

<b>Form 5500</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Annual Return/Report of Employee Benefit Plan</b> This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).  <p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p>	OMB Nos. 1210-0110 1210-0089  <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2020</div>  <b>This Form is Open to Public Inspection</b>
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<b>Part I</b>	<b>Annual Report Identification Information</b>
For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</u>	
<b>A</b> This return/report is for:	<input type="checkbox"/> a multiemployer plan <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) <input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) _____
<b>B</b> This return/report is:	<input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report <input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)
<b>C</b> If the plan is a collectively-bargained plan, check here. . . . .	<input type="checkbox"/>
<b>D</b> Check box if filing under:	<input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program <input type="checkbox"/> special extension (enter description)

<b>Part II</b>	<b>Basic Plan Information</b> —enter all requested information				
<b>1a</b> Name of plan <u>ALASKA POWER &amp; TELEPHONE COMPANY EMPLOYEE STOCK OWNERSHIP &amp; SAVINGS PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>004</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan <u>01/01/1995</u></td> </tr> </table>	<b>1b</b> Three-digit plan number (PN) ▶	<u>004</u>	<b>1c</b> Effective date of plan <u>01/01/1995</u>	
<b>1b</b> Three-digit plan number (PN) ▶	<u>004</u>				
<b>1c</b> Effective date of plan <u>01/01/1995</u>					
<b>2a</b> Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>ALASKA POWER &amp; TELEPHONE COMPANY</u>  <u>P.O. BOX 3222</u> <u>193 OTTO STREET</u> <u>PORT TOWNSEND, WA 98368-0922</u> <u>PORT TOWNSEND, WA 98368-0922</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><b>2b</b> Employer Identification Number (EIN) <u>92-0153693</u></td> </tr> <tr> <td><b>2c</b> Plan Sponsor's telephone number <u>360-385-1733</u></td> </tr> <tr> <td><b>2d</b> Business code (see instructions) <u>221100</u></td> </tr> </table>	<b>2b</b> Employer Identification Number (EIN) <u>92-0153693</u>	<b>2c</b> Plan Sponsor's telephone number <u>360-385-1733</u>	<b>2d</b> Business code (see instructions) <u>221100</u>	
<b>2b</b> Employer Identification Number (EIN) <u>92-0153693</u>					
<b>2c</b> Plan Sponsor's telephone number <u>360-385-1733</u>					
<b>2d</b> Business code (see instructions) <u>221100</u>					

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

<b>SIGN HERE</b>	Filed with authorized/valid electronic signature.	10/11/2021	CHAD HAGGAR
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2020)  
v. 200204

<b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor  ALASKA POWER & TELEPHONE COMPANY  P.O. BOX 3222 PORT TOWNSEND, WA 98368-0922	<b>3b</b> Administrator's EIN 92-0153693  <b>3c</b> Administrator's telephone number 360-385-1733
<b>4</b> If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: <b>a</b> Sponsor's name <b>c</b> Plan Name	<b>4b</b> EIN  <b>4d</b> PN
<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b> 227
<b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).  <b>a(1)</b> Total number of active participants at the beginning of the plan year..... <b>a(2)</b> Total number of active participants at the end of the plan year ..... <b>b</b> Retired or separated participants receiving benefits..... <b>c</b> Other retired or separated participants entitled to future benefits ..... <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> ..... <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. .... <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> ..... <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) ..... <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested .....	<b>6a(1)</b> 145 <b>6a(2)</b> 135 <b>6b</b> 39 <b>6c</b> 46 <b>6d</b> 220 <b>6e</b> 0 <b>6f</b> 220 <b>6g</b> 211 <b>6h</b> 2
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	<b>7</b>
<b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2H 2J 2K 2O 2T 3I  <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
<b>9a</b> Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	<b>9b</b> Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
<b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
<b>a Pension Schedules</b> (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)  (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  (3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	<b>b General Schedules</b> (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information) (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan) (3) <input type="checkbox"/> <u>0</u> <b>A</b> (Insurance Information) (4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information) (5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)

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**Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)**

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**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

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**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2020 Form M-1 annual report. If the plan was not required to file the 2020 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code \_\_\_\_\_

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<b>SCHEDULE C (Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Service Provider Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110
		<b>2020</b>
		<b>This Form is Open to Public Inspection.</b>
For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020		
<b>A</b> Name of plan ALASKA POWER & TELEPHONE COMPANY EMPLOYEE STOCK OWNERSHIP & SAVINGS PLAN	<b>B</b> Three-digit plan number (PN) ▶	004
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 ALASKA POWER & TELEPHONE COMPANY	<b>D</b> Employer Identification Number (EIN) 92-0153693	

<b>Part I</b>	<b>Service Provider Information (see instructions)</b>
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

<b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
CHARLES SCHWAB TRUST COMPANY
94-3149038

<b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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<b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

TRAUTMANN, MAHER & ASSOCIATES, INC.

