

STORYKNIFE

THE VOICE OF THE REGION

Yaarvin



Shareholders receive largest dividend ever

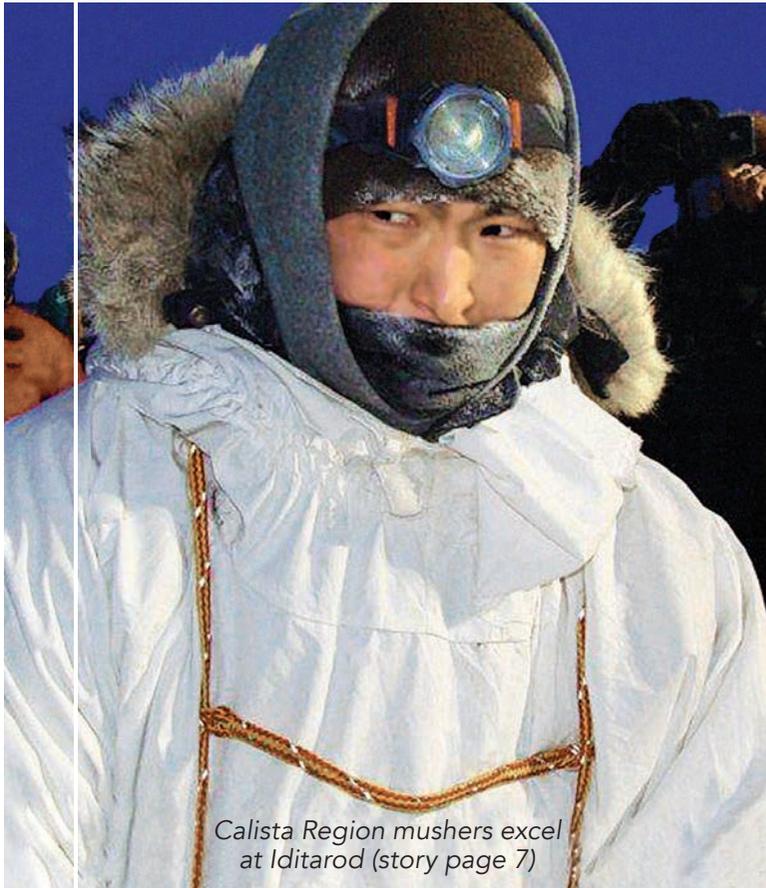
(Story pages 4 and 5)

GOVERNMENT CUTS IMPACT NATIVE CORPORATIONS

In recent months we have all felt the effects of spending cuts by the federal government. Whether it was the national parks closing their gates or cuts to important social services we rely on, reduced federal spending has impacted our lives. Just as you are impacted in your personal life, as a corporation, we are also feeling the effects of budget cuts. These cuts were automatic and arbitrary, making them difficult to plan for and adjust to.

The cuts are called sequestration and it happened because in 2011 Congress passed a law saying that if it couldn't agree on a plan to reduce the country's deficit, across the board budget cuts would start in 2013. These cuts total billions of dollars a year, and while some major programs are not affected like social security and Medicare, the majority of federal programs saw a significant decrease in funding. Because some programs cannot see cuts without shutting down completely, other programs are suffering.

(Continued on page 3)



Calista Region mushers excel at Iditarod (story page 7)



CALISTA CORPORATION
www.calistacorp.com

APRIL 2014



2

Board and
President Message



3

Employee Feature:
IT Department



5

Shareholder Awards
Nominations



7

Village Profile:
Scammon Bay



8

Post-ANCSA
Enrollment Vote
Delayed



BOARD AND PRESIDENT MESSAGE

Willie Kasayulie, Board Chairman
Andrew Guy, President & CEO

Federal and state programs, and regulations impact our lives on a routine basis. Infrastructure, education and social services provide opportunities for our Region. As part of our commitment to cultural preservation and dedication to providing economic and social benefits to our Shareholders and Descendants, we advocate on many issues affecting our Region. While the legislative season is our busiest time for advocacy work, it is something we all must practice year-round.

