



Norton Sound
Economic
Development
Corporation



2008 Annual Report

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."



The Year in Review

Message From The Chairman



2008 marked another year of evolution and advancement at NSEDC. With the formation of both the for-profit subsidiary Siu Alaska Corporation and the NSEDC Education Foundation, staff transitions, the acquisition of the *F/V Alaska Ocean* and new partnership with Nissui USA through our existing partners Glacier Fish Company (GFC), it has been an exciting year.

In June 2008, GFC finalized the acquisition of Alaska Ocean Seafoods (AOS) which owns the *F/V Alaska Ocean*, a 376 foot catcher processor, the largest pollock fishing vessel in the US fleet and overall, a very complementary addition to the GFC organization. The addition of AOS almost doubles GFC's pollock holdings to 6.22 percent of the Bering Sea quota as well as doubling its hake allocation. The acquisition was one-hundred percent financed through GFC. A significant benefit of the acquisition was the addition of Nissui USA as a partner in GFC. Nissui USA is a wholly owned subsidiary of one of Japan's largest seafood companies. Through this new partnership, both GFC and NSEDC now have the advantage of being included in a group of seafood suppliers, processors, and marketers that operate worldwide. In June, NSEDC staff hosted Nissui representatives from Japan and Washington State on a tour of NSSP operations providing an introduction to our fishery resources, products and

processing techniques.

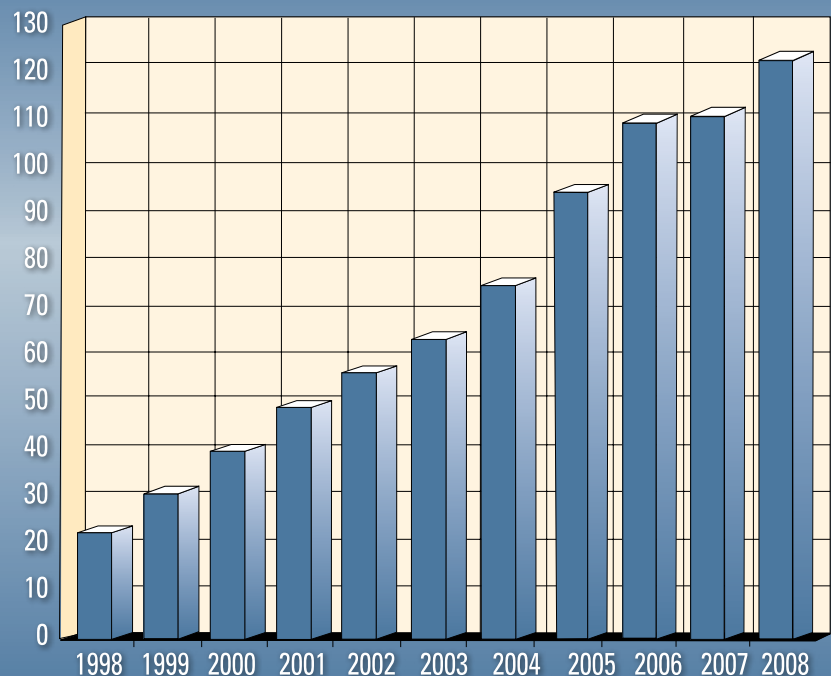
In 2008, on behalf of the Board, staff continued with the process of forming a for-profit subsidiary, Siu Alaska Corporation (Siu), in response to a NSEDC-initiated legal review of tax law and NSEDC's corporate structure, which ultimately led NSEDC to determine it necessary to report certain income as taxable. By forming Siu and transferring assets that generate taxable income to the subsidiary, NSEDC will reduce future unrelated business income, thereby protecting our non-profit status. Siu's function will be to earn profits and return dividends to NSEDC for its non-profit activities.

Also in 2008, Board and staff began the process of forming the NSEDC Education

Foundation (Foundation). The purpose of the Foundation is to support educational opportunities for residents of the Norton Sound region. Initial activities will include the administration of higher education and vocational training scholarships. Though still in the early organizational stages, appointment of the Foundation Board members is complete and the first Board meeting occurred in late January 2009. NSEDC and the Foundation will provide updates on Foundation activities as it continues moving forward.

