Shee Atiká

Annual Report

2023

Mission

We deliver meaningful value to our shareholders, people, partners and customers.

Vision

Our people thrive, prosper and are self-sustaining. We inspire and hold each other up through meaningful connections to our land, ocean, traditions and heritage.

Values

We are open, honest, and trustworthy.
We respect all beliefs and perspectives.
We work together as one team.
We are committed to excellence in all that we do.
We are responsible and accountable for our actions.

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Shee Atiká is a modern spelling of the original Tlingit word for Sitka Kwáan. A kwáan is vaguely akin to a tribe and is more accurately defined as a geographical area where several clans lived in close association with one another.

Thousands of Years of Heritage

CELEBRATING 50 YEARS OF INCORPORATION

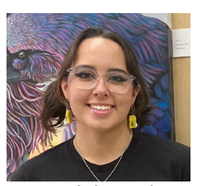
The ancestors of Shee Atiká shareholders established a thriving community thousands of years ago on the small island of Sheet'ká, known today as Sitka, in Southeast Alaska. Many generations later, Alaska Native Corporations were created in the early 1970s as part of a land claim settlement between Alaska Natives and the federal government.

Shareholders Pauline Duncan and Emma Gassman

This year, Shee Atiká is celebrating thousands of years of heritage and 50 years of incorporation as a for-profit corporation owned by Alaska Native shareholders.

With a team of over 360 employees across more than 30 states, the Shee Atiká family of companies helps make a positive impact on the lives of our nearly 3,500 Alaska Native shareholders. In this annual report, we proudly honor our past to strengthen our future for generations to come.

50th Commemorative Logo Artist, Shareholder Gabrielle Raven Hammock



Gabrielle is a 16 year old from Mount Rainier High School and Highline College in Des Moines, WA. She is daughter to Roy Hammock III and granddaughter to Roy Hammock Jr. from Sitka.

Gabrielle is a self taught Tlingit artist pursuing art as a career. She looks forward to applying for Shee Atiká scholarships next school year to help her fund her collegiate pursuits.

The Alaska Native Claims Settlement Act (ANCSA) of 1971

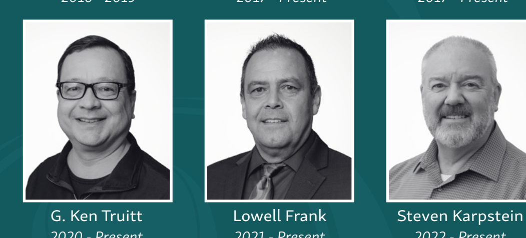
ANCSA settled disputed land claims between Alaska Natives and the U.S. federal government through the extinguishment of aboriginal land title and the conveyance of 44 million acres of land to the newly created Alaska Native Corporations.

Thirteen regional corporations, more than 200 village corporations, and four urban corporations were formed under ANCSA. As the urban corporation for Sitka, Shee Atiká received selection rights to 23,040 acres.

Alaska Native Corporations are for-profit organizations responsible for providing financial and social benefits to their shareholders, which vary depending on the corporation. Shee Atiká distributes an annual financial distribution to shareholders, provides funeral assistance, and offers a variety of academic, cultural, vocational, and youth scholarships.

Fifty Years of Board Leadership

Theodore Borbridge *1974 - 1987*
William M. Brady *1974 - 1978*
Robert F. Carroll *1974 - 1981*
Nelson Frank *1974 - 1987*
Herman Kitka, Sr. *1974 - 1986*
Phillip Lauth, Jr. *1974 - 76 • 1978 - 82*
Harold Lewis, Sr. *1974 - 1978*
Ethel Staton *1974 - 2007*
Gil Truitt *1974 - 1978*
Fenton Dennis, Jr. *1976 - 1978*
William Aragon, Sr. *1978 - 1981*
Andrew J. Hope, III *1979 - 1988*
Raymond Perkins *1980 - 83 • 1986 - 92*
Margaret McVey *1980 - 1987*
Charlie Carlson *1981 - 1985*
John K. Davis *1982 - 2000*
Gary L. Eddy *1983 - 1986*
Gene M. Bartolaba *1986 - 2016*
Dr. Kenneth M. Cameron *1986 - 93 • 2000 - 18*
Marta Ryman *1987 - 2010*
Shirley Yocum *1987 - 2017*
Marietta Williams *1988 - 91 • 1992 - 95*
Lloyd Lee *1988 - 1994*
Loretta Ness *1991 - 2014*
Ted A. Wright *1993 - 1996*
Mary A. Miller *1994 - 1997*
Francine Eddy Jones *1995 - 2017*
Harold Donnelly, Jr. *1996 - 2012*
Marion Williams Berry *1997 - 2011*
Dr. Pamela Steffes *2007 - 2022*
Joshua Horan *2010 - 2019*
Gillian Havrilla *2012 - 2021*
Faleene Worrell *2013 - 2020*
Pamela Craig *2014 - 2015*
Lori Stedman *2015 - 2018*
Heath Barger *2016 - 2019*
Laurence Garrity *2017 - Present*
James Craig *2017 - Present*
Robert Allen, Jr. *2018 - Present*
Roxanne Drake-Burkhart *2018 - Present*
Norma Perkins *2019 - Present*
Alysha Guthrie *2020 - Present*



G. Ken Truitt *2020 - Present*
Lowell Frank *2021 - Present*
Steven Karpstein *2022 - Present*

Shee Atiká is overseen by a nine-member board of directors comprised of dedicated and forward-thinking individuals who represent the needs and interests of shareholders in the business operations.

Gunalchéesh to board of directors, serving past, present, and future shareholders.

Letter from the Board Chair

Dear Shee Atiká Shareholders,

My earliest memories of Alaska Native Corporations are from hearing stories from my parents and their friends. They were there during the formation of Shee Atiká, experiencing both the excitement and the challenges as the corporation grew. It wasn't until later in life that I truly grasped the challenges that our corporation faced and the resilience of the first generation of Shee Atiká shareholders.

When the Alaska Native Claims Settlement Act (ANCSA) was passed in 1971, it created three types of corporations—13 regional corporations, over 200 village corporations, and four urban corporations. Shee Atiká is one of those four urban corporations that was officially incorporated in 1974. As we commemorate this 50-year milestone, it's important to reflect on the long and difficult road that led us to where we are today.

Overnight, ANCSA transformed generations of Alaska Native hunters, gatherers, and fishers into corporate executives and boards of directors. While all of the ANCs were hurled into the deep end of a complex, foreign corporate structure, the four urban ANCs battled two additional disadvantages. First, Shee Atiká did not receive any of the nearly $1 billion compensation from the Alaska Native Fund. And second, Shee Atiká is ineligible to participate in revenue sharing under ANCSA sections 7(i) and 7(j). These two factors nearly financially ruined the four urban corporations before we even had a chance to start.

In the beginning, Shee Atiká was so cash-strapped that one of our founding board of directors, Ethel Staton, personally paid the filing fee for Shee Atiká's papers of incorporation at the encouragement of Tlingit lawyer William Paul Sr. Early on, fellow founder Herman Kitka loaned Shee Atiká $50,000 to help get the corporation started. Challenges persisted as the late 1970s and early 1980s brought about the worst national economic downturn since the Great Depression. During these years, most ANCs faced huge losses and serious financial hardships, including Shee Atiká. Mr. Kitka would go on to loan the corporation another $40,000 to keep us afloat as we gained our financial footing.

Despite the lack of initial funding and never receiving 7(j) shared revenue, Shee Atiká has been committed to providing meaningful financial, cultural, and professional benefits to our shareholders.

"Healing Hand Spirit" Raven & Eagle Paddle by Wayne Price
Shee Atiká Cultural Collection

Eagle Raven Carving by Unknown Artist
Shee Atiká Cultural Collection

Since 1974, Shee Atiká has:

- awarded thousands of academic, vocational, cultural, and youth scholarships totaling **$6,971,000** since 1990,
- paid **$981,000** in funeral and burial assistance since 1995, and
- paid **$78,237,267** in distributions since 1987.

I am a proud shareholder and board member, committed to continuing to build our success story and sustainable businesses for generations to come. While our ancestors fought battles for our way of life, we continue to fight those battles for our existence now and into the future.

Best Regards,

Steven Karpstein
Board Chair, Shee Atiká

Letter from the President & CEO

Dear Shee Atiká Shareholders,

As CEO, my priority is to build on the momentum we gained last year and continue to strengthen Shee Atiká to better serve our shareholders, customers and partners. We remain committed to providing meaningful benefits and creating more opportunities for our shareholders.

In 2023, we experienced a robust 32% revenue growth. This growth was driven by the hard work and dedication of our over 360 employees who are now spread over more than 30 different states. We have also started three follow-on companies that are currently in the 8(a)-certification process with the Small Business Administration. This expansion not only diversifies our business portfolio but also opens up new opportunities for growth and development.

This year, we undertook a significant restructuring of our organization to improve all of our processes and procedures. This has resulted in increased efficiencies across the entire corporation. This includes the:

- transition of **Ptarmica Garnick** from *Chief Financial Officer* to *Chief Administrative Officer*,
- promotion of **Chris Turnham** from *President of Alaska Northstar Resources* to *Chief Operating Officer*, and
- promotion of **Mike Linville** from *Vice President of Business Management of Shee Atiká Government Services* to *Chief Financial Officer*.

We continue to work closely with the Shee Atiká Board to increase our communications to you, our valued shareholders, and to the greater community of Sitka. We are excited to announce the start of our new tourism business at Harbor Point with the opening of Sheet'ká Treetop Adventures in May. This venture not only diversifies our revenue streams but also provides a terrific opportunity to hire shareholders. In terms of our real estate portfolio, we are pleased to report that all of our commercial real estate is 100% leased. This is a testament to the strength of our real estate strategy and the attractiveness of our properties. On the infrastructure front, the Katlian Bay road construction continued on schedule in 2023. However, due to funding issues with the Alaska Department of Transportation, it looks like it may be delayed longer than expected. Rest assured, we are working diligently with our delegation to ensure future funding to finish construction.

