



HAIDA
CORPORATION

FALL 2013, ISSUE 3
NEWSLETTER

www.haidacorporation.com



SAVE THE DATE!

The Haida Corporation asks you to save the date

Our Annual Meeting will be Saturday, Dec. 7

For more information visit haidacorporation.com

CORPORATION MAKES 14(C)(3) CONVEYANCE A PRIORITY, A HOMESITE DISTRIBUTION IS POSSIBLE

The Haida Corporation is moving toward its 14(c)(3) conveyance as required by the Alaska Native Claims Settlement Act with the potential of distributing homesites to shareholders.

During its third quarter meeting on Sept. 13 and 14, the Haida Corporation Board of Directors agreed to work with the city on an expedited process that could result in a conveyance and possibly a distribution of homesites to shareholders as soon as the end of 2014.

“Homesites are one of the most substantial benefits that the Haida Corporation can provide to its shareholders,” Haida Corporation Chairman Vincent Jameson said.

The Haida Corporation’s next

step, anticipated in the next two months, will be to issue 14(c)(3) plats. The City of Hydaburg will then implement the plats, and apply for title to lands conveyed. Important to this process is the City’s land use plan, which will set out a strategy for extending water, sewer and other infrastructure to new development in Hydaburg. Homesite distribution could follow, Jameson said, if the Board of Directors approves.

The City would in time provide the necessary municipal services to the new neighborhoods. The Hydaburg Cooperative Association would have the role in accessing Bureau of Indian Affairs grants to fund infrastructure improvements.

The distribution of the 14(c)(3) conveyance and homesites would result in the corporation giving away more than one-quarter of its Hydaburg area land holdings.

INSIDE THIS ISSUE

- 2 FOREST MANAGEMENT PLANNING GRANT RECEIVED
- 3 AUDIT FINDINGS FOR 2011, 2012
- 4 ACTION PLAN UPDATE

PHOTOS ARE COURTESY OF LISA LANG & OTHER FRIENDS

FOR MORE INFORMATION: HAIDACORPORATION.COM

GRANT TO FUND FOREST PLAN

The Haida Corporation has received a \$19,000 matching grant from the Alaska Department of Natural Resources, through which the Haida Corporation will develop a Forest Stewardship Plan. The corporation's match was \$6,500. The term of the grant is one year.

The Forest Stewardship Program is a nationwide program that provides natural resource planning assistance to non-industrial private forest landowners. The goal is to help landowners to develop stewardship plans.

The program was established by Congress in 1990 and is administered in Alaska by the Department of Natural Resources, Division of Forestry. The Division of Forestry, in consultation with the Alaska Stewardship Coordinating Committee, offers this grant to encourage stewardship planning among large land ownerships, especially Alaska Native Corporations.

The Haida Corporation has contracted Clare Doig, who is president of Forest and Land Management Inc. in Anchorage, to draft the Corporation's forest stewardship plan.

"By developing a plan, we are setting the stage for the Haida Corporation to enter into silviculture, which in the long run will help us to create a larger employment base in Hydaburg," said Haida Corporation Treasurer Lisa Lang.

ABOUT THE STEWARDSHIP PLAN

A stewardship plan is a ten-year management plan which addresses all forest resources. The plan must include the following resources:

- Wildlife habitat
- Fish habitat
- Water /Wetlands
- Forest and Timber
- Soils
- Recreation
- Cultural & Archeological Sites



Conveyance (continued)

"If we distribute homesites, we will distribute them fee simple," Vincent Jameson said. "This is because the Board of Directors cannot fund a buyback program."

In 1998 the Haida Corporation Board of Directors approved Resolution 9812 establishing the shareholder's buyback program and setting aside \$3.3 million to fund it.

By 1999 the shareholders approved the partial liquidation of the corporation, resulting in the corporation being able to use the money to buy back lots. But between 2000 and 2002, the Board of Directors voted to put \$3.3 million in a dividend program, and later asked the shareholders to liquidate the corporation, resulting in \$9.9 million being distributed.