CDQ revenue from various fisheries was about \$11.2 million in 2008. Though pollock was most profitable, other fisheries such as crab added greatly to our portfolio and helped diversify our income base. From these revenues, NSEDC was able to

**Norton Sound Economic
Development Corporation
2008 Fiscal Year Total Assets**
(in millions)



continue providing benefits to our member communities throughout the region. Some of these benefits include the record amount of \$513,261 in scholarships awarded to students of the region through our post-secondary education and vocational training program, fuel cost savings to participants through the Consolidated Bulk Fuel Program, payments of \$1,147,411.31 to NSSP employees, \$3,067,320.33 to Norton Sound fishermen, and the \$100,000 to each of our member communities through the Community Benefit Share. Also brought into the region was \$924,592.62 in crew share wages to our seafood processors through employment with GFC, the *Aleutian No. 1* and other harvesting partners.

This year was the first of the Small Business Initiative, administered by the Community Benefits Department. Regional entrepreneurs that met the requirements competed for awards of up to \$35,000 for the creation or expansion of small businesses. The inaugural competition awarded \$105,000 to small business owners of the region who completed the application requirements and were chosen by a panel of independent judges to be the most worthy of the awards. This competition will continue yearly as a means of promoting economic development while aiding small business owners of the Norton Sound region.

Responding to the substantial increases in energy costs, the Board approved a one-time \$500 energy subsidy for all qualifying Norton Sound households in 2008. The subsidy was paid directly to residential electric utility accounts of those households who completed the application process. Credits of \$1,184,000 to 2,368 electric utility accounts were applied throughout the region. Though an immediate solution to the problem of rising energy costs in rural Alaska, this one-time subsidy was not the long-term solution that the Board hopes to provide for the Norton Sound area residents. Under direction of the Board, staff is currently exploring more long-term energy cost-saving options for future inclusion to NSEDC's programs.

Construction of the Norton Sound Seafood Center cold storage facility in Nome continued throughout 2008, and once completed this facility will aid in furthering the development and expansion of the red king crab, halibut, salmon, herring, bait, cod and other emerging fisheries in the Norton Sound. This facility will replace the cold storage system of portable freezer vans with a permanent structure having freezer rooms capable of holding 175,000 pounds of palletized and racked product. The facility will be in full operation for the 2009 season.

Salmon bycatch in the pollock fishery continues to be an important issue for Alaskan fisheries – residents, industry, and CDQ groups alike. The North Pacific Fishery Management Council made strides in 2008 to place an upper limit on the number of salmon that can be taken in the pollock fishery. The issues are complex and emotional but in the end the Council will attempt to work to find a balance that prevents bycatch of salmon that significantly affects salmon runs and the people who depend on them while not precluding the pollock fishery from continuing in a economically reason-

able fashion.

As a member of the Western Alaska Community Development Association (WACDA), NSEDC continues to build, expand upon, and benefit from working relationships with other CDQ groups. NSEDC is proud to be associated with the outstanding boards and staff of our fellow CDQ corporations and look forward to moving ahead with them in bringing the CDQ Program to new heights.

In closing, on behalf of the NSEDC Board of Directors, I would like to express my appreciation for the hard work and dedication of our staff. Staff, under the guidance of our newly appointed chief executive, are the doers of the organization and make it possible for the Board to deliver our programs throughout the Norton Sound region. Thank you also to our harvesting partners, and most importantly, to the residents of our member communities for your input and consistent support. We look forward to further contributing to and enhancing the economic growth of the Norton Sound region as well as the promising future before us.



NSFR&D conducted herring surveys in June of 2008 to assist the NSSP herring fishery. The black spots in the middle are schools of herring.

Norton Sound Fisheries Research and Development

Program Overview

The Norton Sound Fisheries Research and Development Program (NSFR&D), with the approval of the NSEDC Board, has prioritized our goals to focus work on red king crab, chinook salmon and sockeye salmon. These are three of the most important fishery stocks to Norton Sound residents and ensuring their sustainable use is a top priority. In addition to these priority species, NSEDC is studying coho salmon, chum salmon, halibut, cod and other fisheries on the basis of supplemental funding or cost-sharing with the priority projects.

Moist Air Incubation and Eyed Egg Planting

2008 marked the fourth year of this project. Although the planting to date has only involved chum and coho salmon, the project is the foundation for working with chinook and other salmon species. During the summer, NSFR&D recorded the first returns from the initial egg plant in 2004 of chum salmon in Hastings Creek. Fourteen four-year old adults were captured, the only chum salmon found in the creek, and all were found to have NSFR&D's mark on the otolith bone. This modest success is noteworthy because there is no natural return of chum salmon to this watershed. It is likely a similar number of five-year olds will return during 2009. The initial egg plant in 2004 was handicapped by the requirement of planting in marginal habitat and inexperienced staff using unfamiliar equipment. Staff is now much more practiced and the egg planting sites are chosen on the basis of habitat suitability and under-utilization by the target stock. Egg plantings in 2008 included chum salmon in the Solomon River and coho salmon in Anvil Creek. The intent is to rehabilitate depleted runs and rejuvenate degraded spawning habitats; this method is very well-suited to those goals.

