

Annual Report 2015



Norton Sound Economic Development Corporation

Brevig Mission • Diomede • Elim • Gambell • Golovin • Koyuk • Nome • Savoonga • Shaktoolik • St. Michael • Stebbins • Teller • Unalakleet • Wales • White Mountain



Message from the Chairman



The morning light and mist give definition to hills.

2015 was a very successful year for Norton Sound Economic Development Corporation (NSEDCC) and our 15 member communities. As a board, we have focused on providing economic development, while making sound decisions to ensure a bright and beautiful tomorrow. Nothing is promised, but let those who will be in our seats in the future know that the leaders of today were responsible and mindful and sustainably managed the corporation for future successes.

Since our incorporation in 1992, NSEDCC has grown significantly, allowing for meaningful contributions to the communities we serve. These contributions, through benefit programs and employment expansion, are possible through the Community Development Quota (CDQ) program under the Magnuson-Stevens Act (MSA). It is important for Norton Sound residents to be aware that through the CDQ Program, NSEDCC, on behalf of Norton Sound communities, receives an allocation of Bering

Sea/Aleutian Islands fisheries. Our mission and task is to take these earnings and reinvest in our 15 member communities. We should all be grateful for the allocation of resources. With our earnings, the NSEDCC Board of Directors promises to mindfully manage those resources to the greatest benefit of the communities we serve.

Throughout this report, you will see the impact NSEDCC had in the region in 2015. Through our benefits and research programs,

employment opportunities, and NSSP operations, we are proud of our service to our communities. It is, after all, the needs and well-being of our 15 member communities that guide our every decision in the board room and in the walls of our offices.

Thank you, Norton Sound residents, for being the ever-present inspiration and guide in our direction.


Oscar Takak, Chairman of the Board

A hearty plant: Glaucous Bluegrass reflects the light of the sun in the early morning hours. A lone fireweed stalk glows.







It's 55 degrees, the sun is rising and people are drinking their morning cups of coffee. The sound of a four wheeler starting up breaks the welcoming silence that starts the day. Someone walks over, turns the radio on and the day begins.

One lady thinks about the net she and her brothers are going to pull that day. She hopes they have a good delivery of Coho as their motor is now paid off and they're making a good profit. As she makes breakfast for her kids, she remembers her dad and waking up to the smell of his sourdough pancakes. She starts the day grateful he took her out fishing when she was young, because she loves being out on the water and working with her brothers.

One man thinks about his shift that

soon begins at the fish plant. He's glad it's sunny. The sunlight affects the mood of those cutting fish and packing, and he should have an enjoyable day.

A college student is drinking her coffee while the silvers slowly swim over the flash panel. She studiously takes note of how many and which ones she's counted. She feels a slight breeze and is happy for it because the gnats have been pestering her for a bit. The salmon season is coming to a close and she feels empowered having learned how to take care of a jet unit motor and build a storage shed. As she climbs down from the counting tower she rethinks the courses she signed up for. Classes start in a few weeks.

A young man is starting his day on the Bering Sea crabbing vessel, the *Patricia Lee*. It's tough work,

but he grew up heading out in the ocean to commercial fish every summer with his family. He likes the physical work, the captain, and while he sometimes misses home, he knows he'll be back after the boat ports at Dutch Harbor.

Norton Sound Economic Development Corporation (NSEDCC), through the Community Development Quota (CDQ) program, undoubtedly has made a difference in the 15 member communities in the Norton Sound. Each day we are held accountable and given direction by our mission and communities. Daily, we strive to maximize the benefit to our communities through our operations, programs and services while looking ahead to ensure our presence will remain strong in the future.



Above: The sun rises to the east before the busy day begins in the Norton Sound.

Norton Sound Economic Development Corporation (NSEDCC) is one of six Community Development Quota (CDQ) groups in Alaska. Representing 15 communities and more than 8,700 residents in the Norton Sound region, NSEDCC's mission is to provide economic development through education, employment, training and financial assistance to our member communities.

Through participation in the Bering Sea/Aleutian Islands fisheries, NSEDCC fulfills our mission by reinvesting earnings into the Norton Sound region. These investments are directed by a 15-member board, with each member representing one of the communities in the CDQ group.

MISSION: NSEDCC will participate in the Bering Sea fisheries to provide economic development through education, employment, training and financial assistance to our member communities.

These investments are conducted through our Norton Sound Seafood Products (NSSP); Norton Sound Fisheries Research and Development; Education, Employment and Training; and Community Benefits programs that provide economic develop-

ment and financial assistance to member communities.

NSEDCC has offices located in Anchorage, Nome and Unalakleet, with a large majority of full-time staff located and working directly in the region. Every summer, hundreds of residents are seasonally employed during the busy fishing and field season. These residents either work in processing plants, on tender vessels, at buying stations, salmon enumeration camps, or as office assistants. NSEDCC has and will remain intent on our mission to provide economic development.

This report highlights the work accomplished in the various NSEDCC operations and departments in 2015.



NORTON SOUND SEAFOOD PRODUCTS

Thanks to quality, sustainable, and well-managed resources from the waters of the Norton Sound, NSEDC supports and services regional commercial fisheries for residents in our member communities. With more than \$4.56 million paid to Norton Sound salmon, crab, halibut, miscellaneous finfish and herring fishers, and nearly \$3.5 million paid to 261 seasonal employees, Norton Sound Seafood Products (NSSP) remains the strongest driver in NSEDC's efforts to strengthen the economies in the region.

NSSP operations include processing plants in Nome, Unalakleet and Savoonga; buying stations in Shaktoolik, Golovin, Moses Point (Elim) and Koyuk; and a fleet of tender vessels—all to support in-region fisheries and to provide meaningful employment for hard-working men and women in the Norton Sound.

Vessel Fleet

In 2015, 20 seasonal employees were hired for NSEDC's vessel operations with \$595,634 in crew wages earned. NSEDC operated six vessels in the region to support Norton Sound fisheries operations. These vessels purchase fish directly from fishers and transport product to the processing facilities.

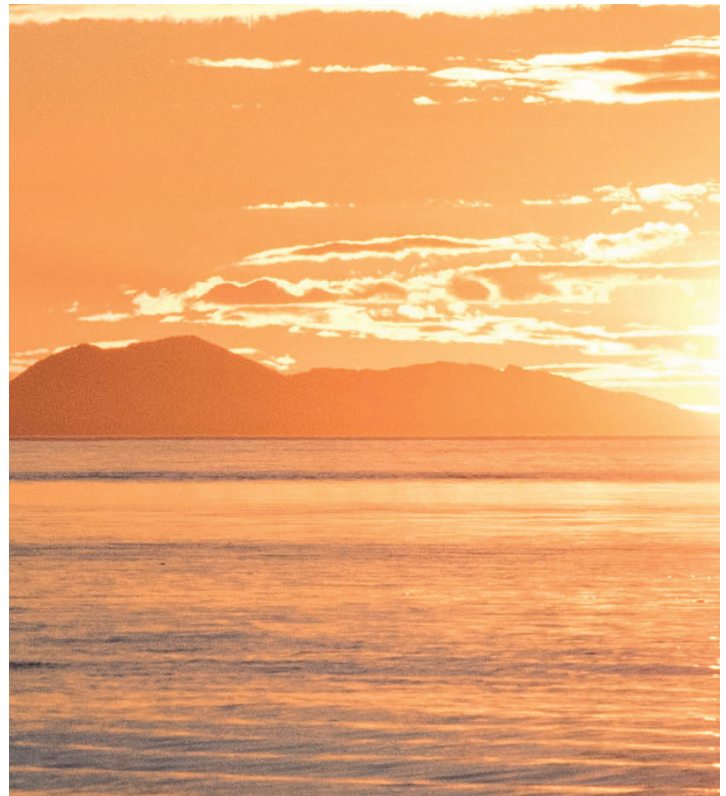
Buying Stations

In 2015 NSEDC operated fish buying stations in Shaktoolik, Golovin, Koyuk, and Moses Point (Elim). These stations allow fishers to sell fish close to home and also permit fishermen flexibility without the need to schedule pulls and sets based on a tender's arrival. In 2015, 23 residents from member communities were employed at buying stations, with \$541,267 in wages paid.

Processing Plants

NSEDC operates processing plants in Unalakleet, Nome and Savoonga. 125 individuals were hired to support salmon processing in Unalakleet, 82 individuals were hired to support crab and halibut processing in Nome, and 10 individuals were hired to support halibut processing in Savoonga. In 2015, more than \$2.33 million in wages was paid to 217 resident seasonal employees at the seafood processing plants, not including NSSP administration.

To provide opportunity to individuals who live in member communities outside of Nome and Unalakleet, NSSP provides a housing stipend to those hired. These individuals also have their travel paid so they can benefit from the employment opportunities created during the summer fishing season. In 2015, 52 residents worked in Unalakleet under the program while 14 residents worked at the Nome plant.



Commercial Fisheries

During 2015, Norton Sound Seafood Products purchased four species of salmon, Norton Sound red king crab, Pacific halibut, and bait fish, including Dolly Varden, herring and tomcod. Hard working regional fishers and strong local fisheries resources allowed NSEDC to again break a record and pay out more than \$4.56 million to resident fishers.

CRAB

The Norton Sound red king crab fishers are provided two seasons for harvest and delivery to NSSP. In the 2015 summer fishery, 36 fishers delivered a total harvest of 428,656 pounds of red king crab with an ex-vessel value of \$2 million in a record 26-day fishery. In the 2015 through-the-ice winter crab fishery, 42 fishers delivered a total harvest of 47,468 pounds of red king crab with an ex-vessel value of \$295,411.

SALMON

Norton Sound salmon has long been an important resource for Norton Sound residents and it remains so in the commercial fishery. Since 2005, the total number of participants in the salmon fishery nearly tripled, with the ex-vessel value growing from \$296,200 to nearly \$2 million in the 10-year period. In 2015, 137 fishers delivered a total harvest of nearly 2.5 million pounds of Norton Sound Chinook, sockeye, Coho, chum and pink salmon with an ex-vessel value of more than \$1.9 million.

HALIBUT

While the Norton Sound Pacific halibut fishery is not the largest in-region commercial fishery, it is highly valuable for the residents who have the opportunity to harvest. Fished off of St. Lawrence Island and Nome, 52,994 pounds of halibut, with an ex-vessel value of \$230,446, were delivered in 2015 by 24 fishers.

BAIT

To support commercial crab fishing in the Norton Sound, NSSP purchases bait fish from member community residents throughout the year. Although small, the fishery allows residents to participate and make deliveries with little investment. In 2015, 27 fishers delivered either tomcod, Dolly Varden or herring to NSSP, earning \$50,300.

2015 NSSP Harvest by Community

Community*	Pounds									
	Salmon				CDQ Crab	O/A Crab	Winter Crab	Halibut	Misc. Finfish	Herring
	Red	Coho	Chum	Pink						
Brevig Mission									81	
Elim	10,069	115,684	209,798	7,657	-	6,513	1,789	-	-	-
Golovin	8,775	57,669	149,462	5,090	-	57,326	136	-		-
Koyuk	2,212	74,803	162,889	27,696	-	-	-	-		-
Nome	477	85	30,723	1,841	24,339	178,578	39,761	42,268	4,374	-
Savoonga	-	-	-	-	-	-	-	10,726	-	-
Shaktoolik	4	205,000	188,293	55,181	-	55,273	4,820	-	-	15,442
Unalakleet	4,119	772,916	275,995	118,249	5,137	34,760	195	-	9,141	130,180
St. Michael	-	-	-	-	-	-	61	-	-	-
Stebbins	-	-	-	-	-	-	29	-	-	-
White Mountain	-	-	-	-	-	19,262	677	-	-	-
Totals	25,656	1,226,287	1,017,170	215,714	29,476	351,715	47,468	63,771	9,141	145,622

* "Community" refers to where a fisher resided, not necessarily where he or she fished.

