

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION



2010 ANNUAL REPORT

BREVIG MISSION › DIOMEDE › ELIM › GAMBELL › GOLOVIN
KOYUK › NOME › SAVOONGA › SHAKTOOLIK › ST. MICHAEL
STEBBINS › TELLER › UNALAKLEET › WALES › WHITE MOUNTAIN

THE YEAR IN REVIEW

Message From the Chairman

It is with pleasure, by and large, that NSEDC looks back on 2010—a year marked by growth and service.

While we like to focus on the positive, we must acknowledge that 2010 also dealt us great sadness with the loss of U.S. Senator Ted Stevens. Like so many individuals and organizations in Alaska, NSEDC and the Community Development Quota program lost a great friend and champion with the Senator's passing. Ted Stevens figures large in the fact that NSEDC can report continued growth and service to our member communities as the CDQ program prepares to celebrate 20 years of existence.

I and NSEDC would like to honor Senator Stevens for his vision, dedication, advocacy and tireless work on behalf of Western Alaska and the Community Development Quota program. Legislation that bears the late Senator's name has ensured both the sustainability of our fisheries and Western Alaska's ability to benefit from them.

We choose to not remember the Senator for his tragic passing, but to honor his memory by wholly investing ourselves in making his vision for strong and sustainable communities in Western Alaska a reality. May his leadership and energy be an example for us all.

New initiatives

Among NSEDC's new efforts in 2010 within the region, we introduced a program to deliver portable welding equipment to member communities, provided the tools for our northern communities to test fish for commercial harvest opportunities, and partnered with a major operator of restaurants to supply the Norton Sound Seafood House in the Anchorage airport.

The innovative welding program aims

to facilitate the repair of vessels in member communities. The initiative allowed for the purchase of portable welding units that could be brought to boats in each village, rather than bringing the boat into a shop. Eleven of NSEDC's member communities received training in using the equipment.

NSEDC continued to work to investigate commercial fishing opportunities for residents in our northern member communities. New boats, fishing gear and funding for crews to test fish were provided for Teller, Brevig Mission, Wales and Diomed. Results were limited in the initial efforts conducted in 2010. However, test fishing did not get underway until later in the season, meaning the jury's still out as far as the potential for commercial fisheries in the area. The program was slated to continue in 2011.

People passing through the Anchorage airport will now be able to get a taste of the fine seafood harvested from our region's waters with the 2010 opening of the Norton Sound Seafood House. Norton Sound Seafood Products provides salmon, red king crab and halibut that is served at the HMSHost-operated restaurant in the main concourse.

Expanding opportunity

In regard to our involvement in the distant Bering Sea fisheries, NSEDC, through its subsidiary Siu Alaska Corp., grew with the acquisition of a seafood processing plant in Dutch Harbor in partnership with Copper River Seafoods. Siu also took full ownership of the longliner Glacier Bay and its associated fishing rights. These investments, in turn, widen NSEDC's ability to institute and support programs and services within our region.

While we were busy with several new initiatives in 2010, much of NSEDC's effort and emphasis in the year went



into administering and improving our core programs offered to residents and member communities.

NSEDC continues to place a priority on connecting residents with training and education—whether it leads to employment opportunities, passes on traditional knowledge or adds to a fisherman's set of skills. In 2010, NSEDC distributed a record \$680,000 in scholarships for post-secondary and vocational training as the number of residents taking advantage of the program continually increases.

We are seeing the return on this investment in the number of scholarship recipients who return to the region upon graduation. This new generation is establishing itself as our graduates and training recipients take on quality jobs with their new skill sets and assume leadership roles within our member communities.

NSEDC's efforts to support education goes beyond scholarships. In 2010, NSEDC sponsored several residents as they attained various certifications and licenses in relation to the fishing industry. NSEDC also supports a number of community-based classes that promote the sharing of knowledge between community members. Several communities hosted classes in 2010 that ranged from wood-carving, beading

A LOOK BACK AT 2010



and Inupiaq language to CPR, first aid and driver's education. Many of these courses engaged residents as both teacher and student.

In 2010, NSEDC continued its work to support and facilitate commercial fishing opportunities for resident fishermen. For the first time in years, a herring buyer came to Norton Sound in June. NSEDC negotiated with Icicle Seafoods to bring a processing vessel and tender boats to the region, allowing area fishermen to jumpstart their season. While small in quantity compared to herring fisheries in other parts of the state, the quality of the fish from Norton Sound is unsurpassed with roe percentages that cannot be matched elsewhere. Salmon fishermen had a strong year, earning more than \$1.1 million combined for their catch. Crab harvests were robust, netting resident fishermen a combined total of more than \$1.47 million. Halibut fishermen enjoyed a good season, with Savoonga and Nome harvesters landing near equal shares of the 111,217-pound catch. NSEDC worked to offer residents the opportunity to harvest and sell more fish to Norton Sound Seafood Products during the winter, including red king crab and assorted finfish.

NSEDC also worked to maintain and strengthen our offerings through the Community Benefits Department. Our

bulk fuel program that provides lower-cost fuel to communities continues to expand both in terms of the number of entities participating and the amount of fuel purchased. NSEDC endeavors to further ease the burden of high energy prices through the Community Energy Fund. The fund allots \$1 million to each member community for projects that improve power generation facilities—whether it is through upgrades, the introduction of alternative or renewable systems, or the adjustment of existing equipment.

The Small Business Initiative continues to attract and support entrepreneurs with start-up or expansion funds through a competitive grant process. NSEDC continued its support of individual communities through the Community Benefit Share of \$100,000 to each municipality. Member communities also receive support through the Outside Entity Funding process that allows municipalities, tribal organizations, nonprofit groups and agencies to apply for funds that, in turn, advance projects that improve the region's economic and social landscape.

We maintained our focus on helping assure and improving subsistence and commercial fish harvests through NSEDC's Norton Sound Fisheries Research and Development (NSFR&D) program. We continued the Salmon Lake fertilization program to improve

the return of sockeye salmon. NSEDC also continued the popular Clean Waters program that creates employment in our communities while at the same time clearing local beaches of debris and litter. In 2010 NSFR&D noted success from its work to re-establish or improve salmon runs in area rivers through egg incubation and planting. The program continued to support research and management activities through projects such as fish counting towers and weirs as well as the development of scientific papers on salmon and crab issues.

By all accounts, 2010 was a busy year for NSEDC and we expect more great things in 2011. It has been a pleasure to work with my fellow board members and NSEDC's staff in 2010, and I would like to thank them for their dedication and effort. The result has been an organization that is stable and successful so that it can remain an effective and responsive source of support and economic opportunity for our member communities and residents.

Regards,

Dan Harrelson,
Chairman of the Board

NORTON SOUND FISHERIES RESEARCH & DEVELOPMENT

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. This program's priority is to help maintain sustainable populations of the region's most sought-after species: king salmon, red salmon and red king crab.

NSFR&D also 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 addition to these efforts, NSFR&D administers environmentally oriented projects. The ongoing Clean Waters beach cleanup project and the participation on both the Norton Sound and Golovin Bay watershed alliances illustrates the program's involvement with a broader range of issues beyond just fish.

Environmental activities

The 2010 Clean Waters beach cleanup project employed more than 60 people on crews in Elim, Koyuk, Wales, Teller and Little Diomed. All of the projects significantly reduced the amount of debris in the communities' coastal areas. With the exception of Nome, each community has now had a beach cleanup in its vicinity.

Several sites in the region have a need for more work because of historical debris deposits or because of ocean current deposition on exposed coastlines. Some debris has been identified but not yet removed due to its large size (such as abandoned storage tanks) or due to its hazardous nature (such as electrical transformers that have been poorly stock-piled). Solutions for these specific problems will require permitting and cooperation from outside entities. Due to their popularity and the resulting environmental and employment benefits, NSFR&D anticipates continuing the Clean Waters beach cleanup projects.

Two watershed monitoring alliances established themselves during 2010. The Norton Sound Watershed Alliance is modeled after a similar group comprised of Yukon River communities. The intent of this group is to coordinate local efforts to have the critical mass to affect large project development or to address regional environmental concerns. The Golovin Bay Watershed Alliance is a coalition of the village IRAs and village corporations of Golovin, White Mountain and Council. These communities realize that natural resources and their development are tied to the watersheds where they reside. The initial areas of focus are creating an inventory of land forms and significant resources, and identifying threats and solutions. NSFR&D participates in these groups' meetings as both a stakeholder and advisor.

Increasing Coho and chum salmon runs

In 2010, NSFR&D continued activities related to its salmon egg planting projects in Hastings and Anvil creeks. In Hastings Creek, chum salmon eggs were planted

in 2004 with the first-year returns recorded in 2008. NSFR&D monitored the returns in 2008, 2009 and 2010, and these results indicate the return of one adult for each original spawning fish with roughly one-half of the returning adults straying 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.

In Anvil Creek, Coho salmon eggs were planted in 2005, 2006 and 2007. It appears that the Anvil Creek planting contributed to the late return of more than 50 Coho salmon to Dry Creek in 2009 and more than 100 in 2010. These are remarkable returns to a waterway which generally has a return of only one or two Coho adults. The return results for both Hastings 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 to nine returning adults for each adult that spawned. The wild return in 2009 was roughly one re-

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A sunny day at the Pilgrim River weir north of Nome. Fisheries technicians keep track of salmon passing through the weir, both in terms of numbers and species.



NSFR&D staff take an ice core from Salmon Lake to determine the timing of annual algae growth. The work is in relation to NSEDC's fertilization effort in the lake.

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turning adult for every six that spawned, and in 2010 the wild return was one adult for two that spawned—in either case a very poor survival rate.

Egg plants continued in 2010 with a chum egg plant on the Solomon River and a Coho egg plant on Anvil Creek. NSFR&D continues to collect salmon to inspect otolith bones, which carry a marker that identifies if the salmon was planted by NSFR&D.

Red salmon fertilization

With the aim of sustaining red salmon populations, NSFR&D conducts fertilization efforts in Salmon Lake, which has seen low sockeye returns for the past few years. Lake fertilization is intended to boost juvenile salmon survival rates by increasing the amount of algae or

phytoplankton in the lake. This, in turn, increases the amount of zooplankton on which the juvenile salmon feed. Evidence suggests fertilization efforts have worked in the past.

The fertilization project began in 1996 with NSEDC funding 50 percent of the effort. NSEDC has administered the full program since 2008 after the other partners opted to not continue with the program.

After studying the effect of fertilization levels, NSFR&D has adopted an approach that uses only low levels of fertilization to avoid the over-population of Salmon Lake with juvenile salmon. Returns to the river skyrocketed in the mid-2000s, leading to an over-population of the lake. 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. The out-migrating sockeye smolt during the spring of 2010 were, on average, the largest observed since monitoring began. This is a very positive sign and indicates that the current level of fertilization is adequate for the low number of salmon in the lake.

Research and management activities

NSFR&D works cooperatively with governmental agencies and universities on fisheries research projects to further the amount of data available

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NSFR&D fisheries technicians working on Niukluk River smolt project strike a pose for the camera.

