

STORYKNIFE

THE VOICE OF THE REGION

Yaarnin



Calista projects span the state.

(Story on pages 4 and 5)

ADVOCACY BRINGS BENEFITS

Every year our elected officials meet to decide on important issues and projects for our state but with dozens of bills on the table, it is easy for some to get lost in the sea of priorities. Working with other Native organizations like the Alaska Federation of Natives (AFN), Calista Corporation spends considerable time advocating for projects and issues important to our Region, Shareholders and Descendants. Our advocacy efforts include working hand-in-hand with our Region's representatives and meeting with other elected officials to encourage support of these bills.

This year, one effort that stands out because of its intensely personal impact on families in the Calista Region and other parts of rural Alaska, is the autopsies and death certificates bill which is waiting to be signed into law by Governor Sean Parnell. Currently, when a family member unexpectedly passes, his or her body is shipped to Anchorage for examination by a medical examiner. This has proved to be expensive and traumatic for grieving families. We understand this inspection is necessary at times but we want to minimize the impact this has on families and find alternatives. New regulations will allow families, in some cases, to use existing technology in the Region. In addition, it promotes compassionate interaction with grieving families. Quyan to Rep. Bob Herron and his staff, and Sen. Donny Olson and his staff, who championed this effort. We also

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Hometown heroes honored for saving lives. (story page 7)



CALISTA CORPORATION
www.calistacorp.com

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Finance Department



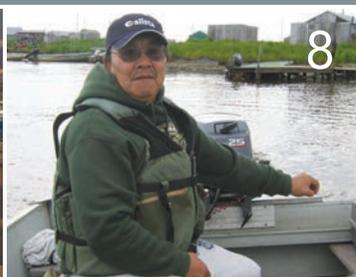
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BOARD MESSAGE

Willie Kasayulie, Chairman of the Board

As we work to keep Shareholders up-to-date on corporation activities, we are excited to continue to bring you news about the recently formed Yukon-Kuskokwim Delta Regional Committee. As we engage state, federal and outside organizations and agendas, it is imperative we have an entity that can represent our interests and empower the Region with all of our support. The Regional Committee is an alliance of tribes, village corporations, regional nonprofit organizations and Calista. This partnership is creating a powerful political and economic voice to improve the socio-economic environment of the Region and our people.

The first Regional Committee gathering was held in early February and we made a lot of progress including forming a 16-member steering committee. The steering committee includes a representative from 10 geographic units and six representatives from the regional organizations. This steering committee has since met twice and a top priority is balancing the establishment of a single authority while also respecting the sovereignty of each of the regional tribes and ANCSA corporations.

The steering committee believes there are basically two options to effectively grant representative power to a single entity. The first is modifying the authority of a single, existing regional nonprofit that would serve as the primary representative. The second option would create a new organization to represent the Region. Either option requires the steering group to redefine the scope of power and the range of issues. Ultimately, whether either option goes will be up to the tribes and no one else

We are facing many critical issues in the Yukon Kuskokwim Region, on top of the high cost of energy, and reduced funding levels for all of the social services, housing programs, health care and infrastructure development. The Regional Committee is committed to finding solutions that will better help to ensure the voice of the entire Region is clearly heard.

For the latest information, please visit www.calistacorp.com/RegionalCommittee

"The Regional Committee is about our children and our grandchildren. For our cultures and Region to continue surviving we must unify our voices and speak up."



PRESIDENT'S MESSAGE

Andrew Guy, President & CEO

Dedication and perseverance are part of our cultural values essential to our subsistence lifestyle. Whether it's spending all day gathering berries or spending weeks moose hunting, we provide for our families with our hard work. These are values instilled in our people to ensure our survival in some of the harshest lands in the world. But unfortunately, at times outside forces try to strip us of these rights. In the battles over subsistence rights we must turn to the dedication and perseverance our Elders taught us.

One battle we have been fighting for nearly 20 years is widely known as the Katie John case; the formal case name is *State of Alaska v Sally Jewell, Secretary of Interior et al.* We are pleased to announce a major victory. On March 31, the Supreme Court of the United States rejected the State of Alaska's petition to reconsider a ruling that was in our favor. The Alaska Attorney General had asked the Supreme Court to review a decision by the 9th Circuit Court of Appeals that gives the federal government control over subsistence hunting and fishing on navigable waters owned by the state that are adjacent to and within federal lands.

