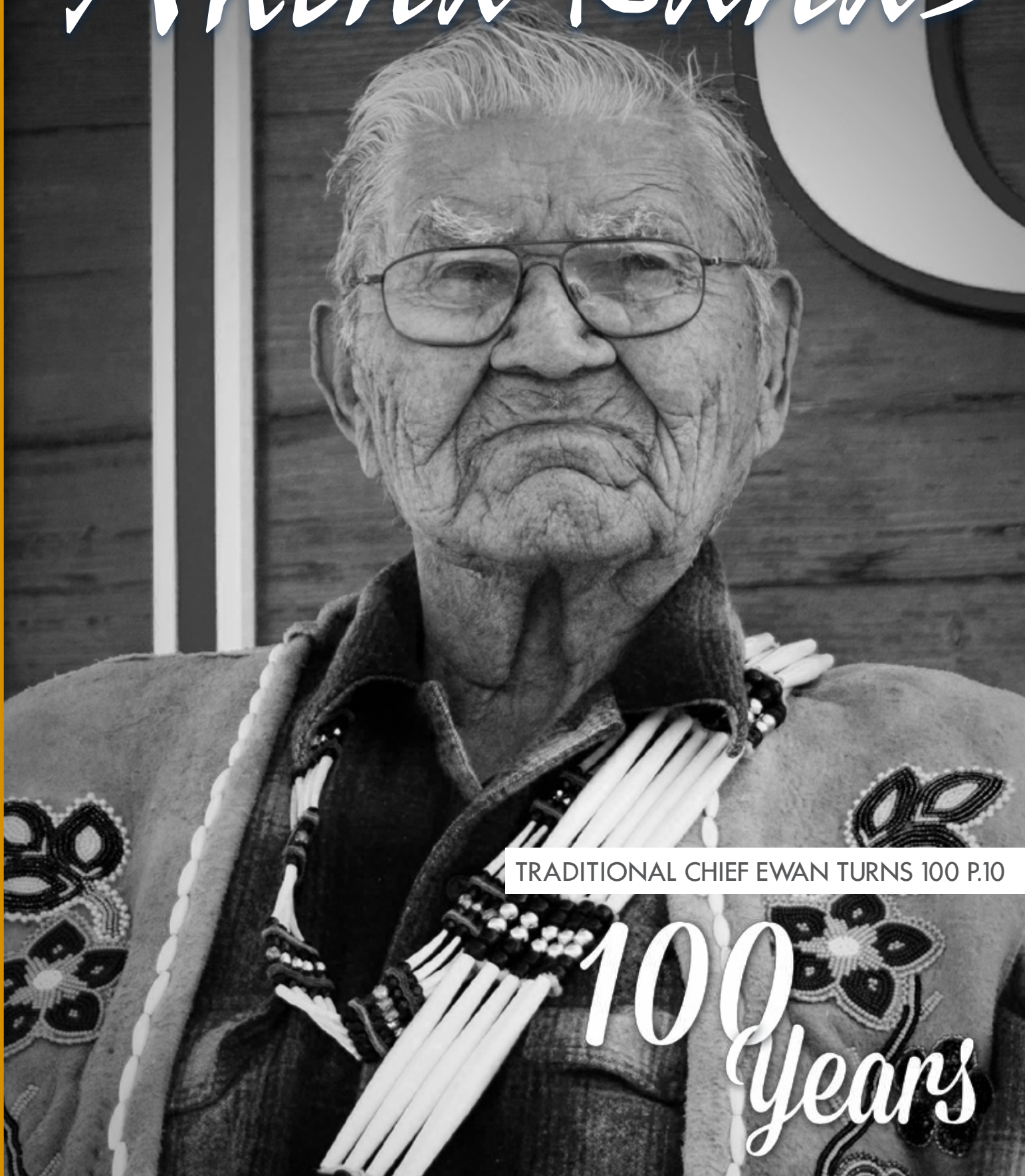


Ahtna Kanas



TRADITIONAL CHIEF EWAN TURNS 100 P.10

100
Years

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PRESIDENT'S MESSAGE ANNUAL MEETING WEBCAST A HUGE SUCCESS

Dear fellow shareholders,

I hope that your summer is going great! There are a few updates and highlights I'd like to share with you.

Thanks to you, our annual meeting was very successful. We strive for new ways to increase communications to our shareholders and this year introduced the option of attending the meeting via webcast. Many shareholders joined us – shareholders who otherwise wouldn't have been able to attend. We finished on schedule and met the meeting quorum with the webcast viewer attendance alone! It was great to see shareholders of all ages take an interest in this past year's successes and where our future will take us.

We had the chance to recognize an Ahtna shareholder and employee, Ms. Gloria Stickwan. While her current job is the Customary & Traditional (C&T) Coordinator, Gloria has been a relentless, vigilant C&T advocate internally and externally, working hard to protect our customary and traditional hunting and fishing practices against threats and negative policy. Gloria oftentimes works alone and spends hours researching and working with state and federal agencies and our shareholders regarding C&T efforts. Protection of our C&T practices is one of Ahtna's highest priorities. We thanked Gloria for her ongoing support with a plaque, a Pendleton blanket and a cash gift. Tsin'aen, Gloria, for all you do.

In our spring issue of the Kanas, we announced the first electronic version of the newsletter. The response was outstanding as more and more people prefer to get their information on mobile devices! We will continue to offer this as an option for you and would love your feedback. Let us know what you like and what could be done to make it better.

Below, you will see updated statistics on the age demographics of our shareholders. It's interesting to see how diverse a group we really are. It's so important to empower our younger shareholders to become involved and be enthusiastic about our culture and traditions.

“We are focusing time and effort to seek opportunities that generate economic development within our region, which, in turn, creates more jobs for our shareholders and Alaskans.”

Michelle Anderson

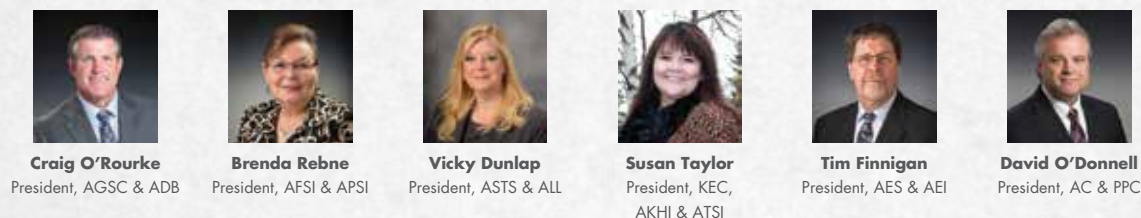
Ahtna's CEO, Tom Maloney, covers our success as a company over the past year in this issue of the Kanas. We closed the books on 2015 with the second-highest net-income earnings in our company's history. Our five-year goals are aggressive, but I think we are in position to take advantage of this momentum and continue the growth we've seen over the past couple of years.

