


★ Right now, the official U.S. time is:

03:20:15 p.m.

12-hr 24-hr

Friday, May 25, 2018
Alaska Time (DST)
Corrected for network delay 251 m



Sun is shining in light region
It is night in dark region

THE U.S. TIME IS PROVIDED BY NIST & USNO

PRIVACY POLICY & SECURITY NOTICE TIME EXHIBITS

Also, try the [alternate Flash page](#) or see [About This Site](#)

Rec'd by: Renee Wheat

Date: 5-25-18

Time: 3:20pm

From: Alaskan Longline Fishermen's Association

For: Fisheries Enhancement Fund RFP



Application to Fisheries Enhancement Fund
City and Borough of Sitka

Organization Name:	Alaska Longline Fishermen's Association		
Street 1:	834 Lincoln Street Room 23		
City:	Sitka	State:	AK
Country:	USA	Zip Code:	99835
Telephone No.:	907 747 3400	Extension:	
Mobile:	907 738 3615	Fax:	907 747 3462
Email:	alfafish@acsalaska.net ; alfastaff@gmail.com		
Website:	www.alfafish.org		

Summary of ALFA mission:

The Alaska Longline Fishermen's Association (ALFA) is a non-profit association of independent vessel owners and crewmembers who promote sustainable harvest of marine fisheries, thriving coastal communities, and healthy marine ecosystems. ALFA represents fishermen in local, state and national marine management forums and actively engages fishermen in marine research, conservation and management to strengthen marine stewardship and improve the economic viability of small scale fisheries.

Fisheries Enhancement Fund: Overview of Proposal

Respectfully submitted by: Alaska Longline Fishermen's Association

Summary

The Sitka-based Alaska Longline Fishermen's Association (ALFA) is an alliance of small scale commercial fishermen committed to sustainable fisheries and thriving coastal communities. Our members support science-based fisheries management through collaborative research, advocacy and innovation. We work to safeguard ocean health and improve the economic viability of small boat fishing.

This grant application is divided into the following 5 sections:

- History of our Organization (pages 2-3)
- What we achieved with last year's Sitka Fisheries Enhancement Funds
- What we will achieve with 2018 Funding (pages -)
- How the project will enhance Sitka's Fisheries (pages)
- Timeline and Evaluation of Project (pages 7-8)
- Project Staff (page 8-9)
- Budget (page 1)
- Enclosures (page 1)

The History of our Organization:

ALFA Timeline:

- ALFA was launched in 1978 by fishermen dedicated to protecting fish stocks from foreign fishing and directing the economic benefits of commercial fishing to Alaska fishermen and coastal communities.
- ALFA led a successful campaign to rebuild Alaska sablefish and rockfish stocks in the early 1980s, foregoing harvest until stocks rebuilt.
- When U.S.-based factory boats replaced the foreign fleet, ALFA again worked to protect the local fishing fleet and the communities that depend on it.
- In 1991, when the current ALFA executive director was hired, ALFA launched what became a six-year battle to eliminate trawling from the Southeast Alaska fishing grounds that support the local fishing fleet.
- During development of the Alaska halibut/sablefish catch share program, ALFA successfully championed measures designed to promote sustained participation by Alaska's small boat fleet.
- At the local level, ALFA actively participated in creating and championing the Sitka Local Area Management Plan, which prioritizes access for Sitka's non-commercial fishing residents to local halibut stocks.
- At the national level, ALFA has actively advocated for resource and community provisions during the last two and current reauthorizations of the Magnuson-Stevens Act.
- ALFA is engaged in multiple national networks and willingly shares lessons learned regarding effective policy advocacy with community-based fishing groups from around the nation through the Fishing Communities Coalition, the Marine

Fish Conservation Network (MFCN) and the Community Fisheries Network (CFN).

- In 2009, ALFA launched a Fishery Conservation Network that engages scientists and fishermen in collaborative research to improve best fishing practices and the economic viability of small scale fisheries.
- Since 2009, ALFA has received over \$2 million in federal and private foundation grants in support of our marine conservation and fishery enhancement initiatives.
- In 2016, ALFA, and ALFA's director Linda Behnken, received a White House award as Champion for Change of Sustainable Seafood.
- In 2017, Linda and ALFA were awarded an Alaska legislative honorarium.

Organizational Capacity: ALFA operated with a single staff member supported by fishermen and processor membership dues from 1978 until the late 1990s. In the '90s, ALFA began to build a stronger statewide presence and ALFA staff engaged in national policy development. After deliberative strategic planning in the early 2000s, ALFA expanded staff capacity, formed collaborative partnerships, secured additional grant support, and engaged fishing members in marine research and conservation initiatives. This collaborative research, which was formalized into the Fishery Conservation Network (FCN) in 2009, now attracts grant invitations from scientists and fishing organizations that recognize the skills and expertise that the organization brings to the table. Core ALFA operations are supported by fishing industry memberships, local and marine businesses, and an annual seafood raffle/fundraiser.

Staffing: ALFA currently has six staff members, 5 FTE, 1 part-time.

Standing: ALFA does not hold any debt and is well recognized as a force for sustainable community-based fisheries at both the state and national level.

Supporting Sitka's Young Fishermen: ALFA is deeply engaged in supporting the next generation of fishermen. Thirty years ago, a young person who wanted to fish commercially needed a boat, some fishing gear, and a sense of adventure to get started in the business. Today young fishermen face staggering entry level costs, high operating costs, and a level of risk that is equivalent to buying a starter hotel, instead of a starter house, as a first step in home-ownership.

