

Accounting staff prepares for year-end audit

The accounting year-end for Ahtna, Incorporated and subsidiaries is December 31. Presently, the accounting staff is preparing for the year-end audit, which is conducted by the accounting firm of Touche Ross & Company.

As you all know, Ahtna, Incorporated has a consistent record of profitability, an accomplishment which no other ANCSA corporation has achieved.

It is too early to make any firm predictions whether or not Ahtna will be profitable again this year, however. The reason for this is the ultimate resolution of Ahtna's investment in United Bancorporation. Let me explain this further.

We all know that the Alaskan

business economy is going through some pretty tough times. Major companies are leaving the state, properties are being foreclosed, and, in general, people are having trouble making "ends meet". All of this has had a negative effect on your investment in United Bancorporation. As a result, Ahtna may, quite possibly, be required to "write down" this investment to its present value. Should this happen, Ahtna will not be profitable.

Over the next few weeks, there will be several meetings where this issue will be discussed. This will include the Audit Committee meeting and the Board of Directors meeting.

You will be kept informed as to the ultimate resolution of this issue. In the interim, should you have any questions, please call.