NSSP Loan Programs

NSEDC helps resident fishers participate and become more competitive in the Norton Sound commercial fisheries through our loan programs. Loans are available for Norton Sound fishers targeting catches that include herring, salmon, red king crab, halibut and bait fish. Residents are also provided with brokerage services, matching up buyers and sellers of boats and permits. NSEDC has offered loan services to Norton Sound residents since 1993.

REVOLVING LOANS

Low-interest loans are provided with minimal down payments to local residents for vessel and equipment upgrades, and for purchasing fishing gear, outboard motors, Norton Sound salmon permits, Norton Sound herring permits, and Norton Sound red king crab License Limitation Program (LLP) permits.

In 2015, NSEDC made 23 loans totaling \$241,521 to residents in the communities of Elim, Golovin, Koyuk, Nome, Savoonga, Shaktoolik and Unalakleet.

Revolving Loan Terms:

- \$25,000 maximum for permit holders
- Up to 7-year payback term
- 10% minimum down payment
- Credit check and 90-day delinquency limit
- 0% interest for three years
- 2% interest commencing in fourth year of loan

LARGE VESSEL LOANS

The Large Vessel Loan program provides further assistance to local fishers in acquiring suitable vessels and vessel re-powers for participation in the Norton Sound red king crab and 4D/4E halibut commercial fisheries. NSEDC designed the Large Vessel Loan Program to maximize benefits to fishers at minimal cost. In 2015, one large vessel loan was made for a total of \$43,704.

Large Vessel Loan Terms:

- \$100,000 maximum for LLP holders & \$75,000 maximum for non-LLP holders
- Up to 10-year payback term
- 10% minimum down payment
- Credit check and 90-day delinquency limit
- 0% interest for three years
- 2% interest commencing in fourth year of loan







COMMUNITY BENEFITS

The majority of Community Benefits department funding is guided by Norton Sound residents. NSEDC understands that residents best know the needs of their community and invests in projects and programs allowing municipalities, tribal organizations and local nonprofits to apply millions of dollars in NSEDC funding to their specific needs. Investments also happen on a smaller scale, offering direct assistance to families or providing donations for fundraising efforts.

NSEDC has a variety of programs that truly benefit the communities and individuals in the Norton Sound region.

2015 Outside Entity Grant Funding		
Organization	Project Title	Amount
Brevig Mission School	Healthy Hearts, Healthy Hands, Healthy Habits	\$33,274
Sitaisamiut (Brevig Mission)	Carnival	\$2,000
City of Elim	Mini Truck	\$40,093
Gambell School	Gambell Winter Athletic Program	\$30,604
Chinik Eskimo Community (Golovin)	M.L. Olson Playground Equipment	\$60,000
AAU Bering Sea Storm	Nome Girls Basketball	\$25,000
Native Village of St. Michael	EPA/IGAP Program	\$12,674
Stebbins Community Association	ABDC VLTP Free Tax Services	\$3,000
Stebbins Community Association	Reindeer Corral Administration	\$60,000
Stebbins Community Association	T-112 Omnidirectional Siren	\$18,000
City of Teller	City Equipment	\$17,376
City of Teller	Outside Building Paint Project	\$18,755
City of Unalakleet	Volunteer Fire Department Pumper Truck & Supplies	\$32,000
Covenant Bible Camp	Leadership Development Initiative	\$11,627
Native Village of Unalakleet	Elders' Nutrition & Caregiving Program	\$51,000
Native Village of Wales	2015 Kingikmiut Dance Festival	\$40,760
Regional Grants		
Norton Sound Health Corporation	Bering Strait Consortium Nursing Degree Program	\$100,000
Fisheries-related Grants		
ADF&G	NSEDC Fisheries Intern Program	\$60,872
Native Village of White Mountain	Ichupak Instream Flow Reservation & Fish Documentation	\$149,968
Total		\$809,237

Outside Entity Funding

NSEDC annually sets aside money to contribute to regional efforts to fund programs, projects and activities that benefit member communities. In 2015, NSEDC awarded \$598,398 toward Outside Entity Funding projects. Each community was allocated \$60,000 for projects and/or programs identified as a priority. A Community Review Committee (consisting of each respective community's NSEDC Director and at least two appointed residents) prioritized the community's funding requests. Those recommendations then went to the full board for approval, all of which in 2015 were approved. Communities that do not allocate their full amount of OEF funds were able to carry the remaining balance forward to 2016. An additional \$100,000 is reserved each year for proposals that have a regional impact. Regional proposals are reviewed by NSEDC's full board.

Large Infrastructure Program

The Large Infrastructure Program is NSEDC's newest funding initiative, started in 2015 to address municipal and civic building needs for our member communities. The program allocates an overall total of \$1 million per member community, with an additional \$1 million reserved for regional infrastructure needs. Facilities constructed or renovated with NSEDC funding must serve all members of a community. NSEDC approved \$2,561,398 in grants in the region in 2015. In part, the cities of Gambell, Savoonga and Little Diomedé each received \$300,000 for clinic construction, and the cities of Shaktoolik and Elim received a total of \$455,987 for VPSO housing.

Shoreside Infrastructure Improvement

Since 1993, NSEDC has invested in shoreside infrastructure in the region and remains committed to developing projects that support the region's fisheries. The Shoreside Infrastructure Improvement program provides funding for renovation and construction of fish processing facilities, dock or harbor facilities, or other infrastructure within NSEDC programs. The Nome NSEDC office remodel and Shaktoolik Norton Sound Seafood Products Fishery Support Facility were both funded in 2015.

Community Investments

COMMUNITY BENEFIT SHARE

NSEDC has invested directly into the region through the 16-year history of the Community Benefit Share program, with \$23.7 million allocated to each of our 15 member communities since 1999. In 2015, the NSEDC Board of Directors dedicated \$2.25 million to the program, equating to \$150,000 for each community.

NSEDC provides this monetary distribution for communities to use as they determine. The effectiveness of this approach stems from the program's guidelines created in 1999. Through a public meeting process, residents and leaders in each community decide how the Community Benefit Share will best be utilized for the community's needs.

SMALL BUSINESS INITIATIVE

NSEDC rewards innovation through the Small Business Initiative (SBI) program. In 2015, NSEDC sponsored the 8th SBI, supporting entrepreneurs in developing or expanding their businesses.

The competitive grant process divides \$150,000, with a \$35,000 maximum, among awarded proposals. In 2015, NSEDC received 23 SBI applications, and a panel of independent judges selected four recipients. Since the SBI's inception in 2008, NSEDC has awarded \$862,628 to 40 small business owners in the region.

2015 Small Business Initiative Grant Winners				
Business	Owner	Description	Location	Award
Cool Cutz	Matthew Medlin	Barber Shop	Nome	\$22,653
F&T Store	Frieda Tocktoo and Terrence Southall	Store	Brevig Mission	\$34,975
Nome Animal House	Sandra Morgan	Pet Store/Vet Care	Nome	\$35,000
Toyo Tech Center	Steve Smith	Toyo Stove Service and Repair	Nome	\$35,000

HEALTHY COMMUNITIES

While NSEDC contributes to the economies of our communities, we also take pride in supporting healthy activities in a variety of ways. NSEDC supports the youth in the region through the Little Dribblers and Middle School Athletics program by donating \$3,000 to each school's youth basketball program and \$3,000 to middle school athletics programs.

NSEDC also provides \$20,000 grants to member communities for organizations or programs that focus on substance and alcohol abuse prevention activities. NSEDC Board Members help direct the funding in their communities.

Energy Programs

CONSOLIDATED BULK FUEL

Fuel is one of the largest expenses for households and businesses in rural Alaska. Through the Consolidated Bulk Fuel program, NSEDC groups orders and negotiates fuel prices for participants in member communities, which ultimately results in lower fuel prices.

On behalf of the participants, NSEDC acts as a fuel purchasing agent and charges no interest or fees for administering the program, truly giving benefit to the participants. NSEDC pays the fuel supplier directly, offering participants a one-year payment plan, payable to NSEDC.

In 2015, Crowley Marine Services began the first of a three-year contract and delivered 1.8 million gallons of diesel and 492,000 gallons of gasoline worth more than \$5.75 million to 24 participating vendors and entities.

COMMUNITY ENERGY FUND

The Community Energy Fund (CEF) promotes the development of efficient energy systems that are feasible, sustainable and environmentally sound, supporting the goal of reducing the energy costs for households and community facilities. The NSEDC Board of Directors allocated \$1 million to each of our 15 member communities, contributing to long-term solutions that decrease the high cost of energy. Awards in 2015 included \$45,276 to the City of Elim for the installation of energy monitors in each residential home to promote efficiencies. The City of Wales was awarded \$272,895 for meter base replacement and the installation of energy monitors in each residential home.

ENERGY SUBSIDY

Since 2008, the NSEDC Board of Directors has issued a total of \$5.38 million to resident households in the Norton Sound region through energy subsidies. In 2015, NSEDC paid a total of \$1.52 million toward member community residents' electric utility accounts. As with previous energy subsidies, the 2015 initiative was an isolated contribution aimed at helping to alleviate the high cost of energy for every household in the Norton Sound region.



EDUCATION, EMPLOYMENT & TRAINING

NSEDC's commitment to supporting education, employment and training for the residents in our 15 member communities ties directly to our mission statement. We invest in residents' educational and career goals, understanding that empowering individuals with skills and knowledge strengthens our communities.

Our Education, Employment & Training (EET) department has a sharp focus on supporting college and vocational students, providing training for residents to gain employment in Alaska fisheries and providing funding for regional vocational training.

In 2015, NSEDC invested more than \$1,000,000 in residents seeking training and higher education.

SCHOLARSHIPS

Since 1992, NSEDC has distributed more than \$8.3 million through the scholarship program to Norton Sound residents seeking education beyond high school. In 2015, more than \$920,000 was invested in 285 individuals enrolled at an accredited college, university or vocational school. In 2015, full-time post-secondary education and vocational training students received \$2,500 per semester or session, an increase of \$250 from 2014.

2015 NSEDC Education & Training Statistics			
Scholarships	Individuals	Scholarships	Expenditures
Post-Secondary	252	367	\$816,981
Vocational	33	42	\$107,500
Total Scholarships	285	409	\$924,481
Training	Trainings*		Expenditures
Fisheries Related Training	35		\$74,538
Other Training	220		\$51,842
Total Training	220		\$126,380
Total	629		\$1,050,861

* Individuals may be counted more than once if they avail themselves of multiple NSEDC-supported training opportunities.

TRAINING

NSEDC is dedicated to providing Norton Sound residents the opportunity to equip themselves with the necessary vocational experience to enter the workforce. Courses include everything from seafood processing and master mate licensing to boiler maintenance and traditional crafts workshops. In 2015, NSEDC invested more than \$126,000 in training opportunities for Norton Sound residents.

NSEDC also places value in training and building on the strengths of current full-time employees, mainly toward in-region seafood operations. NSEDC sponsored or trained many NSSP employees in refrigeration, safety, maritime operations and repair, among others.

The summer season brings activity in every member community and at nearly every level of NSEDC's operations. Residents can find seasonal work at the Norton Sound Seafood Products (NSSP) processing plants and vessel fleet, Norton Sound Fisheries Research & Development (NSFR&D) projects and Clean Waters program, and through the Community Employment program.

NSEDC also provides residents an opportunity for employment with our processing partners on a year-round basis.