Between 1975 and 2014, Alaska's rural communities experienced a net loss of over 2,300 limited entry permits.¹ Federal quota has also become concentrated into fewer hands and migrated from rural communities. Because few alternative employment opportunities exist in these communities, losing access means losing livelihood and, ultimately, losing community. Central to the mission of ALFA is the belief that Alaska needs a vibrant and sustainable fishing industry supporting economically empowered and self-sufficient communities. This includes ensuring that emerging fishermen have access to a career in the fisheries, including a path towards direct ownership of permits and quota. We are committed to helping young fishermen overcome obstacles to entry, and to ensuring that Sitka continues to have a strong economic base in commercial fisheries.

What we achieved with funding from the Sitka FEF in 2017

With the generous support of CBS, ALFA achieved objectives identified in our 2017 FEF proposal. In 2017, our objectives included: 1) expansion of ALFA's deckhand apprentice program; 2) inter-generational transfer of permits and quota to Sitka residents; 3) mentorship and training/education of young fishermen; and, 4) market expansion of our Community Supported Fishery program, Alaskans Own. We successfully leveraged funds from the CBS to secure outside funding in each of the four target areas and grew our young fishermen programs to new levels. Our success, and CBS support for our community's young fishermen, did not go unnoticed: at the end of 2017, **Sitka was named "Town that best promotes fishing futures" by the Alaska Fisheries Report**, which highlighted ALFA's work to train local fishermen, market local catches, improve fish quality, support buy-in opportunities for new entrants, and invest in future fishing careers for Sitka residents.²

In the body of this grant request, we have provided an update on progress made toward each of the four 2017 objectives, but by way of overview: in 2017 ALFA engaged 105 fishermen working on 100 different fishing vessels in seven collaborative projects with 19 scientists or engineers from 13 agencies, leveraging \$00,000 and more than 1,000 sea days, the later donated as an in-kind contribution by involved fishermen. These projects enhance Sitka's fisheries both ecologically and economically.

What we will achieve with funding from the Sitka FEF in 2018

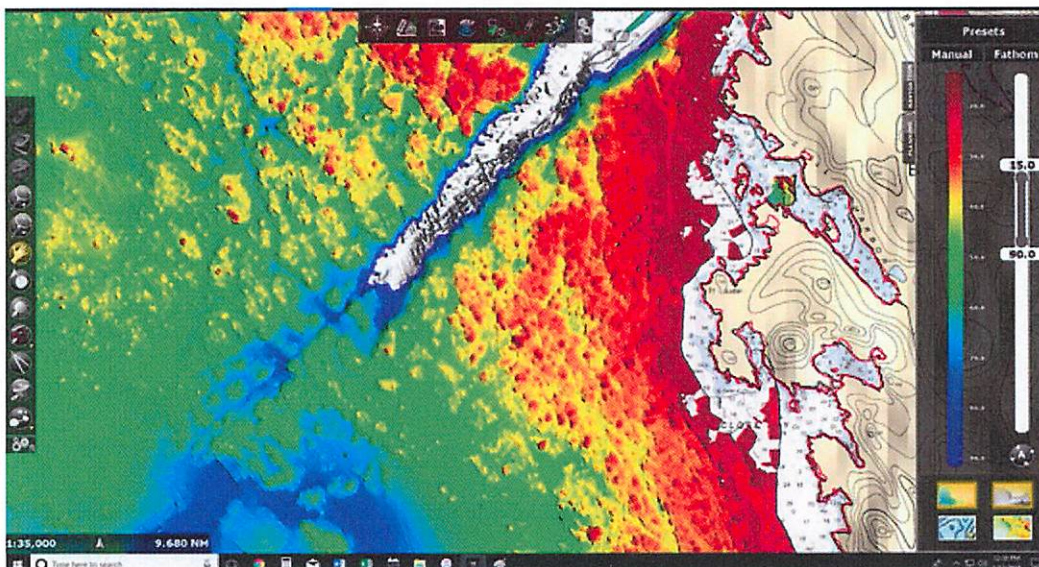
ALFA is again requesting \$10,000 from the FEF to enhance Sitka's fisheries through our Young Fishermen's programs. As you will recognize through the report below, local support is critical to unlocking outside investment in these programs. In 2018, ALFA's Young Fishermen's goals include: 1) ongoing expansion of our commercial deckhand apprenticeship program; 2) inter-generational transfer of permits and quota to Sitka residents; 3) mentorship of new fishermen through Sitka-based education and training programs; and, 4) launch of an affordable entry level fishery for under-utilized pelagic rockfish stocks.

Objective 1- Continue to expand ALFA deckhand apprentice program: Last year we shared with the Assembly our objective to expand ALFA's deckhand apprentice program, which until that time had engaged one vessel (the *FVI Gotta*) in taking first time deckhands commercial fishing, to include 4-5 host vessels and additional opportunity for young people. We described our intent to create and share curriculum to support other communities in launching similar programs, and to apply for funding from the National Fish and Wildlife Foundation (NFWF) to support this work. In Fall , ALFA was awarded a \$70,000 NFWF grant (\$140,000 with required matching funds) to implement at scale our deckhand apprentice program. In the first year of this two-year grant, ALFA received over 100 applicants for our deckhand apprentice program! This spring we trained and added host vessels to our program (more than twice our identified goal), and we expect to place crewmembers on these host boats in 2018. ALFA project coordinator Alyssa Russell worked with skipper Eric Jordan to create a curriculum to prepare young

fishermen for success in their first job, and training materials to ensure host skippers provide a safe and rewarding first time experience. Alyssa and Eric also visited Blatchley Middle School classes to talk to students about preparing for a future in commercial fishing. In May, ALFA will co-host with AMSEA a safety training for our apprentices, and over the summer we will be monitoring both host skippers and apprentices to provide support as needed. This fall, we will work with UAS to create a college level intern apprentice opportunity and offer a "Fisheries Management 101" course during our Sitka Fishermen's Expo to help engage the next generation in fisheries management and marine stewardship. Over the winter/spring we will recruit additional skippers and apprentices as we continue to increase capacity in our program, and ALFA staff will participate in forums to share lessons learned. Our apprentice program materials are available on ALFA's website (alfafish.org). This NFWF grant required a 50% match; Sitka's support through the Fisheries Enhancement Fund provides a critical match for this two-year grant and the support we need to build a sustainable program.

