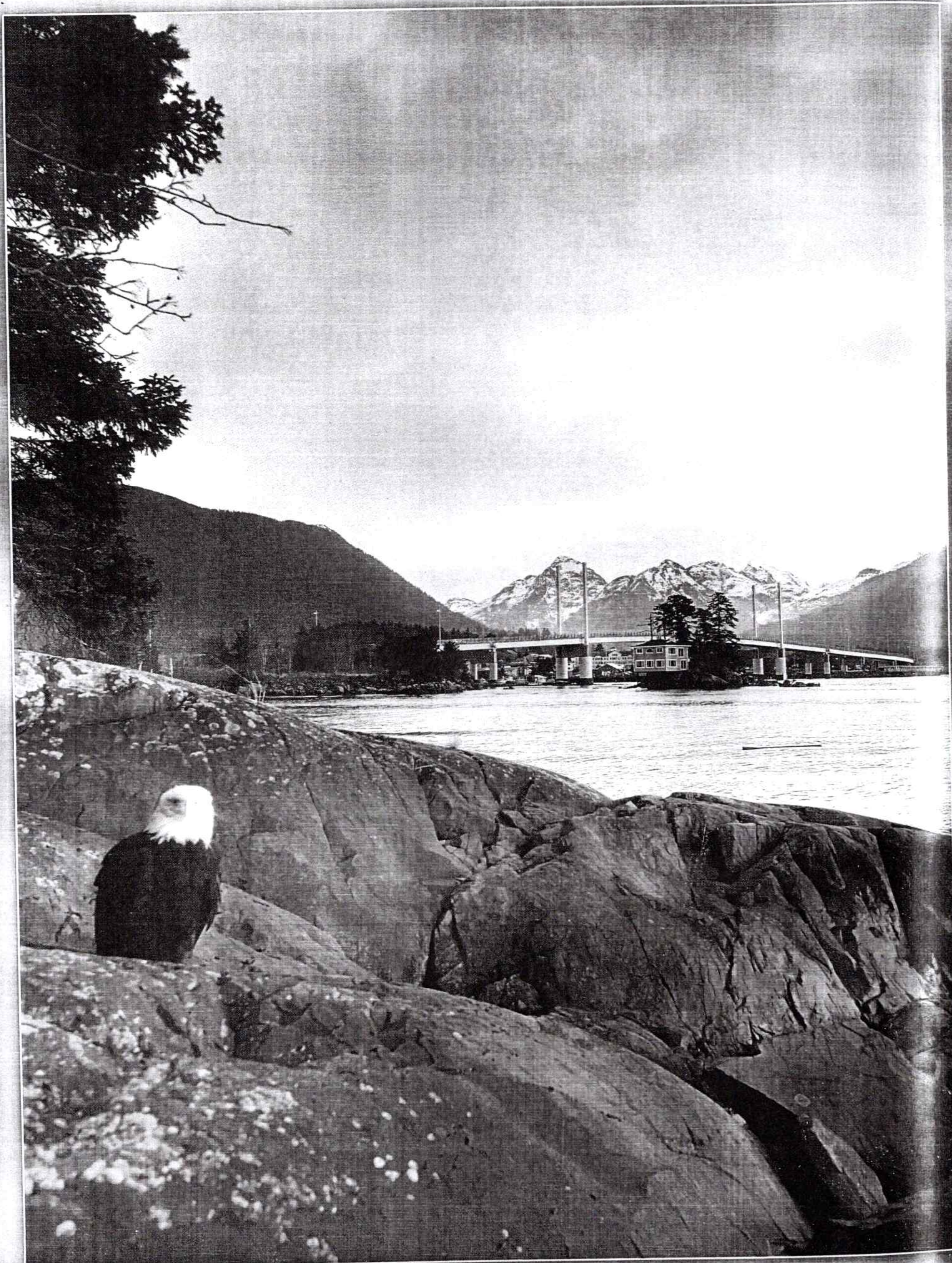
SHEE ATIKÁ
Incorporated

2014 ANNUAL REPORT



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Incorporated
And Affiliates

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SHEE ATIKÁ INCORPORATED
SHEE ATIKÁ FUND ENDOWMENT
SHEE ATIKÁ BENEFITS TRUST
SHEE ATIKÁ INVESTMENTS, LLC

Sitka photos by Dan Evans
Portraits by Stephanie Lambdin

SHEE ATIKÁ BOARD OF DIRECTORS

Board Members, left to right

Top Row

Dr. Kenneth Cameron, President/CEO and Chairman of the Board;
Dr. Pamela Steffes, Vice Chairman; Joshua Horan, Secretary

Middle Row

Faleene Worrell, Treasurer; Gene Bartolaba, Director; Gillian Havrilla, Director;

Bottom Row

Pamela Craig, Director; Francine Eddy Jones, Director; Shirley Yocum, Director

LETTER FROM THE VICE-CHAIRMAN

Greetings fellow shareholders:

It's my pleasure to provide you with this update on behalf of your Board of Directors.

As I reported to you last year the Board implemented several changes to our scholarship program effective January 1, 2014. As you know, this program is highly successful and has experienced steady growth. We know you value this program and we are all proud of our recipients and their accomplishments. However, as our number of shareholders increases through gifting and inheritance, the Board recognizes the importance of ensuring our scholarship funds are available to our shareholders over the long term while continuing to provide the greatest number of scholarships annually.

With the new 2014 guidelines in place SAI paid out educational benefits totaling more than $208,000 to 204 shareholders including: 86 undergraduate students, 14 graduate students, 21 short term training awards and 24 youth scholarships.

As a reminder, there is now one academic deadline per year and scholarships are available to Class A shareholders seeking to become full or part-time undergraduate, graduate, vocational/technical or cultural & heritage students with a maximum award of $2,400 annually. Short term training and short term cultural & heritage scholarships are also available and can be applied for at anytime. Applications are available at www.sheeatika.com or by contacting the Shee Atiká office at 1-800-478-3534.

As we approach the 2015 annual meeting the Board will again offer shareholders the ease and convenience of voting electronically at www.sheeatikavote.com. Electronic voting is more cost efficient for our corporation and reduces proxy errors because the electronic process directs voters to correct an error immediately.

It is our hope that each shareholder, regardless of the number of shares held, will take the time to vote. To encourage you to vote electronically the Board has authorized an additional set of prizes for all shareholders who vote electronically prior to the proxy deadline. This means that you have 2 chances to win a total of $8,000 in prize money. Each shareholder whose proxy is received by the Inspector of Elections prior to the Early Bird Deadline of May 6, 2015 (either by paper or electronically) will be eligible for the 23 Early Bird Prizes totaling $4,000. New this year, all shareholders who vote electronically prior to the proxy deadline of 5pm Alaska time on May 13, 2015 will be eligible for an additional 23 Electronic Voting Prizes totaling $4,000.

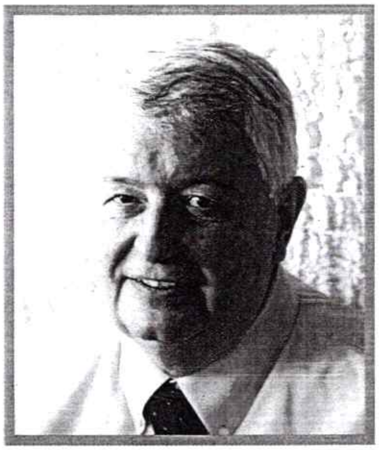
If you do not have access to a computer or smart phone to vote you may find computers with internet access available at your local library. For shareholders in Sitka, there will be a computer available at the corporate office at 300 Lincoln St., Suite 300 during office hours that shareholders may use to vote until the proxy deadline of May 13, 2015.

On behalf of your Board, we thank you for the opportunity to serve you and appreciate your support of our corporation. We hope to see you at the Harrigan Centennial Hall in Sitka on Saturday, May 16, 2014 at 9:00 a.m. Finally, I ask each of you to vote today and please consider voting electronically.

Warm Regards,

Pamela Steffes
Vice-Chairman

LETTER FROM THE PRESIDENT/CEO



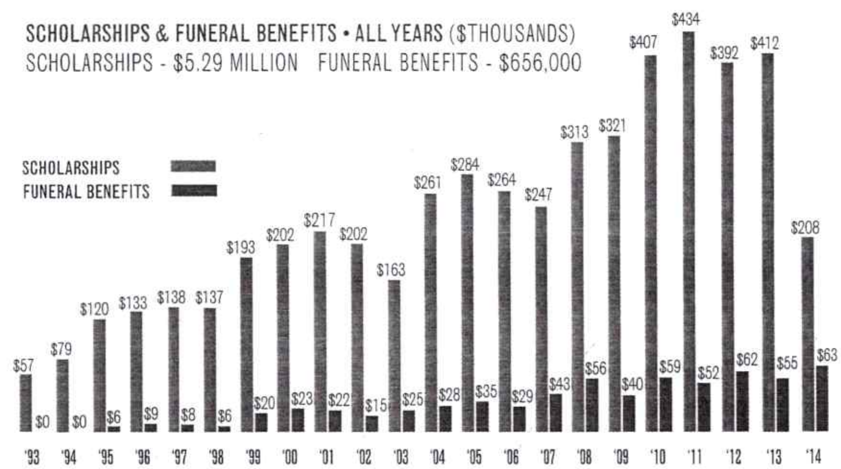
Dear fellow shareholders:

I am pleased as your President/CEO to report to you concerning Shee Atiká's operations in 2014.

We spent much of our time during 2014 exploring a possible sale of our 23,000 acres of surface estate at Cube Cove. This project was begun several years ago after a strong majority of our shareholders gave us input through the shareholder survey process that they wanted us to try to generate an economic return from Cube Cove. The Alaska Congressional Delegation has been very helpful and supportive of our efforts, and I wish to thank them for that assistance. I want to stress that no final decision has been made at this time whether to sell Cube Cove. The next step is for an appraisal to be made of Cube Cove, and this appraisal is now underway.

In the fall of 2012, Alaskans approved Proposition A which authorized general obligation bonds for $450 million under a program known as Roads To Resources, under which $14 million was identified for extension of an all-weather road to Katlian Bay. The design of the Katlian Bay road is now approximately 35% complete and the State of Alaska has made two presentations in Sitka and has begun taking public comments on the road. The purpose of the road is to connect public lands that lie between Sitka and Shee Atiká's Katlian Bay property, cross Shee Atiká's lands, and then reconnect with public lands on the east side of our property. This road is considered a road to recreational resources for subsistence, hunting, fishing, camping, and hiking, all on public lands. Additionally the road will permit natural resource extraction from Shee Atiká's lands.

To learn more about the Katlian Bay road project, go to http://dot.alaska. index.shtml. All in all, the Katlian Bay road will be extremely important to Sitka, and it will be exciting to see this longstanding project completed.



The year 2014 also saw us sell all of the remaining lots except one in the Ethel Staton Subdivision Alice Island, with that last lot being sold in February 2015. The Ethel Staton Subdivision project has been underway for almost a decade.

Another activity that required significant time during 2014 was the negotiation of an extension of the lease of SAFE's building in Colorado Springs to the MITRE Corporation. The lease with MITRE was due to terminate on June 30, 2015, and we began efforts in 2012 to put an extension in place. Our efforts were made difficult by the fact that Colorado Springs was significantly overbuilt over the last decade or so, and there are many empty (or "see-through") buildings in the portions of Colorado Springs that are adjacent to our building. These see-through buildings were all potential competitors to our building in that MITRE could have moved to any of these buildings. Ultimately, we were able to extend the lease with MITRE through June 30, 2024 on terms favorable to SAFE. By entering this lease extension, we were able to protect the investment we have made in the Colorado Springs property, as the building is worth far more with a long term tenant.

As a presidential candidate in 2008, Barack Obama promised voters he would end the wars in Iraq and Afghanistan. He has now largely done that. Because Shee Atiká's contracting focus was providing linguistic support to the military, the result of Mr. Obama's efforts has been to shut down our 8(a) contracting activities. While we have kept two of our 8(a) entities alive in the hopes that new 8(a) opportunities can be found, the Democratic-controlled Congress placed another obstacle in our path in 2009 when a provision known as "section 811" was enacted. Section 811 was aimed directly at reducing sole source contracting by Alaska Native and Native American 8(a) entities, and unfortunately, this provision has largely achieved its objective. Because of section 811, government contracting officers are now very reluctant to deal with Alaska Native and Native American 8(a) entities. The present Congress appears to recognize the unfairness of section 811, and is attempting to overturn section 811. If section 811 is eliminated, it may provide us with more contracting opportunities. Only time will tell.

I sincerely appreciate the opportunity to serve as the President/CEO of Shee Atiká, and I look forward to another exciting and productive year in 2015.