This session, we have voiced our support on many important issues and projects, from transportation to energy funding, subsistence rights to tribal sovereignty and more. Working with Representative Bob Herron's office, Calista Corporation helped write Senate Bill 161 and House Bill 301, bills aiming to make a loved one's death easier on rural families.

We understand losing a family member is never easy, but with changes in the state's autopsy and death certificate process we hope to make the process more efficient and less cumbersome.

The bill will allow the State Medical Examiner's Office to use existing technology to determine whether the deceased need to be transported to Anchorage. If adopted, the bills would allow copies of the death certificate to be issued in the Region and make it easier to transport a family member's body home instead of the place of death. We believe these changes are important for the Region, as they will ease the financial burden on families and help the grieving process.

Life in rural Alaska is a blend of old and new, and in this ever-changing landscape it is important to keep our culture alive. One important way we survive and pass our traditions down to Youth is through subsistence. Subsistence rights including access, abundance and regulations are issues we advocate for on behalf of the people

in our Region. These issues can be complex and complicated, which is why our leadership team stays informed on the latest news and speaks with experts to keep up to date. This year, members of Calista took part in the Native Leadership Retreat on Subsistence, sponsored by the Alaska Federation of Natives.

The conference addressed the legal and political challenges facing subsistence users. It was an opportunity for leadership members from the Native community to express their opinions,

address concerns, suggest solutions and engage in an open dialogue about subsistence. Several prominent leaders from Alaska spoke including U.S. Senator Mark Begich; Julie Kitka, president of the Alaska Federation of Natives; and Reggie

Joule, member of the White House Task Force on Climate Preparedness and Resilience.

The forum gave the Native community an opportunity to prepare strategies for the future and set goals to empower us to protect our subsistence rights. While Alaska Native people won a battle with a March 31 decision by the U.S. Supreme Court, we must stand ready to protect and defend our subsistence rights.

These are a few examples of many issues we are working on for Shareholders and Descendants. Education, the economy and preserving our culture are just a few areas we are passionate about. We will continue to advocate for our Region.

The most powerful voice is yours. Please register to vote and then vote in each local, state and national election. Vote for candidates that support rural Alaska.

Willie Kasayulie
Chairman of the Board

Andrew Guy
President and CEO

"ADVOCACY IS JUST ONE OF MANY WAYS WE WORK FOR OUR SHAREHOLDERS AND DESCENDANTS. WE STAY EDUCATED ON IMPORTANT ISSUES AND ACT WHEN NECESSARY. WE ARE ALWAYS LOOKING AHEAD AND PLANNING FOR THE FUTURE."

Willie Kasayulie, Board Chairman



"As part of our advocacy efforts, I attended an education rally in Anchorage to discuss the importance of public education funding. Our education system connects Youth to the business world by promoting leadership and learning. It is important for the state to support education in rural Alaska." President & CEO Andrew Guy

(Continued from page 1)

The billions in reduced spending is having a negative effect on the economy and on businesses who routinely partner with government agencies on projects. Calista and several of its subsidiaries work with the government on a regular basis. We have provided important services to the government like construction, communication and military defense contracting. Cuts in government spending decreased the number of federal contracts available and tightened the budgets on many current projects, and our family of companies saw the effects.

While some of our subsidiaries work on projects with the federal government, our diverse set of subsidiaries also have commercial clients. Over the years we have worked to diversify our subsidiaries and their clients in order to ensure we can weather economic downturns. According to the most recent ANCSA Regional Association Economic Impact Report, in recent years the economy has been rough on business around the country. But despite tough times, Alaska's Regional Corporations managed

to grow by 22 percent from 2009 to 2012. This reflects smart business decisions and forward-thinking by corporation leaders.

Alaska Native Regional Corporations have a unique obligation, balancing financial with social and cultural obligations to Shareholders and Descendants. Along with other Native corporations, we continue to grow our services and benefits to Shareholders. For example, the Calista Heritage Foundation (CHF) distributed \$177,750 in scholarships to 203 students for the spring semester. Life-to-date more than \$3.5 million in scholarships have been awarded. And despite the rough business environment, we have continued to support our Shareholders through dividends that have increased every year. This year we are distributing a record high \$4.65 million to our Shareholders, (for more information on this year's dividend turn to pages 4,5).

