



Norton Sound Economic Development Corporation

2004 Annual Report





NSEDC MISSION STATEMENT

"NSEDC will participate in and encourage the clean harvest of all Bering Sea

fisheries to promote and provide economic development through education,

employment, training and financial assistance to member communities and

Western Alaska, while protecting subsistence resources."



THE YEAR IN REVIEW

Message From The Chairman



2004 was another great year for NSEDC in terms of overall performance. We were able to deliver another excellent set of programs and benefits to our member communities and achieve our highest record financial performance with net assets growing from \$60,955,247 to \$76,089,735 a 24.8% increase from 2003. This strong financial performance is a direct result of our investment diligence and the resourceful management of our Community Development Quota.

NSEDC made numerous contributions throughout the region in 2004 including \$222,727 in scholarships to 136 students receiving post-secondary and vocational educations, and \$3,574,083 in wages by employees working for NSEDC, NSSP, and our industry partners, which is a \$286,446 increase from 2003. Other notable contributions included a \$50,000 Community Benefit Share for each member community, \$5,000 seed money to one school in each member community for substance abuse prevention; \$1,314,000 contribution to the Nome Navigation Improvements Project; \$250,000 contributions to the Chinik Traditional Council and the Native Village of White Mountain for their communities' multi-purpose

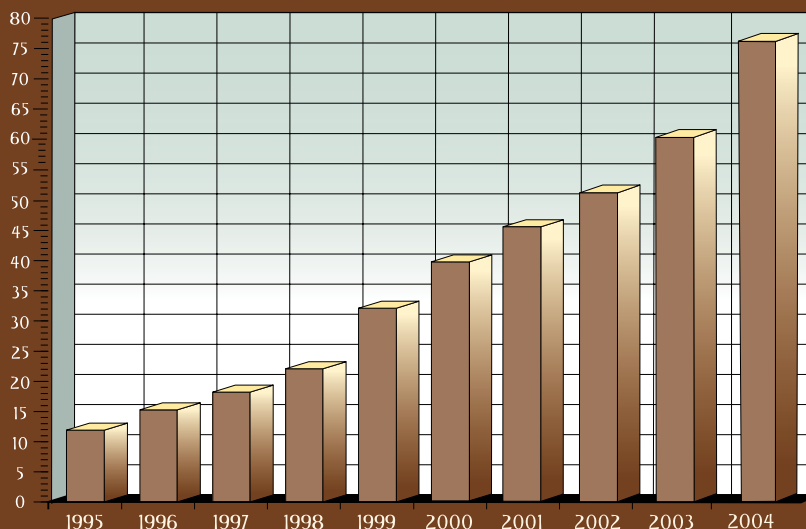
facilities, and we again provided support and local markets for the Norton Sound salmon, crab and halibut fisheries.

As our investments and management continue to deliver, our programs and benefits to the region will expand. We look forward to continuing our contributions towards economic growth and our positive impact in the fisheries of the Norton Sound.

Henry Ivanoff

2004 Board Chairman

**NSEDC 2004
Fiscal Year
Total Assets
(in millions)**



NORTON SOUND FISHERIES

Research and Development Program

The Norton Sound Fisheries Research and Development Program (NSFR&D) is a division of NSEDC that works with fish and fisheries within the Norton Sound. The program is broken down into two further divisions; Salmon Restoration and Fisheries Development. While Salmon Restoration includes work and funding for the restoration of the depressed Norton Sound salmon stocks, Fisheries Development seeks to find new fisheries as well as further cultivate those already existing.

The Fisheries Research and Development Program took a new approach to salmon restoration in 2004, adding a project designed to actively boost salmon stocks in order to supplement research activities underway. To do so, NSEDC staff partnered with Alaska Resource & Economic Development, Inc. to conduct a pilot project utilizing moist-air incubation techniques as well as egg-planting to increase survival rates for juvenile chum salmon.

Approximately 60 chum salmon were captured in the Nome River in the summer of 2004 and held in net pens until ready for spawning. Egg takes

(the process of manually fertilizing eggs ensures very high fertilization rates compared to wild stocks) took place in early August, after which the eggs were placed in a moist-air incubator at the Nome-Beltz High School. The moist-air incubator holds several trays designed to contain several thousand eggs each. The incubator sprays a fine mist of filtered water over the eggs, and regulates the temperature very closely. The result is a very high survival rate to the eyed-stage, which comprises a large component of the mortality seen in juvenile salmon. After the eggs reached this stage, they were taken to Hastings Creek (a small stream east of Nome with no appreciable salmon run) and planted into areas thought not to freeze during the winter. The

egg planter is inserted into the gravel and uses water flow to flush sediments from the eggs' overwintering habitat to increase hyporheic flow (the natural flow of water through gravel, providing oxygen to the developing eggs) after which the eggs are planted at a depth of approximately one foot. After this is done, the eggs are in the hands of nature for the rest of their development.

This pilot project was done on a small scale to demonstrate its ability to produce fish. In the future, a larger scale project is planned, along with the expansion to other species, and in other river systems. Also, by regulating temperature within the incubator, we can speed up or slow down development of the juvenile salmon to better coincide with favorable conditions should research dictate this necessary.



