



Annual Report 2016



Norton Sound Economic Development Corporation

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



MESSAGE FROM THE CHAIRMAN



It is my great pleasure to present this report detailing another year of activities and accomplishments of the Norton Sound Economic Development Corporation (NSEDC). It is hard to believe, but 2016 marked the 25th year of the Western Alaska Community Development Quota (CDQ) Program. This is a perfect time to reflect on the progress we have made over the past two and a half decades. It is also an opportune moment to thank our communities, board members, employees and partners who have helped us grow, develop and thrive in that time.

From day one, NSEDC has been committed to the training and education of our youth and residents. Our scholarship budget alone has grown from \$30,000 in 1992 to \$1 million today. We have not wavered from this focus developed in our first year, and have gone on to establish an education fund to help ensure our support for education, training and scholarships will endure for future generations. Today, that fund has more than \$16 million invested for the education of our residents' children and grandchildren.

We've also retained our focus on providing fishery opportunities to residents of the Norton Sound region, while continually improving our operations. We have constantly worked to maximize benefits to fishermen through better pricing at the docks and by overcoming logistical challenges to allow residents more time to fish closer to home. NSEDC's efforts in this area include establishing buying stations that are run by residents in four communities and acquiring new tender

vessels that are now almost entirely crewed by residents trained through NSEDC's programs.

Not all our member communities are created equal in terms of access to fisheries, so we've been determined in our efforts to address other needs in our communities which not only further economic development, but also improve the quality of life for our residents. Programs have been established to assist with the funding of infrastructure, promoting healthy communities and activities, and helping to address the high cost of living at our northern latitudes. Our residents have come to rely on our energy programs that help reduce the price of fuel and utilities, provide funding for improved energy generation systems, and directly assist households with their energy costs. And throughout these years, we've also maintained a focus on improving our ability to provide regional programs by maximizing NSEDC's revenues from our Bering Sea fishery assets. This includes making further

investments to allow for growth and sustainable operations both in the Norton Sound region and the greater Bering Sea.

Whether it's training a resident to become a licensed nurse in one of our communities, shipping Norton Sound Red King Crab pulled up through the ice to Asia, or helping communities begin transition to renewable energy, NSEDC has expanded and evolved over the years with the well-being of our communities and residents always at the center of our focus. I would like to thank all of our member communities for helping NSEDC become what it is today; we look forward to the next 25 years of responsible growth and service to the Norton Sound region.

A handwritten signature in black ink, appearing to read "Dan Harrelson". The signature is fluid and cursive, with a large initial "D" and "H".

Dan Harrelson
Chairman of the Board







ABOUT NSEDC

Norton Sound Economic Development Corporation (NSEDC) 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, NSEDC'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, NSEDC fulfills our mission by reinvesting earnings into the Norton Sound region. These investments are directed by a 15-member board, with each director representing one of the 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 development and financial assistance to member communities.

NSEDC 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 employed during the busy fishing and field seasons. These residents either work in processing plants, on tender vessels, at buying stations,

salmon enumeration camps, or as office assistants.

This report highlights the work accomplished in the various NSEDC operations and departments in 2016.

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

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NORTON SOUND SEAFOOD PRODUCTS

With more than \$4.75 million paid to Norton Sound salmon, crab, halibut, miscellaneous finfish and herring fishers, and more than \$2.1 million paid to 235 seasonal employees, Norton Sound Seafood Products (NSSP) remains the strongest driver in NSEDC's efforts to strengthen the economies in the region. 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 processing plants in Nome, Unalakleet and Savoonga; buying stations in Shaktoolik, Golovin, Moses Point (Elim) and Koyuk; and a fleet of tender vessels—NSSP operations support in-region fisheries and provide meaningful employment for hard-working men and women in the Norton Sound.

PROCESSING PLANTS

NSEDC operates processing plants in Unalakleet, Nome and Savoonga. In 2016, more than \$1.4 million in wages was paid to 175 seasonal employees at the seafood processing plants (not including NSSP administration).

NSSP provides a housing stipend to provide opportunity to individuals who live in member communities outside of Nome and Unalakleet. These individuals also have their travel paid so they can benefit from the employment opportunities created during the summer fishing season.

BUYING STATIONS

In 2016 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 flexibility by eliminating the need to schedule pulls and sets based on a tender's arrival. In 2016, 36 residents from member communities were employed at buying stations, with \$352,212 paid in wages.

VESSEL FLEET

In 2016, 24 seasonal employees were hired for NSEDC's vessel operations with \$671,722 in crew wages earned. NSEDC operated six vessels in the region to support Norton Sound fisheries operations. These vessels purchase crab and salmon directly from fishers and transport product to the processing facilities.



COMMERCIAL FISHERIES

During 2016, 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 their crew, who are not reflected in the figures below) and strong local fisheries resources allowed NSEDC to again break a record and pay out more than \$4.75 million to resident fishers for their harvest.

2016 NSSP Harvest by Community

Community [*]	Pounds									
	Salmon				CDQ Crab	O/A Summer Crab	O/A Winter Crab	Halibut	Misc. Finfish	Herring
	Red	Coho	Chum	Pink						
Elim	4,065	96,361	54,351	138,632	-	2,049	3,170	-	-	-
Golovin	1,004	25,896	37,756	57,138	208	39,129	536	-	-	-
Koyuk	1,078	44,647	85,860	133,689	-	-		-	1,492	-
Nome	42	4,189	4,123	5,019	33,890	274,950	21,925	42,451	6,236	-
Savoonga	-	-	-	-	-	-		23,233	-	-
Shaktolik	2,744	172,050	80,626	103,827	-	17,744		-	-	-
Unalakleet	7,124	358,307	81,897	310,271	-	53,500		-	6,602	28,524
St. Michael	-	-	-	-	-	-		-	-	-
Stebbins	-	-	-	-	2,162	-	184	-	-	-
White Mountain	-	-	-	-	1,415	26,048	17	-	-	-
Totals	16,057	701,450	344,613	748,576	37,675	413,420	25,832	65,684	14,330	28,524

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

CRAB

The Norton Sound red king crab fishers are provided two seasons for harvest and delivery to NSSP. In the 2016 open-access summer fishery, 36 fishers delivered a total harvest of 413,420 pounds of red king crab with an ex-vessel value of nearly \$2.7 million. In the 2016 open-access winter crab fishery, 22 fishers delivered a total harvest of 25,832 pounds of red king crab with an ex-vessel value of \$193,736. In the 2016 CDQ red king crab fishery which took place primarily in the winter with a small remainder caught in the summer, 23 fishers delivered a total harvest of 37,675 pounds with an ex-vessel value of \$278,980.

HALIBUT

While the Norton Sound Pacific halibut fishery is not the largest in-region commercial fishery, it is highly valuable for the residents who take the opportunity to participate. Fished off of St. Lawrence Island and Nome, 65,684 pounds of halibut, with an ex-vessel value of \$328,351, were delivered in 2016 by 19 fishers.

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 2016, 143 fishers delivered a total harvest of nearly 1.8 million pounds of Norton Sound Chinook, sockeye, Coho, chum and pink salmon with an ex-vessel value of more than \$1.24 million.

BAIT

To support commercial crab and halibut 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 2016, 23 fishers delivered either tomcod, Dolly Varden or herring to NSSP, earning \$35,712.

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 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 2016, NSEDC made 26 loans totaling \$334,088 to residents in the communities of Elim, Nome, Shaktoolik, Stebbins, Teller and Unalakleet.

Revolving Loan Terms:
• \$25,000 maximum for commercial permit holders
• Up to 7-year payback terms
• 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, vessel upgrades, 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 2016, NSEDC provided three large vessel loans totaling \$109,327 to residents in Nome.

Large Vessel Loan Terms:
• \$100,000 maximum for LLP holders & \$75,000 maximum for non-LLP holders
• Up to 10-year payback terms
• 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

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.