Red Salmon

Since 1996, NSFR&D has been fertilizing Salmon Lake with the goal of increasing sockeye salmon returns. The Pilgrim River count of sockeye salmon in 2008 was roughly 20,000, which is about half of the recent 5-year average count. The count, however, was over twice the average escapements of the previous 40 years and allowed for a subsistence harvest of over 5,000 sockeye salmon. There is strong evidence that the recent increased returns of sockeye salmon are due in part to the fertilization program. Earlier investigations of lake productivity found there were periods of high salmon production in the past; this supports the theory that production was related to the nutrient level derived from salmon carcasses. Those same carcasses also bring eggs. These eggs become juvenile salmon which can over-browse the lake. The fertilization program seeks to substitute the marine derived nutrients brought in by adult salmon without contributing to the depletion caused by too many juvenile salmon.

Clean Waters

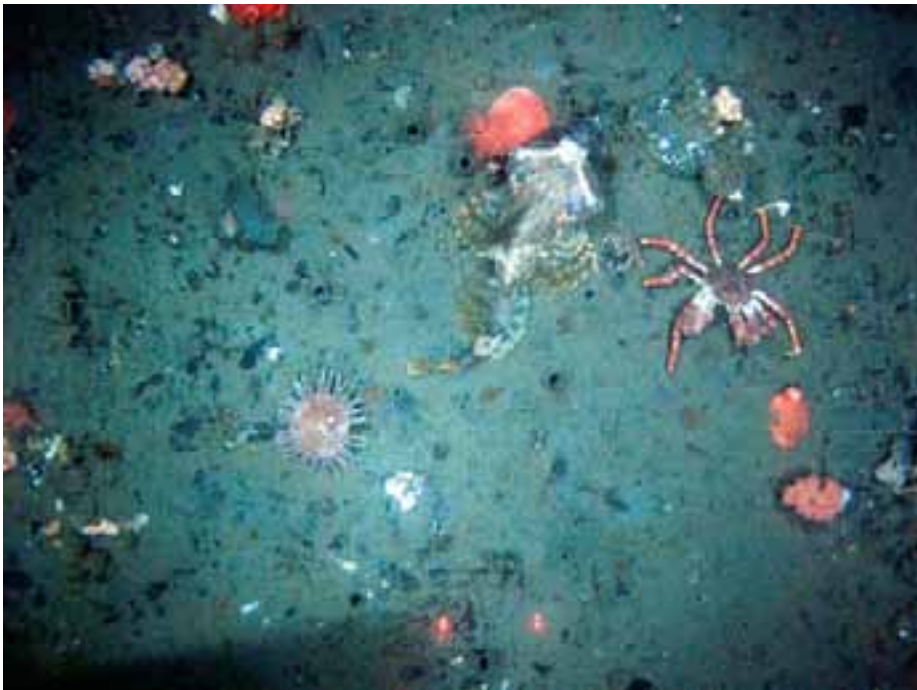
The Clean Waters Program has quickly become a favorite project within the region. It addresses the issue of flotsam on well-utilized portions of the coast, and it provides employment to rural residents of the region. In 2008, beaches were cleaned near the communities of Savoonga, Gambell, and Golovin. A total of 123,198 pounds of debris was gathered in 2008. Most of the removed debris came from sources outside the region. A large portion of it was generated from both foreign and domestic large-scale fishing. This program is funded in part by generous donations from the Marine Conservation Alliance Foundation.

Salmon Research and Management

Local fisheries and the respective management are of great importance to regional residents and the NSEDC Board. The Norton Sound region has rarely had state-supported research staff, in contrast to the management districts to the south. The NSEDC Board realized this and has



This underwater glimpse of adult coho salmon was taken in the Nome River where NSFR&D had a salmon smolt project, one of their many salmon restoration projects during the 2008 season.



This picture was taken with the new camera sled onboard the R/V Pandalus during the 2008 ADF&G and NSFR&D survey south of St. Lawrence Island. Shown are a sculpin, lyre crab and several other bottom creatures.

funded supplementary seasonal staffing and research efforts to address salmon management. One of our goals has been to have escapement projects on representative salmon stocks and rivers throughout the region. NSEDC supports supplemental technicians on projects operated by the Alaska Department of Fish and Game, operating several projects using State protocols to ensure Fish and Game has the needed information to effectively manage local fisheries. We are now working to develop better indices of survival and return by counting the number of juvenile salmon transitioning to saltwater. The three species that rear in fresh water for multiple years are often more affected by habitat and food conditions in their juvenile years than the number of adults that were able to spawn. The two coho salmon smolt projects in the Nome and Fish River are showing promising results as potential management tools. Likewise, the investigations of sockeye salmon and the effects of fertilizer are a means of setting escapement needs and boosting sockeye production.

