Total stockholders' equity	36,162,066	35,173,659	34,464,648	35,624,687
Long-term debt				
CoBank debt	45,958,850	46,526,854	47,043,806	47,719,025
Goat Lake Hydro, Inc. note payable	14,383,797	14,518,096	14,641,044	14,778,992
Other term debt	3,149,668	3,193,288	3,213,411	3,254,737
Total long-term debt	63,492,315	64,238,237	64,898,261	65,752,754
Interest rate swap liability	6,611,827	7,076,343	6,521,446	2,642,701
Other liabilities				
Deferred income taxes	14,209,558	13,526,965	13,210,903	14,136,049
Other deferred credits	829,763	836,896	910,011	951,085
Total other liabilities	15,039,321	14,363,861	14,120,914	15,087,134
Current liabilities				
Accounts payable and accruals	2,734,981	2,835,143	2,568,993	3,497,131
Deferred income tax	75,981	75,981	81,998	102,563
Current portion of long-term debt	3,285,326	3,405,527	3,576,100	3,578,392
Total current liabilities	6,096,288	6,316,650	6,227,091	7,178,087
TOTAL LIABILITIES & STOCKHOLDERS EQUITY	\$ 127,401,817	\$ 127,168,751	\$ 126,232,360	\$ 126,285,363

Alaska Power & Telephone Company

Consolidated Income Statements

For the Quarters Ending

(unaudited)

	<u>3/31/12</u>	<u>12/31/11</u>	<u>9/30/2011</u>	<u>6/30/2011</u>
REVENUE				
Electric	\$ 5,259,250	\$ 4,978,654	\$ 5,086,308	\$ 5,237,667
Telecommunications	3,840,927	3,875,881	3,688,683	3,695,168
Other Nonregulated	1,372,165	1,727,641	1,370,094	1,361,646
	10,472,341	10,582,176	10,145,084	10,294,481
EXPENSES				
Electric	3,034,510	3,211,620	2,669,391	3,287,098
Telecommunications	2,682,864	2,566,192	2,551,323	2,495,379
Other Nonregulated	576,559	840,494	427,210	833,642
	6,293,934	6,618,306	5,647,924	6,616,119
Operations and maintenance expense	6,293,934	6,618,306	5,647,924	6,616,119
Depreciation and amortization expense	2,131,393	1,571,136	1,590,195	1,975,642
	8,425,327	8,189,441	7,238,119	8,591,761
Income from operations	2,047,014	2,392,735	2,906,965	1,702,719
OTHER INCOME (EXPENSE)				
Gain / (Loss) on investments	-	(826)	(258,612)	(144,662)
Loss from disposal of assets	-	-	-	1,000
Dividend Income	123,402	94,116	135,590	135,590
Miscellaneous	3,901	(29,734)	30,240	4,217
	127,303	63,556	(92,781)	(3,855)
Interest income	12,588	9,315	7,658	20,783
Interest expense	(927,697)	(975,385)	(954,909)	(1,069,159)
	(915,109)	(966,070)	(947,251)	(1,048,376)
Net interest expense	(915,109)	(966,070)	(947,251)	(1,048,376)
Income before Tax	1,259,208	1,490,221	1,866,933	650,488
Provision for income taxes	498,644	564,126	618,039	257,594
	760,564	926,095	1,248,894	392,894
NET INCOME	\$ 760,564	\$ 926,095	\$ 1,248,894	\$ 392,894

Alaska Power & Telephone Co.
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, 2010	\$ 1,503,183	\$ 8,407,041	\$ 26,440,321	\$ (1,085,993)	\$ 35,264,553
Net Income			3,337,710		3,337,710
Sale of Common Stock	33,225	581,325			614,549
Repurchase of Common Stock	(39,201)	(685,227)			(724,428)
Fair value adjustment to interest rate swap, net of tax	-			(3,188,119)	(3,188,119)
Other			(130,606)		(130,606)
Balance at December 31, 2011	\$ 1,497,207	\$ 8,303,139	\$ 29,647,425	\$ (4,274,112)	\$ 35,173,659
Net Income			760,564		760,564
Sale of Common Stock					-
Repurchase of Common Stock	(2,825)	(49,899)			(52,724)
Fair value adjustment to interest rate swap, net of tax	-			280,567	280,567
Other					-
Balance at March 31, 2012 (unaudited)	\$ 1,494,382	\$ 8,253,240	\$ 30,407,989	\$ (3,993,545)	\$ 36,162,066

Alaska Power & Telephone Co.

Statement of Cash Flows

For the Quarters Ending

(unaudited)

	<u>3/31/2012</u>	<u>12/31/2011</u>	<u>9/30/2011</u>	<u>6/30/2011</u>
OPERATING ACTIVITIES				
Net income	\$ 760,564	\$ 926,095	\$ 1,248,894	\$ 392,894
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation & amortization	2,131,393	1,571,136	1,590,195	1,975,642
Deferred income tax provision	498,644	535,801	610,836	257,423
Equity in earnings of investees	(123,402)	231,460	(135,590)	(135,590)
Accretion of rate stabilization asset	19,238	(81,176)	(99,373)	(59,225)
Changes in operating activities:				
Receivables	649,497	(806,510)	1,229,378	(67,667)
Payables	(100,162)	266,150	(928,138)	604,931
Income taxes recoverable	-	(296,277)	(81,674)	314,958
Other assets and liabilities	(224,193)	(62,234)	(5,594)	(504,452)
Net Cash Provided by Operating Activities	3,611,580	2,284,445	3,428,933	2,778,915
INVESTING ACTIVITIES				
Acquisition of utility plant	(451,844)	(1,873,758)	(1,696,375)	(2,160,928)
Changes in other assets & investments	(238,485)	110,652	(1,410,627)	33,802
Proceeds from / (purchases) of available for sale securities	-	(2,764)	156,781	(2,372)
Net Cash Used in Investing Activities	(690,329)	(1,765,870)	(2,950,221)	(2,129,498)
FINANCING ACTIVITIES				
Payments on long-term debt	(866,123)	(830,597)	(856,785)	(1,712,590)
Proceeds (uses) of special funds restricted	676	9,362	18,315	(13,191)
Payments of dividends	-	-	-	-
Net proceeds / (repurchases) from sale of common stock	(52,724)	118,074	60,723	(338,130)
Net Cash Provided (Used) by Financing Activities	(918,172)	(703,161)	(777,747)	(2,063,911)
Increase (decrease) in cash	2,003,079	(184,587)	(299,035)	(1,414,494)
Cash at beginning of year	2,973,467	3,158,054	3,457,089	4,871,583
Cash at end of period	\$ 4,976,546	\$ 2,973,467	\$ 3,158,054	\$ 3,457,089