



SITNASUAK
NATIVE CORPORATION

V E N T U R E
S U M M M E R / F A L L
2 0 2 1

We hope everyone is enjoying the last part of summer. Although the weather this summer has been wet, it has produced a great berry picking season. We hope you have been able to get out on the tundra and harvest some berries. With the ups and downs of the pandemic, participating in the great outdoors and engaging in subsistence activities helps us all get through these uncertain times.

We have been monitoring the recent surge of the COVID-19 variant and are taking action to mitigate the risks to our businesses and assure the safety of our staff and customers. To maximize protection from the Delta variant and prevent possibly spread to others we encourage vaccination against COVID-19.

Staff are busy planning and preparing for the 48th Annual Meeting of Shareholders scheduled for 10:00AM September 25th. The theme "Our Drums Beat Strong: Yesterday. Today. Tomorrow." is very fitting for SNC and the Annual Meeting. We are excited to share the progress that SNC has made this past year. The 2020 SNC Annual and Trust reports have been mailed to shareholders and we have mailed the proxy packets for the upcoming Annual Meeting and Election of Directors. The meeting will be virtual this year due to the uncertainty of COVID 19 and our duty to lead with responsibility. We will have both recorded presentations as well as a live Q&A session. If you would like to submit a question or comment in advance, please submit to: Questions@snc.org.

We are pleased to announce that Sharon Elliott has been hired to lead our Financial Services subsidiary. Sharon has many years of experience in title and escrow services and is a proven leader in business development, marketing, and executive level management. We welcome Sharon to her new role and are excited to have her expertise and vision to take our title and escrow companies to the next level.

Our leadership team continues to carry out the SNC Strategic Plan adopted by the Board last summer. Progress is evidenced by our financial outcomes meeting and exceeding our budget. We continue to actively explore acquisition opportunities to diversify and grow our businesses. Leadership is continuously managing our general and administrative expenses, and administrative functions and expenses that do not effectively contribute to our business model have been reduced or redesigned.

We are pleased that the Supreme Court ruled that Alaska Native Corporations are eligible for 2020 CARES Act funding. This decision ensures Alaska Natives will continue to benefit from the unique but effective structure in Alaska which includes the federally recognized Tribes, ANCs, and other tribal organizations. SNC received \$5,962,397.35 of 2020 CARES Act funding and the Board will be meeting in special session to determine how the funds will be spent within the parameters of the CARES Act.

We look forward to your attendance in the upcoming 48th Annual Meeting of Shareholders and hope you enjoy the remainder of the summer.



B Amarok
Barb (Qasuglana) Amarok,
Chair of the Board



Charles E. Fagerstrom
Charles E. Fagerstrom,
CEO

Sept. 25, 2021 @ 10 A.M. AKDT
Virtual 48th Annual Meeting of Shareholders

OUR DRUMS BEAT STRONG
YESTERDAY.TODAY.TOMORROW.

The SNC Virtual 48th Annual Meeting of Shareholders date is approaching!

Register by 9:00 AM AKDT September 25, 2021 at www.snc.org

There are three options for registration and levels of participation:

- 1.** To fully participate with the ability to view and ask questions live during the meeting, you must register by visiting www.snc.org. During the registration process, you will be able to submit questions that will be addressed during the meeting. You may submit additional questions to Questions@snc.org.
- 2.** To participate by phone only, call the number provided to listen and ask questions live during the meeting. This option does not allow for viewing the meeting. You may submit questions to Questions@snc.org that will be addressed during the meeting.
- 3.** To watch and hear the meeting, you can stream the meeting on the snc.org website. This option does not allow for you to ask questions live. You may submit questions to Questions@snc.org that will be addressed during the meeting.

Pre-submitted questions are due by 5:00 PM AKDT September 22, 2021

Reminder to vote by the deadline of 5:00 PM AKDT September 22, 2021 for a chance to win proxy prizes!



GO ONLINE TO: sncvote.org

or

SIGN, DATE AND MAIL PROXY CARD TO:

Hutchings & Associates CPAs

PO Box 241167

Anchorage, AK 99524

or

SEND VIA FAX: 907.290.5737

SEND VIA EMAIL: tatyana@ha-akcpa.com

Need to locate your Shareholder ID and PIN to vote online?

Contact Hutchings and Associates: 907.563.2727

For more information and to submit completed Shareholder Forms please contact the Shareholder Department:

Nome: 907.387.1200 / Anchorage: 907.929.7000 / Email: shareholder@snc.org.