Management of salmon fisheries in eastern Norton Sound is based largely on salmon counts of a single river system, the Unalakleet River. There are five river systems

that support these fisheries, and using only a single tributary of a single river as an escapement index does not adequately address the declining chinook salmon stocks. To address this problem, NSFR&D is developing a DIDSON Sonar salmon counting station on the Shaktoolik River, one of the most important salmon streams in the region. In 2008, the DIDSON Sonar was in place and personnel were trained to use the equipment.

Crab Management

During the 2008 season, the triennial Norton Sound red king crab survey occurred as scheduled. NSFR&D cooperated with Fish and Game to survey portions of the northern Bering Sea using a new camera sled and the R/V Pandalus as the survey vessel. Some excellent photo transects were collected

from the area south of St. Lawrence Island. Fish and Game is processing the photos they collected near St. Matthews Island. When they have developed the method for that assessment, NSFR&D plans to repeat the method for the St. Lawrence transects and compare the results. This will provide important information on the status and habitat of the opilio crab in the northern Bering Sea. Unfortunately attempts to survey sites further north with the camera sled were thwarted by poor weather. The red king crab survey was completed despite some of the worst weather conditions ever encountered on the surveys. NSEDC's portion of the survey time was crucial to complete the survey; without this assistance, managers would have been missing information and the management of the stock would have been more conservative. The management outlook for 2009 has not yet been published, but the quota is expected to be slightly up from the 2008 season with the complete survey results providing the quality assurance needed to precisely manage the fishery.

New Projects

The NSFR&D Program has continued to grow over the years. During the 2008 season, Kawerak Inc. decided to trim their fisheries program and turned back funding that was offered to assist in the operation of three salmon counting weirs. NSEDC assumed the operation of the Pilgrim River weir and Fish and Game assisted in the operation of both the Eldorado and Snake River weirs. Fish and Game's assistance was greatly appreciated, especially given the short notice that NSFR&D would continue to operate the weirs.



This picture is one of 200,000 pictures taken during the 2008 R/V Pandalus survey south of St. Lawrence Island. Shown is an anemone.

2008 Asset Report

In 2008 NSEDC further consolidated its off-shore fishing assets and continued to strive to increase its profitability. Major events included Glacier Fish Company's (GFC) acquisition of the *C/P Alaska Ocean* and NSEDC's purchase of additional Aleutian Islands golden king crab quota. Also of great importance was the welcoming of Nissui USA as a partner in GFC.



Glacier Fish Company

During the pollock fishery in February, Glacier Fish Company suffered a devastating fire on the *F/T Pacific Glacier*. The fire raged for 12 hours but was successfully contained due to crew training and preparedness, as well as the on-scene assistance from many other pollock fishing vessels and firefighting crews. No one was seriously injured but the fire caused \$20 million in damages. The vessel returned to Seattle and spent the remainder of the year in the shipyard. Insurance covered the majority of the financial costs. Taking advantage of the situation, vessel and equipment improvements were made.



In February 2008, the F/T Pacific Glacier suffered a devastating fire. Thankfully there were no serious injuries but the fire caused \$20 million in damages.

Another significant event for GFC was the acquisition of the *F/V Alaska Ocean* and welcoming Nissui USA as a partner. Measuring 376 feet, the *F/V Alaska Ocean* is the largest harvesting platform in the United States. The purchase almost doubled GFC's pollock holdings to 6.22 percent of the Bering Sea



In June 2008, GFC finalized the acquisition of Alaska Ocean Seafoods (AOS) which owns the F/V Alaska Ocean, a 376 foot vessel, the largest pollock fishing vessel in the US fleet and overall, a very complementary addition to the GFC organization.

quota and doubled its hake allocation off Oregon. A significant benefit of the acquisition was the addition of Nissui USA as a 25 percent partner in GFC. Nissui is a wholly-owned subsidiary of Nippon Suisan Kaisha, Ltd., one of the largest Japanese seafood companies. This places GFC in a family of companies in the U.S., including Unisea and Gorton's, that have similar relationships to other seafood suppliers, processors, and marketers around the world. With Nissui joining the partnership, NSEDC's ownership interest is now 37.5 percent.