91-1526584

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 64 70 37 17 59 65	NONE	21914	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

USI ADVISORS INC.

06-1397347

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
26 27 28	NONE	4500	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**Part I Service Provider Information (continued)**

**3.** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

**Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:



**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).  <b>► File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2020</b>  <b>This Form is Open to Public Inspection</b>
For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</u>		
<b>A</b> Name of plan <u>ALASKA POWER &amp; TELEPHONE COMPANY EMPLOYEE STOCK OWNERSHIP &amp; SAVINGS PLAN</u>		<b>B</b> Three-digit plan number (PN) <u>004</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>ALASKA POWER &amp; TELEPHONE COMPANY</u>		<b>D</b> Employer Identification Number (EIN) <u>92-0153693</u>

Part I Asset and Liability Statement			
<b>1</b> Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
<b>a</b> Total noninterest-bearing cash.....	<b>1a</b>		
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions .....	<b>1b(1)</b>	336887	366650
<b>(2)</b> Participant contributions.....	<b>1b(2)</b>	0	30949
<b>(3)</b> Other .....	<b>1b(3)</b>		
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>	638273	714340
<b>(2)</b> U.S. Government securities .....	<b>1c(2)</b>		
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(3)(A)</b>		
<b>(B)</b> All other .....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(4)(A)</b>		
<b>(B)</b> Common .....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests .....	<b>1c(5)</b>		
<b>(6)</b> Real estate (other than employer real property) .....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants) .....	<b>1c(7)</b>		
<b>(8)</b> Participant loans .....	<b>1c(8)</b>	559214	524653
<b>(9)</b> Value of interest in common/collective trusts .....	<b>1c(9)</b>	2730524	2852588
<b>(10)</b> Value of interest in pooled separate accounts .....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....	<b>1c(13)</b>	16062642	18569146
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) .....	<b>1c(14)</b>		
<b>(15)</b> Other .....	<b>1c(15)</b>		

		(a) Beginning of Year	(b) End of Year
<b>1d</b>	Employer-related investments:		
(1)	Employer securities.....	1d(1) 37784092	41722876
(2)	Employer real property.....	1d(2)	
<b>e</b>	Buildings and other property used in plan operation .....	1e	
<b>f</b>	Total assets (add all amounts in lines 1a through 1e) .....	1f 58111632	64781202
<b>Liabilities</b>			
<b>g</b>	Benefit claims payable .....	1g 293	0
<b>h</b>	Operating payables .....	1h 210	150
<b>i</b>	Acquisition indebtedness.....	1i	
<b>j</b>	Other liabilities.....	1j 0	50000
<b>k</b>	Total liabilities (add all amounts in lines 1g through 1j) .....	1k 503	50150
<b>Net Assets</b>			
<b>l</b>	Net assets (subtract line 1k from line 1f) .....	1l 58111129	64731052

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

		(a) Amount	(b) Total
<b>a</b>	<b>Contributions:</b>		
(1)	Received or receivable in cash from: <b>(A)</b> Employers .....	2a(1)(A) 943591	
	<b>(B)</b> Participants .....	2a(1)(B) 1120640	
	<b>(C)</b> Others (including rollovers).....	2a(1)(C) 9577	
(2)	Noncash contributions .....	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2) .....	2a(3)	2073808
<b>b</b>	<b>Earnings on investments:</b>		
(1)	Interest:		
	<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A) 2308	
	<b>(B)</b> U.S. Government securities .....	2b(1)(B)	
	<b>(C)</b> Corporate debt instruments .....	2b(1)(C)	
	<b>(D)</b> Loans (other than to participants) .....	2b(1)(D)	
	<b>(E)</b> Participant loans.....	2b(1)(E) 29100	
	<b>(F)</b> Other .....	2b(1)(F)	
	<b>(G)</b> Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)	31408
(2)	Dividends: <b>(A)</b> Preferred stock.....	2b(2)(A)	
	<b>(B)</b> Common stock .....	2b(2)(B) 433074	
	<b>(C)</b> Registered investment company shares (e.g. mutual funds).....	2b(2)(C) 513787	
	<b>(D)</b> Total dividends. Add lines 2b(2)(A), (B), and (C) .....	2b(2)(D)	946861
(3)	Rents .....	2b(3)	
(4)	Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....	2b(4)(A)	
	<b>(B)</b> Aggregate carrying amount (see instructions).....	2b(4)(B)	
	<b>(C)</b> Subtract line 2b(4)(B) from line 2b(4)(A) and enter result .....	2b(4)(C)	
(5)	Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....	2b(5)(A)	
	<b>(B)</b> Other .....	2b(5)(B) 4682147	
	<b>(C)</b> Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) .....	2b(5)(C)	