FISHERIES RESEARCH & DEVELOPMENT

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about species in the region, to provide job opportunities and training to Norton Sound residents, and to give residents 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. These papers are currently under review.

Development of new fisheries

The Northern Community Developing Fishery Project provided longline gear and 20-foot Lund boats to the four northern communities' test fish-

ing crews. The boats were in place in Teller, Diomedes, Brevig Mission and Wales in early August with three of the four crews deploying longlines. The crews in the Bering Strait were hampered by the lack of sheltered waters which limited the fishable days and caused the loss of gear. The crews fishing closer to Port Clarence were able to spend more time fish-

ing. Results were limited from initial fishing efforts. Test fishing should be conducted for an entire season before the final analysis occurs.

The Norton Sound herring fishery was able to target sac roe herring for the first time in four years due to a cooperative agreement with Icicle Seafoods, NSEDC and Norton Sound Seafood Products. The NSFR&D biologists flew aerial surveys to support the herring fleet in locating marketable herring and to direct fishing and processing vessels through the extensive sea ice.

Although the sea ice limited the harvest to about 70 percent of the intended volume, the Norton Sound harvest had the largest and highest roe quality herring caught in the Pacific. The recently implemented critical habitat requirements to protect spectacled eiders added a new wrinkle to positioning the processing vessel and reporting harvest. A NSFR&D employee served as a bird observer during the fishery. This fishery was once the most important commercial fishery in Northwestern Alaska; the success of the past season provides hope that it will again be an important fishery for Norton Sound residents.



The Northern Community Developing Fishery Project provided funding for four 20-foot boats and wages for crews to test the waters for commercial fishing opportunities near Teller, Brevig Mission, Wales and Diomedes.

COMMUNITY BENEFITS

Inherent in its name, the Community Benefits department is tasked with administering a multitude of programs and initiatives aimed at strengthening NSEDC's member communities.

The scope of the Community Benefits department's work is broad, covering diverse elements such as bulk fuel purchasing, small business support, substance abuse prevention, energy project support, and direct grants to NSEDC member communities and regional entities. The following is a brief summary of activities and programs managed by the Community Benefits department in 2010.

Community Benefit Share

Since 1999, NSEDC has provided a monetary distribution to each member community to be used as the community sees fit. Throughout the 12-year history of the Community Benefit Share, NSEDC has distributed \$730,000 to each of its 15 member communities. In total the program has invested nearly \$11 million directly into the region.

As it has for the past several years, NSEDC's Board of Directors set the 2010 Community Benefit Share at \$100,000 for each community. Remittance of the share is made to each municipal government which determines how the funds are spent through a public meeting process.

Consolidated Bulk Fuel Program

The high cost of fuel in the Norton Sound region affects nearly every as-

pect of life, whether it's gas to power a boat for commercial or subsistence fishing or fuel oil used to heat most homes and businesses. Working to secure a lower cost on fuel for participating entities, NSEDC has operated its Consolidated Bulk Fuel Program for five years.

Through this program, NSEDC acts as a purchasing agent on behalf of participants by coordinating orders, 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, thereby offering additional savings for participants.

The program continued to expand in 2010 in terms of the number of participants and the amount of fuel delivered. Delta Western Inc. delivered fuel to 25 participants in 15 communities that received a total of nearly 6 million gallons of different fuel types

at a total cost of nearly \$16.2 million. A breakdown of the fuel purchased is as follows:

Fuel	Gallons
Jet-A / Diesel #1 HS	2,940,176
RUL / Unleaded Gasoline	1,176,677
ULSD #2 / Diesel #2	1,206,933
ULSD #1	604,700

Substance Abuse Prevention Program

NSEDC recognizes that part of supporting its member communities is helping to ensure their residents have the ability to reach their full potential. To that end, NSEDC has directed funds and efforts toward programs that aim to prevent residents from falling prey to substance abuse.

The Little Dribblers Program provides regional youth, families and elders a healthy activity around which communities can rally. NSEDC continues to support the program in its 15 member communities and Shishmaref by donating \$3,000 to each school's basketball

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Future nurses (l to r) Sarah Weaver, Jackie Ivanoff, Jessica Mute and Amber Ryan, along with nursing instructor Bridgett Watkins, celebrate the conclusion of the first year of nursing school in Nome. Through its Outside Entity Funding program, NSEDC provided significant financial support to help nurture the new degree program in the region.



COMMUNITY BENEFITS

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programs. Basketball is a favorite sports activity in the Norton Sound 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.

Additionally, NSEDC board members have a \$5,000 discretionary grant available to them to fund an organization or program of their choice that focuses on substance and alcohol abuse prevention activities in their respective communities.

Small Business Initiative

NSEDC recognizes that some of the best ideas to spur economic development come from those who are working to start their own business. The development of more regionally owned businesses helps create employment for residents and also bolsters the local economy by keeping funds in the region.

To foster and support that entrepreneurial spirit, NSEDC sponsored its third annual Small Business Initiative in 2010. The competitive grant program divides up to \$105,000 among winning propos-

2010 Small Business Initiative Grant Winners				
Business	Description	Owner(s)	Location	Award
AK Body	Personal fitness & training service	Crystal Tobuk	Nome	\$12,000
Coffey Shop	Coffee shop with pool table	Morris Coffey	Stebbins	\$13,000
Iññaiguktunja	Monthly regional newspaper	Marie Tozier	Nome	\$21,000
Little Store	Expansion of grocery store	Etta Ahkinga	Diomedes	\$26,000
Triple Creek Fabrication & Repair	Machine, fabrication & repair shop	Brian Marvin	Nome	\$13,000
Little Tykes Childcare	Childcare center	Krystal Wongittlin & Brian Hensley	Nome	\$20,000

als. In 2010, NSEDC received 15 Small Business Initiative applications. The panel of judges, who are independent of NSEDC, selected five winners (see table above).

Community Energy Fund

In 2009, the Board approved the creation of the Community Energy Fund program, setting aside \$1 million for each member community. The program was created as a means to facilitate the development of safe, efficient and reliable energy infrastructure in the Norton Sound region through the installation and construction of upgrades to community power generation and distribution systems, alternative/renew-

able energy projects, and projects with potential for energy cost reduction.

Most member communities have yet to expend their energy funds. No projects were submitted to NSEDC in 2010.

Outside Entity Funding

Several significant changes were made to the Outside Entity Funding (OEF) program in 2010. Each member community will now receive an equal share of program funding based on 90 percent of the total funds allocated to the OEF program annually. In 2010 each community received \$60,000 for projects identified as a priority.

Another significant change are the Community-Based Review Committees (CRC), consisting of each respective community's NSEDC director and at least two other director-appointed residents. OEF applications were compiled by community and submitted to the CRC committees for their review and recommendations.

The administration of the OEF Program will continue to be overseen by NSEDC Community Benefits department staff.

For the 2010 Outside Entity Funding Program, all recommendations brought to the full board by the CRC were approved. The communities of Gambell and Stebbins opted to carry forward their share of the OEF funding for future use. Any com-



Nome Search and Rescue members examine a new response boat purchased with NSEDC's Outside Entity Funding.

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community's remaining balance from 2010 will also be carried forward for their use during the 2011 OEF Program year.

The remaining 10 percent of the total

OEF funds, \$100,000, was allotted for regional non-profits. In 2010 that funding was awarded to Kawerak, Inc. for its Bering Strait Health Consortium Nursing Program. A total of nearly \$660,000 in OEF funding was awarded to member communities in addition to more than

\$470,000 awarded for fisheries-related projects through the NSEDC Fisheries Research and Development Department's budget, approved by the NSEDC Board of Directors in December. A breakdown of the OEF funding for 2010 is displayed in the table below.

2010 Outside Entity Grant Funding		
Organization	Project Title	Amount
Bering Straits Foundation	Imangmiut King Island Dancers	\$17,500
Brevig Mission School	Open Gym Coordinators	\$9,700
Chinik Eskimo Community	Cultural Revival	\$16,136
City of Brevig Mission	Public Facilities Upgrade/Repair and Old Clinic Remodel	\$50,300
City of Elim	Front End Loader Purchase	\$45,000
City of Koyuk	Fishermen's Floating Dock	\$9,558
City of Koyuk	Solar Powered Repeater Station	\$38,161
City of Savoonga	Steel Garage	\$53,000
City of Shaktoolik	Washeteria Upgrade	\$54,632
City of St. Michael	Welding Shop	\$60,000
City of Teller	HBT Service and Teller Emergency Service Vehicle	\$7,899
City of Teller	Garage Door and Repairs	\$12,100
City of Wales	Welder-Generator Equipment	\$2,931
City of White Mountain	White Mountain Loader Purchase	\$60,000
Mary's Igloo Traditional Council	Search and Rescue Snowmachine	\$7,017
Mary's Igloo Traditional Council	Cultural Education	\$8,366
Mary's Igloo Traditional Council	"Preserving our Past" Elder & Youth Cultural Camp and Shelter Cabin	\$21,604
Native Village of Diomedes	Tribal Elder Assistance Program	\$46,470
Native Village of Diomedes	Little Diomedes Whaling Equipment and Supply Upgrade Project	\$11,213
Native Village of Elim	Tubuktulik Watershed Project	\$15,000
Native Village of Koyuk	Burn Box Construction	\$9,631
Native Village of Koyuk	Completion of Koyuk IRA Building	\$2,650
Native Village of Teller	Community Use Generator	\$3,015
Native Village of Unalakleet	Elder Nutrition and Services	\$42,530
Native Village of Wales	Kingimiut Dance Festival	\$44,750
Nomad Charities and Nomad Films	"The Island In Between" - Film Production of Savoonga Whaling	\$7,000
Fisheries-related Grants		
Alaska Department of Fish & Game	Fisheries Interns	\$65,000
University of Alaska Fairbanks	Marine Advisory Program - Bering Strait Region	\$20,000
Kawerak, Inc.	Norton Sound Fisheries Restoration and Enhancement Summit	\$28,215
Native Village of Elim	Salmon Fishery Protection Project	\$15,000
City of Elim	Purchase 9800R Caterpillar Loader	\$240,000
City of Koyuk	Fishermen's Channel Marker	\$11,984
City of Nome	Purchase Search and Rescue/Oil Spill Response Harbor Vessel	\$175,000
City of Savoonga	Klamath Boat/Motor/Trailer	\$40,000
City of Savoonga	L120 Loader Purchase	\$100,000
Norton Sound Marine Harvesters	Large Boat Trailer Repair & Maintenance	\$61,000

NORTON SOUND SEAFOOD PRODUCTS

For more than 15 years, Norton Sound Seafood Products (NSSP) has proudly supported regional fisheries through the creation and cultivation of markets for commercially harvested fish.

Norton Sound Seafood Products purchases, processes, markets and sells a variety of seafood harvested by resident fishermen. Catches include herring, salmon, halibut, crab and bait fish. A number of facilities operated by Norton Sound Seafood Products serve our resident fishermen, including the Norton Sound Seafood Center in Nome, a plant in Unalakleet, the Savoonga halibut buying station, and buying stations in Golovin and Shaktoolik. Norton Sound Seafood Products further works to support fishermen by deploying tenders to purchase salmon, crab and herring on the grounds. The tenders allow the fish to be chilled and preserved as they are quickly moved to market.