Objective 2: Facilitate inter-generational transfer of QS and entry-level opportunity for Sitka residents: Over the past year, ALFA worked with project partners at the Alaska Sustainable Fisheries Trust, The Nature Conservancy and NatureVest to advance Local Fish Fund LLC, an innovative financing program to recapture fishery access in Sitka and other Alaska communities. We explored a number of potential loan administrators for the Trust, eventually selecting Craft3 (Craft3.org) in March as the best fit. In April 2018, all project partners convened for a successful Sitka site visit. The NatureVest team is now actively working to raise the program related investment funding for a July 2018 launch. Sitka Fishery Enhancement funds provided the necessary match to allow project partners to access \$180,000 in committed grant funds, and to secure an additional \$25,000 in capacity funding from a national non-profit. While the complexity of quota share financing has caused this program launch to take longer than anticipated, the added time has ensured the right project partners and program structure are in place to ensure success. We anticipate lending \$1.5 million to support local fishermen in accessing quota through an innovative approach that reduces down payment and risk faced by new entrants.

Objective 3: Mentor new fishermen through Sitka-based education and training programs: Over the past year, ALFA's Fishery Conservation Network mentoring program involved 110 fishermen. Most FCN members are engaged in our bathymetric mapping initiative, which assists fishermen in successfully and efficiently harvesting target species while controlling bycatch of non-target species, such as rockfish. Others are engaged in ALFA's fuel efficiency project, electronic monitoring, or whale avoidance work. In January 2018 we hired Sitka fisherman and GIS expert Jacquie Foss to update the ALFA bathymetric maps to include the 240 million data points contributed to date by ALFA members as well as the NOAA and ADFG sonar data. ALFA's bathymetric maps are now the most accurate and detailed bathymetry maps of the Eastern Gulf of Alaska. By way of example, below is a screen shot of the bathymetry off Whale Bay, which is 30 miles south of Sitka on Baranof Island.



In 2017, ALFA leveraged FEF resources with industry sponsorships to host two Sitka Fishermen Expos, providing workshops and on-board troubleshooting support to local fishermen on new gear types, technology innovations, business and financial planning, fishery projections, marketing insights, and safety equipment. The Fishermen's Expos featured gear manufacturers, software designers, stock assessment scientists and financial experts from Seattle, Homer, Juneau and Sitka, who shared information with the approximately 100 fishermen participants. Strong positive feedback emphasized the ongoing need for these trainings. With continued support, ALFA will plan and host annual or twice annual Expos with trainings focused on topics identified by fishermen, processors, managers and staff.

We are also proud to report that the Young Fishermen's Development Act, which will provide support for education and training programs such as ALFA's Sitka Fishermen's Expo, has steadily gained co-sponsors in the House and Senate. If passed and signed into law, the [Young Fishermen's Development Fund](#) created by the Act will provide grants of up to \$200,000 to academic, tribal and fishermen organizations to host education and training opportunities for young fishermen. The bill, which was introduced in both the House and Senate by Alaska's Congressional members, is based on legislation currently in place to support young farmers, ranchers and aquaculturists. With ongoing support from the City, we will continue to educate lawmakers of the importance of establishing this fund that invests in the future of young fishermen and, once the bill is passed, we will leverage City funds to access the YFDF to provide additional support and training to Sitka fishermen.

Objective 4: Build connections between Alaska fishermen and consumers through Alaskans Own (AO) Community Supported Fishery program

AO is a Sitka-based Community Supported Fishery (CSF) program, similar to Community Supported Agriculture programs, that forges stronger consumer-producer relationships by sharing with costumers the story behind the seafood and the commitment of ALFA fishermen to sustainable fisheries and the next generation of young fishermen.

By forward-funding a season of seafood, consumers invest in sustainable harvest and the community-based fishermen who catch their fish. Profits from AO support ALFA's Fishery Conservation Network. AO has a steadily growing subscriber and bulk customer base, and every opportunity for exposure has yielded tangible impacts in increased number of subscriptions.

With the support of 2017 CBS FEF funding, AO leveraged \$12,000 in grant funds from the Alaska Southwest Municipal Conference to create three video shorts that promote Sitka's value-added seafood manufacturing. You can view these stunning videos, produced by talented filmmaker Alyssa Russell, on the ALFA home page (alfafish.org). The videos feature AO, Seafood Producers Cooperative and Sitka Sound Seafood, highlighting the fishermen behind the fish and the high quality of locally produced seafood. ALFA also leveraged 2017 FEF to secure a two-year \$99,000 USDA grant to increase the availability of and consumer enthusiasm for fresh frozen seafood at Alaska Farmers Markets. Again, documenting local support for our work is key to unlocking non-local funding.