Norton Sound Ventures & NSEDC Partnership Dissolution

In 2008, some of the assets from the 2007 dissolution of the Norton Sound Ventures (NSV) and NSEDC partnership were still under negotiation. NSEDC purchased the remaining interest in the PS Fisheries partnership and therefore owns half of the *F/V Pacific Star*. This vessel was chartered for coastal survey work off California during the last half of 2008. The *F/V Alaskan Beauty* was sold in January 2008 and a sales agreement was in place to sell the *F/V Ocean Olympic* at year end. The only remaining assets in NSV, to be distributed among partners in 2009, consist of miscellaneous fishing gear, permits, and cash on hand.

Aleutian No. 1 LLC

The *F/V Aleutian No. 1* performed profitably and without major incident during its first full year under NSEDC management. This success was due in part to the work of our operations manager/captain Rip Carlton and captain Rick Alvarez. The financial success can be attributed to NSEDC's purchase of Aleutian Islands golden king crab quota for use on the boat along with high dock-side prices. The boat harvested one million pounds of opilio (snow) crab and 1.2 million pounds of golden king crab, making it one of the top earners in the entire crab fleet. As the year ended, the NSEDC Board was in the process of transferring ownership of *F/V Aleutian No. 1* to Siu Alaska Corporation. In turn, the Siu Board was considering the sale of 25 percent interest in the boat to the captains and donating another 25 percent interest to Bering Sea Women's Group.



NSEDC invited Nissui representatives to visit the Norton Sound region and introduced them to our fishery resources, products and processing techniques.

Norton Sound Seafood Products

Northern Norton Sound Seafood Products

Since 1995, Norton Sound Seafood Products (NSSP), a division of NSEDC, has continued to support and contribute to the marketability of commercial fisheries in the Norton Sound region. NSSP's activities include purchasing, processing, marketing, and selling herring, salmon, halibut, crab, and bait. NSSP operates facilities throughout the region including the Unalakleet plant, Savoonga halibut buying station, Norton Sound Seafood Center in Nome, and buying stations in Teller, Golovin, and Shaktoolik.

Open-Access Norton Sound Red King Crab

The 2008 open access season began on June 23rd and closed August 19th. There was a second buyer registered in 2008 and some fishermen acted as catcher/sellers and sold a portion of their catch dockside. A total of 364,235 pounds of crab were taken, 19 fishermen delivered to the plant or had their crab tendered from Golovin to Nome via the *Norton Bay*, for a total of 311,876 pounds of crab. The ex-vessel value of the fishery totaled \$990,205.25. Fishermen were paid an average of \$52,116 each. NSSP hired 19 people as processors for the open access and CDQ crab season. A post-season adjustment totaling \$155,938 was given for crab.

CDQ Norton Sound Red King Crab

The 2008 CDQ fishery opened on August 17th and closed on September 3rd. Total harvest was 30,900 pounds, 100 percent of the CDQ allocation. Seven vessels participated with 18 landings. The ex-vessel value was \$98,871.50, an average of \$14,124.57 per participating boat.

Winter Norton Sound Red King Crab Fishery

Eight fishermen participated in the 2008 winter crab fishery. 12,293 pounds were delivered. The total paid to fishermen was \$36,899.



Savoonga fishermen bring these huge halibut in using open skiffs. In 2008 they delivered 23,976 pounds to the Savoonga plant.

CDQ Halibut Season

The halibut season was successful with nine fishermen delivering 164,198 pounds to the Nome plant for an ex-vessel value of \$574,693. Nome fishermen were paid an average of \$63,854. Six fishermen using open skiffs delivered 23,976 pounds to the Savoonga plant for an ex-vessel value of \$71,661. Savoonga fishermen were paid an average of \$11,943. A post-season adjustment for both Nome and Savoonga totaled \$60,837.44

Port Clarence Salmon

A late opening this year limited the number of sockeye (red) salmon caught. Two fishermen made deliveries during this season.



Southern Norton Sound fishermen delivered a total of 862,216 pounds of salmon. With their post-season settlement salmon fishermen were paid \$1,023,465

A total of 627 pounds of sockeye salmon, 2,156 pounds of chum salmon, and 2,839 pounds of pink salmon were delivered to the Teller buying station for an ex-vessel value of \$1,002.49.

NSSP would like to thank all the fishermen and staff that made 2008 a great season.

Southern Norton Sound Seafood Products

Southern Norton Sound had another good fishing season. Operations started in late May with bait herring. Ninety tons were harvested by nine fishermen. Total value to the fishermen was \$54,397.50.



Southern NSSP processes whole skeins of fresh salmon eggs to be sold to markets.