Norton Sound red king crab

The first delivery of Norton Sound red king crab arrived on June 30 in 2010. When the fishery came to a close on August 24, CDQ fishermen had caught 30,000 pounds of crab (NSEDCC leased 15,000 pounds from YDFDA's CDQ allocation) and were paid a total of nearly \$111,000. Winter and summer open-access fishermen caught 361,207 pounds of Norton Sound red king crab and were paid a total of more than \$1.36 million. The average Norton Sound crab fisherman earned \$42,500 in 2010.



Photo courtesy of Adem Boeckmann

Halibut fishermen work the waters of Norton Sound in late September.

Halibut

Norton Sound fishermen landed a total of 111,217 pounds of halibut which was split nearly evenly between harvesters from Nome (55,818 pounds) and Savoonga (55,399 pounds). Twenty area halibut fishermen earned a total of more than \$418,000, averaging \$17,430 each for their fishing efforts.

Expanded winter fishing program

The NSEDCC Board of Directors, in an effort to bring the benefits of fishing to more Norton Sound residents, authorized the Norton Sound Seafood Center to purchase Norton Sound red king crab and finfish from area villages during the winter. Although a fledgling

program, comments have been positive and interest in taking part in the winter fisheries is increasing.

Village Employment Program

The Village Employment Program first authorized by the Board in 2009 continues to enable Norton Sound Seafood Products to increase employment opportunities to village residents by offering housing assistance in Nome and Unalakleet.

Twelve area residents traveled to Nome to work under this program in 2010. Ninety-seven area residents worked

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in the halibut and crab industry at the Norton Sound Seafood Center in Nome and the Savoonga Halibut Plant.

Salmon

More resident fishermen are involved in harvesting salmon than in any other regional fishery. Harvests, mostly based out of NSEDC's eastern communities, brought in nearly \$1.22 million spread out between 119 fishermen in 2010. This equates to an average payout of more than \$10,230 per fisherman.

Herring

The Norton Sound herring fishery was able to target sac roe herring for the first time in four years due to a cooperative agreement with Icicle Seafoods, NSEDC and Norton Sound Seafood Products. More than \$185,700 was earned by 31 fishermen in the fast-paced fishery. With an average roe percentage above 13 percent, the Norton Sound fishery produced the highest quality catch in the state.

A worker at the Nome Norton Sound Seafood Products seafood plant off-loads a tote full of Norton Sound red king crab from a local fisherman during the summer of 2010. The crab will immediately be processed or held in a live tank for retail and wholesale markets.



2010 NSSP Harvest by Community

Community*	Pounds									Tons
	Red	Coho	Chum	Pink	King	CDQ Crab	Open Access Crab	Halibut	Cod	Herring
Elim	16	71,811	144,529	30,649	52	-	17,889	-	-	45.37
Golovin	15	37,569	95,828	5,241	13	-	21,031	-	-	-
Koyuk	56	12,696	41,846	7,626	-	-	-	-	-	-
Nome	-	5,548	18,458	257	-	29,392	260,426	55,818	9,789	28.49
Savoonga	-	-	-	-	-	-	-	55,399	-	-
Shaktoolik	117	76,661	244,594	8,242	-	-	32,161	-	-	115.3
Unalakleet	525	246,764	220,856	31,528	1,594	-	25,617	-	1,519	434.4
St. Michael	-	-	-	-	-	-	-	-	-	25.26
Stebbins	-	-	-	-	-	-	-	-	-	38.96

* "Community" refers to where a fisherman resided, not necessarily where he or she fished.

EDUCATION, EMPLOYMENT AND TRAINING

Central to NSEDC's mission to spur and sustain economic development in the region is offering opportunities for residents to gain the skills and education necessary to find and create meaningful employment. The Education, Employment and Training division works to fulfill that mission through a robust scholarship program, by providing and connecting residents to employment opportunities, and a diverse training program that helps build both resumes and community ties.

Highlights on the 2010 efforts of these three programs that comprise the EET division's name are detailed below.

Education

The scholarship program continues to be one of the most utilized and direct benefit programs NSEDC offers. In 2010, NSEDC again set a new high mark in total funds awarded to scholarship recipients by distributing more than \$680,000 to students pursuing higher education at an accredited college or vocational school.

The popularity of the scholarship program spurred the board of directors to authorize an amendment placing an additional \$50,000 into the initial budget of \$650,000 for the year. Regional scholarship recipients ranged from a student attending law school in Vermont to students studying structural welding in Seward. The majority of scholarship recipients were pursuing their education in Alaska.

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 cod, and Bering Sea/Aleutian Islands crab fisheries. Employment on these vessels represents an important opportunity for Norton Sound residents to gain greater knowl-

edge and experience with Bering Sea commercial fishing. These jobs also allow residents to earn and bring home significant wages. Overall in 2010, residents of the region earned a combined total of \$721,740 by participating in the distant Bering Sea fisheries.

In the first quarter, the F/V *Pacific Glacier*, F/T *Alaska Ocean*, C/P *Glacier Bay*, and F/V *Aleutian No. 1* crews included 23 Norton Sound residents who brought home a combined total of \$167,894 in crew share wages. In the second quarter, crews from the same set of boats included 21 Norton Sound residents who brought home a combined total of \$198,990 in wages. In the third and fourth quarters, 16 regional residents worked on the vessels F/T *Alaska Ocean* and C/P *Glacier Bay*, earning a combined total of \$354,850.

Since NSEDC's inception, residents of the region have earned more than \$14.3 million by working with our industry partners in the distant-water fisheries through 2010.

Employment opportunities related to NSEDC also occur closer to home. In 2010 Norton Sound Seafood Products (NSSP), which has plants in Nome, Unalakleet and Savoonga, paid out nearly \$1 million in wages. In the summer months, the number employed by NSSP swells when residents from

regional villages will come to Nome and Unalakleet for work. In the third quarter of 2010, NSSP employment approached 180 workers.

NSEDC also provides opportunities for the region's youth to work and gain job skills in a variety of fields. Each summer, young people from member communities help keep NSEDC's Fisheries Research and Development division running by working as fish technicians. These technicians perform a wide range of field work on rivers throughout the region. NSEDC also helps our younger community members prepare for administrative careers through internships in each member community and in our various offices. An internship is also available with our partner, Glacier Fish Co., in its Seattle office.

Employment for the past several years has also been provided through the Fisheries Research and Development division's Clean Waters program. This program hires local crews to conduct beach cleanups in the vicinity of their community.

Training

From welding and refrigeration courses to carving and Inupiaq language classes, the Education, Employment and Training division supports community-based training

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2010 NSEDC Education & Training Statistics

	People	Expenditures
Scholarships		
Post-Secondary	301	\$590,800
Vocational	45	\$90,000
Total Scholarships	346	\$680,800
Fisheries Related Training	47	\$98,046
Other Training	78	\$20,724
Total Training	125	\$118,770
Total	471	\$799,570

2010 EMPLOYMENT STATISTICS

	People	Wages
Management/Administrative		
NSEDC	26	\$1,687,793.82
NSSP	7	\$234,172.49
Total Management/Administrative	33	\$1,921,966.31
CDQ Pollock Related*	58**	\$533,325.60**
* Pollock-related employment is represented by the number of positions filled on a quarterly basis, not individual employees.		** As of 2010, pollock-related figures no longer count residents who moved from NSEDC member communities or live in neighboring communities.
NSSP Employment	183	\$998,762.61
Other NSEDC Employment	70	\$724,777.34
Other Fishing		
GFC – Longline*	1	\$23,421.58
* Data reflects employment through the second quarter of 2010, before Glacier Fish Co. sold much of its cod assets to Siu Alaska Corp.		
Aleutian No. 1	1	\$31,000
O/A Norton Sound Winter Red King Crab	11	\$37,734.55
O/A Norton Sound Red King Crab	23	\$1,325,278.23
NSEDC CDQ Red King Crab	7	\$110,807.84
Norton Sound Salmon	119	\$1,217,803.68
Norton Sound Herring	31	\$185,721.64
NSEDC CDQ Halibut	20	\$418,337.41
Pacific cod / Saffron cod	7	\$5,465.40
Whitefish	1	\$1,004.50
Total Other Fishing	221	\$3,356,574.83
NSEDC Community Outreach Liaisons	16	\$74,750
NSEDC Interns	5	\$21,888.83
Fishery Technicians		
NSEDC Salmon Rehabilitation	10	\$73,098.30
NSEDC Fisheries Development	48	\$193,716.62
ADF&G Fishery Technician Interns (NSEDC funded)	4	\$37,264.83
Total Technicians	62	\$304,079.75
TOTAL EMPLOYMENT*	648	\$7,936,125.27

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



NSEDC's Employment, Education and Training Division sponsors residents from member communities in seafood processing training. This training can lead to jobs with NSEDC's partners on large fishing vessels in the Bering Sea.

EDUCATION, EMPLOYMENT & TRAINING

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efforts. In 2010, those efforts resulted in residents completing programs in fisheries

safety orientation and seafood processing in Seward, refrigeration maintenance/repair in Sitka, and nautical training for one boat captain in Anchorage.

Community-based classes included a distance education Inupiaq language course through Nome's UAF Northwest Campus, a wood carving class in Koyuk, an Athabascan beading class in Unalakleet, a CPR class in Unalakleet, a first aid course for St. Michael's search and rescue team, and a driving permit class in St. Michael. The training division also sponsored Nita Towarak of Unalakleet in taking an Alaska Native Language Instructor course at the University of Alaska Fairbanks so she could return and teach Inupiaq in the region.

A unique program initiated in 2010 brought portable welding equipment to most member communities. The program was designed to provide the communities the means to repair boats by bringing the welder to the boat rather than taking the boat to a shop. Marlin Sookiayak of Shaktoolik traveled to White Mountain, Elim, Koyuk, Golovin, Teller, Savoonga, Gambell, Stebbins, St. Michael, Unalakleet and Shaktoolik to deliver community welding cart orientations.

NSEDC LOAN PROGRAMS

Since 1993, NSEDC has helped the region's resident fishermen participate and become more competitive in the Norton Sound commercial fisheries through its loan programs. Loans are available for fishermen targeting catches that include herring, salmon, red king crab, halibut and baitfish.

Revolving Loan Program

NSEDC offers low-interest loans with minimal down payments 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. In 2010, NSEDC made 31 loans totaling more than \$320,500 to residents in the communities of Elim, Golovin, Koyuk,

Nome, Savoonga, Saint Michael, Shaktoolik and Unalakleet.

Revolving Loan Terms:

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

Large Vessel Loan Option

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

mize 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 2010, one large vessel loan was made for \$52,000 to a Nome resident.



NSEDC's loan programs allow fishermen to upgrade their equipment, purchase larger boats and acquire permits and gear.

QUOTA MANAGEMENT

In 2010, NSEDC actively managed the harvest of fish quota in more than 20 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.