Objective 5 Launch a new entry level fishery for Sitka fishermen- In 2003, ALFA piloted tested fishing gear to harvest under-utilized pelagic rockfish stocks. With the help of local fishermen, ALFA identified a type of fishing gear that efficiently and "cleanly" caught pelagic rockfish. Until this year, strong salmon prices and weak rockfish markets limited interest in the fishery. All that changed in 2017 when the Alaska Board of Fisheries declared four Southeast Chinook salmon runs "stocks of concern" and noted low returns in other Southeast river systems. The Board and industry recognize that recovering Chinook stocks is a multi-year project with an uncertain outcome. This realization triggered significant reductions in Chinook catch limits and fishing opportunities for the 1000 vessels that depend of the salmon troll fishery. Alternative fishing opportunities are critical for Southeast trollers while Chinook stocks recover. At the same time, consumer demand for rockfish and the development of niche markets, such as Alaskans Own CSF, now support improved ex-vessel prices for rockfish. These changing circumstances have triggered the strong potential to launch a successful pelagic rockfish fishery.

This spring ALFA has submitting a grant pre-proposal to the National Fish and Wildlife Foundation to: 1) adapt and improve the pelagic rockfish gear ALFA's pilot project developed to increase fleet compatibility, fishing efficiency and ergonomic success; 2) integrate value added pelagic rockfish products into Alaskans Own, ALFA's community supported fishery (CSF) program; and, 3) launch a viable and local-fleet compatible new fishery to provide entry-level and regional diversification opportunities. The grant requires a 1:1 match. **If funded, ALFA will pledge FEF toward the required NFWF grant match to support the launch of this new entry level Sitka fishery.** While the funds will not provide the entire match, they will establish strong support from the Sitka community to provide local fishermen with this affordable and fleet compatible entry level opportunity.

How the project will enhance Sitka fisheries:

Funding ALFA's young fishermen's initiative will benefit Sitka's fisheries by ensuring Sitka fishermen continue to have access to adjacent fisheries and that fishing jobs and revenue remain a cornerstone of Sitka's economy. Entry-level opportunities, expanded fishery access, and adequate training will strengthen Sitka's stake in the future of fisheries which will, in turn, strengthen Sitka's economic base. Fishing in Alaska has traditionally offered a way of life that many choose for the tangible connection to the ocean, the independence and self-determination it provides, and the opportunity to work alongside family. This way of life engenders a strong sense of place and a deep commitment to community and resource stewardship.

Limited access programs have significantly raised the cost of entry to Alaska's fisheries and are changing the character of the fishing fleet. As the cost of entry to fisheries rises, fishing is increasingly dominated by a more industrial and corporate model of extraction. Bigger operations pressure the system to allow increased consolidation of access privileges and to foster policy that marginalizes small operations. Corporate fishing operations seek profits now while overlooking long-term costs to ecosystem and community health. ALFA's mission is to hold space in Alaska and the nation's fisheries for small, community-based operations; to ensure policy is scaled to meet the needs of this conservation-minded fleet; and to create market forces that support the economic success and political leverage of community-based fishermen. We consider ALFA's Young Fishermen Initiative to be crucial to accomplishing our mission.

Project Timeline and Evaluation (green denotes quarter when activity will be carried out/achieved)**TIMELINE:**

TIMELINE: July 2018-June 2019	201		201	
	Q3	Q4	Q1	Q2
Objective 1) Expand apprentice or entry-level deckhand opportunities on commercial fishing boats				
Task 1: Mentor apprentices and collect feedback from all program participants				
Task 2: Evaluate program and course correct as indicated				
Task 3: Release call for applicants and host skippers				
Task 4: Train additional host skippers and select 20-30 individuals for apprentice opportunity				
Task 5: final report to Sitka Assembly				
Activity 2) Facilitate inter-generational transfer of permits and quota to Sitka residents				
Task 1: Finalize terms with a regional fiscal agent that will guide program expansion as we				

take Local Fish Fund to scale				
Task 2: Activate \$1.2 million in capital pledged by fishermen and finalize \$1.5 million in program related investment capital pending through NatureVest				
Task 3. Work with project partners and local impact committee to select fishermen borrowers and support intergenerational quota transfer.				
Activity 3) Mentor new fishermen through Sitka-based education and training programs				
Task 1: Identify topics for future training/education				
Task 2: Select and invite educators, industry sponsors				
Task 3: Engage young and established fishermen to enhance training/mentorship				
Task 4: Host Expo events, including young fishermen's "mixer/job fair"				

[illegible]



Overall progress will be monitored relative to achieving the metrics and expected results/outcomes identified above.

ALFA Management Team

Linda Behnken, ALFA	Ms. Behnken is the Executive Director of ALFA and has served in this capacity since 1991. Ms. Behnken has a BA from Dartmouth College and a Masters in Environmental Science from Yale University. Ms. Behnken served on the North Pacific Fishery Management Council (NPFMC) from 1992-2001 and currently serves as a U.S. Commissioner to the International Pacific Halibut Commission. Ms. Behnken received an honorarium from the Alaska State Legislature in 2017, was recognized as a White House Champion of Change for Sustainable Seafood in 2016, and awarded the National Fisherman Highliner award in 2009 for her work promoting healthy marine ecosystems and strong coastal communities, and was a keynote speaker. Ms. Behnken has been a Sitka resident since 1985 and fished commercially since 1982. Ms. Behnken be responsible for project oversight and reporting.
Daniel Falvey,	Mr. Falvey has a BA in resource management and policy from Western Washington University and training in Geographic Information Systems