Vaughn Munn and Simon Kinneen check the fyke net for juvenile chum salmon.

NSEDC continued its partnership with LGL Alaska in salmon research projects in 2004. Three major projects continued this year, funded in part by federal disaster funds allocated by the Norton Sound Research and Restoration Steering Committee.

The Juvenile Chum Salmon Ecology Project is investigating the early life history of these salmon, determining such factors as: when migration takes place, how long they spend in certain habitat types, what they eat, what is available to eat, what size they are at various migration stages, environmental conditions (temperature and salinity of the water), etc. In essence, we hope to learn how juvenile chum salmon interact with their environment and how this may be affecting their survival.

The Distribution and Production of Juvenile Coho Project is built on the knowledge that survival of this species in their freshwater stage is largely dependent on the amount of rearing habitat available to them. We are looking to apply this knowledge to the Norton Sound area and determine how many juvenile coho salmon a given stream may support. This would give salmon managers the ability to better

determine what escapement is needed to fully seed a river with coho salmon, thereby allowing a good split of salmon between those needed for spawning and the harvestable surplus.

The Coho and Chum Fecundity Project is continuing to estimate the number of eggs female salmon produce, which is very basic information needed for estimating potential egg deposition per female. Our research has shown that Unalakleet River salmon have relatively high fecundities, and in 2004 expanded the project to include the Fish River system.

The NSEDC Salmon Restoration Division also provides financial support

to other agencies and organizations that work in the salmon research field. In 2004, NSEDC contributed over \$200,000 to research and management projects to the Alaska Department of Fish and Game, Kawerak Inc., the Bureau of Land Management, and the Native Village of Unalakleet.

NSEDC has also contracted with the University of Rhode Island to develop a Community-Based Fishery Development Plan. A team will visit each community to meet with residents regarding NSEDC programs, what has been done in the past, and the potential for development in the future. This should be very useful for planning worthwhile projects within the region.



Nome-Beltz High School students Susan Reddaway and Carl Jennings plant chum salmon eggs into Hastings Creek for NSEDC's moist-air incubation project while ARED's Brian Ashton looks on.

NORTON SOUND INVESTMENT COMPANY

Norton Sound Investment Company is a wholly-owned subsidiary of NSEDC and holds NSEDC's investments in Glacier Fish Company, Norton Sound Ventures, IFQ holdings and various investment accounts. Its purpose is to make investments in income-producing assets and then oversee those investments. A portion of the income is remitted to NSEDC for current programs, and a portion of the income is reinvested for growth, with a goal of creating an even greater income stream in the future. The Community Benefit Share is paid for entirely from NSIC's remittances to NSEDC.

Norton Sound Investment Company LLC had a strong year in 2004. As a result,

NSIC's remittances to NSEDC are higher than in any year since the formation of NSIC in 2002.

During 2004 NSIC acquired additional crab fishing history which is expected to become crab quota share. Quota share is a right to harvest a certain percentage of a fishery. Quota shares already exist for halibut and for sablefish in offshore Alaskan waters, and quota shares are expected to be issued for crab in 2005. In anticipation of this, NSIC purchased fish history which, upon issuance of quota share, will allow the owner to catch and process a percentage of the Bristol Bay red king crab, tanner crab, and opilio crab harvests.



NSIC's 50%-owned subsidiaries, Glacier Fish Company and Norton Sound Ventures also had good years. Early in 2005 both companies were able to make cash distributions to NSIC and the other owners based upon 2004 profitability which were higher than in any prior year that NSIC was an owner. NSIC also saw gains in its stock market investments.

COMMUNITY OUTREACH

In preparation for the 2006-2008 Community Development Plan (CDP), NSEDC held Community Outreach meetings in each of its fifteen member communities during the summer and fall of 2004. The meetings allowed NSEDC to provide residents with information on the programs and services available to them through NSEDC and the CDQ program while enabling each village to give feedback describing their community priorities and concerns.

Substance Abuse Prevention

NSEDC provides financial support to qualified organizations for substance abuse prevention under the Community Outreach program. In 2002 NSEDC made a contribution of \$50,000 to the Bering Strait School District and Nome Public Schools for the Life Skills Training Program, and in 2004 NSEDC allotted \$5,000 for each school in the 15 member communities for use in substance abuse prevention activities. The allotments were designated to



Elliot & Stuart Nassuk picking blueberries outside of Koyuk

provide the schools with seed money for the startup of healthy, self-sustaining activities for students.

PROPOSED USE OF NSEDG SUBSTANCE ABUSE PREVENTION FUNDS

Brevig Mission

Sponsor students to go up-river with elders to hear stories, “pick”, fish, and participate in other subsistence activities; open a computer lab and weight room in the evenings for student use.

Diomede

Expand the bakery and carpentry workshop programs so that they can become self-sufficient and to fund alternate after school activities.

Elim

Purchase sports equipment for the gym and support after-school activities.