Sincerely,

Kenneth M. Cameron

Kenneth M. Cameron
President/CEO

SHEE ATIKÁ STAFF

Left to Right:

Dr. Kenneth Cameron, President/CEO and Chairman of the Board

Ptarmica McConnell, Chief Operating Officer

Lauren Estes, Director of Human Resources

Lillian Nielsen Young, Shareholder Services Manager

Alicia Williams, Administrative Assistant

Kevin Mosher, Accounting Technician

Heather Albertson, Accounting Technician

Ron James, Lead Maintenance Technician

Kori Lindstrom, Administrative Coordinator

CORPORATE INFORMATION

SENIOR MANAGEMENT

Kenneth M. Cameron
President/CEO and
Chairman of the Board

Ptarmica McConnell
Chief Operating Officer

STAFF

Lauren Burkhart Estes
Director of Human Resources
Property Administrator

Lillian Nielsen Young
Shareholder Services Manager

Alicia Williams
Administrative Assistant

Heather Albertson
Accounting Technician

Kevin Mosher
Accounting Technician

Kori Lindstrom
Administrative Coordinator

Ron James
Lead Maintenance Technician

CORPORATE OFFICE

315 Lincoln Street, Suite 300
Sitka, Alaska 99835
907-747-3534
800-478-3534 (shareholder line)

INDEPENDENT AUDITORS

Peterson Sullivan LLP
601 Union Street, Ste. 2300
Seattle, WA 98101

CORPORATE COUNSEL

Sorensen & Edwards, P.S.
701 Fifth Avenue, Suite 3300
Seattle, WA 98104

STOCK TRANSFERS

Shee Atiká, Incorporated
Attn: Shareholder Services

INSPECTOR OF ELECTIONS

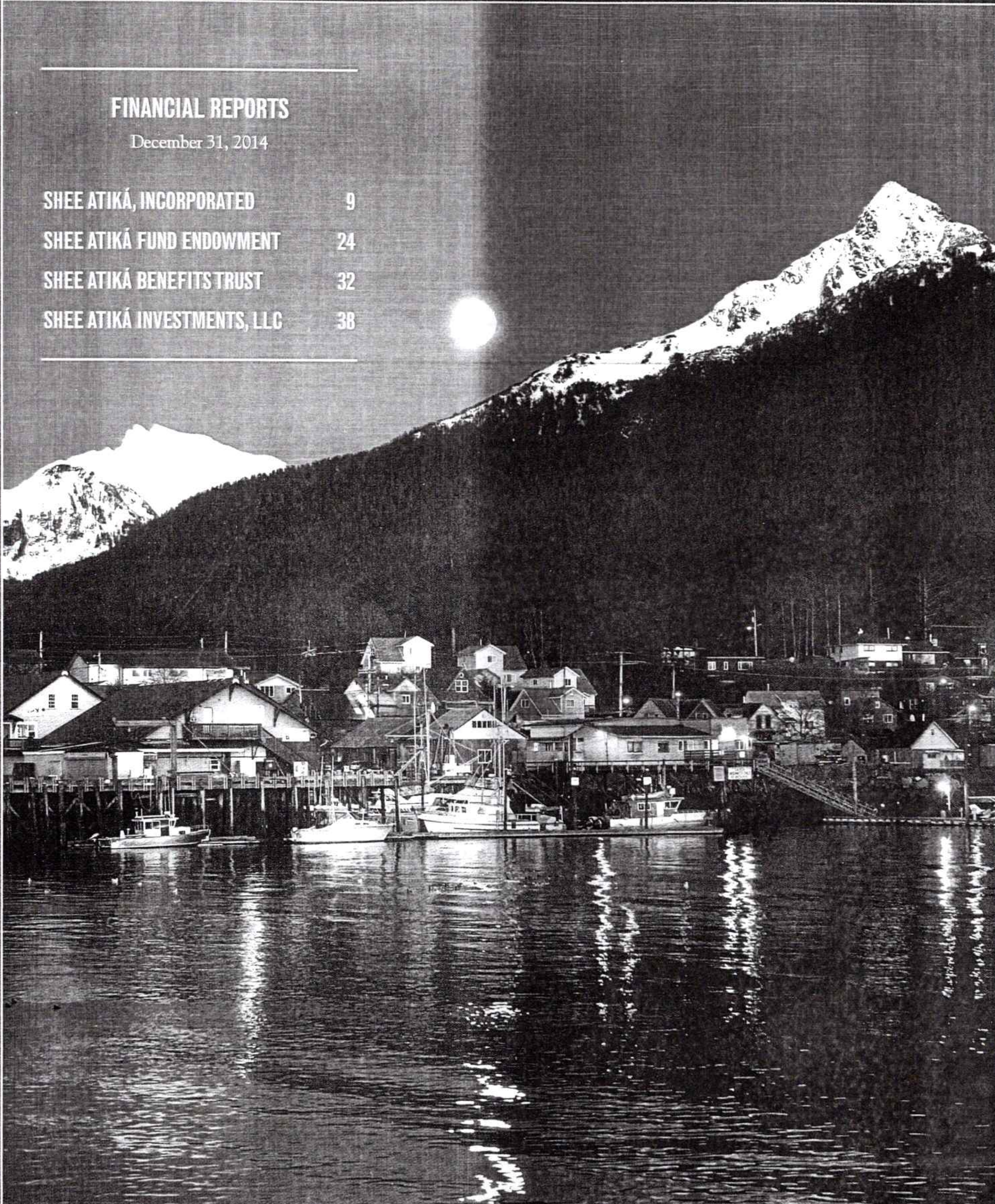
Sramek Hightower
Certified Public Accountants
2525 C Street, Suite 100
Anchorage, AK 99503

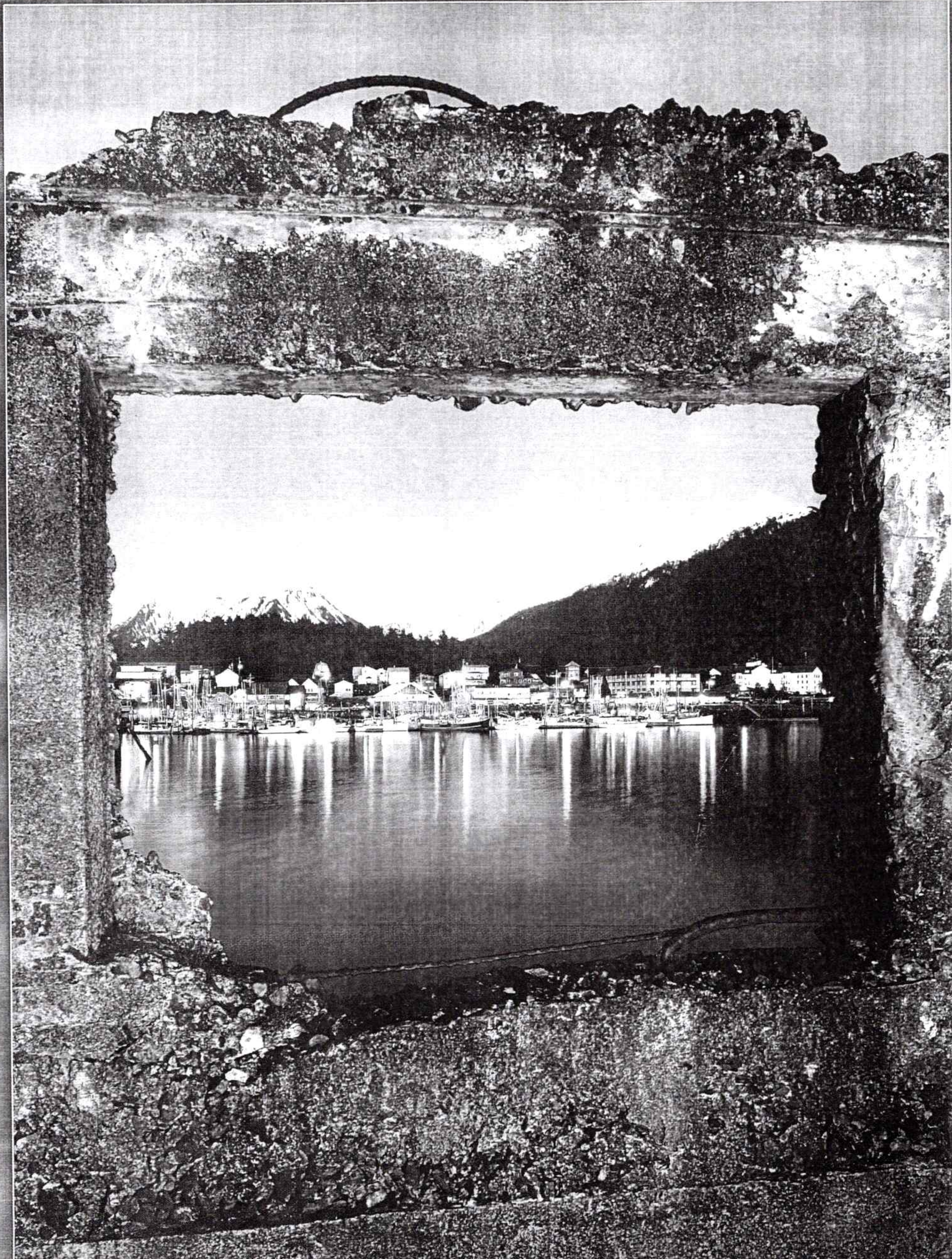
SHEE ATIKÁ BENEFITS TRUST SCHOLARSHIP COMMITTEE

Laverne Wise, Chairman: Kent, WA
Nancy Douglas: Sitka, AK
Adrianne Davis: Sitka, AK

FINANCIAL REPORTS

December 31, 2014





INDEPENDENT AUDITORS' REPORT

petersonsullivan LLP
Certified Public Accountants
& Advisors

To the Board of Directors and Shareholders
Shee Atiká, Incorporated
Sitka, Alaska

We have audited the accompanying consolidated financial statements of Shee Atiká, Incorporated and Subsidiaries ("Shee Atiká"), which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of operations, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Shee Atiká, Incorporated and Subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Peterson Sullivan LLP

March 27, 2015

CONSOLIDATED BALANCE SHEETS

December 31, 2014 and 2013

ASSETS	2014	2013
Current Assets		
Cash and cash equivalents	$ 3,991,816	$ 8,088,766
Accounts receivable	4,954,990	4,952,052
Income tax receivable	229,000	229,000
Administrative fees receivable from Trusts		975,920
Loan receivable from SABT		327,000
Prepaid expenses and other	121,652	199,983
Total current assets	9,297,458	14,772,721
Leased Commercial Properties, net	5,547,366	4,980,767
Property and Equipment, net	1,926,959	2,464,907
Cube Cove Property	1,510,000	1,510,000
Deferred Costs Related to Cube Cove Property	1,165,255	
Deferred Tax Asset	2,526,000	800,000
Total assets	$ 21,973,038	$ 24,528,395

LIABILITIES AND EQUITY	2014	2013
Current Liabilities		
Accounts payable and accrued expenses	$ 734,911	$ 1,069,496
Current portion of long-term debt	56,097	52,524
Total current liabilities	791,008	1,122,020
Loan Payable to SAIL	1,080,826	2,399,115
Long-Term Debt, less current portion	868,149	924,521
Total liabilities	2,739,983	4,445,656
Equity		
Shee Atiká, Incorporated shareholders' equity		
Common stock, no par or stated value, authorized 250,000 shares		
Class A, voting, issued and outstanding 180,392 for 2014 and 2013		
Class B, nonvoting, issued and outstanding 4,808 for 2014 and 2013		
Contributed capital	5,956,000	5,956,000
Retained earnings	10,425,862	11,366,828
Total Shee Atiká, Incorporated shareholders' equity	16,381,862	17,322,828
Noncontrolling interest	2,851,193	2,759,911
Total equity	19,233,055	20,082,739
Total liabilities and equity	$ 21,973,038	$ 24,528,395

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Years Ended December 31, 2014 and 2013

	2014	2013
Revenue		
Administrative fees from affiliated entities	$ 924,343	$ 1,365,240
Sales of developed lots	687,500	1,398,000
Rentals from leased commercial properties	258,921	321,413
Contracts	360,000	
Loss on sale of property and equipment		(786,157)
Hotel and gift shop		509,280
Restaurant and lounge		424,961
Lease termination fee		2,186,148
Other	51,765	31,458
Total revenue	2,282,529	5,450,343
Costs and expenses		
Leased commercial properties	124,217	371,688
Cost of developed lots and direct selling costs	588,464	1,230,818
Interest	217,922	134,635
Depreciation and amortization	226,262	345,504
Contributions	28,350	19,826
General and administrative	3,426,980	4,706,842
Hotel and gift shop		697,442
Restaurant and lounge		579,729
Other	24,326	
Total costs and expenses	4,636,521	8,086,484
Loss before income tax benefit	(2,353,992)	(2,636,141)
Income tax benefit	1,726,000	
Net loss	(627,992)	(2,636,141)
Net loss (income) attributable to noncontrolling interests	(42,282)	199,622
Net loss attributable to Shee Atiká, Incorporated	**$ (670,274)**	**$ (2,436,519)**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2014 and 2013