While outside forces will always impact business environments, Calista will continue to operate successfully through our smart and diversified business plans.

Employee Feature IT DEPARTMENT

It's daily communication we take for granted until the moment it fails us. Email, internet and server systems are an integral part of daily work but in order to keep things running smoothly there's a behind the scenes team making sure these systems don't fail. Most large businesses have information technology (IT) departments. At Calista, the IT department is staffed by about a dozen employees spread between Huntsville, Ala. and Anchorage, Alaska.

"It's awesome working here," said Nick Perry, a senior network engineer. "It's always changing, you never know what is coming, day-to-day or year-to-year."

Nick, a Calista Descendant, grew up in Tuntuliak and Bethel. During his service in the Alaska National Guard he was introduced to a career in computers

"Instead of thinking to yourself, hey I got an email and that's the end of it - if you want to dive in and understand how you got those emails, this is the career for you," said Nick.

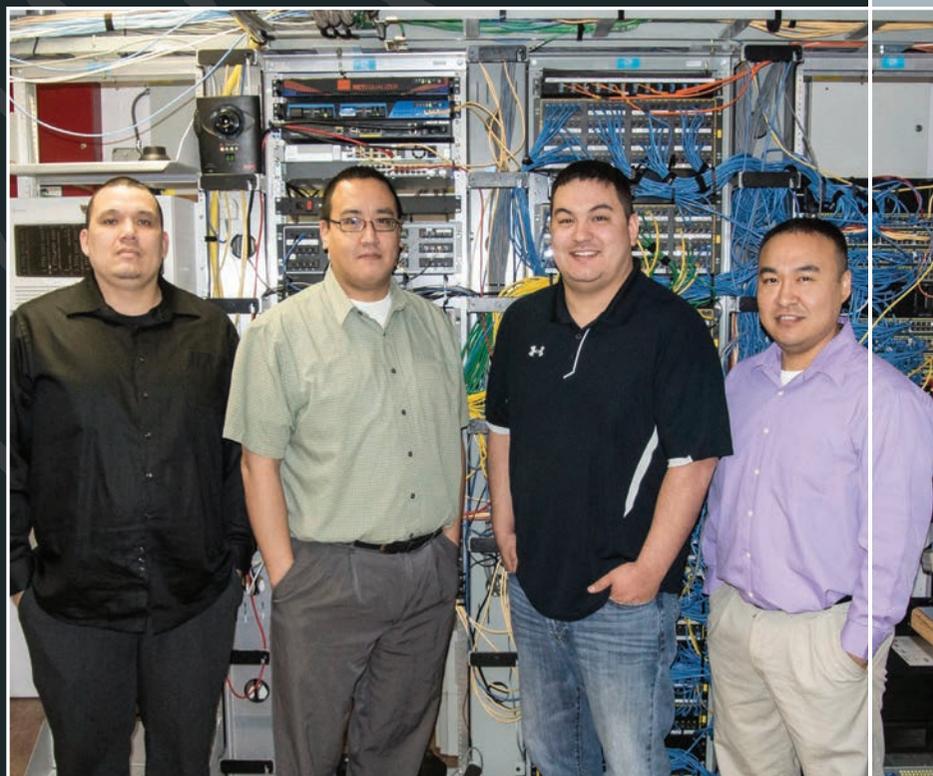
Calista Descendant Thomas Oscar is the network operations center lead at Calista, "for people that want to get into IT it's a career and the sky is the limit." Thomas is from Tununak and he got his IT start in Bethel at the Yukon-Kuskokwim Health Corporation.

Thomas and Nick are both involved in the Angli Program, a mentorship program at Calista; angli means growth in Yup'ik. Otis Armstrong, Calista's chief information officer, serves as the mentor for the pair.

"He's been in the business for so long, he knows what he's doing," said Thomas. "He has taught me a lot about managing."

