

Hours of Operation

Monday thru Friday 8:00 a.m. – 5:00p.m. excluding some holidays. AKI is “closed” during the lunch hour of 12:00 – 1:00p.m.

If staff is running errands or out of the office during working hours for other reasons there will be a sign on the door with an explanation and a number to call.



March 2015

Our shareholders come first

AKHIOK - KAGUYAK, INC. NEWS

Letter from the Chairman

Camai’,

Happy Spring!

Alaska has sure had a mild winter. I hope everyone had a wonderful holiday season. We had a great turn out for our AKI Shareholder Christmas dinner, held at the Egan Center in Anchorage. I look forward to more shareholder events!

I encourage you to check out AKI’s website at www.aki-kodiak.org. Updates are on going & if you have questions about anything of AKI, please feel free to contact our staff or any of your AKI Board of Directors.

As a shareholder, it is our responsibility to make sure our records are kept up to date, i.e., a current will on file to ensure your shares are transferred to individual(s) of your choice, application for your New York Life Insurance, or Change of address.

Our Annual meeting will be held in Anchorage on May 23rd, 2015 at the Embassy Suites at 10:00 a.m. So, our Board of Directors and office staff will be busy for the next couple of months in preparation for our Annual meeting. If you can join us, I look forward to seeing you there.

Wishing all of you and your families a Happy Easter!

Best wishes,

Phyllis Amodo

Phyllis Amodo,

Chairman



Akhiok-Kaguyak, Inc. 2014 Board of Directors

Following are the names and addresses of your current Board of Directors.

Phyllis Amodo, Chairman

PO Box 5069
Akhiok, AK 99615

Pauline O’Brien, Vice Chairman

6201 Spruce Meadows Dr.
Anchorage, AK 99507

Robert Simeonoff, Jr., Secretary

8441 Berry Patch Drive
Anchorage, AK 99502

Gary Rozelle, Sr., Treasurer

PO Box 5033
Akhiok, AK 99615

Fred Coyle, Jr., Director

101 E. Frank Smith Way #309
Wasilla, AK 99654

Ernie Berestoff, Director

8113 Harvest Circle
Anchorage, AK 99502

Cheryl Eluska, Director

3050 Brookridge Circle
Anchorage, AK 99504

AKI Management/Staff

Becky Peratrovich – President/CEO

Phone: 258-0604 Ext. 203

Charla Kewan – Office Manager

Phone: 258-0604 Ext. 202

For General Questions or Assistance:

907-258-0604

fax 907-258-0608

www.aki-kodiak.org

1400 W. Benson Blvd., Suite 425

Anchorage, AK 99503

DIRECT DEPOSIT AND CHANGE OF ADDRESS

AKI encourages shareholders to take advantage of direct deposit, for future distributions. It is important to keep your address current with AKI even if your checks are direct deposited. Payment receipts are mailed. If you have changed your address or phone number please put in a change of address form or contact the office. These forms are available on the website www.AKI-Kodiak.com for your convenience.

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Letter from the President

Dear Friends,

I hope everyone is enjoying the start of this New Year.

The beginning of the year is always a very busy time for staff at AKI. The Annual Meeting of Shareholders is just around the corner and staff has been preparing for and making the proper arrangements. Information will be made available on the website, so keep checking the website, we will be making updates as information becomes available. Because this is a busy time for staff, I ask that if you need to contact AKI please be patient. If you cannot reach us by phone, leave a message or call back as we may be running errands or in meetings. AKI will need a few helpers at the Annual Meeting so if you are interested please give us a call.



In February, AKI's Board of Directors participated in the Annual Strategic Planning worksession. This worksession was different than those of the past as our Facilitator caught a bug at the last minute and couldn't make it to the Planning meetings. Even so, the sessions went well and the Board was able to update their strategic plan with the information provided by their Advisors. Due to the large vacancies in the commercial properties in 2014, the Board of Directors, after careful review of the budget agreed to investigate many cost saving ideas for 2015 and beyond. Be assured that there will be many changes coming down the pike. We will of course keep you informed through the newsletters, website and other communications.

I received an email from Trent Dodson of Kodiak Regional Aquaculture Association (KRAA) and he mentioned that based on their most recent data, it is unlikely that nutrients are needed this year at Olga Lakes. So even though they are not going forward with a nutrient enrichment project this year, they were able to gather important data through their studies in 2014 and as a consequence of everyone's efforts are working with Alaska Department of Fish & Game (ADF&G) to boost their investigations of salmon rearing habitat next year through a potential grant from Office of Subsistence Management (OSM). We will continue to track this.

This year AKI and the Alaska Business Development Center partnered, to hold a Taxpayer Clinic in the AKI Boardroom for shareholders. There will be two volunteers available to help prepare taxes. If all goes well and we have enough shareholders participate we will consider offering this again next year. If you miss it, the Alaska Business Development Center also provides services through their mail-in site. Visit www.abdc.org/taxforms for instructions and forms.

We look forward to seeing you at the Annual Meeting. Take care and please have a beautiful, safe and Happy Easter everyone!