Continued on page 4

Ahtna, Inc. and Ahtna Netiy'e' senior management team



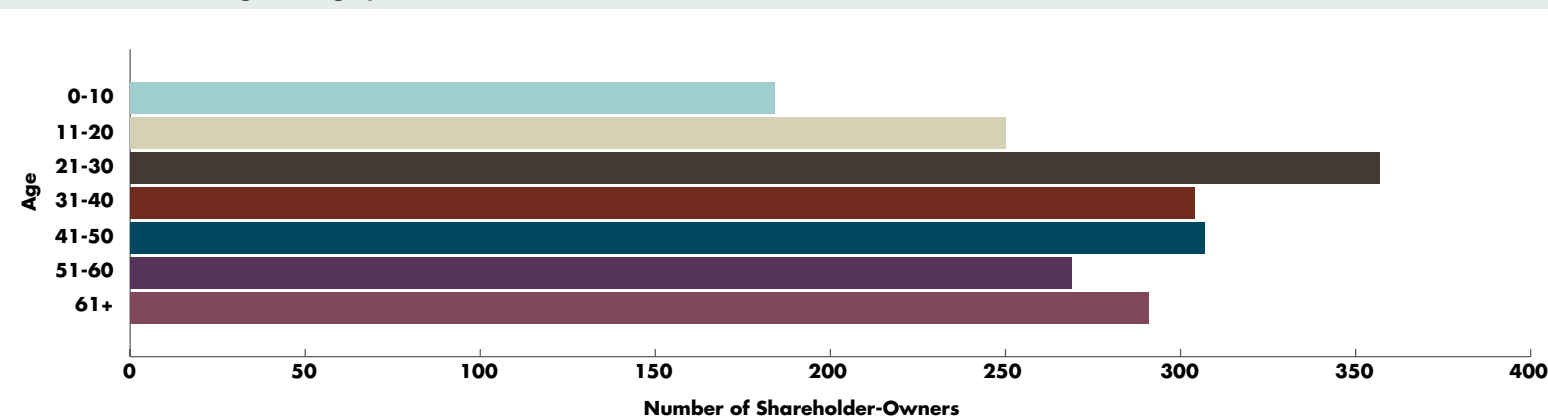
Ahtna Subsidiary Presidents



If shareholder-owners would like to submit articles for the next issue of the Kanas, the submission deadline is September 6, 2016.

For questions or more information about the Kanas, please contact the Media and Communications office: Shannon Blue at (907) 230-7058 or sblue@ahna.net

Shareholder-Owner Age Demographics



PRESIDENT'S MESSAGE - Continued from page 3

Five-year goals:

- o Double stockholder equity to \$40 million
- o Expand non-government (commercial) revenue to \$55 million of total revenue
- o Increase clients' perception of Ahtna quality
- o Enhance relationships with shareholders
- o Ensure agile and efficient operations
- o Protect and responsibly develop the land and natural resources
- o Build organizational capacity and sustainability

On top of these goals, we plan on focusing on our Alaska operations. While our business growth has been great in California, Hawaii and North Dakota, it's time to better develop opportunities within our region and create more jobs for shareholders and Alaskans.

As we've been reporting, author Bill Simeone has been working on an Ahtna history book. Bill wants to meet and talk with shareholders. In this issue of the Kanas, Bill continues his series on Ahtna's history and ANCSA. Bill often writes about the ongoing fight for Ahtna's land-use rights – a topic that remains a top priority for us today. In fact, Ahtna hosted a two-day meeting July 20-21 with the assistant secretary of the U.S. Department of the Interior to discuss wildlife co-management on Ahtna lands. Our ultimate goal is to enter into a wildlife-management agreement with the Department of Interior. We will keep you posted.

In late June, the governor and several of his staff met with our Traditional Chief Fred Ewan and Gulkana tribal members to address an issue that pre-dates statehood. Governor Walker met Chief Ewan and tribal members in Gulkana and walked the former village land that is now under state ownership. Prior to statehood, the Federal Highway Administration bisected what was a thriving village on the Gulkana River and forced Ahtna families to move to the other side of the road. The families had to pick up what they could, leaving behind family homes, belongings and family graves. We are thankful this very sad chapter in our state's history caught the governor's attention and that he wants to work with us to respectfully address the matter. We will keep you informed of our progress. My appreciation to Gulkana's tribal council and tribal members for walking the governor through the former village lands, the cemetery and the history of what happened. Your words were very powerful.

As a final point, CONGRATULATIONS to all the graduates this year! Your accomplishment is a source of pride not only for your families but for all Ahtna people. We are all so proud of you. On behalf of our Board and staff, I wish each of you great future success!

Tsin'aen,



Michelle Anderson, President
Ahtna, Incorporated

Photo courtesy of the Office of the Governor, State of Alaska



Governor Walker and representatives from the Departments of Natural Resources, Transportation and Fish and Game visited Gulkana and toured the old village site on June 29. The meeting was very successful and allowed Ahtna leadership and Elders to share the history of the village and the outcomes sought by the Gulkana Village Council. The governor has committed to replying by the end of July to our requests to sign over ownership of the land to Ahtna. We've been working since 1943 to get the title to our old village site. We've worked through many administrations and departments to no avail. We are hopeful that this will be the year that our grandparents see the return of the old village site. We truly appreciate the governor and his staff taking the time to visit the region.



CEO'S MESSAGE

AHTNA TURNS IN STERLING PERFORMANCE DURING 2015

Dear shareholder-owners,

It was my honor to present my first CEO report to the June 4 Annual Shareholder-Owners Meeting, and I am pleased to report that my update was as bright as the sun outside.

Ahtna had a very good 2015, ending the year with a net income of \$5.4 million, the second-highest in our history. Not only did our companies perform well, we were able to significantly increase the work we do in Alaska, which creates more job opportunities for our shareholder-owners.

In fact, Ahtna Inc. made good progress on all three of the Board's priorities for success: shareholder-owners, profits and safety.

Shareholder-owner benefits totaled \$14 million and break down as follows:

Our Alaska revenues grew by 40 percent from 2014 to 2015. We staffed projects in 47 Alaska locations that ranged from Ketchikan to Prudhoe Bay, Northway to Atka.