2016 Outside Entity Funding Grants		
Organization	Project Title	Amount
Brevig Mission School	Healthy Hearts, Healthy Hands, Healthy Habits	\$43,190
City of Brevig Mission	Multi-Purpose Building Expansion	\$100,000
Native Village of Brevig Mission	Shelter Cabin near Brevig Mission	\$40,092
Native Village of Diomedes	Diomedes Solid Waste and Assistance Program	\$77,202
City of Elim	Purchase 420E/420E IT Backhoe Loader	\$63,536
Gambell School	All Sports	\$43,042
Chinik Eskimo Community	Search and Rescue Operations	\$80,500
Koyuk Search and Rescue	Koyuk Search and Rescue	\$30,884
Native Village of Koyuk	Elder Meal Program	\$29,116
Alaska Arts Education Consortium	Nome Basic Arts Institute	\$13,300
Nome Kennel Club	Winter Trail Making	6,000
Nome Public Schools	Nome Elementary School Computer Upgrade	\$60,000
City of St. Michael	Service Building Unit Renovation	\$59,671
Native Village of St. Michael	EPA/IGAP Program	\$8,000
Native Village of St. Michael	St. Michael Reindeer Corral/Implement Reindeer Plan	\$60,000
City of Savoonga	Centennial Celebration	\$120,000
City of Shaktoolik	Loader/Backhoe Purchase	\$120,000
City of Stebbins	Vehicle Purchase and Repair for Village Public Safety Officers	\$60,000
Turkurgailnguq School	Outside Basketball Court	\$5,797
City of Unalakleet	Fire Truck	\$60,515
City of Wales	Community Center Demolish and Clean-up	\$26,194
Native Village of Wales	Kingikmiut Dance Festival	\$53,046
Regional Grants		
Alaska Legal Services Corporation	Norton Sound Medical-Legal Partnership	\$25,000
Kawerak, Inc.	Community Education Program	\$29,131
Fisheries-related Grants		
ADF&G	Norton Sound Salmon Escapement Monitoring	\$76,064
Native Village of White Mountain	Chinook Enhancement Project - Year 1	\$35,100
Total		\$1,325,380

SHORESIDE INFRASTRUCTURE IMPROVEMENT

Since 1993, NSEDC has invested in shoreside infrastructure in the region and remains committed to developing projects that support NSEDC's mission with an emphasis in 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 operations.

OUTSIDE ENTITY FUNDING

NSEDC annually sets aside money to contribute to regional efforts to fund programs, projects and activities that benefit member communities. In 2016, NSEDC awarded \$1,325,380 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 are reviewed by the full board for approval. Communities that do not allocate their full amount of OEF funds are able to carry the remaining balance forward to 2017. 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

NSEDC's Large Infrastructure Program, introduced in 2015, addresses municipal and civic infrastructure needs within the Norton Sound region. 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. In 2016, NSEDC approved the contribution of \$300,000 to the Native Village of Unalakleet to be applied towards the construction of an Elder's Care Facility.

COMMUNITY INVESTMENTS

COMMUNITY BENEFIT SHARE

NSEDC has invested directly into the region through the 17-year history of the Community Benefit Share program, with \$28.25 million allocated in total to our 15 member communities since 1999. In 2016, 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 2016, NSEDC sponsored the 9th SBI, supporting entrepreneurs in developing or expanding their businesses.

In 2016, the competitive grant process divided \$160,000, with a \$35,000 maximum, among awarded proposals. In 2016, NSEDC received 14 SBI applications, and a panel of independent judges selected six recipients. Since the SBI's inception in 2008, NSEDC has awarded \$1,022,654 to 40 small business owners in the region.

2016 Small Business Initiative Grant Winners				
Business	Owner	Description	Community	Award
Bering Tea & Coffee, LLC	Kristine McRae	Coffee Shop	Nome	\$17,657
Crystal's Cache	Crystal Dewey	Store & Video Rental	Koyuk	\$26,000
Fifty Shades Hair Salon & Neva Creek Photography	Katie O'Connor	Hair Salon and Photo Business	Nome	\$25,000
K-C-E Snack Shop	Adeline & Perry Pungowiyi	Store	Savoonga	\$21,343
Midnite Sun Reindeer Ranch, LLC	Lawrence B. Davis	Reindeer Ranch	Nome	\$35,000
MK Supply	Melissa Ford	Equipment Rental	Nome	\$35,000
Total 2016 grant funding				\$160,000

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 Program and Middle School Activities by donating \$6,000 to each school's youth basketball program and \$6,000 to various activities in each regional middle school.

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 this funding in their communities.



ENERGY PROGRAMS

CONSOLIDATED BULK FUEL

Fuel is one of the largest expenses for households, municipalities 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 2016, Crowley Marine Services completed the second of a three-year contract and delivered 1.5 million gallons of diesel and 420,000 gallons of gasoline worth more than \$4.14 million to 26 participating vendors and entities.

COMMUNITY ENERGY FUND

The Community Energy Fund was established in 2009 to promote the development of safe and reliable energy infrastructure in our member communities. The primary goal is to reduce energy costs for households, community facilities, and to stabilize community-wide power and heating costs. The funding must reduce the costs or improve energy efficiency for all community households and/or provide an ongoing energy-related benefit for the entire community.

Awards in 2016 included \$208,875 to the Native Village of Diomedes for the community's Power Plant Renovation to provide consistent electrical power. The City of Teller was awarded \$810,000 for its energy efficiency improvement project.

ENERGY SUBSIDY

Since 2008, the NSEDC Board of Directors has issued a total of \$6.94 million to resident households in the Norton Sound region through energy subsidies. In 2016, NSEDC paid a total of \$1.56 million toward member community residents' electric utility accounts.



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, on providing training for residents to gain employment in Alaska fisheries, and on providing funding for regional training opportunities.

In 2016, NSEDC invested more than \$1 million in residents who were seeking training and higher education.

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 2016, NSEDC invested more than \$145,000 in training opportunities for Norton Sound residents, outside our scholarship program.

NSEDC also places value in train-

ing and building on the strengths of current full-time employees, largely in support of our regional seafood operations. NSEDC sponsored or trained many NSSP employees in leadership development, heavy equipment, safety, maritime operations and repair, among others.

EMPLOYMENT

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) salmon projects and its Clean Waters program; and through the Community Employment program.

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

2016 NSEDC Education & Training Statistics

Scholarships	Individuals	Scholarships	Expenditures
Post-Secondary	254	389	\$827,505
Vocational	21	26	\$65,000
Total Scholarships	275	415	\$892,205
Training	Trainings*		Expenditures
Fisheries Related	37		\$100,718
Other	342		\$44,526
Total Training	379		\$145,244
Total	794		\$1,037,749

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

SCHOLARSHIPS

Since 1992, NSEDC has distributed more than \$9.3 million through our scholarship program to Norton Sound residents seeking education beyond high school. In 2016, more than \$892,000 was invested in 275 individuals enrolled at an accredited college, university or vocational school. In 2016, full-time post-secondary education and vocational training students received \$2,500 per semester or session.

Employment Statistics

2016 Employment Statistics	People	Wages
Management/Administrative		
NSEDC	39	\$2,835,861
NSSP / Vessel Management	12	\$877,503
Total Management/Administrative	51	\$3,713,364
Bering Sea Partner Employment*	20	\$469,975
NSSP Employment	211	\$1,438,801
Regional Vessel Employment	24	\$671,722
Other NSEDC Employment	20	\$52,533
Fishing		
Winter Open-Access Norton Sound Red King Crab	22	\$193,736
Summer Open-Access Norton Sound Red King Crab	36	\$2,687,230
NSEDC CDQ Red King Crab	23	\$278,980
Norton Sound Salmon	143	\$1,248,459
NSEDC CDQ Halibut	19	\$328,351
Bait	23	\$35,712
Total Fishing**	207	\$4,752,501
NSEDC Community Outreach Liaisons	14	\$65,805
NSEDC Community Employment Program	19	\$115,797
Fishery Technicians		
NSEDC Salmon Rehabilitation	27	\$373,419
NSEDC Fisheries Development	3	\$37,379
ADF&G Fishery Technician Interns (NSEDC funded)	3	\$52,137
Total Technicians	33	\$462,935
TOTAL EMPLOYMENT*	659*	\$11,743,435

* "Total Employment" in this chart refers to those directly employed by NSEDC and those earning money through NSEDC-supported fisheries activities.

** Fishers are counted in each fishery they participate in but only once for the total.

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 NSSP's processing plants or vessel fleet, in the field at one of NSFR&D's 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 \$1.4 million to 211 residents who worked as seafood processors and fish buyers in 2016. Another \$665,465 was paid to 24 individuals hired as crew for the summer tender vessel fleet.

More about NSSP employment on pages 9-11.

NSFR&D

In 2016, 33 fisheries technicians were hired for NSFR&D and the Alaska Department of Fish & Game (ADF&G) salmon enumeration and other field projects with nearly \$463,000 in wages paid by NSEDC.