Thank you for your continued support and trust in Shee Atiká. We look forward to another year of growth and success.

Best Regards,

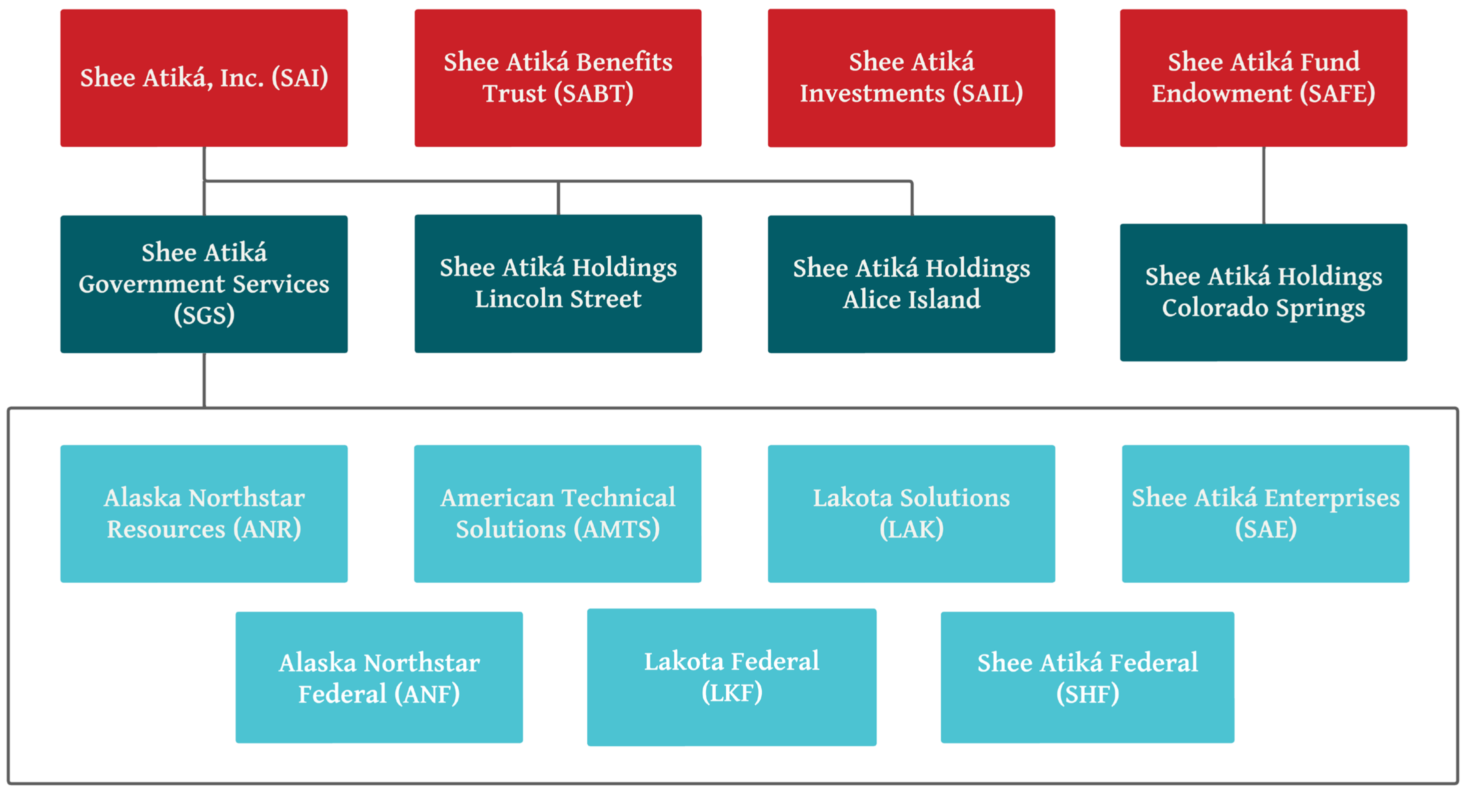
Tim Castro
President & CEO, Shee Atiká

Bentwood Box by Willis Osbakken
Shee Atiká Cultural Collection

Shee Atiká Family of Companies

CORPORATE ORGANIZATIONAL CHART

Shee Atiká has a portfolio of subsidiary companies that provide shared services and strategic oversight to our wholly-owned government contracting family of companies, including seven SBA 8(a)-certified subsidiaries in information technology, logistics, supply chain management, manufacturing, research, studies and systems integration.



Senior Subsidiary Management

Tim Castro
President, *Shee Atiká Government Services*

Mo Evans
President, *American Technical Solutions*
President, *Lakota Solutions*

Michael Schovel
President, *Shee Atiká Enterprises*

Jan Johnson
President, *Alaska Northstar Resources*

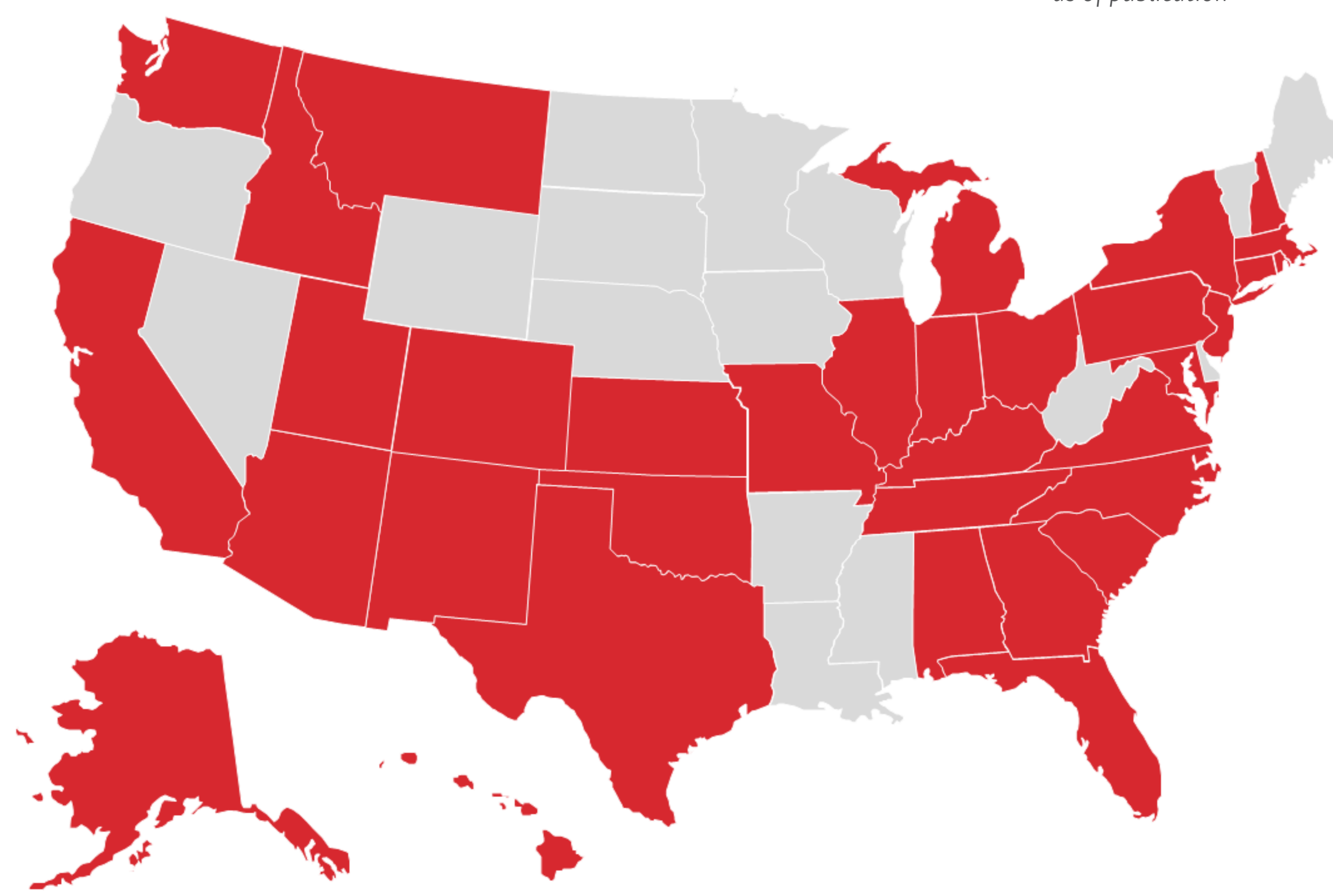
EMPLOYEES NATIONWIDE

Shee Atiká Government Services (SGS) is the shared services hub for the Shee Atiká family of companies. By consolidating essential administrative functions in a shared services model, our subsidiaries can focus time and resources on their unique business operations. Essential shared services include human resources, payroll, accounting, security clearances, regulatory compliance, IT support, marketing, and support for business development. SGS's shared services model ensures a seamless and efficient operational framework for all existing and future Shee Atiká companies.

34 STATES

365 EMPLOYEES

as of publication



Honors & Recognition

We are proud to honor and recognize the outstanding contributions and achievements of community leaders who have made a positive impact to Shee Atiká and our shareholders. With the William Paul, Sr. and Charlie Joseph, Sr. (Kaal.átk') awards, we aim to acknowledge the dedication, innovation, and excellence of those committed to cultural and corporate excellence.

The recipients of both of these awards will be presented at the 50th ***Annual Meeting of Shareholders*** *on* ***July 12th, 2024****, at Harrigan Centennial Hall in Sitka, AK.*

William Paul, Sr.