2010 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 crab in the Bering Sea

continued on next page

CDQ Fishery	Target Harvest	Harvester
POLLOCK	18,795 mt	<i>F/T Alaska Ocean, F/T Pacific Glacier</i> (Glacier Fish Co. (GFC))
PACIFIC COD	3,146 mt	<i>C/P Norton Sound, C/P Glacier Bay</i> (GFC); <i>C/P Bristol Leader, C/P Bering Leader</i> (Alaskan Leader Fisheries)
CRAB		
E. Aleutian Is. golden king	66,150 lbs	<i>F/V Aleutian No. 1</i> (A1 LLC)
Bristol Bay red king	267,102 lbs	<i>F/V North Sea, F/V Bering Sea</i> (Coastal Villages Crab LLC)
Bering Sea opilio	864,306 lbs	<i>F/V Aleutian No. 1</i> (A1 LLC)
St. Matthew blue king	18,043 lbs	<i>Wassilie B</i> (Coastal Villages Crab LLC)
Norton Sound red king	15,000 lbs	Norton Sound Resident Fishermen
OTHER GROUND FISH		
Atka mackerel	1,409 mt	<i>F/V Seafreeze Alaska, F/V Alaska Knight</i> (US Seafoods)
Pacific Ocean perch (POP)	260 mt	<i>F/V Seafreeze Alaska, F/V Alaska Knight</i> (US Seafoods)
Yellowfin sole	464 mt	<i>F/V Legacy</i> (US Seafoods)
Rock sole	255 mt	<i>F/V Legacy</i> (US Seafoods)
Flathead sole	110 mt	<i>F/V Legacy</i> (US Seafoods)
Arrowtooth flounder	88 mt	<i>F/V Legacy</i> (US Seafoods)
SABLEFISH		
Aleutian Islands	149,913 lbs	<i>F/V Cynosure</i> (HAT, LLC)
Bering Sea	99,207 lbs	<i>F/V Ballyhoo</i> (Arctic Packer, LLC)
HALIBUT		
Bering Sea (Area 4D)	111,217 lbs	Norton Sound Resident Fishermen
Bering Sea (Area 4D)	65,233 lbs	<i>F/V Shemya</i> (Shemya Fisheries); <i>F/V Saint Paul</i> (CBSFA)
IFQ FISHERY	Target Harvest	Harvester
SABLEFISH		
Central Gulf of Alaska	124,275 lbs	<i>F/V Provider</i> (Wild Alaskan Seafoods, Inc.); <i>F/V Clipper Express</i> (Clipper Seafoods)
Western Gulf of Alaska	47,747 lbs	<i>F/V Clipper Express</i> (Clipper Seafoods)
Aleutian Islands	47,078 lbs	<i>C/P Norton Sound, C/P Glacier Bay</i> (GFC); <i>F/V Frontier Mariner</i> (Clipper Seafoods)
Bering Sea	2,141 lbs	<i>F/V Ballyhoo</i> (Arctic Packer, LLC)
HALIBUT		
Gulf of Alaska (Area 3B)	27,071 lbs	<i>F/V Alaskan Pride, F/V Provider</i> (Wild Alaskan Seafoods, Inc.)
CRAB		
E. Aleutian Is. golden king	550,004 lbs	<i>F/V Aleutian No. 1</i> (A1 LLC)
W. Aleutian Is. golden king	241,522 lbs	<i>F/V Aleutian No. 1</i> (A1 LLC)
Bristol Bay red king	60,140 lbs	<i>F/V North Sea, F/V Bering Sea, F/V Arctic Sea</i> (Coastal Villages Crab LLC); <i>F/V Baranof</i> (Romanzof Fishing Co, LLC)
Bering Sea Opilio	513,401 lbs	<i>F/V Aleutian No. 1</i> (A1 LLC); <i>F/V Fierce Allegiance</i> (R. Mezich/CBSFA); <i>F/V Bristol Mariner</i> (K. Kaldestad/BBEDC)

NSEDC QUOTA MANAGEMENT

continued from previous page

- Yellowfin sole, Rock sole, Flathead sole and Arrowtooth flounder in the Bering Sea
- Atka mackerel in the Aleutian Islands
- Pacific halibut in the Bering Sea (Area 4D and 4E)

NSEDC works with a variety of harvesting partners in the pursuit of these target fisheries. NSEDC also continues working with long-standing harvesting partners, such as Glacier Fish Co. and United States Seafood, as well as taking advantage of new opportunities and business relationships.

Groundfish quota levels in 2010 did not change significantly and prices in general were strong. Crab quota levels were down slightly, but prices were extraordinary, some hitting record highs. Overall NSEDC had an excellent year, generating nearly \$15 million in royalties in the harvest of these CDQ fisheries.

2010 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, halibut in the Gulf of Alaska (Area 3B), and a variety of crab fisheries.

In 2010 NSEDC generated nearly \$2 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 on page 14.



Not all of NSEDC's allocation of Community Development Quota is harvested in the distant Bering Sea. NSEDC works with resident fishermen to harvest CDQ allocations of red king crab and halibut from waters in and around Norton Sound.



An aerial view of Wales, one of NSEDC's northernmost communities.

SIU ALASKA CORPORATION



For Siu Alaska Corporation—NSEDG's 100-percent-owned, for-profit subsidiary—2010 was a year of growth. During the year, Siu realized full ownership of a couple of assets that were previously held jointly with partners. Siu also forged a new partnership with Copper River Seafoods to become a 50 percent owner of the Bering Fisheries seafood plant in Dutch Harbor.

Dutch Harbor Acquisitions

Formed in August 2010, Dutch Harbor Acquisitions is a jointly owned operation between Siu and Copper River Seafoods that owns and operates a seafood plant in Dutch Harbor under the name Bering Fisheries. While Siu is 50 percent owner in the operation, Copper River Seafoods acts as the primary and operating partner. The Bering Fisheries seafood plant is the only American-owned—let alone, Alaskan-owned—plant in Dutch Harbor and processes crab, cod, halibut and other fish species.

During the fall and early winter of 2010, crews readied the plant for operations that commenced in January 2011. Among the ships making deliveries to the plant was the crabbing vessel F/V *Aleutian No. 1*, jointly owned

by Siu, its captains and the Bering Sea Women's Group.

Glacier Bay Fisheries

Prior to 2010, and for a portion of the year, Siu shared ownership of the longliner C/P *Glacier Bay* and its cod fishing rights with Glacier Fish Co. In July, Siu purchased Glacier Fish Co.'s 50 percent interest in a cod fishing license to become the full owner. In December, Siu took the additional step of purchasing Glacier Fish Co.'s 50 percent share in the catcher/processor vessel C/P *Glacier Bay* to become the sole owner.

For the 2010 B season, Clipper Seafoods harvested Siu's cod, bringing in 2.1 million pounds.

Aleutian No. 1

Siu owns 50 percent of the crabbing vessel F/V *Aleutian No. 1* with the remaining interest split evenly between captains Rip Carlton and Rick Alvarez, and the Nome-based Bering Sea Women's Group. Strong crab prices made for a good year for the F/V *Aleutian No. 1* as it harvested 1.2 million pounds of golden king crab and 1 million pounds of opilio crab.

Siu is proud to have regional ties to F/V *Aleutian No. 1* through both the Bering Sea Women's Group's ownership

stake and crew members who hail from NSEDG member communities. Luke Smith from Golovin/White Mountain has worked on the vessel for several seasons.

Pacific Star

The *Pacific Star* spent the summer of 2011 conducting bottom surveys around the Aleutian Islands. The vessel has a history of being chartered for bottom surveys and mapping in Alaska and along the west coast of the lower 48.

Glacier Fish Company

Despite a low Total Allowable Catch for pollock in 2010, Glacier Fish Co. had a successful year. To concentrate on its core business of pollock fishing, Glacier Fish Co. divested itself of its cod operation by selling its share of the C/P *Norton Sound* and the C/P *Glacier Bay* along with their related fishing rights. Other developments with Glacier included the preparation of the F/T *Northern Glacier* to begin a new flatfish operation in early 2011. Siu and NSEDG continue to enjoy their partnership with Glacier Fish Co.



Siu Alaska, NSEDG's for-profit subsidiary, acquired full ownership of the vessel C/P Glacier Bay and its cod fishing rights from Glacier Fish Co. in 2010.

NSEDC VESSELS 2010

REGIONALLY OPERATED



T/V Norton Bay

Length: 39 feet

Service: Supports NSSP buying and processing operations for resident fishermen in the Norton Sound region.



T/V Golovin Bay

Length: 38 feet

Service: Supports NSSP buying and processing operations for resident fishermen in the Norton Sound region.



Besboro Barge

Length: 33 feet

Service: Supports NSSP buying and processing operations for resident fishermen in the Norton Sound region.



T/V Inaliq

Length: 62.5 feet

Service: Supports NSSP buying and processing operations for resident fishermen in the Norton Sound region.



T/V Egavik

Length: 73.7 feet

Service: Supports NSSP buying and processing operations for resident fishermen in the Norton Sound region.

NSEDC-AFFILIATED



C/P Glacier Bay

Length: 136 feet

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



F/V Pacific Star

Length: 180 feet

Service: Chartered by agencies for survey work.



F/T Northern Glacier

Length: 201 feet

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



F/T Pacific Glacier

Length: 276 feet

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



F/V Aleutian No. 1

Length: 105.3 feet

Harvests: Golden king crab and opilio 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.



C/P Norton Sound

Length: 136 feet

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

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Schedule of General and Administrative Expenses

Year Ended December 31, 2010

BOARD EXPENSES:

Stipends/Honorariums	\$ 142,600
Transportation	114,689
Per Diem	275,193
Insurance	192,466

STAFF:

Salaries	1,188,566
Benefits	425,046
Payroll Taxes	123,156

TRAVEL/PER DIEM:

Staff	204,595
Contract Personnel/Consultants	568

TRAINING:

Staff	4,454
Board Members	4,441
Audit/Accounting	64,484
Legal Fees	260,149

OTHER:

Meetings Space, Catering & Meal Expenses	49,840
Contract Services	450,149
Rent	185,747
Supplies and Equip. Purchases	75,660
Postage/Freight	15,007
Communications	43,966
Insurance	298,649
Dues and Subscriptions	11,296
Equipment R and M	4,302
Equipment/Storage Rentals	13,819
Advertising/Brokerage	11,423
Fees and Licenses	141,568
Interest expense	183,294
Miscellaneous	321,185
Donations and Contributions	39,332
Depreciation	57,338
Discretionary Grants	43,361

Total Administrative:	\$ 4,946,343
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* The amounts shown on this statement reflect the combined expenses for NSEDC and Siu Alaska Corp. The amounts shown on this statement also only reflect the salaries, benefits and payroll taxes of NSEDC and Siu Alaska Corp.'s administration. The totals for all of NSEDC's salaries, benefits and payroll taxes are \$4,029,883, \$798,408 and \$403,422, respectively.