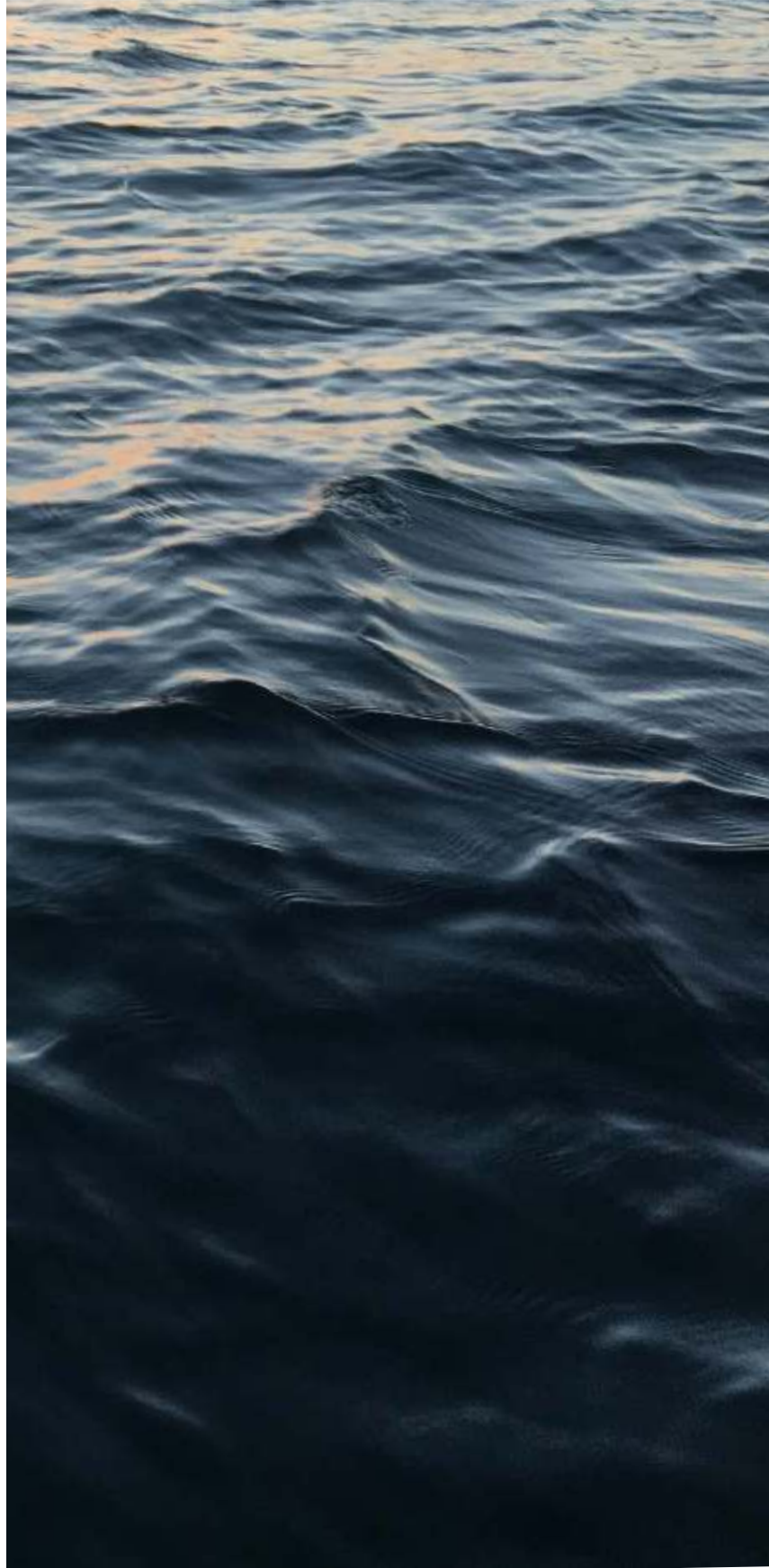
More about NSFR&D employment on pages 23-25

PARTNER HIRE

NSEDC assists member community residents gain employment with our fishing and processing partners. In 2016, 20 residents worked with Glacier Fish Company and Siku Holdings, LLC, earning more than \$469,000. These individuals work on a catcher processor or a crabbing vessel, and have a unique opportunity for employment throughout the year. Some turn the opportunity into a full-time career.

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 also open to other member community residents. In 2016, 19 employees were hired through the Community Employment Program, earning nearly \$115,000 in wages.





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 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.

2016 NSFR&D Projects	
Gambell	Marine Debris Clean-Up
Teller	Marine Debris Clean-Up
Golovin	Marine Debris Clean-Up
Nome area	Chum salmon rehabilitation; Coho salmon rehabilitation; Salmon Lake fertilization; Pilgrim River sockeye smolt monitoring; Pilgrim River adult salmon weir; Eldorado River adult salmon counting weir; Snake River adult salmon counting weir; salmon stream water baseline; crab tagging
Koyuk	Inglutalik River adult salmon counting tower
Shaktoolik	Shaktoolik River adult salmon counting tower
Unalakleet	Chinook salmon rehabilitation; North River adult salmon counting tower; herring monitoring
White Mountain	Fish River adult salmon counting tower; Chinook salmon rehabilitation (assisted Native Village of White Mountain)

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 and age 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 and other important water chemistry parameters to analyze the effect of the fertilization program.

SALMON PROJECTS

The salmon return to their spawning grounds and each summer 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 data spend their summers in remote camps, gaining employment and field experience.

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

NSFR&D PROJECTS (continued)

SALMON RESTORATION AND SALMON INCUBATION

In 2016, NSEDC continued to transition to using heath trays instead of mist incubators to incubate salmon eggs. The use of heath trays allows the program to begin releasing salmon at the fry stage, which has been done successfully for two years now.

NSFR&D works to restore Coho, chum and Chinook runs in various rivers in the region. Fisheries biologists and technicians take eggs from salmon that are ready to spawn, and fertilize and incubate them. In Nome, Snake River chum and Coho eggs are planted in the gravel just before they are about to hatch, but the Solomon River chum eggs are hatched in the heath trays (an option that was unavailable when using mist incubators) and held over the winter to be released as fry in the spring. Snake River chum will be held over the 2017 winter and released as fry in the spring of 2018, in addition to the Solomon River chum. In Unalakleet, NSFR&D uses mist incubation and plants Chinook eggs from the Unalakleet River into the South River, with 2017 being the first year that planted fish may return. This process has been successful with other salmon species. The ability to raise fish to the fry stage may allow NSFR&D to expand the location at which restoration efforts can take place. The main challenges involved in this process are maintaining water quality with such a limited quality water source. NSFR&D staff are actively working on improving our water quality and recirculation capabilities using biofilters and other creative ways to have more and higher quality water to work with.

2016 Incubation Programs
Snake River - chum & Coho
Solomon River - chum
South River - Chinook
Fish River - Chinook

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 more than once. In 2016, crews were hired in Golovin, Teller and Gambell. Over the life of NSEDC's Clean Waters program, 984,755 pounds of debris have been removed from Norton Sound beaches and flood plains.

2016 Clean Waters Programs	
Community	Pounds of debris removed
Golovin	25,000
Teller	69,000
Gambell	1,250

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. While the cooperative NSFR&D/ ADF&G crab tagging study ended in 2015, we continue to work together to conduct crab research. NSFR&D and ADF&G partnered together to continue sending crab observers out on the commercial Norton Sound red king crab boats. The data collected is used to help evaluate the health of the stock and to better understand the dynamic of the fishery. NSFR&D and ADF&G worked with the National Marine Fisheries Service to test placing acoustic tags on king crab during the winter fishery. The result of that test is helping to design future acoustic tagging work. NSFR&D and ADF&G plan to continue to cooperate in conducting crab research within Norton Sound.







QUOTA MANAGEMENT

NSEDC owns fishing rights allocated through the Community Development Quota (CDQ) program, and most of our revenue comes directly from this ownership in the pollock, cod, crab and groundfish 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 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 distributions from ownership interests, as well as the employment opportunities created for Norton Sound residents.

NSEDC enjoys long-standing relationships with most of these harvesters and has an ownership interest in some, including Glacier Fish Company and Siku Holdings, LLC.

In 2016, NSEDC participated in 27 different fisheries between our CDQ and IFQ activity. Another strong year of harvests generated net revenues of more than \$17.7 million from CDQ activity and nearly \$6.9 million through IFQ fishing.

