

Raven's Circle



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› North Wind offices in Idaho Falls, Idaho. Photo by Jason Moore.

NORTH WIND GROUP SCORES LARGE, MULTI-YEAR CONTRACTS

CIRI subsidiary North Wind Group – which oversees several companies primarily focused on environmental, engineering, construction and technical consulting – notched a pair of impressive wins to begin the year.

Portsmouth Gaseous Diffusion Plant

Along the banks of the Scioto River in southern Ohio sits the unremarkable town of Piketon. What is remarkable about this area is the industrial complex located just south – the Portsmouth Gaseous Diffusion Plant, which is larger than the town itself.

A gaseous diffusion plant sounds innocuous enough, but this plant produced enriched uranium for both the nation's nuclear weapons program and for the United States Atomic Energy Commission. Built in the early 1950s, the Cold War kept it in production for decades.

Today, the plant is in shutdown status and in the process of decontamination and decommissioning. That's where North Wind Solutions, a subsidiary of

North Wind Group, comes in. The company just won a significant five-year Infrastructure Support Services contract with the U.S. Department of Energy (DOE).

"North Wind is proud to continue our support of the Department of Energy across the country and now at the Portsmouth site," said John Bukowski, president of North Wind Solutions. "The selection of the North Wind-led joint venture is testament to North Wind's outstanding track record of safety and performance on DOE projects."

North Wind will primarily provide infrastructure support services including surveillance, maintenance, telecommunications, fleet management, health and safety programs and security.

Idaho Clean-up Project

A sprawling complex of research sites scattered through the desert, the Idaho Falls-based Idaho National Laboratory played a pivotal role in developing the nation's nuclear power plants. But along with the advances in nuclear research, a concerted effort to

NORTH WIND GROUP, CONTINUED ON PAGE 05



› Fiocla Wilson. Photo by Russell Wilson.

CIRI'S OLDEST LIVING SHAREHOLDER TURNING 100

"It's not your nationality that counts as much as it is your character and your personality." These were a teacher's words of wisdom to CIRI shareholder Fiocla Wilson when she attended the Eklutna Industrial School for Natives at the age of 12.

The year was 1928, and many Alaska Native students who attended boarding schools like the one in Eklutna were permitted to speak only English. Even so, Fiocla was grateful to have the opportunity to learn skills like sewing and waitressing. And even today, her teacher's words resonate.

At the age of 99, Fiocla is CIRI's oldest shareholder; she will turn 100 on June 30. She now lives in a world where the government bestows grants on Alaska Native language preservation programs. In the book *Our Stories, Our Lives* (a publication of The CIRI Foundation), Fiocla marveled at how things have changed: "I said something to another girl at school in Russian, and it was overheard, and we both had our mouths washed out with soap! That's how strict they were. Now [the government] is giving funds to get back our heritage."

Fiocla has lived most of her life in Kenai, where she raised six children and helped her husband with his commercial fishing business until his passing in 1975. Today, she resides at Heritage Place in Soldotna and is an active member of the Kenaitze Indian Tribe as well as the Kenai Bible Chapel. She is proud to be a CIRI shareholder. 🦅

PRESIDENT'S MESSAGE

Sophie Minich, CIRI president and chief executive officer

By the time you're reading this issue of the Raven's Circle, most of you will have received your copy of CIRI's 2015 Annual Report. The report assesses CIRI's financial performance for the previous year and provides information on the economic health of our corporation.

As we reflect on last year's performance, CIRI has much to be proud of. Despite some significant challenges encountered during the year, many of them beyond CIRI's control, our corporation performed well on behalf of shareholders. CIRI delivered net income of \$20.5 million and total assets grew by nearly \$10 million to \$916 million. Shareholders' equity saw a narrow gain to \$655 million.

2015 business highlights include completing construction of the Fireweed Business Center in Anchorage, our new corporate home, and we secured our first tenant, Stantec. The engineering firm now occupies the second floor of the building. Another exciting real estate development, the Ladera master-planned community in San Antonio, Texas, broke ground last year. Several of the 1,100-acre development's first homes are under construction and we've welcomed the first residents to the community. Real estate has always been an important business segment for CIRI and we continue to seek out new opportunities that will deliver positive results to shareholders.

As previously mentioned, some segments of our portfolio faced challenges in 2015. The most significant challenge was the impact of lower oil prices, which affected CIRI's oilfield and construction services segment and our private equity portfolio.

The commodity price fluctuations we saw in 2015 remind us of the importance of a diversified portfolio. Already, our Board and management team are actively pursuing a strategy to continue to deliver strong financial success, while making us less vulnerable to macro-economic or market-specific fluctuations.

As reflected in the theme of this year's annual report – *Evolution of Opportunity* – CIRI continually strives to evolve and adapt. Our investments reflect this evolution. A good example is our Fire Island Wind project. CIRI's ability to develop, manage and operate this project, on time and on budget, led to investments in Capistrano Wind Partners and Palouse Wind, two major wind operators in the Lower 48. Those investments solidified CIRI's reputation as a significant investor in the energy sector and, consequently, led to recent investments in Ohio's Middletown Energy Center.

"As reflected in the theme of this year's annual report – *Evolution of Opportunity* – CIRI continually strives to evolve and adapt. Our investments reflect this evolution."

– SOPHIE MINICH

Our corporation is also serving as a financing partner for a major new wind energy investment in Texas.