William Paul, Sr. (*May 7, 1885 – March 4, 1977*) was a prominent figure in Alaska Native history. Raised by his mother, Tillie Kinnon Paul, in Sitka, he attended Sheldon Jackson College and later the Carlisle Indian School. A graduate of Whitworth College, he became a notable football player and earned his law degree, being admitted to the Alaska Bar in 1920.

Paul's activism began with joining the Alaska Native Brotherhood (ANB) in the early 1900s. He led the ANB's efforts against segregated schools and lobbied for Native rights in Washington, D.C. His pivotal role in securing Native voting rights led to his election to the Alaska Territorial Legislature in 1924.

Throughout his life, Paul fought for Native rights, leading to significant legislative changes and the Alaska Native Claims Settlement Act. His legacy continues to inspire generations of Alaska Natives.

PAST AWARD RECIPIENTS

This award honors an individual or group for outstanding service to Shee Atiká and its shareholders. Shee Atiká would not be here today without the efforts of those individuals. This tribute also goes with the heartfelt appreciation of all Shee Atiká shareholders.

- Herman Kitka
- Elders of ANB, Camp 1 & ANS Camp, 4
- All Former Shee Atika Board of Directors
- Richard Baenen
- Mark Jacobs Jr
- Bruce Edwards
- Kenneth M Cameron
- Margaret McVey
- Warren Weathers
- James P Senna
- John Sturgeon
- Robert F. Carroll, Sr.
- Coyne Vanderjack
- John Ferris, CPA
- All Prior William Paul Award Recipients
- Ethel Staton
- F. Brook Voght
- Michael Sorensen
- Congressman Don Young
- Senator Mark Begich
- Marta Ryman
- Senator Lisa Murkowski
- Tim Castro

Charlie Joseph, Sr. (Kaal.átk')

Charlie Joseph, Sr. (Kaal.átk') (*December 18, 1891 – July 5, 1986*) was born near Sitka, Alaska, belonging to the Eagle clan of the Kook Hít (Box House). Raised traditionally, he learned Tlingit customs, language, and survival skills from his family. His father, L'uknax̱.ádi (Coho clan), personally mentored him.

Charlie's upbringing emphasized communal living, storytelling, and rigorous physical training. Despite initial reservations, he married Annie Young and had nine children. In a remarkable incident in the 1950s, Charlie rescued his injured wife and a pilot from a plane crash, crediting his Tlingit upbringing for his survival skills. He dedicated his life to preserving Tlingit culture, founding the Sitka Native Education Program (SNEP) and teaching traditional songs and dances.

Recognized with numerous awards, Charlie passed away on July 5, 1986, but his legacy lives on through SNEP and the continued sharing of his stories.

PAST AWARD RECIPIENTS

The Charlie Joseph, Sr. (Kaal.átk') Award is presented to a group or individual who strives to preserve the Tlingit lifestyle before Western man through their lived experiences or teaching others.

- 2006 Pauline Duncan
- 2008 Isabella Brady
- 2009 Dr. Walter Soboleff
- 2010 Herman Kitka Sr.
- 2011 Ethel Makinen
- 2013 Nancy Douglas
- 2018 Anne Johnson
- 2021 SNEP Cultural Instructors
- 2022 Herman Davis

Presentation of the Kaal.átk' Award to Herman Davis, Sr. by the Shee Atiká Board of Directors at the 2023 Annual Meeting of Shareholders in Sitka, AK.

Board of Directors

Steve Karpstein
Chairman

Roxanne Drake-Burkhart
Vice-Chair

Norma J. Perkins
Secretary

Ken Truitt
Treasurer

Rob Allen
Board Director

James Craig
Board Director

Lowell Frank
Board Director

Larry Garrity
Board Director

Alysha Guthrie
Board Director

Corporate Office

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

Independent Auditors

BDO USA, 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: Stock Transfers

Corporate Staff

Tim Castro
President & Chief Executive Officer

Christopher Turnham
Chief Operating Officer

Michael Linville
Chief Financial Officer

Ptarmica Garnick
Chief Administrative Officer

Carmill Goldsberry
Controller

Kori Lindstrom
Shareholder Relations Manager

Faleene Worrell
Payroll Accountant

Lauren Estes
Payroll & Benefits Manager

Kevin Mosher
Accountant

Robyn Schlins
Executive Board Admin. & Accountant

Lisa Auvil
Administrative Tax Accountant

Heleena van Veen
Accounting Technician

Megan Roderick
Accounting Technician

Tracy Orona
Janitorial & Clerical

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

OPINION

We have audited the consolidated financial statements of Shee Atiká, Incorporated and Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

April 6, 2024

Consolidated Balance Sheets

December 31,	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	7,764,852	6,031,709
Investments	2,430,261	2,309,505
Accounts receivable	15,808,125	8,306,000
Income taxes receivable	705,511	-
Prepaid expenses and other	568,453	444,089
Total Current Assets	27,277,202	17,091,303
Leased commercial properties, net	6,338,499	5,683,286
Property and equipment, net	542,112	438,721
Operating lease right-of-use asset	895,585	936,767
Katlian Bay Land	810,000	810,000
Due from related company	420	-
Goodwill	4,350,939	4,894,810
Deferred tax asset	1,110,611	550,000
Total Assets	41,325,368	30,404,887
Liabilities and Shareholders' Equity		
Current Liabilities		
Line of credit	2,373,764	992,875
Accounts payable and accrued expenses	7,567,783	5,036,288
Income taxes payable	-	19,276
Current portion of long-term debt	556,034	582,227
Operating lease liability, current portion	42,034	41,182
Deferred revenue	193,986	355,227
Total Current Liabilities	10,733,601	7,027,075
Long-term debt, less current portion	2,833,606	3,423,679
Operating lease liability, noncurrent	853,551	895,585
Total Liabilities	14,420,758	11,346,339
Shareholders' Equity		
Common stock, no par or stated value, 250,000 shares authorized:		
Class A, voting, 178,498 and 178,340 shares issued and outstanding as of December 31, 2023 and 2022, respectively	-	-
Class B, nonvoting, 6,702 and 6,860 shares issued and outstanding as of December 31, 2023 and 2022, respectively	-	-
Contributed capital	5,647,565	5,647,565
Retained earnings	21,257,045	13,410,983
Total Shareholders' Equity	26,904,610	19,058,548
Total Liabilities and Shareholders' Equity	41,325,368	30,404,887

See accompanying notes to consolidated financial statements.

Consolidated Statements of Operations

Year Ended December 31,	2023	2022
Revenue		
Contracts	76,646,687	42,491,507
Administrative fees from affiliated entities	441,725	435,840
Rentals from leased commercial properties	374,744	373,697
Investment income (loss)	319,518	(233,896)
Other	134	317,088
Total Revenue	77,782,808	43,384,236
Costs and Expenses		
Direct contract expenses	43,379,805	24,602,755
General and administrative	22,910,745	16,501,350
Scholarship and funeral benefit payments	194,884	180,164
Depreciation and amortization	841,511	808,651
Leased commercial properties	126,510	127,734
Other	279,546	412,481
Interest	617,631	319,264
Contributions	41,555	39,700
Total Costs and Expenses	68,392,187	42,992,099
Income before Income Tax Expense	9,390,621	392,137
Income Tax Expense	(1,529,559)	(233,997)
Net Income	7,861,062	158,140

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

	Shee Atiká, Incorporated Shareholders' Equity				
	Shares of Common Stock				
	Class A	Class B	Contributed Capital	Retained Earnings	Total Equity
Balances, Dec. 31, 2021	178,933	6,267	5,647,565	13,252,843	18,900,408
Class transfer due to change in ownership	(593)	593	-	-	-
Net income for the year	-	-	-	158,140	158,140
Balances, Dec. 31, 2022	178,340	6,860	5,647,565	13,410,983	19,058,548
Class transfer due to change in ownership	158	(158)	-	-	-
Distribution to SABT	-	-	-	(15,000)	(15,000)
Net income for the year	-	-	-	7,861,062	7,861,062
Balances, Dec. 31, 2023	178,498	6,702	5,647,565	21,257,045	26,904,610

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Year Ended December 31,	2023	2022
Cash Flows from Operating Activities		
Cash received from		
Contracts	68,983,321	39,985,174
Administrative and other fees from affiliated entities	441,305	435,840
Rentals from leased commercial properties	374,744	373,697
Investment income and other	64,278	359,124
Cash paid to/for		
Contractors and suppliers	(25,812,922)	(12,732,734)
Salaries, including related taxes and benefits	(38,518,108)	(26,407,018)
Scholarship and funeral benefit payments	(194,884)	(180,164)
Income taxes paid	(2,814,957)	(69,721)
Interest	(617,631)	(312,430)
Net Cash Flows from Operating Activities	1,905,146	1,451,768
Cash Flows for Investing Activities		
Purchases of property and equipment	(1,056,244)	(2,390,517)
Proceeds from sales of investments	1,060,809	1,604,940
Purchases of investments	(926,191)	(637,406)
Net Cash Flows for Investing Activities	(921,626)	(1,422,983)
Cash Flows from (for) Financing Activities		
Proceeds from line of credit	1,836,266	500,000
Repayment of line of credit	(455,377)	(7,125)
Principal repayments on long-term debt	(616,266)	(592,338)
Distribution to SABT	(15,000)	-
Net Cash Flows from (for) Financing Activities	749,623	(99,463)
Net Change in Cash and Cash Equivalents	1,733,143	(70,678)
Cash and Cash Equivalents, beginning of year	6,031,709	6,102,387
Cash and Cash Equivalents, end of year	7,764,852	6,031,709
Noncash Investing and Financing Activity		
Issuance of notes payable as partial consideration for acquisition	-	245,268

Consolidated Statements of Cash Flows

Year Ended December 31,	2023	2022
Reconciliation of Net Income to Net Cash Flows from Operating Activities		
Net income	7,861,062	158,140
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	841,511	808,651
Unrealized and realized (gains) losses on investments	(255,374)	275,932
Loss on disposal of property and equipment	-	22,081
Deferred income tax (benefit) expense	(560,611)	145,000
Changes in operating assets and liabilities		
Income tax receivable/payable	(724,787)	19,276
Accounts receivable	(7,502,125)	(2,830,746)
Prepaid expenses and other assets	(124,784)	(229,847)
Accounts payable, accrued expenses, and deferred revenue	2,370,254	3,083,281
Net Cash Flows from Operating Activities	1,905,146	1,451,768

See accompanying notes to consolidated financial statements.