CDQ Fishery	Target Harvest	Harvester
POLLOCK	29,898 mt	<i>F/T Alaska Ocean, F/T Pacific Glacier</i> (Glacier Fish Company)
BERING SEA PACIFIC COD	4,563 mt	<i>F/V Bristol Leader, F/V Northern Leader</i> (Alaskan Leader Fisheries); <i>F/V Aleutian Sable</i> (Arctic Sablefish, LLC)
ALEUTIAN ISLANDS PACIFIC COD	199 mt	<i>F/V Seafreeze Alaska</i> (U.S. Seafoods); <i>F/V Northern Glacier</i> (Glacier Fish Company)
CRAB		
E. Aleutian Is. golden king	69,510 lbs	<i>F/V Patricia Lee</i> (Siku Holdings, LLC)
Bristol Bay red king	152,442 lbs	<i>F/V Tempo Sea</i> (Tempo Sea, LLC)
Bering Sea opilio	730,988 lbs	<i>F/V Patricia Lee</i> (Siku Holdings, LLC)
Eastern Bering Sea bairdi	202,896 lbs	<i>F/V Ramblin Rose</i> (Diamondback Seafoods)
Western Bering Sea bairdi	23,876 lbs	<i>F/V Ramblin Rose</i> (Diamondback Seafoods)
Norton Sound red king	38,790 lbs	Norton Sound resident fishers
OTHER GROUNDFISH		
Atka mackerel	774 mt	<i>F/V Northern Glacier</i> (Glacier Fish Company)
Pacific Ocean perch (POP)	354 mt	<i>F/V Northern Glacier</i> (Glacier Fish Company); <i>F/V Seafreeze Alaska, F/V Alaska Knight</i>
Yellowfin sole	1,170 mt	<i>F/V Northern Glacier</i> (Glacier Fish Company)
Rock sole	573 mt	<i>F/V Northern Glacier</i> (Glacier Fish Company)
Flathead sole	101 mt	<i>F/V Northern Glacier</i> (Glacier Fish Company)
Arrowtooth flounder	117 mt	<i>F/V Northern Glacier</i> (Glacier Fish Company)
Greenland halibut	36 mt	<i>F/V Northern Glacier</i> (Glacier Fish Company)
SABLEFISH		
Bering Sea	12 mt	<i>F/V Ballyhoo</i> (Diamondback Seafoods)
HALIBUT		
Bering Sea (Area 4D)	52,421 lbs	Norton Sound resident fishers
IFQ FISHERY	Target Harvest	Harvester
SABLEFISH		
Central Gulf of Alaska	110,737 lbs	<i>F/V Provider, F/V Alaskan Legacy</i> (Wild Alaskan Seafoods, Inc.)
Western Gulf of Alaska	36,341 lbs	<i>F/V Provider, F/V Alaskan Legacy</i> (Wild Alaskan Seafoods, Inc.)
HALIBUT		
Gulf of Alaska (Area 3B)	7,411 lbs	<i>F/V Alaskan Legacy</i> (Wild Alaskan Seafoods, Inc.)
CRAB		
E. Aleutian Is. golden king	541,829 lbs	<i>F/V Patricia Lee</i> (Siku Holdings, LLC)
W. Aleutian Is. golden king	1,278,951 lbs	<i>F/V Aleutian No. 1</i> (Siku Holdings, LLC)
Bristol Bay red king	145,626 lbs	<i>F/V Tempo Sea</i> (F/V Tempo Sea, LLC)
Eastern Bering Sea bairdi	81,551 lbs	<i>F/V Pacific Mariner</i> (Pacific Mariner, LLC), <i>F/V Polar Sea</i> (Arctic Hunter, LLC)
Western Bering Sea bairdi	108,103 lbs	<i>F/V Western Mariner</i> (Western Mariner, LLC), <i>F/V Polar Sea</i> (Arctic Hunter, LLC)
Bering Sea opilio	1,030,379 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 Ocean Hunter</i> (Arctic Hunter, LLC), <i>F/V Baranof</i> (Romanzof Fishing Co., LLC)



SIU ALASKA CORPORATION

Siu Alaska Corporation is NSEDC's wholly-owned for-profit subsidiary. Created in 2009, Siu manages NSEDC's for-profit investments. Siu is invested in five different fishing-related ventures in the Bering Sea and Aleutian Islands, harvesting and processing cod, pollock, crab, groundfish and flatfish. Siu's operations are directed by a seven-member board whose members are appointed by the NSEDC Board of Directors.

GLACIER FISH COMPANY

Siu is the largest owner of Glacier Fish Company (GFC), which owns and operates three catcher processor vessels, the *Alaska Ocean*, the *Pacific Glacier*, and the *Northern Glacier*. Using these vessels, GFC harvests and processes NSEDC's CDQ pollock and flatfish allocations along with other quota. In 2016, 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*. Numerous regional residents have been employed on GFC's vessels.

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 and groundfish in the Bering Sea and Aleutian Islands. GFC manages the operations of these vessels. In 2016, Iquique began construction of a new, state-of-the-art vessel that will be used for multispecies flatfish and groundfish harvesting and processing. Construction of such a vessel is a large and complex undertaking, and the vessel is expected to be complete in 2018.

GLACIER BAY FISHERIES

Since 2010, Siu has owned the freezer-longliner *Glacier Bay*, which harvests and processes cod in the Bering Sea. In 2016, Siu decided to offer the vessel for sale while keeping the associated cod quota. The vessel fished most of the 2016 season before tying up in October. The cod quota associated with the vessel is now leased to our harvesting partner, Clipper Seafoods.

Through Siku Holdings, Siu Alaska owns 50% of two crab harvesting vessels—the *Aleutian No. 1* and the *Patricia Lee*. These vessels are owned in partnership with multiple long-time crab industry participants.

The *Patricia Lee* fishes for Eastern Aleutian Islands golden king crab and opilio crab. The *Aleutian No. 1*

BERING SELECT

Along with several partners, Siu is an investor in an innovative cod liver oil plant in Dutch Harbor, Alaska. The plant, which opened in 2015, processes cod livers caught by longline vessels into a healthy oil, rich in Omega-3 fatty acids and vitamins, that is marketed for sale as a nutritional supplement. The plant operations are managed by our partner, Clipper Seafoods, and the oil is sold by another partner, Marine Ingredients. In 2016, the plant secured several customers and saw our product transformed from totes of bulk oil into finished product available for purchase by consumers.

BSAI PARTNERS

BSAI Partners is owned by Siu and Coastal Villages Region Fund. Together with minority owner Maruha, BSAI Partners owns six pollock trawl catcher vessels and the associated pollock quota. Five of these vessels (*Alaska Rose*, *Bering Rose*, *Sea Wolf*, *Destination*, and *Great Pacific*) actively participated in the Bering Sea pollock fishery in 2016 while one vessel (*Messiah*) was not needed to harvest pollock and instead tendered salmon in the Chignik area.

The vessels fish as part of the Unalaska Fleet Cooperative and deliver their catch to the Alyeska Seafoods plant in Dutch Harbor. The plant produces roe, surimi, and other products from this versatile fish. The cooperative harvested 128 million pounds of pollock in 2016, fishing from January to April and again from June to September. This company had a very successful year in 2016.

SIKU HOLDINGS

fishes for Western Aleutian Islands golden king crab. Together, the two boats harvested more than 3.9 million pounds of crab in the Bering Sea and Aleutian Islands in 2016. Five residents of NSEDC communities worked as crewmembers on the *Patricia Lee* in 2016.







2016 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
(2015-2018)



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
(2014-2017)



Pat Johanson
P.O. Box 743
Nome, AK 99762
(2015-2018)



Truman Kava
P.O. Box 154
Savoonga, AK 99769
(2015-2018)



Milton Cheemuk
P.O. Box 7
St. Michael, AK 99659
(2015-2018)



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



Daphne Katcheak
P.O. Box 71048
Stebbins, AK 99671
(2014-2017)



Joseph Garnie
P.O. Box 582
Teller, AK 99778
(2015-2018)



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



Sean Komonaseak, Jr.
P.O. Box 514
Wales, AK 99783
(2016-2017)



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

2016 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

Banner Romanesko
Safety Manager

John Baker
Special Projects Coordinator

Scott Kent
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

Vaughn Munn
Systems Administrator

Charice Johnson
Administrative Assistant

EDUCATION, EMPLOYMENT & TRAINING

Niaomi Brunette
EET Director

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

Marcus Pedro
So. NSSP Assistant Plant Manager

Rochelle Ferry
No. NSSP Office Manager

Sherilee Foote
So. NSSP Office Manager

Karl Erickson
Vessel Manager

Brian Johnson
Vessel Mechanic

Dawson Kauer
Refrigeration Technician (No. NSSP)

Richard Takak
NSSP Sales & Support/Expeditior

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)

FISHERIES RESEARCH & DEVELOPMENT

Wes Jones
NSFR&D Director

Charlie Lean
Biologist

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

Sara Seetot
Brevig Mission

Jolene Soolook
Little Diomed

Emily Murray
Elim

Kirstie Ione
Golovin

Sherri Lewis
Golovin

Laverne Kimoktoak
Koyuk

Charlotte Kava
Savoonga

Reuben Paniptchuk
Shaktoolik

Hannah Sookiayak
Shaktoolik

Mary Long
St. Michael

Joan Nashoanuk
Stebbins

Wilma Ongtowasruk
Teller

Joanne Keyes
Wales

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 through the Community Benefit Share program
- The Brevig Mission School was awarded \$43,190 in Outside Entity Funding for the Healthy Hearts, Healthy Hands, Healthy Habits program
- The City of Brevig Mission was awarded \$100,000 in Outside Entity Funding for the Multi-Purpose Building Expansion
- The Native Village of Brevig Mission was awarded \$40,092 in Outside Entity Funding for a shelter cabin
- 88 households received a total of \$50,600 in utility subsidies from NSEDC
- The community's substance and alcohol abuse prevention grant provided \$10,000 to the Brevig Mission School and \$10,000 to the Brevig Mission Traditional Council for various healthy activity programming
- NSEDC contributed \$6,000 to the Brevig Mission School for the Little Dribblers Program
- NSEDC contributed \$6,000 to the Brevig Mission School for Middle School Athletics
- 10 residents received NSEDC scholarships throughout the year
- Glacier Fish Co. employed one resident as a crew member on board the *Alaska Ocean*
- NSEDC made a donation to the Native Village of Brevig Mission for the community spring clean up