These actions effectively put 14(c)(3) land conveyance on the backburner.

In 2006, Haida Corporation with the City and the Tribe formed an alliance organization to move the 14(c)(3) conveyance forward. This coalition is the forerunner of the United Front. Through the United Front, a land use planning process that is necessary to moving forward began in 2011.

"The 14(c)(3) land conveyance is an opportunity for the city to grow," said Hydaburg Mayor Tony Christenson. "A homesite distribution would bring more Haida families back home to Hydaburg."

AUDIT FINDS GAPS IN 2011-2012 RECORDS



Peterson Sullivan, a Seattle-based CPA and advisory firm, has submitted a draft Consolidated Financial Report to the Haida Corporation for years 2011 and 2012.

The report details increases in corporate costs by more than \$500,000 during this period. One of the reasons was that Haida Corporation was paying Haida Energy expenses without a budgeted line item, even though there were other resources for funding Haida Energy.

Among the key findings: In 2011 Haida Corporation didn't have a budget for its subsidiaries but expenses were growing. In 2012 neither Haida Corporation nor the subsidiaries had budgets. No records were kept about Haida Corporation expenses. In 2011 there were only partial meeting minutes for

Haida Corporation, and no minutes for either Haida Energy or for Haida Construction. In 2012 there were no meeting minutes at all.

“What happened in 2011 and 2012 is appalling,” said Haida Corporation President Toni Bitonti. “And the Board of Directors is going to continue to investigate what happened to the Corporation’s resources.”

Course Corrections

The Haida Corporation sought the audit in 2013, as part of a reorganization called for in the 2013 Action Plan by current Haida Corporation President Toni Bitonti and Chairman Vincent Jameson. Many reforms began in the early last winter when Haida Corporation approved its first budget in more than two years.

In March, the Haida Corporation staff received training in book-keeping software, ending the Corporation’s dependence on an outside CPA for every day operations.

In May the corporation moved its investment (the general fund, the Settlement Trust and the Elders Trust) from Well Fargo to TIAA-CREF, an investment firm that specializes in working with foundations, non-profits and governments.

In September, Haida Corporation closed its 13 checking accounts at Well Fargo and opened three business accounts at First Bank in Southeast Alaska.

At its Sept. 13-14 The Haida Corporation Board of Directors voted to hire a part time general manager to carry out the reforms.

AUDITORS IDENTIFIED SEVERAL SPECIFIC ISSUES, INCLUDING:

- **No minutes exist from 2012, and only partial minutes in 2011**
- **No budgets were filed in either year**
- **No record exists for meetings of the Elders Trust or the Settlement Trust in 2012**
- **No documentation exists for a credit card reimbursement in excess of \$2,000 to the 2012 Haida Corporation President**
- **13 separate checking accounts had been opened at Wells Fargo Bank with no record of authorization**



HAIDA
CORPORATION

P.O. BOX 89 | HYDABURG, AK 99922

HAIDA CORPORATION

FALL 2013 ISSUE 3

STRATEGIC ACTION PLAN 2013 UPDATE

The Haida Corporation Board of Directors and staff have completed every major task in its six month Action Plan for the first half of 2013. And the Board of Directors has asked Red Hummingbird Media Corporation, a majority Alaska Native owned business, to draft another six month Action Plan to carry the Corporation through the first quarter of 2014.

Action plan objectives achieved in the first six months of 2013 include:

- Standing up for Haida Corporation's rights in negotiations partner Alaska Power & Telegraph over construction of Haida Energy
- Increased accountability in office management, including having staff take over book keeping
- Held the first shareholder meetings in two years
- Published a quarterly shareholder newsletter
- Established a budget, reduce spending from 2011 and 2012 levels
- Obtained an audit for 2011 and 2012
- Moved investment account to a higher yielding investment firm
- Took substantial steps toward 14C3 Homesite Distribution
- Held meetings of the Elders Trust and Settlement Trust
- Began to diversify Haida Corporation business activities, through silviculture and tourism