Gambell

Hold a middle school fish camp outing so that students can learn about what it takes to work together, use organizational skills, and apply traditional and academic knowledge. Start a youth basketball program and sponsor a drug-free wellness dance.

Golovin

Purchase sports equipment such as treadmills, stair steppers, and weight machines.

Koyuk

Purchase camping equipment that will be available for various classes and trips throughout the year.

Nome

Fund an annual “regional” JV basketball tournament in which all revenues generated from the tournament would be used to sponsor the following year’s event.

St. Michael

K-6 kids craft night, 3-4-5-6 Lil Dribblers basketball program, Story Telling by Elders, Community dances, 6-12 grade dances, and Junior High basketball and volleyball tournaments.

Savoonga

Purchase prevention curriculum and materials, creating culture and game nights, materials for Red Ribbon Week, and items students can display to show they are drug free.

Shaktoolik

Assist with costs for the Outdoor School project that teaches a combination of traditional knowledge and contemporary ways of knowing in living in the country.

Stebbins

Pay for the expenses involved with hosting the annual Dance Festival, and set up a contingency fund to guarantee the continuance of the festival.

Teller

Turn the old school into a teen center and buying and shipping games, concession equipment, concessions, and an audio and tv system.

Unalakleet

Build a campsite outside of Unalakleet for student use by purchasing material for 2 tent frames, 2 white wall tents, material for stoves, and other camping supplies.

Wales

Purchase and ship exercise equipment including one Weider strength system, three Nordic Track SL 700 stationary bikes, one Bowflex, and other miscellaneous sports equipment.

White Mountain

Purchase sewing machines for use in the school evening programs and to purchase rock fill and gravel/sand, rent heavy equipment, and pay laborers to build two outdoor recreation areas – a basketball court and baseball field.



White Mountain residents at a safety fair funded through the 2003 Community Benefit Share

2004 CDQ FISHERIES

In 2004, NSEDC conducted targeted CDQ fishing operations for pollock, Pacific cod, sablefish, Greenland turbot, Atka mackerel, yellowfin sole, halibut, Norton Sound and Bristol Bay red king crab and Bering Sea opilio crab. NSEDC continues to enjoy success in working with



Glacier Fish Company

different harvesting partners – some longstanding and others new – in pursuit of these target fisheries.



Pollock

CDQ Pollock

The CDQ pollock fishery remains as NSEDC's largest and most valuable target fishery, accounting for roughly 85% of all NSEDC's royalty payments from CDQ fishing operations. Glacier Fish Company (GFC) has harvested NSEDC's CDQ pollock since the start of

the CDQ Program in 1992. NSEDC now owns a 50% interest in GFC. In 2004, GFC's two mid-water trawlers, the *F/V Northern Glacier* and *F/V Pacific Glacier*, harvested NSEDC's entire pollock quota of 32,808 metric tons. Only 4.7 metric tons of the annual CDQ pollock remained unharvested.

CDQ Pacific Cod

NSEDC's next most valuable CDQ target fishery is Pacific cod. NSEDC harvested about 2,689 metric tons of CDQ Pacific cod in directed fishing operations in the Bering Sea using GFC's two longline vessels, the *F/V Norton Sound* and *F/V Glacier Bay*, and another contract harvester and longliner, the *F/V Clipper Express*. NSEDC left only 10.8 metric tons of CDQ cod unharvested at the end of the year.

CDQ Sablefish

NSEDC harvested only 6.1 metric tons of CDQ sablefish in the Bering Sea during the target fishery. No CDQ sablefish was harvested in the Aleutian Islands. A vessel under contract to NSEDC, the *Pacific Sojourn*, failed to harvest the quota as allocated. NSEDC had discussions with other

pot-gear vessels which were capable of harvesting our sablefish quota, however, these vessels did not have the required LLP endorsements for harvesting CDQ groundfish. Bycatch of non-target species is also a deterrent for using hook and line gear and vessels for harvesting sablefish in the CDQ program.

CDQ Greenland Turbot

In 2004, NSEDC harvested about 11 metric tons of Greenland turbot in the Bering Sea in targeted fishing operations. This small amount of CDQ turbot was taken in combination with CDQ cod and halibut fishing operations on the *F/V Glacier Bay*. The CDQ allocation in the Aleutian Islands was too small to conduct a directed fishery and was therefore reserved for bycatch only.



Atka Mackerel

CDQ Atka Mackerel

NSEDC harvested the entire annual CDQ of Atka mackerel in the original allocation as well as an amount transferred by Aleutian Pribilof Island

Community Development Association (APICDA, one of the six CDQ groups). In all, NSEDC contract vessels harvested about 1,297 metric tons of CDQ mackerel in the eastern, central, and western Aleutian Islands. NSEDC worked with the *F/V Seafreeze Alaska* and the *F/V Seafisher* in the harvest of CDQ Atka mackerel.



Halibut

CDQ Halibut

In 2004, NSEDC harvested 148,250 pounds of CDQ halibut working with eleven local fishing boats, and offshore harvesters, the *F/V Shemya* and the *F/V Glacier Bay*. About 6,550 pounds of our annual halibut quota in Area 4D were not harvested. Local fishermen harvested and delivered to the Norton Sound Seafood Center (NSSC) in Nome a total of 78,149 pounds, while the *Glacier Bay* harvested 50,101 pounds and the *Shemya* took 20,000 pounds. The halibut product from NSSC was primarily sold as fresh fish.