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		122553
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts .....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities .....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) .....	2b(10)		3028496
c Other income .....	2c		19665
d Total income. Add all <b>income</b> amounts in column (b) and enter total.....	2d		10904938

**Expenses**

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	4258601	
(2) To insurance carriers for the provision of benefits .....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3) .....	2e(4)		4258601
f Corrective distributions (see instructions) .....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees .....	2i(1)	21914	
(2) Contract administrator fees .....	2i(2)		
(3) Investment advisory and management fees .....	2i(3)	4500	
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4) .....	2i(5)		26414
j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	2j		4285015

**Net Income and Reconciliation**

k Net income (loss). Subtract line 2j from line 2d .....	2k		6619923
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan .....	2l(2)		

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

**b** Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MOSS ADAMS LLP

(2) EIN: 91-0189318

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

**a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) .....

	Yes	No	Amount
4a		X	

	Yes	No	Amount
<b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) .....			
<b>4b</b>		X	
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....			
<b>4c</b>		X	
<b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) .....			
<b>4d</b>		X	
<b>e</b> Was this plan covered by a fidelity bond? .....	X		1000000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....		X	
<b>4f</b>		X	
<b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....			
<b>4g</b>		X	
<b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....			
<b>4h</b>		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....	X		
<b>4i</b>	X		
<b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.) .....			
<b>4j</b>		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....			
<b>4k</b>		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....			
<b>4l</b>		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....			
<b>4m</b>		X	
<b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....			
<b>4n</b>			

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ..... ☐ Yes ☒ No  
If "Yes," enter the amount of any plan assets that reverted to the employer this year \_\_\_\_\_.

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

**5c** Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ..... ☐ Yes ☐ No ☐ Not determined  
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year \_\_\_\_\_.

<div>SCHEDULE R (Form 5500)  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2020</div> <div>This Form is Open to Public Inspection.</div>
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For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

<b>A</b> Name of plan ALASKA POWER & TELEPHONE COMPANY EMPLOYEE STOCK OWNERSHIP & SAVINGS PLAN	<b>B</b> Three-digit plan number (PN) ▶ 004
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 ALASKA POWER & TELEPHONE COMPANY	<b>D</b> Employer Identification Number (EIN) 92-0153693

<b>Part I</b>	<b>Distributions</b>
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<b>1</b>	0
<b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):  EIN(s): 82-3967259		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year .....	<b>3</b>	

<b>Part II</b>	<b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

<b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
If the plan is a defined benefit plan, go to line 8.			
<b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. <b>Date:</b> Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....	<b>6a</b>		
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>		
<b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	<b>6c</b>		
If you completed line 6c, skip lines 8 and 9.			
<b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

<b>Part III</b>	<b>Amendments</b>
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<b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
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<b>Part IV</b>	<b>ESOPs</b> (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

<b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>11 a</b> Does the ESOP hold any preferred stock? .....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) .....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2020  
v. 200204

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

**a** The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

**14a**

**b** The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

**14b**

**c** The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

**14c**

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

**a** The corresponding number for the plan year immediately preceding the current plan year.....

**15a**

**b** The corresponding number for the second preceding plan year .....

**15b**

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

**a** Enter the number of employers who withdrew during the preceding plan year .....

**16a**

**b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

**16b**

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

## **Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:

Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

**a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

**b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation \_\_\_\_\_



REPORT OF INDEPENDENT AUDITORS  
AND FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL SCHEDULE

**ALASKA POWER & TELEPHONE COMPANY EMPLOYEE  
STOCK OWNERSHIP AND SAVINGS PLAN AND TRUST**

December 31, 2020 and 2019

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## **Report of Independent Auditors**

To the Trustees  
Alaska Power & Telephone Company  
Employee Stock Ownership and Savings Plan and Trust

### **Report on the Financial Statements**

We were engaged to audit the accompanying statements of net assets available for benefits of Alaska Power & Telephone Company Employee Stock Ownership and Savings Plan and Trust (Plan) as of December 31, 2020 and 2019, and the related statement of changes in net assets available for benefits for the year ended December 31, 2020, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL's) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Charles Schwab Trust Bank, the custodian of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of December 31, 2020 and 2019, and for the year ended December 31, 2020, that the information provided to the Plan administrator by the custodian is complete and accurate.