Alaska accounted for \$44.36 million in revenues, or 24 percent of total revenues, followed by Texas at \$42.45 million, California at \$38.95 million, Arizona at \$15.79 million and South Carolina at \$8.61 million.

The growth in our business in Alaska has created new, good-paying jobs for our shareholder-owners. Some 38.6 percent of Ahtna employees who work for Alyeska Pipeline Service Co. on the trans-Alaska pipeline are Alaska Natives, the highest percentage by far for all contractors. We reached the 50 percent threshold for hiring shareholder-owners on some of our field and remote job sites. These workers all earn Davis Bacon wages. Shareholder-owner Michael Routt has been hired as the pit manager for one of our new ventures, AAA Valley Gravel.

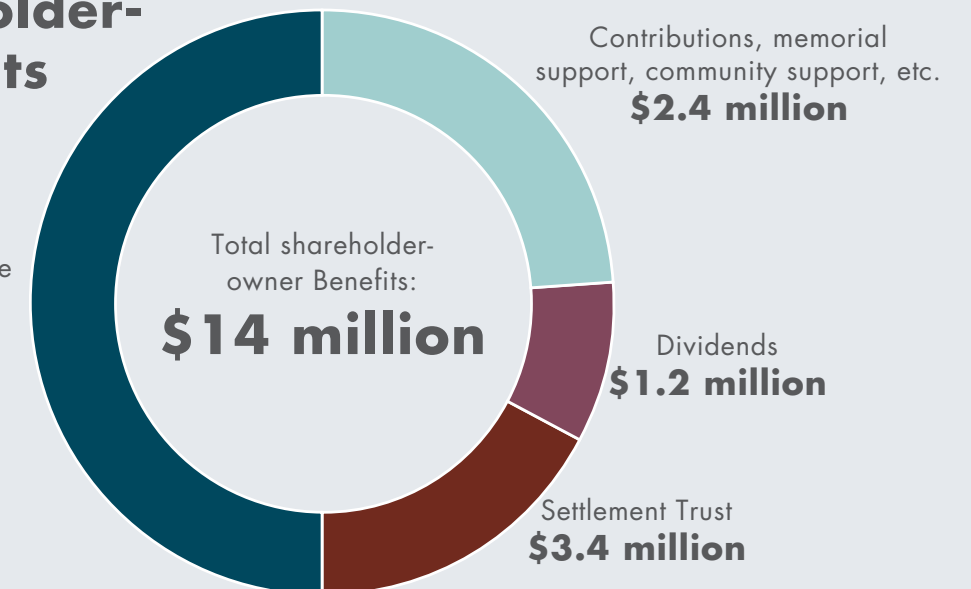
Another large undertaking that could benefit shareholder-owners for decades to come is the exploration gas well we are drilling 11 miles west of Glennallen. Getting a rig moved from Cook Inlet to the site of Tolsona No. 1 proved more complicated than expected - we will keep you updated on the progress of this project.

This well has already brought dollars into the region through the seismic and construction work we've undertaken over the past three years to get ready for drilling. It has helped diversify our business and provided jobs for our shareholder-owners. But the real benefit will come if we find gas in commercial qualities. A gas supply in our back yard has the potential of lowering heating costs between 40-50 percent and - if it is large enough - a new export opportunity.

Continued on page 6

2015 Shareholder-Owner Benefits

Shareholder-owner hire
\$7 million



We are able to drill Tolsona No. 1 because of the state's Frontier Basin refundable tax credits, which covered about \$2.4 million of the \$3 million in seismic costs and about 73 percent of the estimated \$10 million in drilling costs. "Ahtna would not be doing this exploration if the tax credits were not there," Roy Tansy Jr., our executive vice president, told the Legislature earlier this year. Representative Jim Colver and Ahtna's other legislators have fully supported our gas drilling efforts.

SAFETY – Safety is not only a core value at Ahtna, it's the Number One priority of our customers. As J.P. Connelly, regional director of Alaska procurement for BP Exploration (Alaska) told us a few weeks ago: "We look for suppliers that value safety as really part of what they do, as opposed to something else they just have to tick the box for."

Our clients take note of Ahtna's outstanding performance. Alyeska Pipeline Service Co. nominated Ahtna Construction as Contractor of the Year for

Safety Performance, an award presented by the Alaska Oil and Gas Association. The company also received an Atigun Award for its part in responding to the Sag River flood repairs. Alyeska presents these awards annually to honor innovative work, exciting projects and shining-star professionals along the pipeline.

Finally, I want to thank our amazing employees – who worked so hard and produced such good results, often working in a challenging environment to benefit our shareholder-owners.

Thank you,



Tom Maloney
Chief Executive Officer

New 2016 Business

PROFITS – Our net income for 2015 was \$5.4 million, a number that has increased by five times over the past decade. Here is some new award business for 2016.

Ahtna Construction & Primary Products Corporation (AC&PPC)

- \$70 million, 7-year baseline contract, Alyeska Pipeline Service Co., AK
- \$20 million, 5-year mining and materials award, Alyeska Pipeline Services Co., AK
- \$6.9 million, Talkeetna Airport improvements, AK Department of Transportation (AKDOT), AK
- \$3.5-5 million, Exit Glacier Road Flood Mitigation Project, AKDOT, AK

Ahtna Engineering Services, LLC (AES)

- \$10 million, Sharpe Army Depot O&M, U.S. Army Corps of Engineers (USACE), CA

Ahtna Environmental, Inc. (AEI)

- \$5 million, 2-year, Shemya HEMP fabrication and install, USACE, AK
- \$8.9 million, Camp Parks Dig and Haul Mod 2, USACE, CA
- \$9.5 million, FAA Base Operating Agreement for West TX and NM

Ahtna Facility Services, Inc. (AFSI)

- \$100 million, 5-year, Elks Hill, Department of Energy, CA

Ahtna Design-Build, Inc. (ADB)

- \$6.7 million, Oakland Middle Harbor Enhancement Area, USACE, CA

Ahtna Government Services Corporation (AGSC)

- \$2.7 million, Pacific Gas & Electric Co., CA

AKHI, LLC

- \$6.5 million, Screening Partnership Program, Transportation Security Administration, KC

Ahtna Professional Services, Inc. (APSI)

- \$9 million, 5-year, fire rescue and emergency services, NASA Cape Canaveral, FL

Ahtna Support and Training Services, LLC

- \$268 thousand, PEO STRI, Ft. Irwin, CA
- \$835 thousand, FORSCOM HQ, Ft. Bragg, CA

SUBSIDIARY SPOTLIGHT

AHTNA DESIGN-BUILD, INC.