	Shee Atiká, Incorporated Shareholders' Equity						
	Shares of Common Stock Class A	Shares of Common Stock Class B	Contributed Capital	Retained Earnings	Total	Noncontrolling Interest	Total Equity
Balances, December 31, 2012	180,644	4,556	$5,956,000	$13,803,347	$19,759,347	$3,302,533	$23,061,880
Net transfers from voting to nonvoting shares	(252)	252					
Net loss for the year				(2,436,519)	(2,436,519)	(199,622)	(2,636,141)
Distributions to noncontrolling interests						(343,000)	(343,000)
Balances, December 31, 2013	180,392	4,808	5,956,000	11,366,828	17,322,828	2,759,911	20,082,739
Distributions to shareholders							
Scholarships				(208,213)	(208,213)		(208,213)
Funeral benefits				(62,479)	(62,479)		(62,479)
Contribution by noncontrolling interest						49,000	49,000
Net income (loss) for the year				(670,274)	(670,274)	42,282	(627,992)
Balances, December 31, 2014	180,392	4,808	$5,956,000	$10,425,862	$16,381,862	$2,851,193	$19,233,055

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities		
Cash received from:		
Administrative and other fees from affiliated entities	$ 1,900,263	$ 389,320
Sales of developed lots, net of direct costs	616,699	1,264,980
Rentals from leased commercial properties	258,454	394,151
Hotel, restaurant, and lounge operations		936,227
Lease termination fee		2,186,671
Other	51,765	25,516
Cash paid to/for:		
Contractors, suppliers, and employees	(3,481,113)	(6,333,144)
Interest	(217,922)	(160,608)
Net cash flows from operating activities	(871,854)	(1,296,887)
Cash Flows from Investing Activities		
Repayment of loan from SABT	327,000	
Purchases of property and equipment	(794,061)	(787,925)
Payment for deferred costs capitalized	(1,165,255)	
Proceeds from sale of property and equipment		3,310,459
Proceeds from sale of investment		1,036,891
Issuance of loan to SABT		(327,000)
Net cash flows from investing activities	(1,632,316)	3,232,425
Cash Flows from Financing Activities		
Distributions to shareholders	(270,692)	
Payment on loan payable to SAIL	(1,318,289)	(1,359,325)
Principal repayments on long-term debt	(52,799)	(49,443)
Capital contribution from noncontrolling interest	49,000	
Distributions to noncontrolling interests		(343,000)
Net cash flows from financing activities	(1,592,780)	(1,751,768)
Net change in cash and cash equivalents	(4,096,950)	183,770
Cash and cash equivalents, beginning of year	8,088,766	7,904,996
Cash and cash equivalents, end of year	$ 3,991,816	$ 8,088,766
Reconciliation of net loss to net cash flows from operating activities:		
Net loss	$ (627,992)	$(2,636,141)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation and amortization	226,262	345,504
Cost of developed lots sold	517,663	1,097,798
Loss on sale of property		786,157
Deferred income tax benefit	(1,726,000)	
Other	21,485	
Changes in operating assets and liabilities		
Accounts receivable	(2,938)	75,109
Administrative fees receivable from Trusts	975,920	(975,920)
Prepaid expenses and other assets	78,331	226,789
Accounts payable and accrued expenses	(334,585)	(284,825)
Accrual of interest on loan payable to SAIL		68,642
Net cash flows from operating activities	$ (871,854)	$ (1,296,887)

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Shee Atiká, Incorporated ("Shee Atiká") is an urban corporation organized pursuant to the Alaska Native Claims Settlement Act ("ANCSA"). ANCSA also created regional corporations that represent geographic areas. Shee Atiká is located in the Sealaska Corporation region. Pursuant to ANCSA, Shee Atiká received the surface estate of approximately 23,000 acres of property located on Admiralty Island, 3,000 acres at Katlian Bay, and 30 acres on Alice and Charcoal Islands located near Sitka, Alaska, as well as $250,000 in cash. The subsurface estate in this land was conveyed to Sealaska Corporation under ANCSA.

One hundred shares of Shee Atiká's voting common stock were issued pursuant to ANCSA to each Native person enrolled. Nonvoting common stock is issued to any person who acquires Shee Atiká's stock and is not a "Native" or "Descendant of a Native" within the meaning of ANCSA. Shee Atiká has approximately 3,000 shareholders.

Shee Atiká is in the process of selling certain developed lots located on Alice Island. Shee Atiká also leases commercial properties it owns, which are located in Sitka, Alaska. In addition, Shee Atiká operated a hotel, restaurant, and lounge in Sitka, Alaska, through June 2013. See discussion in Note 4 regarding the sale of the hotel, restaurant, and lounge.

In prior years, Shee Atiká's primary operations have been providing services (primarily linguistics services) under contracts with the United States Government. These services were provided by Shee Atiká's majority-owned subsidiaries that received certification under the U.S. Small Business Administration's 8(a) Business Development Program ("Section 8(a)"). This certification gives entities preference in obtaining contracts with the United States Government. Shee Atiká did not have any active service contracts during the years ended December 31, 2014 and 2013, but is currently seeking new contracts.

The sale of developed lots is subject to geographic risks (all are located in Sitka). Commercial leasing operations are also subject to geographic risks (all activities are also in Sitka) as well as the financial viability of the lessees. Hotel and restaurant operations were affected by tourism and business travel in the Sitka area. Shee Atiká's service contract activities are subject to competitive factors, program continuation, and appropriate contract management.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Shee Atiká and its wholly-owned and majority-owned subsidiaries. All the subsidiaries are organized as limited liability companies ("the LLCs"). All material transactions between these entities have been eliminated in the consolidation. The LLCs limit Shee Atiká's financial exposure to the amount of Shee Atiká's investment in them. Shee Atiká's various subsidiaries are summarized as follows:

- Shee Atiká Commercial Services LLC (majority-owned; indefinite life)
- Shee Atiká Enterprises, LLC (majority-owned; indefinite life)
- Shee Atiká Management LLC (wholly-owned; termination date of 2022)
- Shee Atiká Holdings Alice Island LLC (wholly-owned; termination date of 2027)
- Shee Atiká Holdings Lincoln Street LLC (wholly-owned; termination date of 2022)
- Shee Atiká Languages LLC (majority-owned; dissolved in 2012; see discussion below on current status)

The effective date of dissolution of Shee Atiká Languages LLC ("SAL") was February 6, 2013. Prior to the effective dissolution of SAL, certain claims, rights, and causes of action of SAL were conveyed to the Shee Atiká Languages, LLC Liquidating Trust ("the Liquidating Trust") in order to allow for those claims, rights, and causes of action to continue to be pursued. The owners of SAL are the beneficiaries of the Liquidating Trust, and the ownership of the beneficiaries is in the same proportion as their ownership percentage was in SAL. Thus, Shee Atiká is the majority beneficiary of the Liquidating Trust. All references to SAL in these consolidated financial statements refer to Shee Atiká Languages LLC or the Liquidating Trust.

NOTE 1, CONTINUED

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the consolidated financial statements. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Shee Atiká considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Shee Atiká has cash and cash equivalent balances in excess of federally insured limits.

ACCOUNTS RECEIVABLE

Accounts receivable are primarily from service contracts with the United States Government and are stated at their principal amounts. Management believes all amounts outstanding will be collected (based on prior payment history) and, accordingly, no allowance is considered necessary. If an account were considered uncollectible, an allowance would be established. After appropriate collection efforts, the bad debt would be written off against the allowance. Receivables are generally unsecured and payment terms can vary.

Billing practices related to service contracts are governed by the contract terms for each project. When billings on contracts are less than the recognized revenue, the difference is recorded as unbilled revenue in accounts receivable. Unbilled work is usually billed during the next normal billing process following completion of work or achievement of contractual requirements.

PROPERTY AND EQUIPMENT/LEASED COMMERCIAL PROPERTIES/CUBE COVE PROPERTY

The estimated value of the land, including structures, along with cash received under ANCSA was recorded as contributed capital. The surface resources associated with ANCSA land were not recorded based on uncertainties associated with the valuation of these resources. Other land, buildings, and equipment (including leased commercial properties) are stated at cost.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from three to seven years.

REVENUE RECOGNITION

Revenue from the sales of developed lots is recognized when the sales close (and adequate funding has been received) and title has passed to the purchaser. Revenue from rentals of leased commercial properties is recognized ratably over the life of the lease. Lease payments received in advance of the period to which they relate are deferred. Hotel and restaurant revenue was recognized as services were provided.

Five customers accounted for 89% of total rental revenue from leased commercial properties in 2014. Three customers accounted for 50% of total rental revenue from leased commercial properties in 2013.

Revenue on fixed price service contracts is recognized systematically over the term of the contract, as services are performed, or based on the specific terms of the contracts. Revenue from time and material contracts is recognized as follows:

- For time, revenue is recognized as hours or days are worked multiplied by billable rates provided for in the contract.
- For materials, revenue is recognized when the applicable expense is incurred.

INCOME TAXES

Shee Atiká accounts for income taxes under an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in Shee Atiká's consolidated financial statements or income tax returns. In estimating future tax consequences, Shee Atiká generally considers all expected future events other than enactments of changes in income tax laws or rates.

Shee Atiká reports a liability, if any, for unrecognized tax benefits resulting from uncertain income tax positions taken or expected to be taken in an income tax return. Estimated interest and penalties, if any, are recorded as a component of interest expense and other expense, respectively. No liability has been recorded for uncertain tax positions, or related interest or penalties as of December 31, 2014 and 2013. The tax years 2011 through 2014 remain open to examination by federal authorities.

RECLASSIFICATIONS

Certain amounts in the 2013 consolidated financial statements have been reclassified to conform to the current year presentation.

SUBSEQUENT EVENTS

Shee Atiká has evaluated subsequent events through the date these financial statements were available to be issued, which was the same date as the independent auditors' report.

2 ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at December 31:

	2014	2013
Amounts billed under contracts	$ 4,019,019	$ 4,019,019
Unbilled revenue	929,856	929,856
Other accounts receivable	6,115	3,177
	$ 4,954,990	$ 4,952,052

All amounts billed under contracts and unbilled revenue at December 31, 2014 and 2013, are owed to SAL by the prime contractor on a contract with the United States Government under which SAL operated as a subcontractor. Almost all of the balance relates to the dispute discussed below.

The United States Government has the right to audit all records and other evidence sufficient to properly reflect all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of these contracts. In 2010, an agency of the United States Government commenced an audit of the activity associated with SAL's largest contract, related to activity under the contract in 2009 and 2008. Due to the preliminary findings on this audit, SAL reimbursed the prime contractor for a portion of the costs that were deemed unallowable by the agency of the United States Government. In addition, the prime contractor recovered the remaining balance from SAL by offsetting amounts otherwise due SAL. SAL is disputing this offset. The costs discussed above that are currently disputed are included with accounts receivable, but the prime contractor has advised SAL that payment of these amounts will be withheld from SAL until the dispute is resolved.

During 2013, SAL filed a lawsuit against the prime contractor alleging:

- SAL should be paid for the amount of the receivable discussed above;
- SAL has additional funds due as it did not get its agreed-upon share of the work it was due under the contract with the prime contractor; and
- SAL should have participated in certain performance-based award fees paid to the prime contractor.

In February 2014, the United States District Court for the Eastern District of Virginia issued a summary judgment against SAL related to the aforementioned lawsuit. SAL has appealed the summary judgment. This dispute is expected to be resolved in 2015.

3 CUBE COVE PROPERTY AND DEFERRED COSTS RELATED TO CUBE COVE PROPERTY

The Cube Cove property recorded on the consolidated balance sheets as of December 31, 2014 and 2013, relates to land on Admiralty Island. For several years, Shee Atiká has been in negotiations with the United States Forest Service ("USFS") to sell a portion or all of this land to remedy the flaws in Shee Atiká's ANCSA conveyance. In relation to the efforts to sell the land to the USFS, Shee Atiká has incurred significant legal and other professional fees that are direct and incremental to the transaction. These costs amount to $1,165,255 and have been capitalized and are included in deferred costs related to Cube Cove property on the consolidated balance sheet at December 31, 2014.

4 LEASED COMMERCIAL PROPERTIES

Leased commercial properties consist of properties that are held for lease and consists of the following at December 31:

	2014	2013
Buildings	$ 5,804,020	$ 5,151,891
Leasehold improvements	423,892	311,047
	6,227,912	5,462,938
Less: accumulated depreciation and amortization	(1,709,758)	(1,511,383)
	4,518,154	3,951,555
Land	990,924	990,924
Construction in progress	38,288	38,288
	$ 5,547,366	$ 4,980,767

Depreciation expense for leased commercial properties amounted to $198,376 and $299,964 in 2014 and 2013, respectively.