Despite the economic headwinds we faced, shareholder dividends will be fractionally larger this year. As a reminder, shareholder dividends are based on 3.5 percent of total shareholders' equity, calculated as of Dec. 31 of the prior year. Based on that calculation, 2016 dividends will total \$36.52 per share.

Evolution of Opportunity also reflects how CIRI has evolved to deliver benefits to shareholders and descendants that go beyond dividends. The past year saw a company-wide recommitment to look for ways to help advance the careers and lives of our shareholders and descendants.

One of the most exciting programs offered by CIRI is our summer internship, which we expanded



significantly in 2015. Six young professionals were placed in positions with CIRI departments and subsidiaries, and they are featured prominently in our annual report. I hope you take the time to learn a little about them, an impressive group of energetic young adults eager to embrace new opportunities with the help of CIRI.

As always, I look forward to seeing many of you at the spring information meetings and the CIRI Annual Meeting to be held June 4 in Puyallup, Wash. 📧

Sophie Minich

2016 SHAREHOLDER, ELDER AND YOUTH AWARD NOMINATIONS

NOMINATION DEADLINE: JUNE 10, 2016

CIRI is currently accepting nominations for the 2016 Shareholder of the Year, Elder of the Year and Youth Recognition awards to be presented at the CIRI and The CIRI Foundation Friendship Potlatches this fall. Help us celebrate individuals in any or all three award categories by visiting the CIRI website and submitting an online nomination form by 5 p.m. Alaska Daylight Time, June 10.

➤ Left to right: CIRI President and CEO Sophie Minich, CIRI shareholder Debra Call and 2015 Youth Recognition recipient Ryan Call Gump.



PHOTO BY JASON MOORE



▶ **A.** The Supreme Court of the United States in Washington, D.C. **B.** The justices of the Supreme Court of the United States, taken prior to the passing of Antonin Scalia in February. **C.** Land in the Kenai National Wildlife Refuge near Skilak Lake. Photo by Joel Irwin.

CIRI INVOLVED IN SUPREME COURT CASE

“It seems to me the Park Service doesn’t have jurisdiction.”

Those were the last words Justice Antonin Scalia spoke from the bench of the U.S. Supreme Court before his passing earlier this year. The case involved Alaska. And, indirectly, CIRI.

The *Sturgeon v. Frost* case pitted Alaska moose hunter John Sturgeon against the National Park Service. It started back in 2007 when Sturgeon was prohibited from using his hovercraft on the Nation River in the Yukon-Charley Rivers National Preserve. Sturgeon didn’t have a connection with CIRI and the hovercraft incident happened far from CIRI land, but CIRI’s interests became involved when the potentially precedent-setting decision, had it survived, would have authorized the National Park Service to regulate private lands within conservation units.

While the Federal District Court in Alaska and the Ninth Circuit appeals court sided with the Park Service, Sturgeon, the State of Alaska and a group of Alaska Native corporations argued that the Alaska National Interest Lands Conservation Act (ANILCA), the law that established many of Alaska’s parks and conservation units, expressly prohibited the Park Service from dictating regulations beyond the borders of federal ownership within the conservation units.

CIRI and other Native corporations filed amicus curiae, or friend of the court, briefs in support of Sturgeon. The concern was that if the National Park Service could prohibit Sturgeon’s hovercraft on a navigable water, which the state owned, it could then control and regulate all means of access to inholdings within federal conservation units—of which CIRI owns tens of thousands of acres.

“The logical consequence of Sturgeon applies to all conservation units, not just national parks,” said

Ethan Schutt, senior vice president of Land and Energy Development at CIRI. “There is more direct applicability for CIRI in the Kenai National Wildlife Refuge. Our primary interest there is the oil and gas potential of our subsurface holdings and there’s a risk the agencies could use the Sturgeon case to prevent development and access.”

In a rare unanimous decision handed down March 22, the high court sided with Sturgeon, the State of Alaska and the Native corporations and remanded the case back to the Ninth Circuit Court of Appeals. It said the lower courts misinterpreted ANILCA and, therefore, mistakenly gave the National Park Service too much authority to regulate activities on non-federal lands within conservation units.

It was the ruling CIRI’s legal team had hoped for.

“It’s a great ruling for CIRI and the State of Alaska because the court established that the clear intent of Congress was to limit Park Service authority over privately held lands in national parks, monuments, refuges and preserves,” said CIRI Vice President and General Counsel Bruce Anders. “Even though CIRI lands may be surrounded by a federal park, those lands were not part of the park before ANILCA and they are not part of the park today.”

Meanwhile, some of the technical issues have yet to be resolved and the fight for John Sturgeon is not yet over. For example, the question of whether the Nation River qualifies as “public land” for purposes of ANILCA is going back to the lower courts for further argument.