Woven Hat by Eileen Ann Wagner
Shee Atiká Cultural Collection

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 (Cube Cove), 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.

Pursuant to ANCSA, 100 shares of Shee Atiká's voting common stock were issued 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 3,485 shareholders as of December 31, 2023.

Shee Atiká owns Alice Island, which has been divided into various lots. In addition, Shee Atiká leases commercial properties that it owns, which are located in Sitka, Alaska. Shee Atiká (through its subsidiaries, Alaska Northstar Resources LLC (ANR), Shee Atiká Enterprises LLC (SAE), and Lakota Solutions LLC (Lakota)) provides contract services to the United States government under the U.S. Small Business Administration's 8(a) Business Development Program (Section 8(a)). ANR, SAE, and Lakota are certified under the Section 8(a) program, and this certification gives them preference in obtaining contracts with the United States government.

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. 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 subsidiaries. All the subsidiaries are organized as limited liability companies (the LLCs). All material transactions between these entities have been eliminated in 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:

- **Alaska Northstar Resources LLC (ANR)** is wholly owned with an indefinite life. ANR was formed in 2017 for the purpose of providing information technology services to the United States government (primarily the United States Air Force). As previously noted, ANR holds certification under the Section 8(a) program, and this certification gives it preference in obtaining contracts with the United States government.
- **American Marine and Technical Services LLC (AMTS)** is wholly owned with an indefinite life. AMTS holds certification under Section 8(a) and was formed in 2017 for the purpose of partnering with a former owner to provide contract services in the future.
- **Shee Atiká Enterprises LLC (SAE)** has an indefinite life and is wholly owned. As previously noted, SAE holds certification under Section 8(a). During 2020, SAE entered into a contract with the National Institute of Health to provide contract services and develop digital health solutions to address the COVID-19 pandemic and enable new research into using digital health technologies to advance the public health response.
- **Lakota Solutions LLC (Lakota)** was acquired in December 2021 and is wholly owned with an indefinite life. Lakota provides support services under contracts primarily to the United States government.
- **Shee Atiká Government Services LLC (SGS)** was formed in 2021 and is wholly owned with an indefinite life. SGS was formed to oversee the government contracting entities of Shee Atiká. SGS has ownership of ANR, AMTS, SAE, and Lakota at December 31, 2023 and 2022.
- **Balanced Accounting Solutions LLC (BAS)** has an indefinite life and is wholly owned. BAS currently provides accounting services for Shee Atiká and all of its subsidiaries as well as for Shee Atiká Investments, LLC (SAIL), Shee Atiká Fund Endowment (SAFE), and Shee Atiká Benefits Trust (SABT).
- **Shee Atiká Holdings Alice Island LLC (Alice Island)** is wholly owned with a termination date of 2027. Alice Island owns and leases real property in Sitka, Alaska.
- **Shee Atiká Holdings Lincoln Street LLC (Lincoln Street)** is wholly owned with an indefinite life. Lincoln Street owns and leases real property in Sitka, Alaska.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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. Shee Atiká believes it is not exposed to any significant credit risk on cash.

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 that 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.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. As noted below, investments are stated at fair value in these financial statements.

INVESTMENTS
Shee Atiká's investments consist of mutual funds, exchange traded funds, and common stock and are stated at fair value using Level 1 inputs within the fair value hierarchy, consisting of quoted prices in active markets for identical assets. The fair value of mutual funds is based on the daily closing price as reported by the funds. Mutual funds held by Shee Atiká are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by Shee Atiká are deemed to be actively traded. The investment securities held are traded on various U.S. exchanges and are therefore subject to the market volatility in those exchanges.

Cost is based on the specific identification method for individual securities or average cost method to determine realized gains or losses. Dividends are recorded on the ex-dividend date. Interest is recorded on the accrual basis.

LEASED COMMERCIAL PROPERTIES/PROPERTY AND EQUIPMENT/KATLIAN BAY LAND
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 15 to 40 years for buildings, 3 to 10 years for furniture and equipment and 5 to 12 years for other assets. Leasehold improvements are depreciated over the shorter of the estimated useful lives or the related lease term.

GOODWILL
The excess of the purchase price over the fair value of intangible assets and tangible assets acquired less liabilities assumed in a business combination is allocated to goodwill. Shee Atiká has adopted the accounting alternative provisions under accounting principles generally accepted in the United States of America relating to the subsequent measurement of goodwill. Under the alternative provisions, goodwill is amortized on a straight-line basis over the shorter of the estimated useful life or 10 years. Goodwill arose from the acquisition of Lakota in December 2021 discussed in Note 14. Shee Atiká amortizes the goodwill on a straight-line basis over 10 years. Amortization expense was $543,871 and $516,612 for the years ended December 31, 2023 and 2022, respectively. Future estimated amortization expense of goodwill is expected to be approximately $544,000 for each of the next eight years.

Goodwill is analyzed for impairment upon the occurrence of events or circumstances indicating that the fair value of the entity may be below its carrying amount. Impairment losses, if any, are recorded in the consolidated statements of operations as part of income from operations. There have been no impairment losses on goodwill to date.

REVENUE RECOGNITION
Shee Atiká generates revenue primarily from contract fees for services with government agencies, sale of lots on Alice island, administrative fees from affiliates, and leasing of commercial properties. The Company follows Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers. ASC 606 outlines a five-step model whereby revenue is recognized as performance obligations within the contract are satisfied. Revenue is disaggregated between revenue recognized when the performance obligation is satisfied over time (contract revenue and administrative fees) and revenue where the performance obligation is satisfied at a point in time (Alice Island lot sales) and is broken out on the face of the consolidated statements of operations.

CONTRACT REVENUE
Revenue is generated from services with government agencies under the following two basic types of contracts:
- Time-and-Materials Contracts: Under contracts in this category, the Company charges a fixed hourly rate for each direct labor hour expended and is reimbursed for billable material costs and billable out-of-pocket expenses inclusive of allocable indirect costs.
- Fixed-Price Contracts: Under a fixed-price contract, the Company performs the specified work for a predetermined price. To the extent actual direct and allocated indirect costs decrease or increase from the estimates upon which the price was negotiated, the Company will generate more or less profit, respectively, or could incur a loss.

The Company recognizes revenue over time when there is a continuous transfer of control to the customer. For U.S. government contracts, this continuous transfer of control to the customer is supported by clauses in the contract that allow the U.S. government to unilaterally terminate the contract for convenience, pay for costs incurred plus a reasonable profit and take control of any work in process. When control is transferred over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. Based on the nature of the products and services provided in the contract, the Company uses judgment to determine if an input measure or output measure best depicts the transfer of control over time. For services contracts, the Company typically satisfies performance obligations as services are rendered. The Company typically uses a cost-based input method to measure progress. Revenue is recognized proportionally as contract costs are incurred plus estimated fees. For time-and-material contracts, the Company bills the customer per labor hour and per material, and revenue is recognized in the amount invoiced since the amount corresponds directly to the value of performance to date. If a contract does not meet the criteria for recognizing revenue over time, revenue is recognized at a point in time. Revenue is recognized at the point in time when control of the good or service is transferred to the customer. The Company considers control to be transferred when it has a present right to payment and the customer has legal title upon delivery and acceptance by customer. Determining a measure of progress and when control transfers requires the Company to make judgments that affect the timing of when revenue is recognized. Essentially all of the Company's contracts satisfy their performance obligations over time.

Contract modifications are routine in the performance of contracts. Contracts are often modified to account for changes in contract specifications or requirements. In most instances, contract modifications are for goods or services that are not distinct and, therefore, are accounted for as part of the existing contract. The effect of a contract modification on the transaction price and the measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue and profit cumulatively. Furthermore, a significant change in one or more estimates could affect the profitability of contracts. The Company recognizes adjustments in estimated profit on contracts in the period in which the change is identified. The impact of adjustments in contract estimates can be reflected in either revenue or operating expenses in the consolidated statements of income.

For the years ended December 31, 2023 and 2022, contracts with the U.S. government represent substantially all of the contract revenue.

PERFORMANCE OBLIGATIONS
A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in ASC Topic 606. A contract's transaction price is allocated to each distinct performance obligation within that contract and recognized as revenue when, or as, the performance obligation is satisfied. The majority of the Company's contracts have multiple performance obligations. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation using management's best estimate of the standalone selling price of each distinct good or service. The primary method used to estimate standalone selling price is the expected cost plus a margin approach, under which the Company forecasts expected costs of satisfying a performance obligation and then adding an appropriate margin for that distinct good or service.

For arrangements with the U.S. Government, work on contracts generally does not begin until funding is appropriated by the customer. Billing timetables and payment terms on contracts vary based on a number of factors, including the contract type. Typical payment terms under fixed-price contracts with the U.S. Government provide that the customer pays either based on the achievement of contract milestones or progress payments based on a percentage of costs that are incurred. For certain contracts, the Company may receive advance payments prior to commencement of work, as well as milestone payments that are paid in accordance with the terms of the contract as work is performed. The Company recognizes a liability for payments in excess of revenue recognized, which is presented as a contract liability on the balance sheet. The portion of payments retained by the customer until final contract settlement is not considered a significant financing component because the intent is to protect the customer from the Company's failure to adequately complete some or all of the obligations under the contract. Payments received from customers in advance of revenue recognition are not considered to be significant financing components because they are used to meet working capital demands that can be higher in the early stages of a contract.