***Disclaimer of Opinion***

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Other Matter**

The Schedule H, line 4i – schedule of assets (held at end of year) as of December 31, 2020, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

**Report on Form and Content in Compliance with DOL Rules and Regulations**

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

A handwritten signature in black ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

Spokane, Washington  
October 11, 2021

**Alaska Power & Telephone Company**  
**Employee Stock Ownership and Savings Plan and Trust**  
**Statements of Net Assets Available for Benefits**

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	December 31,	
	2020	2019
<b>ASSETS</b>		
Investments, at fair value		
Investment in sponsor company common stock	\$ 41,722,876	\$ 37,784,092
Mutual funds	18,569,146	16,062,642
Collective investment trust	2,852,588	2,730,524
Money market funds	714,340	638,273
	<u>63,858,950</u>	<u>57,215,531</u>
 Receivables		
Notes receivable from participants	524,653	559,214
Employer contributions	366,650	336,887
Participant contributions	30,949	-
	<u>922,252</u>	<u>896,101</u>
 Net assets available for benefits	<u><u>\$ 64,781,202</u></u>	<u><u>\$ 58,111,632</u></u>

**Alaska Power & Telephone Company**  
**Employee Stock Ownership and Savings Plan and Trust**  
**Statement of Changes in Net Assets Available for Benefits**

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	Year Ended December 31, 2020
ADDITIONS TO NET ASSETS ATTRIBUTED TO	
Investment income	
Net appreciation in fair value of investments	\$ 7,835,482
Dividends on sponsor company common stock	434,028
Dividends	513,788
	<u>8,783,298</u>
Interest income on notes receivable from participants	<u>29,100</u>
Contributions	
Employer match	595,229
Employer profit sharing	348,362
Participant	1,120,640
Participant rollovers	9,577
	<u>2,073,808</u>
Total additions	<u>10,886,206</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO	
Distributions to participants	4,190,349
Administrative expenses	26,287
	<u>4,216,636</u>
Total deductions	<u>4,216,636</u>
Change in net assets	6,669,570
NET ASSETS AVAILABLE FOR BENEFITS	
Beginning of year	<u>58,111,632</u>
End of year	<u><u>\$ 64,781,202</u></u>

# Alaska Power & Telephone Company

## Employee Stock Ownership and Savings Plan and Trust

### Notes to Financial Statements

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#### **Note 1 – Description of Plan**

The following description of the Alaska Power & Telephone Company Employee Stock Ownership and Savings Plan and Trust (Plan) provides only general information. Participants should refer to the Plan agreement, as amended, for a more complete description of the Plan's provisions.

**General** – The Plan was established on January 1, 1990, by Alaska Power & Telephone Company (Company). The Company is the Plan's sponsor and serves as Plan administrator. The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

On December 20, 2019, the Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act) was passed by Congress. The SECURE Act allows an optional in-service withdrawal for participants who are giving birth or adopting a child. Plan management evaluated the impact of the SECURE Act and approved changes to the Plan in 2020 to permit eligible participants to withdraw the maximum amount permitted under the SECURE Act without incurring the 10% penalty tax on early distributions. The Plan will be amended to reflect these changes prior to the December 31, 2022, deadline.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act of 2020 (the CARES Act) was passed by Congress. The CARES Act, among other things, includes several temporary relief provisions available to tax qualified retirement plans and their participants. Plan management evaluated the impact of the CARES Act on the Plan and approved changes to the Plan in 2020 to temporarily (i) add COVID-19-related distributions of up to \$100,000 for eligible participants, (ii) increase the limit on Plan loans for eligible participants to the maximum amount permitted under the CARES Act, (iii) suspend payments on Plan loans otherwise due in 2020 for eligible participants, and (iv) suspend required minimum distributions for 2020. These temporary CARES Act provisions expired at the end of 2020. The Plan will be amended to reflect these changes prior to the December 31, 2022, deadline.

**Eligibility** – Employees whose benefits are covered under a collective bargaining agreement, leased employees, employees hired with the title "flagger" and "watchman," or nonsupervisory construction workers are excluded from participating in the Plan. All other employees of the Company are eligible to participate in the Plan upon reaching age 18 and after completing three months of service as long as such employee's regular terms of employment would result in 1,000 hours of service within a 12-month period. Participants must complete at least 1,000 hours of service during the Plan year and be employed as of the last day of the Plan year, to be eligible to receive any employer discretionary contributions.

#### **Contributions**

*Participant contributions* – Each year, participants may contribute from 1–80% of pretax annual compensation, as defined in the Plan. Participants may also elect to make Roth contributions utilizing after-tax contributions. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

# Alaska Power & Telephone Company

## Employee Stock Ownership and Savings Plan and Trust

### Notes to Financial Statements

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#### Note 1 – Description of Plan (continued)

*Employer match and discretionary contributions* – The Plan allows for employer matching contributions and a discretionary contribution. The Company matches 100% of employee contributions, up to 5% of eligible compensation deferred to the Plan. The matching contribution is made in the form of cash or Company stock as decided by the Company. A discretionary contribution of 2.61% of the Company's December 31, 2020, year-end earnings before interest, taxes, depreciation, amortization, and extraordinary events was contributed in the form of Company stock to the Plan for the year ended December 31, 2020. During 2019, the matching contribution was made in the form of sponsor company common stock. Discretionary contributions are allocated to participants in the same proportion as a participant's compensation bears to the total of all participants' compensation.