Answers provided by Craig O'Rourke, president

What are Ahtna Design-Build's (ADB) areas of specialty?

ADB is an SBA 8(a) certified small business capable of performing a multitude of construction, engineering and environmental services across the U.S. Its areas of specialty include: horizontal and vertical construction; infrastructure installation/upgrades; water resources and conveyance; structural, civil, mechanical and electrical engineering; decommissioning and demolition; dredging; and building renovation.

What is your mission?

ADB is focused on performing safe, high-quality construction and environmental services for government agencies and large government contractors.

Number of staff and office locations?

We have a staff of eight in our Irvine and Sacramento, CA, offices.

What are your goals and aspirations?

ADB is focused on partnering with large architecture/engineering firms and general contractors to assist them in meeting their Minority Business Enterprise or Disadvantaged

Business Enterprise goals in federal, state and local projects. ADB is also focused on working with large commercial businesses interested in ADB's National Minority Supplier Diversity Council Business Enterprise certification.

What were your biggest accomplishments in 2015?

ADB grew in revenue from \$785 thousand in 2014 to \$6 million in 2015. We completed several very successful and highly rated government projects in 15 different states for the U.S. Army Corps of Engineers (USACE), Naval Facilities Engineer Command, Bureau of Reclamation and General Services Administration. Our joint venture with CDM Smith, an international engineering and design firm, yielded an USACE contract for a \$45 million design-build construction Multiple Award Task Order Contracting (MATOC), and the JV has more than \$1 billion in additional construction contracts pending.



Naval facilities engineering command hangar support system operations and maintenance project in former MCAS, Tustin, CA.

STAR AWARDS



AES's Safety, Health, and Environmental Program Administrator Jennifer Davis presents Star Awards



Rick Messer, Denise Merl, Heather Ewing and Chuck Lancaster helped a fellow employee who was experiencing a non-life-threatening illness. Thanks to their quick thinking, the employee in need was able to receive the appropriate attention needed.



Jesse Farrell observed and reported exposed conduit on the dumbwaiter in Room 7 that had exposed wires. This observation prevented a potential electrical danger.



Beth Smith was working with an employee in destruction when they started showing symptoms of an allergic reaction. Beth quickly responded by offering support and keeping the employee calm.

LANDS SPOTLIGHT

AHTNA FIGHT TO PRESERVE THEIR BIRTHRIGHT - COPPER RIVER SALMON

NEXT IN SERIES OF ARTICLES ON AHTNA'S HISTORY AND THE ALASKA NATIVE CLAIMS SETTLEMENT ACT

BY BILL SIMEONE

Laws like the Organic Act and the Alaska Territorial Act seemed to acknowledge the property rights of individual Alaska Natives, but said nothing about hunting and fishing. Congress passed fish and game legislation in 1902, 1924 and 1925, but the new laws did not address the position of Alaska Natives. The territorial legislature had no authority to regulate fish and game in Alaska as that power was reserved for Congress.

A commercial salmon cannery opened at the mouth of the Copper River in 1889. Salmon are essential to the Ahtna, but they had no treaty protecting their rights to the fishery. The Ahtna complained about the cannery with no result. In 1915, commercial fishing began in the Copper River at Abercrombie Canyon, and the commercial harvest jumped from 653,402 fish in 1915 to 1,253,129 in 1919.

The Ahtna protested. Gallagher, Joe Nicolai, Chief Goodlataw and Johnny Goodlataw hired an attorney in

