



2009 ANNUAL REPORT

THE YEAR IN REVIEW

Message From The Chairman



For Norton Sound Economic Development Corporation (NSEDC), 2009 was a year of new beginnings. In addition to continuing core programs, we established the Community Energy Fund program, purchased the Inaliq tender vessel, completed construction of the cold storage facility at the Norton Sound Seafood Center, and filled several key positions within our corporate family.

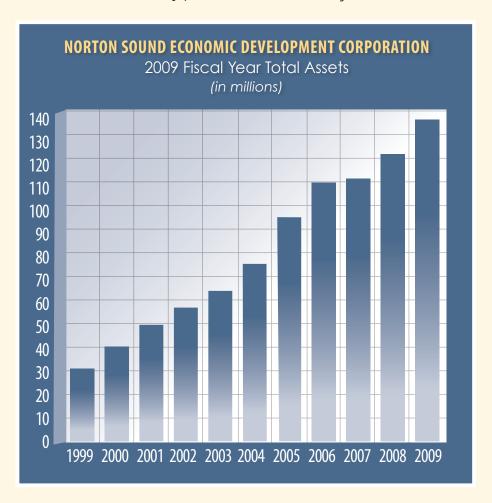
One of the most exciting new projects approved by the Board in 2009 was the NSEDC Community Energy Fund (CEF) program, which is intended to help satisfy the growing need for affordable, reliable energy infrastructure within the Norton Sound region. Through the CEF, NSEDC has set aside one million dollars for each of its fifteen member communities. The funds are to be used to assist with upgrading community power generation and distribution systems, implementing alternative/ renewable energy projects, and adjusting existing power systems. NSEDC's hope is that these projects will foster economic growth and improved quality of life in the communities by reducing energy costs and providing long-term, sustainable energy solutions. The first project to be funded by the CEF, the Unalakleet Valley Electric Cooperative (UVEC) Wind Farm, was completed in October and is expected to provide substantial diesel fuel savings, reducing energy costs in Unalakleet for years to come. NSEDC staff has formalized the application process for the CEF program, which is administered through the NSEDC Community Benefits Department, and instructions can be found on NSEDC's website.

Two other accomplishments in 2009 were the purchase of Norton Sound Seafood Products' (NSSP) fourth tender vessel, the Inaliq, and the completion of the NSSP cold storage facility in Nome. The Inalig was brought into service in June and joined the existing tender fleet the Golovin Bay, Norton Bay, Egavik, and the buying barge Besboro. Before the 2009 season, the Inaliq went through extensive shipyard work, including repowering with two computer-monitored, fuel-efficient John Deere engines and the installation of an RSW system for tendering crab. In addition to the tender vessel purchase, NSSP, in partnership with the U.S. Economic Development Administration, completed construction of the cold storage facility at the Norton Sound Seafood Center in Nome. The facility was introduced to NSSP crab and halibut operations in June. The Inalig and cold storage facility are welcome additions to NSSP fishing operations.

NSEDC formed Siu Alaska Corporation in late 2008 to house assets that generated taxable income and in 2009 welcomed John Eckels as the subsidiary's Chief Executive Officer and Richard Tremaine as its Asset Manager.

While continually seeking opportunities for expansion and growth, NSEDC also remains committed to continuing its existing, core programs. The NSEDC Community Benefits Department experienced another successful year for the Small Business Initiative grant program, the Consolidated Bulk Fuel program, the Community Benefit Share, and the Outside Entity Funding program.

NSEDC's Education Employment and Training program also sponsored a number of community-based trainings and classes in addition to awarding a record amount of \$622,169 in scholarships to students from the Norton Sound region.





Koyuk, Alaska

NSEDC's Norton Sound Fisheries Research and Development Program (NSFR&D) had another busy field season overseeing its salmon enumeration, mist incubation, and smolt projects. The Clean Waters Program improved the condition of the beaches in Gambell, Brevig Mission, Saint Michael, Stebbins, and Little Diomede and has grown so that it employs nearly double the number of seasonal employees hired in prior years. NSFR&D also saw the start of a new project in the 2009 season, as the Board approved funding for a Port Clarence Test Fishery Project under NSFR&D's Northern Communities Fishery Development Plan. Through the project, longline fishing gear was purchased (with boats to be purchased in 2010) and the first steps were taken to assess the potential for halibut, cod, and other fisheries resources in the Port Clarence area.

Recognizing the importance of subsistence activities to residents of our member communities and to all of rural Alaska, NSEDC has consistently voiced the

need to reduce bycatch to the North Pacific Fishery Management Council (Council) and directly to our harvesting partners. In April, the Council adopted a two-tier management plan for Chinook salmon bycatch that involves a simple hard cap option as well as a hard cap with an approved incentive plan agreement. The new management program will be implemented during the 2011 fishing season. Chum salmon bycatch analysis alternatives were still under review in 2009 and are expected to be defined at the Council's June 2010 meeting in Sitka.

In July and August, NSEDC held Fishermen's Fairs in Elim, Koyuk, and Nome. With the conclusion of the Elim and Koyuk fairs, NSEDC has hosted a fair in all fifteen of its member communities. All of the fairs were well received by community members and provided NSEDC with the opportunity to show its appreciation for the contributions which individuals and local entities have made to the region's subsistence and commercial fisheries.

In closing, I would like to thank the Board and staff for another productive year. Over the years, NSEDC has developed a strong set of core programs and activities, which provide the basis for our efforts to support economic development and fisheries operations in the region. The potential for the CEF and other initiatives launched in 2009 to build on these successes is exciting and we look forward to realizing their potential in the coming years.

Dan Harrelson



NORTON SOUND FISHERIES RESEARCH AND DEVELOPMENT

Program Overview

The Norton Sound Fisheries Research and Development Program (NSFR&D) seeks to maximize opportunities for both subsistence and commercial harvests with projects that integrate fisheries research with applied fisheries biology. NSFR&D's priority is to help maintain sustainable populations of the region's most heavily utilized species: king salmon, red salmon, and red king crab. In addition to efforts directed at these species, NSFR&D also administers an on-going Clean Waters beach clean-up project, manages a number of projects that focus on increasing Coho and chum salmon returns, supports research and fisheries management activities, and pursues development of new fisheries within Norton Sound. In early 2009, a third biologist and two technicians were hired to assist with NSFR&D's increasing amount of activity.

Red Salmon Fertilization

One of NSFR&D's projects aimed at sustaining red salmon populations is the fertilization of Salmon Lake, which has had low levels of returns for a

number of years. Lake fertilization is intended to boost juvenile salmon's survival rates, by increasing the amount of algae or phytoplankton, which in turn increases the amount of zooplankton on which the juvenile salmon feed. The fertilization project began in 1996 with NSEDC funding fifty percent of the project. NSEDC has administered the full program since 2008. Based on studies of the effect of fertilization levels, NSFR&D has adopted an approach that uses only low levels of fertilization, in order to avoid over-population of Salmon Lake with juvenile salmon. Over-population is a partial cause of the low return rates in past years, as crowding results in smaller juvenile salmon that do not survive as well at sea. The current project goal is to maintain an escapement of 30,000 adults with a subsistence harvest of approximately 10,000 fish.

Clean Waters

The Clean Waters beach clean-up project nearly doubled in size in 2009, as fifty-six people were employed on crews in Gambell, Breviq Mission,

Saint Michael, Stebbins, and Little Diomede. All of the projects significantly reduced the amount of debris in the communities' coastal areas. However, additional work will be needed in Saint Michael, Gambell, and Little Diomede. In Saint Michael, the clean-up crew encountered scrap metal from abandoned or wrecked sternwheeler boats from the early 1900s, some portions of which were declared historic relics and could not be disturbed. NSFR&D will be seeking community input from Saint Michael on how to proceed with the clean-up efforts as it cannot continue without receiving additional permits. In Gambell, a fuel shortage delayed the start of the clean-up by several weeks, which made it difficult to complete all of the necessary activities. Gambell's clean up was also more extensive than other communities because of the amount of debris brought to Saint Lawrence Island by the strong ocean currents. In Little Diomede, additional vessel support is required for debris removal. Clean up efforts will continue when an appropriate vessel becomes available. Due to the popularity of the clean-up projects and the resulting environmental and employment benefits, NSFR&D anticipates continuing the Clean Waters beach clean-up projects.

Increasing Coho and Chum Salmon Runs

In 2009, NSFR&D continued activities related to its salmon egg planting projects in Hastings Creek and Anvil Creek. In Hastings Creek, chum salmon eggs were planted in 2004 and the first year returns were recorded in 2008. In 2009, second year returns were recorded at Hastings Creek. As in 2008, the results were encouraging and indicated that the only chum salmon in Hastings Creek were those planted by NSFR&D. The combined 2008 and 2009 results indicated the return of one adult for each original spawning fish. The initial analysis shows a return rate of half of the actual return, since roughly one-half of the returning adults strayed to the Nome or Snake rivers. The high stray rate may be due to frequent closures of the mouth of Hastings Creek from wave action.



NSEDC, in cooperation with ADF&G and LGL Alaska Research Associates, study Coho smolt in the Niukluk River to estimate escapement needs and to help predict Coho salmon returns.



NSEDC staff Randall Willoya and Adrian Barr sort juvenile salmon and mark Coho smolt as part of the study to estimate the number of smolt moving down the Fish River drainage.