"He is somebody that has actually been in my position and now he's guiding me through what he had to go through and what he learned," said Nick.

Nick and Thomas say they enjoy the challenges of working in the IT department. With technology always changing, there is constantly something new to learn. They love the problem-solving that comes with the position and the ability to serve Calista's Shareholders.



Calista corporate headquarters IT department from left to right, Rex Chadwick (intern), Marcello Ramos, Nick Perry and Thomas Oscar.

SHAREHOLDERS RECEIVE *Largest Dividend*

BOARD APPROVES \$4.65 MILLION DIVIDEND

This month Shareholders will receive their biggest dividend ever. The Board of Directors approved a dividend distribution totaling \$4.65 million. This is the ninth dividend since its inception, totaling \$24.6 million, with over 50 percent of that being provided over the last three years. This distribution breaks down to \$3.50 per share, an eight percent increase from last year's total dividend of \$4.3 million.

Calista has more than 12,000 Shareholders, the second largest number among the Alaska Native Corporations. With many Shareholders still living in rural Alaska, it is important for the corporation to provide economic benefits to help offset the high costs of living. Calista has a dual mission of producing positive fiscal results for the company, while also providing socio-economic benefits for people in the Region.

to original Shareholders 65 years or older as part of the Elders' Benefit Program. We also donated \$300,000 to the Calista Heritage Foundation's scholarship program, which gives Shareholders and Descendants financial assistance when attending college.

We will continue to work hard in order to be able to provide dividends and other economic benefits to our Shareholders and Descendants.

"Our dividends continue to increase in part, because of the hard work of our employees and the success of our company and its subsidiaries."

ANDREW GUY, PRESIDENT & CEO

facebook

Harrilyn Nunivak
wow, Calista is growing.

Apaci Angaiak
Much appreciated :)

Molly Parent
:) Thanks for the update

Chris-Tee Craghtten
Grateful!

Samuel D Hare
Nice..sure will appreciate getting that check.

Dividends are just one way Calista directly assists its Shareholders. Every year, Calista donates to organizations that provide social services to Shareholders, work to preserve our culture and improve the lives of our Youth. Through these donations, Calista hopes to provide relief and hope. In 2013, Calista also provided a distribution of more than \$590,000

"While the average business generally focuses on fiscal results, as an ANCSA corporation we must also balance socio-economic support for our Shareholders and our Region."

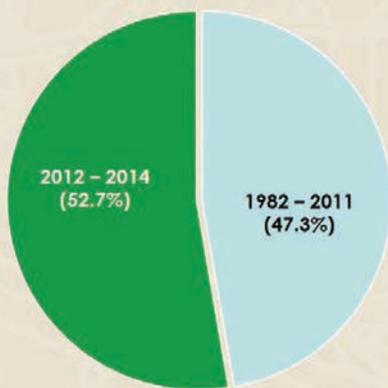
WILLIE KASAYULIE, BOARD CHAIRMAN



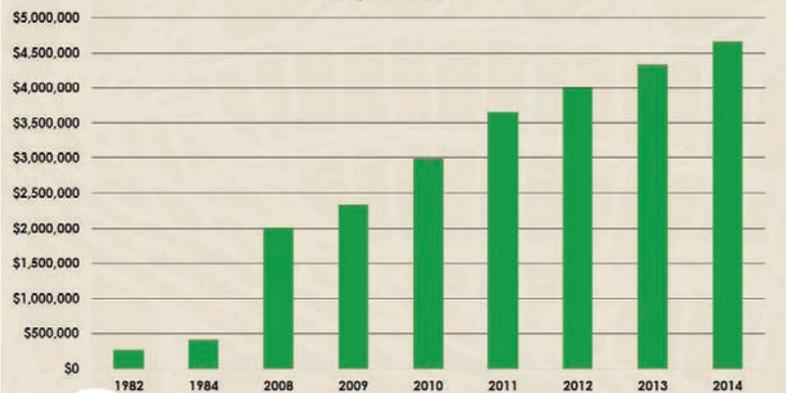
Dividend in History



Calista Corporation Shareholder Dividend History
Total: \$24.6 Million



Calista Corporation Shareholder Dividend History
Total: \$24.6 Million



2014 Annual Shareholder Awards Nominations

The Shareholder Awards are focused on the Calista Region, Calista Shareholders and Descendants of Calista Shareholders. Nominees must currently be living. All nominees submitted for the Shareholder Awards may be considered for the AFN President's Awards at the discretion of the Calista Corporation Board of Directors.