LITTLE DIOMEDE

- Frances Ozenna served as Board Member
- Jolene Soolook served as Community Outreach Liaison
- The City of Diomedes was awarded \$150,000 through the Community Benefit Share program
- The Native Village of Diomedes received \$208,875 from the Community Energy Fund for the Power Plant Renovation
- The Native Village of Diomedes was awarded \$77,202 in Outside Entity Funding for the Diomedes Solid Waste and Assistance Program
- 38 households received a total of \$21,850 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
- NSEDC contributed \$6,000 to the Diomedes School for the Little Dribblers Program

- NSEDC contributed \$6,000 to the Diomedes School for Middle School Athletics
- NSEDC made a donation to the Native Village of Diomedes for members to attend Savoonga's 100th Celebration Festival

ELIM

- Oscar Takak Sr. served as Board Member
- Emily Murray served as Community Outreach Liaison
- The City of Elim was awarded \$150,000 through the Community Benefit Share program
- The City of Elim was awarded \$63,536 in Outside Entity Funding for the purchase of a 420E/420E IT Backhoe Loader
- 93 households received a total of \$53,473 in utility subsidies from NSEDC
- The community's substance and alcohol abuse prevention grant provided \$18,000 to the Aniguiin School and \$2,000 to Campus Life for various healthy activity programming
- 12 residents received NSEDC scholarships throughout the year
- Two residents completed NSSP Loader Training
- Glacier Fish Co. employed one resident as a crew member on board the *Northern Glacier*
- Four residents completed NSEDC-sponsored QuickBooks Essentials Training
- 22 fishers delivered salmon to NSSP during the year, earning more than \$181,000
- Three fishers delivered summer crab to NSSP during the year, earning more than \$37,000
- NSEDC made a donation to the Floyd St. Nagaruk Basketball Tournament, the 4th of July Celebration and the Elim Headstart Graduation

GAMBELL

- Joel James served as Board Member
- The City of Gambell was awarded \$150,000 through the Community Benefit Share program
- The Gambell School was awarded \$43,042 in Outside Entity Funding for Gambell sports
- 166 households received a total of \$95,450 in energy subsidies from NSEDC
- The community's substance and alcohol abuse prevention grant provided a total of \$17,000 to the Gambell Schools and \$3,000 to the City of Gambell for various healthy activity programming
- NSEDC contributed \$6,000 to the Hugo T. Apatiki Elementary School for the Little Dribblers Program
- NSEDC contributed \$6,000 to the John Apangalook School for Middle School Athletics

- 12 residents received NSEDC scholarships throughout the year
- 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 two residents as a crew members on the *Alaska Ocean*
- NSEDC made a donation to the Gambell Schools for a Nome Dance Festival fundraiser

GOLOVIN

- Dean Peterson served as Board Member
- Kirstie Ione and Sherri Lewis served as Community Outreach Liaisons
- The City of Golovin was awarded \$150,000 through the Community Benefit Share program
- The Chinik Eskimo Community was awarded \$80,500 in Outside Entity Funding for Search and Rescue Operations
- 50 households received a total of \$28,750 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 \$6,000 to the Martin L. Olson School for the Little Dribblers Program
- NSEDC contributed \$6,000 to the Martin L. Olson School for Middle School Athletics
- Five residents received NSEDC scholarships throughout the year
- Two residents completed NSSP Loader Training
- 11 residents participated in an NSEDC-sponsored Women's Parka Sewing course
- The Chinik Eskimo Community 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
- 11 fishers delivered salmon to NSSP during the year, earning more than \$62,000
- Three fishers delivered summer crab to NSSP during the year, earning more than \$258,000
- Two fishers delivered winter crab to NSSP during the year
- Throughout the year NSEDC made donations for the Community Spring Clean Up and Lemonade Day

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KOYUK

- Leo Charles served as Board Member
- Laverne Kimoktoak served as Community Outreach Liaison
- The City of Koyuk was awarded \$150,000 through the Community Benefit Share program
- 93 households received a total of \$53,475 in utility subsidies from NSEDC
- The Koyuk Search and Rescue was awarded \$30,884 in Outside Entity Funding for operations
- The Native Village of Koyuk was awarded \$29,116 in Outside Entity Funding for the Elder Meal Program
- The community's substance and alcohol abuse prevention grant provided a total of \$13,120 to the Native Village of Koyuk and \$6,879 to the Koyuk School for various healthy activity programming
- One resident was awarded \$26,000 through the 2016 Small Business Initiative grant program
- NSEDC contributed \$6,000 to the Koyuk School for the Little Dribblers Program
- NSEDC contributed \$6,000 to the Koyuk School for Middle School Athletics
- Five residents received NSEDC scholarships throughout the year
- One resident attended an NSEDC-sponsored Fisheries Safety Orientation Class
- 11 residents participated in an NSEDC-sponsored Women's Kaspeq Sewing course
- One resident 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
- Two fishers delivered tomcod to NSSP during the year, earning nearly \$1,500
- 14 fishers delivered salmon to NSSP during the year, earning more than \$122,500
- NSEDC made donations for the John Kavairlook, Jr. Basketball Tournament, Community Spring and Fall Clean Ups

NOME

- Pat Johanson served as Board Member
- The City of Nome was awarded \$150,000 through the Community Benefit Share program
- The Alaska Arts Education Consortium was awarded \$13,300 in Outside Entity Funding for the Nome Basic Arts Institute
- The Nome Kennel Club was awarded \$6,000 in Outside Entity Funding for winter trail making
- The Nome Public Schools was awarded \$60,000 in Outside Entity Funding for a Nome Elementary School Computer Upgrade

- Four residents were awarded a total of \$112,657 through the 2016 Small Business Initiative grant program
- The community's substance and alcohol abuse prevention grant provided a total of \$20,000 to Nome-Beltz High School, Nome Community Center, Nome Covenant Church, Nome Emergency Shelter Team, Nome Preschool Association, Nome Public Schools, Nome Volunteer Fire Department, and XYZ Senior Center for various healthy activity programming
- 1,292 households received a total of \$742,900 in utility subsidies from NSEDC
- NSEDC contributed \$6,000 to the Nome Elementary School for the Little Dribblers Program
- NSEDC contributed \$6,000 to the Nome Public Schools for Middle School Athletics
- 141 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
- 265 residents participated in 35 Northwest Campus classes/trainings at a reduced tuition rate
- Five residents attended an NSEDC-sponsored Fisheries Safety Orientation Class
- Four residents attended an NSEDC-sponsored NSSP Loader Training course
- 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
- Glacier Fish Co. employed three residents as crew members on the *Alaska Ocean & Pacific Glacier*
- Siku Holdings, LLC employed one resident as a crew member on board the *Patricia Lee*
- Five fishers delivered finfish to NSSP during the year earning \$6,200
- 16 fishers delivered summer crab to NSSP during the year, earning more than \$1.9 million
- 18 fishers delivered winter crab to NSSP during the year, earning more than \$250,000
- Five fishers delivered halibut to NSSP during the year, earning more than \$212,000
- Six fishers delivered finfish to NSSP during the year
- Throughout the year NSEDC made donations for: LOIBC, ASAA World Declamation, the Nome Preschool Association's annual auction, Washington, D.C. Close Up fundraiser, the Trae Adsuna Culinary camp fundraiser, the King Island Native Corporation annual meeting, the City of Nome's Volunteer Ambulance

Dinner, the Nanook Basketball Camp, Nome Youth Softball, the Nome Arts Council's 16th Annual Salmonberry Jam and Pamyua performance, the Nome Eskimo Community, Arctic Pinkies, Alaska Legal Services Corporation 50 year celebration, the Village of Solomon, Nome Preschool's Breakfast with Santa, North Star Swim Team and Nome-Beltz High School Wrestling Team, Nome Eskimo Community, and Volleyball Camp fundraiser, the Kids 2 College event, and the Arctic Native Brotherhood Easter Egg Hunt

SAVOONGA

- Truman Kava served as Board Member
- Charlotte Kava served as Community Outreach Liaison
- The City of Savoonga was awarded \$150,000 through the Community Benefit Share program
- The City of Savoonga was awarded \$120,000 in Outside Entity Funding for the Centennial Celebration
- 165 households received a total of \$94,875 in utility subsidies from NSEDC
- One resident was awarded \$21,343 through the 2016 Small Business Initiative grant program
- The community's substance and alcohol abuse prevention grant provided a total of \$5,000 to the City of Savoonga for various healthy activity programming
- NSEDC contributed \$6,000 to the Hogarth Kingeekuk Memorial School for the Little Dribblers Program
- NSEDC contributed \$6,000 to the Hogarth Kingeekuk Memorial School for Middle School Athletics
- Three residents received NSEDC scholarships throughout the year
- 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
- 14 fishers delivered halibut to NSSP during the year, earning \$116,000
- Throughout the year NSEDC made donations for the Community Spring and Fall Clean Ups