NEW SHAREHOLDERS
TO THE SNC FAMILY

PHYLLIS ABBOTT-CAVOTA
 FELICIA AHKVALUK
 JEREMY AHKVALUK
 MACKENZIE AHKVALUK
 NORA BROCK
 DAWSON EVANS
 KAYLENE EVANS
 MASON EVANS
 KEVIN GREEN
 WILLIAM HANKEE
 LOGAN HEBEL
 THOMAS HORTON
 REDFORD KIMINOCK
 ALYSSA KOST
 LOUIS KOST
 MATTHEW KOST
 ASHELY MAXWELL
 CHRISTOPHER MORRIS
 META MULDER
 JERRY OLIVER
 MICHAEL OLIVER
 SHEA OLIVER
 SUSAN OMIK
 HEATHER, OZENNA
 RONALD OZENNA III
 RHONDA SANDERS
 HANNAH SHREVE
 TRUDY SMITH
 LESLY SPARKS
 ANTHONY WILHITE
 KAYLA WILLOYA

BOARD OF DIRECTORS :

Barbara (Barb) Amarok, Chair
 Gloria A. Karmun, 1st Vice Chair
 Andrew Miller Jr., 2nd Vice Chair
 Edna (Becka) Baker, Treasurer
 Helen Bell, Secretary
 Louis Green Jr., Director
 Joel (Jay) Craft Jr., Director
 Richard Foster, Director
 LieuDell Goldsberry, Director
 Joseph Garnie, Director
 Jaylene Wheeler, Director

How can my family members become Shareholders?



Under the 1991 Amendments to ANCSA (43.U.S.C 1601 et sq), you may give stock only to person(s) who are your child, grandchild, great-grandchild, niece, nephew, brother or sister. This person(s) must be Alaskan Native, a descendant of an Alaskan Native, legally or tribally adopted into your family.

You do not have to wait until passing for your heirs to become Shareholders! You may gift shares by filling out the Gift of Sitnasuak Native Corporation Stock Form. Forms are available on our website, in our offices in Nome and Anchorage, forms may also be requested via email or mail.

Shareholder Benefits:

- Annual Heritage Distributions
- Scholarships (SNC Trust & SNC Foundation)*
- Bereavement Support*
- Shareholder Rent Discounts (Nome)
- Shareholder Heating Fuel Discount (Nome)*
- Annual Elders Benefit Distribution
- Shareholder Homesite/Campsite Program (Nome)
- Shareholder employment opportunities*

* Applies to Descendants as well



Required Documents to Complete the Gift of SNC Shares

- ❖ Gift of Stock form, notarized [Shareholder]
- ❖ Acceptance of Gift form, notarized [recipient]
- ❖ Copy of Birth Certificate [recipient]
- ❖ Copy of Social Security Card [recipient]
- ❖ Verification of Tribal Enrollment [recipient]

Please turn in the above documents to the Sitnasuak Native Corporation Shareholder Department. We need the original gifting forms; however, you can email or mail in copies of the recipient's supporting documents. If you need a Notary, please contact the Shareholder Department to schedule an appointment. Quyaana

Nome Office	Anchorage Office
907-387-1200 (Main)	907-929-7000 (Main)
907-387-1226 (Shareholder Dept)	907-929-7021 (Shareholder Dept)
PO Box 905 ATTN: Shareholder Dept Nome, AK 99762	2700 Gambell St, Ste 300 ATTN: Shareholder Dept Anchorage, AK 99503
shareholder@snc.org	

MEET OUR NEW TEAM MEMBERS:



Leila Smith,
Office Assistant

Leila Smith is a SNC Descendant from Anchorage, Alaska and had also grew up in Shaktoolik and Hawaii. Leila's parents are Eric Tetpon Jr. and Lillian Tetpon, Eric Tetpon Jr. is from Shaktoolik, Alaska, and Lillian Tetpon whose maiden name was Hanaka, was from Mary's Igloo, Alaska. Leila is married to Daniel P. Smith Sr. and has 4 children.

Leila's hobbies consist of camping, fishing and travelling. She likes visiting her husband's family in Michigan and exploring the many attractions and sporting events while she can.

Leila previously worked for BLM, Old ANS hospital, New ANMC, Southcentral Foundation and Bering Straits Native Corporation.

Leila Smith joined SNC's Administration team March 2021 as Office Assistant.

"I am so thankful for the opportunity to work for Sitanasuk Native Corporation. I know so many Shareholders from our Northwest Region of Alaska. I am thankful and gracious to have the opportunity to work for such a wonderful company, Shareholders and many friends that I've met and ones that I've known all my life! Thank you."

Welcome, Leila!

Robert (Rob) Stacy is from Anchorage, Alaska. His family consists of his best friend and partner of 20+ years, a son who is 20 and two daughters, 8 and 9. He loves to spend time with his family fishing, camping, traveling and attending sporting events. Additionally, coaching his kids in baseball and softball.