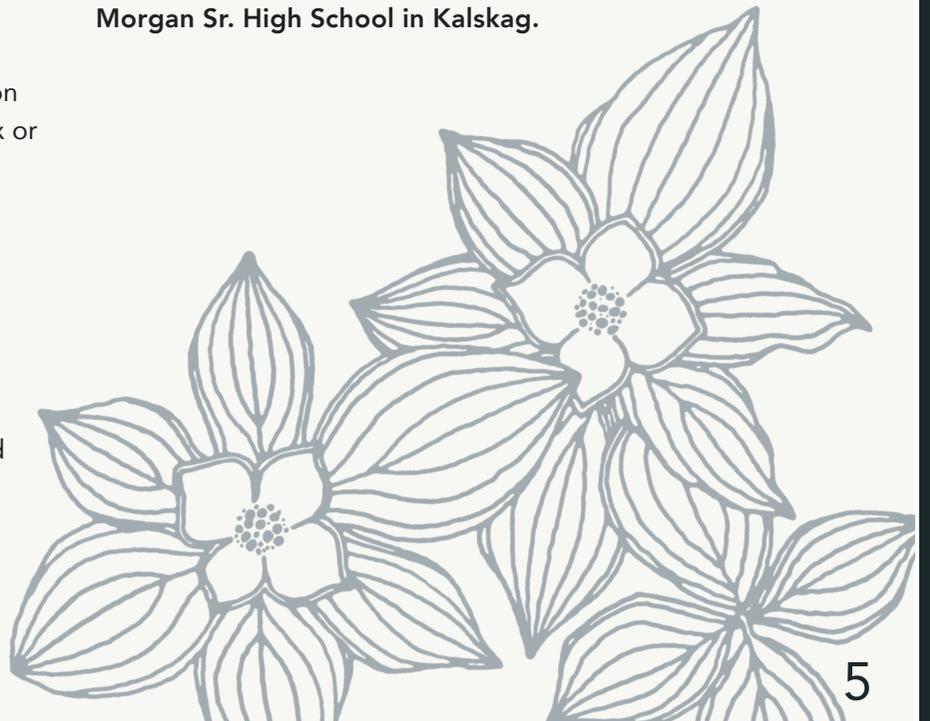
Nominations for the following categories must be received, via fax, email or mail, by Calista no later than Wednesday, April 23, 2014, by 5 p.m. Calista Corporation is not responsible for lost, damaged or delayed mail, fax or other delivery services.

Award categories are as follows:

- Calista Culture Bearer
- Axel C. Johnson Distinguished Shareholder
- Calista Elder of the Year
- Raymond C. Christiansen Community Service Award
- Calista Youth/Educator of the Year
- Calista Business of the Year

Nominations forms are available from Calista via fax (907-272-5060), email calista@calistacorp.com or through the mail (Calista Annual Shareholder Awards, 301 Calista Court, Anchorage, AK 99518).

Honorees will be announced at the 2014 Annual Meeting to be held on July 12, 2014, at George Morgan Sr. High School in Kalskag.



YULISTA AVIATION HONORED

Yulista Aviation Inc. was recognized at the 2014 National Engineers Award Banquet in February. Yulista is a gold sponsor of the event. Through its sponsorship, Yulista supports the engineering students at the high school and university level, as well as various professional societies. During a presentation at the event, Yulista showcased its strengths, capabilities and performance.