For a more information on the Sturgeon case and CIRI’s involvement, tune into the CIRI podcast, CIRIosity, located at www.CIRI.com/CIRIosity. CIRI executives Bruce Anders and Ethan Schutt discuss the complexities of the Sturgeon case and the potential impacts on CIRI’s ability to manage its land. 📻

INTOUCH



Congratulations to CIRI shareholder Corbin Haldane and his family. From thousands of photo submissions, his granddaughter, Tiffany, was selected for a casting call for Gerber Childrenswear. As a result, Gerber featured her on their website and scheduled another photoshoot. 📻

WINNER’S CIRCLE

To increase participation in certain programs, CIRI holds periodic prize drawings from the names of those enrolled who meet certain criteria and have a current mailing address with CIRI. If CIRI has returned mail, a different winner will be selected. Visit the CIRI website or call (907) 263-5191 or (800) 764-2474 to learn more. The following shareholders have been selected as winners for the most recent CIRI drawings:

STOCK WILL PARTICIPATION PRIZES

\$200 Monthly Stock Will Prizes:

- January – Matilda Barber
- February – Joseph Allan Canfield
- March – Susan Agnes Rogers

First quarter drawing for Apple iPad Air 2 with Smart Case:

- Diane Shrader

Must have a valid will on file that complies with CIRI’s fractional share policy.

DIRECT DEPOSIT DRAWING

First quarter drawing for \$500:

- Ronald W. Waisanen

The direct deposit instruction must be current with CIRI to win.

eNEWSLETTER DRAWING

First quarter drawing for a Kindle Fire HD:

- Kevin Lopez

Must be enrolled in the eNewsletter program with a valid email address on file.

CONFIRMED, REGISTERED DESCENDANT DRAWING

First quarter drawing for a Fitbit:

- Tyler Levi Tuttle

Direct lineal descendants of CIRI shareholders who are not themselves shareholders, who have submitted legal documents substantiating descent and who have a valid email address on file. 📻

IN MEMORY

Helen Marie Adams, 83

Helen Marie Adams passed away March 14 at Providence Hospital in Anchorage. Ms. Adams was born July 23, 1933. She is survived by her brother, Robert Joe; and sister, Lois Baum.

Ferrell Lamar Barrington Sr., 68

Ferrell Lamar Barrington Sr. passed away June 28, 2015, at home in Valley, Ala. Mr. Barrington was born Sept. 20, 1946. He is survived by his children, Ferrell L. Barrington Jr. and Terrell G. Barrington.

Doris Marie Dodson (aka Lindsay), 57

Doris Marie Dodson (aka Lindsay) passed away March 13 at the Cottingham Hospice House in Seneca, S.C. Ms. Dodson was born Nov. 5, 1958, in Greenville, S.C. She is survived by her husband, Roger Sewell; children, Stephen Dodson (Mandy) and Desiree Harmon (Mark); grandchildren, Alexis Flint, Giovanni, Nicolae, Anastasia Dodson, Bridget and Natalie Harmon; stepmom, Dot Dodson; sisters, Bobbie Green (James), Theresa Smith (Rick), Dawn Kyle (Tracey) and Debbie Chenoweth (Troy); and brothers, Geddes Lindsay and Stephen Dodson.

Helga Maria Ione, 85

Helga Maria Ione passed away Feb. 4 at home in San Leandro, Calif. Ms. Ione was born July 24, 1930, in Germany. She is survived by her children, Rita Tobin, Rose Francis and Richard S. Ione; grandchildren and great-grandchildren.

Georgia J. Johansen, 87

Georgia J. Johansen passed away Dec. 20, 2015, at home in Nikiski, Alaska. Ms. Johansen is survived by her children, Brian A. Johansen, Liisia K. Blizzard, Catherine M. Kidder, Mark D. Johansen and Holly C. Johansen; 11 grandchildren and 11 great-grandchildren.

George Henry Kraft, 85

George Henry Kraft passed away Feb. 15 in Jacksonville, Fla. Mr. Kraft was born July 20, 1930, in Anchorage. Mr. Kraft proudly served in the United States Air Force during the Korean War and continued serving as a computer programmer until retirement. He is survived by his second wife, Geraldine Elizabeth Kraft; and children, Joy Lea Gombeda, Don Ellis Kraft, Dea Ann Sims and Lyn Ora Kraft.

Edward Lyle Ness, 82

Edward Lyle Ness passed away Feb. 23 at the Veterans Home of Barstow in Barstow, Calif. Mr. Ness was born May 15, 1933, in Kenai, Alaska. He is survived by his wife, Carole Ness; sons, Eric Ness, Edward Ness, Brian Ness and Jeffery Ness; grandchildren, Miki and Edward R. Ness; sisters, Irene Ness Wilcox and Alice Ness La Fountain; 11 grandchildren; and many cousins, nieces and nephews.

Peter Paul Shadura, 104

Peter Paul Shadura passed away Nov. 1, 2015, at Emerald Groves in Meza, Ariz. Mr. Shadura was born July 2, 1911, in Kenai, Alaska. He is survived by many nieces, nephews, great-nieces, great-nephews, other relatives and many dear friends.

William "Bill" VanHatten, 53

William "Bill" VanHatten passed away Dec. 26, 2015, in Fairbanks, Alaska. Mr. VanHatten was born Nov. 15, 1962, in Fairbanks, Alaska. He is survived by his mother, Patricia A. Carroll; brothers, Richard VanHatten Jr. and Clifton R. VanHatten; and sister, Christina M. Williamson.

Condolences

Elizabeth Rae Garza, 62
Manuel Mesa, 83
Lorena Zeller, 78

SAVE THE DATE: INFORMATION MEETINGS AND ANNUAL MEETING OF SHAREHOLDERS

Meeting attendance is limited to CIRC shareholders and their immediate family members (i.e., spouse, children) and/or stock custodians. Shareholders must check in with their guest and present identification. Refreshments will be provided.