In Anvil Creek, Coho salmon eggs were planted in 2005. It appears that the Anvil Creek planting contributed to the late return of more than fifty Coho salmon to Dry Creek, which generally has a return of only one or two Coho adults. The return results for both Hastings Creek and Anvil Creek egg plants are encouraging as both have resulted in more adults returning than the wild stocks in the area. The Coho planting seems to yield three returning adults for each adult that spawned. The wild return was roughly one returning adult for every six that spawned - a very poor survival rate. While egg takes for Coho and chum egg planting were cancelled due to poor salmon returns in northern Norton Sound, NSFR&D continues to collect salmon to inspect otolith bones, which carry a marker that identifies if the salmon was one planted by NSFR&D.

Research and Management Activities

NSFR&D works cooperatively with governmental agencies and universities on fisheries research projects in order to further the amount of data available about species in the region, provide job opportunities and training to Norton Sound residents, and provide residents with the opportunity to play a larger role in the operation and management of local fisheries. As part of this effort, NSFR&D sponsors

internships with the Alaska Department of Fish and Game and the University of Alaska Fairbanks Marine Advisory Program. NSFR&D has placed salmon counting stations on the Snake, Eldorado, Pilgrim, Shaktoolik and North rivers. NSFR&D and its cooperators have also developed papers on escapement goals and return predictors for Nome River Coho salmon, Fish River smolt habitat requirements, and blue king crab morphometrics, which are currently under review.

Development of New Fisheries

In 2009, the NSEDC Board of Directors authorized a new project to investigate possible subsistence or

commercial fisheries of non-salmon species near Port Clarence and the Bering Strait. The authorization was based on a review of the federal and state trawl surveys, which indicated that longline fisheries for halibut, cod and other species might be feasible. As part of this project, three sets of longline gear have been distributed in Brevig Mission and Teller and longline gear has been assembled for Wales and Diomede. NSEDC has also budgeted for boats to be purchased in 2010 for each of these communities to conduct exploratory work, in the hope that the local fishermen will discover potential for new fisheries within the Norton Sound.



Four to five inches long, these three year old Coho salmon head out to sea for the last time before returning to spawn.

NSEDC COMMUNITY BENEFITS

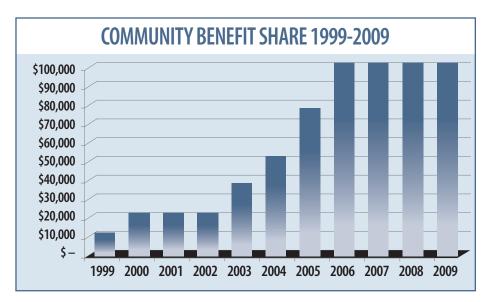
Community Benefit Share

At the 2009 third quarter meeting, the Norton Sound Economic Development Corporation (NSEDC) Board of Directors declared \$100,000 for the 2009 NSEDC Community Benefit Share (CBS). Throughout the eleven-year history of the CBS, NSEDC has distributed \$630,000 to each member community; bringing a total investment of \$9,450,000 directly into the Norton Sound region through this program.

Each member community receives an equal distribution of the share and the remittance is made to the municipal government. Through a public meeting process, the community decides how the benefit share will be utilized.

Consolidated Bulk Fuel Program

The Consolidated Bulk Fuel Program was administered for the fourth consecutive year in 2009. Through this program, NSEDC acts as a purchasing agent on behalf of participants by coordinating or-



ders, issuing requests for proposals to fuel suppliers, evaluating the proposals, and awarding the contract. NSEDC staff then serves as a single point of contact between the fuel supplier and participants. A main attraction of this program is that NSEDC is responsible for all payments to the fuel supplier, offering participants payment plans that are payable directly

to NSEDC. NSEDC does not charge interest or fees for administering this program, resulting in additional savings for all participants. Each year the program continues to expand in terms of the number of participants and the amount of fuel delivered. In 2009, twenty-four participants from fourteen communities received 1,130,767 gallons of Diesel #1 Heating Fuel



Koyuk residents participate in the "Prize Walk" at the 2009 Fishermen's Fair. As of 2009, NSEDC has hosted a Fishermen's Fair in each of our fifteen communities. The Fishermen's Fairs are held in honor of the local subsistence and commercial fishermen and their support of the Norton Sound fisheries.



NSSC's cold storage facility in Nome opened for operations in June 2009.

and 405,003 gallons of Unleaded Gasoline delivered for a total cost of \$4,439,918.47.

Fishermen's Fairs

NSEDC continued Fishermen's Fairs in honor of local subsistence and commercial fishermen for their hard work and continued support of Norton Sound fisheries. Fairs were hosted in Elim and Koyuk in July and in Nome in August. NSEDC has now hosted a Fishermen's Fair in each of its fifteen member communities. A second round of fairs will begin in the summer of 2011.



Tatiana Otten (left) and Helga Takak (right) enjoyed the "Fish Pond" at Elim's Fishermen's Fair.

Shoreside Infrastructure Improvements Program

To further the development and expansion of the red king crab, halibut, salmon, herring, bait, cod, and other emerging fisheries in the Norton Sound region, NSEDC applied for a grant from the Economic Development Administration, a bureau of the U.S. Department of Commerce, in 2006. The \$1,500,000 grant award, along with matching funding from NSEDC, was used to construct a cold storage facility that features additional ice making capacity and live crab holding tanks. The grant also allowed NSEDC to procure a hydraulic crane for the existing Norton Sound Seafood Center (NSSC) in Nome.

The cold storage facility, located next to the seafood plant, is capable of efficiently storing 180,000 pounds of palletized and racked crab, halibut, salmon, cod, and other fish species. The new cold storage facility replaced NSSC's previous cold storage system of portable freezer conex vans, which were costly to maintain and operate. The facility's sheltered crab tank room hosts two 12'x10' and two 10'x10' holding tanks, reducing the need for immediate processing and extending the life of the harvested crab. This means less dead-loss, and in turn, increased profits to the fishermen.



The Little Dribblers Program was once again administered in each of the fifteen member communities and Shishmaref. As part of NSEDC's Substance Abuse Prevention Program, NSEDC donates \$3,000 to schools' elementary basketball programs. Basketball is a favorite sports activity in the Norton Sound



SBI Grant Recipient James Adams of Adams Northwest Driving Instruction.

region; it not only promotes physical fitness but also provides a healthy alternative to drugs, alcohol and delinquency. "Little Dribblers" is a favorite amongst youth, adults and elders alike.

Small Business Initiative

Thirty-one applications were received for the second annual NSEDC Small Business Initiative (SBI) grant program. Five applicants received a total of \$105,000 to establish or expand their small business. Grantees are listed in the chart below.

Community Energy Fund

In 2009, the Board approved the creation of the Community Energy Fund program, setting aside one million dollars for each of its fifteen member communities. The program was created as a means to facilitate the development of safe and reliable energy infrastructure in the Norton Sound region through the installation and construction of upgrades to community power generation and distribution systems, alternative/renewable energy

2009 NSEDC SMALL BUSINESS INITIATIVE GRANTS

Business Name	Business Owner	Location of Business	Award Amount
Adams Northwest Driving Instruction	James Adams	Nome	\$30,533
Western Alaska Sawmill	Fred Sagoonick	Shaktoolik	\$30,000
Snowflake Multimedia	Kendra Nichols-Takak	Nome	\$19,467
Bearing Song	Sarah Hofstetter	Nome	\$15,000
Idele's Sub-Shop & Eatery	Idele Aningayou-Desdier	Gambell	\$10,000

projects, and projects with potential for energy cost reduction.

In April 2009, the NSEDC Board approved the first \$1 million CEF grant, a proposal by the Unalakleet Valley Electric Cooperative for assistance with the construction of six 100 KW Northwind windmills. The construction of the windfarm was completed in October 2009. As of May 31, 2010, the wind turbines have saved an estimated 32,000 gallons of diesel fuel, equivalent to approximately \$83,200 for the residents of Unalakleet.



Little Dribbler Tournament in Teller, Alaska



Koyuk Malemute Little Dribblers

NSEDC LOAN PROGRAMS

Revolving Loan Program

Since 1993, NSEDC has assisted many local fishermen to more competitively participate in the Norton Sound commercial fisheries including 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:

- \$25,000 maximum for permit holders
- Up to 7-year payback term
- 10% minimum down payment
- Credit check and 90 day delinquency limit
- 0% interest for first 3 years
- 2% interest commencing in 4th year of loan

In 2009, NSEDC made thirty-two loans totalling \$300,563.20 to local residents in the communities of Elim, Golovin, Nome, Saint Michael, Shaktoolik, Teller and Unalakleet.

Large Vessel Loan Option

The Large Vessel Loan Option provides further assistance to local fishermen in acquiring suitable vessels and vessel re-powers for participation in the Norton Sound red king crab and 4D/4E halibut commercial fisheries. NSEDC designed the Large Vessel Loan Option to maximize benefits to fishermen at minimal cost to them. This option was introduced in 2001 and is still available as funds are repaid back into the program. In 2009, the terms of the Large Vessel Loan were:

Terms:

- \$100,000 maximum for LLP permit holders
- \$75,000 maximum for non-LLP permit holders
- 5% minimum down payment
- Credit check and 90 day delinquency limit
- 0% interest for first 3 years
- 2% interest commencing in 4th year of loan

2009 REVOLVING LOANS

Community	Loan Amount
Elim	\$27,210.85
Golovin	\$6,543.00
Nome	\$36,455.65
Shaktoolik	\$129,457.36
Saint Michael	\$4,211.99
Teller	\$15,771.85
Unalakleet	\$80,912.50
Grand Total	\$300,563.20



Please visit <u>www.nsedc.com</u> for more loan information and applications.