Contributions are subject to regulatory limitations.

**Participant accounts** – Each participant's account is credited with the participant's contributions and Company matching contributions as well as allocations of the Company's discretionary contribution and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants direct the investment of their contributions into various investment options offered by the Plan. Employer matching contributions and discretionary contributions are invested in shares of sponsor company common stock and participants are unable to diversify their investment in sponsor company common stock until certain criteria are met; see discussion of diversification below.

**Diversification** – Qualified participants who have reached age 55 are allowed to diversify a portion of their sponsor company common stock. In each of the first five years, a qualified participant may diversify up to 25% of the number of shares allocated to his or her account, less all amounts previously diversified. In the sixth year, the percentage increases to 50%. Each diversification event may take up to five years to complete; see discussion of put option.

**Vesting** – Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. Participants vest in the Company's contributions based on the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 3	0%
3 or more	100%

**Alaska Power & Telephone Company**  
**Employee Stock Ownership and Savings Plan and Trust**  
**Notes to Financial Statements**

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**Note 1 – Description of Plan (continued)**

**Notes receivable from participants** – Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are issued by the Plan and secured by the balance in the participant's account. All loans must be repaid within a period of five years, unless the loan is used to purchase a principal residence, in which case, the loan must be repaid within a reasonable period of time not to exceed ten years. Under the terms of the Plan agreement, Plan loans will bear a reasonable rate of interest determined by the Plan administrator. Principal and interest is paid ratably through payroll deductions. As of December 31, 2020, the rate of interest on all outstanding loans ranged from 4.25% to 6.50% with various maturities through December 2030.

**Payment of benefits** – On termination of service due to death, disability, or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Participants may take a hardship withdrawal from the portion of their account balance that represents their salary deferral contributions if they can show an immediate heavy financial hardship as defined in the Plan. If a participant terminates employment and their vested benefit is \$1,000 or less, a single lump-sum distribution will be made as soon as administratively feasible following the end of the Plan year in which the participant's terminated.

Distributions of Company stock with account balances less than \$15,000 will be distributed in a single lump sum payment. Distributions of Company stock with account balances greater than \$15,000 will be distributed, at the election of the participant, in one of the three following ways: (1) in cash in up to five annual installments, with each installment paid at the current valued price of the Company stock in effect at the time of the installment; (2) in shares in a single distribution, with the availability of the put option; or (3) in shares in five substantially equal annual installments with separate put options for each installment. Benefits in participants' other investment accounts will be distributed in cash, in the form of a lump sum payment.

**Put option** – Under federal income tax regulations, the sponsor company common stock held by the Plan and its participants is not readily tradable on an established market, is subject to trading limitations, and includes a put option. The put option is a right to demand the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase, with interest, over a period of up to five years. The purpose of the put option is to ensure the participant has the ability to ultimately obtain cash.

**Forfeitures** – Forfeitures are the nonvested portion of a participant's account that is lost upon termination of employment. Forfeitures are retained in the Plan, must be used before year end, and may be used to pay Plan administrative expenses or to reduce future Company matching contributions. As of December 31, 2020 and 2019, forfeited nonvested accounts totaled \$0 and \$43, respectively. For the year ended December 31, 2020, no Company matching contributions were reduced by forfeited nonvested accounts. For the year ended December 31, 2020, there were no Company profit sharing contributions reduced by forfeited nonvested accounts.

# Alaska Power & Telephone Company

## Employee Stock Ownership and Savings Plan and Trust

### Notes to Financial Statements

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#### Note 1 – Description of Plan (continued)

**Voting rights** – A participant is entitled to direct the trustees as to the manner in which voting rights will be exercised with respect to any corporate matter that involves a vote to approve or disapprove certain major corporate events, such as a merger or consolidation, recapitalization, liquidation, dissolution, sale of substantially all of the Company's assets, confirmation of a plan of reorganization under Chapter 11 of the United States Bankruptcy Code, or such similar transactions. If no direction is provided by the participant, the trustees have the power to vote, at their discretion, the stock held by the Plan. All other votes are made at the discretion of the trustees on behalf of the Plan.

#### Note 2 – Summary of Significant Accounting Policies

**Basis of accounting** – The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, using the accrual method of accounting.

**Use of estimates** – The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates and assumptions that may affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Investment valuation** – The investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability (the exit price) in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements. The Plan's custodian, Charles Schwab Bank, certifies the fair market value of all investments, except for sponsor company common stock. If available, quoted market prices are used to value investments.

**Income recognition** – Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. The net appreciation in fair value of investments consists of both the realized gains and losses and unrealized appreciation and depreciation of those investments.