ALFA	analysis from Penn State World Campus. He has owned/operated commercial fishing vessels in Alaska since 1984. Mr. Falvey served on the Advisory Panel to the NPFMC from 1991-2004, and currently serves as a member of the Council's electronic monitoring workgroup and Observer Advisory Committee. Mr. Falvey is a member of the International Pacific Halibut Commission's Management Strategy Advisory Board and served on the Advisory Panel of the North Pacific Research Board from 2010-2017. In 2011, Mr. Falvey was awarded the National Fisherman Highliner. Mr. Falvey has worked with ALFA in a number of capacities since 1993, and has successfully coordinated multiple cooperative research projects. Mr. Falvey will serve as the project's financial manager.
Willow Moore, ALFA	Ms. Moore is the Deputy Director of ALFA. Ms. Moore joined the dynamic ALFA team in 2016. Ms. Moore holds a degree in nursing, an undergraduate degree in psychology and a Masters of Public Administration in Natural Resource Management degree, all from University of Alaska. In 2013 Ms. Moore was the recipient of the Rasmuson educational award for Emerging Leaders and in 2014 was a Rasmuson Foundation Sabbatical award winner. Ms. Moore is currently working on her doctorate degree in fisheries ecology and oceanography. Throughout her 20 years of work in the nonprofit sector, Ms. Moore has specialized in executive management and program development and sustainability, working to build and support business strategies and objectives through effective marketing plans, increased partnerships, developing performance-measurement systems, and improved integration of quality, operational, and financial information. Ms. Moore has lived in Sitka since 2001 and is deeply committed to locally and sustainably harvested seafood. Ms. Moore and her family were among the program's first subscribers when the Alaskan's Own program was founded.
Alyssa Russell	Alyssa Russell is the Communications Director at the Alaska Longline Fishermen's Association (ALFA). In her work, she focuses on using media (including film, writing, photography, and traditional outlets) to communicate stories and information surrounding best fishing practices, small boat fisheries, and sustainable, local seafood. Alyssa's background is in communications, graphic design, and resource conservation, and prior to working with ALFA she was a communications associate with Conservation International's Policy Center for Environment and Peace. Because of her interest in issues relating to equitable access to local fisheries, she recently joined the steering committee for the Alaska Young Fishermen's Network and currently serves as the project director for ALFA's deckhand apprentice program. Ms. Russell crews part-time in Southeast Alaska on a commercial troller. She was named a summit scholar at the 2017 Seaweb Sustainable Seafood Summit. Alyssa is a graduate of Boston University and holds a BS in Public Relations and a BA in International Relations.

Budget

Staff Time (for all 4 objectives)

Description	# of Units	Per Unit Cost	Total
Alfa Staff Time	250	\$40.00	\$10,000.00
Total Staff Time			\$7,000.00

ALFA staff time to coordinate stakeholder and marketing involvement and outreach, grant reporting, and administration requirements. Duties will be assigned to ALFA staff members as appropriate.

Marketing and Promotion/Printing

Description	# of Units	Per Unit Cost	Total
Outreach materials	4 (1 per each project)	\$750.00	\$3,000.00

Total Printing **\$3,000.00**

For all four objectives outlined in this proposal, ALFA will conduct outreach to consumers, partners, fishermen and local producers in all four objectives outlined above, and will include project updates on the ALFA and AO websites as well as in ALFA newsletters. ALFA/AO will communicate at least monthly with subscribers and businesses carrying AO product via email, email and printed material; and will host events in each subscriber community to build awareness and thank subscribers for their participation as well as to provide outreach opportunities for new subscribers.

*Marketing estimates are based on 3 different quotes from local and state printing vendors.

Enclosed:

ALFA contracts with a third-party bookkeeper and at this time does not have pro forma financial statements. ALFA is audited yearly and if appropriate, ALFA would like to submit extra financial documentation to provide the necessary documentation for the project. Please see enclosed the following attachments, we are happy to provide any necessary further information:

¹ Rachel Donkersloot & Courtney Carothers (2016) The Greying of the Alaskan Fishing Fleet, Environment: Science and Policy for Sustainable Development.

² <http://www.alaskafishradio.com/ak-fishing-picks-pans-2017/>

- IRS Non-Profit Status
- ALFA 990
- ALFA Balance Sheet as of 2018
- ALFA Income Statement as of April 2018
- Latest available ALFA Audited financials (we are very happy to provide the last five years of audited financial statements if appropriate.)

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **APR 09 2010**

ALASKA LONGLINE FISHERMEN'S
ASSOCIATION
PO BOX 1229
SITKA, AK 99835

Employer Identification Number:
01-0951115

DLN:
600098021

Contact Person:
DENISE L. TAMAYO ID# 95120

Contact Telephone Number:
(877) 829-5500

Accounting Period Ending:
December 31

Form 990 Required:
Yes

Effective Date of Exemption:
January 6, 2009

Contribution Deductibility:
No

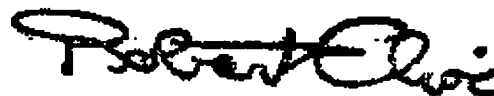
Dear Applicant:

We are pleased to inform you that upon review of your application for tax-exempt status we have determined that you are exempt from Federal income tax under section 501(c)(6) of the Internal Revenue Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Please see enclosed Publication 4221-NC, Compliance Guide for Tax-Exempt Organizations (Other than 501(c)(3) Public Charities and Private Foundations), for some helpful information about your responsibilities as an exempt organization.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,



Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-NC

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

FINANCIAL STATEMENTS

December 31, 2016

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

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CHRISTINE E. HARRINGTON

Certified Public Accountant, LLC

329 Harbor Drive, Suite 210, P.O. Box 1328 Sitka, Alaska 99835 (907) 747-5500

Independent Auditor's Report

Board of Directors
Alaska Longline Fishermen's Association
Sitka, Alaska

I have audited the accompanying financial statements of the Alaska Longline Fishermen's Association (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