Employment Statistics

2015 Employment Statistics	People	Wages
Management/Administrative		
NSEDC	39	\$2,591,748
NSSP / Vessel Management	9	\$689,077
Total Management/Administrative	48	\$3,280,825
Bering Sea Partner Employment*	17 residents in 42 quarterly positions	\$426,804
<small>*When other Western Alaska residents and former NSEDC member community residents are counted, a total of 19 people worked in 50 quarterly positions, earning \$529,480.</small>		
NSSP Employment	240	\$2,874,584
Regional Vessel Employment	20	\$595,634
Other NSEDC Employment	28	\$98,289
Fishing		
Open-Access Norton Sound Winter Red King Crab	41	\$295,411
Open-Access Norton Sound Red King Crab	36	\$1,899,245
NSEDC CDQ Red King Crab	6	\$159,170
Norton Sound Salmon	137	\$1,927,552
NSEDC CDQ Halibut	24	\$230,446
Misc. Finfish	27	\$50,300
Total Fishing	249	\$4,054,441
NSEDC Community Outreach Liaisons	12	\$81,286
NSEDC Community Employment Program	12	\$93,000
Fishery Technicians		
NSEDC Salmon Rehabilitation	33	\$457,287
NSEDC Fisheries Development	1	\$16,488
ADF&G Fishery Technician Interns (NSEDC funded)	3	\$46,669
Total Technicians	37	\$520,444
TOTAL EMPLOYMENT*	663*	\$12,025,307
<small>* "Total Employment" in this chart refers to those directly employed by NSEDC and those earning money through NSEDC-supported fisheries activity.</small>		

Employment Opportunities

There is no doubt that in the Norton Sound, the summer season brings opportunity. NSEDC works very hard to ensure that opportunity is provided to Norton Sound residents seeking employment. Whether it's seasonal work at Norton Sound Seafood Products' (NSSP) processing plants or vessel fleet, in the field at one of Norton Sound Fisheries Research & Development (NSFR&D) projects, in a tribal administration office through the Community Employment Program, or on a crabbing boat with our partners in the Bering Sea, NSEDC creates employment for residents in our 15 member communities.

NSSP

NSSP paid out more than \$2.8 million to 240 residents who worked as seafood processors and fish buyers in 2015. Another \$595,634 was paid to 20 individuals hired as crew for the summer tender vessel fleet.

More about NSSP employment on pages 9-11.

NSFR&D

In 2015, 37 fisheries technicians were hired for NSFR&D and the Alaska Department of Fish & Game (ADF&G) enumeration projects with more than \$520,444 in wages paid by NSEDC.

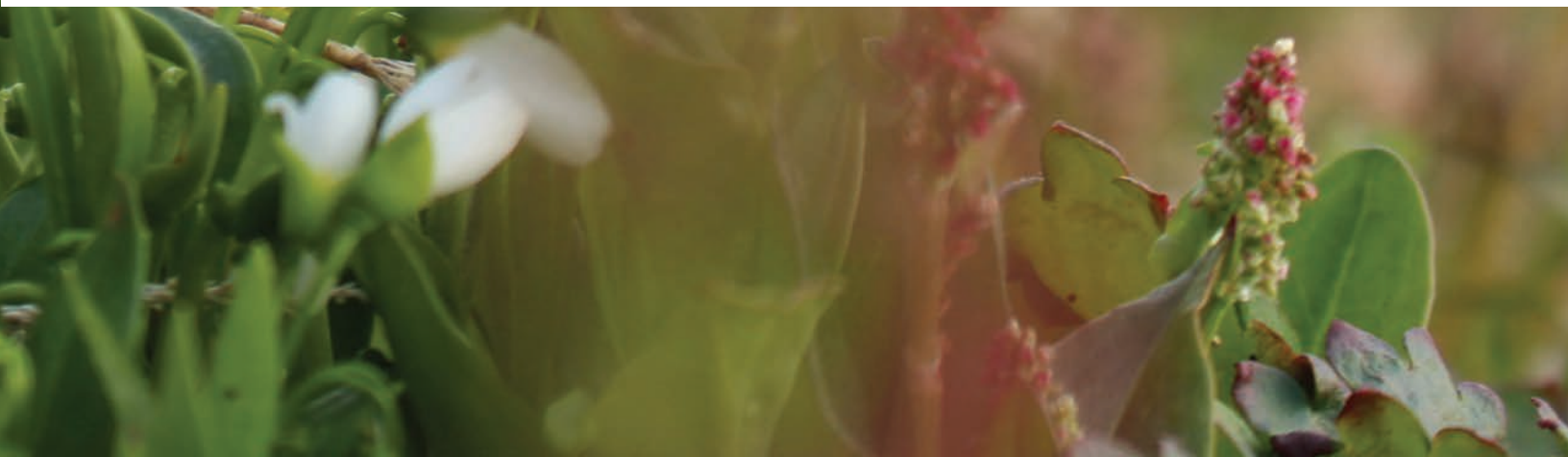
More about NSFR&D employment on pages 23-25

COMMUNITY EMPLOYMENT PROGRAM

NSEDC implemented the Community Employment Program to support residents seeking further education. The program gives individuals employment experience and an opportunity to defray the cost of education by providing funding for communities' city or tribal offices to hire college students as interns during their summer break. While the program is prioritized for scholarship recipients, it is open to other member community residents. In 2015, 12 employees were hired through the Community Employment Program paying nearly \$93,000 in wages.

PARTNER HIRE

NSEDC assists member community residents with employment with our fishing and processing partners. In 2015, 17 residents worked with Glacier Fish Company, Arctic Packer LLC, and Siku Holdings, LLC, earning nearly \$427,000. These individuals work on a floating processor, tender vessel, or a crabbing vessel, and have a unique opportunity for employment throughout the year. Some turn the opportunity into a full-time career.





Norton Sound Fisheries Research & Development

Sustainable harvest has long been a value shared by residents in the Norton Sound region, and that value remains important today. The Norton Sound Fisheries Research & Development (NSFR&D) department's top three priorities are to help maintain sustainable populations of some of the region's most prized species: king salmon, red salmon and red king crab. This work is done through a network of enumeration projects, numerous salmon restoration and enhancement projects, and a broad array of survey and research work.

With sustainability comes environmental stewardship. NSFR&D also administers environmental projects including a marine debris clean-up program and a water sampling program. NSFR&D additionally works as an advocate for regional interests.

The full-time NSFR&D staff consists of seven employees located in Nome and Unalakleet. In 2015, 65 seasonal employees were hired as fisheries technicians and clean-up crewmembers for various projects. Beyond providing employment, these positions give residents hands-on experience, working on projects that help protect the resources their families and friends depend upon for sustenance. In 2015, more than \$618,733 was paid in wages to fisheries technicians and clean-up crewmembers.

2015 NSFR&D Projects	
Little Diomedede	Marine Debris Clean-Up
Gambell	Marine Debris Clean-Up
Stebbins	Marine Debris Clean-Up
St. Michael	Marine Debris Clean-Up
Brevig Mission	Imuruk Basin Baseline Sampling
Teller	Imuruk Basin Baseline Sampling
Nome area	Chum salmon rehabilitation; Coho salmon rehabilitation; Salmon Lake fertilization; Pilgrim River sockeye smolt; Pilgrim River adult salmon weir; Eldorado River adult salmon counting weir; Snake River adult salmon counting weir; salmon stream water baseline; crab tagging
Shaktoolik	Shaktoolik River adult salmon counting tower
Unalakleet	Chinook salmon rehabilitation; North River adult salmon counting tower; herring monitoring; crab tagging
White Mountain	Fish River adult salmon counting tower; Chinook salmon rehabilitation (assisted Native Village of White Mountain)

Salmon Projects

NSFR&D operates salmon enumeration projects throughout the region through counting towers and weirs on area rivers. NSEDC also provides funding for the Alaska Department of Fish and Game (ADF&G) to hire fisheries technicians for their enumeration projects. The data collected at these stations is integral for sound management decisions for regional commercial and subsistence fisheries. Technicians providing this valuable data spend their summers in remote camps, gaining valuable employment and field experience.

Enumeration Projects
Snake River Weir
Pilgrim River Weir
Iglutalik River Tower
Shaktoolik River Tower
Eldorado River Weir
North River Tower
Fish River Tower
Nome River Weir
Kwiniuk River Tower

Salmon Lake Fertilization

The Salmon Lake fertilization program aims to provide for stable sockeye salmon runs that meet the area's subsistence and escapement needs. Smolt feed on zooplankton, which feed on phytoplankton, which feed on nitrogen and phosphorus. By adding nitrogen and phosphorus to Salmon Lake, where the Pilgrim River sockeye spawn, the NSFR&D team helps to ensure there is enough food for eventual smolt to feed on before their migration to sea.

Every year, NSFR&D tracks the smolt as they migrate out of the lake and through the Pilgrim River. The number, and more importantly, the size of the smolt give an indication of how successful fertilization has been and what can be expected in future returns. Water samples are collected and analyzed from Salmon Lake multiple times each summer to track zooplankton levels.

NSFR&D Projects

SALMON RESTORATION AND SALMON INCUBATION

In 2015, NSEDC continued to transition to using Heath trays instead of mist incubators to incubate salmon eggs. The use of Heath trays also allowed the program to test releasing salmon at the fry stage.

NSFR&D works to restore Coho, chum and Chinook runs in various rivers in the region. Fisheries technicians take eggs from salmon that are ready-to-spawn, fertilize them and incubate them to the stage where they are about ready to hatch. At this stage, with the exception of Solomon chum eggs, technicians plant the eggs in the stream. Returning salmon from this process have been documented. In 2015, NSFR&D expanded the incubation efforts by holding the Solomon chum alevins through the winter until they become fry and releasing them in the spring. The ability to raise fish to the fry stage may allow NSFR&D to expand the location at which restoration efforts can take place.

2015 Incubation Programs
Snake River - chum & Coho
Solomon River - chum
South River - Chinook
Fish River - Chinook

CRAB RESEARCH

Red king crab continues to be one of the most important resources in our region for both subsistence and commercial fishers. In spite of this importance, there is a lot that is not known about the life cycle and migration patterns of Norton Sound red king crab. NSFR&D continues work to further understand the resource. 2015 was the fourth and final year of a cooperative crab-tagging study documenting Norton Sound red king crab migration, in cooperation with ADF&G. The study helps to better understand migration patterns and maintain a strong stock for continued commercial and subsistence use. NSFR&D and ADF&G plan to continue to cooperate while conducting crab research within Norton Sound.

SALMON IN THE SCHOOLS

Through visits in classrooms and partnerships with teachers, NSFR&D staff encourages students of today to consider fishery-related careers. In Nome, NSFR&D staff aided students in conducting a "salmon in the classroom" project by helping a high school fisheries biology class collect Coho salmon eggs from the Snake River. Guiding the students in catching the salmon with a seine net, gathering eggs and milt, and fertilizing the eggs, NSFR&D staff incubated the eggs and then turned them over to the students. The class observed the eggs hatch and grow over the course of the school year.

NSFR&D staff also offer learning opportunities that go beyond the classroom, recruiting seasonal workers as they reach the age of 18. NSEDC encourages these young adults to further their education and/or move into more senior positions, thus building local capacity and knowledge to manage regional fisheries and resources.

CLEAN WATERS

NSEDC began beach clean-up projects in 2006. Since that year, clean-up projects have taken place in each of our 15 member communities--some twice. In 2015, crews were hired in Stebbins, St. Michael, Gambell, and Little Diomed for the Clean Waters program. Since the program began in 2006, more than three-quarters of a million pounds of debris has been picked up from area beaches.