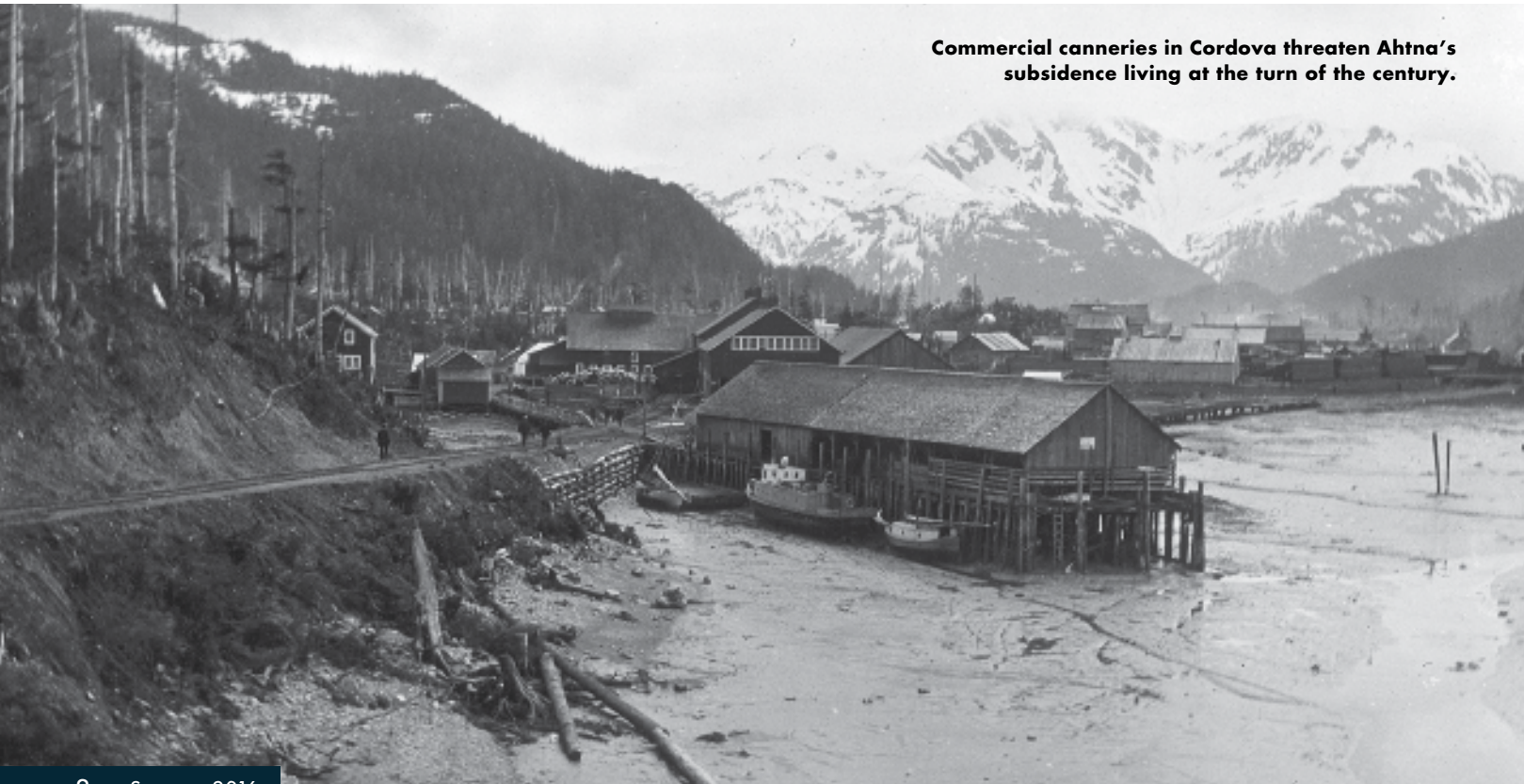
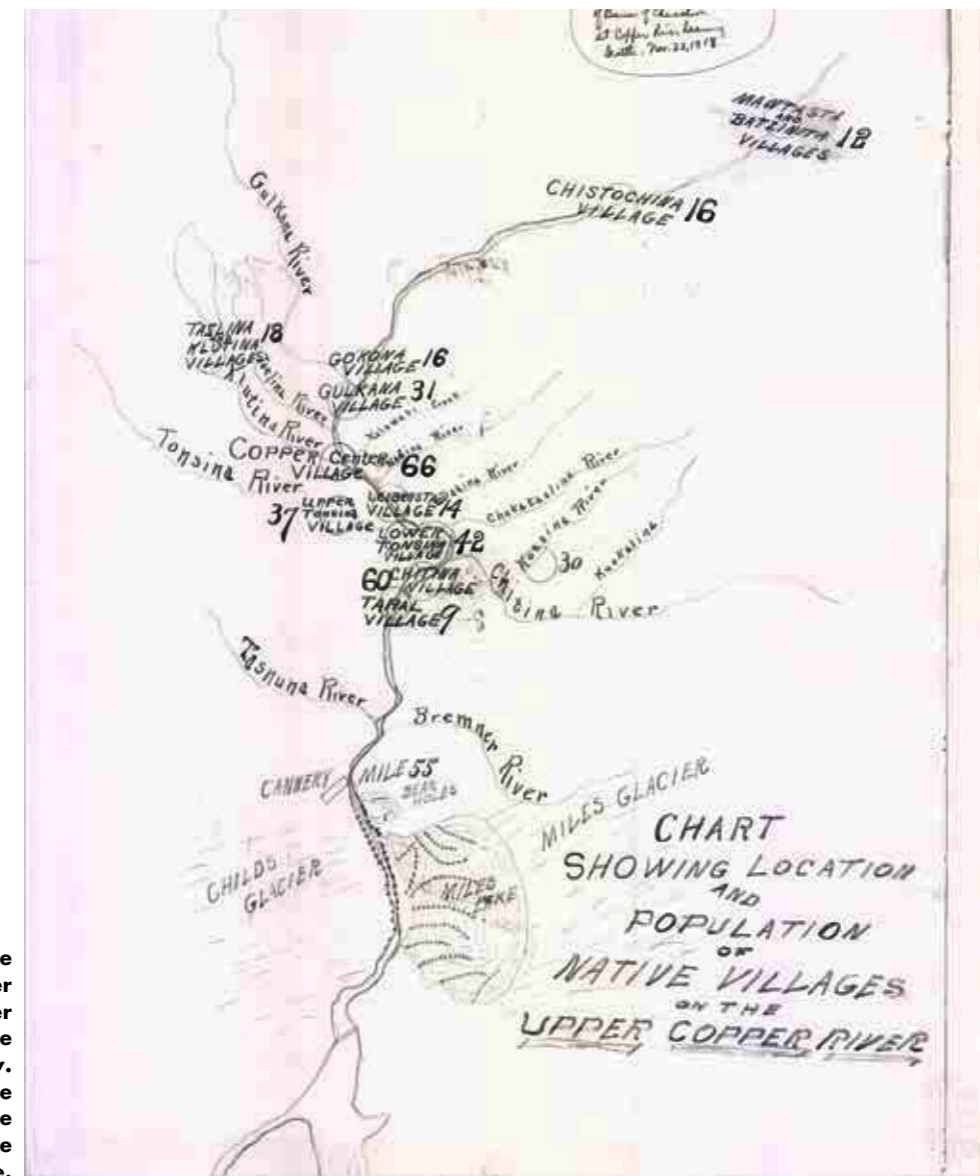
McCarthy, who wrote letters to Washington, D.C. to stop the in-river fishery. Frank Billum recalled that his uncle, Douglas Billum, and Joe Bell's dad told a judge in Chitina: "No fish, our Copper River Indian may have no fish to eat anymore."

Despite potential damage to the fishery, the U.S. Department of Commerce was reluctant to restrict the commercial fishery, believing the problem lay not with the canneries, but with the Ahtna, who could never compete "if they continue to adhere to their primitive methods of fishing" and their "indifference toward continued and persistent effort and industry." Besides, the secretary of Commerce wrote, "the fisheries companies have rights that are to be respected" and there is a question "as to whether a fishery enterprise which produces food for the world at large must be made to suffer in order that 300 Indians can secure fish easily."

Nevertheless, regulations partially closing the Copper River to commercial fishing were adopted in 1918, and in 1924 Congress passed the White Act authorizing regulations governing where, when and how salmon and other fish could be taken for commercial purposes in Alaska.

The battle to conserve the salmon came down to a question of who should benefit – the canneries or the Ahtna? For centuries, the Ahtna had engaged in a subsistence fishery that met their needs and, when the fishery was threatened, they challenged the commercial fishing industry and demanded the government do something. At the same time, the government and fishing industry questioned the Ahtna's right to harvest salmon, claiming they stood in the way of progress. In the end, the welfare of the Ahtna did not matter. The commercial fishery continued. But because of the White Act, the Ahtna were prohibited from selling salmon and, therefore, making a living from the natural resources in their territory.

Source: National Archives RG 22 Record of the U.S. Fish and Wildlife Service, Box 2 Copper River Investigations. This map was used by A.H. Miller of the U.S. Department of Education to defend the Ahtna's position against the commercial fishery. It was made in November 1918 and shows the location of Ahtna villages and populations. At the bottom of the map are canneries located at mile 55 and the commercial fishing nets in Miles Lake.



Commercial canneries in Cordova threaten Ahtna's subsistence living at the turn of the century.