The salmon fishery started with Elim fishermen making a delivery of pink salmon. The total pink salmon harvest for the southern region was 186,012 pounds with a value of \$43,077. Chum harvest was 111,499 pounds with a value of \$57,495. The coho fishery has been great the last few years and 2008 was no exception. Total coho salmon harvest was 862,216 pounds with a value of \$658,489.15 and with a post season adjustment fishermen were paid a total of \$922,243.15 for coho salmon.

Southern NSSP employed a total of 120 workers throughout the fishing season. Three tender vessels and one buying barge were in operation serving the communities of Golovin, Elim, Norton Bay, Shaktoolik and Unalakleet. There were fifty-two fishermen in Unalakleet, twenty in Shaktoolik, twelve in Elim and three in Golovin. NSSP would like to thank the Alaska Department of Fish and Game for continuing to help us maximize the harvest of our salmon resources.

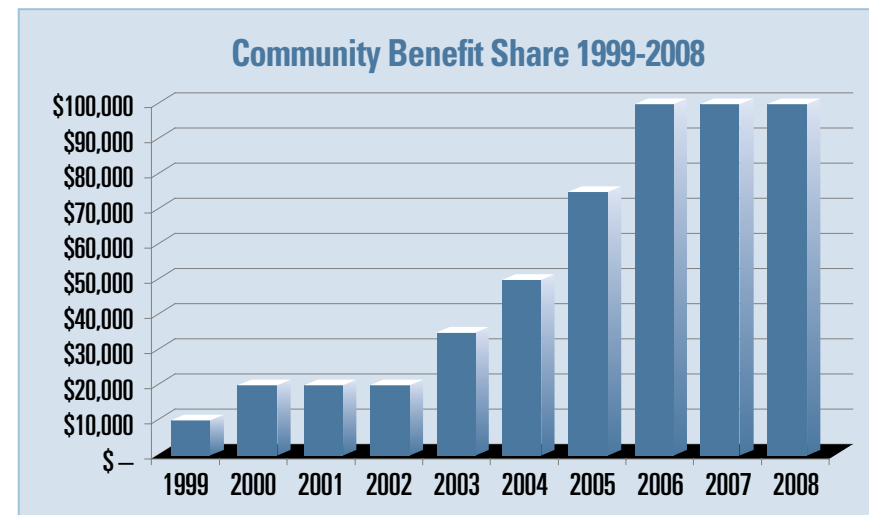
NSEDC Community Benefits

Community Benefit Share

At the 2008 third quarter meeting, the Norton Sound Economic Development Corporation (NSEDC) Board of Directors declared \$100,000 for the 2008 NSEDC Community Benefit Share (CBS). This is the third year the benefit share was declared at this amount. Throughout the ten year history of the CBS, NSEDC has distributed \$7,950,000 directly to our member communities.

The community decides how the benefit share will be utilized through a public process at the municipal level. Each member community receives an equal distribution of the share and the remittance is made to the municipal government. The CBS is fully funded through NSEDC's investments outside of its allocations and NSEDC is proud to make investments that strengthen the economy of the Norton Sound region.

The NSEDC board and staff have become increasingly aware of the need to ensure accountability of not just how NSEDC funds are spent, but also the process by which the use of those funds is selected. Through communication with communities, we have



learned that not all residents are aware of the process used to make these decisions. As we become more liberal in the regulation of this program with regard to eligible uses, NSEDC will continue to state our appreciation and stress the importance of the communities' proactive approach to ensuring that their residents are aware and have the ability to participate in the decision-making process for use of the funds. Ownership of each funding proposal by all residents will assist in NSEDC's intent to demonstrate,

region-wide, our commitment to making the Norton Sound a better place to live.

Outside Entity Funding Program

NSEDC funding for projects managed by outside entities comes from Second Generation Funds. In 2008, the NSEDC Board of Directors approved \$827,066 for projects to be administered through the Outside Entity Funding Program. (See chart below)

2008 Outside Entity Funding Projects

ENTITY	PROJECT	APPROVED AMOUNT
Alaska Department of Fish & Game	Intern Program	\$ 74,156
Native Village of Unalakleet	Camp JB	\$ 72,351
Kawerak, Inc.	Salmon Enumeration	\$ 91,176
University of Alaska Fairbanks	Norton Sound MAP Agent	\$ 114,223
Nome Fishermen's Association	Hobson Creek Incubation Facility	\$ 41,500
Norton Sound Marine Harvesters Association	Large Vessel Trailer	\$ 76,073
Norton Sound Health Corporation	CT Scan	\$ 100,000
Norton Sound Health Corporation	Oral Health Prevention Program	\$ 37,429
City of Teller	Sanitation Truck	\$ 57,220
Citizens of Gambell	Wellness Through Music	\$ 7,579
City of Savoonga	Search & Rescue Equipment	\$ 26,876
Native Village of Koyuk	Elders Meals and Activities Program	\$ 29,402
Bering Straits School District	State Championship Broadcasting	\$ 14,200
White Mountain	School Ski Shed	\$ 11,351
City of Brevig Mission	Bulk Fuel Tank Disposal	\$ 68,900
Native Village of Wales	Sprinkler System Upgrade	\$ 4,630
TOTAL		\$ 827,066