2015 Clean Waters Programs	
Community	Pounds of debris removed
Stebbins	5,600
St. Michael	31,477
Gambell	13,586
Little Diomed	8,816







Quota Management

NSEDC owns fishing rights allocated from the Community Development Quota (CDQ) program, and most of our revenue comes directly from this ownership in the pollock, cod, crab, groundfish, sablefish and halibut fisheries. However, it isn't just CDQ granted to NSEDC through federal law that provide this fishery income. NSEDC has purchased Individual Fishing Quotas (IFQs), which can be bought and sold on the open market, and has acquired significant additional revenues from those ownerships in the Bering Sea/

Aleutian Islands fisheries. Over the years, NSEDC has made careful investments in IFQs to diversify our fishery holdings and provide financial stability. To harvest our CDQ and IFQ resources, NSEDC enters into agreements with harvesters and processors to share in revenues from those harvests and the eventual sale of related products. NSEDC benefits from these arrangements through royalties or lease fees, profit-sharing, and distribution from ownership interests, as well as the employment opportunities created for Norton Sound residents.

NSEDC enjoys long-standing relationships with many of these harvesters and has an ownership interest in several companies, including Glacier Fish Company, BSAI Partners, LLC, and Siku Holdings, LLC.

In 2015, NSEDC participated in 24 different fisheries between our CDQ and IFQ activity. Another strong year of harvests generated more than \$17.8 million from CDQ activity and nearly \$6.5million through IFQ fishing.

CDQ Fishery	Target Harvest	Harvester
POLLOCK	29,236 mt	<i>F/T Alaska Ocean, F/T Pacific Glacier</i> (Glacier Fish Company)
PACIFIC COD	4,017 mt	<i>F/V Bristol Leader, F/V Northern Leader</i> (Alaskan Leader Fisheries); <i>F/V Aleutian Sable</i> (Arctic Sablefish, LLC)
CRAB		
E. Aleutian Is. golden king	69,510 lbs	<i>F/V Patricia Lee</i> (Siku Holdings, LLC)
Bristol Bay red king	179,532 lbs	<i>F/V North Sea</i> (Coastal Villages Crab)
Bering Sea opilio	1,130,210 lbs	<i>F/V Patricia Lee</i> (Siku Holdings, LLC)
Eastern Bering Sea bairdi	2015 allocation harvested in 2016	<i>F/V Ramblin Rose</i> (Diamondback Seafoods)
Western Bering Sea bairdi	270,378 lbs	<i>F/V Ramblin Rose</i> (Diamondback Seafoods)
Norton Sound red king	28,148 lbs	Norton Sound resident fishermen
OTHER GROUND FISH		
Atka mackerel	1,103 mt	<i>F/V Northern Glacier</i> (Glacier Fish Company)
Pacific Ocean perch (POP)	3923 mt	<i>F/V Northern Glacier</i> (Glacier Fish Company); <i>F/V Seafreeze Alaska, F/V Alaska Knight</i>
Yellowfin sole	1,151 mt	<i>F/V Northern Glacier</i> (Glacier Fish Company)
Rock sole	730 mt	<i>F/V Northern Glacier</i> (Glacier Fish Company)
Flathead sole	314 mt	<i>F/V Northern Glacier</i> (Glacier Fish Company)
Arrowtooth flounder	137 mt	<i>F/V Northern Glacier</i> (Glacier Fish Company)
Greenland halibut	10 mt	<i>F/V Northern Glacier</i> (Glacier Fish Company)
SABLEFISH		
Bering Sea	1,106 lbs	<i>F/V Cerulean</i> (HAT, LLC)
HALIBUT		
Bering Sea (Area 4D)	52,421 lbs	Norton Sound resident fishermen
IFQ FISHERY	Target Harvest	Harvester
SABLEFISH		
Central Gulf of Alaska	128,220 lbs	<i>F/V Provider, F/V Alaskan Legacy</i> (Wild Alaskan Seafoods, Inc.)
Western Gulf of Alaska	42,759 lbs	<i>F/V Provider, F/V Alaskan Legacy</i> (Wild Alaskan Seafoods, Inc.)
HALIBUT		
Gulf of Alaska (Area 3B)	7,247 lbs	<i>F/V Provider</i> (Wild Alaskan Seafoods, Inc.)
CRAB		
E. Aleutian Is. golden king	569,485 lbs	<i>F/V Patricia Lee</i> (Siku Holdings, LLC)
W. Aleutian Is. golden king	1,050,861 lbs	<i>F/V Aleutian No. 1</i> (Siku Holdings, LLC)
Bristol Bay red king	176,827 lbs	<i>F/V Tempo Sea</i> (F/V Tempo Sea, LLC), <i>F/V Polar Sea</i> (Arctic Hunter, LLC)
Eastern Bering Sea bairdi	172,512 lbs	<i>F/V Aleutian Mariner, F/V Polar Sea, F/V Arctic Hunter</i> (Arctic Hunter, LLC)
Western Bering Sea bairdi	119,250 lbs	<i>F/V Western Mariner</i> (Arctic Hunter, LLC), <i>F/V Ocean Hunter, F/V Ramblin Rose</i> (Diamondback Seafoods)
Bering Sea opilio	1,669,000 lbs	<i>F/V Patricia Lee</i> (Siku Holdings, LLC), <i>F/V Tempo Sea</i> (F/V Tempo Sea, LLC), <i>F/V Ramblin' Rose</i> (Diamondback Seafoods), <i>F/V Polar Sea</i> (Arctic Hunter, LLC), <i>F/V Baranof</i> (Romanzof Fishing Co., LLC)



Siu Alaska Corporation

To fulfill our mission of economic development for the people and communities in our region, NSEDC created Siu Alaska Corporation to manage our for-profit investments.

Siu Alaska is NSEDC's wholly-owned for-profit subsidiary, tasked with managing activity that falls outside of our nonprofit operations. Siu is invested in five different fishing-related ventures in the Bering Sea and Aleutian Islands. Siu's operations are directed by a seven-member board whose members are appointed by the NSEDC Board of Directors. Three Siu board members are NSEDC-affiliated and four are not affiliated with NSEDC.

Glacier Fish Company

Siu Alaska holds the largest ownership stake in Glacier Fish Company (GFC), which owns and operates three catcher processor vessels. GFC is the harvesting partner who fishes NSEDC's CDQ pollock and flatfish allocations. In 2015, GFC continued successful harvesting and processing operations in the pollock and whiting fisheries with the *Alaska Ocean* and *Pacific Glacier*, and in flatfish fisheries with the *Northern Glacier*. GFC also owns an interest in Iquique, a company that has four trawl vessels (*Arica*, *Unimak*, *Rebecca Irene*, and *Cape Horn*) used to harvest flatfish in the Bering Sea, and Pacific Ocean Perch and Atka mackerel in the Aleutian Islands. GFC manages the operations of these vessels. 2015 was the first full year of GFC management of the Iquique fleet, and integrating the Iquique vessels into the GFC business was very successful.

A number of regional residents are employed on GFC's vessels, with many making a good-paying career out of the work. Siu and NSEDC appreciate our partnership with Glacier Fish Company.

Glacier Bay Fisheries

Siu Alaska owns 100% of the freezer-longliner *Glacier Bay*, which harvests and processes cod in the Bering Sea. The vessel fished most of 2015 and harvested all of her cod quota along with quota leased from other cod quota holders. Siu works with Clipper Seafoods to manage the vessel's operations and sales.

Bering Select

Siu is an investor in an innovative new cod liver oil plant in Dutch Harbor, Alaska. The plant processes cod livers caught by the *F/V Glacier Bay* and other cod longline vessels owned by our partner, Clipper Seafoods. The livers are made into a healthy, Omega-3-rich oil that is marketed for sale as a healthcare supplement.

BSAI Partners

BSAI Partners is a partnership between Siu and Coastal Villages Region Fund. Together with minority owner Maruha, BSAI Partners owns six pollock trawl catcher vessels. Five of these vessels (*Alaska Rose*, *Bering Rose*, *Sea Wolf*, *Destination*, and *Great Pacific*) actively participated in the Bering Sea pollock fishery in 2015 while one vessel (*Messiah*) tendered salmon. The *Ms. Amy* was no longer needed to harvest BSAI's pollock allocation and was sold in 2015.

This fleet is managed by a wholly-owned subsidiary, Alaska Boat Company (ABC). All aspects of fishing, ship repair and maintenance, cooperative management and accounting are handled by ABC. The vessels fish as the Unalaska Fleet Cooperative and deliver their catch to the Alyeska Seafoods plant in Dutch Harbor. The vessels harvested 113 million pounds of pollock in 2015.

The Unalaska Fleet Cooperative works very hard to control and minimize salmon bycatch, and maintained the lowest percentage of Chinook salmon bycatch of all inshore cooperatives in 2015. ABC's vessels are working to develop more effective salmon bycatch avoidance measures and use salmon excluders 100% of the time. In addition, the *Destination* secured a special permit through the National Marine Fisheries Services for a three-year study focused on improving the trawl gear to allow more salmon to escape unharmed.







2015 NSEDC Board of Directors



Lillian Olanna
P.O. Box 1
Brevig Mission, AK 99785
(2013-2016)



Frances Ozenna
P.O. Box 7046
Diomedes, AK 99762
(2014-2016)



Oscar Takak, Sr.
P.O. Box 39021
Elim, AK 99739
(2012-2015)



Joel James
P.O. Box 157
Gambell, AK 99742
(2014-2017)



Dean Peterson
P.O. Box 62032
Golovin, AK 99762
(2014-2017)



Leo Charles
P.O. Box 53047
Koyuk, AK 99753
(2015-2018)



Don Stiles
P.O. Box 575
Nome, AK 99762
(2012-2015)



Truman Kava
P.O. Box 154
Savoonga, AK 99769
(2012-2015)



Milton Cheemuk
P.O. Box 7
St. Michael, AK 99659
(2012-2015)



Harvey Sookiayak
P.O. Box 13
Shaktolik, AK 99771
(2013-2016)



Daphne Katcheak
P.O. Box 71048
Stebbins, AK 99671
(2015-2018)



Joseph Garnie
P.O. Box 582
Teller, AK 99778
(2012-2015)



Frank Katchatag
P.O. Box 59
Unalakleet, AK 99684
(2013-2016)



Lucy Kitchen
P.O. Box 545
Wales, AK 99783
(2014-2017)



Dan Harrelson
P.O. Box 190
White Mountain, AK 99784
(2013-2016)

2015 NSEDC Staff

ADMINISTRATION

Janis Ivanoff
President & Chief Executive Officer

Simon Kinneen
Vice President &
Quota & Acquisitions Manager

Richard Walicki
Treasurer & Chief Financial Officer

Tyler Rhodes
Chief Operating Officer

Katie Peterson
General Counsel

Kathy Wheelehan
Corporate Secretary &
Executive Assistant

Shara English
Human Resources Director

Zara Ivanoff
Human Resources Specialist

Laureli Ivanoff
Communications Director

John Baker
Special Projects Coordinator

Megan Alvanna-Stimpfle
Quota & Acquisitions Analyst

Virginia Nashalook
Senior Accountant

Matt Coates
Senior Accountant

Heather Karmun
Payroll Specialist

Hazel Freytag
Accounts Payable Clerk

Darlene Dewey
Accounting Assistant

Pearl Dotomain
Administrative Assistant

Albert Johnson
Administrative Assistant

Delia Oozevaseuk
Custodian

EDUCATION, EMPLOYMENT & TRAINING

Jerry Ivanoff
EET Director

Jesse Blandford
EET Director

Charice Johnson
Administrative Assistant

COMMUNITY BENEFITS

Paul Ivanoff III
Community Benefits Director

Sterling Gologergen
Community Development
Coordinator

Kerilee Ivanoff
Community Development
Coordinator

Niaomi Brunette
Community Benefits Specialist

NORTON SOUND SEAFOOD PRODUCTS

William Johnson
NSSP Operations Manager

Josh Osborne
No. NSSP Plant Manager

Justin Noffske
No. NSSP Assistant Plant Manager

Frank Doty
So. NSSP Plant Manager

John Halleran
So. NSSP Assistant Plant Manager

Rochelle Ferry
No. NSSP Office Manager

Sherilee Foote
So. NSSP Office Manager

Karl Erickson
Vessel Manager

Richard Takak
NSSP Sales & Support/Expeditor

Orville Toolie
Savoonga Plant Manager

Harold Muktoyuk
Supervisor (No. NSSP)