SHAREHOLDER SERVICES

DECLINE IN NATURAL RESOURCE MARKET MAY REFLECT CLASS 7(J) DISTRIBUTIONS

Shareholders should prepare for a decrease in Class 7(j) distributions this year. The amount of 7(j) distributions varies depending upon the natural resource net profit of the regional corporations. As the natural resource market declines, Class 7(j) distributions decline alongside of it. While we hope the natural resource market will recover in the near future, we should still prepare for smaller 7(j) distribution for the time being.

In order to understand section 7(j) distributions, you must understand what section 7(i) of ANCSA is. Section 7(i) states: 70 percent of revenues, net of certain costs, derived by each regional corporation from timber and subsurface estate is to be divided annually among the 12 regional corporations in Alaska in proportion to the number of shareholders enrolled in each.

Section 7(j) of ANCSA requires that 50 percent of the monies received from the Alaska Native Fund and received under Section 7(i) must be distributed to village corporations and at-large shareholders. Seven of the eight village corporations formed under ANCSA and within the Ahtna region merged with the corporation. As a result, the Company now distributes approximately 17 percent of its Section 7(i) distributable receipts.

In order for an individual to receive 7(j) distributions they must be considered an at-large shareholder. At-large shareholder common stock was issued to original enrollees of Ahtna Inc. who did not enroll with a village corporation. Since the at-large shareholder is not enrolled to a village corporation, they receive the 7(j) money directly.

Chief Fred Ewan on growing older and frying fish

He may be a little slower these days, but his mind is still sharp and his fish-cooking skills unmatched.

Traditional First Chief Fred Ewan turns 100 this year. He says he doesn't feel any older and that the trick to being young is to just tell yourself what age you are and be it.

Born at Crosswind Lake in 1916 to John and Katie Ewan (Tsisyu-Raven Clan), he lived a traditional life with little formal education. He was a good trapper and hunter – but was known best for how fast he could cut fish.

Chief Ewan married Stella (Gene) in 1938, and the couple adopted Stella's sister's sons Norman and Harry. He worked as a grader operator for the Alaska Road Commission and helped build the Gulkana Airport. He and Roy Ewan owned and operated the E&E General Store in Gulkana, which also sold traditional beadwork under consignment.

Chief Ewan was named Second Chief in 2006 when his long-term friend Ben Neeley became First Chief. Then after the passing of beloved Chief Ben Neeley in 2014, Fred became Traditional First Chief.

A few weeks ago, Brianne Island, corporate communications coordinator for Ahtna, visited the chief. Below is her story from her visit.

Fred lives in Gulkana Village, north of Glennallen on the Richardson Highway. His home is easily recognized by a few of his old vehicles parked outside and faithfully watched over by his tiny dog.

Dressed in his beaded traditional chief vest, I watched his granddaughter Marcia Ewan help pick out a beaded choker from a beautiful selection and help him straighten out this chief's strap, worn over one shoulder and across the front. Only once everything was in order would we set out for a drive.

“Lord willing we all live a long life. The future of Ahtna is in how we treat each other today. Take care of the land, families and each other, and work hard.”
-Chief Fred Ewan



Along for the ride were Marcia Ewan, Fred's granddaughter and primary caregiver, along with Corie and Reina, the late Harding Ewan's daughters.

Armed with a few fishing poles, we drove north on the Richardson Highway to Popular Grove. The grayling were active, hungry, and it looked to be quite promising for all.

Fred watched the fishing action perched on a big rock, giving stern instructions on where to cast, how to bring in and unhook a fish. He showed us his secret – use the fisheyes of a fresh catch if you are out of bait.

We drove back to Fred's house, prepared to relax and settle in for a good chat about Fred's life. But Fred went straight to work cleaning and preparing the afternoon's catch. We girls watched as Fred scaled and cleaned. We watched him dig out seasonings, heat and oil a giant skillet and then load up the skillet with about a dozen grayling. Unsure of this cooking method, we watched in amazement as the fish sizzled and popped, packed in the pan with a lid barely teetering atop the piled fish.

As he cooked, Fred talked about his love of all Native foods: moose, salmon, a tree fungus used to make a strong chew (not for the faint of heart, I'm told). He talked about how important it is to protect the land that feeds us.

When the first pan of grayling was ready, Fred served it straight up. The best way to eat grayling was whole, he said, head, guts and all. And that is just what he did.

soon as that little dog of his jumped up on his lap, Fred smiled and beamed, he seemed to take stock of the moment surrounded by a younger lot listening to his every word. It is clear that Fred has

“I wished more young people would talk with Elders and be interested in what we have to say. We are survivors, and hard times are coming, and I don't know if they know how to survive.”
-Chief Fred Ewan

Fred went on to talk about why it is so important to work hard for the things that matter – land, people and culture.

“Lord willing, we all live a long life. The future of Ahtna is in how we treat each other today. Take care of the land, families and each other, and work hard.”

While Fred is the oldest living Ahtna shareholder-owner, as Traditional First Chief, Fred still attends as many Ahtna events as he can. He provides invocation and speaks about how we should lift each other up and take care of one another, a message reminiscent of what his best friend and former Chief Ben Neeley would say.

Fred had a seriousness about his tone when talking about being chief, but as

a big heart and a lively spirit. Fred is an avid supporter of traditional singing and drumming, teaching the youth and providing guidance to the dance groups. Fred is known to sing and dance at potlatches, but if you really want to see him kick up his heels, take him out to listen to some old time fiddlers.

Join us for Chief Ewan's 100th birthday celebration

August 13 at 4 p.m. in the Gulkana Community Hall

SHAREHOLDER SPOTLIGHT

STEPHANIE USES SCHOLARSHIP TO EARN DOCTORATE



You can now call her "doctor," thanks to the Ahtna Heritage Foundation.

Stephanie Carroll Rainie received the Walter Charlie Memorial Scholarship over the past six years as she pursued a Doctor of Public Health (DrPH) at the University of Arizona's Mel and Enid Zuckerman College of Public Health (MEZCoPH). She graduated in December.

She now divides her time between the Native Nations Institute and MEZCoPH. She is an assistant research professor and associate director and manager at the Udall Center for Studies in Public Policy as well as an assistant professor at MEZCoPH.

Her dissertation papers focused on three distinct areas of research and advocacy:

- The strategic use of data to bolster and enhance Native governance, self-determination and sovereignty.
- Tribal public health, community accountability, sovereignty and self-governance.
- Reclaiming Indigenous health.

"The Walter Charlie Memorial Scholarship provided me with the financial means to continue my writing and distribution of ideas in order to obtain a doctoral degree," Stephanie wrote. "Tsin'aen."