Students from the Bering Straits School District did live broadcasts from several sporting events with funds donated through NSEDC's 2008 Outside Entity Funding.

Fishermen's Fairs

NSEDC hosted Fishermen's Fairs in Wales, Brevig Mission and Teller in July to honor local commercial and subsistence fishermen for their hard work and continued support of Norton Sound fisheries.

Activities included: sumo wrestling, a moon bounce, an obstacle course, a bungee basketball challenge, a fish pond, and a prize walk. NSEDC served Subway sandwiches and pizza from Airport Pizza in Nome, fresh fruits and salads, and cakes prepared by Judy Kotonagan of Unalakleet. Activities were followed by door prizes which included certificates to local vendors for groceries, gasoline, and heating fuel, certificates for

regional airlines round-trip tickets and freight, and NSEDC regalia.



NSEDC hosted the 2008 Fishermen Fairs in Wales, Brevig Mission and Teller. As always we brought a lot of fun activities, great food and door prizes. These are held to honor local commercial and subsistence fishermen.

Consolidated Bulk Fuel Program

The Consolidated Bulk Fuel Program was administered for the third consecutive year in 2008. Through this program, NSEDC acts as a purchasing agent on behalf of participants by coordinating orders, issuing the request 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 the participants. The main attraction of this program is that NSEDC is responsible for all payments to the fuel supplier, offering participants payment plans payable directly to NSEDC. NSEDC does not charge interest or fees, resulting in additional savings for all participants. To be eligible, participants must be an entity located within one of NSEDC's member communities or Shishmaref that has sufficient fuel storage with a U.S. Coast Guard approved header and be a local fuel vendor, municipal or tribal government, or a native corporation.

In 2008, the program continued to expand in terms of the number of participants and the amount of fuel delivered. Twenty-one participants from fourteen communities received 929,802 gallons of Diesel #1 Heating Fuel and 287,926 gallons of Unleaded Gasoline delivered for a total cost of \$5,840,101. The fuel vendor was Delta Western, Inc.

Shoreside Infrastructure Improvements Program

Ice Machine in Shaktoolik

Purchased for NSSP operations and installed and operating in 2008, the new ice machine improves the efficiency and quality of the Southern Norton Sound fisheries.



NSEDC funded BSSD \$14,200 for their State Championship Broadcasting project. The students did an excellent job. Residents who were unable to attend these sporting events appreciated the opportunity to see them live.

Loan Programs

Revolving Loan

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

NSEDC offers low interest, minimal down payment loans to local residents for vessel and equipment upgrades and for purchasing fishing gear, outboard motors, Norton Sound Salmon Permits, Lower Yukon Salmon Permits, Norton Sound Herring Permits, and Norton Sound Red King Crab License Limitation Program (LLP) Permits. In 2008, the terms of the Revolving Loan were:

- \$16,000 maximum for permit holders
- 7-year payback/5-year payback for outboards
- 10% down payment and 8% interest rate per annum
- Credit check and 90 day delinquency limit

In 2008, NSEDC made twenty-nine loans in the sum of \$268,024.24 to local residents in

the communities of Elim, Golovin, Nome, Savoonga, Shaktoolik, Teller and Unalakleet.

Large Vessel Loan

The Large Vessel Loan provides further assistance to local fishermen in acquiring suitable vessels and vessel re-powering for participation in the Norton Sound red king crab and 4D/4E halibut commercial fisheries. NSEDC designed the Large Vessel Loan to maximize benefits to the fishermen at a minimal cost to them. This loan was introduced in 2001 and is still available as funds are repaid back into the program. In 2008, the terms of the Large Vessel Loan were:

Terms:

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

In 2008, NSEDC made three Large Vessel Loans in the sum of \$155,210.83 to local commercial fishermen of Nome and Shaktoolik.