NORTON SOUND SEAFOOD PRODUCTS

Norton Sound Seafood Products (NSSP), a division of NSEDC, has supported and provided a market for commercial fisheries in the Norton Sound for over fourteen years. NSSP purchases, processes, markets, and sells herring, salmon, halibut, crab, and bait. NSSP's facilities include the Unalakleet plant, Savoonga halibut buying station, Norton Sound Seafood Center in Nome, and buying stations in Teller, Golovin and Shaktoolik.

Housing and Transportation Assistance

Seeking to expand employment to residents outside of Nome and Unalakleet, the NSEDC Board of Directors approved a new program in 2009. The program provides housing and transportation assistance to those applicants residing in communities surrounding Nome and Unalakleet. Of the eighty-eight residents that worked at the Norton Sound Seafood Center, nineteen area residents received housing assistance to work in Nome and the halibut plant in Savoonga in 2009. Of the one hundred twenty residents employed at the Unalakleet plant, thirty-two received housing assistance.

Open-Access & CDQ Norton Sound Red King Crab

In 2009 the CDQ and Open Access fisheries ran concurrently with the seasons starting on June 15th

and closing September 20th. In three hundred fifty-nine landings, four CDQ fishermen were paid a total of \$85,619.78 for delivery of 28,125 pounds of crab and twenty-five Open Access fishermen were paid a total of \$1,053,648.31 for delivery of 332,415 pounds of crab.

CDQ Halibut

The number of Savoonga fishermen increased from six to twelve in 2009. Using open skiffs, they delivered 25,762 pounds of halibut to the Savoonga plant with an ex-vessel value of \$79,678.45.

In Nome, twelve fishermen delivered a total of 117,526 pounds of halibut with an ex-vessel value totaling \$375,002.16. Each fisherman was paid an average of \$31,250.17. The 2009 delivery totals were notably lower than those in 2008, as the unusual length of the 2009 crab season and inclement weather conditions that forced fishing boats into port limited the number of halibut landings.

Salmon

2009 was another successful year for salmon fishermen. The market price for Coho salmon remained strong during the season. Prices, per pound, were \$1.50 for Coho salmon, \$0.35 for chum salmon, and \$0.25 for pink salmon. NSSP paid fishermen \$0.05 less per pound for salmon delivered to tender vessels. In total, salmon fishermen received



145,873 pounds of halibut was delivered to the NSSC. The photo, courtesy of Peggy Fagerstrom, shows Don Stiles and Adem Boeckmann with a portion of the catch.

\$960,537.00 for their harvests.

Fillets were produced for retail sales at the Norton Sound Seafood Center in Nome and approximately 37,000 pounds of processed roe was recovered.

NSSP thanks the fishermen and tender vessel crews for taking exceptional care of the product.

Thank you for a great season.



2009 NSSP COMMERCIAL HARVEST								
COMMUNITY		POUNDS						
	RED	СОНО	CHUM	PINK	CDQ CRAB	OPEN ACCESS CRAB	HALIBUT	HERRING
ELIM		77,582	11,445	1,164		1,763		
GOLOVIN		6,644	130			25,507		
коуик		8,559	5,185	697				
NOME					28,125	194,423	110,639	
SAVOONGA							25,762	
SHAKTOOLIK	235	131,824	77,033	13,539		58,549	6,887	
UNALAKLEET	322	458,486	146,186	31,124		52,173		53,517

EDUCATION, EMPLOYMENT & TRAINING

Education

The NSEDC Scholarship Program has historically been one of the most distinctive benefit programs offered by the corporation. In 2009, a record total of \$622,169 was awarded to students seeking higher education at an accredited college or vocational school. Of this total, \$235,335 was awarded in the first quarter to one hundred twenty-six students; \$50,500 was awarded in the second quarter to twenty-six students; \$316,334 was awarded in the third quarter to one hundred sixty-three students; and \$20,000 was awarded in the fourth quarter to ten students.

Employment

In partnership with Glacier Fish Company (GFC) and Aleutian No. 1 LLC, NSEDC offers employment opportunities to regional residents on commercial fishing vessels for the Bering Sea pollock and Bering Sea/Aleutian Islands crab fisheries. Employment on these vessels represents an important opportunity for Norton Sound residents to gain greater knowledge and experience with Bering Sea commercial fishing. These jobs also allow residents to earn and bring home significant wages. In the first quarter, the F/T Northern Glacier, F/T Alaska Ocean, C/P Glacier Bay, and F/V Aleutian No. 1 crews included eighteen Norton Sound residents who brought home a combined total of \$149,308 in crew share wages. In the second quarter, the F/T Pacific Glacier, F/T Northern Glacier, F/T Alaska Ocean, C/P Norton Sound, and C/P Glacier Bay crews included twenty-five Norton Sound residents, who brought home a combined total of \$269,905 in crew shares. In the third quarter, the F/T Pacific Glacier, F/T Alaska Ocean, C/P Norton Sound, and F/V Aleutian No. 1 crews included thirty Norton Sound residents who earned a combined total of \$256,879 in crew share wages. In the fourth quarter, the F/T Pacific Glacier, F/T Alaska Ocean, C/P Norton Sound, C/P Glacier Bay, and F/V Aleutian No. 1 crews included twenty-two Norton Sound residents who earned a combined total of \$116,248 in crew share wages.



Winton Weyapuk, Jr. (standing) was the instructor for the Inupiaq Language class in Wales, Alaska.

Training

The Education, Employment and Training (EET) program helps to support the training efforts of various organizations in each of NSEDC's member communities by sponsoring community-based training programs and classes throughout the year. In 2009, community-based training sponsorships were provided to help fund Inupiaq language classes in Wales and Unalakleet, the Mary's Igloo Traditional Council Sled Building Class, a Gambell

"Behind the Wheel" drivers education class, a Brevig Mission Sewing Class, a crab pot class in Savoonga, and a spoon making (Qayuutaq) class in Koyuk.

The EET Program also provided funding for Norton Sound residents to attend an Indian Valley Seafood Processing Class, a marine safety drill instructor course, a hazard analysis and critical control point training class, and Alaska Vocational Technical Center seafood processing classes.

2009 NSEDC EDUCATION AND TRAINING STATISTICS

	People	Expenditures
Scholarships		
Post-Secondary	273	\$516,169.00
Vocational	52	\$106,000.00
Total Scholarships	325	\$622,169.00
Fisheries Related Training	30	\$52,260.75
Other Training	92	\$43,246.90
Total Training	122	\$95,507.65
TOTAL	447	717,676.65

2009 EMPLOYMENT STATISTICS*

	People	Wages
Management/Administrative		
NSEDC	12	\$758,819.89
NSSP	6	\$286,274.20
Total Management/Administrative	18	\$1,045,094.09
CDQ Pollock Related	78	\$543,012.38
NSSP Employment	177	\$577,716.17
Other NSEDC Employment	34	\$532,011.90
Other Fishing		
GFC - Longline	8	\$43,701.88
Aleutian No. 1	6	\$70,674.00
O/A Norton Sound Winter	8	\$25,344.00
Red King Crab		
O/A Norton Sound Red King Crab	23	\$1,007,292.05
NSEDC CDQ Red King Crab	4	\$50,706.29
Norton Sound Salmon	88	\$1,024,997.94
Norton Sound Herring	5	\$16,055.10
NSEDC CDQ Halibut	30	\$446,503.09
Pacific cod/saffron cod	3	\$1,847.70
Total Other Fishing	175	\$2,687,122.05
NSEDC Community Outreach Liaisons	14	\$77,700.00
Interns		
NSEDC Administration	2	\$12,138.23
NSEDC Salmon Rehab.	5	\$71,362.02
Alaska Dept. of Fish & Game	5	\$60,790.52
Fisheries Development	76	\$408,028.54
Total Interns	88	\$552,319.31
GRAND TOTAL	584	\$6,014,975.90

2009 CDQ FISHERIES

Quota Management

In 2009, NSEDC actively managed the harvest of fish quota in over twenty commercial fisheries off the coast of Alaska – including both Community Development Quota (CDQ) and Individual Fishing Quotas (IFQ).

NSEDC enters into contractual agreements with harvesters and processors to share in revenues generated from the harvest of CDQ and IFQ resources and the eventual sale of related products. NSEDC benefits from these arrangements through the payment of royalties or lease fees, sharing of profits and distribution from ownership interests, in addition to employment opportunities created for Norton Sound residents.

2009 CDQ Fisheries

NSEDC conducted directed CDQ fishing operations for Alaska pollock in the Bering Sea, Pacific cod and

sablefish in the Bering Sea/Aleutian Islands, golden king crab (also known as brown crab) in the Eastern Aleutian Islands, red king crab in Bristol Bay and Norton Sound, opilio and bairdi tanner crab in the Bering Sea, Greenland turbot and arrowtooth flounder in the Bering Sea, Atka mackerel in the Aleutian Islands, and Pacific halibut in IPHC Area 4D. There was no directed fishery for CDQ yellowfin, flathead sole and rock sole during 2009. The harvest of these flatfish quotas continues to be particularly difficult due to the high levels of Total Allowable Catch (TAC) in the open access fisheries and lower product values.

NSEDC works with a variety of harvesting partners in the pursuit of these target fisheries. NSEDC also continues working with longstanding harvesting partners —Glacier Fish Company (GFC) and United States Seafood (USS) — as well as taking advantage of new opportunities and business relationships.