For anyone wanting to learn more about Yulista Aviation or any of the Yulista companies, Yulista Holding is now on social media. Yulista recently developed a Facebook page, Twitter and LinkedIn profile to keep people up-to-date on the latest company news.

www.facebook.com/yulistaholding

www.twitter.com/YulistaHolding

www.linkedin.com/company/yulista-management-services

LEADERS FROM THE REGION: CHIEF WARRANT OFFICER TRAVIS WOLF

While the tropical coastlines of Hawaii are a far cry from the tundra of his hometown of Aniak, Gas Turbine Technician Senior Chief Travis Wolf's Yup'ik culture is close to his heart. Joining the U.S. Navy may not seem like a natural job choice for a landlocked Alaskan but it's a career Travis has excelled at. After nearly 20 years of working his way up the ranks, Travis was recently commissioned under the Chief Warrant Officer Program.

According to the Navy, Chief Warrant Officers are managers and technical experts within their chosen fields. They have the knowledge and expertise to carry out tasks at a leadership level.

It's a high honor that takes a lot of work and luckily Travis' family was able to see him achieve this accomplishment. Travis' wife Danielle and sons Justis, Jaxon and Jheriko and several other family members attended the ceremony in Hawaii. Many of his family members actually took part in the commissioning ceremony; his wife and sons applied the Warrant Officer insignia devices on his uniform and his father Richard placed the new officer's cover on his head.

"It was an honor to have my family and friends there to take part in this momentous occasion in my career," said Travis.

Travis was born in Anchorage, grew up in Sleetmute and graduate high school from Aniak, according to the Navy. While his career took him away from his home state, Travis keeps his culture close. During his time in the military, Travis has spread cultural awareness about Alaska Native and Native American traditions. Last November, during American Indian and Alaska Native Heritage Month, Travis gave presentations about Alaska Native culture to members of the Navy. He talked about growing up in a subsistence household and shared subsistence food.

Travis is a leader who proves that with hard work, dedication and determination it is possible to achieve your dreams.

"I look forward to the ongoing development as an officer and making an impact in my new position in the Navy."

TO READ ADDITIONAL STORIES ABOUT LEADERS FROM OUR REGION, VISIT CALISTACORP.COM AND CLICK ON THE "ON MY SIDE" SECTION.





VILLAGE PROFILE: SCAMMON BAY

MARIAK

Scammon Bay is a village in the Calista Region located a mile away from the Bering Sea. The community sits along the south bank of the Kun River, a waterway filled with rainbow trout, red, silver and king salmon. To the south towers the 2,300-foot Askinuk Mountains.

Scammon Bay is home to 518 residents, according to a 2013 State of Alaska Department of Labor estimate. This Yup'ik community was given the Eskimo name *Mariak* and its residents were called *Mariagamiut*. The community's name changed to honor Captain Charles Scammon, who was the marine chief of the Western Union Telegraph Expedition during the mid 1800's. Captain Scammon's expedition studied the Bering Sea in hopes of laying a telegraph cable under the ocean from California to Russia. Ultimately, the expedition failed but the data collected by Scammon proved to be very useful.

The Yup'ik Eskimo community practices subsistence, harvesting moose, seals, salmon and waterfowl from the land. Every summer, many of the residents make the 50-mile trek north to the Black River for fish camp. Several people also hold commercial fishing permits for the Bering Sea.

Snowmachines and skiffs are the most common forms of transportation in the village. There is a state-maintained airstrip but the maritime climates can cause weather delays for pilots. Severe easterly winds during the fall and winter limit accessibility, according to the state. Temperatures swing between -25 and 79 °F, with an annual precipitation of 14 inches and 65 inches of snow.

Residents of Scammon Bay describe their community as hardworking. They say everyone tries to live by the values of Yuuyaraq, the Yup'ik word for way of life; the fundamental principles are honesty, caring, sharing and hard work. Scammon Bay is a community committed to preserving its culture and traditional values.

CALISTA REGION MUSHERS RACE TO SUCCESS

In what many Iditarod veterans call one of the toughest races in history, a trio of Calista Region mushers battled mother nature at her worst and managed to all finish in the top 15. The Kusko Trio of Mike Williams Jr., Pete Kaiser and Richie Diehl, all reached Nome in nine days. Finishing first among the Delta Force, Mike Williams Jr. of Akiak crossed the finish line with his team in 11th place. Pete Kaiser of Bethel, reached Nome in 13th and an hour later, Richie Diehl of Aniak raced across the finish line in 14th.