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Consolidated Statements of Financial Position December 31, 2010 and 2009

Assets	2010	2009
Current Assets:		
Cash and cash equivalents	\$ 4,329,788	7,784,013
Designated cash and cash equivalents	2,580,615	2,403,272
Investments in marketable securities, short term	47,981,847	26,664,934
Accounts receivable	6,599,797	6,846,523
Interest receivable	112,194	128,686
Inventory at cost	1,171,894	442,989
Prepaid expenses and other assets	679,966	152,093
Short-term notes receivable	12,275,678	5,737,640
Total current assets	<u>75,731,779</u>	<u>50,160,150</u>
Notes receivable, net allowance of \$502,304 and \$572,784, in 2010 and 2009, respectively	<u>1,611,488</u>	<u>1,603,211</u>
Investments:		
Investment in marketable securities	11,341,923	24,427,962
Designated investments in marketable securities	7,955,440	6,969,299
Investment in Glacier Fish Company, LLC	28,230,516	29,695,694
Investment in Unaatuq, LLC	450,000	-
Investment in Dutch Harbor Acquisitions, LLC	1,125,961	-
Investment in Pacific Star Fisheries, LLC	1,123,118	1,123,118
Investment in Glacier Bay Fisheries, LLC	-	756,937
Goodwill in Glacier Bay Fisheries, LLC	-	440,854
Investment in quota share units	17,372,602	10,560,851
Total investments	<u>67,599,560</u>	<u>73,974,715</u>
Property, plant and equipment, net of accumulated depreciation of \$12,319,225 in 2010 and \$6,072,606 in 2009	16,400,309	12,179,081
Prepaid leases, net of accumulated amortization of \$272,492 in 2010 and \$237,636 in 2009	832,607	867,463
	315,492	389,413
Life insurance surrender value	<u>2,417,137</u>	<u>2,417,137</u>
Other notes receivable		
Total assets	<u>164,908,372</u>	<u>141,591,170</u>
Liabilities and Net Assets		
Current liabilities:		
Line of credit	8,250,000	-
Accounts payable and accrued expenses	5,186,368	5,222,652
Income tax payable	-	303,474
Current portion, note payable	536,577	-
Total current liabilities	<u>13,972,945</u>	<u>5,526,126</u>
Noncurrent liabilities:		
Note payable	6,030,973	-
Noncurrent deferred income tax liability	743,985	811,542
Total noncurrent liabilities	<u>6,774,958</u>	<u>811,542</u>
Total liabilities	<u>20,747,903</u>	<u>6,337,668</u>
Net assets:		
Controlling interests:		
Unrestricted net assets:		
Undesignated	132,615,466	125,038,145
Designated	10,536,055	9,372,571
Non-controlling interests:		
Contributed capital	653,604	653,604
Unrestricted/Undesignated net assets	355,344	189,182
Total net assets	<u>144,160,469</u>	<u>135,253,502</u>
Total liabilities and net assets	<u>\$ 164,908,372</u>	<u>141,591,170</u>

See accompanying notes to consolidated financial statements.

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Consolidated Statements of Activities

December 31, 2010 and 2009

Changes in unrestricted net assets:	2010	2009
Revenues and support:		
Harvesting revenue	\$ 15,349,884	13,281,016
Crab revenue	7,084,729	4,054,077
Fishing and fish processing	3,864,358	3,286,570
Investment income, net	7,027,497	10,665,071
Charter revenue	177,375	516,376
Grant revenues	-	169,868
Other income	449,792	523,408
Revolving loan income	16,813	19,271
Total unrestricted revenues, gains & other support	<u>33,970,448</u>	<u>32,515,657</u>
Expenses and losses:		
Program services:		
CDQ harvest management	181,505	161,673
Fisheries development	859,294	998,571
Salmon rehabilitation and enhancement	852,690	827,433
Training and scholarships	1,076,420	1,072,626
Revolving loan program	(119,093)	110,442
Shoreside improvements	1,219,487	1,278,391
Community benefits	1,346,141	1,737,621
Bulk fuel	72,997	54,998
Small Business Initiative	135,221	93,439
Community outreach	448,315	478,251
Tender vessel management	1,226,367	1,054,661
NSIC	107,318	84,271
CDQ fees	-	39,550
Total program services	<u>7,406,662</u>	<u>7,991,927</u>
Fishing and fish processing	6,866,695	6,145,138
Administrative expenses	3,791,434	3,748,171
Administrative expenses Siu	1,154,909	1,538,880
Administrative expenses Education Foundation	-	171,512
Glacier Bay Fisheries, LLC expenses	62,836	-
Pacific Star Fisheries, LLC expenses	667,212	687,890
Aleutian No. 1, LLC expenses	6,712,405	4,652,950
Total expenses	<u>26,662,153</u>	<u>24,936,468</u>
Equity in earnings of limited liability company	1,464,978	3,529,397
Gain on disposal of investment and fixed assets	<u>-</u>	<u>222,916</u>
Increase in unrestricted net assets from operations, before taxes and non-controlling interests	8,773,273	11,331,502
Income tax (expense) benefit:		
Tax (expense) benefit	<u>153,694</u>	<u>(811,542)</u>
Increase in unrestricted net assets before non-controlling interests	8,926,967	10,519,960
(Increase) decrease in unrestricted net assets attributable to non-controlling interest	<u>(186,162)</u>	<u>299,436</u>
Increase in unrestricted net assets attributable to controlling interest	<u>\$ 8,740,805</u>	<u>10,819,396</u>

See accompanying notes to consolidated financial statements.

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements

December 31, 2010

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 2010 and 2009 pollock allocation was 17,886 and 17,930 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 loans for 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.

Siu Alaska Corporation (Siu) was formed on June 5, 2008. Siu's main office is located in Anchorage, Alaska. Siu was organized to hold, operate, manage and invest assets and engage in any lawful purpose to provide dividends to Siu's parent corporation, Norton Sound Economic Development Corporation (NSEDC). These operations are conducted through Siu's wholly owned subsidiaries, Glacier Bay Fisheries, LLC, and PS Fisheries, LLC, which owns 100% of the Pacific Star Fisheries, LLC. Siu held 50% of Glacier Bay Fisheries, LLC in 2009, then acquired the remaining 50% of the Limited Liability Company in 2010. Siu is a 50% member of Aleutian No. 1, LLC (A1), a 50% member of Dutch Harbor Acquisitions, and a 37.5% member of Glacier Fish Company, LLC. Even though Siu is only a 50% owner of A1, it is considered the controlling member.

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 2010, the consolidated financial statements include Aleutian No. 1, LLC, PS Fisheries, LLC, Pacific Star Fisheries, LLC and Glacier Bay Fisheries, LLC, which are consolidated into Siu Alaska Corporation. All significant intercompany transactions and accounts have been eliminated in the consolidation.

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.

On December, 23, 2010, Siu purchased the remaining 50 percent interest of Glacier Bay Fisheries, LLC, which they previously held 50% of the non-controlling interest. The purchase agreement was made between Glacier Fish Company LLC, a Washington limited liability company and Siu. The balance sheet of Glacier Bay Fisheries LLC, is consolidated as of December 31, 2010. The operations of Glacier Bay Fisheries LLC, are presented on the equity method for the period prior to December 23, 2010 and consolidated for the period between December 24 and December 31, 2010. On June 14, 2010, Siu contributed additional

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements December 31, 2010

capital to Glacier Bay Fisheries LLC, in the amount of \$2,184,373, which Glacier Bay Fisheries LLC, used to pay down debt. The additional capital contribution by Siu and the debt repayment by Glacier Bay Fisheries LLC, was netted for purposes of the Consolidated Statement of Cash Flows at December 31, 2010.

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 fair value of an asset is the amount at which that 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 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) receivables, net, (3) inventory, (4) prepaid expenses, (5) certain other current assets, (6) accounts payable and (7) 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.

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

In 2010 the equity method of accounting is used to account for the Company's investment in Glacier Fish Company, LLC, and Dutch Harbor Acquisitions, LLC.

In 2009 the equity method of accounting is used to account for the Company's investment in Glacier Fish Company, LLC, and Glacier Bay Fisheries, LLC.

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements

December 31, 2010

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. IFQs 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. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Intangible Assets

Intangible assets are comprised primarily of fishing rights, permits and loan fees.

In accordance with Accounting Standard Codification (ASC) 350 Intangibles, Goodwill and Others, effective January 1, 2002, the Company discontinued amortizing the intangible assets with indefinite lives. The Company reviews the fishing permits for impairment annually on December 31, and more frequently if circumstances warrant. The Company performed the annual review as of December 31, 2010 and 2009 and determined that the fishing permits continue to have indefinite lives and that there was no impairment of these assets. Amortization of other intangibles is computed on a straight-line basis over the respective time periods of the facilities.

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 other expense.

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 \$2,580,615 and \$2,403,272 in cash and cash equivalents and \$7,955,440 and \$6,969,299 of long-term investments at December 31, 2010 and 2009, 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.

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements December 31, 2010

INVESTMENTS

A summary of marketable securities at December 31, 2010 follows:

	Cost	Fair Value	Unrealized Gain (loss)
Bonds and Notes	\$21,211,324	21,508,163	296,839
Equities	<u>41,007,593</u>	<u>45,771,047</u>	<u>4,763,454</u>
	<u>62,218,917</u>	<u>67,279,210</u>	<u>5,060,293</u>

Composed of:

Investment in marketable securities, short-term	47,981,847
Investment in marketable securities, long-term	11,341,923
Designated investment in marketable securities	<u>7,955,440</u>
	<u>\$67,279,210</u>

Investment income, net, consist of the following at December 31, 2010:

Realized (losses) gains, net	\$(541,506)
Dividend and interest	1,687,227
Unrealized gains (losses), net change for the year	6,049,271
Investment management fees	<u>(167,495)</u>
	<u>\$7,027,497</u>

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

	Cost	Fair Value	Unrealized Gain (loss)
Bonds and Notes	20,392,274	20,570,353	178,079
Equities	<u>38,539,309</u>	<u>37,491,842</u>	<u>(1,047,467)</u>
	<u>58,931,583</u>	<u>58,062,195</u>	<u>(869,388)</u>

Composed of:

Investment in marketable securities, short-term	26,664,934
Investment in marketable securities, long-term	24,427,962
Designated investment in marketable securities	<u>6,969,299</u>
	<u>58,062,195</u>

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	<u>(217,001)</u>
	<u>10,665,071</u>

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 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:

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements

December 31, 2010

- 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.

Assets at fair value:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments – 2010	<u>\$67,279,210</u>	<u>-</u>	<u>-</u>	<u>\$67,279,210</u>
Investments – 2009	<u>\$58,062,195</u>	<u>-</u>	<u>-</u>	<u>\$58,062,195</u>

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.