The leased commercial buildings are leased under various operating leases expiring in various years through 2022. The approximate minimum future lease payments to be received on noncancelable operating leases for years ending December 31 are as follows:

2015	$ 224,685
2016	190,987
2017	186,236
2018	189,349
2019	158,776
Thereafter	187,922
	$ 1,137,955

In 2013, the Totem Square building was sold to a third-party for net sales proceeds of $5,313,000. The Totem Square building was owned by a related entity, Shee Atiká Benefits Trust ("SABT") and leased to Shee Atiká Management, LLC ("SAM"), a wholly-owned subsidiary of Shee Atiká. A substantial amount of leasehold improvements and furniture and fixtures recorded in the consolidated financial statements of Shee Atiká (through SAM) were related to the Totem Square building. All assets held by SAM and SABT related to the property were included in the sales transaction and, thus, the net sales proceeds were allocated to both entities. The sale of the property resulted in a loss recorded by Shee Atiká amounting to $475,236. Additionally, as SABT leased the property to SAM under a lease that effectively terminated early upon the sale of the building, a lease termination fee of $2,186,148 was paid by SABT to SAM in 2013.

5 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2014	2013
Furniture and equipment	$ 506,012	$ 485,782
Other	208,893	230,379
	714,905	716,161
Less: accumulated depreciation	(590,135)	(562,249)
	124,770	153,912
Land	1,802,189	2,310,995
	$ 1,926,959	$ 2,464,907

Depreciation expense for property and equipment amounted to $27,886 and $45,540 in 2014 and 2013, respectively.

Most of the land included above represents the Alice Island property (amounting to $1,427,200 and $1,936,006 at December 31, 2014 and 2013, respectively). Some of this property is in the process of being developed for eventual sale.

6 LOAN PAYABLE TO SAIL

Shee Atiká has a loan arrangement with an affiliate, Shee Atiká Investments, LLC ("SAIL"), that bears interest at 4% and is due in full December 31, 2016. The loan is secured by a first position security interest in Shee Atiká's equity interest in one of its wholly-owned subsidiaries, Shee Atiká Holdings Alice Island, LLC. The balance due at December 31, 2014 and 2013, is $1,080,826 and $2,399,115, respectively.

7 LONG-TERM DEBT

Long-term debt consists of the following at December 31:

	2014	2013
Note payable to a bank in monthly installments of $9,635 including interest at 6.5%, due in full May 1, 2021, secured by commercial property in Sitka, Alaska	$ 924,246	$ 977,045
Less: current portion	(56,097)	(52,524)
	$ 868,149	$ 924,521

Principal payments on long-term debt for years ending December 31 are as follows:

2015	$ 56,097
2016	60,064
2017	64,307
2018	68,675
2019	73,340
Thereafter	601,763
	$ 924,246

8 INCOME TAXES

Income taxes for the years ended December 31, 2014 and 2013, consists of:

	2014	2013
Current expense	$ -	$ -
Deferred benefit	1,726,000	
Income tax benefit	$ 1,726,000	$ -

Shee Atiká's effective tax rate differs from statutory rates for 2014 and 2013 due to the change in the valuation allowance on the net deferred tax assets. No income taxes were paid in 2014 or 2013.

The significant components of the net deferred tax asset as of December 31 are as follows:

	2014	2013
Deferred tax assets:		
Net operating loss	$ 2,266,000	$ 1,351,000
Alternative minimum tax credit carryforwards	174,000	375,000
Accrued compensation	123,000	114,000
Capital loss carryforwards	68,000	
Excess of tax basis in buildings and equipment	28,000	107,000
Other	45,000	99,000
	2,704,000	2,046,000
Deferred tax liabilities:		
Excess of book basis in prepaid expenses and deferred costs	178,000	54,000
	2,526,000	1,992,000
Less: valuation allowance		(1,192,000)
Net deferred tax asset	$ 2,526,000	$ 800,000

As of December 31, 2014, Shee Atiká has Federal net operating tax loss carryforwards and alternative minimum tax credit carryforwards of approximately $6,125,000 and $174,000, respectively. The net operating tax loss carryforwards expire in 2032 to 2034. The alternative minimum tax credit carryforwards do not expire. Based on management's assessment of available positive and negative evidence which included, among other things, Shee Atiká's recent results of operations and expected future profitability (primarily related to anticipated gains resulting from the sale of any Cube Cove property), a valuation allowance was not considered necessary as of December 31, 2014. The change in the valuation allowance was a decrease of $1,192,000 and increase of $692,000 for 2014 and 2013, respectively.

9 SETTLEMENT TRUSTS

Shee Atiká established two settlement trusts which are entities authorized by ANCSA and organized under the laws of Alaska to provide benefits to Shee Atiká's shareholders. However, the trusts are separate from Shee Atiká even though the trustees are the same people who are members of Shee Atiká's Board of Directors. The trustees are responsible for investing the assets of the trusts, determining the appropriate use of income to accomplish the trusts' primary purpose, and making distributions to unit holders who are also Shee Atiká shareholders. Further, the trusts are prohibited by ANCSA from operating a business.

The first settlement trust, Shee Atiká Fund Endowment ("SAFE"), was established to maintain assets and pay distributions from its income to SAFE's beneficiaries. SAFE has net assets of approximately $54.9 million and $55.5 million at December 31, 2014 and 2013, respectively.

The second settlement trust, SABT, was established to provide scholarships and funeral benefits to Shee Atiká's shareholders who are also beneficiaries of the trust. Due to anticipated future distributions by SABT, it will require additional funding. Shee Atiká loaned funds to SABT of $327,000 in 2013 which were repaid in full in 2014. SABT has net assets of approximately $37,000 and $413,000 at December 31, 2014 and 2013, respectively. In November 2013, the Board of Directors of Shee Atiká decided that beginning January 1, 2014, scholarship and funeral benefits will be distributed by Shee Atiká instead of SABT. The Board of Directors of Shee Atiká is determining the future of SABT.

During 2003, Shee Atiká formed SAIL to pool cash and certain investments with the above settlement trusts. Management believed that pooling investments at SAIL permitted greater diversification, thereby reducing risk and enhancing returns. The board members of Shee Atiká are the same people who are SAIL's board members. SAFE and SABT are the only members/owners of SAIL.

10 RELATED PARTY TRANSACTIONS

Related party transactions for the years ended December 31, 2014 and 2013, are as follows:

- As further discussed in Note 6, in February 2009, SAIL provided a loan to Shee Atiká which accrues interest at 4% and is due in December 2016.
- As discussed in Note 9, in 2013 Shee Atiká loaned SABT $327,000, which was paid in full in 2014.
- In 2013, Shee Atiká incurred $132,000 in lease expense to SABT related to the lease Shee Atiká Management, LLC had for the Totem Square building. See Note 4 for discussion on the sale of the Totem Square building in 2013.
- Shee Atiká provides administrative services to SAFE, SABT, and SAIL. In 2014 and 2013, Shee Atiká charged administrative fees of $924,343 and $1,365,240, respectively, to these three entities. The amounts charged to SAFE and SABT amounting to $975,920 for 2013 were not paid until 2014.

11 401(K) PLAN

Shee Atiká sponsors a 401(k) plan for the benefit of its employees. In general, employees are eligible to participate in the plan after reaching age 21 and after being with Shee Atiká for at least 6 months. Employer contributions made totaled $30,710 and $34,284 in 2014 and 2013, respectively.

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

SHEE ATIKÁ, INC.

petersonsullivan LLP

Certified Public Accountants
& Advisors

To the Board of Directors and Shareholders
Shee Atiká, Incorporated
Sitka, Alaska

We have audited the consolidated financial statements of Shee Atiká, Incorporated and Subsidiaries ("Shee Atiká") as of and for the years ended December 31, 2014 and 2013, and our report thereon dated March 27, 2015, which contains an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information presented in the following section of this report (pages 22 and 23) is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management of Shee Atiká and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Peterson Sullivan L.L.P.

March 27, 2015

SUPPLEMENTAL CONSOLIDATING BALANCE SHEET December 31, 2014

ASSETS	Shee Atiká Incorporated	Shee Atiká Holdings Alice Island LLC	Shee Atiká Holdings Lincoln St. LLC	Shee Atiká Languages LLC
Current Assets				
Cash and cash equivalents	$ 3,015,473	$ 9,469	$ 37,892	$ 819,980
Accounts receivable	150,585		17,770	4,948,875
Income tax receivable	229,000			
Prepaid expenses and other	89,939	3,114	4,971	23,628
Total current assets	3,484,997	12,583	60,633	5,792,483
Leased Commercial Properties, net	539,746	1,793,701	3,213,919	
Property and Equipment, net	499,759	1,427,200		
Cube Cove Property	1,510,000			
Deferred Costs Related to Cube Cove Property	1,165,255			
Deferred Tax Asset	2,526,000			
Due from (to) related company	(947,110)	1,655,033	(422,049)	
Equity in Subsidiaries	9,664,886			
Total assets	$ 18,443,533	$ 4,888,517	$ 2,852,503	$ 5,792,483
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued expenses	$ 614,111	$ 106,980	$ 13,720	$ 162,242
Current portion of long-term debt			56,097	
Total current liabilities	614,111	106,980	69,817	162,242
Loan Payable to SAIL	1,080,826			
Long-Term Debt, less current portion			868,149	
Total liabilities	1,694,937	106,980	937,966	162,242
Equity				
Shee Atiká, Incorporated shareholders' equity				
Contributed capital	5,956,000	4,763,316	1,971,968	184,620
Retained earnings (deficit)	10,792,596	18,221	(57,431)	2,642,629
Total Shee Atiká, Incorporated shareholders' equity	16,748,596	4,781,537	1,914,537	2,827,249
Noncontrolling interests				2,802,992
Total equity	16,748,596	4,781,537	1,914,537	5,630,241
Total liabilities and equity	$ 18,443,533	$ 4,888,517	$ 2,852,503	$ 5,792,483

SUPPLEMENTAL CONSOLIDATING STATEMENT OF OPERATIONS For the Year Ended December 31, 2014

	Shee Atiká Incorporated	Shee Atiká Holdings Alice Island LLC	Shee Atiká Holdings Lincoln St. LLC	Shee Atiká Languages LLC
Revenues				
Administrative fees from affiliated entities	$ 924,343	$ -	$ -	$ -
Sales of developed lots		687,500		
Rentals from leased commercial properties	14,123	67,392	291,532	
Contracts				360,000
Other	163,430		509	5,297
Total revenue	1,101,896	754,892	292,041	365,297
Costs and expenses				
Leased commercial properties	2,799		121,418	
Cost of developed lots and direct selling costs		588,464		
Interest	155,105		62,817	
Depreciation and amortization	27,886	98,129	100,247	
Contributions	28,350			
General and administrative	3,173,688	111,535		276,953
Other		2,841		
Total costs and expenses	3,387,828	800,969	284,482	276,953
Income (loss) before income tax benefit	(2,285,932)	(46,077)	7,559	88,344
Income tax benefit (expense)	1,726,000			
Net income (loss)	(559,932)	(46,077)	7,559	88,344
Net loss (income) attributable to noncontrolling interests				(43,289)
Net income (loss) attributable to Shee Atiká, Incorporated	**$ (559,932)**	**$ (46,077)**	**$ 7,559**	**$ 45,055**

Shee Atiká Commercial Services LLC	Shee Atiká Management LLC	Shee Atiká Enterprises, LLC	Consolidating Entries	Total
$ 3,332	$ 5,670	$ 100,000	$ -	$ 3,991,816
			(162,240)	4,954,990
				229,000
				121,652
3,332	5,670	100,000	(162,240)	9,297,458
				5,547,366
				1,926,959
				1,510,000
				1,165,255
				2,526,000
(684)	(285,190)			-
			(9,664,886)	-
$ 2,648	$ (279,520)	$ 100,000	$ (9,827,126)	$ 21,973,038
$ 100	$ -	$ -	$ (162,242)	$ 734,911
				56,097
100	-	-	(162,242)	791,008
				1,080,826
				868,149
100	-	-	(162,242)	2,739,983
51,000	209,247	51,000	(7,231,151)	5,956,000
(47,653)	(488,767)		(2,433,733)	10,425,862
3,347	(279,520)	51,000	(9,664,884)	16,381,862
(799)		49,000		2,851,193
2,548	(279,520)	100,000	(9,664,884)	19,233,055
$ 2,648	$ (279,520)	$ 100,000	$ (9,827,126)	$ 21,973,038

Shee Atiká Commercial Services LLC	Shee Atiká Management LLC	Shee Atiká Enterprises, LLC	Consolidating Entries	Total
$ -	$ -	$ -	$ -	$ 924,343
				687,500
			(114,126)	258,921
				360,000
	10,408		(127,879)	51,765
-	10,408	-	(242,005)	2,282,529
				124,217
				588,464
				217,922
				226,262
				28,350
2,056	104,753		(242,005)	3,426,980
	21,485			24,326
2,056	126,238	-	(242,005)	4,636,521
(2,056)	(115,830)	-	-	(2,353,992)
				1,726,000
(2,056)	(115,830)	-	-	(627,992)
1,007				(42,282)
$ (1,049)	$ (115,830)	$ -	$ -	$ (670,274)

INDEPENDENT AUDITORS' REPORT

peterson sullivan LLP

Certified Public Accountants
& Advisors

To the Board of Trustees and Unit Holders
Shee Atiká Fund Endowment
Sitka, Alaska

We have audited the accompanying financial statements of Shee Atiká Fund Endowment ("SAFE"), which comprise the statements of net assets as of December 31, 2014 and 2013, and the related statements of revenue and expenses, and changes in net assets (all on the modified income tax basis) for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified income tax basis described in Note 1; this includes determining that the modified income tax basis is an acceptable basis of accounting for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of Shee Atiká Fund Endowment as of December 31, 2014 and 2013, and its revenue and expenses, and changes in net assets for the years then ended, on the modified income tax basis of accounting described in Note 1.