NORTHWEST INFORMATION MEETING

Saturday, May 7

Seattle Airport Marriott
3201 South 176 St., Seattle, Wash.
Registration opens at 1 p.m.
The event concludes at 4 p.m.

Please RSVP by 3 p.m. Friday, April 29. Due to limited space, no child care services will be provided.

ANNUAL MEETING

Saturday, June 4

Chief Leschi School
5625 52nd Street East, Puyallup, Wash.
Registration: 8 a.m. to 11 a.m.

While it is not necessary to RSVP for the Annual Meeting, it helps ensure the proper amount of food if you do. Child care available upon advance request.

THERE ARE TWO WAYS TO RSVP

• Online

www.ciri.com/RSVP

• By phone

Call (907) 263-5191, or (800) 764-2474, and select option 5.

Please note the RSVP deadlines below each event, and respond by the indicated date. Letting us know you will attend and how many people will be in your party helps us ensure the proper amount of food.

OTHER IMPORTANT CIRC DATES

May 30, 2016

Memorial Day holiday: CIRC offices closed

May 31, 2016

Address change and direct deposit deadline for the second quarter Elders' Settlement Trust distribution

June 10, 2016

Second quarter Elders' Settlement Trust distribution

June 10, 2016

Nomination deadline: Shareholder, Elder and Youth Awards

June 13, 2016

Deadline to sign up for direct deposit for the second quarter dividend

June 22, 2016

Address change and cancel direct deposit deadline for the second quarter dividend

June 30, 2016

Second quarter dividend distribution

June 30, 2016

Entry deadline for Youth Educational Incentive Drawings

MISSING SHAREHOLDERS

The following CIRC shareholders do not have a current mailing address on record. **When CIRC mail is returned as undeliverable, the distributions are held and the shareholder does not qualify to participate in any prize drawings until the address is updated.** Shareholders can fill out the change of address form at CIRC's offices, download it from the CIRC website or send a signed and dated letter that includes the new address, telephone number, birth date and the last four digits of their social security number.

(As of 4/21/2016)

Edgar Ailak
Timothy Steven Armstrong
Luther William Bailey
Ernest Dale Baker Jr.
Lisa Deeann Barney
Mary Raylene Bartels
Natasha Mae Beasley

Leticia S. Belardi
Timothy Vern Bell
Chassie Rae Berntsen
Kenneth Lawrence Boyle
Richard Kenneth Bright
Steven Patrick Bright
Seth Thomas Bryant

MISSING SHAREHOLDERS, CONTINUED ON PAGE 08

SHAREHOLDER ESTATES

When CIRC shareholders pass away, gathering the information necessary to settle the stock estate is often a difficult task and may delay settlement. CIRC is looking to contact the individuals listed below in connection with the following estates:

- Estate of Lawrence M. Wade – Alex H. Wade
- Estate of Dennis Lee Pedron – Diane C. Neese and Timothy E. Neese

If your name appears above or you know the whereabouts of an individual listed above, please contact CIRC Probate at (907) 263-5191 or toll free at 1-800-764-2474.

1-800-764-2474 >>>

clean up spent nuclear fuels and other waste at the site is underway.

The DOE just announced the award of a major clean-up contract. Dubbed the Idaho Clean-up Project Core, the five-year contract went to engineering giant Fluor, but North Wind Inc. is among the small team of subcontractors that will participate in the success of the project.

“We are thrilled with the announcement,” said Christopher Leichtweis, North Wind Group president. “North Wind has supported the clean-up mission at the Idaho site since the early days of the company and we are looking forward to working as part of the Fluor Idaho team to further advance that mission.”

The scope of work includes stabilizing and storing spent nuclear fuel and high-level waste, dispositioning transuranic waste, retrieving targeted buried waste, closing the Idaho Nuclear Technology and Engineering Center tank farm, and operating and maintaining facilities such as the Radioactive Waste Management Complex and the Radioactive Scrap and Waste Facility.



➤ The Portsmouth plant outside Piketown, Ohio.

A nationally recognized small business, Idaho Falls-headquartered North Wind Inc., a subsidiary of North Wind Group, provides engineering, construction, environmental and technical services to federal and state agencies and private industry.

North Wind Group was founded in 1997. Since then, it has grown to a group of companies that employs more than 500 highly-skilled professionals in more than 20 office locations throughout the country. 📄

www.northwindgroup.com ➤➤



KENAI INFO MEETING

Nearly 200 CIRC shareholders and their families came together for the Spring Information Meeting April 16 in Kenai. Attendees enjoyed a nice lunch, heard a presentation about CIRC's financial performance for 2015 and listened to speeches from candidates for the CIRC Board of Directors. 📄

➤ A. As nice to look at as they are to eat! Photo by Jason Moore.

B. CIRC shareholders fill the Kenai High School cafeteria to near capacity. Photo by Jason Moore.

C. Charles Toloff, 94, is recognized as the oldest living male CIRC shareholder. He's pictured here with CIRC shareholder Nikki Graham. Photo by T. Toloff.

D. Three generations of Jacuks – (from l. to r.) Mack Dolchok, Andrea Jacuk and CIRC Board member Katrina (Dolchok) Jacuk. Photo by Joel Irwin.