CDQ Yellowfin Sole and Rock Sole

NSEDC harvested approximately 420 metric tons of CDQ yellowfin sole in 2004 using the *F/V Seafreeze Alaska*. The full amount of the annual allocation was taken in about one week of fishing at the end of October plus one day in mid-November. Bycatch of non-target CDQ species was minimal and production was exceptionally good.

CDQ Norton Sound Red King Crab

The entire CDQ allocation of Norton Sound red king crab was harvested in 2004. Nine regional fishermen participated in the fishery and delivered 13,125 pounds of CDQ Norton Sound red king crab to the Norton Sound Seafood Center.

CDQ Bristol Bay Red King Crab

NSEDC conducted a CDQ fishery for red king crab in Bristol Bay using the *F/V Alaskan Beauty*, a vessel in which NSEDC is 50% owner. The *Alaskan Beauty* harvested and delivered 205,415 pounds in three trips in late October to mid-November. Dead loss was minimal and quality was excellent. NSEDC obtained an additional 2,551 pounds in three CDQ transfers from

other CDQ groups and harvested a small portion of the transferred quota. Average size of the crab was about 6.8 pounds. NSEDC worked with Royal Aleutian Seafoods in a joint venture to process and sell product from the CDQ fishery. Much of the product was sold as fresh sections and whole crab.

CDQ Bering Sea Opilio Crab

NSEDC successfully completed the CDQ opilio crab fishery working with the *F/V Alaskan Beauty* and the *F/V Pacific Star*, vessels which are partially owned by NSEDC. These vessels harvested and delivered a total of 311,570 pounds of CDQ opilio crab. The fishery commenced on February 2 and the final delivery of CDQ crab was made on March 16. About 9,200 pounds of the CDQ allocation was not harvested. NSEDC worked with Royal Aleutian Seafoods in the processing and sales of product from this CDQ crab fishery.

CDQ St. Matthew Blue King Crab and Bering Sea Bairdi Crab

Again in 2004, there was no commercial fishery for king crab in the Pribilof Islands and at St. Matthew and for bairdi crab in the Bering Sea due to continued crab stock conditions under the harvest threshold.

2004 NORTON SOUND FISHERIES

Since 1995, Norton Sound Seafood Products (NSSP), a division of NSEDC, has continued to support the Norton Sound region commercial fisheries.



NSSP's activities include purchasing, processing, marketing, and selling herring, salmon, halibut, crab, and bait. NSSP operates facilities throughout the region including the Unalakleet plant, Savoonga halibut plant, Norton Sound Seafood Center in Nome, and buying stations in Elim, Golovin, and Shaktoolik.

Commercial Norton Sound Herring & Salmon

Unfortunately, depressed sac roe herring markets did not allow for a commercial fishery in the 2004 season. Agreements could not be reached with any processors to provide markets for Norton Sound herring fishermen. Salmon markets and stocks continue to be an issue in Norton Sound, although 2004 did show some improvement in both areas.

Coho

The 2004 coho season was better than the previous four years. ADF&G opened the season on July 26th and it remained open through September 4th. Between Shaktoolik and Unalakleet fishermen, 39 permit holders delivered to the plant and tender salmon worth a total ex-vessel value of \$122,217 for an average of \$3,303 per fisherman. This is the highest average value since 1998.

King

There was not a commercial king fishery in the Unalakleet and Shaktoolik Rivers in 2004. Sub-district 3 (Moses Point) opened for on 24 hour period on July 2nd; however, there was no fishing effort by local fishermen.

Chum

There was not a target chum fishery in Norton Sound in 2004. Incidental

chum salmon were landed during the first five Coho fishing periods while a limited fresh market existed.

Pink

Pink salmon returns were above average with record numbers of fish in most Norton Sound Rivers. Due to continued depressed pink salmon market prices there was not a pink salmon fishery in Norton Sound in 2004.

Open-Access Norton Sound Red King Crab

The open-access crab season commenced July 1st and closed August 8th with a total harvest just short of 352,000 pounds. The NSSP fleet delivered 71% of the open-access quota for a total ex-vessel value of \$732,000 to 21 fishermen for an average of \$34,850 per fishermen.



Tom Magwire and Greg Cashen, CDO Manager, at the Norton Sound Seafood Center in Nome

EDUCATION, EMPLOYMENT & TRAINING

NSEDC has a strong Education, Employment and Training (EET) Program that has been in existence since the inception of the CDQ Program. The EET program provides residents with educational scholarships, employment opportunities, and platforms for fisheries related training.

EDUCATION

NSEDC awards scholarships to students enrolled full-time or part-time at an accredited college, university, or vocational school. These scholarships provide students with supplemental funds in an amount up to \$1,250 per semester or training session.