Basis of Accounting

As described in Note 1, these financial statements were prepared on the basis of accounting SAFE uses for income tax purposes, except that it adjusts its investments to fair value (investments are valued at cost on the basis of accounting SAFE uses for income tax purposes). This is referred to as "the modified income tax basis." The purpose of using the modified income tax basis of accounting is to make the statements easier to use for SAFE's unit holders. The modified income tax basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States. Our opinion is not modified with respect to this matter.

Peterson Sullivan LLP

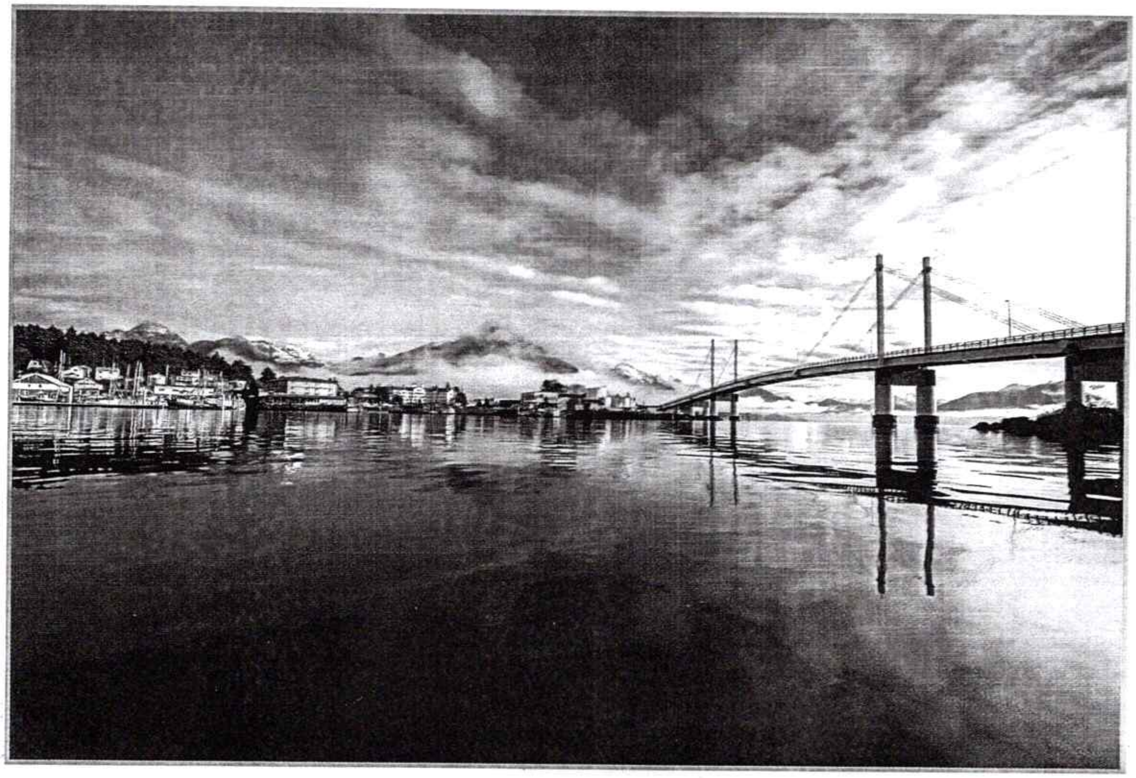
March 27, 2015

STATEMENTS OF NET ASSETS – MODIFIED INCOME TAX BASIS

December 31, 2014 and 2013

ASSETS	2014	2013
Investment in Shee Atiká Investments, LLC	$ 50,907,617	$ 51,083,160
Investment in Shee Atiká Enterprises, LLC	49,000	
Leased commercial property, net	7,104,979	7,327,914
Cash and cash equivalents	540,943	990,311
Income tax receivable	110,324	27,174
Other assets	314,877	234,200
Total assets	59,027,740	59,662,759
LIABILITIES		
Long-term debt	3,934,529	4,083,892
Distributions payable	150,039	102,046
Other		1,923
Total liabilities	4,084,568	4,187,861
NET ASSETS	$ 54,943,172	$ 55,474,898

SHEE ATIKA FUND ENDOWMENT



See Notes to Financial Statements

STATEMENTS OF REVENUE AND EXPENSES – MODIFIED INCOME TAX BASIS

For the Years Ended December 31, 2014 and 2013

	2014	2013
Revenue		
Equity share in Shee Atiká Investments, LLC taxable income (loss)(realized losses allocated limited to $3,000 for income tax purposes)	$ (450,282)	$ 1,356,154
Rentals from leased commercial property	1,009,984	995,196
Other income (loss)	300	(3,381)
Total revenue	560,002	2,347,969
Expenses		
SAI administrative fees	1,150,422	
Professional and custodian fees	93,040	143,955
Interest	219,095	227,070
Depreciation	222,935	228,015
Leased commercial property expenses	331,679	30,759
Other	1,189	845
Total expenses	2,018,360	630,644
Taxable income (loss)	(1,458,358)	1,717,325
Income tax expense		131,873
Change in net assets before adjusting investment in Shee Atiká Investments, LLC to fair value	(1,458,358)	1,585,452
Adjustment to fair value of investment in Shee Atiká Investments, LLC	3,149,032	(2,952,283)
Change in net assets	**$ 1,690,674**	**$(1,366,831)**

STATEMENTS OF CHANGES IN NET ASSETS – MODIFIED INCOME TAX BASIS

For the Years Ended December 31, 2014 and 2013

	2014	2013
Change in net assets	$ 1,690,674	$ (1,366,831)
Distributions to unit holders	(2,222,400)	(2,222,400)
Total decrease	**(531,726)**	**(3,589,231)**
Net assets, beginning of year	55,474,898	59,064,129
Net assets, end of year	$ 54,943,172	$ 55,474,898

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Shee Atiká Fund Endowment ("SAFE") is an irrevocable settlement trust formed by Shee Atiká, Incorporated ("SAI") under Alaska Statute. SAFE was established to maintain assets and pay distributions to unit holders who are also shareholders of SAI. Members of the Board of Directors of SAI act as the SAFE trustees.

SAFE's Class A trust units are issued to SAI's shareholders in direct proportion to their shares of SAI voting common stock. Class B trust units are issued to any person who acquires SAI's shares and who is not a "Native" or a "Descendant of a Native" within the meaning of the Alaska Native Claims Settlement Act ("ANCSA"), in direct proportion to their shares of SAI nonvoting common stock. The trust units are not generally transferable. At December 31, 2014, there were 185,200 trust units (of which 180,392 were Class A and 4,808 were Class B) held by approximately 3,000 beneficiaries.

The Settlement Trust Agreement requires that a minimum of 75% and a maximum of 100% of annual net cash income, as defined, is to be distributed to beneficiaries. The amount of distributions ($12.00 per trust unit in both 2014 and 2013) is ultimately determined by the Board of Trustees, but must be between the minimum and maximum amounts. While semi-annual distributions have been the normal practice, the trust document actually calls for them to be made at the time or times determined by the trustees. Distributions are pro rata based on the number of trust units owned.

After the fifteenth anniversary of SAFE and each subsequent fifteen year period measured from the fifteenth anniversary (the next modification date is January 4, 2023), the trustees may modify the terms of the trust agreement with unit holder approval. The modifications may include changing the percentage of net cash income that is distributed, modifying the principal distribution provisions, or terminating SAFE and distributing all principal and accrued income to the beneficiaries.

BASIS OF ACCOUNTING

SAFE's policy is to prepare its financial statements on the income tax basis of accounting, except that it recognizes its investment in Shee Atiká Investments, LLC ("SAIL") at fair value rather than cost ("the modified income tax basis"). Consequently, certain revenues are recognized when received (rather than when earned) and certain expenses are recognized when paid (rather than when the expense is incurred).

RELATED PARTY TRANSACTIONS

For 2014, SAI charged administrative fees of $587,508. SAFE paid these fees in full during 2014. For 2013, SAI charged administrative fees of $562,914. However, SAFE did not pay any of these fees in 2013 and, thus, under the basis of accounting that SAFE is using, these fees were not recognized as expenses in 2013, but were recognized in 2014 when payment to SAI occurred.

FAIR VALUE MEASUREMENTS

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels which prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

INVESTMENT IN SHEE ATIKÁ INVESTMENTS, LLC

The investment in SAIL is stated at fair value using the Net Asset Value ("NAV") which is determined by management of SAIL and is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying assets (primarily investments), less any liabilities, and then divided by the number of units outstanding. The investments of SAIL are publicly traded mutual funds whose fair values are generally determined based on quoted prices in an active market. The NAV of the investment in SAIL is classified as Level 2 of the fair value hierarchy. There are no funding commitments or restrictions on redemptions for SAIL.

INVESTMENT IN SHEE ATIKÁ ENTERPRISES, LLC

SAFE has a 49% ownership interest in Shee Atiká Enterprises, LLC ("SAE"). SAI owns 51% of SAE. The investment in SAE is recorded at its tax basis which is accounted for by increasing the investment for contributions made, decreasing the investment for distributions received, and adjusting the investment for SAFE's share of taxable income (loss) each year.

LEASED COMMERCIAL PROPERTY

The leased commercial property is located in Colorado Springs, Colorado, and is stated at cost. Depreciation is provided on the straight-line method, and is recognized over the estimated useful lives of the assets.

Revenue from rental of leased commercial property is recognized as received. All rental revenue in both 2014 and 2013 was from one lessee.

CASH AND CASH EQUIVALENTS

SAFE considers money market funds and highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. SAFE has cash balances in excess of government sponsored insurance limits.

INCOME TAXES

SAFE has elected to be taxed at a rate of 10% on taxable income (no tax on certain dividends received and on long-term capital gains) as defined in the Internal Revenue Code ("IRC"). SAFE cannot carry non-capital taxable losses back to previous years or forward to future years to offset taxable income. SAFE can carry capital losses realized on sales of investments forward to future years to offset capital gains (capital losses cannot be carried back to previous years). At December 31, 2014, SAFE had approximately $9.2 million in capital loss carryforwards available which can be used to offset future capital gains.

Because SAIL is a limited liability company, SAFE's share of its net taxable income or loss is passed through to SAFE. Also, certain partnerships and similar investments held by SAIL can require SAFE to pay state income taxes. These taxes were not significant in either 2014 or 2013.

Tax years 2011 through 2014 are open to examination by federal tax authorities.

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

SUBSEQUENT EVENTS

SAFE has evaluated subsequent events through the date these financial statements were available to be issued, which is the same date as the independent auditors' report.

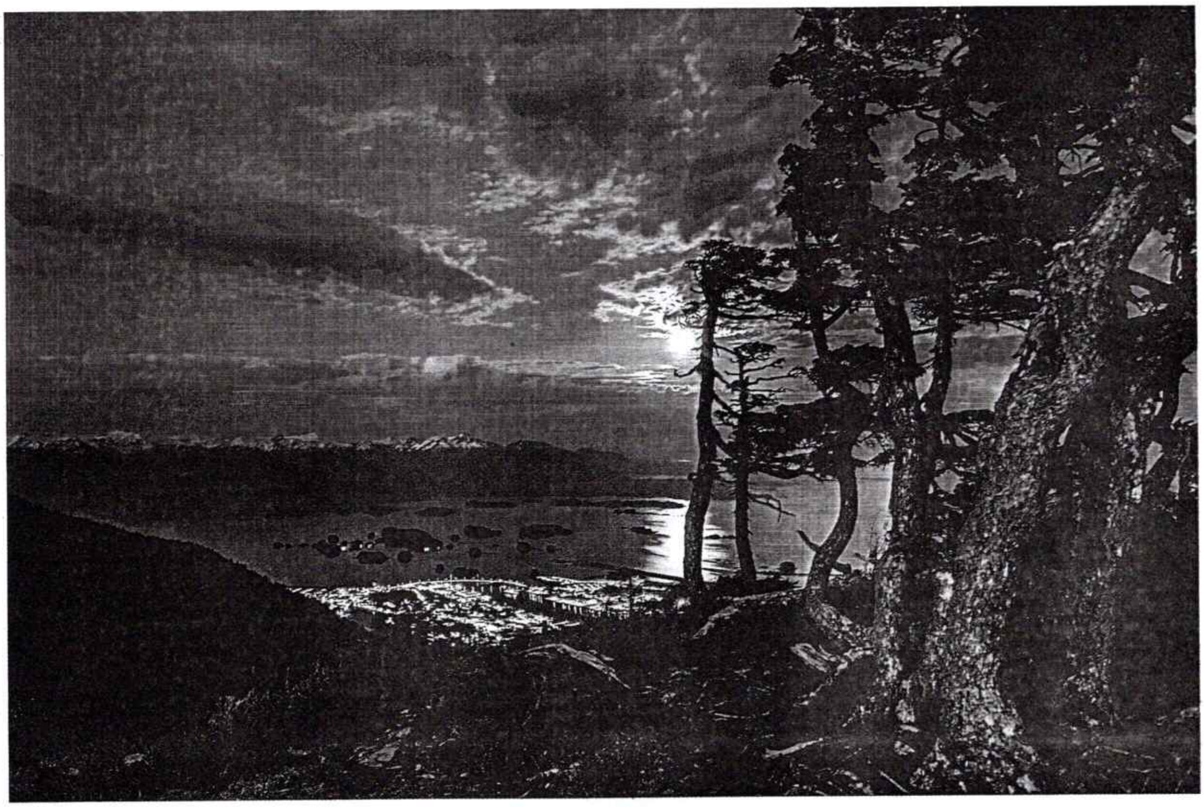
2 INVESTMENT IN SAIL

SAIL exists to pool investment activity of SAFE and Shee Atiká Benefits Trust ("SABT"). SABT is also a settlement trust with the same unit holders and trustees as SAFE. SAIL's Board of Directors consists of the same people who are the trustees and board members of SAFE, SAI, and SABT. SAFE's trustees believe that pooling investments at SAIL permits greater diversification, thereby reducing risk and enhancing returns. As an LLC, SAIL limits SAFE's liability exposure to the amount of the investment in SAIL. SAIL is scheduled to terminate on December 31, 2023.