This hardworking trio continues to wow us with their dedication, determination and success year after year. Pete and Mike have previously placed in the top 10 and Richie is quickly catching up. Last year was Richie's rookie year in the Iditarod, he placed 36th, he moved up 22 spots this year with his 14th place finish. His efforts earned him the Horizon Lines Most Improved Musher Award at the award's banquet in Nome. Mike was also honored at the banquet, he received the prestigious Iditarod Sportsmanship award, which is voted on by fellow mushers. Mike was recognized for his assistance to mushers along the trail, including helping an injured Aaron Burmeister, who presented Mike with the award.

Calista Corporation would like to congratulate all three mushers on their success and for being leaders to look up to in the Region.

POST-ANCSA ENROLLMENT VOTE DELAYED

At the 2013 Annual Meeting of Shareholders in Bethel, Shareholders voted on three advisory resolutions. Advisory resolutions are non-binding and are meant to give the Board of Directors guidance as to how Shareholders feel about important issues. Last year, Shareholders voted in favor of amending the Calista Corporation Articles of Incorporation to issue certain classes of post-ANCSA shares of stock. The vote was 372,702.2685 in favor; 144,944.0454 opposed. While the Shareholders present in person or by proxy clearly voted in favor of this resolution, it garnered less than 30 percent support of the outstanding shares.

Since the Annual Meeting last September, representatives from Calista have been speaking with other ANCSA Corporations that have enrolled post-ANCSA individuals (Descendants). Based on their experiences, these corporations consistently advised Calista to give itself at least one-year to plan and prepare for the vote. After reviewing their comments and much thoughtful consideration, the Board of Directors voted to delay the Shareholder vote another year in order to give the corporation enough time to educate itself on this important matter and how best to prepare. This means the earliest a post-ANCSA vote will appear on the ballot will be 2015.

Five of the 12 regional corporations have adopted measures to enroll their Descendants: Ahtna, Arctic Slope Regional Corporation, NANA, Doyon and Sealaska; and five village corporations: Napakiak, Olgoonik, Quinagak, The Kuskokwim Corporation and Tyonek. In

the coming year, Calista will continue to talk with the other corporations and examine the necessary procedures to enroll Descendants effectively, as well as the impacts that it will have the corporation and its current Shareholders.

One of the most significant questions Calista faces is determining how many potential Descendants are there to enroll. With a number that widely ranges in the tens of thousands of people, Calista plans to enlist a demographer. A demographer is a person who studies human populations, and this person will provide more detailed information on the number of Descendants and their locations. Calista is also working with the latest census data to get estimates.

There are a number of different methods to enroll Descendants. For example, some corporations have opted to allow their post-ANCSA Descendants to own shares, but have limited their right to give them away by will or gifting. Some have chosen not to allow new shares to participate in 7(i) revenue sharing.

Because there are many different options, Calista leadership will look at all of the options and analyze the potential outcomes and impacts. This information will then be given to Shareholders for their consideration as the process moves forward. When the Calista Board places the measure on an Annual Meeting ballot, it will require more than 50 percent support of the outstanding shares to pass.

We understand this topic is very important to our Shareholders and Descendants and we will continue to provide you with updated information as it becomes available.

PERSONAL DATA FORM - APRIL 2014

Shareholder Name _____

New Mailing Address _____

City _____ State _____ Zip _____

Phone _____ SSN _____

Birth Date _____

Would you like Calista to send you new Will forms? Yes No

Calista Shares _____

Village Corporation Shares _____

Please change my address as I have indicated above. I understand that you cannot make address changes without my permission and signature, which I hereby give of my own free will and without constraint. I further authorize Calista and its subsidiaries to share this information.

Shareholder Signature _____

Date _____

Signature of Witness 1 _____

Signature of Witness 2 _____

(Two witnesses are required if Shareholder signs with an "X.")



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