Fair values of assets measured on a nonrecurring basis using Level 2 inputs at December 31, were as follows:

	<u>2010</u>	<u>2009</u>
	<u>Level 2</u>	<u>Level 2</u>
Intangible assets	<u>\$17,372,602</u>	<u>\$10,560,851</u>

ACCOUNTS RECEIVABLE

The balance of accounts receivable at December 31, 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Trade and Royalties	\$6,347,733	4,631,175
Grants	-	1,034,618
Member	170,000	-
Taxes	-	1,165,915
Other	82,064	14,815
Less allowance for doubtful accounts	<u>-</u>	<u>-</u>
Net accounts receivable	<u>\$6,599,797</u>	<u>6,846,523</u>

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements December 31, 2010

NOTES RECEIVABLE

Notes receivable consist of the following at December 31, 2010:

Loans to individuals	\$2,110,671
Less allowance	<u>(499,183)</u>
	<u>\$1,611,488</u>

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

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

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

Balance December 31, 2010	\$12,275,678
Balance December 31, 2009	5,737,640

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%. Investment revenue is recorded when earned. 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 \$502,304 and \$572,784 and the income or expense recognized for doubtful accounts was \$70,480 recovery, and \$89,845 as an expense at December 31, 2010 and 2009, respectively.

CONTINGENCY

The Company is a member of a global risk-sharing group to provide personal injury insurance for vessel personnel. Unlike "pure insurance," where the premium rate is fixed in advance, the premium is estimated and subject to adjustment (up or down) depending on the actual claims for the group during the year.

INVESTMENT IN SIU ALASKA CORPORATION AND SUBSIDIARIES

The Company received \$3,238,389 and \$4,275,925 in distributions for the years ended December 31, 2010 and 2009, respectively.

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements December 31, 2010

PROPERTY, PLANT, AND EQUIPMENT

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

	<u>2010</u>	<u>2009</u>
Furniture and equipment	\$1,185,187	1,121,805
Plant improvements	9,447,523	8,828,363
Vessels	17,713,921	7,928,616
Construction in progress	55,835	55,835
Land	317,068	317,068
Accumulated depreciation	<u>(12,319,225)</u>	<u>(6,072,606)</u>
Net property, plant, and equipment	<u>\$16,400,309</u>	<u>12,179,081</u>

Depreciation expense for 2010 and 2009 was \$1,411,516 and \$1,095,903, 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, 2010 and 2009 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 \$131,741 in 2010 for its contributions and \$95,818 in 2009.

OPERATING LEASES

The Company leases Anchorage office space and the Unalakleet plant and office under lease agreements. Rent expense was \$298,646 and \$278,017 for the years ended December 31, 2010 and 2009, respectively. The Company is expected to pay \$248,646 in future minimum lease payments, for the next five years.

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.

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements December 31, 2010

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, and Glacier Bay Fisheries, LLC.

If applicable, it is the Corporation's policy to report interest and penalties associated with any income taxes in income tax expense. Income tax expense for the year ended December 31, 2010 consists of the following:

	<u>2010</u>
Federal	\$154,848
State	(1,154)
Total Income Tax Expense	<u>\$153,694</u>

The Corporation's deferred taxes at December 31, 2010 are comprised of the following:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current deferred tax asset	\$ -	-	-
Current deferred tax liability	-	-	-
Variation allowance	<u>-</u>	<u>-</u>	<u>-</u>
Net current deferred tax asset (liability)	<u>-</u>	<u>-</u>	<u>-</u>
Non-current deferred tax asset	\$706,930	306,499	1,013,429
Non-current deferred tax liability	(1,376,776)	(380,638)	(1,757,414)
Variation allowance	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>\$(669,846)</u></u>	<u><u>(74,139)</u></u>	<u><u>(743,985)</u></u>

The significant types of temporary differences that give rise to deferred taxes are federal and state net operating loss carry forwards, contribution carry forwards, book to tax differences on LLC K-1's, and the difference between book and tax basis depreciation.

A valuation allowance on a deferred tax asset is provided when it is more likely than not that some portion of the deferred tax asset will not be realized.

At December 31, 2010, the Corporation had net operating loss carry forwards of approximately \$690,371 for federal income tax purposes which, if not utilized, will begin to expire in the year 2029.

At December 31, 2010, the Corporation had net operating loss carry forwards of approximately \$311,135 for Alaska State income tax purposes which, if not utilized, will begin to expire in the year 2029.

At December 31, 2010, the Corporation had contribution carry forwards of approximately \$555,262 for federal income tax purposes which, if not utilized, will begin to expire in the year 2015.

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements

December 31, 2010

At December 31, 2010, the Corporation had contribution carry forwards of approximately \$734,498 for Alaska State income tax purposes which if not utilized, will begin to expire in the year 2015.

At December 31, 2010, the Corporation had net accumulated book to tax differences on LLC K-1's of approximately (\$3,739,299).

The Company has adopted ASC 740-10 as it relates to uncertain federal or state tax positions and has evaluated its tax positions taken for all open tax years. Currently, the 2008 and 2009 years are open and subject to examination by the Internal Revenue Service. However, the Company is not currently under audit nor has the Company been contacted by any jurisdiction.

Based on the evaluation of the Company's tax positions, management believes all positions taken would be upheld under examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended December 31, 2010.

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 (FDIC) up to \$250,000 for 2009. At December 31, 2010 FDIC coverage was \$250,000 for interest bearing accounts and unlimited for non-interest bearing accounts. At December 31, 2010 and 2009 amounts in excess totaled \$1,872,425 and \$9,937,286 respectively.

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

LONG TERM DEBT

On August 24, 2010, Siu signed a note payable with Wells Fargo Bank for \$6,700,000, with a variable interest payable until paid in full. At December 31, 2010 the balance of the note payable was \$6,567,550 and a current interest rate of 3.014%. For the year ended December 31, 2010, the Company incurred \$43,859 of interest expense.

Total outstanding	\$6,567,550
Less: current portion	<u>536,577</u>
Long term portion	<u>\$6,030,973</u>

Future maturities of debt are as follows:

2011	\$ 536,577
2012	564,030
2013	592,884
2014	623,217
2015	<u>4,250,842</u>
Total	<u>\$6,567,550</u>

Siu utilized a \$1,750,000 revolving line of credit with interest due monthly. The line of credit has a variable interest rate, which was 3.275% as of December 31, 2010. The line of credit is unsecured, but has been guaranteed by NSEDC. The credit line limit is \$8,000,000.

Norton Sound Economic Development Corporation utilized a \$6,500,000 line of credit with interest due monthly. The line of credit has a variable interest rate, which was 1.375% as of December 31, 2010.

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Notes to Consolidated Financial Statements December 31, 2010

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the various programs and other activities has been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation of expenses is based primarily on the proportion of time spent by employees on the various activities.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 16, 2011, the date which the financial statements were available for issue. Management considers the following transaction the only significant subsequent event:

On February 2, 2011 BSAI Partners LLC, of which Siu is a 50% owner, purchased seven shore based trawl vessels involved in the Bering Sea pollock fishery along with the vessels' related fishing rights. The directly owned fishing rights equate to approximately 2.9% of the Bering Sea pollock fishery. The vessels and their fishing rights are each owned in partnership with Maruha Capital Investment and affiliates, minority owners. In addition, BSAI Partners purchased a crab vessel and the assets associated with Alaska Boat Company.

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 2010) was \$458,188 in 2010.

Compensation for Siu Alaska Corporation's seven directors was \$21,759.

Employee Compensation:

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

Vice-president and Chief Executive Officer Janis Ivanoff earned \$150,051.29; Chief Operating Officer Simon Kinneen earned \$129,273.48; General Counsel Kyan Olanna earned \$115,218.27; Education, Employment and Training Coordinator Jerry Ivanoff earned \$110,015.13; and Controller Rick Walicki earned \$101,045.62.

Siu Alaska Corporation President and Chief Executive Officer John Eckels earned \$150,000.00 and Asset Manager Richard Tremaine earned \$113,866.56.

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

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Financial Disclosure Information

Professional fees:

List of totals*

Legal.....\$260,149

Consulting.....\$450,149

Accounting.....\$64,484

Lobbying.....\$0

**Includes those professional fees incurred as General and Administrative Expenses (see schedule on page 19) 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 2010 and 2009.

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

- Non-audit service was for tax services related to the preparation of 990 forms. Total fees for non-audit services amounted to \$9,616 or approximately 16.5% 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 2010 were Dan Harrelson, Chairman; Dean Peterson, Vice-Chairman; Frank Katchatag, Sergeant-at-arms; Don Stiles 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 February 2, March 24, April 26, August 3 and November 1, 2010 .

- Compensation Committee

The Compensation Committee members for 2010 were Dan Harrelson, Dean Peterson, Orville Ahkinga 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.

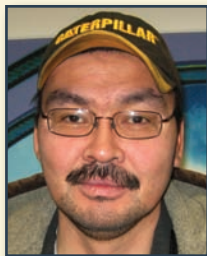
The committee met on February 4, 2010.

2010 NSEDC BOARD OF DIRECTORS



Reggie Barr

P.O. Box 86
Brevig Mission, AK 99785
(2007-2010)



Orville Ahkinga

P.O. Box 7046
Diomedede, AK 99762
(2007-2010)



Oscar Takak, Sr.

P.O. Box 39021
Elim, AK 99739
(2009-2012)



Joel James

P.O. Box 162
Gambell, AK 99742
(2008-2011)



Dean Peterson

P.O. Box 62032
Golovin, AK 99762
(2008-2011)



Elvina Naranjo

P.O. Box 53047
Koyuk, AK 99753
(2008-2011)



Don Stiles

P.O. Box 575
Nome, AK 99762
(2009-2012)



Truman Kava

P.O. Box 154
Savoonga, AK 99769
(2009-2012)



Victor Joe

P.O. Box 59095
St. Michael, AK 99659
(2009-2012)



Harvey Sookiayak

P.O. Box 13
Shakttoolik, AK 99771
(2007-2010)



Wilfred Katcheak

P.O. Box 71048
Stebbins, AK 99671
(2008-2011)



Joseph Garnie

P.O. Box 582
Teller, AK 99778
(2009-2012)



Frank Katchatag

P.O. Box 59
Unalakleet, AK 99684
(2007-2010)



Frank Oxereok, Jr.