Deferred revenue includes $106,633 and $118,845 for amounts received under contracts which have been paid in advance of the completion of performance obligations and are contract liabilities as of December 31, 2023 and 2022, respectively.

CONTRACT COSTS

Contract costs generally include direct costs such as materials, labor, subcontract costs and indirect costs identifiable with or allocable to a specific contract. Costs are expensed as incurred except for costs incurred to fulfill a contract, which are capitalized and amortized on a straight-line basis over the expected period of performance. The Company does not incur significant incremental costs to acquire contracts. Contract costs incurred for U.S. government contracts, including indirect costs, are subject to audit and adjustment by the Defense Contract Audit Agency ("DCAA").

ACCOUNTS RECEIVABLE

Accounts receivable are stated at their outstanding balances based on invoiced amounts and include $15,776,670 and $8,286,721 for amounts due under contracts as of December 31, 2023 and 2022, respectively. Management considers the credit risk of accounts receivable on a periodic basis and determines the appropriate amount of an allowance for credit losses. Shee Atiká writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. Payment terms may vary by customer, and Shee Atiká does not require collateral for any of its receivables. Based on its assessment of the current status of individual accounts (receivables are primarily due from the United States Government), Shee Atiká believes it is probable that all amounts recorded as of December 31, 2023 and 2022 will be collected, so it has not recorded an allowance for credit losses.

As of December 31, 2023 and 2022, amounts due under contracts with the U.S. government represent substantially all of accounts receivable.

LOT SALES

Shee Atiká sells lots on Alice Island and each lot is sold individually. The sale of a lot is considered one performance obligation and the sales price of each lot is individually negotiated. Revenue is recognized at time of the sale closing, adequate funding has been received, and title has passed to the purchaser, in essence, when control has passed to the buyer. Shee Atiká does not finance the lot sales and does not have any material expenses to obtain the contract other than standard real estate closing costs, and these costs are expensed as incurred. No lots were sold in 2023 or 2022.

ADMINISTRATIVE FEES FROM AFFILIATED ENTITIES

Administrative fees from affiliates are charges associated with the time that management spends to run the affiliated entity operations. Revenue is recognized on a monthly basis based on time incurred in which the fees are recognized using the input method. Fees are based on budgeted time allocations reviewed for reasonableness on a regular basis. Price charged is based on the actual salaries of employees and overhead expenses multiplied by time spent on the affiliate.

RENTALS FROM LEASED COMMERCIAL PROPERTIES

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.

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, 2023 or 2022.

SCHOLARSHIP AND FUNERAL BENEFIT PAYMENTS

Shee Atiká recognizes benefits paid to shareholders for scholarship and funeral benefits as expenses when a shareholder has applied to receive such benefits and the related benefit application has been approved. Scholarship benefit applications are reviewed and approved by Shee Atiká's scholarship committee while funeral benefit applications are reviewed and approved by management.

LEASES – LESSEE ACCOUNTING

For leases where Shee Atiká is the lessee, Shee Atiká determines if an arrangement is a lease at inception and then assesses for classification as either an operating or finance lease. Assets and obligations related to operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the consolidated balance sheet. Shee Atiká does not have any leases classified as finance leases.

ROU assets represent Shee Atiká's right to use an underlying asset for the lease term and lease liabilities represent Shee Atiká's obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. Shee Atiká has made an accounting policy election to use a risk-free rate as the discount rate in calculating the present value of the lease payments over the lease term. Certain lease terms may include options to extend or terminate the lease, and these are included in the determination of the operating lease ROU asset and lease liability when it is reasonably certain that Shee Atiká will exercise those options.

Shee Atiká's agreements with lease and non-lease components are all accounted for as a single lease component. For leases with an initial term of twelve months or less, Shee Atiká has elected the exemption from recording ROU assets and lease liabilities for all leases that qualify, and records rent expense on a straight-line basis over the lease term.

For leases that include variable payments, which may vary based upon changes in facts or circumstances after the start of the lease, Shee Atiká has made an accounting policy election to exclude variable payments from lease ROU assets and lease liabilities to the extent not considered fixed, and instead expenses as incurred. There were no variable lease costs during the years ended December 31, 2023 and 2022.

NEW ACCOUNTING PRONOUNCEMENTS

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2016-13, Financial Instruments – Credit Losses (Topic 326) and subsequent amendments to the initial guidance (collectively, Topic 326). Topic 326 requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The amendments broaden the information that an entity must consider in developing its expected credit loss estimate for assets measured either collectively or individually. The use of forecasted information incorporates more timely information in the estimate of expected credit loss, which will be more decision useful to users of the financial statements. Shee Atiká adopted this standard on January 1, 2023. The adoption of this standard did not have a significant impact on Shee Atiká's financial statements.

SUBSEQUENT EVENTS

Shee Atiká has evaluated subsequent events through the date these consolidated financial statements were available to be issued, which was April 6, 2024.

2. Cash and Cash Equivalents

A summary of cash and cash equivalents is as follows:

December 31,	2023	2022
Money market accounts	292,172	702,523
Bank checking and savings accounts	7,472,680	5,329,186
Total Cash and Cash Equivalents	7,764,852	6,031,709

The Company maintains its cash in bank deposit accounts which, at times, exceed insured limits. The Company has not experienced any losses in such accounts. At December 31, 2023, FDIC coverage was $250,000 for all accounts. This coverage limit is applied separately at each bank and for each of the individual subsidiaries. Balances in excess of FDIC coverage are secured by the Company's repurchase agreements. Bank repurchase agreements are collateralized by U.S. government securities owned by the bank. These balances are not FDIC insured.

3. Investments

Investments are summarized as follows:

December 31,	2023	2022
U.S. Treasury Bills	508,999	632,111
Equity mutual funds	1,306,540	1,252,716
Fixed income exchange traded fund	179,281	168,325
Equity exchange traded funds	270,308	113,332
Common stock	165,133	143,021
Total Investments	2,430,261	2,309,505

4. Leased Commercial Properties

Leased commercial properties consist of properties that are held for lease and consist of the following:

December 31,	2023	2022
Buildings	6,169,368	6,169,368
Leasehold improvements	660,627	557,097
	6,829,995	6,726,465
Less: Accumulated depreciation and amortization	(4,294,254)	(4,030,016)
	2,535,741	2,696,449
Construction in progress	3,282,925	2,467,004
Land and land improvements	519,833	519,833
	6,338,499	5,683,286

Depreciation expense for leased commercial properties amounted to $264,238 and $259,502 in 2023 and 2022, respectively.

Construction in progress relates to an adventure park that Shee Atiká is developing in Sitka, Alaska. As of December 31, 2023, Shee Atiká had no open contracts with construction contractors for this construction work.

The commercial buildings are leased under various operating leases expiring in various years through 2026. The approximate minimum future lease payments to be received on noncancelable operating leases are as follows:

Year Ending December 31,	
2024	264,008
2025	200,193
2026	105,383
	569,584

5. Property and Equipment

Property and equipment consist of the following:

December 31,	2023	2022
Furniture and equipment	787,315	638,875
Other	160,092	160,092
	947,407	798,967
Less: Accumulated depreciation	(761,064)	(716,015)
	186,343	82,952
Land (primarily land at Alice Island)	355,769	355,769
	542,112	438,721

Depreciation expense for property and equipment amounted to $33,402 and $32,537 in 2023 and 2022, respectively.

6. Long-Term Debt

Long-term debt consists of the following:

December 31,	2023	2022
Note payable to a bank in monthly installments of $13,325, including interest at an initial rate of 4.47%, with a final payment due at maturity on September 8, 2031. The interest rate may be changed on September 8, 2026, and every five years thereafter, to a rate equal to the greater of (a) the Federal Home Loan Bank – Boston five-year classic advance index rate on the change date plus 3.6%, or (b) 4.47%. The note is secured by commercial property in Sitka, Alaska.	1,946,650	2,016,586
Note payable to individuals for portion of the purchase price related to acquisition discussed in Note 14. Amount is the working capital note as defined in the Lakota purchase agreement and is determined based on calculation of the working capital of Lakota at the acquisition date. As of December 31, 2023, the remaining balance is payable in three equal annual installments of principal on December 6 each year through maturity on December 6, 2026. The note bears interest at 3% payable annually with each installment payment. As discussed in Note 14 the amount is subject to adjustment.	747,161	1,168,859
Note payable to individuals for portion of purchase price related to Lakota acquisition discussed in Note 14. Payable in four equal annual installments of principal on December 6 each year through maturity on December 6, 2026. The note bears interest at 3% payable annually with each installment payment.	693,077	800,000
Other debt	2,752	20,461
	3,389,640	4,005,906
Less: Current portion	(556,034)	(582,227)
Total Long-Term Debt	2,833,606	3,423,679

At December 31, 2023, the net carrying value of the commercial property pledged as security for the first note above was $2,485,255.

Principal payments on long-term debt are as follows:

Year Ending December 31,	
2024	556,034
2025	556,919
2026	560,475
2027	84,115
2028	87,800
Thereafter	1,544,297
	3,389,640

7. Line of Credit

During 2020, Shee Atiká entered into a revolving line of credit agreement with a bank allowing borrowings up to $2,000,000. The agreement provided for interest at a variable interest rate equal to the prime rate of interest as published in The Wall Street Journal, but never less than 3.25%. The line of credit matured on June 15, 2023.

In July 2023, Shee Atiká entered into a revolving line of credit agreement with a bank allowing borrowings up to $3,000,000. In 2023, interest was charged on the amount outstanding at a rate of 9.38%. The annual percentage rate may vary at the discretion of the bank. The line of credit matures on June 15, 2024, and is secured by the investment account and certain eligible accounts receivable of Shee Atiká. As a result of the agreement Shee Atiká is subject to certain covenants. There was $2,373,764 borrowed against the line of credit as of December 31, 2023, and Shee Atiká was in compliance with applicable loan covenants.