Rob joined the SNC team June 1, 2021 as Staff Accountant. His duties at SNC are to prepare monthly financial statements for assigned subsidiaries, perform financial analysis and prepare reports, reconciling of the corporate bank account and prepare and post journal entries.

"Rob brings twenty years of financial experience from working in the mortgage industry to his recent role at Fidelity Title Agency of Alaska. We are excited to have such a talented and dedicated addition to our team!"

Charlene Robertson, Assistant Controller

"I like the comradery and the atmosphere of the whole office at SNC. I am excited to be part of a company that wants you to grow and succeed within the company. The people that I work around makes me enjoy coming into work every day."

Welcome, Rob!



Robert (Rob) Stacy,
Staff Accountant

SNC CORPORATE & SUBSIDIARY NEW HIRE/PROMOTIONS *CONTINUED*

* DESCENDANT ** SHAREHOLDER

Kohren Green** – promoted to Tank Farm Manager (Bonanza Fuel)

Silas Takak – (Bonanza Fuel)

Bradley Larsen* – (Bonanza Express)

Katherine Scott** – (Bonanza Express)

Daxton Rayburn* – (Bonanza Express)

Mckenzie Gates – (Mat-su Title Agency)

Clara Ahtclaseayek** – (Fidelity Title Agency)

SNC SHAREHOLDER GRADUATES & SCHOLARSHIP RECIPIENTS

Highlighting and recognizing Shareholders for their dedication to continuing education and achieving their goals.



Quinuqshuq, Lyric Renee Dotomain is a Shareholder graduate that was born and raised in Anchorage, Alaska. Her mother is Erline Weston (Dotomain) from Nome and her grandparents are Caleb and Janet Dotomain.

Lyric graduated this May of 2021 from the University of Anchorage Alaska with a Bachelors Degree in Psychology with a concentration in behavior analysis. She is proud to be the first in her family to graduate from college. Lyric is committed to continuing her education to obtain her Chemical Dependency Counseling Certification to become an addiction counselor.

"Witnessing firsthand the impacts of addiction in our communities made a really big influence in my choice to go into this specific type of psychology. I love to help others and work towards uplifting our local communities. Once I get some experience, I'd like to apply for the master's program for clinical psychology to eventually become a licensed therapist." Lyric

"The journey is your own, do it at your own pace and base it off your values. Direction isn't always going to be clear, but do the best at what you know and don't forget to be good to yourself along the way."

"SNC scholarships have helped me with the financial burden college can bring and am really happy our corporation is investing in our youth because people like me wouldn't have been able to succeed to get to this milestone." Lyric

Lyric has worked full-time throughout her educational journey in her field of study and was awarded the Living Our Values Award by CEO, Katherine Gottlieb from South Central Foundation for the remarkable work she has been doing while going to school.

-Lyric Dotomain

Siluasiaq, Vanessa Guzman is a Shareholder graduate and continuing scholarship recipient from Nome. Her parents are Dale Crandall and Pauline (Olanna) Sharpe. Vanessa was raised in several areas in Northwest Alaska, including Nome. She currently resides in Anchorage with her husband Lowen and two children; 2 year old Elise and new born Dillon.

Vanessa graduated May 2020 with a Bachelor of Science in Dietetics from the University of Alaska Anchorage. She recently completed her Graduate Certificate in the UAA Dietetic Internship this Spring! Her next steps are to gain credentials and licensure as a Registered Dietitian.

"I always knew I wanted to be in health care because I love helping people. I chose dietetics because growing up I never learned or realized how our food choices can affect our health, which led my intrigue to the field of nutrition. I naturally gravitate toward working with Rural Alaska in community outreach and nutrition education. I have several years of employment history in statewide Tribal Health and would love to return to work in Tribal Health to serve our people." Vanessa

Vanessa also shared, *"the SNC scholarship, including regional scholarships, have greatly helped me in getting through school. It was nice to rarely ever pay out of pocket for tuition, I am so thankful that our Corporation is investing in further education!"*

Vanessa expressed her excitement to be an Alaskan Native healthcare provider as *"it is a wonderful opportunity to build trust and make a difference in the health and lives of others."*



"I often reminded myself if others can graduate with a Bachelor Degree, so can I. Also it is important to stay connected to your family and friends while you are in college because it had driven me to keep going especially through challenging times."

-Vanessa Guzman

CONGRATS GRADS!

SITNASUAK NATIVE CORPORATION WOULD LIKE TO HEAR FROM YOU!

We would like to hear from current or past SNC Shareholder & Descendant Scholarship Recipients. If you would like to share your education journey and inspire others, please reach out to us at communications@snc.org.