A summary of SAIL's financial position and operating results as of December 31 is as follows:

	2014	2013
Investments, at fair value	$ 41,809,030	$ 42,658,391
Cash and cash equivalents	7,960,267	6,663,605
Other assets	1,154,060	2,473,124
Members' equity	50,923,357	51,795,120
Revenue, including adjustments to fair value of investments	3,267,372	(971,939)
Net income (loss)	2,699,699	(1,606,444)

SAFE's ownership interest in SAIL was 99.97% and 99.31% of SAIL's total equity at December 31, 2014 and 2013, respectively. At December 31, 2014 and 2013, SAFE and SABT are the only members of SAIL



3 LEASED COMMERCIAL PROPERTY

Leased commercial property is located in Colorado Springs, Colorado, and consists of the following at December 31:

	2014	2013
Building	$ 6,975,574	$ 6,975,574
Land improvements	514,384	514,384
Land	722,000	722,000
	8,211,958	8,211,958
Less: accumulated depreciation	(1,106,979)	(884,044)
	$ 7,104,979	$ 7,327,914

SAFE leases the commercial building in Colorado under a non-cancelable operating lease expiring on June 30, 2024. The minimum future lease payments scheduled to be received on this non-cancelable operating lease for years ending December 31 are as follows:

2015	$ 972,330
2016	936,696
2017	950,748
2018	965,010
2019	979,482
Thereafter	4,590,738
	$ 9,395,004

Under the terms of the lease, SAFE has committed to paying for certain tenant improvements to the property on behalf of the lessee, up to a maximum of $799,919. At December 31, 2014, no amounts have been incurred by SAFE for these tenant improvements.

4 LONG-TERM DEBT

SAFE has a note payable to a bank due in monthly installments of $30,704 (including interest at 5.50%) with a final payment due on November 1, 2015. The note is secured by the leased commercial property in Colorado Springs, Colorado.

INDEPENDENT AUDITORS' REPORT

petersonsullivan LLP

Certified Public Accountants
& Advisors

To the Board of Trustees and Unit Holders
Shee Atiká Benefits Trust
Sitka, Alaska

We have audited the accompanying financial statements of Shee Atiká Benefits Trust ("SABT"), which comprise the statements of net assets as of December 31, 2014 and 2013, and the related statements of revenue and expenses, and changes in net assets (all on the modified income tax basis) for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified income tax basis described in Note 1; this includes determining that the modified income tax basis is an acceptable basis of accounting for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of Shee Atiká Benefits Trust as of December 31, 2014 and 2013 and its revenue and expenses, and changes in net assets for the years then ended on the modified income tax basis of accounting described in Note 1.

Basis of Accounting
As described in Note 1, these financial statements were prepared on the basis of accounting SABT uses for income tax purposes, except that it adjusts its investments to fair value (investments are valued at cost on the basis of accounting SABT uses for income tax purposes). This is referred to as "the modified income tax basis." The purpose of using the modified income tax basis of accounting is to make the statements easier to use for SABT's unit holders. The modified income tax basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States. Our opinion is not modified with respect to this matter.

Peterson Sullivan LLP

March 27, 2015

STATEMENTS OF NET ASSETS - MODIFIED INCOME TAX BASIS

December 31, 2014 and 2013

ASSETS	2014	2013
Investment in Shee Atiká Investments, LLC	$ 15,725	$ 711,947
Cash and cash equivalents	23,503	14,285
Income tax receivable		13,784
Total assets	39,228	740,016
LIABILITIES		
Amounts payable to Shee Atiká, Incorporated	2,469	327,000
NET ASSETS	$ 36,759	$ 413,016

STATEMENTS OF REVENUE AND EXPENSES - MODIFIED INCOME TAX BASIS

For the Years Ended December 31, 2014 and 2013

	2014	2013
Revenue		
Equity share in Shee Atiká Investments, LLC taxable income (realized losses allocated limited to $3,000 for income tax purposes)	$ (138)	$ 9,379
Loss on sale of the Totem Square property		(208,980)
Rentals from leased commercial property	-	132,000
Total loss	(138)	(67,601)
Expenses		
SAI administrative fees	374,767	-
Lease termination fee	-	2,186,148
Depreciation	-	68,071
Other administrative expenses	7,309	17,995
Total expenses	382,076	2,272,214
Taxable loss and change in net assets before adjustment to fair value of investment in Shee Atiká Investments, LLC	(382,214)	(2,339,815)
Adjustment to fair value of investment in Shee Atiká Investments, LLC	956	(20,408)
Change in net assets	**$ (381,258)**	**$(2,360,223)**

See Notes to Financial Statements

SHEE ATIKÁ BENEFITS TRUST

STATEMENTS OF CHANGES IN NET ASSETS - MODIFIED INCOME TAX BASIS

For the Years Ended December 31, 20143 and 2013

	2014	2013
Change in net assets	$ (381,258)	$ (2,360,223)
Distributions to unit holders		
Scholarships distributed, net of refunds received	5,001	(411,849)
Funeral benefits		(55,392)
Total net refunds (distributions)	5,001	(467,241)
Total decrease in net assets	**(376,257)**	**(2,827,464)**
Net assets, beginning of year	413,016	3,240,480
Net assets, end of year	$ 36,759	$ 413,016

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND FUTURE PLANS

ORGANIZATION

Shee Atiká Benefits Trust ("SABT") is an irrevocable settlement trust formed by Shee Atiká, Incorporated ("SAI") under Alaska statute. SABT was established to provide educational and funeral benefits to unit holders who are also shareholders of SAI. Members of the Board of Directors of SAI act as the SABT trustees.

SABT's Class A trust units are issued to SAI's shareholders in direct proportion to their shares of SAI voting common stock. Class B trust units are issued to any person who acquires SAI's shares and who is not a "Native" or a "Descendant of a Native" within the meaning of the Alaska Native Claims Settlement Act ("ANCSA"), in direct proportion to their shares of SAI nonvoting common stock. The trust units are not generally transferable. At December 31, 2014, there were 185,200 trust units (of which 180,392 were Class A and 4,808 were Class B) held by approximately 3,000 beneficiaries.

The Settlement Trust Agreement allows annual distributions of up to 100% of net cash income, as defined, and up to 20% of principal, to provide educational and funeral benefits. There is no minimum required distribution.

After the tenth anniversary of SABT and each subsequent ten year period measured from the tenth anniversary (the next modification date is November 8, 2017), the trustees may modify the terms of the trust agreement with the unit holder approval. The modifications may include changing the percentage of net cash income that may be used to provide benefits, modifying the principal distribution provisions, or terminating SABT and distributing all principal and accrued income to the beneficiaries.

FUTURE PLANS

In November 2013, the Board of Directors of SAI decided that beginning January 1, 2014, scholarship and funeral benefits will be distributed by SAI instead of SABT. The Board of Directors of SAI is determining whether SAI will fund SABT in the future in order to allow it to resume making the funeral and scholarship benefits.

BASIS OF ACCOUNTING

SABT's policy is to prepare its financial statements on the income tax basis of accounting, except that it recognizes its investment in Shee Atiká Investments, LLC ("SAIL") at fair value rather than cost ("the modified income tax basis"). Consequently, certain revenues are recognized when received (rather than when earned) and certain expenses are recognized when paid (rather than when the expense is incurred).

RELATED PARTY TRANSACTIONS

SAI loaned $327,000 to SABT during the year ended December 31, 2013. During the year ended December 31, 2014, the full amount was repaid to SAI. The loan was non-interest bearing.

SAI provides administrative services to SABT. For 2013, SAI charged administrative fees of $413,006. However, SABT did not pay any of these fees in 2013 and, thus, under the basis of accounting that SABT is using, these fees were not recognized as expenses in 2013 (but are recognized when paid). A total of $374,767 of these fees were paid in 2014 and SAI forgave the additional $38,239, and SABT will not have to pay it. For 2014, SAI did not charge SABT administrative fees, but $2,469 was due from SABT to SAI at year end for expenses paid by SAI on behalf of SABT and not reimbursed by year end.

A wholly-owned subsidiary of SAI, Shee Atiká Management, LLC ("SAM"), had an operating lease with SABT for commercial property (primarily a building referred to as the Totem Square Building). As discussed in Note 3, the lease was terminated in 2013. All rental revenue in 2013 was from SAM.

Additional related party transactions are described in Note 3.

FAIR VALUE MEASUREMENTS

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels which prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

INVESTMENT IN SHEE ATIKÁ INVESTMENTS, LLC

The investment in SAIL is stated at fair value using the Net Asset Value ("NAV") which is determined by management of SAIL and is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying assets (primarily investments), less any liabilities, and then divided by the number of units outstanding. The investments of SAIL are publicly traded mutual funds whose fair values are generally determined based on quoted prices in an active market. The NAV of the investment in SAIL is classified as Level 2 of the fair value hierarchy. There are no funding commitments or restrictions on redemptions for SAIL.

REVENUE RECOGNITION

Revenue from the rental of leased commercial property was recognized as received.

CASH AND CASH EQUIVALENTS

SABT considers money market funds and highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Occasionally, SABT has cash balances in excess of government sponsored insurance limits.

INCOME TAXES

SABT has elected to be taxed at a rate of 10% on taxable income (no tax on certain dividends received and on long-term capital gains) as defined in the Internal Revenue Code ("IRC"). SABT cannot carry non-capital taxable losses back to previous years or forward to future years to offset taxable income. SABT can carry capital losses realized on sales of investments forward to future years to offset capital gains (capital losses cannot be carried back to previous years). At December 31, 2014, SABT had approximately $175,000 in capital loss carryforwards available which can be used to offset future capital gains.

Because SAIL is a limited liability company, SABT's share of its taxable income or loss is passed through to SABT. Also, certain partnerships and similar investments held by SAIL can require SABT to pay state income taxes. These taxes were not significant in either 2014 or 2013.

Tax years 2011 through 2014 are open to examination by federal tax authorities.

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

SUBSEQUENT EVENTS

SABT has evaluated subsequent events through the date these financial statements were available to be issued, which is the same date as the independent auditors' report.

2 INVESTMENT IN SAIL

SAIL exists to pool investment activity for SABT and Shee Atiká Fund Endowment ("SAFE"). SAFE is also a settlement trust with the same unit holders and trustees as SABT. SAIL's Board of Directors consists of the same people who are the trustees and board members of SABT, SAI, and SAFE. SABT's trustees believe that pooling investments at SAIL permits greater diversification, thereby reducing risk and enhancing returns. As an LLC, SAIL limits SABT's liability exposure to the amount of the investment in SAIL. SAIL is scheduled to terminate on December 31, 2023.