E. An impressive display of desserts awaits eager consumers. Photo by Jason Moore.

F. One objective of the information meetings is to explain CIRC's 2015 financial highlights. Photo by Jason Moore.

GUIDE TO THE 2015 ANNUAL REPORT

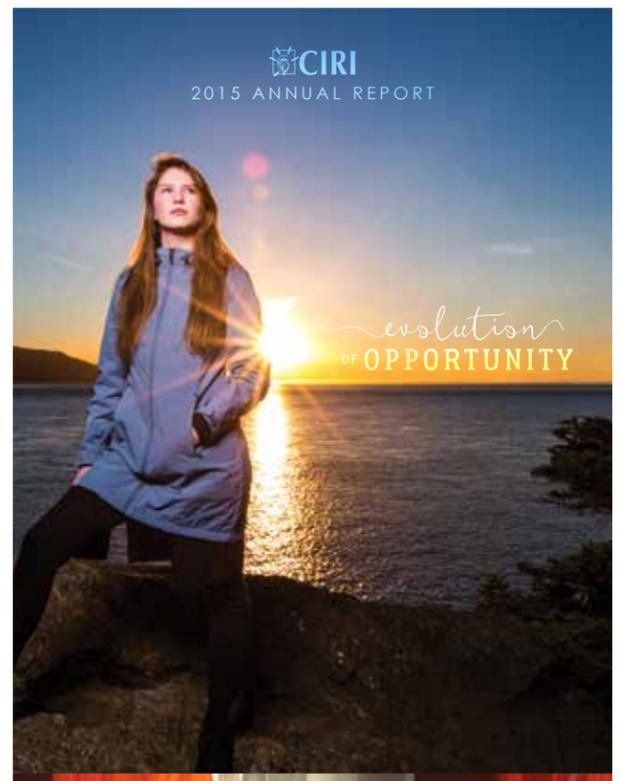
Understanding CIRI's financial statements

CIRI recently released its 2015 Annual Report. This document summarizes the company's performance last year and contains information readers can use to better understand CIRI's business and investments. Annual report financial statements can be difficult to understand. This guide explains key parts of the financial statements that are on pages 25-29 of CIRI's 2015 Annual Report.

The consolidated financial statements include:

- Consolidated Balance Sheets
- Consolidated Statements of Income
- Consolidated Statements of Other Comprehensive Income
- Consolidated Statements of Changes in Shareholders' Equity
- Consolidated Statements of Cash Flows

The consolidated financial statements are accompanied by footnotes that provide additional details about the company's financial position, investments and earnings. An independent auditor, KPMG LLP, audits the financial statements and issues an opinion as to CIRI's conformity with generally accepted accounting principles. Following the financial statements and footnotes is CIRI Management's Discussion and Analysis, which provides additional information about the company's operations and holdings.



December 31,	2015	2014
	(in thousands)	
Assets:		
Cash and cash equivalents	\$ 43,827	23,346
Marketable securities (notes 4 and 12)	29,379	167,278
Trade and other receivables, net (note 5)	88,588	64,974
Restricted cash and cash equivalents and marketable securities (notes 4, 14, 15, and 20)	137,097	38,014
Income taxes receivable (note 19)	6,019	203,663
Investments in unconsolidated affiliates (note 7)	198,581	186,203
Real estate investments, net of accumulated depreciation of \$13,582,000 and \$12,266,000 for 2015 and 2014, respectively (notes 10 and 15)	190,359	22,285
Natural resource investments, net of accumulated depreciation of \$4,000 and \$2,000 for 2015 and 2014, respectively (notes 10 and 15)	22,283	50,088
Energy and infrastructure investments, net of accumulated depreciation of \$5,920,000 and \$4,107,000 for 2015 and 2014, respectively (note 10)	46,784	76,889
Property and equipment, net of accumulated depreciation and amortization of \$69,832,000 and \$64,198,000 for 2015 and 2014, respectively (notes 11 and 15)	77,959	65,269
Goodwill (note 9)	65,269	336
Intangible assets, net (note 9)	106	9,337
Other	10,538	907,082
Total assets	\$ 916,789	907,082
Liabilities and shareholders' equity:		
Liabilities:		
Notes payable (notes 8 and 15)	\$ 161,337	139,219
Accounts payable	20,962	25,206
Income tax payable (note 19)	-	2,125
Accrued liabilities (notes 5, 20 and 21)	18,946	16,660
Due to other regions, at-large shareholders and village corporations (note 16)	15,782	13,812
Deferred income taxes (note 19)	27,719	31,384
Derivative liability (note 13)	1,562	1,658
Other	2,422	1,111
Total liabilities	248,730	231,175
Shareholders' equity:		
Common stock of no par value (note 17)	210,495	208,464
Paid-in capital (notes 8 and 17)	444,212	446,640
Retained earnings	426	(457)
Accumulated other comprehensive income - unrealized gains and losses on marketable securities and cash flow hedge (notes 4 and 13)	655,133	654,647
Total shareholders' equity attributable to Cook Inlet Region, Inc.	12,926	21,260
Noncontrolling interests (note 17)	668,059	675,907
Total liabilities and shareholders' equity	\$ 916,789	907,082

← CONSOLIDATED BALANCE SHEETS

- **Assets:** What the company owns and what is owed to it.
- **Liabilities:** What the company owes.
- **Shareholders' equity:** The net worth of the company, which is equal to company assets minus company liabilities.
- **Cash and cash equivalents and marketable securities:** Cash in bank accounts, money market accounts, equities and bonds that can easily be converted into cash.
- **Restricted cash and cash equivalents and marketable securities:** Cash and marketable securities the company has set aside to pay future liabilities.
- **Investments in unconsolidated affiliates:** CIRI's ownership interests in other corporations, partnerships, limited liability companies and joint ventures in which CIRI does not hold a controlling interest.
- **Natural resource and energy investments:** Land and resource property and energy investments, including the Fire Island Wind project.
- **Liabilities:** Amounts owed by CIRI from debt or costs unpaid at year-end.