YEAR BRINGS MANY MILESTONES TO AHTNA SHAREHOLDER FAMILY

It's been an eventful year for the Yates family.

Roy Yates retired from Ahtna Construction last December after a long and accomplished career. Ahtna thanked him for his many contributions and presented him with retirement gifts.

Heather Yates, daughter of Roy and the late Judy Yates and granddaughter of Robert and Mae Marshall, was recently promoted to the position of chief ranger at the Petrified Forest National Park in Arizona. Heather, who is a proud recipient of the Ahtna Heritage Foundation Scholarship Program, credits "the Foundation for contributing to my successful career!"

Clint Marshall, son of Elmer Marshall and grandson of Robert and Mae Marshall, retired from the Marine Corps in January.

Ashley Rosas, daughter of Roy and the late Judy Yates and granddaughter of Robert and Mae, and her husband, Joel, welcomed the birth of their first child, a son, Asher Ardell Rosas, on March 4. Asher is the 12th great-grandchild for Roy and the late Judy.



CONDOLENCES

In loving memory of our shareholder-owners who have passed

Judy Yates

Congratulations to our Ahtna graduates!

High School Graduates

Amber Lenard, daughter of Arleen and Dean Lenard, Glennallen High School

Brandon Nicholai, son of Ramona and Lee Nicholai, Mentasta Katie John High School

Dwan Jordan, son of Tiffany Jordan, Benny Benson High School

Gary Pitka, son of Lisa Wolf and Gary Pitka, Glennallen High School

Jacob Phillips, son of Jennifer and Ralph Phillips, Bartlett High School

Kiana Pete, daughter of Shanna Pete and Doug LeBlanc, Glennallen High School

Matthew Jones, son of Anita and Jeremiah Jones, Glennallen High School

Rene Ewan, daughter of Donna Ewan and the late Harding Ewan, Glennallen High School

Roy Eskilida, son of Rose Marie Peters and Roy Eskilida Jr., Glennallen High School

Tristan Tibbits, son of Erica Nicklie and Clifton Tibbits II, Glennallen High School

College Graduates

Alexander Anderson, son of Michelle and Patrick Anderson, BA from University of Alaska Anchorage

Jessica Rock, daughter of Katherine and Clarence McConkey, MBA from University of Alaska Anchorage

Joyell Acuna, daughter of Donna and Marco Acuna, BS from University of Alaska Anchorage

Michon Johnson, daughter of Janelle and Robert Johnson, Master from University of Michigan

Nathaniel Read, son of Carmel and Doug Read, BS from Taylor University

Norma Johnson, daughter of Debbie Davis-Hoehne and Phillip Wilson Jr, BS from University of Alaska Anchorage

Shandice Johnson, daughter of Katherine and Brad Beal, BA from University of Utah

Zachariah Martin, son of Kathryn Martin and the late Karl Martin Jr., BA from University of Alaska Anchorage

DALLAS HOUGHTON – SON' HWKOLDIIXEN (STAR LEARNER)



Ahtna would like to recognize Dallas Houghton, son of Judy Houghton of Gakona, as the most recent Ahtna Language Learners' Star Learner. Dallas' hard work, dedication and desire to learn and share the language is inspiring.

Ahtna Language Learners (ALL) is a workshop led by Grant Rebne to empower Ahtna shareholder-owners of any age to learn the Ahtna languages.

The goal is to have representatives from every Ahtna community attend the workshops and spread the language throughout their home village.

Grants says "Dallas ugheldze' dit'aen!" (Dallas is doing great!). We need more dedicated learners like Dallas.

CONGRATULATIONS ON GRADUATING, JASON



Jason Trantham, son of Matthew and Ve'dra Bechtol of Anchorage, grandson of Carol and John Craig of Copperville and Rebecca Bechtol of Anchorage, graduated May 12 from Benny Benson High School.

Annual Meeting 2016

For an overview of events from this year's annual meeting visit ahtna-inc.net/kanas



Eileen Ewan, Jessica Rock and Ahtna President Michelle Anderson



A big thank you to former Board director Roy S. Ewan (Seat A, At-Large) for his dedication and service.

Roy Ewan



Shirley "Tursy" Smelcer and grandson



Ahtna Board and staff



Irene Pedersen and Grant Rebne



Clarence Edwin



Rachel Ewan & Baby Rey Rico Johns and Fred Ewan



Jason Hart



Raedeen Neeley and Elijah Neeley Sanders



Karen Linnell, Donna Galbreath Kohler, Yatibaey Evans and son Jason

MEET THE BOARD



BOARD SECRETARY WORKS TO PROTECT LAND AND CHILDREN

Veteran Board member Linda Pete (Tyone) has served two decades on the Board, representing the Native Village of Gakona, and is the current Board secretary.

Can you tell us a little about your family?

I am Udzisyu clan. My parents are Betty Tyone and the late Nicholas Tyone. My maternal grandparents were the late Buster and Alice Gene of Gakona; paternal grandparents Jim and Annie Tyone. I am currently married to Carl Pete and together we have six children. I was born in Glennallen and was raised in Gakona.

Can you tell us more about your work history and community involvement?

I started my first job at 14 years old for the Cook Inlet Tribal Council Summer Youth Program. I have since worked in various positions within the Copper River Native Association until I was selected as CEO of the organization. I also worked for Ahtna Inc. as the vice president of corporate affairs for two years. My position then merged into executive liaison for the president until I was elected to the Ahtna Board in 2013.

How long have you served on the Ahtna Board?

I served on the Ahtna Board for the following years: 1989-1997, 2000-2009, 2013-present.

What motivated you to seek election to the Board?

My motivation for serving on the Ahtna Board is the future generations and land. We need to protect our land to live on and sustain our traditional lifestyles. Our land and children are our future.

What do you want shareholder-owners to know about the board?

I would like the shareholders to know that the Ahtna Board relies on our Lord and Savior for guidance. In meetings, we have our differences but, in the end, we strive for a common goal.



MAGAZINE PROFILES AHTNA'S MANY SUCCESSES

"Good wages, steady dividends, scholarships and other benefits are a good combination for Ahtna's shareholders," writes the authors of a new Ahtna profile that appears in the winter issue of Alaska Inc., a magazine that reports on Alaska's Native-owned businesses and the industries they serve.

"In 2014 Ahtna paid \$7.2 million in wages to shareholders as well as \$1.04 million in dividends, which included \$63,000 in special Elder dividends paid in addition to the regular dividends. The payout was Ahtna's second-largest in 10 years."

"Overall, things are going well for Ahtna."