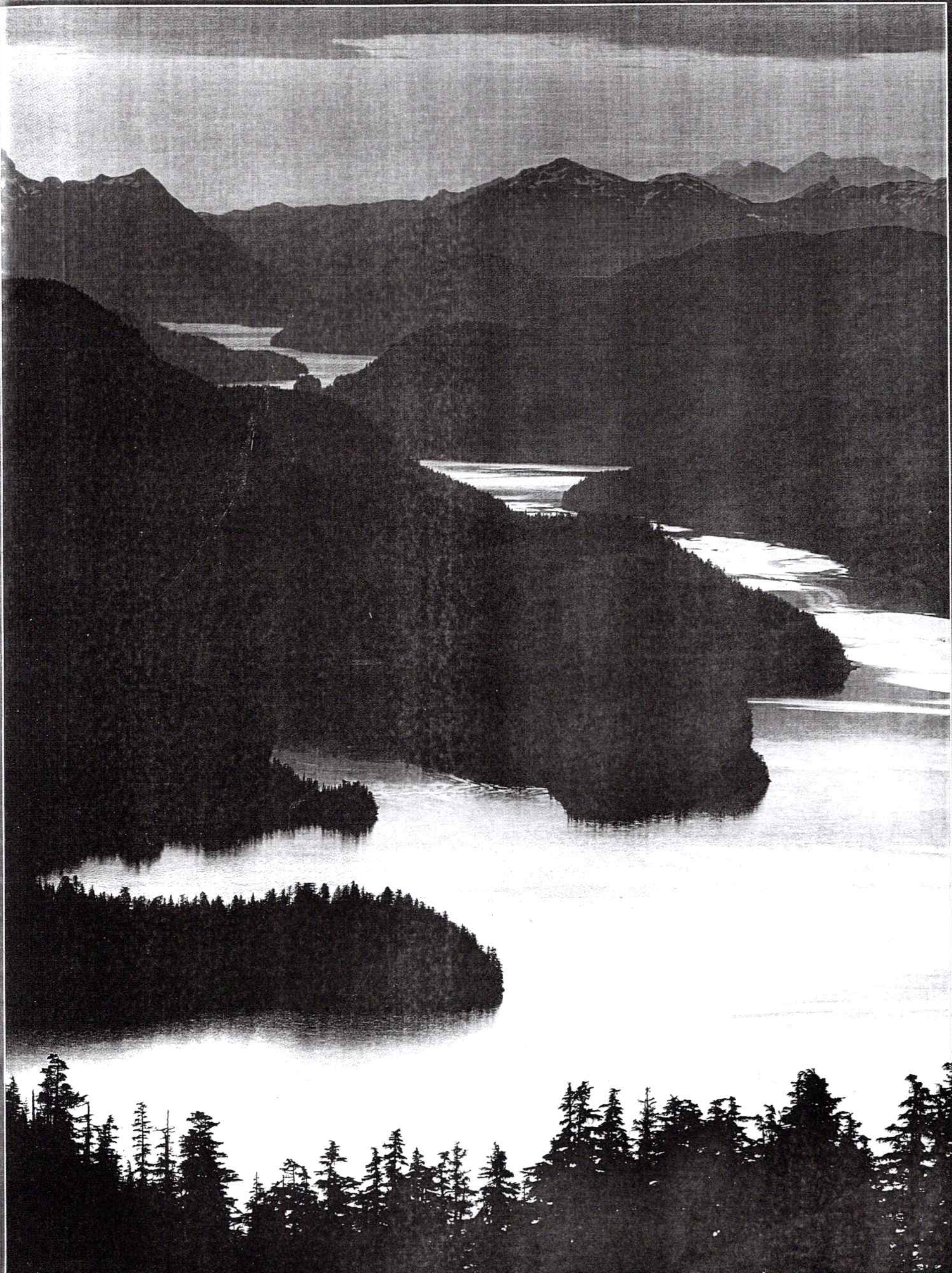
A summary of SAIL's financial position and operating results as of December 31 is as follows:

	2014	2013
Investments, at fair value	$ 41,809,030	$ 42,658,391
Cash and cash equivalents	7,960,267	6,663,605
Other assets	1,154,060	2,473,124
Members' equity	50,923,357	51,795,120
Revenue (loss), including adjustment to fair value of investments	3,267,372	(971,939)
Net income (loss)	2,699,699	(1,606,444)

SABT's ownership interest in SAIL was 0.03% and 0.69% of SAIL's total equity at December 31, 2014 and 2013, respectively. At December 31, 2014 and 2013, SABT and SAFE are the only members of SAIL

3 SALE OF TOTEM SQUARE BUILDING

The Totem Square Building was sold to a third-party in 2013 for net sales proceeds of $5,313,000. In addition to the leased commercial property recorded by SABT, SAM had invested funds in various building improvements that were recorded in its financial statements. All assets held by SABT and SAM related to the property were included in the sales transaction and, thus, the net sales proceeds were allocated to both entities. The sale of the property resulted in a loss recorded by SABT amounting to $208,980. Additionally, as SABT leased the property to SAM under a lease that effectively terminated early upon the sale of the building, a lease termination fee of $2,186,148 was paid by SABT to SAM.



INDEPENDENT AUDITORS' REPORT

petersonsullivan LLP

Certified Public Accountants
& Advisors

To the Board of Directors and Members
Shee Atiká Investments, LLC
Sitka, Alaska

We have audited the accompanying financial statements of Shee Atiká Investments, LLC ("SAIL"), which comprise the statements of assets and members' equity as of December 31, 2014 and 2013, and the related statements of revenue and expenses, and changes in members' equity (all on the modified income tax basis) for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified income tax basis described in Note 1; this includes determining that the modified income tax basis is an acceptable basis of accounting for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and members' equity of Shee Atiká Investments, LLC as of December 31, 2014 and 2013, and its revenue and expenses, and changes in members' equity for the years then ended, on the modified income tax basis of accounting described in Note 1.

Basis of Accounting

As described in Note 1, these financial statements were prepared on the basis of accounting SAIL uses for income tax purposes, except that it adjusts its investment portfolio to fair value (investments are valued at cost on the basis of accounting SAIL uses for income tax purposes). This is referred to as "the modified income tax basis." The purpose of using the modified income tax basis of accounting is to make the statements easier to use for SAIL's members and their unit holders. The modified income tax basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States. Our opinion is not modified with respect to this matter.

Peterson Sullivan LLP

March 27, 2015

STATEMENTS OF ASSETS AND MEMBERS' EQUITY – MODIFIED INCOME TAX BASIS

December 31, 2014and 2013

ASSETS	2014	2013
Investments, at fair value	$ 41,809,030	$ 42,658,391
Cash and cash equivalents	7,960,267	6,663,605
Loan receivable from Shee Atiká, Incorporated	1,080,826	2,399,115
Dividends receivable	73,234	61,865
Other		12,144
Total assets	$ 50,923,357	$ 51,795,120
MEMBERS' EQUITY		
Members' equity	$ 50,923,357	$ 51,795,120

STATEMENTS OF REVENUE AND EXPENSES – MODIFIED INCOME TAX BASIS

For the Years Ended December 31, 2014 and 2013

	2014	2013
Revenue		
Interest	$ 156,434	$ 68,752
Dividends	1,367,998	1,841,462
Net realized gain (loss) on sales of investments	(1,407,048)	90,538
Total revenue	117,384	2,000,752
Expenses		
SAI administrative fees	375,084	389,322
Investment management and custodian fees	123,294	123,699
Professional fees	13,412	121,484
Other expenses	55,883	
Total expenses	567,673	634,505
Taxable income (loss)	(450,289)	1,366,247
Adjustment to fair value of investments	3,149,988	(2,972,691)
Net income (loss)	**$ 2,699,699**	**$(1,606,444)**

STATEMENTS OF CHANGES IN MEMBERS' EQUITY – MODIFIED INCOME TAX BASIS

For the Years Ended December 31, 2014 and 2013

Balance, December 31, 2012	$ 55,625,564
Net loss	(1,606,444)
Distributions	(2,224,000)
Balance, December 31, 2013	51,795,120
Net Income	2,699,699
Distributions	(3,571,462)
Balance, December 31, 2014	$ 50,923,357

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Shee Atiká Investments, LLC ("SAIL") exists to pool investment activity for Shee Atiká Fund Endowment ("SAFE") and Shee Atiká Benefits Trust ("SABT") to the extent assets are transferred by these entities to SAIL. The members believe that pooling of investments at SAIL permits greater diversification, thereby reducing risk and enhancing returns. SAIL, SAFE, and SABT are affiliated entities of Shee Atiká, Incorporated ("SAI"). The Board of Directors of SAI, the trustees of SAFE and SABT, and SAIL's Board of Directors consist of all the same people. SAIL is a limited liability company and members' liability is limited to the amount of each member's investment in SAIL. SAIL is scheduled to terminate December 31, 2023.

SAI provides administrative services to SAIL. SAI charged administrative fees of $375,084 and $389, 322 in 2014 and 2013, respectively.

BASIS OF ACCOUNTING

SAIL's policy is to prepare its financial statements on the income tax basis of accounting, except that it recognizes its investments at fair value rather than cost ("the modified income tax basis"). Consequently, certain revenues are recognized when received (rather than when earned) and certain expenses are recognized when paid (rather than when the expense is incurred).

CASH AND CASH EQUIVALENTS

SAIL considers money market funds and highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. SAIL has cash and investments in excess of government sponsored insurance limits.

FAIR VALUE MEASUREMENTS

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels which prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

INVESTMENTS, AT FAIR VALUE

Investments in mutual funds are stated at fair value based on current market prices on active exchanges on the last trading day of the year (Level 1 inputs in aforementioned fair value hierarchy). These investment securities are traded on various United States exchanges and are subject to the market volatility in those exchanges.

The difference between cost and fair value of securities held at year-end represents unrealized appreciation or depreciation on investments. Realized gains and losses from securities transactions are determined on the basis of the cost of the specific securities sold and are recorded on the trade date.

INCOME TAXES

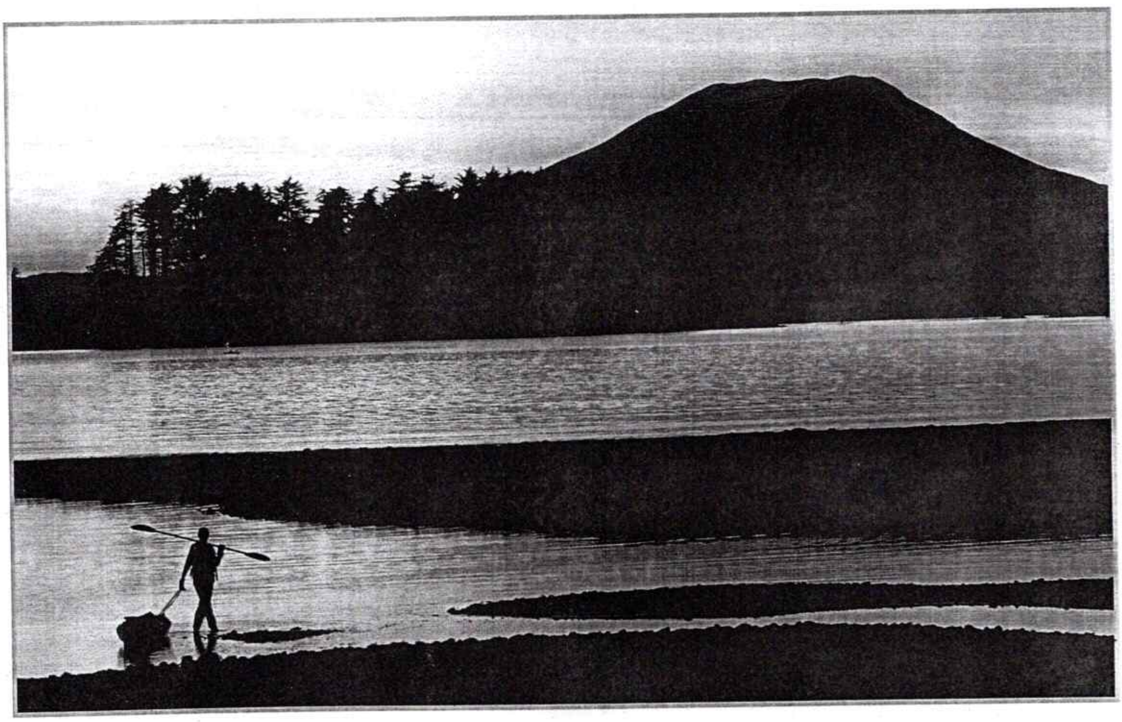
SAIL is treated as a partnership for income tax reporting purposes. As such, no liability for income taxes is included in the financial statements. Tax years 2011 through 2014 are open to examination by federal tax authorities.

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

SUBSEQUENT EVENTS

SAIL has evaluated subsequent events through the date these financial statements were available to be issued, which is the same date as the independent auditors' report.