Please Include:

- A photo of **600 dpi** (dots per inch, the higher the better for a clear quality photo)
- Description of achievement and Bio
- Contact information for SNC to reach out to connect with the Shareholder or Descendant

HOMESITE/CAMPSITE PROGRAM

APPLICATION DEADLINE: **SEPTEMBER 30, 2021**



The Sitnasuak Native Corporation Land Use Policy preserves and protects our indigenous land for Shareholders to use for family, cultural and business activities. These programs are available for all Shareholders:

CAMPSITE PROGRAM

Set up your own camp area for subsistence and recreational activities.

HOMESITE PROGRAM

Land lease agreements allow you to establish a primary place of residence.

SPECIAL USE PERMITS

Permits are available for fisheries, grazing, mining, historical preservation, land development and other purposes.

***PLEASE NOTE:** When submitting a special use permit, please send in the application at least 3 weeks in advanced for timely review and approval processes to take place.

For more information and permit applications, contact:

Land Staff
Nome Headquarters

214 Front Street, 2nd Floor
Nome, AK 99762

907.387.1220
1.877.443.2632



LAND STEWARDSHIP

Protecting SNC's lands and resources is a critical component of SNC's current Strategic Plan and Mission Statement. SNC's Land Department takes the management and protection of SNC lands very seriously. The Department manages approximately 232,174 surface acres in the Nome and Bering Strait region. The Department participates in negotiation and evaluation of campsite permits, homesite leases, access over SNC lands, different types of commercial use, and the implementation of corporate strategies related to the land. As you can imagine, managing and protecting SNC lands can be a challenge.

SNC prioritizes striking a balance between protecting the land for future generations and sustainable commercial use to improve opportunities for our shareholders. Because SNC lands are privately-owned, shareholders and non-shareholders are required to obtain a permit for land access and recreational and subsistence activities such as camping; hunting; road, trail and off-road use; snow machine and dog races; and commercial and industrial activities such as mining exploration and operations; agriculture; land development; communications and construction projects; materials sales; and fisheries use.

Due to the remote nature of SNC lands, it is vulnerable to trespass, disturbance and waste. Any non-authorized use on SNC lands is considered trespass and trespass can be caused by individuals and motor vehicle or equipment access. Trespass may be prosecuted to the full extent of the law. Disturbance of the land occurs where there is a clearing of tundra, vegetation or soil, or land movement by motorized or other means. Waste occurs when there is an unreasonable, improper, harmful or destructive use of the land such as pollution in any form, erosion, garbage and trash.

Unfortunately, from time to time, the Land Department is informed that trespass, disturbance and waste is occurring on SNC land by shareholders and non-shareholders. These are serious concerns presently and for our future generations of land users. The SNC Land Department cannot monitor all of our land by itself and asks for assistance in mitigating these harmful practices.

If you observe trespass, disturbance or waste, gather as much information as you safely can - including time, date, location and nature of the suspected activity and the person or vehicle involved - and report back to SNC by calling (907) 387-1200 and asking for the Land Department. (For your safety, please do not attempt to confront anyone).