SHAKTOOLIK

- Harvey Sookiayak served as Board Member
- Reuben Paniptchuk and Hannah Sookiayak served as Community Outreach Liaisons
- The City of Shaktoolik was awarded \$150,000 through the Community Benefit Share program
- The City of Shaktoolik was awarded \$120,000 in Outside Entity Funding for a Loader/Backhoe Purchase

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- 75 households received a total of \$43,125 in utility subsidies from NSEDC
- The community's substance and alcohol abuse prevention grant provided \$10,150 to the Shaktoolik School, \$2,500 to the Shaktoolik Covenant Church, \$1,000 to the City of Shaktoolik and \$5,000 to the Native Village of Shaktoolik for various healthy activity programming
- NSEDC contributed \$6,000 to the Shaktoolik School for the Little Dribblers Program
- NSEDC contributed \$6,000 to the Shaktoolik School for Middle School Athletics
- Five residents received NSEDC scholarships throughout the year
- One resident attended the Young Fisherman's Summit
- Three residents participated in an NSEDC-sponsored NSSP Loader Training course
- The City of Shaktoolik 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
- 26 fishers delivered salmon to NSSP during the year, earning \$294,900
- Six fishers delivered summer crab to NSSP during the year, earning \$115,000
- Throughout the year NSEDC made donations for the C. Savetilik Basketball Tournament, Community Spring Clean Up, 4th of July celebration, and the Hawaii class trip fundraiser

ST. MICHAEL

- Milton Cheemuk served as Board Member
- Mary Long served as Community Outreach Liaison
- The City of St. Michael was awarded \$150,000 through the Community Benefit Share program
- The City of St. Michael was awarded \$59,671 in Outside Entity Funding for a Service Building Unit Renovation
- The Native Village of St. Michael was awarded \$8,000 in Outside Entity Funding for the EPA/IGAP Program
- The Native Village of St. Michael was awarded \$60,000 in Outside Entity Funding for the St. Michael Reindeer Corral/Implementation of Reindeer Plan
- 97 households received a total of \$55,775 in utility subsidies from NSEDC
- NSEDC contributed \$6,000 to the Anthony A. Andrews School for the Little Dribblers Program
- NSEDC contributed \$6,000 to the Anthony A. Andrews School for Middle School Athletics
- Seven residents received NSEDC scholarships throughout the year
- Six residents participated in an NSEDC-sponsored Highway CDL course

- Seven residents participated in an NSEDC-sponsored Driver's License Workshop
- One resident participated in a Fisheries Safety Orientation 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
- Glacier Fish Co. employed two residents aboard the *Alaska Ocean*
- NSEDC made donations to the Native Village of St. Michael for an annual community clean up and the Americorp Program

STEBBINS

- Daphne Katcheak served as Board Member
- Joan Nashoan served as Community Outreach Liaison
- The City of Stebbins was awarded \$150,000 through the Community Benefit Share program
- The City of Stebbins was awarded \$60,000 in Outside Entity Funding for Equipment Purchase and Repair
- The Tukurngailnguq School was awarded \$5,797 in Outside Entity Funding for an Outside Basketball Court
- The community's substance and alcohol abuse prevention grant provided a total of \$16,460 to Stebbins Head Start, 4th of July Activities and Stebbins Student Activities for various healthy activity programming
- 120 households received a total of \$69,000 in utility subsidies from NSEDC
- NSEDC contributed \$6,000 to the Tukurngailnguq School for the Little Dribblers Program
- NSEDC contributed \$6,000 to the Tukurngailnguq School for Middle School Athletics
- Four residents received NSEDC scholarships throughout the year
- Four residents attended an NSEDC-sponsored Fisheries Safety Orientation Class at AVTEC in Seward
- Glacier Fish Co. employed three residents as crew members on board the *Alaska Ocean* and *Pacific Glacier*
- The City of Stebbins 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
- 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 Community Clean Up

TELLER

- Joe Garnie served as Board Member
- Wilma Ongtowasruk served as Community Outreach Liaison
- The City of Teller was awarded \$150,000 through the Community Benefit Share program
- The City of Teller received \$810,000 through the Community Energy Fund for its energy efficiency improvement project
- The community's substance and alcohol abuse prevention grant provided \$20,000 to the James C. Isabell School, Mary's Igloo Traditional Council and Teller Traditional Council for various healthy activity programming
- 72 households received a total of \$41,400 in utility subsidies from NSEDC
- NSEDC contributed \$6,000 to the James C. Isabell School for the Little Dribblers Program
- NSEDC contributed \$6,000 to the James C. Isabell School for Middle School Athletics
- Three residents received NSEDC scholarships throughout the year
- The City of Teller 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
- NSEDC made donations for the Annual Community Clean Up, the community basketball tournament, the 4th of July Celebration, a fundraiser for the senior class, and the James C. Isabell School Basketball camp fundraiser

UNALAKLEET

- Frank Katchatag served as Board Member
- The City of Unalakleet was awarded \$150,000 through the Community Benefit Share program
- The City of Unalakleet was awarded \$60,515 in Outside Entity Funding for a Fire Truck
- The community's substance and alcohol abuse prevention grant provided a total of \$5,500 to the Native Village of Unalakleet and \$14,500 to the Unalakleet Schools for various healthy activity programming
- 256 households received a total of \$147,200 in utility subsidies from NSEDC
- NSEDC contributed \$6,000 to Unalakleet Schools for the Little Dribblers Program
- NSEDC contributed \$6,000 to Unalakleet Schools for Middle School Athletics
- 52 residents received NSEDC scholarships throughout the year
- One resident attended an NSEDC-sponsored Fisheries Safety Orientation Class at AVTEC in Seward

continued on next page





- One resident attended the Young Fisherman's Summit
- One resident attended the Alaska Seafood Processing Leadership Institute
- Nine residents participated in an NSEDC-sponsored 49-hr. Hazwoper Training course
- Four residents participated in an NSEDC-sponsored 8-hr. Hazwoper Training course
- Five residents participated in an NSEDC-sponsored Medic First Aid/CPR course
- Eight residents participated in an NSEDC-sponsored QuickBooks course
- One resident 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 four residents as crew members on board the *Pacific Glacier* and *Alaska Ocean*
- Siku Holdings, LLC employed two residents as crew members on board the *Patricia Lee*
- 65 fishers delivered salmon to NSSP during the year, earning more than \$578,900
- Eight fishers delivered summer crab to NSSP during the year, earning more than \$347,000
- Nine fishers delivered finfish to NSSP during the year, earning \$6,600
- Six fishers delivered herring to NSSP during the year, earning \$8,500
- Throughout the year, NSEDC made donations for: January Jamboree, Community Spring Clean Up, Community Easter Egg Hunt, Community Art Project, Basketball Camp fundraiser, 4th of July Celebration, and the Sewing Circle Auction

WALES

- Sean Komonaseak, Jr. served as Board Member
- Joanne Keyes served as Community Outreach Liaison
- The City of Wales was awarded \$150,000 through the Community Benefit Share program
- The City of Wales was awarded \$26,194 in Outside Entity Funding for the Community Center Demolition and Clean Up
- The Native Village of Wales was awarded \$53,046 in Outside Entity Funding for the Kingikmiut Dance Festival
- The community's substance and alcohol abuse prevention grant provided \$1,980 to the Native Village of Wales for various

healthy activity programming

- 52 households received a total of \$29,900 in utility subsidies from NSEDC
- NSEDC contributed \$6,000 to the Wales School for the Little Dribblers Program
- NSEDC contributed \$6,000 to the Wales School for Middle School Athletics
- The Native Village of Wales 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

WHITE MOUNTAIN

- Dan Harrelson served as Board Member
- Yvonne Gregg served as Community Outreach Liaison
- The City of White Mountain was awarded \$150,000 through the Community Benefit Share program
- The Native Village of White Mountain was awarded \$35,100 in fisheries-related Outside Entity Funding for the Chinook Enhancement Project - Year One
- The community's substance and alcohol abuse prevention grant provided a total of \$15,000 to the White Mountain Student Activity Fund and \$5,000 to the Native Village of White Mountain for various healthy activity programming
- 67 households received a total of \$38,525 in utility subsidies from NSEDC
- NSEDC contributed \$6,000 to the White Mountain School for the Little Dribblers Program
- NSEDC contributed \$6,000 to the White Mountain School for Middle School Athletics
- 10 residents received NSEDC scholarships throughout the year
- 12 residents participated in an NSEDC-sponsored Inupiaq Singing and Drumming course
- One fisher delivered summer crab to NSSP during the year
- Two fishers delivered winter crab to NSSP during the year
- NSEDC made a donation for the Putto Basketball Tournament
- NSEDC made a donation to the City of White Mountain for the 4th of July celebration, the White Mountain School Yearbook, and an ANSEP fundraiser