Justina Noongwook
Office Manager (Savoonga)

Eleanor Bahr
Supervisor (So. NSSP)

Valerie Anagick
Supervisor (So. NSSP)

Ed Anasogak
Quality Control Coordinator (No.
NSSP)

Rayne Aukongak
Quality Control Coordinator (No.
NSSP)

Dawson Kauer
Refrigeration Technician (No. NSSP)

FISHERIES RESEARCH & DEVELOPMENT

Wes Jones
NSFR&D Director

Kevin Keith
Fisheries Biologist

Renae Ivanoff
Fisheries Biologist

Ashley Dunker
Fisheries Biologist

Jacob Ivanoff
Senior Crew Leader

Kevin Knowlton
Senior Crew Leader

Fred Jay Ivanoff
Senior Crew Leader

NSEDC COMMUNITY OUTREACH LIAISONS

Brevig Mission
Sara Seetot

Little Diomed
Jolene Soolook

Elim
Emily Murray

Gambell
Tyler Campbell, Sr.

Golovin
Kirstie Ione

Koyuk
Laverne Kimoktoak

Savoonga
Charlotte Kava

Shaktoolik
Reuben Paniptchuk

St. Michael
Mary Long

Stebbins
Anna Nashoanuk

Teller
Janelle Menadelook

Wales
Kelly Anungazuk

White Mountain
Yvonne Gregg

Community Highlights

BREVIK MISSION

- Lillian Olanna served as Board Member
- Sara Seetot served as Community Outreach Liaison
- The City of Brevig Mission was awarded \$150,000 in Community Benefit Shares
- The Brevig Mission School was awarded \$33,274 in Outside Entity Funding for the Healthy Hearts, Healthy Hands, Healthy Habits program
- Sitaisamiut was awarded \$2,000 in Outside Entity Funding for a carnival
- 90 households received a total of \$51,750 in utility subsidies from NSEDC
- One business was awarded \$34,975 through the 2015 Small Business Initiative grant program
- The community's substance and alcohol abuse prevention grant provided \$19,882 to the Brevig Mission School for various healthy activity programming
- NSEDC contributed \$3,000 to the Brevig Mission School for the Little Dribblers Program
- NSEDC contributed \$3,000 to the Brevig Mission School for Middle School Athletics
- Seven residents received NSEDC scholarships throughout the year

- 15 residents participated in an NSEDC-sponsored Burner & Boiler Repair course
- 11 residents participated in an NSEDC-sponsored Quickbooks training course
- Eight residents participated in an NSEDC-sponsored Ugalqaq Sewing course
- The City of Brevig Mission participated in NSEDC's Community Employment Program by employing an NSEDC scholarship recipient, or a resident of their choice if no recipient was available, during the summer
- Glacier Fish Co. employed one resident as a crew member on board the *Alaska Ocean* and *Pacific Glacier*
- One fisher delivered finfish to NSSP during the year
- NSEDC made a donation to the City of Brevig Mission for a community holiday dinner

LITTLE DIOMEDE

- Frances Ozenna served as Board Member
- Jolene Soolook served as Community Outreach Liaison
- The City of Diomedes was awarded

- \$150,000 in Community Benefit Shares
- 36 households received a total of \$20,700 in utility subsidies from NSEDC
- The community's substance and alcohol abuse prevention grant provided \$20,000 to the Native Village of Diomedes for various healthy activity programming
- One resident received NSEDC scholarships throughout the year
- NSEDC contributed \$3,000 to the Diomedes School for the Little Dribblers Program
- NSEDC contributed \$3,000 to the Diomedes School for Middle School Athletics
- NSEDC made a donation to the Native Village of Diomedes for a community holiday dinner

ELIM

- Oscar Takak Sr. served as Board Member
- Emily Murray served as Community Outreach Liaison
- The City of Elim was awarded \$150,000 in Community Benefit Shares
- The City of Elim received \$45,276 through the Community Energy Fund for the TED Monitor Installation Project
- The City of Elim was awarded \$22,328 in





Outside Entity Funding for a mini truck

- 93 households received a total of \$55,200 in utility subsidies from NSEDC
- The community's substance and alcohol abuse prevention grant provided \$12,269 to the Aniguiin School for various healthy activity programming
- Six residents received NSEDC scholarships throughout the year
- Seven residents participated in an NSEDC-sponsored Burner & Boiler Repair course
- 26 fishers delivered salmon to NSSP during the year, earning more than \$254,000
- One fisher delivered summer crab to NSSP during the year
- Three fishers delivered winter crab to NSSP during the year, earning nearly \$11,000
- NSEDC made a donation for the 4th of July Celebration
- NSEDC made a donation to the City of Elim and the IRA for a community holiday dinner

GAMBELL

- Joel James served as Board Member
- Tyler Campbell, Sr. served as Community Outreach Liaison
- The City of Gambell was awarded \$150,000 in Community Benefit Shares

- The Gambell School was awarded \$30,604 in Outside Entity Funding for a Gambell Winter Athletic Program
- 168 households received a total of \$96,600 in energy subsidies from NSEDC
- The community's substance and alcohol abuse prevention grant provided a total of \$20,000 to the City of Gambell and Gambell School for various healthy activity programming
- NSEDC contributed \$3,000 to the Hugo T. Apatiki Elementary School for the Little Dribblers Program
- NSEDC contributed \$3,000 to the John Apangalook School for Middle School Athletics
- Eight residents received NSEDC scholarships throughout the year
- Two residents attended an NSEDC-sponsored Seafood Processing Class
- 15 residents participated in an NSEDC-sponsored Burner & Boiler Repair course
- Five residents participated in an NSEDC-sponsored Men's Qiipaghap Sewing class
- The City of Gambell participated in NSEDC's Community Employment Program by employing an NSEDC scholarship recipient, or a resident of their choice if no recipient was available, during the summer

- Glacier Fish Co. employed one resident as a crew member on the *Alaska Ocean*
- NSEDC made a donation to the Native Village of Gambell for a community holiday dinner

GOLOVIN

- Dean Peterson served as Board Member
- Kirstie Lone served as Community Outreach Liaison
- The City of Golovin was awarded \$150,000 in Community Benefit Shares
- The Chinik Eskimo Community was awarded \$60,000 for Martin L. Olson Playground equipment
- 55 households received a total of \$31,625 in utility subsidies from NSEDC
- The community's substance and alcohol abuse prevention grant provided a total of \$20,000 to the Chinik Eskimo Community and the Martin L. Olson School for various healthy activity programming
- NSEDC contributed \$3,000 to the Martin L. Olson School for the Little Dribblers Program
- NSEDC contributed \$3,000 to the Martin L. Olson School for Middle School Athletics
- Five residents received NSEDC scholarships throughout the year
- One resident attended an NSEDC-sponsored Seafood Processing Class

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- 12 residents participated in an NSEDC-sponsored Quickbooks training course
- 16 residents participated in an NSEDC-sponsored kaspeq sewing class
- One resident attended an NSEDC-sponsored Tender Vessel Crew Training
- 12 fishers delivered salmon to NSSP during the year, earning more than \$146,000
- 3 fishers delivered summer crab to NSSP during the year, earning more than \$309,500
- One fisher delivered winter crab to NSSP during the year
- Throughout the year NSEDC made donations for the Chinik Eskimo Community's Honoring Our Children Day, ice cream for Little Dribblers, and students to attend basketball camp
- NSEDC made a donation to the City of Golovin for a community holiday dinner and the annual community cleanup

KOYUK

- Leo Charles served as Board Member
- Laverne Kimoktoak served as Community Outreach Liaison
- The City of Koyuk was awarded \$150,000 in Community Benefit Shares
- 87 households received a total of \$50,025 in utility subsidies from NSEDC

- The community's substance and alcohol abuse prevention grant provided a total of \$20,000 to the Native Village of Koyuk and the Koyuk School for various healthy activity programming
- NSEDC contributed \$3,000 to the Koyuk School for the Little Dribblers Program
- NSEDC contributed \$3,000 to the Koyuk School for Middle School Athletics
- Eight residents received NSEDC scholarships throughout the year
- Four residents attended an NSEDC-sponsored Seafood Processing Class
- 10 residents participated in an NSEDC-sponsored Burner & Boiler Repair course
- Four residents attended an NSEDC-sponsored Tender Vessel Crew Training
- The City of Koyuk participated in NSEDC's Community Employment Program by employing an NSEDC scholarship recipient, or a resident of their choice if no recipient was available, during the summer
- 16 fishers delivered salmon to NSSP during the year, earning more than \$175,000
- NSEDC made a donation to the Koyuk School for a Student Activities Fund fundraiser
- NSEDC made a donation to the City of

Koyuk for a community holiday dinner and to the Native Village of Koyuk for an annual community cleanup

NOME

- Don Stiles served as Board Member
- The City of Nome was awarded \$150,000 in Community Benefit Shares
- The AAU Bering Sea Storm was awarded \$25,000 in Outside Entity Funding for Nome Girls Basketball
- Three residents were awarded a total of \$92,653 through the 2015 Small Business Initiative grant program
- The community's substance and alcohol abuse prevention grant provided a total of \$20,000 to Girls and Boys Varsity Basketball and Nome Public Schools for various healthy activity programming
- 1,249 households received a total of \$718,175 in utility subsidies from NSEDC
- 139 residents received NSEDC scholarships throughout the year
- One resident attended an NSEDC-sponsored QMED course
- One resident attended an NSEDC-sponsored Alaska Seafood Processing Leadership Institute training
- 80 residents participated in Northwest Campus classes/trainings at a reduced tuition rate: Knitting Gloves & Mittens, ATV Maintenance & Repair, Qupak Making,





Ceramics, Leather Mittens, Modern Day Kaspeq, Attigi Parka Sewing, Ceramics for Kids, Leather Hand Stitching, Fish Skin Tanning and Interior Repairs

- Two residents attended an NSEDC-sponsored Tender Vessel Crew Training
- The City of Nome participated in NSEDC's Community Employment Program by employing an NSEDC scholarship recipient, or a resident of their choice if no recipient was available, during the summer
- Siku Holdings, LLC employed one resident as a crew member on board the *Patricia Lee*
- Three fishers delivered salmon to NSSP during the year, earning more than \$16,000
- 17 fishers delivered summer crab to NSSP during the year, earning more than \$178,000
- 25 fishers delivered winter crab to NSSP during the year, earning \$249,600
- Five fishers delivered halibut to NSSP during the year, earning more than \$183,000
- Four fishers delivered finfish to NSSP during the year
- Throughout the year NSEDC made donations for: the Bering Sea Lions Club Nome-Golovin Snowmachine Race, Washington, D.C. Close Up fundraiser,

various volleyball camp fundraisers, Nanook Basketball Camp, Alaska Ice Basketball, various basketball camp fundraisers, Nome Youth Softball League, the Nome Arts Council's 15th Annual Folk Festival - Salmonberry Jam, Nome Preschool Association's Community Halloween Carnival, Kaatiluta, Bering Strait Regional Housing Authority elder picnic, Nome Public Schools pledge donation for an Arctic Pinkies fundraiser, a community holiday dinner, a Nome-Beltz School Elder Luncheon, and the Nome Preschool Association's Breakfast with Santa