In 2004, NSEDC awarded 104 students with post secondary scholarships in the sum of \$176,477, and awarded 32 students with vocational training scholarships in the sum of \$46,250 for a combined total of 136 students and \$222,727. Since 1992, the NSEDC Scholarship Committee, on behalf of the NSEDC Board of Directors, has awarded scholarships to approximately 637 students or \$1,568,706.30 in total funding.

EMPLOYMENT

NSEDC provides employment opportunities to residents of member communities through direct

2004 EMPLOYMENT STATISTICS

	PEOPLE	WAGES
Management/Administrative		
NSEDC	14	\$700,660.62
NSSP	7	\$282,582.38
Total Management/Administrative	21	\$983,243.00
CDQ Pollock Related	51	\$756,494.61
NSSP Employment	66	\$123,944.39
Other NSEDC Employment	15	\$53,432.50
Skippers, Deckhands, etc.		
Other Fishing		
GFC - Longline	12	\$88,671.56
Icicle Seafoods	2	\$29,161.89
Norton Sound Ventures - Crab	2	\$13,497.23
Norton Sound Salmon	37	\$156,691.20
CDQ Norton Sound Red King Crab	9	\$78,822.00
O/A Norton Sound Red King Crab	21	\$765,348.25
O/A Norton Sound Winter Red King Crab	4	\$4,651.00
CDQ 4D/4E Halibut	10	\$241,556.05
Total Other Fishing	97	\$1,378,399.18
NSEDC Community Outreach Liaisons	18	\$75,272.58
Interns		
NSEDC Administration	3	\$18,076.27
NSEDC Salmon Rehab.	7	\$81,828.53
Glacier Fish Company	1	\$2,371.48
Alaska Dept of Fish & Game	7	\$48,033.75
Kawerak, Inc	4	\$48,515.38
Norton Sound Health Corp.	1	\$4,471.00
Total Interns	23	\$203,296.41
GRAND TOTAL	291	\$3,574,082.67

employment with NSEDC and NSSP, and also facilitates employment through Glacier Fish Company, Norton Sound Ventures, in-region employers, and Iccle Seafoods. In 2004, 291 people received \$3,574,082.67 in wages from NSEDC facilitated positions.

As part of the EET program, NSEDC sponsors entry-level internship positions with CDQ partners, in-region employers, and NSEDC. These internships allow residents to develop the job skills necessary in obtaining permanent employment. In 2004, NSEDC sponsored 23 internships with NSEDC Administration, NSEDC Salmon Rehab, Glacier Fish Company, Alaska Department of Fish & Game, Kawerak Inc., and Norton Sound Health Corporation.

EDUCATION & TRAINING STATISTICS

	People	Expenditures
Scholarships		
Post-Secondary	104	\$176,477.00
Vocational	32	\$46,250.00
Fisheries Related Training	34	\$108,095.75
TOTAL	170	\$330,822.75

TRAINING

NSEDC offers residents of member communities with all-expense-paid opportunities to attend Fisheries Safety Orientation Training at the Alaska Vocational Technical Center in Seward. During the class each trainee is required to pass several competency tests related to fisheries safety in order to obtain their certificate. Upon successful completion of this course, residents are eligible for employment

with NSEDC's CDQ partners, other factory trawler companies, and seafood processing positions on-land or at-sea. In 2004, 34 residents from NSEDC member and surrounding communities completed the course and became certified seafood processors. NSEDC has also sponsored Marine Navigation & Vessel Safety Training, Salmon & Roe Technician Training, and Six-pack Vessel License Training.



Diomedes, Alaska taken on NSEDC's Community Outreach trip in August 2004



SCHOLARSHIP

Jason Peterson • *Golovin*

Golovin resident Jason Peterson received the NSEDC scholarship while pursuing an Associate of Applied Science degree in Welding at the University of Alaska in Anchorage, which he completed in December of 2004. Jason is currently in Anchorage working for VECO as a Welder, but takes advantage of every opportunity to return to Golovin to spend time with his family, snowmachine, and hunt. Jason's parents are Chon and Ruthie Peterson of Golovin.

INTERNSHIP

Rhonda Sparks • *Nome*

Nome resident Ronda Sparks has worked as an NSEDC Fisheries Intern for the Alaska Department of Fish and Game (ADF&G) during the summers since she graduated from Nome Beltz High School in 2002. For the last three years she has been attending the University of Alaska in Anchorage.



Ronda's main duties with Fish and Game are to provide logistical support to department field crews stationed at various camps around Norton Sound and to help with cooperative projects when needed. About half of Ronda's time is spent in the Nome Fish and Game office entering field data such as age-sex-length info and salmon counts into the computer from Fish and Game and cooperative projects. The other half of her time is spent at the different field sites to help count and sample salmon. She has also helped with sampling herring and crab.

Ronda has been to most of the Fish and Game project sites around Norton Sound. She has also helped install the Pilgrim River Weir operated by Kawerak, Inc. and helped count salmon at the North River Tower operated by the Native Village of Unalakleet.