Although 2009 quota levels were lower in some key fisheries such as pollock, and values were depressed for many seafood products such as cod, NSEDC still had another good year, generating over \$11.6 million in royalties in the harvest of these CDQ fisheries.

2009 IFQ Fisheries

NSEDC started acquiring IFQ in 1997 and now owns access to a range of fisheries including sablefish in the Bering Sea/Aleutian Islands and Gulf of Alaska, halibut in IPHC Area 3B, and a variety of crab fisheries.

In 2009, NSEDC generated almost \$1.6 million in lease fees and royalties from harvests in these fisheries while working with a wide range of harvesters. A summary of harvests and harvesters are shown in the table below.

NSEDC thanks our harvesting and processing partners for another successful year!

CDQ FISHERY	TARGET HARVEST AMOUNT	MT/LB.	HARVESTER
POLLOCK	17,930	mt	F/T Northern Glacier, F/T Pacific Glacier, F/T Alaska Ocean (Glacier Fish Company)
PACIFIC COD	3,111	mt	F/V Prowler (APICDA) and C/P Norton Sound, C/P Glacier Bay (GFC)
CRAB			
E. Aleutian Is. brown king	66,150	lb.	F/V Aleutian No. 1 (A1 LLC)
Bristol Bay red king	288,162	lb.	F/V North Sea, F/V Bering Sea (CVRF)
Bering Sea Opilio	1,053,900	lb.	F/V Aleutian No. 1(A1 LLC) and F/V Baranof (Romanzof Fishing Co.)
Bering Sea Bairdi	49,734	lb.	F/V Seabrooke (Seabrooke Ent.), F/V Western Mariner (BBEDC)
Bering Sea Bairdi	24,300	lb.	F/V Bering Sea (CVRF)
Norton Sound red king	28,125	lb.	Norton Sound Fishermen
OTHER GROUNDFISH			
Atka mackerel	1,197	mt	F/V Seafreeze Alaska, F/V Alaska Knight, F/V Ocean Alaska (US Seafoods)
Pacific Ocean Perch (POP)	230	mt	
Arrowtooth flounder	532	mt	F/V Ocean Alaska (US Seafoods)
Greenland turbot	43	mt	
SABLEFISH			
Aleutian Islands	75	mt	F/V Judi B (BBEDC)
Bering Sea	10	mt	F/V Lisa Marie, F/V Andronica (YDFDA)
HALIBUT			
	65,801	lb.	F/V Shemya (Shemya Fisheries), F/V Saint Paul (CBSFA)
	143,288	lb.	Norton Sound Fishermen
IFQ FISHERY	TARGET HARVEST AMOUNT	LB.	HARVESTER
SABLEFISH			
Central Gulf of Alaska	138,938	lb.	F/V Provider, F/V Silver Storm, F/V Current (Fishermen's Wild Alaskan Seafood) and C/P Norton Sound (GFC)
Western Gulf of Alaska	47,944	lb.	C/P Norton Sound (GFC), F/V Current (FWAS)
Aleutian Islands	48,639	lb.	C/P Norton Sound (GFC)
HALIBUT - 3B	29,806	lb.	F/V Provider (FWAS)
CRAB			
E. Aleutian Is. brown king	550,004	lb.	F/V Aleutian No. 1 (A1 LLC)
Bristol Bay red king	65,083	lb.	F/V Bering Sea, F/V North Sea (CVRF) and F/V Baranof (Romanzof)
Bering Sea Opilio	270,115	lb.	F/V Aleutian No. 1 (A1 LLC) and F/V Baranof (Romanzof)
Bering Sea Bairdi	11,432	lb.	F/V Seabrooke (Seabrooke Ent.)
Bering Sea Bairdi	10,647	lb.	F/V Seabrooke (Seabrooke Ent.)

SIU ALASKA CORPORATION 2009



Siu Alaska Corporation (Siu) is a for-profit subsidiary formed and 100% owned by NSEDC. The purpose of Siu is to earn profits and return dividends to NSEDC for its non-profit activities. 2009 was Siu's first full year of operation. NSEDC provided Siu with a strong initial asset base consisting of investments in Aleutian No. 1 LLC, PS Fisheries LLC, GB Fisheries LLC, and Glacier Fish Company LLC. Siu completed startup activities in 2009; the corporation is managing its existing assets and continually exploring opportunities for growth.

Glacier Fish Company

Despite Total Allowable Catch (TAC) reductions of over eighteen percent and fluctuating market prices, Glacier Fish Company (GFC), joined by new partner Nissui, was profitable in 2009. The company

harvested over 170 million pounds of fish and sold over 53 million pounds of processed fish. GFC also completed repairs on the *F/T Pacific Glacier*, which suffered an on-board fire in 2008, and prepared the vessel for the pollock B season. Thank you to all the employees at Glacier Fish Company for a safe and successful year.

F/V Aleutian No. 1

In 2009, the *F/V Aleutian No. 1* was upgraded to enhance operating efficiency and increase safety for the crew. The crew, including Captains Rip Carlton and Rick Alvarez, Norton Sound's own Luke Smith from Golovin and White Mountain, and Sam Goodhope from Brevig Mission, had a successful season. They fished primarily for golden king crab along the Aleutian Islands. The *F/V Aleutian No. 1* landed approximately 1.2 million pounds of crab, which enabled the LLC to make distributions, including to its member the Bering Sea Women's Group.

F/V Pacific Star

In 2009, the F/V Pacific Star worked off the coasts



F/V Aleutian No. 1

of California and Oregon under a charter for ocean bottom surveying and mapping. The five-year certification check was due in 2009, though it required a substantial amount of work, it positioned the vessel for smooth sailing in the coming years.

Siu looks forward to the continued success of these enterprises and to developing new investments, in order to provide NSEDC with the resources to fulfill its mission and goals in the Norton Sound region.



F/T Alaska Ocean

NORTON SOUND ECONOMIC DEVE

REGIONALLY OPERATED VESSELS



T/V Norton Bay

Length: 39 feet

Products: Supports NSSP buying and processing operations for local fishermen in the Norton Sound region.



T/V Inaliq

Length: 62.5 feet

Products: Supports NSSP buying and processing operations for local fishermen in the Norton Sound region.



T/V Golovin Bay

Length: 38 feet

Products: Supports NSSP buying and processing operations for local fishermen in the Norton Sound region.



T/V Egavik

Length: 61.5 feet

Activity: Supports NSSP buying and processing operations for local fishermen in the Norton Sound region.



Besboro Barge

Length: 33 feet

Products: Supports buying and processing operations for local fishermen in the Norton Sound region.

OTHER VESSELS



F/V Pacific Star

Length: 180 feet

Products: Chartered by NOAA several times a year for survey work.

ELOPMENT CORPORATION VESSELS



F/V Aleutian No. 1

Length: 105.3 feet

Products: CDQ golden king crab, red king crab, opilio crab and bairdi crab in the Aleutian Islands and Bering Sea.



F/T Alaska Ocean

Length: 376 feet

Products: Bering Sea pollock and Pacific Whiting surimi and fillets, pollock roe, fishmeal, fish oil.



F/T Pacific Glacier

Length: 276 feet

Products: Frozen-at-sea Alaska pollock fillets and surimi, as well as Pacific Whiting surimi and fillets, Alaska pollock roe, and Alaska cod fillets.



F/T Northern Glacier

Length: 201 feet

Products: Frozen-at-sea Alaska pollock fillets, pollock mince blocks, pollock surimi, pollock surimi, Pollock roe, shatter pack Alaska cod fillets, cod roe.



C/P Norton Sound

Length: 136 feet

Products: Frozen-at-sea H&G Alaska cod, H&G Alaska pollock, skin-on pin bone-in fillets, Alaska pollock roe, cod roe.



C/P Glacier Bay

Length: 154 feet

Products: Frozen-at-sea H&G Alaska cod, H&G Alaska pollock, skin-on pin bone-in fillets, Alaska pollock roe, cod roe.

Schedule of General and Administrative Expenses Year Ended December 31, 2009

BOARD EXPENSES:	
Stipends/Honorariums	151,850
Transportation	158,076
Per Diem	352,694
Insurance	49,272
STAFF:	
Salaries	1,018,792
Benefits	282,388
Payroll Taxes	118,185
TRAVEL/PER DIEM:	
Staff	194,336
Contract Personnel/Consultants	2,362
TRAINING:	
Staff	20,621
Board Members	413
Audit/Accounting	121,968
Legal Fees	514,893
OTHER:	
Meetings Space, Catering & Meal Expenses	44,806
Contract Services	367,746
Rent	190,467
Supplies and Equip. Purchases	120,161
Postage/Freight	13,654
Communications	41,787
Insurance	282,447
Dues and Subscriptions	3,643
Equipment R and M	1,820
Equipment/Storage Rentals	15,807
Advertising/Brokerage	4,931
Fees and Licenses	22,785
Miscellaneous	130,584
Donations and Contributions	811,320
Depreciation	299,737
Discretionary Grants	121,018
Total Administrative:	5,458,563

^{*} The amounts shown on this statement only reflect the salaries, benefits and payroll taxes of NSEDC's administration. The totals for all of NSEDC's salaries, benefits and payroll taxes are \$2,846,245, \$700,089 and \$292,166 respectively.