8. Income Taxes

Income taxes consist of the following:

Year Ended December 31,	2023	2022
Current Tax Expense		
Federal	1,810,111	19,276
State	280,059	69,721
Deferred Tax Expense		
Federal	(29,427)	59,778
State	(531,184)	85,222
Income Tax Expense	1,529,559	233,997

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

December 31,	2023	2022
Deferred Tax Assets		
Net operating loss carryforwards	520,972	171,000
Excess of tax basis in buildings and equipment	280,854	306,000
Accrued compensation	377,120	156,000
Deferred costs	45,073	45,000
Other	(113,408)	(128,000)
Deferred Tax Asset, net	1,110,611	550,000

As of December 31, 2023, Shee Atiká has state net operating tax loss carryforwards of approximately $5.5 million. These net operating tax loss carryforwards have no expiration date.

Shee Atiká's effective tax rate for 2023 is lower than the United States federal statutory rate due to primarily state income taxes. Shee Atiká's effective tax rate for 2022 is higher than the United States federal statutory rate due to book and tax differences primarily related to scholarships, funeral benefits and lobbying expenses recorded in the consolidated financial statements, but not deductible for income tax purposes, and state income taxes.

Based on management's assessment of available positive and negative evidence that included, among other things, Shee Atiká's recent results of operations and expected future profitability, a valuation allowance was not considered necessary as of December 31, 2023 or 2022.

9. Leases (Shee Atiká as Lessee)

Shee Atiká has a lease for land in Sitka, Alaska that is intended to be used for the adventure park being developed by Shee Atiká discussed in Note 4. Rental payments under this lease are $60,000 a year due annually on November 1, of each year during the term of the lease which ends October 31, 2041. Lease cost for this lease recorded in the consolidated statements of operations was $60,000 for both years ended December 31, 2023 and 2022. Cash paid for amounts included in the measurement of lease liabilities related to operating leases was $60,000 for both years ended December 31, 2023 and 2022. The remaining lease term at December 31, 2023 is 17.83 years. The discount rate used for the calculation of the lease liability related to this lease was 2.05%.

Maturities of lease liabilities are as follows:

Year Ending December 31,	
2024	60,000
2025	60,000
2026	60,000
2027	60,000
2028	60,000
Thereafter	770,000
	1,070,000
Less: Amount representing interest	(174,415)
Total Lease Liability	895,585
Less: Current portion	42,034
Long-Term Portion	853,551

10. Settlement Trusts

Shee Atiká established two settlement trusts that 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, SAFE, was established to maintain assets and pay distributions from its income to SAFE's beneficiaries. SAFE has net assets of approximately $42 million and $38 million at December 31, 2023 and 2022, 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. SABT had net assets of approximately $27,000 and $25,000 at December 31, 2023 and 2022, respectively. Shee Atiká transferred $15,000 to SABT in 2023 to help it pay operating costs. There were no contributions to SABT in 2022. In November 2013, the Board of Directors of Shee Atiká, Inc.

decided that beginning January 1, 2014, scholarship and funeral benefits would be paid by Shee Atiká, Inc. instead of SABT. The Board of Trustees of SABT 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.

11. Related-Party Transactions

Related-party transactions for the years ended December 31, 2023 and 2022, not disclosed elsewhere are as follows:

- Shee Atiká provides administrative services to SAFE, SABT, and SAIL. In 2023 and 2022, Shee Atiká charged administrative fees of $441,725 and $435,840, respectively, to SAFE and SAIL. There were no administrative fees charged to SABT during 2023 or 2022.
- BAS provides accounting services to SAFE, SABT, and SAIL. In 2022, BAS charged these entities $93,835 for these services. No amounts were charged for these services in 2023.
- Shee Atiká pays for certain professional fees on SAIL's behalf for which it is reimbursed. As of December 31, 2023, SAIL owed Shee Atiká $420 which is recorded as due from related company on the consolidated balance sheets.

12. 401(k) Plan

Shee Atiká sponsors a 401(k) plan for the benefit of its employees. Employees were eligible to participate in the plan after reaching age 21 and six months of employment. In early 2022, Shee Atiká amended the plan to eliminate the age and service requirement related to eligibility to participate in the plan. Employer contributions totaled $1,247,030 and $567,453 in 2023 and 2022, respectively.

13. Contingencies

From time to time, Shee Atiká (and its subsidiaries) may be involved in litigation. One of Shee Atiká's subsidiaries is involved with litigation regarding federal contracting from a prior year. Management intends to vigorously defend any such litigation. The ultimate outcome of such litigation and any potential range of loss currently cannot be determined, but management does not expect it to materially affect Shee Atiká's operations.

14. Acquisition of Lakota Solutions, LLC

On December 6, 2021, SGS acquired all membership interests in Lakota. As mentioned in Note 1, Lakota provides services under contracts with the United States government and thus the acquisition of Lakota was to expand Shee Atiká's government services business. The transaction was accounted for as a business combination using the acquisition method of accounting whereby the identifiable tangible and intangible assets acquired and the liabilities assumed are recorded at fair value on the acquisition date. The difference between the purchase price and the fair value of the net assets acquired is recorded as goodwill. While Shee Atiká uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, the estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, Shee Atiká records adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in net income. The measurement period concluded during 2022.

As part of the transaction Shee Atiká also has a working capital note payable to the seller. The amount of the working capital note payable was determined based on an agreed upon calculation between Shee Atiká and the seller. The amount recorded is based on the current calculated value and subject to adjustment based on agreement of the seller. In addition, Shee Atiká has a contingent obligation to pay an additional amount of up to $500,000 to the seller based upon any net profits derived by Lakota after December 6, 2021, with regard to a specific contract with the United States Air Force. Shee Atiká initially estimated this contingent payment as zero for purposes of the preliminary accounting for the purchase. Based on additional information gathered, Shee Atiká revised its estimate for this contingent payment in 2022 and recorded an additional $245,268 of purchase consideration included in the working capital note payable.

Shareholder Delainey Steffes

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

OPINION

We have audited the financial statements of Shee Atiká Investments, LLC (SAIL), which comprise the statements of assets, liabilities, and members' equity as of December 31, 2023 and 2022, and the related statements of revenue and expenses, and changes in members' equity for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets, liabilities, and members' equity of SAIL as of December 31, 2023, and 2022, and its revenue, expenses, and changes in members' equity for the years then ended on the modified income tax basis of accounting described in Note 1.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SAIL and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

EMPHASIS OF MATTER - BASIS OF ACCOUNTING

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The 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 recorded 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 basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

RESPONSIBILITIES OF MANAGEMENT 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 of accounting as described in Note 1; this includes determining that the modified income tax basis of accounting is an acceptable basis 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SAIL's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

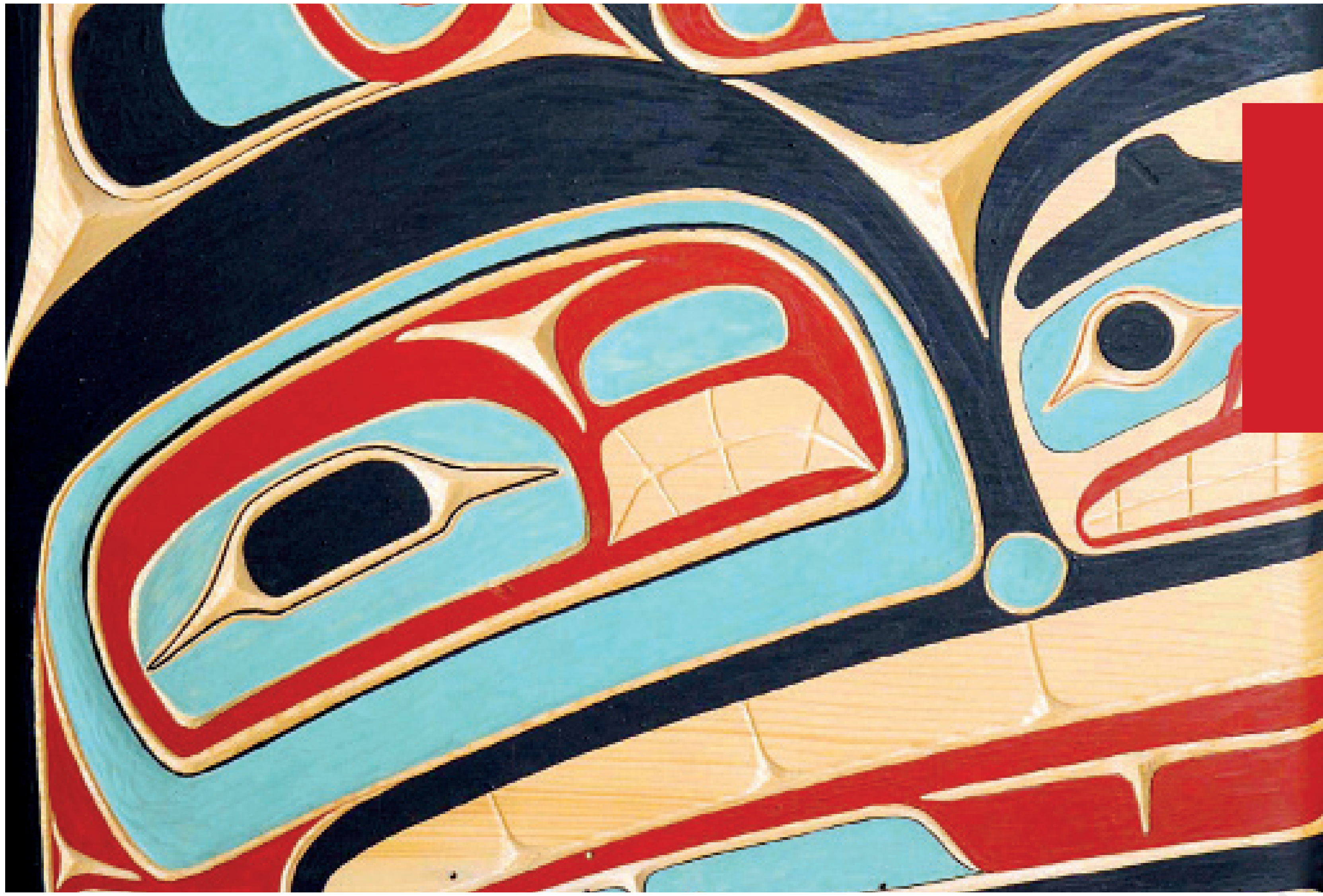
In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting stimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SAIL's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

April 6, 2024



Bentwood Box by George Bennett
Shee Atiká Cultural Collection

Statements of Assets and Members' Equity – Modified Income Tax Basis

December 31,	2023	2022
Assets		
Investments, at fair value	39,537,965	34,420,996
Cash and cash equivalents	268,021	1,448,225
Dividends receivable	16,639	14,702
Total Assets	39,822,625	35,883,923
Liabilities		
Payable to affiliate	420	72,542
Total Liabilities	420	72,542
Members' Equity	39,822,205	35,811,381

See accompanying notes to financials statements.