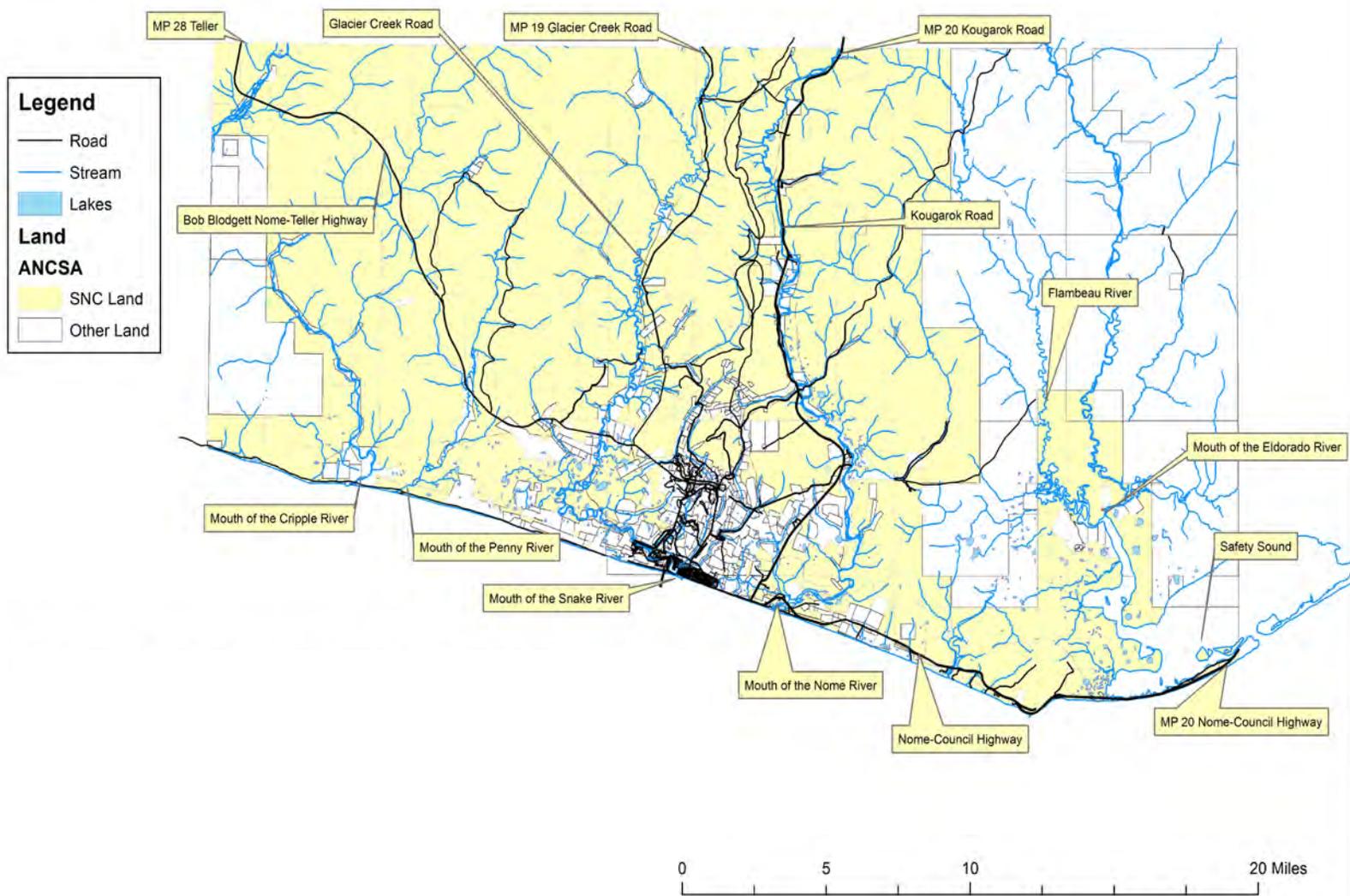
The future health and protection of SNC land is everyone's responsibility. SNC appreciates your cooperation and respect for our lands. Successful compliance with our land use policies will enable the continued use and enjoyment of SNC lands, now and into the future.

Please always feel free to contact the Land Department with any questions about SNC lands and policies and shareholder benefits and responsibilities.

Shareholder & Descendant Benefits of SNC Land:

- **SNC Homesite & Campsite Program**
- **Gathering of Greens, Berries and other Natural Resources**
- **Hunting of Animals Land, Air and Sea**
- **Respectful Recreation**
- **Hiking**
- **Biking**
- **Bird Watching**
- **Photography**
- **Conservation**
- **Winter Recreation**

PROTECTING OUR LAND



YOU CAN HELP TO PRESERVE &
PROTECT OUR LAND

IF YOU OBSERVE SUSPICIOUS ACTIVITY OCCURRING ON SNC LAND,
PLEASE CONTACT OUR LAND DEPARTMENT IMMEDIATELY
BY CALLING 907.387.1220
OR EMAILING: LAND@SNC.ORG

OUR DRUMS BEAT STRONG

YESTERDAY.TODAY.TOMORROW.

Sauyagut niviņa saiyakturut Ikparaq. Ublumini. Ublakun.

The 48th Annual Meeting of Shareholders will be held virtually

The meeting starts at 10 a.m. AKDT on Saturday, Sept. 25, 2021. Join as early as 9:45 a.m. AKDT to view a performance of the St. Lawrence Island Dancers and to test your connection!

Register by 9:00 AM AKDT September 25, 2021 at www.snc.org

There are three options to access the meeting:

1. To fully participate with the ability to view and ask questions live during the meeting, you must register through the Zoom link.
2. To participate by phone only, with the ability to ask live questions dial toll free: 1-888-788-0099; Meeting ID: 825 7294 0442; Passcode 202148 (Participant ID not required) This option does not allow for viewing the meeting.
3. To watch and hear the meeting, go to www.snc.org to view on the home page. This option does not allow for you to ask questions live.

Questions must be submitted by 5:00 PM AKDT September 22, 2021. For those who do not submit questions by then you can ask live questions the day of the meeting if you register via Zoom by going to www.snc.org or call in with the information provided.

2020 ANNUAL REPORT

PHOTO CREDIT CORRECTION: ST. LAWRENCE ISLAND DANCERS

SNC apologizes to the **St. Lawrence Island Dance Group** for an error that had occurred in publishing the incorrect group in the photo credits section located in our 2020 Annual Report.

We would like to thank the **St. Lawrence Island Dance Group** for their amazing performance, strong culture, and contribution to our community.

Quyaana!

OUR DRUMS BEAT STRONG

YESTERDAY.TODAY.TOMORROW.