CONSOLIDATED INCOME →

CIRI's revenues and expenses are reported by operating segment:

- **Government services income** includes CIRI's operations that provide services to local, state and federal government agencies.
- **Oilfield and constructions services income** is CIRI's share of net earnings from its revenues from oilfield operations services and heavy marine hauling and construction support.
- **Real estate income** includes commercial rental incomes and CIRI's interests in multi-family and retail investments as well as revenues from the sale of real estate holdings.
- **Natural resources income** is from oil and gas royalty revenues and 7(i) resource sharing payments received from other ANCSA corporations.
- **Energy and infrastructure income** is from investments in wind farms.
- **Telecommunications income** was from CIRI's previous ownership interest in a joint venture with T-Mobile.
- **Tourism income** is from CIRI Alaska Tourism Company and CIRI's previous ownership interest in an out-of-state resort and hotel.
- **Private equities income** is from investments in general private equity and venture capital funds that invest in a broad variety of industries, both foreign and domestic.
- **Income per share of common stock** divides the net income by the number of outstanding CIRI shares (627,800), to report the amount of income earned per share.

COOK INLET REGION, INC. CONSOLIDATED STATEMENTS OF INCOME

Years ended December 31,	2015	2014	2013
	(in thousands, except income per share)		
Revenues:			
Government services	\$ 155,151	125,300	99,584
Oilfield and construction services	43,754	60,780	42,091
Real estate	14,625	12,191	6,699
Natural resources	17,069	17,178	14,879
Energy and infrastructure	8,186	9,867	5,136
Telecommunications	-	2	(79)
Tourism and hospitality (note 22)	27,528	74,029	25,475
Private equities	4,467	4,482	21,111
Investment securities	(2,554)	592	34
Total revenues	268,226	304,421	214,930
Expenses:			
Government services	142,383	121,714	94,367
Oilfield and construction services	47,313	59,402	48,896
Real estate	9,741	10,284	11,441
Natural resources	1,325	3,043	1,154
Energy and infrastructure	8,188	10,326	7,047
Telecommunications	1	1	55
Tourism and hospitality (note 22)	23,408	22,279	21,841
Private equities	1,593	1,977	1,778
Investment securities	1,275	1,177	1,071
General and administrative and shareholder relations	18,068	17,324	15,484
Total expenses	253,295	247,527	203,134
Income before income taxes	14,931	56,894	11,796
Income tax (provision) benefit (note 19)	6,463	(6,425)	11,847
Net income	21,394	50,469	23,643
Less income attributable to noncontrolling interests	(894)	(2,241)	(2,264)
Net income attributable to Cook Inlet Region, Inc.	\$ 20,500	48,228	21,379
Income attributable to Cook Inlet Region, Inc. per share of common stock	\$ 32.65	76.82	34.05

(See accompanying notes to the consolidated financial statements.)

THE CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY →

This financial statement shows the year's activity in each of the components of shareholders' equity including current year net income and dividends paid to shareholders.

- Net income as reported in the statements of income.
- Total dividends paid to shareholders during 2015.

COOK INLET REGION, INC. CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Years ended December 31, 2015, 2014 and 2013

	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Equity Attributable to CIRI	Non-controlling Interests	Total
(in thousands, except number of shares)						
Balance as of January 1, 2013	\$ 208,464	421,028	(1,927)	627,565	16,452	644,017
Net income	-	21,379	-	21,379	2,264	23,643
Comprehensive income	-	21,379	-	21,379	2,264	23,643
Change in noncontrolling interests, other than allocation of income	-	-	1,902	1,902	-	1,902
Elders' Benefit Program distribution (note 17)	-	-	-	-	300	300
Cash distributions - \$34.99 per share (note 17)	-	(9)	-	(9)	-	(9)
Balance as of December 31, 2013	208,464	(21,967)	-	(21,967)	-	(21,967)
Net income	-	420,431	(25)	628,870	19,016	647,886
Comprehensive loss	-	48,228	-	48,228	2,241	50,469
Change in noncontrolling interests, other than allocation of income	-	-	(432)	48,228	-	(432)
Elders' Benefit Program distribution (note 17)	-	-	-	-	3	3
Cash distributions - \$35.06 per share (note 17)	-	(8)	-	(8)	-	(8)
Balance as of December 31, 2014	208,464	(22,011)	-	(22,011)	-	(22,011)
Net income	-	446,640	(457)	654,647	21,260	675,907
Comprehensive income	-	20,500	-	20,500	894	21,394
Change in noncontrolling interests, other than allocation of income	-	-	883	883	-	883
Purchase of subsidiary shares from noncontrolling interest (notes 8 and 17)	-	-	-	-	(9,228)	(9,228)
Elders' Benefit Program distribution (note 17)	2,031	-	-	-	2,031	2,031
Cash distributions - \$36.51 per share (note 17)	-	(7)	-	(7)	-	(7)
Balance as of December 31, 2015	\$ 210,495	444,212	426	655,133	12,926	668,059

CIRI's outstanding shares of common stock with no par value totaled 627,800 for the three years noted above.
(See accompanying notes to the consolidated financial statements.)

