

# *March 18: Annual Shareholders meeting.*

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## Reading the Annual Report

In mid February NANA will send each shareholder a copy of its annual Report which will include audited financial statements. The annual Report is published under requirements of the Alaska Native Claims Settlement Act. It includes audited financial statements to tell the shareholders about NANA's finances, the financial results of its business operations, and the changes in its financial position and stockholders equity (ownership). Even though the financial statements are prepared in accordance with "generally accepted accounting principals" and are audited by a firm of certified public accountants, they are often difficult to understand. The following explanations should assist shareholders in understanding these financial statements.

The first of the the two financial statements in the Annual Report is NANA's consolidated Balance Sheet. It shows the Company's financial position as of the end of the current and previous fiscal years. Financial position is the level of the Company's assets (things it owns), it's liabilities

(what it owes), and the amount by which the assets are more than the liabilities which is the stockholders' equity. Stockholders' equity should also be said to be that portion of the Company's assets which are owned by the Stockholders.

Assets and liabilities are either current or noncurrent. Current assets are those which are held in cash or can be turned into cash within the next year, and current liabilities are those which must be paid within the next year.

It is important to recognize that the lands granted to NANA under the Alaska Native Claims Settlement act are not reported as an asset on the balance sheet because the value of the lands could not be determined at the time when they were granted to NANA.

One of the important amounts reported on the balance sheet is NANA's retained earnings. Retained earnings are the income which NANA has earned since being formed which has not been paid out to the shareholders in dividends. These unpaid amounts are carried over to the next year for future use by the Corporation.