GLOSSARY OF FINANCIAL TERMS

ASSETS are property or items of value owned by the Corporation.

CONSOLIDATED BALANCE SHEETS show the combined financial condition of the Corporation and its subsidiaries by listing the assets, liabilities, and shareholder's equity at the reporting date.

CONSOLIDATED STATEMENTS OF CASH FLOWS show the sources of cash the Corporation and its subsidiaries received and how it used cash during the year.

CONSOLIDATED STATEMENTS OF INCOME show the amount of profit the Corporation and its subsidiaries earned during the year.

DEPRECIATION is an accounting method of allocating the cost of a physical or tangible asset over its estimated useful life or life expectancy.

EXPENSES are the cost of all Corporation activities.

GOODWILL is the intangible asset which accounts for the excess purchase price of a company over the fair value of its net assets.

INTANGIBLE ASSETS are not physical in nature, such as tradenames, non-compete agreements, copyrights, and title plants.

INVENTORY is goods available for sale and/or raw materials used to produce goods available for sale.

INVESTMENTS are assets or items acquired with the goal of generating income or appreciation in value.

LIABILITIES are debts or obligations stated in monetary terms.

NET INCOME is total revenue, less total expenses.

OPERATING REVENUES are the revenues the Corporation generates from its primary business activities.

SHAREHOLDERS' EQUITY is the shareholders' ownership in the Company obtained by subtracting total liabilities from total assets.

GUIDE TO THE

2020 ANNUAL REPORT

UNDERSTANDING SNC' FINANCIAL STATEMENTS

SNC recently released the 2020 Annual Report which summarizes SNC's business performance for 2020 and contains information shareholders can use to better understand SNC's business and investments. Financial statements can be challenging to understand and this guide explains the key terms in the Annual Report.

SITNASUAK NATIVE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

December 31, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 28,076,524	\$ 18,221,688
Accounts receivable, net	7,396,754	21,899,050
Manufacturing inventory	26,286,072	5,815,877
Merchandise and fuel inventory	4,042,972	2,600,957
Prepaid expenses	4,802,420	64,299,338
Total current assets	70,611,233	1,080,209
Investments in unconsolidated affiliates	4,570,887	19,680,470
Marketable securities	6,368,181	8,541,348
Property, plant, and equipment, net	40,209,687	886,199
Goodwill, net	581,208	3,450,882
Intangible assets, net	3,327,767	1,710,027
Other noncurrent assets	1,770,000	2,716,027
Total assets	\$ 129,280,033	\$ 135,210,879
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt	\$ 2,363,856	\$ 2,072,113
Accounts payable	4,206,824	10,043,771
Accrued payroll liabilities	4,460,002	3,308,295
Deferred revenue	1,607,260	148,004
Other current liabilities	2,284,542	4,706,978
Total current liabilities	16,722,484	30,099,161
Deferred revenue long-term debt, less current maturities	1,654,074	1,898,072
Deferred tax liability	18,081,348	20,348,492
Other noncurrent liabilities	1,058,883	2,101,284
Total liabilities	37,516,849	45,347,009
Equity:		
Common stock, no par value, 400,000 shares authorized; 205,400 shares issued and outstanding	89,321,667	89,127,489
Retained earnings	(99,223,174)	2,489
Accumulated other comprehensive (loss) income	89,223,174	89,159,978
Total Sitnasuak Native Corporation equity	89,321,667	89,292,956
Noncontrolling interest	89,209,186	135,210,829
Total equity	\$ 129,280,033	\$ 135,210,879
Total liabilities and equity	\$ 129,280,033	\$ 135,210,879

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS (Pg 21) show the combined financial condition of the Corporation and its subsidiaries by listing the assets, liabilities, and shareholder's equity at the reporting date.

Assets are property or items of value owned by the Corporation.

Liabilities is what the company owes.

Shareholder's equity is the shareholders' ownership in the Company obtained by subtracting total liabilities from total assets.

Investments are assets or items acquired with the goal of generating income or appreciation in value.

Goodwill is the intangible asset which accounts for the excess purchase price of a company over the fair value of its net assets.

Intangible assets are not physical in nature, such as tradenames, non-compete agreements, copyrights, and title plants.

Inventory is goods available for sale and/or raw materials used to produce goods available for sale.

89,321,467
(99,293)
89,222,174
481,012

CONSOLIDATED STATEMENTS OF INCOME (Pg 22)

show the amount of profit the Corporation and its subsidiaries earned during the year.

Expenses are the cost of all Corporation activities.

Net income is total revenue, less total expenses.

Operating revenues are the revenues the Corporation generates from its primary business activities.

Depreciation is an accounting method of allocating the cost of a physical or tangible asset over its estimated useful life or life expectancy.