SAVOONGA

- Truman Kava served as Board Member
- Charlotte Kava served as Community Outreach Liaison
- The City of Savoonga was awarded \$150,000 in Community Benefit Shares
- 167 households received a total of \$96,025 in utility subsidies from NSEDC
- The community's substance and alcohol abuse prevention grant provided a total of \$20,000 to the City of Savoonga and Savoonga School for various healthy activity programming
- Five residents received NSEDC scholarships throughout the year
- 12 residents participated in an NSEDC-sponsored skin sewing class

- Three residents participated in an NSEDC-sponsored Beading on a Loom class
- 10 residents participated in an NSEDC-sponsored Appliance Troubleshooting & Repair course
- The Native Village of Savoonga participated in NSEDC's Community Employment Program by employing an NSEDC scholarship recipient, or a resident of their choice if no recipient was available, during the summer
- 19 fishers delivered halibut to NSSP during the year, earning \$46,500
- Throughout the year NSEDC made donations for the Whaling Celebration and the 4th of July Celebration
- NSEDC made a donation to the City of Savoonga for a community holiday dinner

SHAKTOOLIK

- Harvey Sookiyak served as Board Member
- Reuben Paniptchuk served as Community Outreach Liaison
- The City of Shaktoolik was awarded \$150,000 in Community Benefit Shares
- 67 households received a total of \$38,525 in utility subsidies from NSEDC
- The community's substance and alcohol abuse prevention grant provided a total of

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\$20,000 to the Shaktoolik School, Shaktoolik Covenant Church, City of Shaktoolik and the Native Village of Shaktoolik for various healthy activity programming

- Seven residents received NSEDC scholarships throughout the year
- 16 residents participated in an NSEDC-sponsored Kaspeq Sewing course
- One resident attended an NSEDC-sponsored Tender Vessel Crew Training
- 24 fishers delivered salmon to NSSP during the year, earning \$327,600
- Six fishers delivered summer crab to NSSP during the year, earning \$55,200
- Seven fishers delivered winter crab to NSSP during the year, earning \$29,100
- One fisher delivered herring to NSSP during the year
- Throughout the year NSEDC made donations for the 4th of July Celebration, a community holiday dinner, the Shaktoolik Search and Rescue's basketball tournament, a Shaktoolik School senior fundraiser, the Native Village of Shaktoolik's fall cleanup, and the Native Village of Shaktoolik's Community Holiday Game Night

ST. MICHAEL

- Milton Cheemuk served as Board Member
- Mary Long served as Community Out-

reach Liaison

- The City of St. Michael was awarded \$150,000 in Community Benefit Shares
- The Native Village of St. Michael was awarded \$12,674 in Outside Entity Funding for the EPA/IGAP Program
- The community's substance and alcohol abuse prevention grant provided a total of \$10,000 to the St. Michael Catholic Church, Anthony A. Andrews School and St. Michael Mission for various healthy activity programming
- 100 households received a total of \$57,500 in utility subsidies from NSEDC
- NSEDC contributed \$3,000 to the Anthony A. Andrews School for the Little Dribblers Program
- NSEDC contributed \$3,000 to the Anthony A. Andrews School for Middle School Athletics
- Seven residents received NSEDC scholarships throughout the year
- Six residents attended a Seafood Processing class at AVTEC in Seward
- The Native Village of St. Michael participated in NSEDC's Community Employment Program by employing an NSEDC scholarship recipient, or a resident of their choice if no recipient was available, during the summer
- F/V Tempo Sea, LLC, Arctic Sablefish, LLC, and Glacier Fish Co. employed seven residents as crew members on board the

Tempo Sea, Arctic Packer, Ballyhoo, Pacific Glacier and Alaska Ocean

- One fisher delivered winter crab to NSSP during the year
- NSEDC made a donation to the City of St. Michael for a community holiday dinner and to the Native Village of St. Michael for an annual community clean up

STEBBINS

- Daphne Katcheak served as Board Member
- Anna Nashoanuk served as Community Outreach Liaison
- The City of Stebbins was awarded \$150,000 in Community Benefit Shares
- The Stebbins Community Association was awarded \$3,000 in Outside Entity Funding for ABDC VTLP Free Tax Service
- The Stebbins Community Association was awarded \$60,000 in Outside Entity Funding for Reindeer Corral Administration
- The Stebbins Community Association was awarded \$18,000 in Outside Entity Funding for a T-112 Omnidirectional Siren
- The community's substance and alcohol abuse prevention grant provided a total of \$19,774 to the Stebbins School, Rural Cap Stebbins Headstart, community 4th of July Celebration, and the City of Stebbins for various healthy activity programming
- 122 households received a total of





\$70,150 in utility subsidies from NSEDC

- NSEDC contributed \$3,000 to the Tukurngailnguq School for the Little Dribblers Program
- NSEDC contributed \$3,000 to the Tukurngailnguq School for Middle School Athletics
- Eight residents received NSEDC scholarships throughout the year
- Three residents attended an NSEDC-sponsored Seafood Processing Class at AVTEC in Seward
- Glacier Fish Co. employed two residents as crew members on board the *Alaska Ocean* and *Pacific Glacier*
- One fisher delivered winter crab to NSSP during the year
- NSEDC made a donation to the City of Stebbins for a community holiday dinner and to the Stebbins Community Association for an annual community cleanup

TELLER

- Joe Garnie served as Board Member
- Janelle Menadelook served as Community Outreach Liaison
- The City of Teller was awarded \$150,000 in Community Benefit Shares
- The City of Teller received \$810,000 through the Community Energy Fund for the Washeteria Energy Efficiency Improvement project

- The City of Teller was awarded \$17,376 in Outside Entity Funding for city equipment
- The City of Teller was awarded \$18,755 in Outside Entity Funding for the Outside Building Paint Project
- The community's substance and alcohol abuse prevention grant provided \$20,000 to the City of Teller for various healthy activity programming
- 82 households received a total of \$5,750 in utility subsidies from NSEDC
- NSEDC contributed \$3,000 to the James C. Isabell School for the Little Dribblers Program
- NSEDC contributed \$3,000 to the James C. Isabell School for Middle School Athletics
- Eight residents received NSEDC scholarships throughout the year
- NSEDC made a donation to the City of Teller for a community holiday dinner and to the City of Teller for the annual community cleanup

UNALAKLEET

- Frank Katchatag served as Board Member
- The City of Unalakleet was awarded \$150,000 in Community Benefit Shares
- The City of Unalakleet was awarded \$32,000 in Outside Entity Funding for a Volunteer Fire Department Pumper Truck

6 supplies

- The Covenant Bible Camp was awarded \$11,627 in Outside Entity Funding for a Leadership Development Initiative
- The Native Village of Unalakleet was awarded \$51,000 in Outside Entity Funding for the Elders' Nutrition and Caregiving Program
- The community's substance and alcohol abuse prevention grant provided a total of \$20,000 to the Native Village of Unalakleet, City of Unalakleet, Unalakleet Schools, Wolfpack Academy and XC Skiing & Archery Program for various healthy activity programming
- 245 households received a total of \$140,875 in utility subsidies from NSEDC
- 57 residents received NSEDC scholarships throughout the year
- One resident attended an NSEDC-sponsored Seafood Processing class
- One resident completed an NSEDC-sponsored QMED training courses
- One resident completed an NSEDC-sponsored HACCP course
- One resident attended an NSEDC-sponsored Alaska Seafood Processing Leadership Institute training
- 12 residents participated in an NSEDC-sponsored Hazwoper Training course

continued on next page

- Five residents completed an NSEDC-sponsored Tender Vessel Crew Training
- The City of Unalakleet and Native Village of Unalakleet participated in NSEDC's Community Employment Program by employing an NSEDC scholarship recipient, or a resident of their choice if no recipient was available, during the summer
- Glacier Fish Co. employed five residents as crew members on board the *Pacific Glacier* and *Alaska Ocean*
- 56 fishers delivered salmon to NSSP during the year, earning more than \$1 million
- Eight fishers delivered summer crab to NSSP during the year, earning \$215,400
- Two fishers delivered winter crab to NSSP during the year
- 13 fishers delivered finfish to NSSP during the year, earning \$4,500
- 10 fishers delivered herring to NSSP during the year, earning \$39,000
- Throughout the year, NSEDC made donations for: 4th of July celebration, Unalakleet Sewing Circle auction, the annual community cleanup, a play performance, New Year's celebration, Wolfpack Academy

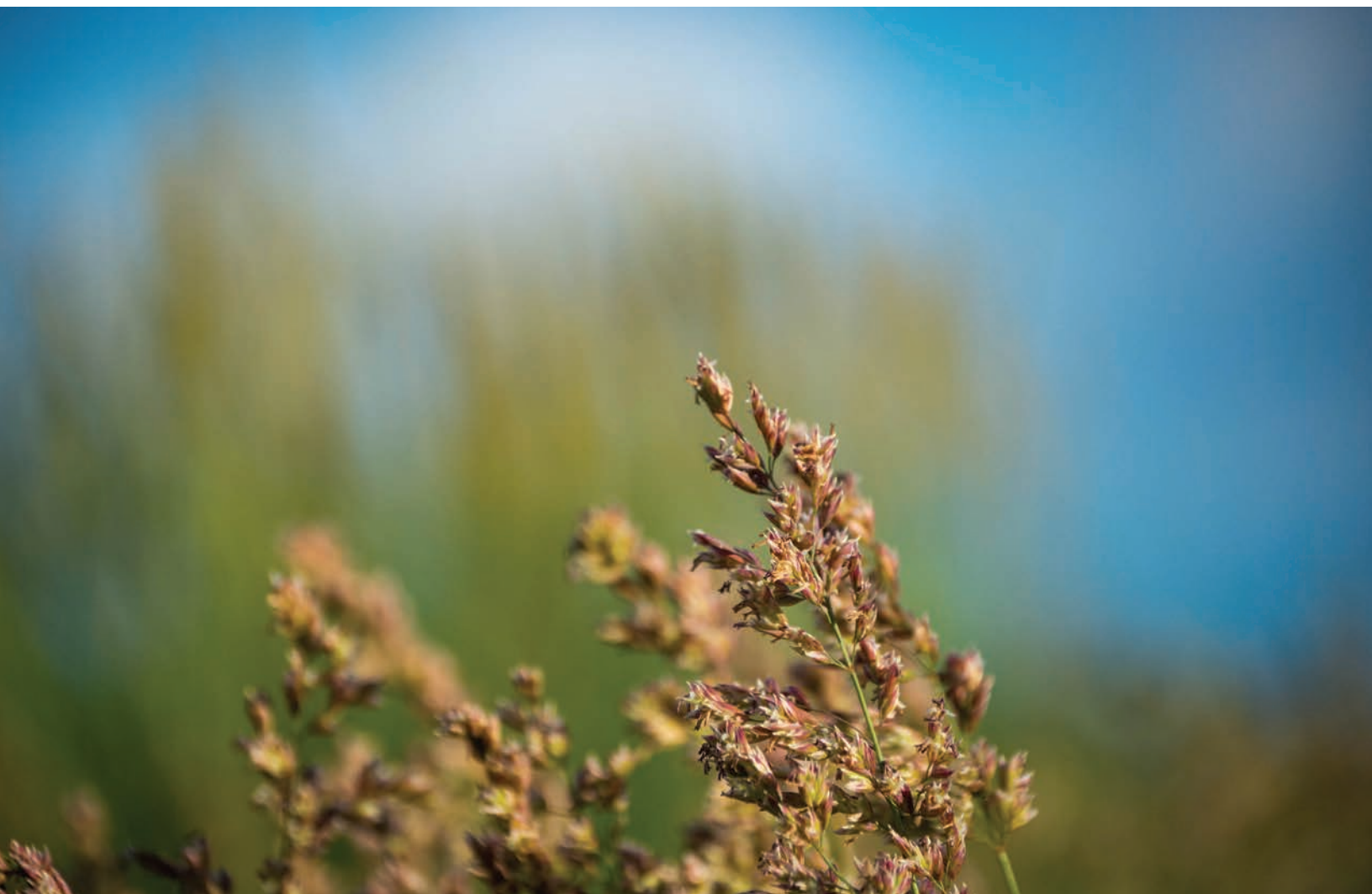
WALES

- Lucy Kitchen served as Board Member
- The City of Wales was awarded \$150,000 in Community Benefit Shares
- The City of Wales received \$272,895 through the Community Energy Fund for new meter bases and TED Monitor installation
- The Native Village of Wales was awarded \$40,760 in Outside Entity Funding for the 2015 Kingikmiut Dance Festival
- The community's substance and alcohol abuse prevention grant provided a total of \$17,939 to the Kingikmiut Schools, Native Village of Wales and the Wales Native Corporation for various healthy activity programming
- 49 households received a total of \$28,175 in utility subsidies from NSEDC
- NSEDC made a donation to the Native Village of Wales for the annual community cleanup