**Notes receivable from participants** – Notes receivable from participants are measured at amortized cost, which represents unpaid principal balance plus accrued but unpaid interest. Delinquent notes receivable from participants are recorded as distributions upon the occurrence of a distributable event, based on the terms of the Plan agreement. No allowance for credit losses has been recorded as of December 31, 2020.

**Payments of benefits** – Benefits are recorded when paid.

**Expenses** – General Plan administrative expenses may be paid out of the forfeiture account or paid by the Company. Investment management and distribution and loan transaction fees are paid by the Plan participants.

**Alaska Power & Telephone Company**  
**Employee Stock Ownership and Savings Plan and Trust**  
**Notes to Financial Statements**

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**Note 2 – Summary of Significant Accounting Policies (continued)**

**Subsequent events** – Subsequent events are events or transactions that occur after the statement of net assets available for benefits date but before the financial statements are available to be issued. The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits but arose after the statement of net assets available for benefits date and before the financial statements are available to be issued.

The Plan has evaluated subsequent events through October 11, 2021, which is the date the financial statements are available to be issued.

**Note 3 – Investments**

Employer contributions are generally made in the form of sponsor company common stock and cannot be diversified until certain criteria are met. As the participant lacks the ability to exercise independent control over these funds, they are defined as nonparticipant-directed. Although a portion of the sponsor company common stock is participant directed (those who have met diversification criteria as defined in Note 1), the Plan sponsor is unable to calculate the amount. Accordingly, 100% of the sponsor company common stock held by the Plan has been presented as nonparticipant-directed.

Nonparticipant-directed investments as of December 31 are as follows:

	<u>2020</u>	<u>2019</u>
Sponsor company common stock	<u>\$ 41,722,876</u>	<u>\$ 37,784,092</u>

Changes in nonparticipant-directed investments for the year ended December 31, 2020, are as follows:

Net appreciation	\$ 4,682,146
Purchases	474,839
Sales	(1,652,229)
Dividends	<u>434,028</u>
	<u>\$ 3,938,784</u>

# Alaska Power & Telephone Company

## Employee Stock Ownership and Savings Plan and Trust

### Notes to Financial Statements

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#### Note 4 – Fair Value Measurements

The framework for measuring fair value provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy under the Financial Accounting Standards Board Accounting Standards Codification 820 are described as follows:

**Level 1** – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets the Plan has the ability to access.

**Level 2** – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019:

*Registered investment companies (mutual funds)* – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Money market funds* – Public investment vehicle valued using \$1 for the NAV. The money market fund is classified within Level 2 of the valuation hierarchy.

*Collective investment trust* – Units held in collective investment trusts (CT) are valued using the NAV practical expedient of the CT as reported by the CT managers. The NAV practical expedient is based on the fair value of the underlying assets owned by the CT, minus its liabilities, and then divided by the number of units outstanding. The NAV practical expedient of a CT is calculated based on a compilation of primarily observable market information.

**Alaska Power & Telephone Company**  
**Employee Stock Ownership and Savings Plan and Trust**  
**Notes to Financial Statements**

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**Note 4 – Fair Value Measurements (continued)**

Withdrawals from the CT for benefit payments and participant transfers to noncompeting options to be paid to Plan participants shall be made within 30 days after written notification has been received and are considered made immediately after the next valuation date subsequent to the Trustees' approval.

Withdrawals from the CT, other than for benefit payments and participant transfers to noncompeting options, are made one year after notification is received from the participating Plan. The Trustees, however, reserve the right to grant a withdrawal earlier than that mentioned above if there are sufficient cash assets to satisfy the withdrawal and it is not detrimental to the best interest of the CT.

*Sponsor company common stock* – Not readily tradable on an established securities market, the sponsor company common stock is recorded at estimated fair value, which is determined by an annual independent appraisal and is classified within Level 3 of the valuation hierarchy. No transactions (employer matching contributions, purchases, or sales) are permitted until the prior year's December 31 valuation is completed (typically the first four to five months of each year). All sponsor company common stock transactions during the year are based upon the per share value determined in the prior year's independent appraisal.

The valuation methods used by the Plan may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table discloses by level, the fair value hierarchy, of the Plan's assets at fair value as of December 31:

	Fair Value Measurement at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 18,569,146	\$ -	\$ -	\$ 18,569,146
Money market funds	-	714,340	-	714,340
Investment in sponsor company common stock	-	-	41,722,876	41,722,876
Total assets in the fair value hierarchy	<u>\$ 18,569,146</u>	<u>\$ 714,340</u>	<u>\$ 41,722,876</u>	61,006,362
Investments measured at NAV practical expedient				<u>2,852,588</u>
Investments at fair value				<u>\$ 63,858,950</u>

# Alaska Power & Telephone Company

## Employee Stock Ownership and Savings Plan and Trust

### Notes to Financial Statements

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#### Note 4 – Fair Value Measurements (continued)