Consolidated Statements of Cash Flow (Pg 24) show the sources of cash the Corporation and its subsidiaries received and how it used cash during the year.

SITNASUAK NATIVE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31, 2020 and 2019

	2020	2019
Operating revenues:		
Agreed royalties	\$ 800,959,327	\$ 442,348,472
Interest revenue	9,371,394	25,000,000
Fee distribution	12,622,693	9,310,989
Bad debts	24,001	3,400,771
Other	—	33,344
	<u>180,216,277</u>	<u>172,044,837</u>
Direct and overhead expenses:		
Depreciation	140,029,310	150,767,030
Overhead costs	73,641,354	72,343,000
	<u>155,888,674</u>	<u>149,131,638</u>
	<u>33,833,603</u>	<u>23,813,003</u>
Gross profit:	<u>16,403,148</u>	<u>14,764,432</u>
Indirect expenses:		
General and administrative	16,003,146	13,754,025
Impairment loss	—	1,906,877
	<u>16,003,146</u>	<u>15,660,902</u>
	<u>17,238,437</u>	<u>5,050,301</u>
Operating income:		
Other income (expense):		
Investment revenue (TA) (loss)	2,441,022	3,503,277
Gain from investment activities	(142,791)	(140,992)
Interest on investment income, net	1,775,418	1,804,475
Interest expense	(1,234,209)	(1,883,026)
Other	(2,038,201)	116,436
	<u>(368,291)</u>	<u>9,057,135</u>
	<u>16,971,766</u>	<u>1,902,044</u>
Income before income taxes:	<u>16,971,766</u>	<u>1,902,044</u>
Income tax expense	272,152	—
	<u>16,344,182</u>	<u>1,902,044</u>
Net income:	<u>16,344,182</u>	<u>1,902,044</u>
Net loss attributable to noncontrolling interests in consolidated subsidiaries	(1,990)	(37,889)
	<u>\$ 16,345,978</u>	<u>\$ 7,878,925</u>

See notes to consolidated financial statements.

SITNASUAK NATIVE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Net income	\$ 16,344,182	\$ 7,791,070
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization:		
Impairment loss	4,348,160	—
Gain on disposal of property and equipment	—	4,283,808
Realized gains on marketable securities	—	1,999,577
Unrealized loss (gain) on marketable equity securities	(2,177,436)	190,931
Loss from unconsolidated affiliates	1,502,313	(116,941)
Decrease in value of interest rate swaps	140,781	(814,054)
Unrealized gains on deferred compensation assets	375,854	166,092
Deferred income tax (benefit) expense	14,069	392,044
Bad debt expense	(430,278)	(34,574)
Allowance for obsolete inventory	282,139	492,354
	<u>552,461</u>	<u>237,710</u>
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable, net	6,038,741	(7,104,831)
Manufacturing inventory	(2,999,383)	(8,189,303)
Merchandise and fuel inventory	(720,705)	(8,189,303)
Prepaid expenses	(2,216,604)	108,519
Other noncurrent assets	(218,334)	(654,997)
Increase (decrease) in:		
Accounts payable	(5,835,947)	(574,418)
Accrued payroll liabilities	1,150,707	2,517,503
Deferred revenue	822,260	(1,061,788)
Other current and noncurrent liabilities	245,042	(300,191)
	<u>19,641,494</u>	<u>(454,199)</u>
Cash flows from investing activities:		
Principal collections on notes receivable	—	5,000,000
Proceeds from sale of property and equipment	—	903
Purchase of property and equipment	(2,224,099)	(5,105,235)
Purchase of trade name	—	(60,646)
Investments in unconsolidated affiliates	(186,843)	(377,633)
Purchase of investment marketable securities	(4,386,892)	(18,822,183)
Proceeds from sale of marketable securities	15,342,321	18,343,936
	<u>8,571,570</u>	<u>(1,020,860)</u>

(Continued)

IN MEMORIAM

Our sincere condolences to the family and friends of the recently passed on Shareholders.

JACQUELINE BROWN

LAURA EVANS

KARL HAUK

TOMMY HERMAN SR.