You can read the entire article at alaskaincmagazine.com

CALENDAR OF EVENTS

JULY

July 26 - Class L deadline

July 27 - Investment
9 a.m.

July 29 - Ahtna Netiyé' (AN)
Board of Directors meeting,
2:30-5 p.m.

July 30 - AI/AN Strategy
Plan, 9 a.m.

AUGUST

Aug 8 - Policy Committee,
1 pm

Aug 9 - Oversight &
Improvement Committee,
9 a.m.

Aug 9 - Shareholder
Committee, 1 p.m.

Aug 10 - Land & C&T
Committee, 9 a.m.
Glennallen

Aug 10 thru 20-Sept -
Hunting Season

Aug 13 - Chief Ewan's 100th
birthday celebration, 4 p.m.
Gulkana Comm. Hall

Aug 30-31 - ANCSA
Shareholder Managers
Meeting

SEPTEMBER

Sept 5 - Labor Day

Sept 23 - AI BOD, 9 a.m.
Glennallen

Sept 23 - Settlement Board -
Following AI Board meeting

Sept 24 - Joint SVO, 9 a.m.,
TBD

= Video Conference

FINANCIAL UPDATE

Consolidated Balance Sheet

The Consolidated Balance Sheet shows economic resources that we own (assets), what we owe (liabilities) and the stockholders' ownership in the business (stockholders' equity). The Consolidated Balance Sheet reflects a snapshot picture of our business at any given time.

Consolidated Statement of Operation

This statement shows our sales, expenses and profit from operations. It is a reflection of our business activity and gives an overview of how we are doing financially during a certain period of time.

AHTNA, INCORPORATED, AND SUBSIDIARIES Consolidated Statement of Operations (unaudited) For the Period Ending May 31, 2016 and 2015

		2016	2015
Revenues	\$	71,930,718	63,920,697
Cost of revenues ¹		59,189,554	51,965,713
Gross profit ²		12,741,164	11,954,984
Operating expenses ³		10,408,991	9,677,113
Income from operations		2,332,173	2,277,871
Other income (expense):			
Investment income		2,277,871	428,147
Interest expense		(61,257)	(76,927)
Gain from sale of property and equipment		4,388	4,500
Social, cultural and educational programs		(183,715)	(184,345)
Other		190,881	(77,392)
Total other income (expense)		(15,547)	93,983
Income before income taxes		2,316,626	2,371,854
Income taxes expense		(861,277)	(963,396)
Net income ⁴		1,455,349	1,408,458
Net (income) loss attributable to noncontrolling interests		(23,319)	94,380
Net income attributable to Ahtna, Incorporated	\$	1,432,030	1,502,838
Earnings per share		6.02	6.32

¹**Cost of Revenue** – Costs incurred in providing services to customers.

²**Gross Profit** – Revenue less cost of revenue.

³**Operating Expenses** – Costs associated with running core operations on a daily basis, such as general and administrative payroll, insurance and professional services.

⁴**Net Income** – Profit left after all expenses have been paid.

⁵**Cash and Cash Equivalents** – Includes cash and other liquid investments that are convertible into cash within three months.

⁶**Marketable Securities** – Investments in marketable securities, such as stocks, bonds and mutual funds.

⁷**Accounts Receivable** – Money owed from customers to Ahtna from sales to customers.

⁸**Prepaid Expenses** – Amounts already paid for future services or goods.

⁹**Oil and Gas Exploration Costs** – The costs for exploring for oil and gas in the Ahtna region.

¹⁰**Property Plant and Equipment** – The cost of property and equipment purchased by the company less depreciation or costs for using the equipment

¹¹**Line of Credit** – Shorter-term amounts borrowed from financial institutions or banks to conduct operations.

¹²**Accounts Payable** – Amounts owed for purchases made by the company.

¹³**Accrued Expenses** – Amounts that will be paid in the future for company activity that has taken place.

¹⁴**Billings in Excess of Costs and Estimated Earnings on**

Uncompleted Contracts – Amounts billed on contracts that are in excess of costs recognized to date on contracts.

¹⁵**Long Term Debt** – Longer-term amounts borrowed from financial institutions or banks to conduct operations.

¹⁶**Total Stockholders' Equity** – Stockholder/owners ownership in the company and/or assets less liabilities.

AHTNA, INCORPORATED AND SUBSIDIARIES

Consolidated Balance Sheets (unaudited)

May 31, 2016 and 2015

Assets		2016	2015
Current assets:			
Cash and cash equivalents ⁵	\$	1,432,985	583,099
Marketable securities ⁶		2,440,251	1,364,937
Accounts receivable, net ⁷		22,422,978	24,741,103
Inventories		163,083	196,884
Prepaid expenses and other current assets ⁸		764,781	1,615,158
Costs and estimated earnings in excess of billings on uncompleted contracts		1,842,821	747,837
Total current assets		29,066,899	29,249,018
Deferred taxes		–	747,897
Other assets		290,845	95,835
Oil and gas exploration costs ⁹		6,133,153	2,863,149
Property and equipment, net ¹⁰		19,241,366	14,401,997
Total assets	\$	57,732,263	47,357,896
Liabilities and Stockholders' Equity		2016	2015
Current liabilities:			
Line of credit ¹¹	\$	1,621,209	1,005,327
Accounts payable ¹²		9,222,942	5,260,178
Accrued expenses ¹³		10,540,092	11,793,259
Current portion of long-term debt		856,302	696,803
Billings in excess of costs and estimated earnings on uncompleted contracts ¹⁴		3,552,825	3,831,923
Income taxes payable		213,080	429,038
Deferred income		1,287,024	2,378
Other current liabilities		806,728	164,619
Total current liabilities		28,100,202	23,183,525
Long-term debt, less current portion ¹⁵		878,745	–
Deferred taxes		2,374,745	2,928,962
Total liabilities		31,353,692	26,112,287
Stockholders' equity ¹⁶ :			
Common stock, no par value. Authorized 2,750,000 shares; and 233,800 shares issued and outstanding, at 2015 and 2014, respectively		–	–
Contributed capital		–	–
Retained earnings		23,310,757	19,770,778
Accumulated other comprehensive income, net of tax		28,578	(54,133)
Total stockholders' equity attributable to Ahtna, Incorporated		23,339,335	19,716,645
Noncontrolling interests		39,236	1,528,764
Total stockholders' equity		23,378,571	21,245,409
Commitments and contingencies			
Total stockholders' equity	\$	54,732,263	47,357,896



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Lucille Lincoln



Dorothy Shinn



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Jessica Rock



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