WHITE MOUNTAIN

- Dan Harrelson served as Board Member
- Yvonne Gregg served as Community Outreach Liaison
- The City of White Mountain was awarded \$150,000 in Community Benefit Shares
- The Native Village of White Mountain

- was awarded \$149,967 in fisheries-related Outside Entity Funding for the Ichupak River Instream Flow Reservation & Fish Documentation Project
- The community's substance and alcohol abuse prevention grant provided a total of \$20,000 to the Native Village of White Mountain, White Mountain School and the City of White Mountain for various healthy activity programming
- 64 households received a total of \$36,800 in utility subsidies from NSEDC
- NSEDC contributed \$3,000 to the White Mountain School for the Little Dribblers Program
- NSEDC contributed \$3,000 to the White Mountain School for Middle School Athletics
- Seven residents received NSEDC scholarships throughout the year
- Eight residents participated in an NSEDC-sponsored Boiler & Burner Repair and Residential Heating Controls course
- The City of White Mountain participated in NSEDC's Community Employment Program by employing an NSEDC scholarship recipient, or a resident of their choice if no recipient was available, during the summer
- Siku Holdings, LLC employed one resident as a crew member on board the *Patricia Lee*





- One fisher delivered summer crab to NSSP during the year
- One fisher delivered winter crab to NSSP during the year
- NSEDC made a donation for the 4th of July celebration
- NSEDC made a donation to the City of White Mountain for a community holiday dinner

REGION-WIDE

- NSEDC issued a Community Benefit Share of \$150,000 per member community. In total, NSEDC dedicated \$2.25 million in Community Benefit Shares in 2015
- Crowley completed deliveries of fuel from NSEDC's Bulk Fuel Program, distributing 1.69 million gallons of diesel fuel, 492,300 gallons of unleaded fuel and 113,000 gallons of JetA/5- to 26 participating entities for a total of \$5.75 million
- 2,655 households received a total of nearly \$1.5 million in utility subsidies from NSEDC
- NSEDC donated a total of \$44,500 to families in member communities that experienced hardship
- The Alaska Department of Fish & Game was awarded \$60,872 in fisheries-related Outside Entity Funding for the NSEDC Fisheries Intern Program
- Norton Sound Health Corporation was awarded \$100,000 in regional Outside Entity Funding for the Bering Strait Health Consortium Nursing Degree Program
- NSEDC awarded \$127,628 to four Small Business Initiative grant recipients
- NSEDC's Community Employment Program employed 12 residents over the summer, providing opportunity for scholarship recipients and other member community residents as well as resources for regional municipalities and entities
- NSEDC supported the Northern Bering Sea Regional Aquaculture Association
- 17 residents earned nearly \$427,000 working with NSEDC's harvesting and processing partners in the Bering Sea
- NSEDC made a \$2,500 donation to the Norton Sound Health Corporation for the 2015 Regional Environmental Conference
- NSEDC donated a total of \$9,700 to BSSD students who traveled to Anchorage for various competitions
- NSEDC made a donation toward the Kawerak Regional Conference

- NSEDC made \$5,000 contributions to KNOM, KICY and KNSA
- NSEDC made 1,000 contributions for city league basketball tournaments, with a \$2,000 contribution to the Lonnie O'Connor Basketball Tournament
- NSEDC made available \$2,000 for each community for spring and fall community cleanups

SHISHMAREF

- 12 residents received NSEDC scholarships throughout the year
- The Shishmaref School received \$3,000 for Middle School Athletics
- NSEDC made donation to the Shishmaref School for a ski team fundraiser
- NSEDC donated \$1,000 to the Shishmaref Dog Mushers Association's Annual Spring Carnival
- NSEDC made a donation for members of the Shishmaref Lutheran Church to attend the Salmon Lake Bible Camp
- NSEDC made a donation to the Shishmaref Environmental Program for the annual community cleanup





Norton Sound Economic

Schedule of General and Administrative Expenses

Year Ended December 31, 2015

BOARD EXPENSES:	
Stipends/Honorariums	\$ 289,555
Transportation	132,586
Per Diem	241,170
Meetings Space, Catering & Meals	75,712
Insurance	13,178
STAFF:	
Salaries	1,518,402
Benefits	664,141
Payroll Taxes	147,229
TRAVEL/PER DIEM:	
Staff	134,953
Meals and Entertainment	1,583
TRAINING:	
Staff	8,713
Audit/Accounting	100,137
Legal Fees	179,894
OTHER:	
Meetings Space, Catering & Meal Expenses	11,662
Contract Services	119,946
Rent	179,085
Utilities	63,042
Supplies and Equipment	160,610
Postage/Freight	20,172
Communications	41,214
Insurance	463,219
Dues and Subscriptions	25,624
Equipment Repairs and Maintenance	13,049
Equipment/Storage Rentals	22,052
Advertising/Brokerage	7,884
Taxes	10,800
Fees and Licenses	64,808
Miscellaneous	2,923
Fisheries Tax Credit	(140,000)
Donations and Contributions	33,975
Depreciation	37,449
Bad Debt Expenses/Recoveries	306,610
Other Income and Expense	0
Administrative and Management Fee	(149,631)
Total General & Administrative:	\$ <u>5,100,116</u>

* The amounts shown on this statement reflect the combined expenses for NSEDC and Siu Alaska Corp. The amounts shown on this statement also only reflect the salaries, benefits and payroll taxes of NSEDC and Siu Alaska Corp.'s administration. The totals for all of NSEDC's salaries, benefits and payroll taxes are \$6,197,758; \$1,467,445; and \$611,497, respectively.

Development Corporation

Consolidated Statements of Financial Position December 31, 2015 and 2014

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents	\$ 9,077,060	10,904,790
Designated cash and cash equivalents	-	58,443
Investments in marketable securities, short term	67,785,597	68,978,586
Accounts receivable	10,377,707	10,463,475
Interest receivable	25,935	22,849
Inventory at cost	2,958,422	1,185,863
Prepaid expenses and other assets	616,596	642,707
Assets held for resale	-	-
Current deferred tax asset	217,000	217,000
Short-term notes receivable	3,060,893	5,885,414
Total current assets	94,119,210	98,359,127
Notes receivable, net allowance of \$945,705 and \$667,673, in 2015 and 2014, respectively	3,563,425	2,397,157
Investments:		
Restricted cash equivalents	277,856	136,200
Investment in marketable securities	54,246	-
Designated investments in marketable securities	16,182,181	15,595,215
Investment in Glacier Fish Company, LLC	57,326,518	54,520,265
Investment in Unaatuq, LLC	449,417	457,647
Investment in BSAI Partners, LLC	4,483,259	3,268,286
Investment in Bering Select, LLC	930,272	350,337
Investment in Marine Therapeutics, LLC	83,000	30,000
Investments in quota share units	50,336,728	50,336,728
Total investments	130,123,477	124,694,678
Property, plant and equipment, net of accumulated depreciation of \$23,255,740 in 2015 and \$19,399,180 in 2014	24,310,748	25,222,861
Prepaid leases, net of accumulated amortization of \$446,771 in 2015 and \$411,916 in 2014	658,330	693,185
Non-current deferred tax asset	1,330,642	1,062,233
Total assets	\$ 254,105,832	252,429,241
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Line of credit	1,582,700	1,596,000
Accounts payable and accrued expenses	9,897,732	8,040,439
Deferred revenue	-	303,900
Current portion, notes payable	3,648,591	3,496,795
Total current liabilities	15,129,023	13,437,134
Noncurrent liabilities:		
Notes payable	32,147,141	30,896,734
Total liabilities	47,276,164	44,333,868
Net assets:		
Controlling interests:		
Unrestricted net assets:		
Undesignated	189,763,726	190,670,239
Designated	16,182,181	15,653,658
Non-controlling interests	883,761	1,771,476
Total net assets	206,829,668	208,095,373
Total liabilities and net assets	\$ 254,105,832	252,429,241

Norton Sound Economic

Consolidated Statements of Activities December 31, 2015 and 2014

	2015	2014
Changes in unrestricted net assets:		
Revenues, gains and other support:		
Harvesting revenue	\$ 23,051,825	22,454,903
Crab revenue	14,082,038	15,568,938
Cod revenue	7,664,894	6,030,633
Fishing and fish processing	3,599,149	5,391,740
Investment income, net	(42,805)	5,528,312
Grant revenue	250,821	432,304
(Loss) gain on disposal	1,350	(222,911)
Other income	515,471	314,220
Revolving loan income	23,830	22,556
Total unrestricted revenues, gains and support	49,146,573	55,520,695
Expenses and losses:		
Program services:		
CDQ harvest management	312,626	259,302
Fisheries development	719,537	698,973
Salmon rehabilitation and enhancement	1,456,474	1,340,370
Training and scholarships	1,311,019	1,256,201
Revolving loan program	130,855	145,440
Shoreside improvements	1,792,675	604,657
Community benefits	2,341,678	2,321,672
Bulk fuel	97,673	81,362
Energy subsidy utility payments	1,518,694	1,318,162
Small business initiative	144,157	122,340
Community outreach	1,166,822	2,061,603
Community energy fund	285,415	616,881
Tender vessel management	2,942,707	2,820,878
CDQ fees	8,334	14,666
Total program services	14,228,666	13,662,507
Supporting services:		
Fishing and fish processing	10,308,079	11,215,315
Administrative expenses	4,591,393	3,978,520
Administrative expenses - Siu Alaska Corporation	508,722	833,847
Interest expense - NSEDC quota loan	129,136	151,932
Interest expense - Siu LOC, GB quota loan	324,561	304,182
Interest expense - KDS, Inc.	357,331	387,781
Siku Holdings, LLC expenses	7,603	5,585
Patricia Lee, LLC expenses	7,787,918	9,731,543
Glacier Bay Fisheries, LLC expenses	8,027,233	6,628,459
Aleutian No. 1, LLC expenses	6,391,263	5,141,473
DHA obligation payment	2,305,796	-
Boat impairment	1,154,346	-
Total supporting services	41,893,381	38,378,637
Total expenses	56,122,047	52,041,144
Equity in earnings of limited liability companies	5,521,078	8,339,823
Increase (decrease) in unrestricted net assets from operations, before taxes and non-controlling interests	(1,454,396)	11,819,374
Income tax (expense) benefit from:		
Operations	188,691	(1,056,669)
Total income tax (expense) benefit	188,691	(1,056,669)
Increase (decrease) in unrestricted net assets before discontinued operations and non-controlling interests	(1,265,705)	10,762,705
(Increase) decrease in unrestricted net assets attributable to non-controlling interest	887,715	(304,650)
Income (decrease) from discontinued operations, net of taxes	-	(236,847)
Increase (decrease) in unrestricted net assets	\$ (377,990)	10,221,208