	Fair Value Measurement at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 16,062,642	\$ -	\$ -	\$ 16,062,642
Money market funds	-	638,273	-	638,273
Investment in sponsor company common stock	-	-	37,784,092	37,784,092
Total assets in the fair value hierarchy	<u>\$ 16,062,642</u>	<u>\$ 638,273</u>	<u>\$ 37,784,092</u>	54,485,007
Investments measured at NAV practical expedient				<u>2,730,524</u>
Investments at fair value				<u>\$ 57,215,531</u>

The following table discloses the summary of changes in fair value of the Plan's Level 3 investment assets for the year ended December 31, 2020:

	Investment in Sponsor Company Common Stock
Balance, beginning of year	\$ 37,784,092
Net appreciation	4,682,146
Purchases	474,839
Sales	(1,652,229)
Dividends	<u>434,028</u>
Balance, end of year	<u>\$ 41,722,876</u>

The Employee Stock Ownership Program Committee, under the supervision of the Company's Board of Directors and the Plan trustees, determines the fair value measurement policies and procedures in consultation with the Company's chief financial officer. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

**Alaska Power & Telephone Company**  
**Employee Stock Ownership and Savings Plan and Trust**  
**Notes to Financial Statements**

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**Note 4 – Fair Value Measurements (continued)**

The following table sets forth the basic valuation techniques and inputs used in arriving at fair value:

Instrument	Valuation Techniques	Unobservable Input
Company common stock	Discounted cash flow	Weighted-average cost of capital, long-term revenue growth rate, projected gross profit, projected earnings before interest, taxes, depreciation and amortization (EBITDA) margin
Company common stock	Guideline public companies	EBITDA and equity multiples; discount for lack of marketability

**Note 5 – Tax Status**

The Internal Revenue Service has determined and informed the Company by a letter dated November 7, 2014, the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

In accordance with guidance on accounting for uncertainty in income taxes, the Plan administrator has evaluated the Plan's tax positions and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**Note 6 – Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market volatility, and credit. It is reasonably possible, given the level of risk associated with investment securities, changes in the values of the investments in the near term could materially affect a participant's account balance and the amounts reported in the financial statements.

# Alaska Power & Telephone Company

## Employee Stock Ownership and Savings Plan and Trust

### Notes to Financial Statements

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#### Note 7 – Information Certified by the Custodian

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified as complete and accurate by the custodian, Charles Schwab Trust Bank:

	2020	2019
Investments		
Mutual funds	\$ 18,569,146	\$ 16,062,642
Collective investment trust	2,852,588	2,730,524
Money market funds	714,340	638,273
Net appreciation (depreciation) in fair value of mutual funds and CT	3,153,336	2,917,455
Dividends	513,788	588,967

#### Note 8 – Party in Interest Transactions

The Plan invests in shares of the sponsor company's common stock. Under certain provisions of the Plan, participants may liquidate their holdings in the sponsor company's common stock and reinvest their Plan assets in the remaining investment options managed by Charles Schwab & Co., Inc. In order to affect these transactions, the Plan may sell shares of sponsor company stock to the Company, at the fair value of the stock, based on the most recent annual independent appraisal.

Certain Plan investments are managed by Charles Schwab & Co., Inc. Charles Schwab Trust Bank is the custodian of the Plan and an affiliate of Charles Schwab & Co., Inc. and, therefore, transactions with these entities qualify as exempt party in interest transactions. Additionally, participants are permitted to take loans from the Plan included as notes receivable from participants on the statements of net assets. These loans also qualify as party in interest transactions.

#### Note 9 – Plan Termination

Although it has not expressed any intention to do so, the Company has the right to terminate the Plan and discontinue its contributions at any time. If the Plan is terminated, amounts allocated to a participant's account become fully vested.

**Alaska Power & Telephone Company**  
**Employee Stock Ownership and Savings Plan and Trust**  
**Notes to Financial Statements**

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**Note 10 – Concentration of Market Risk**

Included in investments at December 31, 2020 and 2019, are shares of the sponsor company's common stock amounting to \$41,722,876 and \$37,815,027, respectively. This investment represents 65% and 66% of total investments at December 31, 2020 and 2019, respectively. Any additional significant declines in market value of the sponsor's stock would significantly affect the net assets available for benefits.

**Note 11 – Administration of Plan Assets**

The Plan's assets that consist principally of sponsor company common stock are held by the Plan sponsor. Certain administrative functions are performed by officers or employees of the Company or its subsidiaries. No such officer or employee receives compensation from the Plan. Administrative expenses for the custodian's fees are paid directly by the Company.