This ruling is good news for Alaska Natives but the issue will continue to arise because of fundamental differences in state and federal law. While the federal government gives hunting and fishing priority to rural Alaska residents, the state constitution gives

equal access to all Alaskans. Giving rural Alaskans hunting and fishing priority ensures that during times of limited resources our families will have food all year long.

Recent polls show more than two-thirds of Alaskans support rural subsistence priority. Dedicated Alaskans like the late Athabascan Elder Katie John have spent years fighting for this right, working to ensure that future generations have the opportunity to not only practice our traditions but also make a living that everyone else in urban areas takes as a basic God-given right. Thanks to the Alaska Federation of Natives (AFN), its legal team and Native leadership from around the state, we are one step closer to protecting these rights. Hard working Alaskans also played a major role in this victory; for example, Head Start teachers in Toksook Bay held a fundraiser and small villages held dances to raise money. This is a testament to the dedication and perseverance of the Alaska Native people.

Calista will continue to advocate for subsistence rights. We routinely work with AFN as issues arise and I recently was in Washington D.C. talking with decision-makers about subsistence issues in Alaska. We are always working to preserve and protect our subsistence rights because our culture and our livelihood depend on them.

ADVOCACY BRINGS BENEFITS

(Continued from front cover)

give our heartfelt thanks to the families and Tribes that allowed us to speak with them, Bristol Bay representatives that provided testimony, AFN and ANCSA Regional CEO Association.

Another important piece of legislation that passed was a bill officially recognizing 20 Alaska Native languages as state languages. During the session many Elders spoke up in support of the bill, saying they remembered the days when they would be punished by teachers for speaking their Native language. Prior to the bill passing the senate, supporters staged a 15-hour sit-in at the state's Capitol. Many of our Native languages risk becoming extinct with the passing of our Elders. This bill reminds us the importance of preserving our culture and traditions.

Bringing funding to our Region for projects and improvements is something we work very hard to achieve. Common issues include energy assistance and support, capital funding for ports, airports, education, roads and much more. This year, we are pleased to report several projects receiving funding including \$18 million

for airport improvements and snow removal for the Kwigillingok airport and \$4.3 million for the Pilot Station airport.

We also advocate for issues on a federal level. Working with AFN, we have spent considerable time and effort working to secure additional settlements with Tribes for underfunding support costs through Indian Health Services contracts. This month, the government announced additional settlements. This year, Southcentral Foundation received the largest settlement in Alaska and in history and in December the Yukon Kuskokwim Health Corporation received the second largest settlement.

We will continue to work hard to bring benefits to our Region and while we are a powerful voice of advocacy, it is important for all Alaska Natives to have their voices heard. All Alaska Native people need to not only register to vote, but to get out and vote when the time comes. Working together, we can bring positive change, and important programs and funding to our people. For more voting information, please visit www.aknativevote.com

Employee Feature

KIMBERLY KEYES AND CATHERINE EARNEST, FINANCE DEPARTMENT

As Calista Corporation's business grows selected departments are adding staff in order to keep up. One department that has seen growth in recent months is the finance department. As revenues go up and staff numbers increase, the finance department grew to about 30 employees to keep up with the financial responsibilities of Calista and its subsidiaries.

One recent addition is Account Technician Kimberly Keyes, a Descendant, who grew up Alakanuk. Her career started in high school through a summer job placement program. Kimberly's first job was working with the city doing bookkeeping and she enjoyed it enough to pursue a related career. Upon graduation, Kimberly attended Job Corps and obtained her certificate in accounts payable. She started at Calista last September.

"I wanted to work for my company and see where they are going and get an idea of how things are going."

Catherine Earnest

Account Technician Catherine Earnest is another relatively new employee. Catherine, a Shareholder, grew up in Tununak and is going on her second year at Calista. She says she has seen the corporation evolve over the years including providing bigger

dividends, and increasing benefits for Shareholders and Descendants.

"It seems like the managers are all working hard to increase revenue and get more jobs for the Region, which is great," said Catherine.