JOHN JOHNSON

BERNIE LARSEN

MARY MASTERSON

JARED MILLER

JOY MINIX

MARY NOYAKUK

HAZEL NYBERG

JAY OLIVER

RAYMOND OZENNA

SEAN PENETAC

JO PUTMAN

MARIE READER

MICHAEL SCOTT

PEGGY SHERMAN-LUCE

RICHARD SOCKPICK

VINCENT TOCKTOO

CHARLES TOLOFF

ERIC TRIGG

KATHERINE VALENTIC

SHERILEE VAN ZANDT

ANTHONY WALLUK

DANIEL WALLUK

MARK CLARENCE WILLOYA

PLEASE SEND OBITUARY AND ADDITIONAL INFORMATION TO SHAREHOLDER@SNC.ORG

WE ARE LOOKING FOR YOU



ATTATAYUK, JOHN

BUCK, MARY

CHAPMAN, OLIVER

CHILDERS, ALLISON

COLEMAN, GRETCHEN

DIXON, SCOTT

DOUGLAS, ALIE

ERNAK II, FREDERICK

FLOYD, RUTH

GIFFIN, LAURA

GOLDSBERRY, SAMUEL

HAWORTH, JULIA

HEIDLEBAUGH, JAMES

HERMAN, SIDNEY

HICKOK, ELIZABETH

JACK, HAZEL

JAMES, THOMAS

JOHNSON, MELANIE

KATEXAC, ROMALD

LARSEN, DARRELL

LARSEN, ELIZABETH

LITTLEFIELD, SCOTT

LUCIANO, ANTHONY

MALDONADO, JADEN

MAYER, NELLIE

MCCLARY, KELLY

MONTANA, CARLA

MORGAN, KENDRA

MURPHY, DANIEL

MURPHY, JAMES

OLIVER, VICKI

OLSON, ALEXANDRIA

OLSON, JENNIFER

OMELAK, RICHARD

OTTON, BRUCE

OZENNA, DAWN

SANCHEZ, ANNOKAZOOKA

SCOTT, ALONZO

SILOOK, IVAN

SMITH, STARLA

WASHINGTON, PRESTON

WITTIE, FRANK B.

WITTIE, JAMIE

YOOL, THERESA

If you know the whereabouts of a missing Shareholder, please submit information on MyPortal or contact our Shareholder Department at shareholder@snc.org, or call in Nome at 907.387.1200 or Anchorage at 907.929.7000.

SUMMER VALUES:

Responsibility to Inupiat: All Inupiat within their own villages looked after one another. They take people in, share food and stand firmly together as a people.

Respect of Elders: The children are taught to respect their Elders by listening to them, and most of all to love them. We learn Spirituality from the Elders just by communicating with them.

Avoidance of Conflict: If someone embarrasses you in any way, just keep quiet. It means so much in the Native Inupiat culture.

UPCOMING SNC BOARD MEETINGS

- November 2, 2021 - Committee Meetings
- November 3, 2021 - Subsidiary Meetings
- November 4, 2021 - Quarterly Full Board Meeting

Interested in participating during Shareholder Comments?

Call our Nome office: 907.387.1200,
Anchorage office: 907.929.7000 or
email: shareholder@snc.org

What MySNC Shareholder Portal Provides For You:

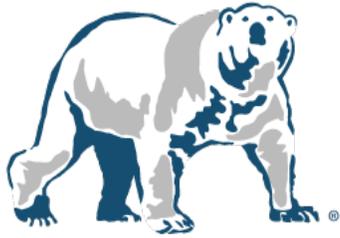
Fast, Easy and Secure access to View and Manage:

- SNC's Latest News
- Contact Information
- Distributions, Checks
& Direct Deposits
- Tax Information
- Custodial Accounts

You may also submit information
on any missing Shareholders.

VISIT [SNC.ORG](https://www.snc.org)





SITNASUAK
NATIVE CORPORATION

P.O. BOX 905
NOME, AK 99762

PRSR STD
US POSTAGE
PAID
ANCHORAGE, AK
PERMIT NO. 537

GUIDED BY OUR VALUES

Ukpaisrun | Spirituality
Qinuinnaq | Humility
Kammaktui Nunamiituat | Reverence Toward Nature
Puyaunau Inupiaqtun Itfusi | Pride in Culture
Inupiuragluta | Speaking Our Traditional Language
Nagguatun Kulliaglutin | Honesty
Kattiitutiŋsahuagat | Cooperation
Uttakiragagin | Patience
Aŋalataasran | Responsibility
Sagiknatuak Savaq | Hard Work
Kammaktui | Obedience
Kanniglusi | Open Communication
Aziusrat Sugunnai | Avoidance of Conflict
Munnaktui Kiŋunnaisi | Commitment to the Family
Nagguagiktut Ilagit | Love of Children
Innugilaqluit Ilagit | Respecting Others
Utuqannat Kammagiralui | Respect of Elders
Pikkaagupsi Aitturalui | Sharing
Quyniuŋniq | Humor

Where we are located:

Nome Headquarters

214 Front Street, 2nd floor |
PO BOX 905
Nome, AK 99762
Phone: 907.387.1200
Open: M-F
8AM-5PM

Anchorage Office:

2700 Gambell Street, STE #300 |
Anchorage, AK 99503
Phone: 907.929.7000
Open: M-F
8AM-5PM

SNC would like to thank Shareholders Rebecca Sherman-Luce and Chrystie Salesky for providing photos for this Venture. Quyaana!