REGION-WIDE

- NSEDC issued through its Community Benefit Share program \$150,000 per member community, dedicating \$2.25 million in total in 2016
- Crowley completed deliveries of fuel from NSEDC's Bulk Fuel Program, distributing 1.5 million gallons of diesel fuel

and 420,000 gallons of unleaded fuel to 26 participating vendors and entities for a total of \$4.14 million

- NSEDC paid a total of nearly \$1.56 million in utility subsidies to 2,724 resident households
- NSEDC donated a total of \$102,500 to families in member communities that experienced hardship
- The Alaska Department of Fish & Game was awarded \$76,064 in fisheries-related Outside Entity Funding for Norton Sound Salmon Escapement Monitoring
- Kawerak was awarded \$29,131 in regional Outside Entity Funding for the Community Education Program
- Alaska Legal Services Corporation was awarded \$25,000 in Outside Entity Funding for Norton Sound Medical - Legal Partnership
- NSEDC awarded \$160,000 to six Small Business Initiative grant recipients
- NSEDC's Community Employment Program employed 19 residents over the summer, providing opportunity for scholarship recipients and other member community residents as well as resources for regional municipalities and entities
- 20 residents earned nearly \$469,975 working with NSEDC's harvesting and processing partners in the Bering Sea
- NSEDC donated a total of \$8,000 to BSSD students who traveled to Anchorage and elsewhere for various competitions
- NSEDC made donations to the BSSD for the 1A Subregional Basketball Tournament
- NSEDC made \$5,000 contributions to KNOM, KICY and KNSA
- NSEDC made \$1,000 contributions for city league basketball tournaments
- NSEDC made a \$2,000 contribution to the LOIBC 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 \$6,000 for Middle School Athletics
- The Shishmaref School received \$6,000 for the Little Dribblers Program
- NSEDC made a donation to the Shishmaref Environmental Program for the annual community cleanup, the Shishmaref High School Basketball Teams, the 1st Annual Dance Festival, and for members of the Shishmaref Lutheran Church to attend the Salmon Lake Bible Camp





Norton Sound Economic Develo

Schedule of General and Administrative Expenses

Year Ended December 31, 2016

BOARD EXPENSES:

Stipends/Honorarium	\$ 252,528
Transportation	133,917
Per Diem	231,793
Meetings Space, Catering & Meals	112,567
Insurance	11,290

STAFF:

Salaries	1,632,213
Benefits	745,730
Payroll Taxes	159,669

TRAVEL/PER DIEM:

Staff	167,224
Meals and Entertainment	1,253

TRAINING:

Staff	17,108
Audit/Accounting	106,815
Legal Fees	28,266

OTHER:

Meetings Space, Catering & Meal Expenses	27,152
Contract Services	242,045
Rent	193,463
Utilities	62,212
Supplies and Equipment	119,541
Postage/Freight	69,135
Communications	46,558
Insurance	424,630
Dues and Subscriptions	24,243
Equipment Repairs and Maintenance	9,377
Equipment/Storage Rentals	20,906
Advertising/Brokerage	11,213
Taxes	10,440
Fees and Licenses	74,422
Miscellaneous	7,314
Fisheries Tax Credit	(146,500)
Donations and Contributions	56,202
Depreciation	71,985
Bad Debt Expenses/Recoveries	289,737
Other Income and Expense	48,633
Administrative and Management Fee	(174,958)
Total General & Administrative:	\$ <u>4,739,214</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 \$6,278,258; \$1,633,609; and \$614,202, respectively.

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Consolidated Statements of Financial Position December 31, 2016 and 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 12,446,602	9,077,060
Designated cash and cash equivalents	22,435	-
Investments in marketable securities, short term	67,639,518	67,785,597
Accounts receivable	13,391,897	10,377,707
Interest receivable	12,635	25,935
Inventory at cost	1,417,848	2,958,422
Prepaid expenses and other assets	413,813	561,995
Assets held for resale	2,262,500	-
Current deferred tax asset	-	217,000
Short-term notes receivable	2,193,218	3,060,893
Total current assets	99,800,466	94,064,609
Notes receivable, net allowance of \$945,705 and \$667,673, in 2015 and 2014, respectively	3,168,918	3,563,425
Investments:		
Restricted cash equivalents	337,856	277,856
Investments in marketable securities	69,780	54,246
Designated investments in marketable securities	17,259,375	16,182,181
Investments in Glacier Fish Company, LLC	61,142,949	57,326,518
Investments in Unaatuq, LLC	453,896	449,417
Investments in BSAI Partners, LLC	4,709,727	4,483,259
Investments in Bering Select, LLC	308,061	930,272
Investments in Marine Therapeutics, LLC	116,333	83,000
Investments in quota share units	50,336,728	50,336,728
Total investments	134,734,705	130,123,477
Property, plant and equipment, net of accumulated depreciation of \$15,884,212 in 2016 and \$23,255,740 in 2015	19,541,465	23,310,748
Prepaid leases, net of accumulated amortization of \$481,627 in 2016 and \$446,771 in 2015	623,474	658,330
Non-current deferred tax asset	2,123,922	1,330,642
Total assets	\$ 259,992,950	254,051,231
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Line of credit	-	1,582,700
Accounts payable and accrued expenses	10,270,197	9,897,732
Current portion, notes payable	3,648,591	3,648,591
Total current liabilities	13,918,788	15,129,023
Noncurrent liabilities:		
Notes payable	28,446,811	32,147,141
Total liabilities	42,365,599	47,276,164
Net assets:		
Controlling interests:		
Unrestricted net assets:		
Undesignated	198,979,931	189,763,726
Designated	17,281,810	16,182,181
Non-controlling interests	1,365,610	883,761
Total net assets	217,627,351	206,829,668
Total liabilities and net assets	\$ 259,992,950	254,051,231

Norton Sound Economic Develo

Consolidated Statements of Activities December 31, 2016 and 2015

	2016	2015
Changes in unrestricted net assets:		
Revenues, gains and other support:		
Harvesting revenue	\$ 25,489,500	23,051,825
Crab revenue	13,612,542	14,082,038
Fishing and fish processing	8,139,298	3,599,149
Investment income, net	5,351,606	(42,805)
Grant revenue	28,173	250,821
(Loss) gain on disposal	(3,000)	1,350
Other income	368,070	515,471
Revolving loan income	29,245	23,830
Total unrestricted revenues, gains and support	<u>53,015,434</u>	<u>41,481,679</u>
Expenses and losses:		
Program services:		
CDQ harvest management	1,185,254	312,626
Fisheries development	635,428	719,537
Salmon rehabilitation and enhancement	1,265,189	1,456,474
Training and scholarships	1,341,713	1,311,019
Revolving loan program	80,984	130,855
Shoreside improvements	1,119,741	1,792,675
Community benefits	2,334,394	2,341,678
Bulk fuel	90,186	97,673
Energy subsidy utility payments	1,549,665	1,518,694
Small business initiative	215,999	144,157
Community outreach	1,969,853	1,166,822
Community energy fund	1,191,058	285,415
Tender vessel management	3,232,210	2,942,707
CDQ fees	-	8,334
Total program services	<u>16,211,674</u>	<u>14,228,666</u>
Supporting services:		
Fishing and fish processing	14,084,375	10,308,079
Administrative expenses	4,319,007	4,591,393
Administrative expenses - Siu Alaska Corporation	420,206	508,722
Interest expense - NSEDC quota loan	106,234	129,136
Interest expense - Siu LOC, GB quota loan	281,293	324,561
Interest expense - KDS, Inc.	382,593	357,331
Siku Holdings, LLC expenses	5,103	7,603
Patricia Lee, LLC expenses	9,144,082	7,787,918
Aleutian No. 1, LLC expenses	2,944,332	6,391,263
DHA obligation payment	-	2,305,796
Boat impairment	131,252	1,154,346
Total supporting services	<u>31,818,477</u>	<u>33,866,148</u>
Total expenses	48,030,151	48,094,814
Equity in earnings of limited liability companies	<u>8,518,101</u>	<u>5,521,078</u>
Increase (decrease) in unrestricted net assets from operations, before taxes and non-controlling interests	13,503,384	(1,092,057)
Income tax (expense) benefit from:		
Deferred tax benefit	576,280	-
Operations	(70,800)	188,691
Total income tax (expense) benefit	<u>505,480</u>	<u>188,691</u>
Increase (decrease) in unrestricted net assets before discontinued operations and non-controlling interests	14,008,864	(903,366)
(Increase) decrease in unrestricted net assets attributable to non-controlling interest	<u>(481,849)</u>	<u>887,715</u>
Income (decrease) from discontinued operations, net of taxes	<u>(3,211,181)</u>	<u>(362,339)</u>
Increase (decrease) in unrestricted net assets	<u>\$ 10,315,834</u>	<u>(377,990)</u>