EMPLOYMENT & TRAINING

Nathaniel Simon • *White Mountain*

Nathaniel Simon of White Mountain, AK attended the NSEDC sponsored Fisheries Safety Orientation training at AVTEC in Seward, AK in October of 2002. Since that time he has completed many trips with Glacier Fish Company on the F/V Pacific Glacier. Nathaniel claims that while working 16 hour days on the boats is not as difficult as he initially thought, it does take some getting used to. Nathaniel will take off on his 15th trip aboard the F/V Pacific Glacier in the summer of 2005. His parents are Mike and Linda Simon of White Mountain.



REVOLVING LOAN PROGRAM

Since 1993, NSEDC has assisted many local fishermen in participating more competitively in the Norton Sound commercial fisheries including the herring, salmon, red king crab, halibut, and baitfish.

NSEDC offers low interest, minimal down payment loans to local residents for vessel and equipment upgrades and for purchasing fishing gear, outboard motors, Norton Sound Salmon Permits, Lower Yukon Salmon Permits, Norton Sound Herring Permits, and Norton Sound Red King Crab License Limitation Program (LLP) Permits.

Terms:

- \$16,000 maximum for permit holders
- 7 year payback/3 year payback for outboards
- 10% down payment & 8% interest rate per annum
- Credit check and 90 day delinquency limit

In 2004, NSEDC made nine loans in the sum of \$101,062.05 to local residents in the communities of Nome, Shaktoolik and Unalakleet.

Large Vessel Loan Option

The Large Vessel Loan Option provides further assistance to local fishermen in acquiring suitable vessels for participation in the Norton Sound red king crab and 4D/4E halibut commercial fisheries. NSEDC designed

the Large Vessel Loan Option to maximize benefits to the fishermen at a minimal cost to them. This Option was introduced in 2001 and is still available as funds are repaid back into the program.

Terms:

- \$80,000 maximum for LLP Permit holders
- \$55,000 maximum for non LLP Permit holders
- Minimum down payment equal to 5%
- 0% interest for first 3 years
- 6% interest commencing in 4th year of loan
- Credit check and 90 day delinquency limit

In 2004, NSEDC made three Large Vessel Loans in the sum of \$197,176.84 to local commercial fishermen of Nome and Shaktoolik.

2004 REVOLVING LOANS

Community	Amount
Nome.....	\$16,150.30
Shaktoolik.....	\$74,623.99
Unalakleet	\$10,287.76
Total	\$101,062.05

LARGE VESSEL LOANS

Community	Amount
Nome.....	\$116,926.84
Shaktoolik.....	\$80,250.00
Total	\$197,176.84

Total Loans

Given.....\$298,238.89



Boats docked at the Golovin Floating Dock purchased by NSEDC

NSEDC 2004 BALANCE SHEET

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Consolidated Statements of Financial Position

December 31, 2004 and 2003

Assets	2004	2003
Current assets:		
Cash and cash equivalents	\$7,739,652	8,016,056
Designated cash and cash equivalents	1,413,086	6,243,704
Investments in marketable securities, short-term	19,207,608	11,485,889
Accounts receivable	2,792,226	1,314,273
Interest receivable	81,232	13,682
Inventory	565,660	188,158
Prepaid expenses and other assets	54,177	34,888
Total current assets	31,853,641	27,296,650
Investments in marketable securities	5,075,871	4,402,944
Designated investments in marketable securities	6,796,667	1,318,741
Notes receivable, net	1,161,674	1,069,726
Investment in Glacier Fish Company, LLC	15,839,887	14,927,408
Investment in Norton Sound Ventures, LLC	7,029,127	4,166,654
Investment in Individual Fishing Quota	4,607,431	2,857,431
Note receivable from Glacier Fish Company, LLC	---	800,000
Property, plant, and equipment, net	3,257,937	3,632,479
Prepaid rent	467,500	483,214
	<u>\$76,089,735</u>	<u>60,955,247</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$721,212	542,485
Deferred revenue	250,000	---
Total current liabilities	971,212	542,485
Net assets:		
Unrestricted:		
Undesignated	66,908,771	52,850,317
Designated	8,209,752	78,562,445
	<u>75,118,523</u>	<u>60,412,762</u>
	<u>\$76,089,735</u>	<u>60,955,247</u>

2004 NSEDC BOARD OF DIRECTORS



Walter Seetot
BREVIG MISSION



Mary Menadelook
DIOMEDE



Charles Saccheus, Sr.
ELIM



Gilbert Ungott
GAMBELL



Dean Peterson
GOLOVIN



Danny Adams
KOYUK



Don Stiles
NOME



Victor Joe
ST. MICHAEL



Truman Kava
SAVOONGA



Harvey Sookiayak
SHAKTOOLIK



Wilfred Katcheak
STEBBINS



Isaac Okleasik
TELLER



Henry Ivanoff
UNALAKLEET



Frank Oxereok, Jr.
WALES



Dan Harrelson
WHITE MOUNTAIN



2004 Executive Committee

Henry Ivanoff, *Chairman*
Dan Harrelson, *Vice-Chairman*
Don Stiles, *Secretary*
Dean Peterson, *Treasurer*
Harvey Sookiayak, *Sergeant-at-Arms*