**Note 12 – Form 5500**

The following is a reconciliation of the net assets available for benefits reported in the financial statements and the net assets reported on the Form 5500 as of December 31, 2020:

Net assets available for benefits per the financial statements	\$ 64,781,202
Distribution payable	<u>(50,150)</u>
Net assets available for benefits per Form 5500	<u><u>\$ 64,731,052</u></u>

The following is a reconciliation of the change in net assets available for benefits reported in the financial statements and the net income reported on the Form 5500 for the year ended December 31, 2020:

Net increase in assets available for benefits per the financial statements	\$ 6,669,570
Miscellaneous	503
Distribution payable	<u>(50,150)</u>
Net increase in assets available for benefits per Form 5500	<u><u>\$ 6,619,923</u></u>

**Supplemental Schedule  
Required by the Department of Labor**

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**Alaska Power & Telephone Company**  
**Employee Stock Ownership and Savings Plan and Trust**  
**Plan Sponsor EIN: 92-0153693 Plan Number: 004**  
**Schedule H, Line 4i – Schedule of Assets (Held at End of Year)**

		(c) Description of Investment Including		
(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	Maturity Date, Rate of Interest, Par, or Maturity Value	(d) Cost	(e) Current Value
	Common stock			
*	Alaska Power & Telephone	Sponsor company common stock	***	\$ 41,722,876
	Mutual funds			
	American Century Ginnie Mae FD Inv	Mutual fund	**	345
	Fidelity Advisor Small Cap Growth Fund CL A	Mutual fund	**	938,609
	First Eagle Gold Fund CL R6	Mutual fund	**	1,421,489
	Jhancock Disciplined Value Mid Cap I	Mutual fund	**	1,703,081
	Metropolitan West Total Return I	Mutual fund	**	2,531,724
	MFS INTL Diversification	Mutual fund	**	1,819,465
	Oppenheimer Developing Mkts Y	Mutual fund	**	495,266
	T Rowe Price Value Fund	Mutual fund	**	793,444
	Vanguard Growth Index FD Admiral	Mutual fund	**	1,904,454
	Vanguard Small Cap Value Index Admir	Mutual fund	**	947,491
	Vanguard 500 Index FD Admiral Shrs	Mutual fund	**	3,437,859
	Wells Fargo Advantage Discovery Fund	Mutual fund	**	2,575,919
	Collective investment trust			
	Morley Stable Value Fund	Common/collective trust	**	2,852,588
	Money market funds			
*	Schwab Government Money Fund Purchased Share	Money market account	**	663,639
*	Schwab Bank Sweep for Employee - Benefit Plan	Money market account	**	50,701
		Various maturities through December 2030 with interest rates from 4.25% to 6.50%	---	524,653
*	Participant loans			
				\$ 64,383,603

\* Denotes party-in-interest as defined by ERISA.

\*\* The cost of participant-directed investments is not required to be disclosed.



**Alaska Power & Telephone Company**  
**Employee Stock Ownership and Savings Plan and Trust**  
**Plan Sponsor EIN: 92-0153693 Plan Number: 004**  
**Schedule H, Line 4i – Schedule of Assets (Held at End of Year)**

		(c) Description of Investment Including		
(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	Maturity Date, Rate of Interest, Par, or Maturity Value	(d) Cost	(e) Current Value
	Common stock			
*	Alaska Power & Telephone	Sponsor company common stock	***	\$ 41,722,876
	Mutual funds			
	American Century Ginnie Mae FD Inv	Mutual fund	**	345
	Fidelity Advisor Small Cap Growth Fund CL A	Mutual fund	**	938,609
	First Eagle Gold Fund CL R6	Mutual fund	**	1,421,489
	Jhancock Disciplined Value Mid Cap I	Mutual fund	**	1,703,081
	Metropolitan West Total Return I	Mutual fund	**	2,531,724
	MFS INTL Diversification	Mutual fund	**	1,819,465
	Oppenheimer Developing Mkts Y	Mutual fund	**	495,266
	T Rowe Price Value Fund	Mutual fund	**	793,444
	Vanguard Growth Index FD Admiral	Mutual fund	**	1,904,454
	Vanguard Small Cap Value Index Admir	Mutual fund	**	947,491
	Vanguard 500 Index FD Admiral Shrs	Mutual fund	**	3,437,859
	Wells Fargo Advantage Discovery Fund	Mutual fund	**	2,575,919
	Collective investment trust			
	Morley Stable Value Fund	Common/collective trust	**	2,852,588
	Money market funds			
*	Schwab Government Money Fund Purchased Share	Money market account	**	663,639
*	Schwab Bank Sweep for Employee - Benefit Plan	Money market account	**	50,701
		Various maturities through December 2030 with interest rates from 4.25% to 6.50%	---	524,653
*	Participant loans			
				\$ 64,383,603

\* Denotes party-in-interest as defined by ERISA.

\*\* The cost of participant-directed investments is not required to be disclosed.