Statements of Revenue and Expenses – Modified Income Tax Basis

Year Ended December 31,	2023	2022
Revenue		
Dividends and interest	973,650	682,413
Net realized gain (loss) on sales of investments and capital gain distributions	260,496	(391,656)
Total Revenue	1,234,146	290,757
Expenses		
Shee Atiká, Incorporated administrative fees	129,661	229,338
Professional fees	64,678	52,490
Investment management and custodian fees	112,398	112,742
Total Expenses	306,737	394,570
Income (Loss)	927,409	(103,813)
Adjustment to Fair Value of Investments	3,945,479	(4,002,270)
Net Income (Loss)	4,872,888	(4,106,083)

See accompanying notes to financials statements.

Statements of Changes in Members' Equity – Modified Income Tax Basis

Year Ended December 31,	2023	2022
Members' Equity, beginning of year	35,811,381	40,610,056
Net income (loss)	4,872,888	(4,106,083)
Distributions	(862,064)	(692,592)
Members' Equity, end of year	39,822,205	35,811,381

See accompanying notes to financials statements.

1. Organization and Significant Accounting Policies

ORGANIZATION

Shee Atiká Investments, LLC (SAIL) exists to pool investment activity for its members, 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 the 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. Effective January 1, 2024, SAIL will continue in perpetuity unless sooner terminated under the terms of the operating agreement.

SAI provides administrative services to SAIL. SAIL paid SAI for administrative fees of $129,661 and $229,338 in 2023 and 2022, respectively. SAI pays for certain professional fees on SAIL's behalf for which it is reimbursed. As of December 31, 2023 and 2022, SAIL owed SAI $420 and $72,542, respectively, for these fees which are recorded as payable to affiliate on the statements of assets, liabilities, and members' equity.

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 (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 that 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

Investments in bonds, mutual funds, United States Treasury bills, exchange-traded funds, and common stocks are stated at fair value based on quoted market prices in active markets 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 of America exchanges and are therefore subject to the market volatility in those exchanges.

The difference between cost and fair value of securities held at year-end represents unrealized gains or losses 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. Dividends are recorded on the ex-dividend 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.

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 was April 6, 2024.

2. Investments

Investments consist of corporate bonds, fixed income mutual funds, United States Treasury bills, equity mutual and exchange-traded funds, other exchange-traded funds, and common stocks as of December 31, 2023 and 2022.

December 31,	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Corporate Bonds				
Oracle Corp	161,363	154,727	-	-
HCA Inc.	153,506	148,433	-	-
Southern Calif Edison Co.	130,528	129,028	-	-
Aon PLC.	122,444	121,960	-	-
Amgen Inc.	150,068	149,650	-	-
Elevance Health Inc.	121,248	119,480	-	-
Berkshire Hathaway Energy Co.	118,715	116,394	-	-
Intel Corp.	101,668	98,826	-	-
Amazon Com Inc.	101,119	100,214	-	-
United Health Group Inc.	101,091	99,774	-	-
Linde Inc.	100,081	99,125	-	-
Comcast Corp.	101,058	99,943	-	-
Apple Inc.	100,015	98,484	-	-
International Business MACHS	99,749	98,138	-	-
Procter & Gamble Co.	99,698	98,063	-	-
Pacific Gas & Electric Co.	95,945	92,666	-	-
Wisconsin Pub SVC Corp.	75,581	74,916	-	-
Union PAC Corp.	75,465	74,362	-	-
Colgate Palmolive Co.	70,883	69,351	-	-
Medtronic Global Holdings	69,695	66,341	-	-
Ally FINL Inc.	49,689	49,229	-	-
	2,199,609	2,159,104	-	-
Fixed Income Mutual Funds:				
BBH Limited Duration Fund	2,289,244	2,269,134	2,127,233	2,172,744
Artisan High Income Fund	2,199,399	2,285,596	1,896,911	2,129,981
	4,488,643	4,554,730	4,024,144	4,302,725
United States Treasury Bills				
(zero coupon with maturities from February to November 2024)	1,669,071	1,656,958	4,022,067	4,013,584
Equity Mutual and Exchange-Traded Funds:				
Oakmark Equity & Income Investor Fund	3,800,691	3,524,224	3,229,956	3,429,974
T Rowe Price Capital Appreciation Fund	3,789,709	3,353,178	3,340,786	3,372,128
FPA Crescent Supra Institutional Fund	3,789,156	3,390,001	-	-
Vanguard Global Wellington Fund	3,713,636	3,271,189	3,347,531	3,227,723
First Eagle Global Fund	3,647,794	3,405,512	3,411,801	3,471,437
DFA International Core Equity Fund	1,238,990	1,100,650	1,054,536	1,060,005
VanEck Vectors Morningstar Wide Moat Fund	935,839	684,811	709,633	676,847

December 31,	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Equity Mutual and Exchange-Traded Funds, cont'd:				
Driehaus Small Cap Growth Fund	932,480	1,120,079	751,665	1,079,756
Vanguard Small-Cap Value Index Fund	906,364	749,504	781,443	730,601
Akre Focus Fund	888,786	797,367	646,444	718,005
DFA Emerging Markets Core Equity Portfolio Fund	887,542	1,002,105	768,765	971,527
iShares Core S&P 500 ETF	627,745	601,982	-	-
Vanguard Growth Index Fund	384,405	316,082	-	-
FPA Crescent Fund	-	-	3,284,046	3,400,694
MainStay CBRE Global Infrastructure Fund	-	-	582,375	618,149
	25,543,137	23,316,684	21,908,981	22,756,846
Other Exchange-Traded Fund:				
SPDR Gold Shares Fund	1,809,424	1,535,971	1,605,643	1,542,166
Common Stocks:				
Berkshire Hathaway Inc. Common Stock	2,263,008	1,248,843	1,959,971	1,248,843
Ares Capital Corp. Common Stock	401,602	399,968	-	-
Other Common Stocks	1,163,471	1,116,287	900,190	952,435
	3,828,081	2,765,098	2,860,161	2,201,278
Total Investments	39,537,965	35,988,545	34,420,996	34,816,599

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

OPINION

We have audited the financial statements of Shee Atiká Fund Endowment (SAFE), which comprise the statements of net assets as of December 31, 2023 and 2022, and the related statements of revenue and expenses and changes in net assets for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets of SAFE as of December 31, 2023 and 2022, and its revenue, expenses, and changes in net assets for the years then ended on the modified income tax basis of accounting described in Note 1.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SAFE and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

EMPHASIS OF MATTER - BASIS OF ACCOUNTING

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The 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 recorded 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 basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

RESPONSIBILITIES OF MANAGEMENT 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 of accounting described in Note 1; this includes determining that the modified income tax basis of accounting is an acceptable basis 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SAFE's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 SAFE's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SAFE's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

April 6, 2024

The trust concept is rooted in the Alaska Native tradition of safeguarding things of value (at.óow in Tlingit) for the benefit of present and future generations. In this 1998 photo, Sitka clan leaders gather for the launching of a canoe by the Southeast Alaska Indian Cultural Center. From left, Herman Kitka of the Kaagwaantaan, James John Nielsen of the Chookaneidí, Herman Davis of the L'uknax̱.di, and Alfred Perkins of the Kiks.ádi. Holding the microphone is Chuck Miller of the L'uknax̱.ádi Clan.
Earning A Place In History

Statements of Net Assets – Modified Income Tax Basis

December 31,	2023	2022
Assets		
Investment in Shee Atiká Investments, LLC	39,816,691	35,807,914
Leased commercial property, net	5,629,713	5,830,821
Prepaid expenses	50	-
Cash and cash equivalents	201,173	215,498
Total Assets	45,647,627	41,854,233
Liabilities		
Accounts payable	18,301	37,612
Long-term debt	3,144,021	3,258,330
Distributions payable	440,916	402,957
Total Liabilities	3,603,238	3,698,899
Net Assets	42,044,389	38,155,334

See accompanying notes to financials statements.

Statements of Revenue and Expenses – Modified Income Tax Basis

Year Ended December 31,	2023	2022
Revenue		
Equity share in Shee Atiká Investments, LLC taxable income (loss)	921,848	(103,701)
Miscellaneous revenue	3	-
Rent from leased commercial property	953,597	1,025,494
Total Revenue	1,875,448	921,793
Expenses		
Shee Atiká, Incorporated administrative fees	312,064	317,592
Depreciation	201,108	274,747
Interest	139,009	142,016
Professional and custodian fees	156,073	135,486
Income tax expense	-	96,987
Leased commercial property expenses	10,598	4,231
Other administrative expenses	1,752	1,449
Total Expenses	820,604	972,508
Income (loss) and change in net assets before adjusting investment in Shee Atiká Investments, LLC to fair value	1,054,844	(50,715)
Adjustment to fair value of investment in Shee Atiká Investments, LLC	3,945,411	(4,002,204)
Change in Net Assets	5,000,255	(4,052,919)

See accompanying notes to financials statements.