28 evolution OF OPPORTUNITY

COOK INLET REGION, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS

	2015	2014	2013
(in thousands)			
Years ended December 31,	\$ 21,394	50,469	23,643
Cash flows from operations:			
Net income	7,700	(7,255)	18,105
Reconciliation of net income to net cash provided by operating activities:	14,330	12,147	11,706
(Earnings) losses of unconsolidated affiliates, net of distributions (note 7)	-	23	217
Depreciation and amortization	(8,758)	(3,296)	23
Amortization of premiums and discounts on marketable securities	7,040	1,872	258
(Gain) loss on sale of assets	-	-	162
Unrealized loss on marketable securities	(2,179)	1,242	(2,878)
Accrued loss on exchange rights agreement	270	1,167	1,387
Purchase price adjustment on acquisitions (notes 3 and 8)	-	-	641
Imputed interest expense	-	1,598	578
Write-down for other-than-temporary impairment (note 4)	2,405	7,904	(6,567)
Write-down of goodwill (note 9)	(3,818)	2,620	(5,567)
Write-down of asset value for economic impairment (note 7 and 10)	9,270	1,790	523
Change in deferred income taxes	47,654	70,281	47,798
Changes in operating assets and liabilities, net of businesses acquired (note 3)			
Net cash provided by operations	109,811	137,787	48,740
Cash flows from investing activities:	(105,629)	(222,272)	(93,820)
Proceeds from sale of marketable securities	-	983	1,096
Purchases of marketable securities	22,975	11,253	998
Proceeds from disposals of telecommunication asset	608	521	13,432
Proceeds from disposals of construction services investments	11,042	8,152	3,895
Proceeds from disposals of real estate investments	3,948	18,659	-
Proceeds from the disposal of other assets	(102)	-	-
Capital returned from investments in private equities	(6,000)	-	(11,984)
Capital returned from investments in unconsolidated affiliates (note 7)	(27,767)	(31,378)	(28)
Sale of consolidated investment	-	-	(10,588)
Investment in government services	(37,436)	(2,070)	(13,401)
Investment in real estate	(8,109)	(11,266)	(13,924)
Investment in natural resources	(20,402)	(21,012)	(56)
Investment in energy and infrastructure, net of grant proceeds (note 14)	(13)	(255)	-
Investment in operating property and equipment	(57,074)	(110,898)	57,898
Investment in private equities			
Investment in partnerships and limited liability companies			
Net cash (used in) provided by investing activities	39,041	73,123	34,926
Cash flows from financing activities:	(15,015)	(47,126)	(93,773)
Proceeds from issuance of debt	(1,197)	3	300
Principal payments on notes payable	30,000	-	(30,000)
Contribution from (distributions to) noncontrolling interest holder	(7)	(8)	(9)
(Increase) decrease in restricted cash and cash equivalents from financing	(22,921)	(22,011)	(21,967)
Distributions to Elders' Benefit Program	29,901	3,981	(116,523)
Distributions to shareholders	20,481	(36,636)	(10,827)
Net cash provided by (used in) financing activities	23,346	59,982	70,809
Net increase (decrease) in cash and cash equivalents	43,827	23,346	59,982
Cash and cash equivalents at beginning of year			
Cash and cash equivalents at end of year			

(See accompanying notes to the consolidated financial statements.)

2015 ANNUAL REPORT 29

← CONSOLIDATED STATEMENTS OF CASH FLOWS

This statement shows how CIRI used or received cash during the year.

- CIRI generated \$47.7 million from its operations in 2015.
- CIRI invested a net \$57.1 million in 2015 in a variety of operating companies, interests in partnerships and marketable securities.
- CIRI paid \$22.9 million in shareholder dividends in 2015.

GLOSSARY OF FINANCIAL TERMS

Asset: Something of value that is owned, including cash and items that are convertible to cash. Examples of assets include receivables (monies owed to the company), inventories (supplies), property and equipment (buildings, land, machinery, etc.).

Consolidated Balance Sheets: These reports show what a corporation and its subsidiaries own (assets) and owe (liabilities) at a certain date. They also show shareholders' equity.

Consolidated Statements of Cash Flows:

These reports show the amount of cash received and spent during a fiscal year, including:

- Cash received or spent operating a business
- Cash received or spent buying and selling assets
- Cash borrowed or paid on debt and/or paid to shareholders.

Consolidated Statements of Income: These reports show the combined revenues, expenses and net income or net loss of a company.

Consolidated Statement of other Comprehensive Income: These reports show non-cash gains (or losses) not recognized in the Statements of Operations.

Expenses: The costs required to generate revenue. For example, fuel to operate construction equipment.

Fiscal year: CIRI's fiscal year is Jan. 1 through Dec. 31.

Liability: A company's legal debt or obligation that arises during the course of business operations.

Liquidity: Cash and current assets sufficient to satisfy a company's liabilities and commitments as they come due.

Marketable securities: A general term for stocks, bonds or other investments that can be sold on the open market.

Net income: When total revenues exceed total expenses.

Net loss: When total expenses exceed total revenues.