Warmest Regards,

Becky Peratrovich

New York Life Burial Insurance

AKI is encouraging all shareholders who have not yet applied for the New York Life insurance policy to do so as soon as possible. Only those shareholders who did not previously apply should request an application. Once a shareholder has applied, regardless of whether they are approved or denied, their beneficiary is eligible for the \$10,000 burial assistance. However, if a shareholder simply does not apply, their beneficiary will only be eligible for \$5,000 in assistance. Benefits are paid to the beneficiary upon receipt of a certified death certificate. If you wish to apply for New York Life insurance, please call Chris Fejes Sr. at his New York Life office at (907) 348-6070.

Financial Report - Greg Morris, Contract Chief Financial Officer

Tax Status of 2014 Distributions and 2014 Financial Statement Audit

In February AKI mailed letters to all shareholders about the tax status of the 2014 distributions from the AKI Shareholders Permanent Fund (AKISPF). In short, after reviewing 2014 AKI and AKISPF financial information with our tax preparers, we determined that the distributions were not considered taxable. As a result of this determination, no 1099-DIVs were mailed to shareholders.

This month the accounting firm of KPMG is auditing the 2014 financial statements of AKI and AKISPF. The auditors will complete their work soon and report to the Board of Directors on March 21, 2015. 2014 was a challenging year for AKI and its companies. Both of AKI's commercial properties had substantial

vacancies for most of the year. Additionally, AKI's investment portfolio did not perform as well as it did in 2013. These factors contributed to a tough financial year for AKI. On a good note, most of the vacancies in AKI's buildings have been occupied or will soon be occupied by new tenants. 2015 is looking better.

The Shareholder Permanent Fund had a good overall year. Although the investment portfolio did not perform as well in 2014 as it did in 2013, it did produce positive results. The Board of Trustees declared and issued two distributions (\$9.19/share and \$12.21/share) to AKI shareholders in 2014. In total almost \$350,000 was distributed to AKI shareholders in 2014.

Commercial Property Report - Bernie Lewis, Property Manager

1400 Benson Boulevard building:

We are working to lease the last vacant space on the 2nd floor - approximately 3,500 sf. Once this last space has been leased, the building will again be fully occupied.

We are also working with Bruin Enterprises and M&M Electric to install a device that will turn off all lights in the building (except for the emergency lighting) late in the evening which will have an impact on the utility cost.

900 West Fifth Avenue building

Bradley Reid has decided to stay in the building, as their lease expires in May of this year. They were considering other buildings. Not only will they stay another six years, they will also take the space vacated by Zookaware, that should be effective approximately April 1. Once the lease is

signed, the building will be again fully occupied.

Bids have been received to install cameras in order to monitor activity in the building as requested by tenants for security purposes.

943 West Sixth Avenue building

No change on the leasing status of this building. I have been in contact with our tenant Weidner & Associates regarding their proposed expansion and wait to hear back. They are considering expanding into the remainder of the 2nd floor.

We are working with the insurance company to conduct repairs to the column of the building on the southwest corner, we have submitted two bids to them, work should begin shortly.

Submit an Article

Shareholders are encouraged to submit articles and/or announcements that they would like to share with their fellow shareholders. We enjoy hearing of births, graduations, and other events. Below are guidelines to assist in the creation of your article or announcement.

Guidelines: AKI reserves the right to edit announcements and news articles for grammar, brevity and taste. Announcements and news articles submitted for the AKI newsletter must be submitted 7 days prior to publication. A limit of 200 words may be imposed depending on available space. Photographs are welcome in print or digital format with at least 300 dpi resolution.

Announcements and articles may be submitted by dropping it off at the AKI office or mailing it to: 1400 W Benson Blvd. Ste. 425, Anchorage, Alaska 99503, or emailing to: becky.peratrovich@aki-kodiak.com.

DATES FOR NEWSLETTERS AND ARTICLE SUBMISSION DUE DATES ARE:

MARCH (Due Feb. 27)

JUNE (Due May 25)

SEPTEMBER (Due Aug. 25)

DECEMBER (Due Nov. 24)



Akhiok-Kaguyak, Inc.
 1400 W. Benson Blvd., Suite 425
 Anchorage, AK 99503

Calendar of Events

| | |
|----------|---|
| MARCH 21 | Special Board of Directors Meeting |
| APRIL 24 | Quarterly Board Meeting |
| MAY 22 | Board of Directors Meeting |
| MAY 23 | Annual Meeting of Shareholders |
| MAY 23 | Board of Directors Organizational Meeting |

SCHOLARSHIP INFORMATION

Applications are available at the AKI office and on our website, AKI-Kodiak-com. Scholarships are for registration, tuition and books. **Each shareholder is limited to one scholarship per year.** Applicants must fill out one application per year and check all of the semesters/quarters they are attending. Continuing students must also submit a completed application.

| | Per Year | Deadline |
|--|-----------------|------------------------------------|
| Academic Achievement/Graduate Scholarships | Up to \$6,000 | One Month Prior to class beginning |
| College/University Basic Scholarship | Up to \$6,000 | One Month Prior to class beginning |
| Vocational Education Grant | Up to \$6,000 | One Month Prior to class beginning |
| Career Development Grant | Up to \$1,000* | One Month Prior to class beginning |

***Career development grants of \$1,000 can be awarded twice a year.**

Please call if you would like to request an application or have any questions. **Also, if you submitted an application and have not heard from the office, please call us. We have had instances of applications lost in the mail or sent to the wrong email address.**

Please note: Scholarships are budgeted and capped at \$50,000 per year. Once the \$50,000 for the year has been reached no more scholarships will be awarded until the following year.