Catherine says she is proud to be a part of a corporation that hires Shareholders and provides opportunities and training for Youth; she is impressed by Calista's internship and scholarship programs.

"I really love the fact that Calista reaches out to its younger people to make them keep going," said Catherine.

Both Catherine and Kimberly feel a sense of pride in their work for Calista.

"Every job duty that is assigned to everyone, it takes part in the company's growth and success," said Kimberly.

They are excited to be working with Calista to bring success to the Region.



Catherine Earnest, top, and Kimberly Keyes, bottom.

BUILDING ALAS

FROM THE ALEUTIAN ISLANDS TO THE NORTH SLOPE, OUR 2014 PROJECTS SPAN THE STATE.

HERE ARE A FEW OF OUR SUBSIDIARIES' PROJECTS.



SOLSTICE
ADVERTISING



Tunista Inc.

E3

ENVIRONMENTAL

CONSTRUCTION | LLC
TUNISTA



Bricer Environmental



KA'S ECONOMY

BRICE

LOCATION: Kotzebue
PROJECT: Runway Construction

BRICE ENVIRONMENTAL

LOCATION: Dutch Harbor
PROJECT: Contaminated Soil Removal

CHIULISTA SERVICES

LOCATION: Kodiak
PROJECT: Full Food Services for the United States Coast Guard

E3 ENVIRONMENTAL

LOCATION: Calista Region
PROJECT: Yukon to Kuskokwim Freight and Energy Corridor Plan

FUTARIS

LOCATION: Ketchikan, Tye Lake, Swan Lake, Petersburg and Wrangell
PROJECT: Southeast Alaska Power Authority

NORDIC-CALISTA

LOCATION: North Slope
PROJECT: Drilling Rigs

SOLSTICE ADVERTISING

LOCATION: Donlin Creek
PROJECT: Donlin Gold

STG

LOCATION: Sitka
PROJECT: Blue Lake Hydro Expansion

YUKON EQUIPMENT

LOCATION: Fairbanks
PROJECT: Barracks Rehab

TUNISTA CONSTRUCTION

LOCATION: JBER
PROJECT: Multi-Purpose Machine Gun Range Construction

TUNISTA, INC.

LOCATION: Bethel
PROJECT: Business Complex



NATIVE 8(A) PROGRAM BENEFITS REGION

Every spring, Alaska Native business leaders, state and local officials, business professionals and others gather in Las Vegas, Nevada for the Annual National Reservation Economic Summit (RES). RES is hosted by the National Center for American Indian Enterprise Development and promotes assistance to Alaska Native and American Indian tribes with business development. Representatives from Calista and its subsidiaries attend every year to network and seek new business ventures. Many of Calista's subsidiaries are Small Business Administration (SBA) 8(a) certified companies, which is a program that gives disadvantaged small businesses assistance in federal contracting.

The Small Business Administration Act was changed in the late 1980's to include Alaska Native Corporations formed under ANCSA. Because Alaska Native Corporations represent socially and economically disadvantaged communities, this was an effort by the federal government to help those individuals. According to the Native American Contractors Association, in 2011, Native 8(a) businesses sold \$6.8 billion worth of goods and services to the federal government and the estimated economy-wide impacts from Native participation in the SBA 8(a) program were 109,000 jobs and \$6 billion in wages and benefits. These numbers affirm the importance of Native 8(a) participation to ANCSA Corporations, and their Shareholders and Descendants.

While it is important, federal contracting is only part of the business model of Calista and other ANCSA

Corporations. Nationally, it represents only 1.26 percent of federal contracting, according to the ANCSA Regional Association 2009-2012 Economic Impact Report.

Due to the program's success in recent years, ANCSA Corporations have been under misguided political scrutiny. These wasteful political efforts caused the U.S. Government Accountability Office (GAO), a nonpartisan agency that investigates how tax dollars are used, to review Native 8(a) contracting. The review came after some elected officials questioned whether ANCSA Corporations provided benefits to Shareholders. According to the ANCSA Regional Association, "after an extensive review by the GAO into governance practices and benefits provided to Shareholders, the GAO had no substantive negative findings."