Revenue: The money received from operating a business or earned from holding an asset.

Total shareholders' equity: Total assets minus total liabilities.

MISSING SHAREHOLDERS, CONTINUED FROM PAGE 04

- | | |
|-----------------------------|-------------------------------|
| Diana Marie Call | Daniel Paul Nicodemus |
| Rosalind Clara Carteeti | Kellen St-Clair Okpealuk |
| Charlene Marie Charls | Arnold Terence Olanna |
| Michael James Cooper | Crystal Michaela O'Neill |
| Salina Lynn Cooper | Bryan Lee Outwater |
| Tamra Lee Cox | Joyce Marie Parks |
| Anita Jewell Davis | Nettie Elizabeth Peratrovich |
| Juan Eugene Delacruz Jr. | Catherine Mae Peterson |
| Jacob Wesley Donaldson | Norma Propst |
| Jessica Carolee Donaldson | Alan Robert Prosser |
| Christy Lynn Downs | Robert Pushruk |
| Owen Francis Eben | Evelyn Ruth Reisch |
| Adam Louis Eichholz | Garrett Clayton Rowe |
| Lisa Marie Endres | Michael James Schatz |
| David James Engelstad | Gregory Robert Schelin |
| Anthony Davis Estabrook | William Jack Schneider Jr. |
| Rachel B. Fisk | Frank Michael Shearer |
| Maribeth Forrest | Shane Allen Shumaker |
| William Joseph Fuller | Katie May Sledge |
| Susan Helene Gonzalez | Selena Kathleen Sletten |
| Robert Dean Gransbury | Charles Edward Smith II |
| Richard David Grossl | James Earl Smith |
| Charles Randolph Grosvold | Lawrence Morris Starkloff |
| Nathanal James Hahn | John John Stephan |
| Kalila Carol Hill | Sheila Elizabeth Stroud |
| Jared Jay Hoyt | Jason Robert Joseph Sutton |
| Casey Joe Jackson | Regina Dawn Swieczwski |
| Hilda H. Jacobs | Veronica Ann Takeuchi |
| Christopher Marion-Stone | June Elaine Thiele |
| Jacobsson | Rochelle June Thurmond |
| Beverly Ruth James | Paul Jones Tocktoo |
| Melissa Ann Jones | Andy Raymond Thurmond |
| Ella Lucille Kalmakoff | Tomlinson |
| David Michael Karabelnikoff | Martha Jean Toon |
| Alyssa J. Kashevaroff | Lukas Milan Tucker |
| Joshua I-G-S Kerr | Martin Sean Tucker |
| Marion L. King | Mathew Alan Tucker |
| Richard Allen Kruger | Cyril M. Tyson |
| Kalaniola Toi Myl Lee | Amanda Danielle Varney |
| Cammy Sue Lockridge | Lorraine E. Wade |
| Brian Kurt Long | Terrilyn Irene Wamser |
| Barbara Ann Lougheed | Kayleigh Edith Ward |
| Michael Allan Love | Anthony Wayne Waterbury |
| William Dean Luttrell Jr. | Christopher Allan Watson |
| Maria Elizabeth Malven | Ralph Lee Watson |
| Melvin Arthur Mattson | Anwar Lee Wheeler |
| Christan Lee McDonald | Brandy Jean Whitcomb |
| Amber May Miller | Steven John Whitley |
| Jack Joseph Milligan | Walter Stanislaus Whitley Jr. |
| Kathy Ann Monroe | Jennifer Marie Wilson |
| Ralph Nicholas Moonin | Joseph George Wilson |
| Shaun Michael Moore | William Robert Woodbury |
| Roger Newton | |

DAY 001: VOICES OF RECOVERY

Produced by 90.3fm KNBA, a Koahnic Broadcast Station, "Day 001: Voices of Recovery" celebrates the true stories of Alaskans overcoming alcohol addiction. Each mini documentary reflects on the turning point in the narrator's life and where the journey of recovery has taken him or her.

View the video series by visiting Koahnic's website, www.knba.org.

www.knba.org



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Submit your stories & ideas to info@ciri.com

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2016 ANNUAL MEETING PRIZES

Vote Early and Win!

To encourage early submission of proxies, CIRI has added \$14,000 in new Early Bird prizes!

If you own voting shares, you should have received your proxy in the mail along with your CIRI Annual Report and Voter's Guide and Proxy Statement. The proxy is the document on which your mailing address appears. If for any reason you need a replacement proxy, contact CIRI's Shareholders Relations department: (907) 263-5191 or toll free (800) 764-2474 (select option zero).

Shareholders whose proxies (for any proxy holder or candidate) are received by the Inspector of Election or the CIRI Secretary by 5 p.m. Alaska Daylight Time on the deadline date for a particular drawing will be eligible for that drawing and all subsequent drawings. While shareholders who win an Early Bird Prize are not eligible to receive another Early Bird Prize this year, they remain eligible for the Annual Meeting prize drawings.

Prize winners will be notified by CIRI and their names published in the newsletter and on CIRI's website.

Early Bird Prize Deadlines:

April 29, 2016	Two prizes of \$1,000
May 6, 2016	Four prizes of \$1,000
May 13, 2016	Two prizes of \$3,000
May 20, 2016	Two prizes of \$5,000

All proxies must be received by 2 p.m. Alaska Daylight Time, Thursday, May 26, 2016.