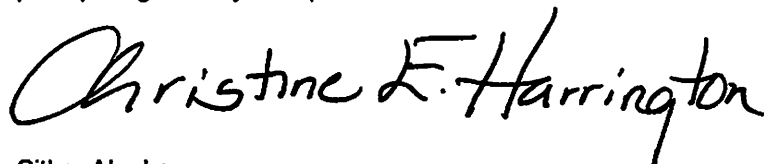
My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alaska Longline Fishermen's Association as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Sitka, Alaska
July 22, 2017

ALASKA LONGLINE FISHERMAN'S ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

Assets	2016	2015
Current assets:		
Cash and cash equivalents	\$ 187,439	\$ 284,848
Grants receivable	38,610	15,308
Other receivables	11,317	10,000
Retail inventory	6,294	7,600
Prepays and deposits	350	950
	<hr/>	<hr/>
Total current assets	244,010	318,706
	<hr/>	<hr/>
	\$ 244,010	\$ 318,706
	<hr/>	<hr/>
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 2,748	\$ 891
Accrued liabilities	3,599	2,133
Deferred revenue	119,682	173,608
	<hr/>	<hr/>
Total current liabilities	126,029	176,632
 Net assets:		
Unrestricted, undesignated	117,981	142,074
	<hr/>	<hr/>
Total net assets	117,981	142,074
	<hr/>	<hr/>
	\$ 244,010	\$ 318,706
	<hr/>	<hr/>

ALASKA LONGLINE FISHERMAN'S ASSOCIATION

STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues, gains and other support:		
Grant revenue	\$ 331,960	\$ 234,679
Contract revenue	198,996	50,353
Product sales	106,371	11,725
Membership dues	40,972	44,480
Interest	479	236
Fundraising	6,046	5,495
Donations	<u>2,507</u>	<u>6,154</u>
Total revenues, gains and other support	687,331	353,122
Expenses and losses:		
Marine conservation and protection	505,609	228,863
Information outreach to public policy forums	22,001	49,975
Direct support to consumers	110,220	-
Management support	<u>73,594</u>	<u>53,678</u>
Total expenses	<u>711,424</u>	<u>332,516</u>
Change in net assets	(24,093)	20,606
Net assets, beginning of year	<u>142,074</u>	<u>121,468</u>
Net assets, end of year	<u><u>\$ 117,981</u></u>	<u><u>\$ 142,074</u></u>

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2016 and 2015

December 31, 2016						December 31, 2015			
	Marine Conservation and Protection	Information Outreach to Public Policy Forums	Direct Support to Consumers	Management Support	Total	Marine Conservation and Protection	Information Outreach to Public Policy Forums	Management Support	Total
Expenses:									
Cash operating activities:									
Personal services	\$ 93,814	\$ 1,793	\$ 14,036	\$ 40,094	\$ 149,737	\$ 62,053	\$ -	\$ 26,084	\$ 88,137
Direct support to target population	50,845	3,649	111	-	54,605	29,159	4,864	-	34,023
Professional services	214,264	-	1,459	16,735	232,458	35,800	12,482	11,897	60,179
Travel and conferences	29,522	16,559	-	-	46,081	14,363	14,482	-	28,845
Small equipment	64,306	-	541	-	64,847	26,665	-	-	26,665
Other direct costs	52,858	-	94,073	16,765	163,696	60,823	18,147	15,697	94,667
	<u>\$ 505,609</u>	<u>\$ 22,001</u>	<u>\$ 110,220</u>	<u>\$ 73,594</u>	<u>\$ 711,424</u>	<u>\$ 228,863</u>	<u>\$ 49,975</u>	<u>\$ 53,678</u>	<u>\$ 332,516</u>

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

STATEMENTS OF CASH FLOWS

For the Year Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash received from granting and contracting agencies	\$ 453,728	\$ 415,890
Cash received from members and contributors	49,525	56,129
Cash received from product sales	106,371	11,725
Interest received	479	236
Cash paid to suppliers	(559,242)	(250,273)
Cash paid to employees	<u>(148,270)</u>	<u>(87,345)</u>
Net cash provided (used) by operating activities	(97,409)	146,362
Cash flow from investing activities:		
Cash advances to other organizations	<u>-</u>	<u>(10,000)</u>
Net cash used by investing activities	<u>-</u>	<u>(10,000)</u>
Net change in cash and cash equivalents	(97,409)	136,362
Cash and cash equivalents, beginning of year	<u>284,848</u>	<u>148,486</u>
Cash and cash equivalents, end of year	<u><u>\$ 187,439</u></u>	<u><u>\$ 284,848</u></u>
Reconciliation of change in net assets to net cash used by operating activities:		
Change in net assets	\$ (24,093)	\$ 20,606
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Changes in assets and liabilities		
(Increase) decrease in grants receivable	(23,302)	19,928
(Increase) decrease in inventory	1,306	(510)
(Increase) in prepaids and deposits	600	(450)
(Increase) in other receivables	(1,317)	-
Increase (decrease) in accounts payable	1,857	(4,934)
Increase in payroll taxes payable	1,466	792
Increase (decrease) in deferred revenue	<u>(53,926)</u>	<u>110,930</u>
Total adjustments	<u>(73,316)</u>	<u>125,756</u>
Net cash provided (used) by operating activities	<u><u>\$ (97,409)</u></u>	<u><u>\$ 146,362</u></u>

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

Note 1. Organization and Summary of Significant Accounting Policies

A. Organization

Alaska Longline Fishermen's Association ("ALFA") is a non-profit association of independent commercial longline vessel owners and crewmembers who are committed to continuing the sustainable harvest of sablefish, halibut, and groundfish, while supporting healthy marine ecosystems and strong coastal communities through resource stewardship and participation in federal, state, and local forums.