Despite reports showing the program is beneficial to Shareholders, there continues to be criticism of the Native 8(a) program. These negative attacks have the effect of reducing the number of projects available to ANCSA corporations, which may restrict revenues from federal contracting and limit opportunities to hire Shareholders and veterans. It is unfortunate when outside forces criticize a proven program that has helped address the economic, social and cultural needs of our Region.

We understand our obligations as an Alaska Native Corporation and will work to grow our business through federal and private contracting and will continue to provide benefits to the Region.

REGISTER TODAY

15TH ANNUAL CALISTA HERITAGE FOUNDATION GOLF CLASSIC

Swing into summer with the 15th Annual Calista Heritage Foundation (CHF) 2014 Golf Classic Tournament. The Golf Classic is the largest fundraiser of the year for CHF, which provides Shareholders and Descendants with scholarships for higher education. This year's theme is spread your wings, reach for your goals.

When: Wednesday, June 18, 2014 at 6:00 a.m.

Where: Moose Run Golf Course Anchorage, Alaska

Registration ends June 6, 2014

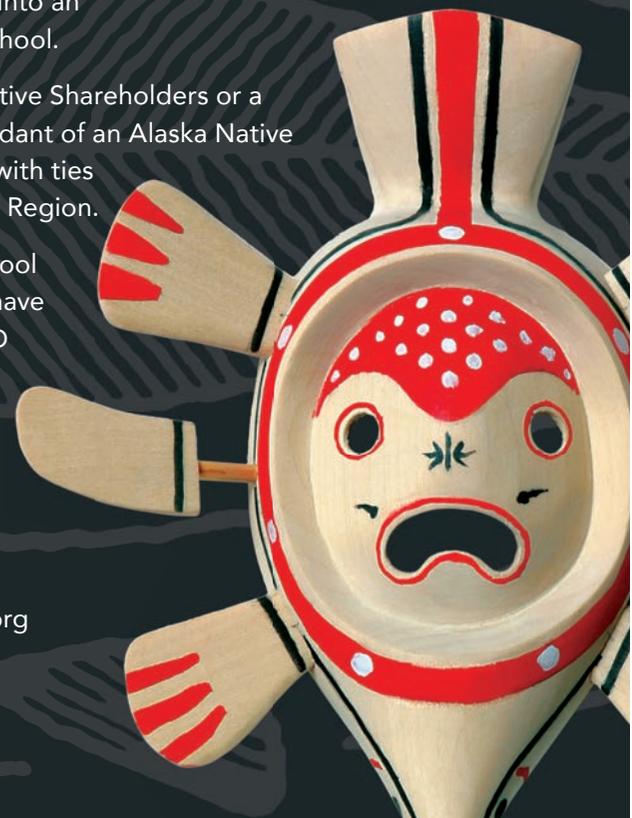
For more information visit www.calistaheritage.org or email golfclassic@calistacorp.com or call (907) 279-5516

Don't Miss the Date CALISTA HERITAGE FOUNDATION SCHOLARSHIP DEADLINE JUNE 30, 2014

To qualify, students must:

- Be accepted into an accredited school.
- Be Alaska Native Shareholders or a lineal Descendant of an Alaska Native Shareholder with ties to the Calista Region.
- Be a high school graduate or have earned a GED and have at least a 2.0 grade point average.

For more information visit calistaheritage.org





VILLAGE PROFILE: KWETHLUK

KUIGGLUK MEANING "DANGEROUS RIVER"

The community of Kwethluk is one of the oldest known communities in Alaska; archaeological digs indicate the area was inhabited during prehistoric times. Kwethluk sits at the confluence of the Kuskokwim River and the Kwethluk River, about 12 air miles east of Bethel. Kwethluk is derived from the Yup'ik word *Kuiggluk* meaning "dangerous river," due to the ever-changing nature of the river channels.

The Kwethluk River has always been an integral part of life in the community. In the early 1910's, gold was discovered in the upper Kwethluk River and prospectors settled in the area and mined the deposit until World War II. There is also a wealth of salmon in the river, several species spawn in the river each year and the area is becoming increasingly popular for fly-fishers looking to catch and release rainbow trout.