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Supplementary Consolidating Schedule of Financial Position December 31, 2016

<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	\$ 6,718,677	1,082,095	4,645,830	-	12,446,602
Designated cash and cash equivalents	-	-	22,435	-	22,435
Investments in marketable securities, short-term	-	-	67,639,518	-	67,639,518
Accounts receivable, net	6,300,941	2,649,178	8,321,407	(3,879,629)	13,391,897
Interest receivable	-	-	12,635	-	12,635
Inventory	-	618,622	799,226	-	1,417,848
Prepaid expenses and other assets	336,216	-	77,597	-	413,813
Assets held for sale	2,122,500	-	140,000	-	2,262,500
Current deferred tax asset	-	-	-	-	-
Net due to from intercompany	8,536	-	2,750,358	(2,758,894)	-
Short-term notes receivable	-	-	2,193,218	-	2,193,218
Total current assets	15,486,870	4,349,895	86,602,224	(6,638,523)	99,800,466
Notes receivable, net allowance of \$872,457	-	-	3,168,918	-	3,168,918
Investments:					
Restricted cash equivalents	-	-	337,856	-	337,856
Investments in marketable securities	-	-	69,780	-	69,780
Designated investments in marketable securities	-	-	17,259,375	-	17,259,375
Investments in Glacier Fish Company, LLC	61,142,949	-	-	-	61,142,949
Investments in Unaatuq, LLC	-	-	453,896	-	453,896
Investments in KDS, Inc.	-	-	7,873,466	(7,873,466)	-
Investments in Siu Alaska Corporation	-	-	76,485,692	(76,485,692)	-
Investments in BSAI Partners, LLC	4,709,727	-	-	-	4,709,727
Investments in Bering Select, LLC	308,061	-	-	-	308,061
Investments in Marine Therapeutics, LLC	116,333	-	-	-	116,333
Investments in quota share units	6,811,750	24,000,000	19,524,978	-	50,336,728
Total investments	73,088,820	24,000,000	122,005,043	(84,359,158)	134,734,705
Property, plant and equipment, net of accumulated depreciation	4,366,412	-	15,175,053	-	19,541,465
Prepaid leases, net	-	-	623,474	-	623,474
Non-current deferred tax asset	2,123,922	-	-	-	2,123,922
Total assets	\$ 95,066,024	28,349,895	227,574,712	(90,997,681)	259,992,950
<u>Liabilities and Net Assets</u>					
Current liabilities:					
Accounts payable and accrued expenses	5,669,416	1,982,828	6,497,582	(3,879,629)	10,270,197
Current portion, note payable	1,041,667	1,400,000	1,206,924	-	3,648,591
Due to intercompany	-	2,758,894	-	(2,758,894)	-
Total current liabilities	6,711,083	6,141,722	7,704,506	(6,638,523)	13,918,788
Non-current liabilities:					
Notes payable	10,503,639	14,334,707	3,608,465	-	28,446,811
Total liabilities	17,214,722	20,476,429	11,312,971	(6,638,523)	42,365,599
Net assets:					
Controlling interests:					
Unrestricted net assets:					
Undesignated	35,565,198	7,873,466	198,979,931	(43,438,664)	198,979,931
Designated	-	-	17,281,810	-	17,281,810
Contributed Capital	40,920,494	-	-	(40,920,494)	-
Non-controlling interests:	1,365,610	-	-	-	1,365,610
Total net assets	77,851,302	7,873,466	216,261,741	(84,359,158)	217,627,351
Total liabilities and net assets	\$ 95,066,024	28,349,895	227,574,712	(90,997,681)	259,992,950

Norton Sound Economic Develo

Supplementary Consolidating Schedule of Activities

Year Ended December 31, 2016

	<u>Siu Consolidated</u>	<u>KDS</u>	<u>NSEDC</u>	<u>Eliminations</u>	<u>NSEDC Consolidated</u>
Changes in unrestricted net assets:					
Revenues, gains and support:					
Harvesting revenue	\$ -	5,744,738	23,930,728	(4,185,966)	25,489,500
Crab revenue	17,306,536	-	-	(3,693,994)	13,612,542
Cod revenue	-	-	-	-	-
Fishing and fish processing	-	-	8,139,298	-	8,139,298
Investment income, net	-	-	5,351,606	-	5,351,606
Grant revenue	-	-	28,173	-	28,173
Gain (loss) on disposal	-	-	(3,000)	-	(3,000)
Other income	36,363	-	331,707	-	368,070
Revolving loan income	-	-	29,245	-	29,245
Total unrestricted revenues gains and other support	17,342,899	5,744,738	37,807,757	(7,879,960)	53,015,434
Expenses and losses:					
Program services:					
CDQ harvest management	-	-	1,610,167	(424,913)	1,185,254
Fisheries development	-	-	635,428	-	635,428
Salmon rehabilitation and enhancement	-	-	1,265,189	-	1,265,189
Training and scholarships	-	-	1,341,713	-	1,341,713
Revolving loan program	-	-	80,984	-	80,984
Shoreside improvements	-	-	1,119,741	-	1,119,741
Community benefits	-	-	2,334,394	-	2,334,394
Bulk fuel	-	-	90,186	-	90,186
Energy subsidy utility payments	-	-	1,549,665	-	1,549,665
Small business initiative	-	-	215,999	-	215,999
Community outreach	-	-	1,969,853	-	1,969,853
Community energy fund	-	-	1,191,058	-	1,191,058
Tender vessel management	-	-	3,232,210	-	3,232,210
Total program services:	-	-	16,636,587	(424,913)	16,211,674
Supporting services:					
Fishing and fish processing	-	-	14,084,375	-	14,084,375
Administrative expenses	-	2,924,733	4,663,355	(3,269,081)	4,319,007
Administrative expenses Siu Alaska Corporation	420,206	-	-	-	420,206
Interest expense - NSEDC quota loan	-	-	106,234	-	106,234
Interest expense - Siu LOC, GB quota loan	281,293	-	-	-	281,293
Interest expense - KDS, Inc.	-	382,593	-	-	382,593
Siku Holdings, LLC expenses	5,103	-	-	-	5,103
Patricia Lee, LLC expenses	10,872,961	-	-	(1,728,879)	9,144,082
Glacier Bay Fisheries, LLC expenses	-	-	-	-	-
Aleutian No. 1, LLC expenses	5,401,419	-	-	(2,457,087)	2,944,332
DHA obligation payment	-	-	-	-	-
Boat impairment	-	-	131,252	-	131,252
Total supporting services	16,980,982	3,307,326	18,985,216	(7,455,047)	31,818,477
Total expenses	16,980,982	3,307,326	35,621,803	(7,879,960)	48,030,151
Equity in earnings of limited liability companies	8,536,703	-	8,129,880	(8,148,482)	8,518,101
Increase in unrestricted net assets from operations, before taxes and non-controlling interests	8,898,620	2,437,412	10,315,834	(8,148,482)	13,503,384
Income tax (expense) benefit from:					
Deferred tax benefit	576,280	-	-	-	576,280
Operations	(70,800)	-	-	-	(70,800)
Total income (expense) benefit	505,480	-	-	-	505,480
Increase in unrestricted net assets before discontinued operations and non-controlling interests	9,404,100	2,437,412	10,315,834	(8,148,482)	14,008,864
(Increase) decreases in unrestricted net assets attributable to non-controlling interest	(481,849)	-	-	-	(481,849)
Discontinued operations:					
Income (loss) from discontinued operations, net of taxes	(3,211,181)	-	-	-	(3,211,181)
Increase in unrestricted net assets	\$ 5,711,070	2,437,412	10,315,834	(8,148,482)	10,315,834

Financial Disclosure Information

Description of compensation policy for directors:

Per diem and honorarium 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 2016) was \$315,249 in 2016.

Compensation for Siu Alaska Corporation's seven directors was \$25,880.

Employee Compensation:

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

President and Chief Executive Officer Janis Ivanoff earned \$208,294; Siu Alaska Corporation President and Chief Executive Officer Cora Campbell earned \$172,441; Treasurer and Chief Financial Officer Rick Walicki earned \$170,126; Vice President and Quota and Acquisitions Manager Simon Kinneen earned \$153,602; Chief Operating Officer Tyler Rhodes earned \$142,953.

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.....	\$28,266
Consulting.....	\$43,389
Accounting.....	\$106,815
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 2016 and 2015.

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 \$23,980 or approximately 22.45% 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 2016 were Oscar Takak, Sr., Chairman; Dan Harrelson, Vice-Chairman; Frank Katchatag, Sergeant-at-Arms; Dean Peterson; and Leo Charles.

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 10, May 3, August 18, and November 2, 2016.

• Compensation Committee

The Compensation Committee members for 2016 were Dan Harrelson, Frances Ozenna, Dean Peterson, and Harvey Sookiayak.

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 2016.