2 INVESTMENTS

Investments are summarized as follows at December 31:

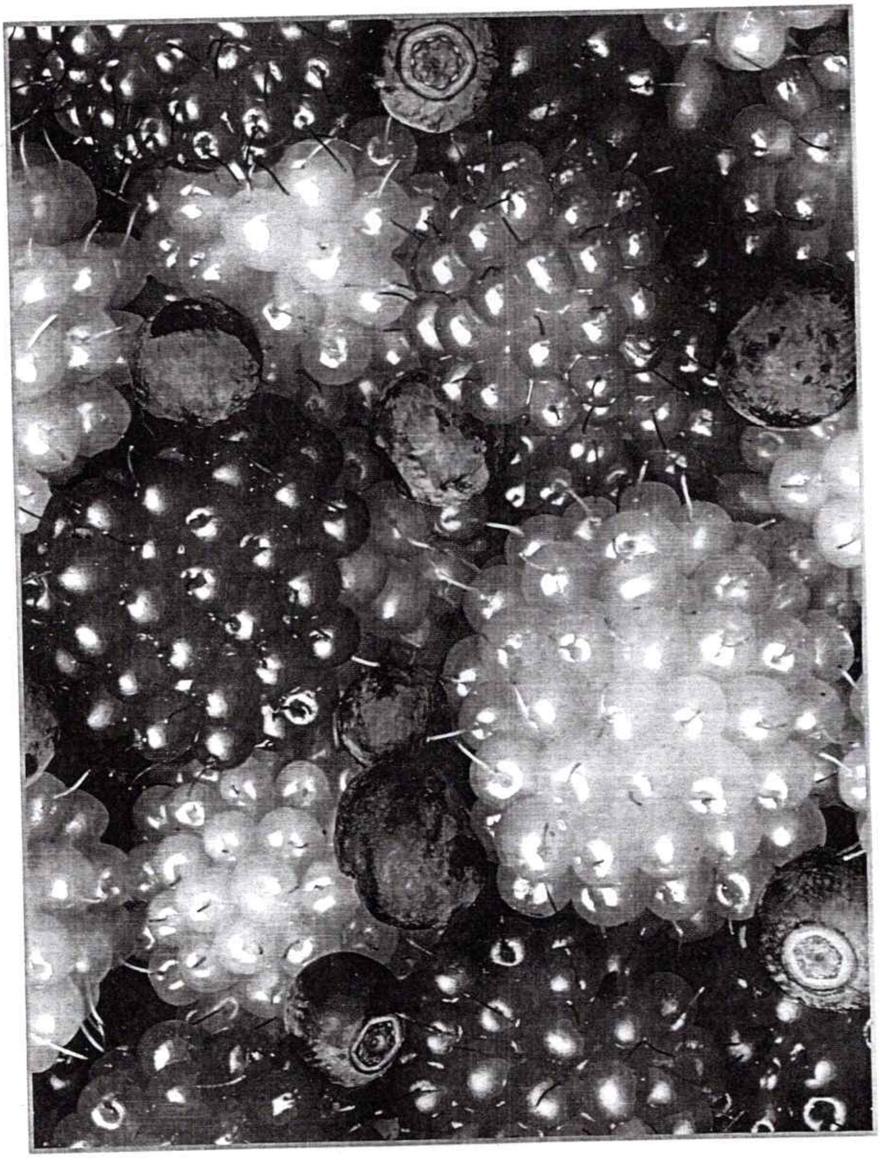
	2014		2013	
	Fair Value	Cost	Fair Value	Cost
Mutual funds:				
World Funds				
Pimco All Asset Fund	$ 2,042,853	$ 2,258,435	$ 3,937,949	$ 4,178,908
Pimco Global Bond Fund	1,777,351	2,000,000	1,779,439	1,996,330
Pimco Foreign Bond Fund	1,720,000	2,000,000	1,742,568	1,996,481
Templeton Global Bond Fund			3,040,214	3,040,214
Intermediate-term Bond Funds				
Pimco Extended Duration Bond Fund	4,699,806	4,000,000		
TCW Total Return Bond Fund	3,222,878	3,072,439	3,120,108	3,103,721
Doubleline Total Return Bond Fund	2,958,750	3,000,000	1,920,497	1,990,327
Fidelity Spartan Intermediate Term Bond Fund	2,259,895	2,151,125	2,163,938	2,141,426
Metropolitan West Total Return Bond Fund	2,230,684	2,232,729	2,154,194	2,229,845
Guggenheim Total Return Bond Fund	1,960,044	2,000,000	1,893,929	1,992,004
Pimco Total Return Bond Fund			6,032,231	5,972,504
Pimco Investment Grade Corporate Bond Fund			2,014,946	2,153,109
Trading Leveraged Funds				
Profunds US Government Plus Investments Fund	3,696,824	3,120,998	1,918,247	2,027,228
Direxion Monthly 10YR Bull 2X Investment Fund	3,294,317	3,000,000	1,909,479	2,000,000
Multisector Bond Fund				
Pimco Income Fund	3,553,314	3,000,000	3,517,147	2,984,006
Short-term Government Securities Fund				
Victory Fund for Income Fund	2,237,654	2,500,000	2,292,769	2,500,000
Long-term Bond Funds				
Vanguard Long-term Bond Fund	2,097,059	2,000,000		
Vanguard Fixed Income Long-term Investment Grade Fund	2,051,527	2,000,000		
Corporate Bond Fund				
Vanguard Long-term Corporate Bond Fund	2,006,074	2,000,000		
Emerging Markets Bond Fund				
Eaton Vance Emerging Markets Fund			3,220,435	4,000,000
Other			301	281
	$ 41,809,030	$ 40,335,726	$ 42,658,391	$ 44,306,384

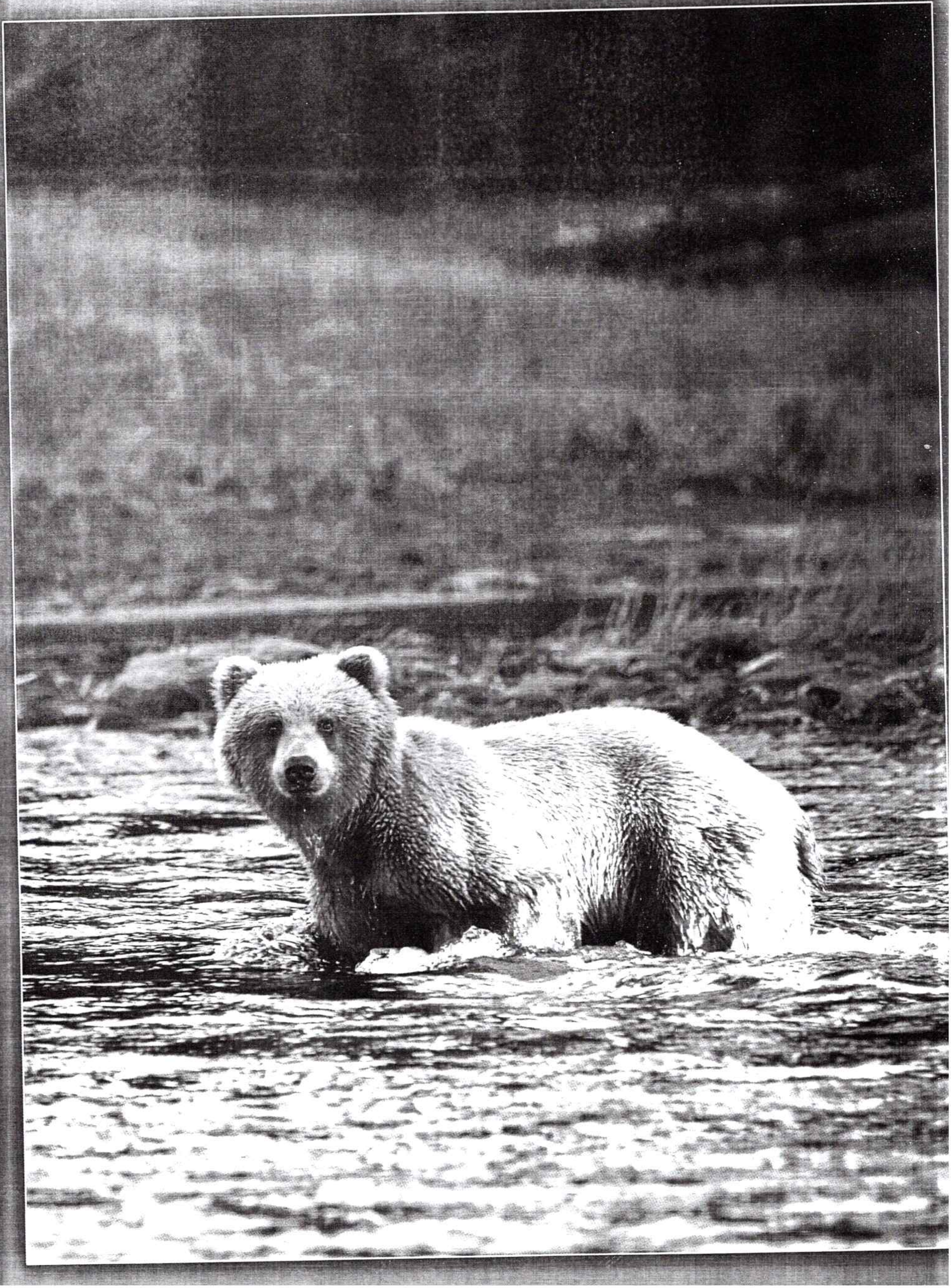
SHEE ATIKÁ INVESTMENTS

SAIL pays custodial fees to U.S. Bank at a varying annual rate that averages 0.05% of SAIL's average daily net assets at market value, and $7.50 for each security transaction. SAIL pays management fees to certain of its investment managers computed at an annual rate varying from .068% to 1.00% of SAIL's average daily net assets under their management (based on market value).

3 LOAN RECEIVABLE FROM SAI

SAIL has provided a $5,000,000 loan to SAI. The loan bears interest at 4% and is due in full December 31, 2016. The loan is secured by a first position security interest in SAI's ownership of Shee Atiká Holdings Alice Island, LLC.





DEFINITIONS

8(a) Companies — The Small Business Administration's 8(a) Business Development Program is designed to use federal prime contracts to help minority owned companies grow, mature, and become competitive with similar firms. ANCSA corporations like Shee Atiká are eligible to qualify subsidiaries under this program. Our 8(a) companies, each a limited liability corporation (LLC), are: Shee Atiká Management (SAM) and Shee Atiká Commercial Services (SACS).

Class A Shareholder — a shareholder who is Alaska Native, as defined by the Alaska Native Claims Settlement Act, or their legal descendants. Only Class A shareholders can vote in ANCSA corporate elections.

Class B Shareholder — a non-Native who has inherited shares. While Class B shareholders cannot vote in ANCSA corporate elections, they receive the same benefits as Class A shareholders.

Deferred Tax Assets — Deferred tax assets are tax benefits (such as unused net operating tax losses, or NOLs) that are expected to be used in the future. Deferred tax liabilities are the result of income being recognized in the financial statements, but not yet in the tax return (such as increases in the market value of investments, where income taxes aren't paid until the investment is sold). The changes in deferred tax assets and liabilities between years are reflected in the income statement as a deferred tax benefit or a deferred tax provision.

Equity Investment — Any investment that gives the investor an ownership position in something. A share of stock is our primary example. When we purchase stock we buy an ownership share in a corporation. We buy it because we believe that its value will increase. Some stocks pay dividends and some do not.

Fixed Income Investment — Usually called a bond, which is the most common type of fixed income investment. A fixed income investment is any investment that is in the form of a loan. When a bond is purchased, the investor is loaning his money. A Treasury note, bill, or bond is a loan to the U.S. Government. A corporate bond is a loan to the corporation issuing the bond.

Federal Reserve — The central banking system of the U.S., composed of the Federal Reserve Board, the 12 Federal Reserve Banks, and the national and state member banks. Its primary purpose is to regulate the flow of money and credit in the country. The Federal Reserve's monetary policies have a powerful effect on interest rates.

Gifting Shares — an option provided through the so-called "1991 Amendments" to ANCSA that allows a shareholder to give shares to legal descendents. An amendment was necessary to allow such a transaction since shares cannot be sold, and prior to the 1991 amendments, the only way shares could be passed on to descendents was through inheritance following a death.

LLC: Limited Liability Company —A business structure that is a hybrid of a partnership and a corporation. Its owners are shielded from personal liability and all profits and losses pass directly to the owners without taxation of the entity itself. Shee Atiká's LLCs are consolidated with Shee Atiká, Incorporated for financial statement and tax reporting. The Shee Atiká President/CEO is also the Manager of the LLCs.

Money Market Fund — An investment fund with the objective to earn interest for shareholders while maintaining a net asset value of $1 per share. Typically, cash is invested in a money market fund short-term while managers wait for the opportunity to move it into higher-yield investments.

Mutual Fund — An investment vehicle that is made up of a pool of funds collected from many investors. The pooled funds are used to purchase securities such as stocks, bonds, money market instruments and similar assets. A mutual fund is operated by money managers who make investments for the purpose of producing capital gains and income for the investors.

Net Asset Value — This is the "net worth" or the "equity value" of a trust. The net asset value is equal to the market value of all assets less the liabilities of the trust.

Non-controlling interest — Non-controlling interests represent the portion of the financial activity attributable to minority owners of a business. Usually, the 8(a) Companies have non-controlling interests that are highlighted when these companies are combined with their parent company (in this case, Shee Atiká, Incorporated).

Real Return Fund — A fund that preserves purchasing power by combined investments in inflation-protected instruments such as Treasury Inflation-Protected Securities (TIPS), bonds, currencies, and non-U.S. debt.

ROI: Return on Investment — Earnings from an investment expressed as a percentage of the amount invested.

S&P 500 — An index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities.

Unrealized gain or loss — These represent gains or losses in investments that are still owned. The gains or losses are not "realized" until the investment is sold.

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