Subsistence is a very important part of the community of nearly 800. By the 1940's, the village residents of Kwethluk owned 31,000 reindeer that they harvested for food and hide. The community is predominantly Yup'ik Eskimo and many still practice a subsistence lifestyle. A large percentage of the community's residents hold commercial fishing permits.

Kwethluk has strong religious ties. In the late 1860's, Russian Orthodox missionaries from Russian Mission founded a small congregation and a chapel was built in 1912. In addition, the Moravian Church built a chapel in 1896 and operated a Moravian orphanage between 1930 and 1970. A community post office was built in 1947 and the first store was constructed the following year. Kwethluk was incorporated as a second-class city in 1975.

Kwethluk is the second largest community along the Lower Kuskokwim River and its residents depend on air transportation for year-round freight and passenger service. A gravel airstrip and seaplane base are located in Kwethluk and barge services deliver cargo during the summer months. ATVs and skiffs are used during the summer months and snow machines are used during the winter when the river becomes a popular ice road. Snowfall averages 50 inches a year, with temperatures dropping to a winter average of between -2 to 19 °F. Summer temperatures average between 42 to 62 °F.

LEADERS FROM THE REGION

KOTLIK SEARCH AND RESCUE

Last November, Western Alaska was battered by one of the worst storms on record. Hurricane-force winds, along with rain and snow slammed the coastline, destroying property and flooding communities. One of the hardest hit villages was Kotlik, a community of about 600. The storm came in fast and many were unprepared.

"It was very devastating, I have not seen it that bad before, the Elders haven't seen it before," said Richard Akaran, head of Kotlik Search and Rescue.

Surging seawater and ice destroyed the village's sewer and distribution lines and damaged homes. The water came in quickly and many families became trapped. Members of the Kotlik Search and Rescue team spent the next several hours rescuing families from the flooding.

"We had to struggle through the ice to get to the homes to rescue the families. It wasn't very fun," said Richard.

As the floodwater raced through town, one man was swept off a boardwalk and nearly drowned. "He was submerged but luckily there was a telephone pole he hung on to. Just imagine you are holding onto something and the force is pulling you. His body was almost at a 45-degree angle as he was holding onto the pole. It was very frightening at the time," said Richard.

Richard helped rescue the man and more than a dozen other people. The Kotlik Search and Rescue crew and City Manager Lori Mike used boats to take people to safety, housing several at the local school. According to the American Red Cross of Alaska, more than 100 Kotlik residents needed assistance after the storm and 31 homes were affected, totaling more than a half million dollars in damages. In the months that followed organizations like the Red Cross, Yukon-Kuskokwim Health Corporation and Calista donated supplies and helped with clothing drives.

"We've never received any kind of honor like this before, it makes me feel good."

Even though the community was damaged by flood waters and ice, thanks to the hard work of Kotlik Search and Rescue, no one was injured in the storm. Because of their efforts, the Red Cross honored Richard and Lori at the 2014 Real Heroes Breakfast. Richard accepted the award for Community Safety last month, in recognition of the Search and Rescue team's actions during the storm.



STORYKNIFE

THE VOICE OF THE REGION

Yaarnin



SHAREHOLDER RECORDS

If you have recently changed your address it is important to notify Calista Corporation your new address. If Calista does not have your current address you may miss out on important information including the Storyknife newsletter, distribution checks, Annual Meeting information and more.

Many people choose to fill out change of address forms with the U.S. Postal Service but the post office does not notify Calista of the new address. Unfortunately, when the forwarding period expires the post office informs us that the mail is undeliverable and returns your mail to Calista. When mail is returned to Calista we have no way to know the new address unless you notify us.

If we do not have your current information on file, mail may be undeliverable or delayed in getting to you, and it affects Calista's bottom line because we may end up paying for postage several times.

With the Annual Meeting of Shareholders quickly approaching in July, we will be sending out proxy packets and other related materials in the coming weeks. It is very important for you to receive these materials in a timely fashion.

Below you will find a Personal Data Form. If Calista does not have your most recent information please fill this form out and return to Calista. You can also download the Shareholder Update Address Form at www.calistacorp.com/shareholders/shareholder-information



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PERSONAL DATA FORM - MAY/JUNE 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.")

Mail to:
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Anchorage, AK 99518-3028
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