Development Corporation

Supplementary Consolidating Schedule of Financial Position December 31, 2015

<u>Assets</u>	<u>Siu Consolidated</u>	<u>KDS</u>	<u>NSEDC</u>	<u>Eliminations</u>	<u>NSEDC Consolidated</u>
Current Assets:					
Cash and cash equivalents	\$ 4,815,993	469,804	3,791,263	-	9,077,060
Designated cash and cash equivalents	-	-	-	-	-
Investments in marketable securities, short-term	-	-	67,785,597	-	67,785,597
Accounts receivable, net	3,984,132	847,120	7,501,977	(1,955,522)	10,377,707
Interest receivable	-	-	25,935	-	25,935
Inventory at cost	245,054	-	2,713,368	-	2,958,422
Prepaid expenses and other assets	547,723	17,773	51,100	-	616,596
Current deferred tax asset	217,000	-	-	-	217,000
Net due to from intercompany	682,020	-	1,978,963	(2,660,983)	-
Short-term notes receivable	-	-	3,060,893	-	3,060,893
Total current assets	10,491,922	1,334,697	86,909,096	(4,616,505)	94,119,210
Notes receivable, net allowance of \$945,705	-	-	3,563,425	-	3,563,425
Investments:					
Restricted cash equivalents	-	-	277,856	-	277,856
Investment in marketable securities	-	-	54,246	-	54,246
Designated investments in marketable securities	-	-	16,182,181	-	16,182,181
Investment in Glacier Fish Company, LLC	57,326,518	-	-	-	57,326,518
Investment in Unaatuq, LLC	-	-	449,417	-	449,417
Investment in KDS, Inc.	-	-	5,436,054	(5,436,054)	-
Investment in Siu Alaska Corporation	-	-	70,774,622	(70,774,622)	-
Investment in BSAI Partners, LLC	4,483,259	-	-	-	4,483,259
Investment in Bering Select, LLC	930,272	-	-	-	930,272
Investment in Marine Therapeutics, LLC	83,000	-	-	-	83,000
Investments in quota share units	6,811,750	24,000,000	19,524,978	-	50,336,728
Total investments	69,634,799	24,000,000	112,699,354	(76,210,676)	130,123,477
Property, plant and equipment, net of accumulated depreciation	9,621,148	-	14,689,600	-	24,310,748
Prepaid leases, net	-	-	658,330	-	658,330
Non-current deferred tax asset	1,330,642	-	-	-	1,330,642
Total assets	\$ 91,078,511	25,334,697	218,519,805	(80,827,181)	254,105,832
<u>Liabilities and Net Assets</u>					
Current liabilities:					
Line of credit	1,582,700	-	-	-	1,582,700
Accounts payable and accrued expenses	5,226,317	87,660	6,539,277	(1,955,522)	9,897,732
Current portion, note payable	1,041,667	1,400,000	1,206,924	-	3,648,591
Due to intercompany	-	2,660,983	-	(2,660,983)	-
Total current liabilities	7,850,684	4,148,643	7,746,201	(4,616,505)	15,129,023
Non-current liabilities:					
Notes payable	11,569,444	15,750,000	4,827,697	-	32,147,141
Total liabilities	19,420,128	19,898,643	12,573,898	(4,616,505)	47,276,164
Net assets:					
Controlling interests:					
Unrestricted net assets:					
Undesignated	29,854,128	5,436,054	189,763,726	(35,290,182)	189,763,726
Designated	-	-	16,182,181	-	16,182,181
Contributed Capital	40,920,494	-	-	(40,920,494)	-
Non-controlling interests:	883,761	-	-	-	883,761
Total net assets	71,658,383	5,436,054	205,945,907	(76,210,676)	206,829,668
Total liabilities and net assets	\$ 91,078,511	25,334,697	218,519,805	(80,827,181)	254,105,832

Norton Sound Economic

Supplementary Consolidating Statements of Activities December 31, 2015

	Siu <u>Consolidated</u>	<u>KDS</u>	<u>NSEDC</u>	<u>Eliminations</u>	NSEDC <u>Consolidated</u>
Changes in unrestricted net assets:					
Revenues, gains and support:					
Harvesting revenue	\$ -	2,341,161	22,307,508	(1,596,844)	23,051,825
Crab revenue	14,082,039	-	-	-	14,082,038
Cod revenue	7,664,894	-	-	-	7,664,894
Fishing and fish processing	-	-	3,599,149	-	3,599,149
Investment income, net	-	-	(42,805)	-	(42,805)
Grant revenue	-	-	250,821	-	250,821
Gain (loss) on disposal	-	-	1,350	-	1,350
Other income	20,932	10,605	483,934	-	515,471
Revolving loan income	-	-	23,830	-	23,830
Total unrestricted revenues gains and support	21,767,864	2,351,766	26,623,787	(1,596,844)	49,146,573
Expenses and losses:					
Program services:					
CDQ harvest management	-	-	312,626	-	312,626
Fisheries development	-	-	719,537	-	719,537
Salmon rehabilitation and enhancement	-	-	1,456,474	-	1,456,474
Training and scholarships	-	-	1,311,019	-	1,311,019
Revolving loan program	-	-	130,855	-	130,855
Shoreside improvements	-	-	1,792,675	-	1,792,675
Community benefits	-	-	2,341,678	-	2,341,678
Bulk fuel	-	-	97,673	-	97,673
Energy subsidy utility payments	-	-	1,518,694	-	1,518,694
Small business initiative	-	-	144,157	-	144,157
Community outreach	-	-	1,166,822	-	1,166,822
Community energy fund	-	-	285,415	-	285,415
Tender vessel management	-	-	2,942,707	-	2,942,707
CDQ fees	-	-	8,334	-	8,334
Total program services:	-	-	14,228,666	-	14,228,666
Supporting services:					
Fishing and fish processing	-	-	10,308,079	-	10,308,079
Administrative expenses	-	94,281	4,497,112	-	4,591,393
Administrative expenses Siu Alaska Corporation	508,722	-	-	-	508,722
Interest expense - NSEDC quota loan	-	-	129,136	-	129,136
Interest expense - Siu LOC, GB quota loan	324,561	-	-	-	324,561
Interest expense - KDS, Inc.	-	357,331	-	-	357,331
Siku Holdings, LLC expenses	7,603	-	-	-	7,603
Patricia Lee, LLC expenses	9,384,762	-	-	(1,596,844)	7,787,918
Glacier Bay Fisheries, LLC expenses	8,027,233	-	-	-	8,027,233
Aleutian No. 1, LLC expenses	6,391,263	-	-	-	6,391,263
DHA obligation payment	2,305,796	-	-	-	2,305,796
Boat impairment	-	-	1,154,346	-	1,154,346
Total supporting services	26,949,940	451,612	16,088,673	(1,596,844)	41,893,381
Total expenses	26,949,940	451,612	30,317,339	(1,596,844)	56,122,047
Equity in earnings of limited liability companies	5,529,307	-	3,315,562	(3,323,791)	5,521,078
Increase in unrestricted net assets from operations, before taxes and non-controlling interests	347,231	1,900,154	(377,990)	(3,323,791)	(1,454,396)
Income tax (expense) benefit from: Operations	188,691	-	-	-	188,691
Increase in unrestricted net assets before discontin- ued operations and non-controlling interests	535,922	1,900,154	(377,990)	(3,323,791)	(1,265,705)
(Increase) decreases in unrestricted net assets attributable to non-controlling interest	887,715	-	-	-	887,715
Discontinued operation: Income (loss) from discontinued operations, net of taxes	-	-	-	-	-
Increase in unrestricted net assets	\$ 1,423,637	1,900,154	(377,990)	(3,323,791)	(377,990)

Development Corporation

Financial Disclosure Information

Description of compensation policy for directors:

Per diem and honorariums are paid to NSEDC and Siu Alaska Corporation directors for each day meetings are attended. The rate of per diem is \$350 per day. Honorarium is paid at the rate of \$300 per day. An additional \$50 is paid to the Chairman of the Board for each Board meeting. NSEDC Board members also receive a monthly stipend of \$750.

Total amount paid to directors:

Compensation for NSEDC's sixteen directors (fifteen current and one whose term ended in 2015) was \$343,999 in 2015.

Compensation for Siu Alaska Corporation's five directors was \$29,787.

Employee Compensation:

Top five highest paid personnel within NSEDC and the majority-owned subsidiaries

President and Chief Executive Officer Janis Ivanoff earned \$186,508; Treasurer and Chief Financial Officer Rick Walicki earned \$163,397; Siu Alaska Corporation President and Chief Executive Officer Cora Campbell earned \$148,668; Vice President and Quota and Acquisitions Manager Simon Kinneen earned \$147,589; Chief Operating Officer Tyler Rhodes earned \$134,949

Related Party Transactions:

Description of any transactions over the amount of \$20,000 with any director or their family members, include:

- None

Legal proceedings involving directors:

Description of any legal proceedings in which a director has an interest adverse to the CDQ Entity, including the name of the director.

- None

Professional fees:

List of totals*

Legal.....	\$179,894
Consulting.....	\$47,190
Accounting.....	\$100,137
Lobbying.....	\$0

**Includes those professional fees incurred as General and Administrative Expenses and those incurred as non-administrative expenses.*

Auditor Relationship

Auditor is Altman, Rogers & Co.

Description of any disagreement by the CDQ Entity with any auditor in the past two years:

- There were no disagreements with Altman, Rogers & Co. for 2015 and 2014.

Description of any non-audit services supplied by the auditor with disclosure of the fees paid for the non-audit services as a percentage of the total fees paid to the auditor:

- Non-audit service was for tax services related to the preparation of corporate tax returns. Total fees for non-audit services amounted to \$7,211 or approximately 10% of total fees paid to Altman, Rogers & Co.

Committees

Nomination or compensation functions, including a description of the committee's functions and dates of any meetings held by the committee:

• Executive Committee

The Executive Committee members for 2015 were Dan Harrelson, Chairman; Don Stiles, Vice-Chairman; Oscar Takak, Sergeant-at-Arms; Dean Peterson; and Harvey Sookiayak.

The Executive Committee is responsible for planning the work of the full Board, setting meeting schedules and agendas, ensuring accountability of operations of the Corporation, setting guidelines between regular meetings, clarifying policy, and referring work or issues to other committees. The Executive Committee may exercise all of the authority of the full Board in the management of the Corporation, except where action of the Board of Directors is otherwise specified by statute, regulation, the bylaws, or the articles of incorporation.

The committee held meetings on February 11, May 6, August 5, and November 4, 2015.

• Compensation Committee

The Compensation Committee members for 2015 were Dan Harrelson, Lucy Kitchen, Frances Ozenna, Dean Peterson, Harvey Sookiayak and Don Stiles.

The Compensation Committee is responsible for reviewing requests by NSEDC management for increases in pay or annual bonuses for NSEDC officers and staff, and shall recommend approval or denial of such requests to the Board of Directors. The committee did not meet in 2015.

Norton Sound Economic Development Corporation
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