Norton Sound Economic Development Corporation Consolidated Statements of Financial Position

December 31, 2009 and 2008

	December 31, 2009 and 2008		
Assets		2009	2008
Current assets:			
Cash and cash equivalents		\$ 7,784,013	11,445,023
Designated cash and cash equivalents		2,403,272	3,257,582
Investments in marketable securities, short ter	m	26,664,934	26,350,617
Accounts receivable		6,846,523	3,670,845
Interest receivable		128,686	233,522
Inventory		442,989	695,628
Prepaid expenses and other assets		152,093	37,733
Short-term notes receivable		5,737,640	4,305,635
Total current ass		50,160,150	49,996,585
Notes receivable, net of allowance of \$572,784 and \$.	526,511,	1 (02 211	1 (52 002
in 2009 and 2008		1,603,211	1,653,883
Investments:		24.427.062	15 506 003
Investment in marketable securities		24,427,962	15,506,092
Designated investments in marketable sec	unities	6,969,299	4,595,312
Investment in Glacier Fish Company, LLC		29,695,694	29,614,006
Investment in Pacific Star Fisheries, LLC		-	814,557
Investment in Ocean Olympic, LLC		756 027	66,044
Investment in Glacier Bay Fisheries, LLC		756,937	1,085,154
Goodwill in Glacier Bay Fisheries, LLC Goodwill in Pacific Star Fisheries, LLC		440,854	440,854 617,351
		1,123,118	617,251
Investment in quota share units Total investmen	tc	10,560,851 73,974,715	9,966,883 62,706,153
		13,314,113	02,700,133
Property, plant, and equipment, net of accumulated of \$6,072,606 in 2009	depreciation 9 and \$4,220,196 in 2008	12,179,081	8,656,806
Prepaid leases, net of accumulated amortization			
of \$237,636 in 2009 a	and \$202,781 in 2008	867,463	902,319
Life insurance surrender value		389,413	326,891
Other notes receivable		2,417,137	2,417,137
Total assets		\$ 141,591,170	126,659,774
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses Income tax payable		5,222,652	2,201,762
2008		303,474	823,323
2007		-	43,369
Total current lia	bilities	5,526,126	3,068,454
Noncurrent deferred income tax liability		811,542	
Total liabilities		6,337,668	3,068,454
Net assets:		, , ,	
Controlling interests:			
Unrestricted net assets:			
Undesignated		125,038,145	115,738,426
Designated		9,372,571	7,852,894
Non-controlling interests:			
Contributed capital		653,604	-
Unrestricted/Undesignated net assets		189,182	-
Total net assets		135,253,502	123,591,320
Total liabilities a	and net assets	\$ 141,591,170	126,659,774
See accompanying notes to consolidated financial statemen	nts		
	· ··		

Consolidated Statements of Activities Years Ended December 31, 2009 and 2008

Changes in unrestricted net assets:	2009	2008
Revenues and support:	12 204 046	42 242 540
Harvesting revenue	13,281,016	12,312,560
Crab revenue	4,054,077	6,079,850
Fishing and fish processing	3,286,570	4,372,207
Investment income, net	10,665,071	(16,361,188)
Charter revenue	516,376	-
Grant revenues	169,868	864,750
Other income	523,408	445,822
Revolving loan income	19,271	14,797
Total unrestricted revenues, gains and other support	32,515,657	7,728,798
Expenses and losses:		
Program services:		
CDQ harvest management	161,673	304,740
CDQ crab marketing	-	3,180
Fisheries development	998,571	804,513
Salmon rehabilitation and enhancement	827,433	626,867
Training and scholarships	1,072,626	873,560
Revolving loan program	110,442	60,175
Shoreside improvements	1,278,391	318,245
Community benefits	1,737,621	1,670,240
Bulk fuel	54,998	1,271,038
Small Business Initiative	93,439	62,860
Community outreach	478,251	460,802
·		
Tender vessel management	1,054,661	633,903
NSIC CDO 6	84,271	307,758
CDQ fees	39,550	7 207 004
Total program services	7,991,927	7,397,881
Fishing and fish processing	6,145,138	6,539,644
Administrative expenses	3,748,171	3,381,658
Administrative expenses Siu	1,538,880	-
Administrative expenses Education Foundation	171,512	-
Pacific Star Fisheries, LLC expenses	687,890	-
Aleutian No. 1, LLC expenses	4,652,950	4,060,696
Total expenses	24,936,468	21,379,879
Equity in earnings of limited liability company	3,529,397	5,141,284
Gain on sale of Glacier Fish Company, LLC	-	9,082,729
Gain on redistribution of capital in Glacier Fish Company, LLC	-	16,710,220
Gain on disposal of investment and fixed assets	222,916	
Increase in unrestricted net assets from operations, before taxes		
and non-controlling interests	11,331,502	17,283,152
Income tax (expense) benefit:		
Tax expense	(811,542)	(3,882,778)
Increase in unrestricted net assets before non-controlling interests	10,519,960	13,400,374
Increase (decrease) in unrestricted net assets attributable		
to non-controlling interest	(299,436)	
to non-controlling interest	(2,77,430)	
Increase in unrestricted net assets attributable to controlling interest	\$10,819,396	13,400,374

Notes to Consolidated Financial Statements • December 31, 2009

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Norton Sound Economic Development Corporation (Company) is a non-profit corporation organized to represent the Norton Sound region of Alaska in the Community Development Quota (CDQ) program. The CDQ program was established by the federal government in 1992. The program was established by reserving 7.5%, (subsequently increased to 10%), of the total allowable catch (TAC), of pollock for the Bering Sea and Aleutian Islands areas of Alaska. The reserve was then allocated to the CDQ groups. The program has been expanded to include other species and a greater portion of the pollock TAC. The Company's 2009 and 2008 pollock allocation was 17,930 and 22,000 metric tons, respectively. The CDQ allocation program is on a calendar year basis and allocations awarded cannot be taken in subsequent years if the previous year's allocations were not fully utilized.

As a result of Section 416 of the Coast Guard and Maritime Transportation Act as of 2006, which amended Section 305(i) (1) of the Magnuson-Stevens Fishery Conservation and Management Act, the Company's receipt of CDQ allocations was fixed at the same percentage level as its 2006 allocations for all allocated species and such percentages may not be changed until 2012. The Company has entered into an agreement for the duration of the CDQ allocation with a harvester to harvest the pollock allocations. Amounts received vary depending upon the specific availability and market prices.

The Company's primary purpose is to develop and sustain new and ongoing economic activity in the Norton Sound region. The Company's mission outlines its intentions to provide a balance between local economic development oriented towards the residents in the region and active participation in the distant-water fisheries in the Bering Sea and Aleutian Islands. The Company implements programs to educate, train, and employ people of the region; build infrastructure to help support the new and existing fisheries; start new fisheries through locally initiated development efforts; support the local salmon, herring, crab, and halibut fishermen; restore salmon runs in the region for both commercial and subsistence users; provide gear, vessels, and secure equity interests in companies and vessels. The Company has not entered into any significant long-term agreements or commitments other than its agreements with the harvesters of its CDQ allocations.

In 2008, the Company sold 25% of its interest in Glacier Fish Company, LLC and acquired 100% ownership in PS Fisheries, LLC.

In 2009, Siu Alaska Corporation sold 25% and donated 25% of its 100% interest in Aleutian No. 1, LLC, dissolved its investment in Ocean Olympic, LLC and acquired 100% of Pacific Star Fisheries, LLC.

Accounting Estimates and Assumptions

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and revenue and expenses for the reporting period. Actual results could differ from the estimates and assumptions.

Principles of Consolidation

In 2008, the consolidated financial statements include GB Fisheries, LLC, PS Fisheries, LLC and Siu Alaska Corporation, a wholly owned subsidiary formed in 2008. In 2009, the consolidated financial statements include Aleutian No. 1, LLC, PS Fisheries, LLC and Pacific Star Fisheries, LLC, which are consolidated into Siu Alaska Corporation. Additionally, the consolidated financial statements include the NSEDC Education Foundation. All significant intercompany transactions and accounts have been eliminated in the consolidation.

Basis of Presentation

The accompanying financial statements include assets, liabilities, net assets, and financial activities for those programs for which the Company exercises fiscal and operational control.

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues and support are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing and related cash flows. Contingent royalty payments are recognized when the amount is fixed and determinable and collection is assured.

Fair Value of Financial Instruments

The Company must disclose its estimate of the fair value of material financial instruments, including those recorded as assets or liabilities in its financial statements and derivative financial instruments.

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) investments, (3) receivables, net, (4) certain other current assets, (5) accounts payable and (6) other current liabilities. The carrying amounts reported in the balance sheets for the above financial instruments closely approximates their fair value due to the short-term nature of these assets and liabilities, except for the Company's investments. The carrying amounts of the Company's investments were determined based on quoted market prices.

Notes to Consolidated Financial Statements • December 31, 2009

The carrying amount of the notes receivable approximates fair value for those financial instruments with interests at variable rates, as those rates approximate current market rates for notes with similar maturities.

The fair value of the notes receivable that do not have set consistent payment cannot be determined since there is no active market to compare.

Cash and Cash Equivalents

The Company considers cash and short-term instruments with original maturities of 90 days or less to be cash equivalents.

Investments in Marketable Securities

The Company carries investments at fair value. The change in the fair value is included in the consolidated statement of activities.

Investments in marketable securities consist of mutual funds, equity securities, U.S. Agency obligations, and corporate debt securities. For purposes of calculating realized gains and losses, cost is determined by the specific identification method on a trade date basis.

Classification of investments as short-term and long-term is based on the length of time management intends to hold the investment. Management intends to hold short-term investments less than one year.

Inventory

Inventory is valued at the lower of aggregate cost or fair value (first in, first out).

Short-Term Notes Receivable

These amounts represent amounts due from Communities and Village Entities for bulk fuel purchases.