P.O. Box 524
Wales, AK 99783
(2008-2011)



Dan Harrelson

P.O. Box 190
White Mountain, AK 99784
(2007-2010)

2010 NSEDC STAFF AND LIAISONS

Administration

Dan Harrelson

President

Janis Ivanoff

Vice President & Chief Executive Officer

Simon Kinneen

Chief Operating Officer

Richard Walicki

Treasurer & Controller

Kyan Olanna

General Counsel

Kathy Wheelehan

Executive Assistant

Camille Cruz

Human Resources Director

Aggie Blandford

Special Projects Coordinator

Virginia Nashalook

Senior Accountant

Chelsea Ryan

Accountant

Joel Cladouhos

Accountant (through November 2010),

Quota Manager (as of December 2010)

Matt Coates

Accountant (starting November 2010)

Hannah Sookiayak

Accountant (through November 2010)

Darlene Dewey

Accounting Assistant (starting July 2010)

Pearl Dotomain

Administrative Assistant

Community Benefits

Paul Ivanoff III

Community Benefits Director

Roy Ashenfelter

Community Development Coordinator

Yvonne Galsy Ashenfelter

Community Benefits Specialist

N.S. Fisheries Research and Development

Charlie Lean

NSFR&D Director

Wes Jones

Fisheries Biologist

Kevin Keith

Fisheries Biologist

Jacob Ivanoff

Fisheries Technician

Sye Larson

Fisheries Technician

(through September 2010)

Fred Jay Ivanoff

Clean Waters Program Coordinator

Norton Sound Seafood Products

Middy Johnson

Southern NSSP Manager

(through August 2010)

Richard Ferry

Northern NSSP Manager

Josh Osborne

Northern NSSP Production Manager

(March through December 2010)

Crystal Taxac

NSSC Office Manager

(through August 2010)

Paula Davis

NSSC Office Manager (starting May 2010)

Orville Toolie

Savoonga Plant Manager (seasonal)

Duane Seppilu

Savoonga Office Manager (seasonal)

Harold Muktoyuk

Plant Foreman (seasonal)

Frank Doty

Refrigeration Technician (seasonal)

Bruce Johnson

Refrigeration Technician (seasonal)

Elizabeth Ivanoff

Accountant/Office Assistant (seasonal)

Justina Noongwook

Data Clerk (seasonal)

Education, Employment & Training

Jerry Ivanoff

NSEDC Corporate Secretary

& EET Coordinator

Carol Charles

Administrative Assistant

NSEDC Community Outreach Liaisons

Brevig Mission

Johne Seetot

(January to August 2010)

Darla Olanna

(September to December 2010)

Diomedea

Andrew Milligrock

Elim

Emily Murray

Gambell

Shirley Antoghome

(through September 2010)

Golovin

Sherri Lewis

Koyuk

Ruby Nassuk

Savoonga

Charlotte Kava

Shaktoolik

Reuben Paniptchuk

St. Michael

Shirley Martin

(January to May 2010)

Charlene Austin

(June to July 2010)

Stebbins

Atha Foxie

Teller

Warren Lake

(January to March 2010)

Wilma Ongtowsruk

(July to December 2010)

Wales

Joanne Keyes

White Mountain

Davis Lincoln

2010 NSEDC COMMUNITY HIGHLIGHTS

Brevig Mission

- Reggie Barr served as Board Member
- Johnnee Seetot and Darla Olanna served as Community Outreach Liaisons
- The City of Brevig Mission received a \$100,000 Community Benefit Share
- NSEDC presented information about scholarships and vocational training at a career fair
- Three residents of Brevig Mission received NSEDC scholarships throughout the year
- Glacier Fish Co. employed two residents as crew members, one aboard the *Pacific Glacier* and one aboard the *Alaska Ocean*
- NSEDC contributed \$3,000 to the Brevig Mission School for its Little Dribblers program
- The City of Brevig Mission and the Brevig Mission Native Corp. participated in NSEDC's Consolidated Bulk Fuel program
- The City of Brevig Mission received \$50,300 in NSEDC Outside Entity Funding for public facilities upgrades and repairs, and the remodel of the old clinic
- The Brevig Mission School received \$9,700 in NSEDC Outside Entity Funding for open gym coordinators
- Brevig Mission was provided a boat and funding for a crew to test fish for marketable species in proximity to the community
- \$5,000 was contributed to the Brevig Mission School dance group through the local NSEDC board member's discretionary grant for substance abuse, alcohol abuse or suicide prevention activities
- NSEDC contributed \$1,000 to the City of Brevig Mission for a community cleanup

Diomedes

- Orville Ahkinga served as Board Member
- Andrew Milligrock served as Community Outreach Liaison
- NSEDC hosted a community meeting in Diomedes
- The City of Diomedes received a \$100,000 Community Benefit Share
- The 2010 NSEDC Clean Waters program provided employment while removing litter from local beaches
- A Diomedes resident was awarded a \$26,000 Small Business Initiative grant

- NSEDC contributed \$3,000 to the Diomedes School for its Little Dribblers program
- The Little Store participated in NSEDC's Consolidated Bulk Fuel program
- The Native Village of Diomedes received more than \$46,400 in NSEDC Outside Entity Funding for the Tribal Elder Assistance program
- The Native Village of Diomedes received more than \$11,200 in NSEDC Outside Entity Funding for the upgrading of whaling equipment and supplies
- Diomedes was provided a boat and funding for a crew to test fish for marketable species in proximity to the community
- \$5,000 was contributed to the Native Village of Diomedes's skin sewing class through the local NSEDC board member's discretionary grant for substance abuse, alcohol abuse or suicide prevention activities
- NSEDC contributed \$1,000 to the City of Diomedes for a community cleanup

Elim

- Oscar Takak, Sr. served as Board Member
- Emily Murray served as Community Outreach Liaison
- The City of Elim received a \$100,000 Community Benefit Share
- NSEDC presented information about scholarships and vocational training at a career fair
- NSEDC sponsored a Community Welding Cart Orientation class for a representative from Elim
- The 2010 NSEDC Clean Waters program provided employment while removing litter from local beaches
- Six residents of Elim received NSEDC scholarships throughout the year
- Glacier Fish Co. employed one resident as a crew member aboard the *Pacific Glacier*
- Four residents were certified in Fisheries Safety Orientation Training under NSEDC's EET program
- NSEDC contributed \$3,000 to the Elim School for its Little Dribblers program
- The City of Elim and the Native Village of Elim/ANICA participated in NSEDC's Consolidated Bulk Fuel program
- The Native Village of Elim received \$15,000 in NSEDC Outside Entity Fund-

- ing for the Tubuktulik Watershed Project
- The City of Elim received \$45,000 in NSEDC Outside Entity Funding for the purchase of a front end loader
- The City of Elim received \$240,000 in NSEDC fisheries funding for the purchase of a 9800R Caterpillar loader
- The Native Village of Elim received \$15,000 in NSEDC fisheries funding for a salmon fishery protection project
- \$5,000 was contributed to the Aniguiin School student activities fund and ski team through the local NSEDC board member's discretionary grant for substance abuse, alcohol abuse or suicide prevention activities
- NSEDC contributed \$1,000 to the City of Elim for a community cleanup
- NSEDC contributed \$1,000 toward the Elim Lloyd Stewart Nagaruk Basketball Tournament

Gambell

- Joel James served as Board Member
- Shirley Antoghome served as Community Outreach Liaison
- The City of Gambell received a \$100,000 Community Benefit Share
- NSEDC presented information about scholarships and vocational training at a career fair
- NSEDC sponsored a Community Welding Cart Orientation class for a representative from Gambell
- Two residents of Gambell received NSEDC scholarships throughout the year
- NSEDC contributed \$3,000 to the Gambell School for its Little Dribblers program
- The City of Gambell participated in NSEDC's Consolidated Bulk Fuel program
- \$5,000 was contributed to the City of Gambell's cultural identities program through the local NSEDC board member's discretionary grant for substance abuse, alcohol abuse or suicide prevention activities
- NSEDC contributed \$1,000 toward the Gambell Shootout Basketball Tournament

Golovin

- Dean Peterson served as Board Member
- Sherri Lewis served as Community Out-

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2010 NSEDC COMMUNITY HIGHLIGHTS

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- reach Liaison
- The City of Golovin received a \$100,000 Community Benefit Share
- NSEDC sponsored a Community Welding Cart Orientation class for a representative from Golovin
- Six residents of Golovin received NSEDC scholarships throughout the year
- Glacier Fish Co. employed one resident as a crew member aboard the *Alaska Ocean*
- NSEDC sponsored one resident who earned an Operator of Uninspected Passenger Vessel (OUPV) captain's license
- NSEDC contributed \$3,000 to the Golovin School for its Little Dribblers program
- The City of Golovin participated in NSEDC's Consolidated Bulk Fuel program
- The Chinik Eskimo Community received more than \$16,100 in NSEDC Outside Entity Funding for a cultural revival project
- \$5,000 was contributed to the Martin L. Olson School's after-school activities through the local NSEDC board member's discretionary grant for substance abuse, alcohol abuse or suicide prevention activities
- NSEDC contributed \$1,000 to the City of Golovin for a community cleanup

Koyuk

- Elvina Naranjo served as Board Member
- Ruby Nassuk served as Community Outreach Liaison
- The City of Koyuk received a \$100,000 Community Benefit Share
- NSEDC sponsored a Traditional Wood Carving class
- NSEDC sponsored a Community Welding Cart Orientation class for a representative from the City of Koyuk
- The 2010 NSEDC Clean Waters program provided employment while removing litter from local beaches
- Six residents of Koyuk received NSEDC scholarships throughout the year
- Glacier Fish Co. employed one resident as a crew member aboard the *Pacific Glacier*
- One resident was certified in Fisheries Safety Orientation Training under NSEDC's EET program.
- NSEDC contributed \$3,000 to the Koyuk

School for its Little Dribblers program

- The City of Koyuk and the Koyuk Native Corp. participated in NSEDC's Consolidated Bulk Fuel program
- The City of Koyuk received more than \$9,500 in NSEDC Outside Entity Funding for a fishermen's floating dock
- The City of Koyuk received more than \$38,100 in NSEDC Outside Entity Funding for an solar-powered repeater station
- The Native Village of Koyuk received more than \$9,600 in NSEDC Outside Entity Funding for the construction of a burn box
- The Native Village of Koyuk received more than \$2,600 in NSEDC Outside Entity Funding for the completion of the Koyuk IRA Building
- The City of Koyuk received more than \$11,900 in NSEDC fisheries funding for a fishermen's channel marker
- \$5,000 was contributed to the Koyuk School's Little Dribblers program, middle school basketball, a class trip and entertainment equipment through the local NSEDC board member's discretionary grant for substance abuse, alcohol abuse or suicide prevention activities
- NSEDC contributed \$1,000 toward the Norton Sound Tip-off basketball tournament

Nome

- Don Stiles served as Board Member
- The City of Nome received a \$100,000 Community Benefit Share
- NSEDC staff participated in a mass casualty drill
- NSEDC sponsored a Qawairaq Inupiaq Language class through UAF Northwest Campus
- One hundred forty-seven residents of Nome received NSEDC scholarships throughout the year
- Four Nome residents were awarded Small Business Initiative grants totaling \$66,000
- Glacier Fish Co. employed two residents as crew members aboard the *Pacific Glacier*
- Two residents were certified in Fisheries Safety Orientation Training under NSEDC's EET program
- NSEDC contributed \$3,000 to Nome Elementary School for its Little Drib-

blers program

- The Bering Straits Foundation received \$17,500 in NSEDC Outside Entity Funding for the Imangmiut King Island Dancers
- The City of Nome received \$175,000 in NSEDC fisheries funding for the purchase of a search and rescue/spill response/harbor vessel
- \$5,000 was contributed to the Nome Public Schools' boys and girls basketball programs through the local NSEDC board member's discretionary grant for substance abuse, alcohol abuse or suicide prevention activities
- The Norton Sound Marine Harvesters received \$61,000 in NSEDC fisheries funding for the repair and maintenance of a large boat trailer