2004 Corporate Officers

Eugene Asicksik, *President*
Janis Ivanoff, *Vice-President*
Jerry Ivanoff, *Secretary*
Kathy Whelehan, *Treasurer*

Contractors

Jon Zuck
CDQ Manager

NSIC Staff

Steve Rieger
Manager

Katie Morris
Administrative Intern

NSEDC Staff • Anchorage

Eugene Asicksik
President & CEO

Janis Ivanoff
*Vice President & Community
Benefits Director*

Chris Cook
*Chief Financial Officer
& Controller*

Kathy Whelehan
Treasurer & Office Manager

Simon Kinneen
NSFR&D Director

Mary Lou Rock
*Community Development
Specialist*

Leslie Richards
*Community Development
Specialist*

Herb Ivanoff
Accountant

Rosanna Dotomain
Accountant

Virginia Nashalook
Accountant

Nina Razina
Accountant

Hazel Sagoonick
Accountant

NSEDC Staff • Unalakleet

Jerry Ivanoff
Secretary & EET Coordinator

Carol Charles
Administrative Assistant

NSSP Staff

Tom Magwire
Operations Manager

Marziano "Rocky" Piccini
Production Manager

Richard Ferry
Facilities Engineer

Josh Osborne
NSSC Plant Manager

Ross Outwater
*NSSC Retail
Sales Manager*

Tasha Weiss
*NSSC Accountant
(Seasonal)*

Annabelle Cunningham
*NSSP Unalakleet
Accountant (seasonal)*

Community Outreach Liaisons

George Westdahl
Brevig Mission

Etta Menadelook
Diomedede

Colleen Saccheus
Emily Murray
Elim

Shirley Antogham
Gambell

Duane Lincoln
Golovin

Ruby Nassuk
Koyuk

Shirley Martin
St. Michael

Charlotte Kava
Savoonga

Reuben Paniptchuk
Shaktoolik

Atha Foxie
Stebbins

William Topsehok
Sarah Okbaok
Teller

Victor Ongtowasruk
Wales

Davis Lincoln
White Mountain

NSEDC COMMUNITY HIGHLIGHTS

BREVIG MISSION

- Walter Seetot served as a Board Member
- George Westdahl served as a Community Outreach Liaison
- 1 resident was certified in Fisheries Safety Orientation Training under the EET Program
- Received \$50,000 Community Benefit Share

DIOMEDE

- Mary Menadelook served as a Board Member
- Etta Menadelook served as a Community Outreach Liaison
- NSEDC awarded an academic scholarship to 1 resident
- Received \$50,000 Community Benefit Share

ELIM

- Charles Saccheus, Sr. served as a Board Member
- Emily Murray served as a Community Outreach Liaison
- NSEDC awarded academic scholarships to 4 residents
- NSEDC sponsored 1 internship under the FR&D Program
- 4 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 3 residents on board the *F/V Northern Glacier* and *F/V Pacific Glacier*
- GFC employed 3 residents on board the *F/V Glacier Bay*
- 1 local fisherman participated in the CDQ Norton Sound red king crab fishery
- 2 local fishermen participated in the Open Access Norton Sound red king crab fishery
- Received \$50,000 Community Benefit Share

GAMBELL

- Gilbert Ungott served as a Board Member
- Shirley Antogham served as a

Community Outreach Liaison

- NSEDC awarded academic scholarships to 4 residents
- 1 resident was certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 1 residents on board the *F/V Pacific Glacier*
- Received \$50,000 Community Benefit Share

GOLOVIN

- Dean Peterson served as a Board Member and Secretary
- Duane Lincoln served as a Community Outreach Liaison
- NSEDC awarded an academic scholarship to 1 resident
- Received \$50,000 Community Benefit Share
- NSEDC contributed \$250,000 to Chinik Eskimo Community for construction of a multi-purpose building
- Dedication picnic for the Floating Dock
- Procurement of a wheel loader for NSSP operations

KOYUK

- Danny Adams served as a Board Member
- Ruby Nassuk served as a Community Outreach Liaison
- NSEDC awarded academic scholarships to 5 residents
- 3 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 3 residents on board the *F/V Pacific Glacier*
- Received \$50,000 Community Benefit Share
- NSEDC Board of Directors approved funding for a winter trail staking project

NOME

- Don Stiles served as a Board Member and Sergeant-at-Arms
- NSEDC awarded academic scholarships to 64 residents

- NSEDC sponsored 1 internship under Administration and 14 under FR&D
- 1 resident was certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 1 resident on board the *F/V Pacific Glacier*
- GFC employed 2 residents on board the *F/V Norton Sound*
- Icicle Seafoods employed 1 resident
- 2 local fishermen participated in the Norton Sound Winter red king crab fishery
- 4 local fishermen participated in the CDQ Norton Sound red king crab fishery
- 8 local fishermen participated in the Open Access Norton Sound red king crab fishery
- 6 local fishermen participated in the 4D/4E CDQ Norton Sound halibut fishery
- Received \$50,000 Community Benefit Share
- Received funding for Teen Center renovation
- Received a boat trailer which is owned and operated by the Norton Sound Marine Harvesters Association (NSMHA)