Investments in Limited Liability Companies

The equity method of accounting is used to account for the Company's investment in the Glacier Fish Company, LLC, Ocean Olympic, LLC and Glacier Bay Fisheries, LLC, whereby the Company records its proportionate share of the LLC's net income or loss.

Generally Accepted Accounting Principles (GAAP) provides guidance in determining when variable interest entities should be consolidated in the financial statements of the primary beneficiary. An evaluation of Norton Sound Economic Development Corporation's investments in variable interest entities indicated that consolidation is not required under GAAP.

Investment in Individual Fishing Quota

The Company has investments in fishing privileges under the Individual Fishing Quotas (IFQ) program, which was established by the federal and state governments to allocate halibut, sablefish, and various crab species to the established fishers based on historical catch. IFQ's are considered an indefinite life intangible asset and are carried at cost and measured annually for impairment.

Furniture and Equipment

Furniture and equipment acquisitions are capitalized at cost when purchased or at fair market value of date of gift, when donated. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, generally two to ten years.

Provision for Loans, Accounts Receivable, Notes, and Contract Losses

The Company provides for loans, accounts receivable, notes, and contract losses based on the estimated losses determined through management's periodic reviews of the outstanding loan portfolio. The estimation of losses considers prior loan charge-offs and recoveries against the allowance as well as the economic conditions and the character of the credit risks. Allowances for loans, accounts receivable, notes, and contract losses are subjective and may be adjusted in the future.

Community Development Quota

The fair value of the quota received by the Company from the federal government is not considered to be determinable within reasonable limits. Accordingly, no value has been assigned to the quota in the financial statements.

Income Taxes

The Company is exempt from the federal and state income taxes under provisions of Section 501(c) (4) of the Internal Revenue Code, except for taxes on unrelated business income. In evaluation of unrelated business income, the Company follows GAAP, when accounting for uncertainty in income taxes. The Company's policy is to include penalties and interest associated with income taxes in income tax expense.

Notes to Consolidated Financial Statements • December 31, 2009

Commitments and Contingencies

Liabilities for loss on contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that the liability has been incurred and the amount of the assessment or cost can be reasonably estimated.

Designated Cash and Investments

The Company's Board of Directors has designated \$2,403,272 and \$3,257,582 in cash and cash equivalents and \$6,969,299 and \$4,595,312 of long-term investments at December 31, 2009 and 2008, respectively for the Education Endowment Fund. As part of the CDQ program and past approved Community Development Plans, the Company previously contributed a portion of the CDQ proceeds to the Education Endowment Fund, which is intended to finance training and scholarships.

INVESTMENTS

A summary of marketable securities at December 31, 2009 follows:

			Unrealized
	<u>Cost</u>	<u>Fair Value</u>	Gain (loss)
Bonds and Notes	\$20,392,274	20,570,353	178,079
Equities	38,539,309	<u>37,491,842</u>	<u>1,047,467)</u>
	\$58,931,583	58,062,195	(869,388)
Composed of:			
Investment in mark	ketable securities, sho	rt-term	\$26,664,934
Investment in mark	ketable securities, long	g-term	24,427,962
Designated investn	nent in marketable sed	curities	<u>6,969,299</u>
_			\$58,062,195

Investment income, net, consist of the following at December 31, 2009:

Realized (losses) gains, net	\$(1,109,558)
Dividend and interest	2,249,110
Unrealized gains (losses), net change for the year	9,742,520
Investment management fees	(217,001)
	\$10,665,071

A summary of marketable securities at December 31, 2008 follows:

		Fair	Unrealized
	Cost	Value	Gain (loss)
Bonds and Notes	\$16,871,264	16,340,921	(530,343)
Equities	45,443,695	<u>30,111,100</u>	(15,332,595)
	\$62,314,959	46,452,021	(15,862,938)

Composed of:

Investment in marketable securities, short-term	\$26,350,617
Investment in marketable securities, long-term	15,506,092
Restricted investment in marketable securities	<u>4,595,312</u>
	\$46,452,021

Investment income, net consists of the following at December 31, 2008:

\$(5,191,894)
2,955,273
(13,639,849)
(484,718)
\$(16,361,188)

Notes to Consolidated Financial Statements • December 31, 2009

Included in investment related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or for certain bonds and preferred stock when carried at the lower of cost or market.

The fair value of an asset is the amount at which the asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale. Fair values are based on quoted market prices when available. The Company does not have investments for which quoted market prices are not available.

The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by generally accepted accounting principles. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

- Level 1 Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.
- Level 2 Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.
- Level 3 Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

 The following table provides information as of December 31st about the Company's financial assets measured at fair value on a recurring basis.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets at fair value:				
Investments - 2009	\$58,062,195			58,062,195
Investments - 2008	\$46,452,021	_		46,452,021

Given the narrow definition of Level 1 and the Company's investment asset strategy, all of the Company's investment assets are classified in Level 1. Changes in investments are presented on the statement of activities as investment income or loss.

ACCOUNTS RECEIVABLE

The balance of accounts receivable at December 31, 2009 and 2008 is as follows:

	<u>2009</u>	<u>2008</u>
Trade and Royalties	\$4,631,175	2,791,045
Grants	1,034,618	864,750
Taxes	1,165,915	-
Other	14,815	15,050
Less allowance for		
doubtful accounts		
Net accounts receivable	\$6,846,523	3,670,845

NOTES RECEIVABLE

Notes receivable consist of the following at December 31, 2009:

Loans to individuals	\$2,221,398
Less allowance	<u>(618,187)</u>
	\$1,603,211

Notes to Consolidated Financial Statements • December 31, 2009

Notes receivable consist of the following at December 31, 2008:

 Loans to individuals
 \$2,180,394

 Less allowance
 (526,511)

 \$1,653,883

Short-term notes receivable are advances to Communities and Village Entities for bulk fuel purchases.

Balance December 31, 2009	\$5,737,640
Balance December 31, 2008	\$4,305,635

Other notes receivable of \$2,417,137 is an interest only note due from BAT Fishing LLC, secured by fishing quota shares. Interest is at prime plus .25% and payments started on January 15, 2009 and continue through January 15, 2014.

Loans to individuals have scheduled repayments over one to seven years at 0% to 2%. The Company waived interest on loans to individuals from 1993 through 2009 due to the economic disaster in the fishing industry. Principal repayments are primarily made through individual payments and from a portion of the proceeds from the sale of the individuals' commercial harvests; accordingly, the notes are considered long-term in nature. These notes are secured by the equipment or vessels purchased with borrowed funds.

The allowance for doubtful accounts was \$572,784 and \$526,512 and the expense recognized for doubtful accounts was \$89,845 and \$36,640 at December 31, 2009 and 2008, respectively.

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of the following at December 31:

	<u>2009</u>	<u>2008</u>
Furniture and equipment	\$1,121,805	1,065,761
Plant improvements	8,828,363	8,203,417
Vessels	7,928,616	3,484,984
Construction in progress	55,835	55,835
Land	317,068	67,005
Accumulated depreciation	(6,072,606)	(4,220,196)
Net property, plant, and equipment	\$12,179,081	8,656,806

Depreciation expense for 2009 and 2008 was \$1,130,759 and \$588,150, respectively.

PREPAID RENT LEASES

The Company participated in the construction and improvement of the City of Nome Small Boat Harbor by paying the City of Nome \$550,000 in 1998. In October 1999, in return for its payment, the Company executed a real property and preferential use agreement for approximately 40,000 square feet of Small Boat Harbor property and preferential use of that portion of the mooring and docking space immediately adjacent to the leased premises for an initial term of 35 years, and other considerations. In March 2006, the Company paid an additional \$555,100 for improvements to the harbor. The payments are being amortized over the life of the agreement. Amortization expense for the year ended December 31, 2009 and 2008 was \$34,856 for each year.

EMPLOYEE RETIREMENT PLAN

The Company has a defined contribution employee retirement plan covering all employees who are at least 18 years of age and have attained 1,000 hours of service with the Company. The Company expensed \$95,818 in 2009 for its contributions and \$91,546 in 2008.

OPERATING LEASES

The Company leases Anchorage office space, the Unalakleet plant and office, and space in White Mountain under lease agreements. Rent expense was \$278,017 and \$319,414 for the years ended December 31, 2009 and 2008, respectively. The Company is expected to pay \$248,646 in future minimum lease payments, for the next five years.

UNRELATED BUSINESS INCOME

The Company has reported to the Internal Revenue Service and the State of Alaska unrelated business income and paid unrelated business income tax, with respect to its 2005, 2006, 2007, and 2008 fiscal years. The Company believes that it has taken the appropriate steps to resolve any potential tax liability for its past years, and the Company is not under either a federal or state audit. The rules regarding the assessment of tax for past years are not certain, however, and no assurance can be given that neither the Internal Revenue Service nor the Alaska Department of Revenue will assert the Company is liable for tax for years prior to 2005.

Notes to Consolidated Financial Statements • December 31, 2009

At December 31, 2008 the Company recorded income tax payable of \$823,323 and \$3,956,662 in 2007 associated with its 2005 return, paid \$3,626,811 for its 2006 return during 2007, and recorded income tax payable at \$330,000 for a refund that was received of this amount, \$43,369 was paid in 2009. The federal income tax liability for 2008 is \$2,979,199 of which \$2,445,024 was prepaid and the income tax liability for the State of Alaska is \$903,579 of which \$733,152 was prepaid. The underpayment of \$704,602 has been accrued as income tax payable. Penalties and interest of \$118,721 for 2008 and \$70,645 for 2007 were accrued as income tax payable. \$519,849 of this was paid to the IRS in 2009 and \$303,475 was paid to the State of Alaska in 2010. The Company believes that none of its activities subject it to taxation of unrelated business taxable income for 2009. However, all subsidiaries conduct activities which are subject to federal and state taxation (Note XII).