ALFA's income includes membership dues, donations, and grant and contract revenue. During 2016, ALFA administered the following grants and contracts:

A core capacity grant from the Oak Foundation to support the ongoing work of ALFA including sustainable fisheries policy development at the state, federal and national level; stewardship innovation through support of ALFA's Fishery conservation network, and maintaining local access through development of the Alaska Sustainable Fisheries Trust.

A grant from the National Fish and Wildlife Foundation related to at-sea electronic monitoring ("EM") of the Alaskan halibut and sablefish IFQ (individual fishing quota) fisheries. This grant supported Alfa continued engagement of stakeholders in the process of transitioning at-sea monitoring of the Alaskan halibut and sablefish IFQ fisheries from the pilot program stage to an operational program, and to support EM hardware and field service requirements during the 2016 and 2017 pre-implementation period.

A contract with the Central Bering Sea Fishermen's Association to continue development and testing of active and passive deterrent strategies for sperm and killer whales, and to conduct tagging operations on sperm whales to track their location and movement.

Two contracts with the Sitka Sound Science Center to coordinate fishing vessel participation in whale deterrent testing programs. The first contract was to deploy underwater cameras to record whale depredation events; the second was to develop a reporting network and tagging program to evaluate whale avoidance measures.

A contract with the Alaska Fisheries Development Foundation to coordinate field work related to collecting base line fuel efficiency data on small Alaskan commercial fishing vessels and developing outreach materials to engage fishery stakeholders on fuel saving techniques.

A contract with the Marine Fisheries Conservation Network to engage young fishermen with fisheries management policy issues at the National level.

A contract with the City of Sitka to develop a young fishermen's apprentice program.

Grants and contracts were approximately 80% of ALFA's total revenue for each of the years ended December 31, 2016 and 2015.

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 1. - continued

B. Basis of Presentation

The accounting records of the ALFA are maintained on the accrual basis of accounting under which revenues are recognized when earned and liabilities and expenses when incurred. Grant revenues are recorded as earned after allowable costs related to the grant have been incurred.

ALFA is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted net assets represent the portion of the net assets of ALFA that are neither permanently nor temporarily restricted.

Temporarily restricted net assets are that portion of net assets restricted by the donor, grantor or other outside parties whose restriction either expires by the passage of time or can be fulfilled and removed by the actions of ALFA. When the restriction expires temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets represent the portion of the net assets from contributions and grants whose use by ALFA is limited by donor-imposed stipulations which neither expire by the passage of time nor can be removed by an action of ALFA.

ALFA has no permanently or temporarily restricted net assets.

C. Revenue Recognition

Grants funds restricted by the donor, grantor, or other outside party for a particular purpose are deemed to be earned when ALFA has incurred expenditures in compliance with the specific restrictions. However, any advance payments on grants received but not used in accordance with the requirements of the grants are reflected as deferred revenue until the grant restriction has been released.

D. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Subsequent Events

ALFA has evaluated subsequent events through the date of the Independent Auditor's Report, which is commensurate with the date the financial statements were available to be issued.

F. Assets, Liabilities and Net Assets

Cash and Cash Equivalents

Cash and cash equivalents are stated at cost, which approximates market. For the purposes of the statement of cash flows cash equivalents include cash in bank and savings accounts.

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 1. - continued

Other Receivables

Other receivables include a short-term advance to the Alaska Sustainable Fisheries Trust (ASFT), a nonprofit organization, to provide operating cash. The advance will be repaid with amounts due to ASFT under the terms of a grant.

Property and Equipment

The Organization's only property and equipment is used office furniture and computer equipment. None of these items meet the criteria for capitalization and have been recognized as an expense when purchased

Deferred Revenue

Deferred revenue represents amounts for which the revenue recognition criteria have not been met. In the case of ALFA, deferred revenue results from grant funds received prior to incurring allowable grant costs or contract advances received prior to fulfilling the terms of the contract.

Income Taxes

The Corporation is exempt from federal income taxes under Section 501(c)(6) of the U.S. Internal Revenue Code. The organization's Form 990s, *Return of Organizations Exempt from Income Tax* are subject to possible examination by the Internal Revenue Service until the expiration of the related statute of limitation on those tax returns, which, in general, is three years.

Advertising Costs

Advertising costs are expensed as incurred.

Functional Allocation of Expenses

The cost of providing ALFA's programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited based on an estimate by management of time spent supporting each function.

Note 2. Cash and Cash Equivalents

Cash and cash equivalents includes the following at December 31,:

	<u>2016</u>	<u>2015</u>
Demand deposits	\$ 183,178	\$ 284,227
Paypal deposits	3,922	500
Petty cash	<u>339</u>	<u>121</u>
	<u>\$ 187,439</u>	<u>\$ 284,848</u>

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 2. - continued

Demand deposits are guaranteed under the Federal Deposit Insurance Corporation (FDIC) up to a maximum of \$250,000 of total deposits in a bank. At December 31, 2016 the bank balance was \$194,866. The entire amount was insured by the FDIC.

At December 31, 2015 the bank balance was \$364,482. The amount in excess of the FDIC limit was \$114,482, which is uninsured.

Paypal deposits are held by FDIC insured banks. Individual customer balances are subject to FDIC pass-through deposit coverage up to a total of \$100,000.