ST. MICHAEL

- Victor Joe served as a Board Member
- Shirley Martin served as a Community Outreach Liaison
- NSEDC awarded academic scholarships to 2 residents
- 2 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 4 residents on board the *F/V Northern Glacier* and *F/V Pacific Glacier*
- GFC employed 1 resident on board the *F/V Glacier Bay*
- Received \$50,000 Community Benefit Share

SAVOONGA

- Truman Kava served as a Board Member
- Charlotte Kava served as a Community

- Outreach Liaison
- NSEDC awarded academic scholarships to 1 resident
- 1 resident was certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 1 resident on board the *F/V Pacific Glacier*
- Received \$50,000 Community Benefit Share

SHAKTOOLIK

- Harvey Sookiayak served as a Board Member and Treasurer
- Reuben Paniptchuk served as a Community Outreach Liaison
- NSEDC awarded academic scholarships to 5 residents
- 4 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 4 residents on board the *F/V Northern Glacier* and *F/V Pacific Glacier*
- 11 local fishermen participated in the Norton Sound salmon fishery
- 1 local fisherman participated in the CDQ Norton Sound red king crab fishery
- 2 local fishermen participated in the Open Access Norton Sound red king crab fishery
- 1 local fisherman participated in the 4D/4E CDQ Norton Sound halibut fishery
- Received \$50,000 Community Benefit Share
- Received funds to secure a fish plant project
- NSEDC donated a blast freezer for freezing and storing bait

STEBBINS

- Wilfred Katcheak served as a Board Member
- Atha Foxie served as a Community Outreach Liaison
- NSEDC awarded academic scholarships to 4 residents
- 5 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 8 residents on board the

F/V Northern Glacier and *F/V Pacific Glacier*

- GFC employed 2 residents on board the *F/V Norton Sound*
- Norton Sound Ventures employed 1 resident on board the *F/V Pacific Star*
- Received \$50,000 Community Benefit Share

TELLER

- Isaac Okleasik Jr. served as a Board Member
- Sarah Okbaok served as a Community Outreach Liaison
- NSEDC awarded academic scholarships to 1 resident
- Received \$50,000 Community Benefit Share

UNALAKLEET

- Henry Ivanoff served as a Board Member and Chairman
- NSEDC awarded academic scholarships to 32 residents
- NSEDC sponsored 1 internship under Administration and 1 under FR&D
- 7 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 6 residents on board the *F/V Northern Glacier* and *F/V Pacific Glacier*
- Icicle Seafoods employed 1 resident
- 26 local fishermen participated in the Norton Sound salmon fishery
- 3 local fishermen participated in the CDQ Norton Sound red king crab fishery
- 6 local fishermen participated in the Open Access Norton Sound red king crab fishery
- 2 local fishermen participated in the

4D/4E CDQ Norton Sound halibut fishery

- Received \$50,000 Community Benefit Share

WALES

- Frank Oxereok Jr. served as a Board Member
- Victor Ongtowsruk served as a Community Outreach Liaison
- NSEDC awarded academic scholarships to 2 residents
- Received \$50,000 Community Benefit Share

WHITE MOUNTAIN

- Dan Harrelson served as a Board Member and Vice-Chairman
- Davis Lincoln served as a Community Outreach Liaison
- NSEDC awarded academic scholarships to 6 residents
- NSEDC sponsored 3 internships under Administration and 2 under FR&D
- 2 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 2 residents on board the *F/V Pacific Glacier*
- Norton Sound Ventures employed 1 resident on board the *F/V Alaskan Beauty*
- Received \$50,000 Community Benefit Share
- NSEDC contributed \$250,000 to the Native Village of White Mountain for construction of a multi-purpose building
- NSEDC Board of Directors approved funding for a winter trail staking project
- Received funding to host a session of Camp Fire USA's Rural Program





Norton Sound Economic Development Corporation is a private non-profit corporation representing 15 member communities and over 8,493 people in the Bering Straits region in Northwestern Alaska. NSEDC is one of six Community Development Quota (CDQ) Program organizations in Alaska.

NSEDC was originally incorporated in 1989 for the purpose of promoting economic development primarily for the Norton Sound area. In 1992, NSEDC restructured to become eligible as an applicant representing the Norton Sound region in the CDQ Program. NSEDC was successful in this endeavor, receiving 20% of the initial allocation of Pollock to the CDQ Program (7.5% of the Total Allowable Catch or "TAC"). Subsequent allocations received by NSEDC were 22% in 1995, 1996, 1997, 1998-99 (at which point the American Fisheries Act was enacted increasing the CDQ reserves of pollock to 10% of the TAC), and 23% in 2000-2002. In the latest allocation cycle, 2003-2005, NSEDC received a 22% CDQ allocation of pollock.



Cover Photo: Brother and sister Kevin and Kelsi Crisci taken by Janis Ivanoff during the 2004 Community Outreach trip to Wales, Alaska. Kevin and Kelsi are the children of Jackie Crisci and Jacob Soolook.

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