GEOGRAPHIC AND BUSINESS CONCENTRATION

The Company's primary operations are involved in the fisheries of the Norton Sound and Bering Sea regions of Alaska. The program revenue received by the Company is largely a result of the Company's ability to contract the harvesting of the CDQ allocations received from the federal government. The majority of the Company's sales transactions were to Glacier Fish Company, LLC. The Company hires the majority of its seasonal labor from the Norton Sound region. As a result of the geographic and natural resource concentration, the Company's growth and activities depend upon the viability of the North Pacific fisheries of pollock, halibut, crab, and other species, the continued allocation of harvesting quotas by the federal government, and the ability to obtain skilled labor from the region. Any deterioration or improvements in these fisheries, quota allocations, or the labor pool could have a significant effect on the Company.

DISPUTES AND CLAIMS

The Company is involved in various disputes and claims. Due to the early stages of these matters, the Company's legal counsel is unable to provide opinions as to the outcome or quantify any potential liability. Management believes the resolution of these matters will not have a material effect on financial position, results of activities, or cash flows.

INCOME TAXES

The Company is subject to income tax only from the activities of its for-profit subsidiary, Siu Alaska Corporation, which is consolidated with Aleutian No. 1, LLC, PS Fisheries, LLC, Pacific Star Fisheries, LLC, GB Fisheries, LLC and Glacier Fish Company, LLC.

The significant types of temporary differences and carry forwards that give rise to deferred taxes are federal and state net operating loss carry forwards, federal and state contribution carry forwards, state income tax, education credit carry forward, and book to tax differences on LLC K-1's.

The components of the net deferred income taxes are as follows:

	<u>2009</u>		
	<u>Federal</u>	<u>State</u>	<u>Total</u>
Noncurrent deferred tax asset	\$1,733,604	610,491	2,344,095
Noncurrent deferred tax liability			
valuation allowance	(2,472,158)	<u>(683,479</u>)	(3,155,637)
Total noncurrent deferred tax liability	\$(738,554)	(72,988)	(811,542)

A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. As of December 31, 2009, Siu Corporation has remaining NOLs of approximately \$4,220,795 for Federal income tax purposes and \$4,220,795, for Alaska State income tax purposes. The NOLs, if not utilized, will begin to expire in 2029.

As of December 31, 2009 Siu Alaska Corporation has remaining contribution carry forwards of approximately \$778,442 for Federal income tax purposes and \$578,442 for Alaska State income tax purposes. The Alaska Income Tax Education carry forward for 2009 is approximately \$150,000. These carry forwards, if not utilized, will begin to expire in 2030.

The net accumulated book to tax differences on LLC K-1's for 2009 is approximately \$(1,171,372).

CONCENTRATION CREDIT RISK

The Company maintains unrestricted, restricted cash, and cash equivalents at a financial institution located in Alaska. Accounts at the institution are secured by Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2009 and 2008 amounts in excess totaled \$9,937,286 and \$14,452,605, respectively. However, the Company maintains funds which are held in an overnight sweep account.

The Company maintains investments with UBS, Scottrade, and Charles Schwab. Investments are protected by the Securities Investor Protection Corporation (SIPC). The SIPC protects customers up to \$500,000 per customer.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 3, 2010, the date which the financial statements were available for issue and no issues requiring disclosure were identified.

FINANCIAL DISCLOSURE INFORMATION

Description of compensation policy for directors:

Per diem and honorariums are paid to directors for each day meetings are attended. The rate of per diem is \$350 per day. Honorarium is paid at the rate of \$250 per meeting. An additional \$50 is paid to the Chairman of the Board for each Board meeting.

Total amount paid to directors:

Compensation for NSEDC's seventeen directors (fifteen current and two whose terms ended in 2009) was \$430,554 in 2009.

Compensation for Siu Alaska Corporation's nine directors (seven current and two whose terms ended in 2009) was \$24,317.

Compensation for NSEDC Education Foundation's five directors was \$21,588.

Employee Compensation:

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

Vice-president and Chief Executive Officer Janis Ivanoff earned \$151,041.67; Chief Operating Officer Simon Kinneen earned \$124,941.59; Education, Employment and Training Coordinator Jerry Ivanoff earned \$97,107.42; Controller Rick Walicki earned \$93,337.50; and Norton Sound Fisheries Research & Development Coordinator Charlie Lean earned \$88,093.83.

Siu Alaska Corporation President and Chief Executive Officer John Eckels earned \$106,250.00 in 2009. Asset Manager Richard Tremaine earned \$52,050.65 as an employee of NSEDC (Jan-Jun) and \$61,677.72 as an employee of Siu Alaska Corporation (Jun-Dec).

NSEDC Education Foundation President and Executive Director Barb Nickels earned \$42,826.83.

Related Party Transactions:

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

None

Legal proceedings involving directors:

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

• None

Professional fees:

List of totals*

Legal	\$643,497.66
Consulting	\$813,453.37
Accounting	\$171,847.95
Lobbying	\$17,918.00

^{*}Includes those professional fees incurred as General and Administrative Expenses (see schedule on page 14) and those incurred as non-administrative expenses.

Auditor Relationship

Auditor is Altman, Rogers & Co.

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

• There were no disagreements with Altman, Rogers & Co. for 2009 and 2008.

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

FINANCIAL DISCLOSURE INFORMATION

• Non-audit service was for tax services related to the preparation of 990 forms. Total fees for non-audit services amounted to \$18,200 or approximately 15% of total fees paid to Altman, Rogers & Co.

Committees

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

• Executive Committee

The Executive Committee members for 2009 were Dan Harrelson, Chairman; Dean Peterson, Vice-Chairman; Frank Katchatag, Sergeant-at-arms; Elvina Naranjo and Harvey Sookiayak.

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

The committee held meetings on January 26, April 22, July 28, November 3, and December 9, 2009.

• Compensation Committee

The Compensation Committee members for 2009 were Dan Harrelson and Harvey Sookiayak.

The Compensation Committee is responsible for reviewing requests by NSEDC management for increases in pay or annual bonuses for NSEDC officers and staff, and shall recommend approval or denial of such requests to the Board of Directors.

The committee did not meet in 2009.



NSFR&D crew travel to a smolt counting station on the Nome River.

2009 NSEDC BOARD OF DIRECTORS



Reggie Barr P.O. Box 86 Brevig Mission, AK 99785 Term 2007-2010



Mary Menadelook P.O. Box 7043 Diomede, AK 99762 (resigned Nov. 2009)



Charles Saccheus, Sr. P.O. Box 39090 Elim, AK 99739 Term 2006–2009



Joel JamesP.O. Box 162
Gambell, AK 99742
Term 2008-2011



Dean Peterson P.O Box 62032 Golovin, AK 99762 Term 2008–2011



Elvina Naranjo P.O. Box 53047 Koyuk, AK 99753 Term 2008–2011



Don StilesP.O. Box 575
Nome, AK 99762
Term 2006–2009



Truman KavaP.O. Box 154
Savoonga, AK 99769
Term 2006–2009



Victor JoeP.O. Box 59095
St. Michael, AK 99659
Term 2006–2009



Harvey Sookiayak, Sr. P.O. Box 13 Shaktoolik, AK 99771 Term 2007–2010



Wilfred Katcheak P.O. Box 71048 Stebbins, AK 99671 Term 2008–2011



Joe Garnie P.O. Box 582 Teller, AK 99778 Term 2006–2009



Frank Katchatag P.O. Box 59 Unalakleet, AK 99684 Term 2007–2010



Frank Oxereok, Jr. P.O. Box 524 Wales, AK 99783 Term 2008–2011



Dan Harrelson P.O. Box 190 White Mountain, AK 99784 Term 2007–2010



2009 NSEDC STAFF & LIAISONS

ADMINISTRATION

Dan Harrelson President

Janis Ivanoff
Vice President & Chief Executive Officer

Simon Kinneen Chief Operating Officer

Richard Walicki
Treasurer & Controller

Camille Cruz
Human Resources Director

Aggie Blandford
Special Projects Coordinator

Virginia Nashalook Senior Accountant

Chelsea Ryan Accountant

Joel Cladouhos Accountant

Heather Karmun (until Aug 2009) Accountant

Hannah Sookiayak (started Nov 2009) Accountant

Roy Ashenfelter (Sept-Nov 2009) CDQ Manager

Pearl Dotomain

Administrative Assistant

COMMUNITY BENEFITS

Tiffany Martinson (until Aug 2009) Community Benefits Director

Paul Ivanoff III
Community Development
Coordinator

Katie Peterson

Community Development

Coordinator

Kathy Wheelehan

Community Outreach

Coordinator

Yvonne Galsy Ashenfelter Community Benefits Specialist

Roy Ashenfelter (started Nov 2009) Community Development Coordinator

EDUCATION, EMPLOYMENT AND TRAINING

Jerry Ivanoff
Secretary & EET Coordinator

Carol Charles

Administrative Assistant

NORTON SOUND FISHERIES RESEARCH & DEVELOPMENT

Charlie Lean
NSFR&D Director

Wes Jones Fisheries Biologist

Kevin Keith Fisheries Biologist

Jacob Ivanoff
Fisheries Technician

Sye Larson Fisheries Technician

NORTON SOUND SEAFOOD PRODUCTS

William Johnson
Southern NSSP Manager

Richard Ferry
Northern NSSP Manager

Crystal Taxac
NSSC Office Manager

Harold Muktoyuk

Plant Foreman (seasonal)

Orville Toolie Savoonga Plant Manager

(seasonal)

Justina Noongwook

Data Clerk (seasonal)

Elizabeth Ivanoff
Accountant/Office Assistant
(seasonal)

NSEDC COMMUNITY OUTREACH LIAISONS

Johnee Seetot

Brevig Mission

Andrew Milligrock *Diomede*

Emily Murray • Elim

Shirley Antoghame Gambell

Sherri Lewis • Golovin

Ruby Nassuk • Koyuk

Shirley Martin • St. Michael

Charlotte Kava • Savoonga

Reuben Paniptchuk Shaktoolik

Atha Foxie • Stebbins

Warren Lake III • Teller

Joanne Keyes • Wales

Davis Lincoln • White Mountain



The Savoonga Whaling Captains Association received a \$5,000 grant from NSEDC to assist with their annual subsistence bowhead whale hunt.