Note 3. Grants Receivable

At December 31, 2016 grants receivable included amounts due from the National Fish and Wildlife Foundation and the Sitka Sound Science Center. Grants receivable at December 31, 2015 include amounts due from the National Fish and Wildlife Foundation. All receivables in both years were for allowable expenses under the terms of grants. Management considers grants receivable to be fully collectible at both year-ends. Accordingly, no allowance for doubtful accounts has been recorded.

Note 4. Deferred Revenue

Deferred revenue includes both advances from granting agencies which were not spent or otherwise obligated at the end of the year and advances on contracts with third parties. ALFA recognizes contract income based on the estimated percent of completion at year end.

Deferred revenue includes the following at December 31,:

		<u>2016</u>		<u>2015</u>
Advances from granting agencies	\$	79,910	\$	155,710
Unearned contract revenue		<u>39,772</u>		<u>17,898</u>
	\$	<u>119,682</u>	\$	<u>173,608</u>

ALFA
Balance Sheet
As of April 30, 2018

	<u>Apr 30, 18</u>
ASSETS	
Current Assets	
Checking/Savings	
First Bank Checking 9212	79,608.59
First Bank Savings	66,309.99
Gaming Account	6,814.88
PayPal	4,965.55
Petty Cash	22.00
Total Checking/Savings	<u>157,721.01</u>
Accounts Receivable	
11000 · Accounts Receivable	-51.38
Total Accounts Receivable	<u>-51.38</u>
Other Current Assets	
Square Up Deferrals	131.69
1220 · Loan to ASFT	10,000.00
1500 · Security Deposit	50.00
Total Other Current Assets	<u>10,181.69</u>
Total Current Assets	<u>167,851.32</u>
Fixed Assets	
15000 · Furniture and Equipment	7,090.00
Total Fixed Assets	<u>7,090.00</u>
Other Assets	
18700 · Rent Deposit	300.00
Total Other Assets	<u>300.00</u>
TOTAL ASSETS	<u>175,241.32</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	1,085.85
Total Accounts Payable	<u>1,085.85</u>
Other Current Liabilities	
Payroll Tax Liability	4,343.63
Total Other Current Liabilities	<u>4,343.63</u>
Total Current Liabilities	<u>5,429.48</u>
Total Liabilities	<u>5,429.48</u>
Equity	
32000 · Retained Earnings	154,345.17
Net Income	15,466.67
Total Equity	<u>169,811.84</u>
TOTAL LIABILITIES & EQUITY	<u>175,241.32</u>

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Accrual Basis

ALFA
Income Statement
 January through April 2018

	<u>Jan - Apr 18</u>
Ordinary Income/Expense	
Income	
4000 · Grant Income	275,749.25
4005 · Contract Income	33,761.19
4010 · Individual Membership Dues	12,250.00
4020 · Business Membership	14,100.00
4030 · Donation Income	600.50
4035 · FCN Donations	100.00
4040 · Fundraising Income	613.00
4050 · Retail Sales	259.50
4060 · Alaskans Own Fish Sales	22,595.90
	<hr/>
Total Income	360,029.34
Cost of Goods Sold	
5000 · Cost of Goods Sold	-2,600.00
5002 · Credit Card Merchant Fees	925.79
5020 · Shipping Supplies/Packaging	92.23
5030 · Freight/Shipping/Air Cargo	848.49
	<hr/>
Total COGS	-733.49
	<hr/>
Gross Profit	360,762.83
Expense	
100 · Personnel Services Expense	
110 · Payroll Tax Expense	5,586.83
120 · Director Salary	15,000.00
130 · Salary & Wages	49,587.53
140 · Worker's Comp	1,517.00
	<hr/>
Total 100 · Personnel Services Expense	71,691.36
200 · Direct Supp to Target Pop	
250 · Dues, Subscript. & Memberships	3,000.00
	<hr/>
Total 200 · Direct Supp to Target Pop	3,000.00
300 · Consultants & Contracted	
330 · Accounting	3,984.09
360 · Professional Services	238,883.00
390 · Other Contractual/Professional	3,150.00
	<hr/>
Total 300 · Consultants & Contracted	246,017.09

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Accrual Basis

ALFA
Income Statement
January through April 2018

	<u>Jan - Apr 18</u>
400 · Travel & Conferences	
410 · NPFMC	4,955.27
420 · IPHC	2,370.60
430 · Outreach Travel	8,050.22
460 · Other Travel	275.44
	<hr/>
Total 400 · Travel & Conferences	15,651.53
500 · Equipment & Capital Expenditure	99.99
600 · Other Direct Costs	
601 · Postage, Shipping, PO Rental	414.44
602 · Rent	2,647.50
603 · Telephone/Internet	1,016.98
605 · Office	1,734.47
607 · Program	-255.56
609 · Promotion/Outreach Costs	2,656.34
610 · Advertising/Printing	381.25
630 · Insurance	500.00
650 · Grant Expense	60.56
680 · Meeting Expense	145.30
695 · Taxes, Licenses & Permit	-30.00
699 · Bank Charges	74.00
	<hr/>
Total 600 · Other Direct Costs	9,345.28
Total Expense	<hr/> 345,805.25
Net Ordinary Income	14,957.58
Other Income/Expense	
Other Income	
720 · Interest/Div Income	79.46
	<hr/>
Total Other Income	79.46
Other Expense	
899 · Unknown Transactions	-429.63
	<hr/>
Total Other Expense	-429.63
Net Other Income	<hr/> 509.09
Net Income	<hr/> <hr/> 15,466.67