Savoonga

- Truman Kava served as Board Member
- Charlotte Kava served as Community Outreach Liaison
- The City of Savoonga received a \$100,000 Community Benefit Share
- NSEDC presented information about scholarships and vocational training at a career fair
- One resident of Savoonga received a NSEDC scholarship throughout the year
- NSEDC sponsored a Community Welding Cart Orientation class for a representative from Savoonga
- NSEDC contributed \$3,000 to the Savoonga School for its Little Dribblers program
- The City of Savoonga participated in NSEDC's Consolidated Bulk Fuel program
- The City of Savoonga received \$53,000 in NSEDC Outside Entity Funding for a steel garage
- Nomad Charities and Nomad Films received \$7,000 in NSEDC Outside Entity Funding for the production of "The Island In Between," a film on Savoonga whaling
- The City of Savoonga received \$40,000 in NSEDC fisheries funding for a Klamath boat, a trailer and a motor
- The City of Savoonga received \$100,000 in NSEDC fisheries funding for the purchase of a L120 loader

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2010 NSEDC COMMUNITY HIGHLIGHTS

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- \$5,000 was contributed to the City of Savoonga for a playground and baseball field through the local NSEDC board member's discretionary grant for substance abuse, alcohol abuse or suicide prevention activities
- NSEDC contributed \$1,000 to the City of Savoonga for a community cleanup

Shaktoolik

- Harvey Sookiayak, Sr. served as Board Member
- Reuben Paniptchuk served as Community Outreach Liaison
- The City of Shaktoolik received a \$100,000 Community Benefit Share
- NSEDC sponsored a Community Welding Cart Orientation class for a representative from Shaktoolik
- NSEDC presented information about scholarships and vocational training at a career fair
- \$5,000 was contributed to the Native Village of Shaktoolik Spring Whaling Survival Camp through the local NSEDC board member's discretionary grant for substance abuse, alcohol abuse or suicide prevention activities
- Five residents of Shaktoolik received NSEDC scholarships throughout the year
- Glacier Fish Co. employed three residents as crew members, one who worked on both the *Pacific Glacier* and the *Alaska Ocean*, and two who solely worked on the *Alaska Ocean*
- NSEDC contributed \$3,000 to the Shaktoolik School for its Little Dribblers program
- The City of Shaktoolik, Shaktoolik Native Corp. and the Native Village of Shaktoolik participated in NSEDC's Consolidated Bulk Fuel program
- The City of Shaktoolik received more than \$54,600 in NSEDC Outside Entity Funding for a washeteria upgrade
- NSEDC contributed \$1,000 to the City of Shaktoolik for a community cleanup
- NSEDC contributed \$1,000 to the Native Village of Shaktoolik for a community cleanup
- NSEDC contributed \$1,000 to the Shaktoolik Basketball Committee

St. Michael

- Victor Joe served as Board Member
- Shirley Martin and Charlene Austin served as Community Outreach Liaisons
- The City of St. Michael received a \$100,000 Community Benefit Share
- NSEDC sponsored a Community Welding Cart Orientation class for a representative from St. Michael
- Twenty residents attended a NSEDC-sponsored Driver's Permit Workshop
- 13 residents attended a NSEDC-sponsored search and rescue first aid class
- Four residents of St. Michael received NSEDC scholarships throughout the year
- Glacier Fish Co. employed one resident as a crew member who worked aboard both the *Pacific Glacier* and the *Alaska Ocean*
- Two residents were certified in Fisheries Safety Orientation Training under NSEDC's EET program
- NSEDC contributed \$3,000 to the St. Michael School for its Little Dribblers program
- The City of St. Michael participated in NSEDC's Consolidated Bulk Fuel program
- The City of St. Michael received \$60,000 in NSEDC Outside Entity Funding for a welding shop
- \$5,000 was contributed to the Native Village of St. Michael's Helper Project through the local NSEDC board member's discretionary grant for substance abuse, alcohol abuse or suicide prevention activities
- NSEDC contributed \$1,000 toward the St. Michael Turkey Tournament (basketball)

Stebbins

- Wilfred Katcheak served as Board Member
- Atha Foxie served as Community Outreach Liaison
- The City of Stebbins received a \$100,000 Community Benefit Share
- NSEDC sponsored a Community Welding Cart Orientation class for a representative from Stebbins
- \$5,000 was contributed to Tapraq Inc.'s Easter activities and spring cleanup through the local NSEDC board member's discretionary grant for substance abuse, alcohol abuse or suicide prevention activities

- NSEDC presented information about scholarships and vocational training at a career fair
- A Stebbins resident was awarded a \$13,000 Small Business Initiative grant
- Six residents of Stebbins received NSEDC scholarships throughout the year
- Glacier Fish Co. employed three residents as crew members, two aboard the *Pacific Glacier* and one aboard the *Alaska Ocean*
- NSEDC contributed \$3,000 to the Stebbins School for its Little Dribblers program
- The City of Stebbins and the Ferris General Store participated in NSEDC's Consolidated Bulk Fuel program

Teller

- Joe Garnie served as Board Member
- Warren Lake and Wilma Ongtowsruk served as Community Outreach Liaisons
- The City of Teller received a \$100,000 Community Benefit Share
- NSEDC sponsored a Community Welding Cart Orientation class for a representative from Teller
- The 2010 NSEDC Clean Waters program provided employment while removing litter from local beaches
- NSEDC presented information about scholarships and vocational training at a career fair
- Four residents of Teller received NSEDC scholarships throughout the year
- Glacier Fish Co. employed one resident as a crew member aboard the *Alaska Ocean*
- One resident was certified in Fisheries Safety Orientation Training under NSEDC's EET program
- NSEDC contributed \$3,000 to the Teller School for its Little Dribblers program
- The Teller Native Corp. participated in NSEDC's Consolidated Bulk Fuel program
- The City of Teller received nearly \$7,900 in NSEDC Outside Entity Funding for HBT service and an emergency service vehicle
- The City of Teller received more than \$12,000 in NSEDC Outside Entity Funding for a garage door and repairs
- The Mary's Igloo Traditional Council received more than \$7,000 in NSEDC Outside Entity Funding for a search and

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2010 NSEDC COMMUNITY HIGHLIGHTS

continued from previous page

- rescue snowmachine
- The Mary's Igloo Traditional Council received more than \$8,300 in NSEDC Outside Entity Funding for a cultural education project
- The Mary's Igloo Traditional Council received more than \$21,600 in NSEDC Outside Entity Funding for the "Preserving our Past" elder and youth cultural camp and a shelter cabin
- The Native Village of Teller received more than \$3,000 in NSEDC Outside Entity Funding for a community-use generator
- Teller was provided a boat and funding for a crew to test fish for marketable species in proximity to the community
- \$5,000 was contributed to the Native Village of Teller's sixth annual Teller Cultural Festival and the Mary's Igloo Traditional Council's second annual Elder and Youth Culture Camp through the local NSEDC board member's discretionary grant for substance abuse, alcohol abuse or suicide prevention activities
- NSEDC contributed \$1,000 to the City of Teller for a community cleanup

Unalakleet

- Frank Katchatag served as Board Member
- The City of Unalakleet received a \$100,000 Community Benefit Share
- NSEDC sponsored a Community Welding Cart Orientation class for a representative from Unalakleet
- NSEDC sponsored an Athabascan Beading class through UAF Northwest Campus
- NSEDC sponsored a Cardiopulmonary Resuscitation (CPR) class
- \$5,000 was contributed to the Unalakleet School's student store and student activities through the local NSEDC board member's discretionary grant for substance abuse, alcohol abuse or suicide prevention activities
- Forty-nine residents of Unalakleet received NSEDC scholarships throughout the year
- Glacier Fish Co. employed 10 residents as crew members, five aboard the *Pacific Glacier*, three aboard the *Alaska Ocean*, and two who worked on both ships.
- NSEDC sponsored two residents who earned their Operator of Uninspected

Passenger Vessel (OUPV) captain's license

- Four residents were certified in Fisheries Safety Orientation Training under NSEDC's EET program
- NSEDC contributed \$3,000 to the Unalakleet School for its Little Dribblers program
- The City of Unalakleet and Unalakleet Native Corp. participated in NSEDC's Consolidated Bulk Fuel program
- The Native Village of Unalakleet received more than \$42,500 in NSEDC Outside Entity Funding for nutrition and other services for elders
- NSEDC contributed \$1,000 to the City of Unalakleet for a community cleanup
- NSEDC contributed \$1,000 toward the David Paul Paniptchuk Basketball Tournament

Wales

- Frank Oxereok, Jr. served as Board Member
- Joanne Keyes served as Community Outreach Liaison
- The City of Wales received a \$100,000 Community Benefit Share
- NSEDC hosted a Northern Communities' Fisheries Development meeting in April
- The 2010 NSEDC Clean Waters program provided employment while removing litter from local beaches
- NSEDC contributed \$3,000 to the Wales School for its Little Dribblers program
- The City of Wales participated in NSEDC's Consolidated Bulk Fuel program
- The City of Wales received more than \$2,900 in NSEDC Outside Entity Funding for welder and generator equipment
- The Native Village of Wales received more than \$44,700 in NSEDC Outside Entity Funding for the Kingimut Dance Festival
- Wales was provided a boat and funding for a crew to test fish for marketable species in proximity to the community

White Mountain

- Dan Harrelson served as Board Member
- Davis Lincoln served as Community Outreach Liaison
- The City of White Mountain received a \$100,000 Community Benefit Share
- NSEDC sponsored a Hazardous Waste Operations and Emergency Response class.

Five attending received certifications

- \$5,000 was contributed to Native Village of White Mountain's youth wellness activities, the White Mountain School's student activities, and the City of White Mountain's kids programs through the local NSEDC board member's discretionary grant for substance abuse, alcohol abuse or suicide prevention activities
- NSEDC sponsored a Community Welding Cart Orientation class for a representative from White Mountain
- Eight residents of White Mountain received NSEDC scholarships throughout the year
- NSEDC contributed \$3,000 to the White Mountain School for its Little Dribblers program
- The City of White Mountain and White Mountain Native Store participated in NSEDC's Consolidated Bulk Fuel program
- The City of White Mountain received \$60,000 in NSEDC Outside Entity Funding for the purchase of a loader
- NSEDC contributed \$1,000 for the Robert "Putto" Charles Basketball Tournament

Region-wide

- NSEDC contributed \$100,000 to the Bering Strait Health Consortium toward a nursing degree program based at the University of Alaska Fairbanks Northwest Campus in Nome
- NSEDC contributed \$65,000 to fund fisheries interns for the Alaska Department of Fish and Game
- NSEDC contributed \$20,000 to the Marine Advisory Program for the Bering Strait region
- NSEDC contributed more than \$28,200 to Kawerak for the Norton Sound Fisheries Restoration and Enhancement Summit
- NSEDC contributed nearly \$7,500 to Norton Sound Health Corp. toward a radio repeater on Newton Peak used for region-wide emergency communication
- NSEDC contributed \$5,000 to Alaska Legal Services for public legal defense services
- NSEDC contributed \$2,000 toward the Lonnie O'Connor Iditarod Basketball Classic tournament

**NORTON SOUND
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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.*

BREVIG MISSION • DIOMEDE • ELIM • GAMBELL
GOLOVIN • KOYUK • NOME • SAVOONGA
SHAKTOOLIK • ST. MICHAEL • STEBBINS • TELLER
UNALAKLEET • WALES • WHITE MOUNTAIN