NSEDC 2009 COMMUNITY HIGHLIGHTS

Brevig Mission

- Reggie Barr served as Board Member
- Johnee Seetot served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the Brevig Mission School for their Little Dribblers Program
- NSEDC awarded academic scholarships to 2 residents
- 23 residents took a sewing class under the EET Program
- GFC employed 1 resident aboard F/V Northern Glacier, F/V Glacier Bay and F/V Alaska Ocean
- 14 residents completed internships sponsored by NSEDC
- City of Brevig Mission and Brevig Mission Native Corporation were participants in the Consolidated Bulk Fuel Program
- NSFR&D Clean Waters Program funded collection and disposal of shoreside debris

Diomede

- Mary Menadelook served as Board Member
- Andrew Milligrock served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the Diomede School for their Little Dribblers Program
- 6 residents completed internships sponsored by NSEDC
- Etta Ahkinga d.b.a Little Store was a participant in the Consolidated Bulk Fuel Program
- NSFR&D Clean Waters Program funded collection and disposal of shoreside debris
- 5 school teachers were transported to Diomede via NSSP's tender vessel Inaliq allowing school to start on time

Elim

- Charles Saccheus, Sr. served as Board Member
- Emily Murray served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative

- NSEDC contributed \$3,000 to the Elim School for their Little Dribblers Program
- NSEDC awarded academic scholarships to 2 residents
- 2 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 1 resident aboard F/V Glacier Bay
- 2 residents completed internships sponsored by NSEDC
- City of Elim and Native Village of Elim/Elim Native Store were participants in the Consolidated Bulk Fuel Program
- NSEDC hosted a Fishermen's Fair to thank local subsistence and commercial fishermen for their support of local fisheries

Gambell

- Joel James served as Board Member
- Shirley Antoghame served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the Gambell School for their Little Dribblers Program
- NSEDC awarded academic scholarships to 4 residents
- 9 residents took a "Behind the Wheel" class through UAF Northwest Campus and earned a State of Alaska Drivers License under the EET Program
- 7 residents completed internships sponsored by NSEDC
- City of Gambell was a participant in the Consolidated Bulk Fuel Program
- NSFR&D Clean Waters Program funded collection and disposal of shoreside debris
- 1 resident was awarded a \$10,000 Small Business Initiative grant

Golovin

- · Dean Peterson served as Board Member
- Sherri Lewis served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the Golovin School for their Little Dribblers Program
- NSEDC awarded academic scholarships to 5 residents
- 1 resident was certified in Fisheries Safety Orientation Training under the EET Program

- 2 residents completed internships sponsored by NSEDC
- NSEDC sponsored 1 resident to attend the Alaska Young Fishermen's Summit
- City of Golovin was a participant in the Consolidated Bulk Fuel Program
- Golovin Native Corporation was awarded \$207,283 grant for a rock quarry feasibility study

Koyuk

- · Elvina Naranjo served as Board Member
- Ruby Nassuk served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the Koyuk School for their Little Dribblers Program
- NSEDC awarded academic scholarships to 4 residents
- City of Koyuk and Koyuk Native Corporation were participants in the Consolidated Bulk Fuel Program
- NSEDC hosted a Fishermen's Fair to thank local subsistence and commercial fishermen for their support of local fisheries
- 1 resident completed an internship sponsored by NSEDC

Nome

- Don Stiles served as Board Member
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the Nome Elementary School for their Little Dribblers Program
- NSEDC awarded academic scholarships to 132 residents
- 2 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 1 resident aboard F/V Pacific Glacier
- 7 residents completed internships sponsored by NSEDC
- NSEDC hosted a Fishermen's Fair to thank local subsistence and commercial fishermen for their support of local fisheries
- 3 residents were awarded Small Business Initiative grants in the amounts of \$30,533; \$19,467 and \$15,000

Savoonga

Truman Kava served as Board Member

- Charlotte Kava served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the Savoonga School for their Little Dribblers Program
- NSEDC awarded academic scholarships to 4 residents
- 12 residents took a crab pot building class under the EET Program
- City of Savoonga was a participant in the Consolidated Bulk Fuel Program
- 13 residents participated in the NSSP commercial halibut fishery
- Savoonga Whaling Captains Association received \$5,000 for equipment and fuel

Shaktoolik

- Harvey Sookiayak, Sr. served as Board Member
- Reuben Paniptchuk served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the Shaktoolik School for their Little Dribblers Program
- NSEDC awarded academic scholarships to 4 residents
- 1 resident completed a Marine Safety Drill Instructor Course under the EET Program
- 5 residents completed internships sponsored by NSEDC
- GFC employed 1 resident aboard F/V Pacific Glacier and one aboard F/V Alaska Ocean
- NSEDC sponsored 1 resident to attend the Alaska Young Fishermen's Summit
- City of Shaktoolik, Shaktoolik Native Corporation and the Native Village of Shaktoolik were participants in the Consolidated Bulk Fuel Program
- 1 resident was awarded a \$30,000 Small Business Initiative grant

St. Michael

- · Victor Joe served as Board Member
- Shirley Martin served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the St. Michael School for

- their Little Dribblers Program
- NSEDC awarded academic scholarships to 3 residents
- GFC employed 3 residents aboard F/V Pacific Glacier
- 14 residents completed internships sponsored by NSEDC
- City of St. Michael was a participant in the Consolidated Bulk Fuel Program
- NSFR&D Clean Waters Program funded collection and disposal of shoreside debris

Stebbins

- Wilfred Katcheak served as Board Member
- Atha Foxie served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the Stebbins School for their Little Dribblers Program
- NSEDC awarded academic scholarships to 11 residents
- GFC employed 1 resident aboard F/V Northern Glacier and 2 residents aboard F/V Alaska Ocean
- 15 residents completed internships sponsored by NSEDC
- City of Stebbins and Ferris General Store were participants in the Consolidated Bulk Fuel Program
- NSFR&D Clean Waters Program funded collection and disposal of shoreside debris

Teller

- Joe Garnie served as Board Member
- Warren Lake III served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the Teller School for their Little Dribblers Program
- NSEDC awarded academic scholarships to 4 residents
- 26 residents participated in a sled building class under the EET Program
- GFC employed 1 resident aboard F/V Pacific Glacier
- 1 resident completed an internship sponsored by NSEDC
- Teller Native Corporation was a participant in the Consolidated Bulk Fuel Program

Unalakleet

- Frank Katchatag served as Board Member
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local

- **NSEDC** representative
- NSEDC contributed \$3,000 to the Unalakleet School for their Little Dribblers Program
- NSEDC awarded academic scholarships to 48 residents
- 3 residents were certified in Fisheries Safety Orientation Training under the EET Program
- 5 residents participated in an Indian Valley Seafood Processing class under the EET Program
- 9 residents took a Conversational Inupiaq class with UAF Northwest Campus under the EET Program
- GFC employed 3 residents aboard F/V Northern Glacier, 4 residents aboard F/V Pacific Glacier and 7 residents aboard F/V Alaska Ocean
- 8 residents completed internships sponsored by NSEDC
- City of Unalakleet and Unalakleet Native Corporation were participants in the Consolidated Bulk Fuel Program
- UVEC received a \$1,000,000 Community Energy Fund Grant

Wales

- · Frank Oxereok, Jr. served as Board Member
- Joanne Keyes served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative.
- NSEDC contributed \$3,000 to the Wales School for their Little Dribblers Program
- NSEDC awarded an academic scholarship to 1 resident
- 14 residents took a Conversational Inupiag class with UAF Northwest Campus under the EET Program
- City of Wales and Native Village of Wales were participants in the Consolidated Bulk Fuel Program

White Mountain

- Dan Harrelson served as Board Member
- Davis Lincoln served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative.
- NSEDC contributed \$3,000 to the White Mountain School for their Little Dribblers Program
- NSEDC awarded academic scholarships to 13 residents
- 3 residents completed an internship sponsored by NSEDC
- City of White Mountain and the White Mountain Native Store were participants in the Consolidated Bulk Fuel Program

NSEDC MISSION STATEMENT

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



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Nome, AK 99762

Phone: (907) 443-2477 or (888) 650-2477

Fax: (907) 443-2478

Norton Sound Economic Development Corporation Unalakleet Office

P.O. Box 193

Unalakleet, AK 99684

Phone: (907) 624-3190 or

(800) 385-3190 or

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Fax: (907) 624-3183

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