Statements of Changes in Net Assets – Modified Income Tax Basis

Year Ended December 31,	2023	2022
Change in Net Assets	5,000,255	(4,052,919)
Distributions to Unit Holders	(1,111,200)	(1,111,200)
Total Increase (Decrease) in Net Assets	3,889,055	(5,164,119)
Net Assets, beginning of year	38,155,334	43,319,453
Net Assets, end of year	42,044,389	38,155,334

See accompanying notes to financial statements.

Sitka Painting by Unknown Artist
Earning A Place In History

1. Organization & 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. Shee Atiká Holdings Colorado Springs, LLC (COL) is a wholly-owned subsidiary of SAFE and is a disregarded entity under the modified income tax basis of accounting. Therefore, the activity and holdings from COL flows through directly into SAFE.

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. As of December 31, 2023, there were 185,200 trust units (of which 178,498 were Class A and 6,702 were Class B) held by 3,485 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 ($6.00 per trust unit in 2023 and 2022, respectively) is ultimately determined by the Board of Trustees but must be between the minimum and maximum amounts. The trust document calls for distributions 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 15-year period measured from the fifteenth anniversary, 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. The most recent modification date was January 4, 2023, and the trustees decided to not modify any terms of the trust agreement. The next modification date is January 4, 2038.

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 (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 charged administrative fees to SAFE of $312,064 and $317,592 in 2023 and 2022, respectively. SAFE paid these fees in full during both years. As noted above, expenses are generally recognized when paid.

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. There are no funding commitments to SAIL or restrictions on redemptions from SAIL.

SAIL's investments are all primarily in corporate bonds, fixed income and equity mutual and exchange-traded funds, United States Treasury bills, and equities (common stocks) as of December 31, 2023 and 2022. See Note 2 for a summary of SAIL's investments held as of December 31, 2023 and 2022.

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 tax lives of the assets.

Revenue from rental of leased commercial property is recognized as received. All rental revenue in both 2023 and 2022 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 currently a lower tax rate on long-term capital gains) as allowed by the Internal Revenue Code. SAFE cannot carry noncapital 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). As of December 31, 2023, SAFE had approximately $12.5 million in capital loss carryforwards available, which under current tax law can be carried forward indefinitely and can be used to offset future capital gains.

Because SAIL is a limited liability company, share of SAFE's share of the net taxable income or loss of SAIL 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 2023 or 2022.

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 was April 6, 2024.

2. Investment in SAIL
SAIL exists to pool investment activity for 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.

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

As of and for the Year Ended December 31,	2023	2022
Investments, at fair value		
Corporate bonds	2,199,609	-
Fixed income mutual funds	4,488,643	4,024,144
United States Treasury bills	1,669,071	4,022,067
Equity mutual and exchange-traded funds	25,543,137	21,908,981
Other exchange-traded fund	1,809,424	1,605,643
Equities (common stocks)	3,828,081	2,860,161
Total Investments, at fair value	39,537,965	34,420,996
Cash and cash equivalents	268,021	1,448,225
Other assets	16,639	14,702
Other liabilities	420	72,542
Members' equity	39,822,205	35,811,381
Gain (loss) on investment activity, including adjustment to fair value	5,179,625	(3,711,513)
Net income (loss)	4,872,888	(4,106,083)

SAFE's ownership interest in SAIL was 99.998% of SAIL's total equity as of December 31, 2023, and 2022. As of December 31, 2023 and 2022, 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:

December 31,	2023	2022
Building	6,975,574	6,975,574
Land improvements	571,772	571,772
Leasehold improvements	725,264	725,264
Land	722,000	722,000
	8,994,610	8,994,610
Less: Accumulated depreciation	(3,364,897)	(3,163,789)
	5,629,713	5,830,821

SAFE leases the commercial building in Colorado under a noncancelable operating lease expiring on June 30, 2024. The minimum future lease payments scheduled to be received on this noncancelable operating lease are as follows:

Year Ending December 31,	
2024	523,662
	523,662

4. Long-Term Debt

SAFE has a note payable to a bank due in monthly installments of $21,110, including interest, with a final payment due at maturity on September 8, 2031. The note is secured by the Colorado leased commercial property and bears interest at an initial rate of 4.22%. The interest rate may be changed on September 8, 2026, and every five years thereafter, to a rate equal to the greater of (a) the Federal Home Loan Bank – Boston five-year classic advance index rate on the change date plus 3.35%, or (b) 4.22%.

Future principal payments under this note are as follows:

Year Ending December 31,	
2024	120,712
2025	126,358
2026	131,871
2027	137,626
2028	143,316
Thereafter	2,484,138
	3,144,021

"Herring Rock Drum" by Jennifer Brady-Morales
Shee Atiká Cultural Collection

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

OPINION

We have audited the financial statements of Shee Atiká Benefits Trust (SABT), which comprise the statements of net assets as of December 31, 2023 and 2022, and the related statements of revenue and expense and changes in net assets for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets of SABT as of December 31, 2023 and 2022, and its revenue, expenses, and changes in net assets for the years then ended on the modified income tax basis of accounting described in Note 1.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SABT and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

EMPHASIS OF MATTER - BASIS OF ACCOUNTING

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The 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 recorded 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 basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

RESPONSIBILITIES OF MANAGEMENT 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 of accounting described in Note 1; this includes determining that the modified income tax basis of accounting is an acceptable basis 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SABT's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 SABT's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SABT's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, LLP
April 6, 2024

"Herman Kitka actually named the corporation. That's the old Tlingit name, pronunciation and spelling for Sitka – Sheet'ká."

- Buck Carroll

The late Herman Kitka, a founding director of Shee Atiká, served on the Board from 1974 to 1986.
Earning A Place In History

Statements of Net Assets – Modified Income Tax Basis

December 31,	2023	2022
Assets		
Investment in Shee Atiká Investments, LLC	5,514	5,430
Cash and cash equivalents	21,412	20,008
Total Assets	26,926	25,438
Liabilities		
Accounts payable	106	106
Total Liabilities	106	106
Net Assets	26,820	25,332

See accompanying notes to financials statements.

Statements of Revenue and Expenses – Modified Income Tax Basis

Year Ended December 31,	2023	2022
Revenue		
Miscellaneous revenue	800	-
Equity share in Shee Atiká Investments, LLC taxable income (loss)	81	(2)
Total Revenue	881	(2)
Expenses		
Administrative expenses	14,396	12,734
Taxable loss and change in net assets before adjusting investment in Shee Atiká Investments, LLC to fair value	(13,515)	(12,736)
Adjustment to fair value of investment in Shee Atiká Investments, LLC	3	(66)
Change in Net Assets	(13,512)	(12,802)

See accompanying notes to financials statements.

Statements of Changes in Net Assets – Modified Income Tax Basis

Year Ended December 31,	2023	2022
Change in Net Assets	(13,512)	(12,802)
Contribution from Shee Atiká, Incorporated	15,000	-
Total Increase (Decrease) in Net Assets	1,488	(12,802)
Net Assets, beginning of year	25,332	38,134
Net Assets, end of year	26,820	25,332

See accompanying notes to financials statements.

1. Organization & Significant Accounting Policies

ORGANIZATION AND FUTURE PLANS

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, 2023, there were 185,200 trust units (of which 178,498 were Class A and 6,702 were Class B) held by 3,485 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, 2027), 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 may be used to provide benefits, modifying the principal distribution provisions, or terminating SABT and distributing all principal and accrued income to the beneficiaries.

In November 2013, the Board of Directors of SAI decided that beginning January 1, 2014, scholarship and funeral benefits would 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 paying scholarship and funeral 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 (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

From time to time, SAI provides administrative services to SABT. SAI did not charge SABT administrative fees for 2023 or 2022. During 2023, SAI contributed $15,000 to SABT. No contributions were received during 2022.

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. There are no funding commitments to SAIL or restrictions on redemptions from SAIL.

SAIL's investments are all primarily in corporate bonds, fixed income and equity mutual and exchange-traded funds, United States Treasury bills, and equities (common stocks) at December 31, 2023 and 2022. See Note 2 for a summary of SAIL's investments held at December 31, 2023 and 2022.

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 (with no tax on certain dividends received and currently a lower tax rate on long-term capital gains) as allowed by the Internal Revenue Code. SABT cannot carry noncapital 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, 2023, SABT had approximately $169,000 in capital loss carryforwards available, which, under current tax law, can be carried forward indefinitely and can be used to offset future capital gains.

Because SAIL is a limited liability company, SABT's share of the net taxable income or loss of SAIL 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 2023 or 2022.

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 was April 6, 2024.

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.

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

As of and for the Year Ended December 31,	2023	2022
Investments, at fair value		
Corporate bonds	2,199,609	-
Fixed income mutual funds	4,488,643	4,024,144
United States Treasury bills	1,669,071	4,022,067
Equity mutual and exchange-traded funds	25,543,137	21,908,981
Other exchange-traded fund	1,809,424	1,605,643
Equities (common stocks)	3,828,081	2,860,161
Total Investments, at fair value	39,537,965	34,420,996
Cash and cash equivalents	268,021	1,448,225
Other assets	16,639	14,702
Other liabilities	420	72,542
Members' equity	39,822,205	35,811,381
Gain (loss) on investment activity, including adjustment to fair value	5,179,625	(3,711,513)
Net income (loss)	4,872,888	(4,106,083)

SABT's ownership interest in SAIL was 0.002% of SAIL's total equity at December 31, 2023 and 2022. At December 31, 2023 and 2022, SABT and SAFE were the only members of SAIL.

"Halibut Hook" by Willis Osbakken
Shee Atiká Cultural Collection

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