2008 Revolving Loans

Community	Loan Amount
Elim	\$3,870.00
Golovin	\$28,949.00
Nome	\$59,562.02
Savoonga	\$15,106.00
Shaktoolik	\$76,381.38
Teller	\$4,820.00
Unalakleet	\$79,335.84
Total	\$268,024.24

2008 Large Vessel Loans

Community	Loan Amount
Nome	\$57,426.88
Shaktoolik	\$97,783.95
Total	\$155,210.83

GRAND TOTAL \$423,235.07

Savoonga Boat Ramp Installation

The Savoonga boat ramp was installed by Unalakleet based West Coast Construction in the fall of 2008 and was immediately put to use. The local residents notified NSEDC that the ramp required adjustments and lengthening. NSEDC budgeted to extend the ramp to make the boat ramp more effective for the local fleet.

Substance Abuse Prevention Program

The Little Dribblers Program was administered in each of the fifteen member communities and Shishmaref for the third consecutive year. As part of NSEDC's Substance Abuse Prevention Program, NSEDC donates \$3,000 to the elementary school basketball programs. Basketball is a favorite activity in the Norton Sound, not only promoting physical fitness, but also providing a healthy



Elementary basketball programs in NSEDC's fifteen member communities and Shishmaref received \$3,000 in funding through NSEDC's Little Dribbler Program.

alternative to drugs, alcohol and delinquency. "Little Dribblers" is a favorite amongst youth, adults and elders alike.

Small Business Initiative

NSEDC Awards \$105,000 in Small Business Grants

NSEDC was excited to announce the inaugural NSEDC Small Business Initiative (SBI) competition in 2008. The SBI is an annual event to foster economic development by awarding regional entrepreneurs grants of up to \$35,000 to establish or expand small businesses.

The Small Business Initiative is aimed at identifying and funding business ideas that stimulate and facilitate local economic development. In 2008, NSEDC sought ideas that demonstrated economic sustainability for both existing small businesses and the formation of new businesses.

The competition is judged by five independent judges selected from throughout the region. The judges awarded a total of \$105,000 in grants to four entrepreneurs. Those grantees include:

- **Aksik Clip-on Radiator Fins** owned by Edmond Apassingok of Gambell – \$35,000
- **Animal House** owned by Sandra Morgan of Nome – \$32,000
- **NJ Construction** owned by Nathan Nagaruk of Nome – \$23,500
- **Kuupiaq House** owned by Karen and Karl Erickson of Unalakleet – \$14,500

The 2009 NSEDC Small Business Initiative application process closes on July 15, 2009 and awards will be made in early October.

2008 Energy Subsidy

NSEDC Board Approves \$500 Energy Subsidy

In response to the dramatic increase in energy costs in 2008, the Board of Directors approved a one-time subsidy to assist residents of its member communities in meeting those increased costs. The idea was introduced at the 2008 2nd quarter Board of Directors meetings and the Board



As part of our Substance Abuse Prevention Program, NSEDC donated \$3,000 for the third year to elementary school basketball programs.

subsequently held a workshop to discuss several options and develop the scope of the program.

The Board approved a one-time subsidy paid directly to residential electric utility accounts during the winter of 2008-2009. Recognizing that an energy subsidy program would assist residents in all member communities while meeting an important need, the Board allocated funds previously intended for the 2009 Outside Entity Funding Program to finance the 2008 Energy Subsidy Program.

Through a valiant outreach effort by NSEDC staff along with two local hires from Nome and Diomed, the majority of the eligible

households had signed up to participate. At the end of November, each household that applied was credited \$500. In total, 2,368 households signed up and \$1,184,000 was applied directly to electric utility accounts. The thorough and timely implementation of this program was made possible by the cooperation from the Kamiak, Inc. utility providers and staff in each community.

The Board of Directors is confident that this program helped ease the immediate burden of rising energy costs affecting the region, but acknowledged that this is a one-time subsidy and a short-term solution and directed staff to examine long-term solutions.



In 2008 the NSEDC Board approved a one-time \$500 energy subsidy to all qualifying Norton Sound households. In total \$1,184,000 was paid to 2,368 electric utility accounts.

2008 CDQ Fisheries

NSEDC experienced another successful year in CDQ harvests and associated royalty income. Total CDQ revenue for 2008 was about \$11.2 million. This figure is down from the previous year as anticipated with the lower pollock quotas, but overall our markets and operations are healthy and things look bright for the future. We again would like to acknowledge our strong partnerships with Glacier Fish Company (GFC), U.S. Seafoods (USS), and Kanaga Island Fisheries who have helped to make our operations successful. We also continue to benefit from great working relationships with other CDQ groups.

Pollock

Pollock was once again our most valuable CDQ fishery. CDQ pollock harvest accounted for about 65 percent of our CDQ revenue. Glacier Fish Company pollock catcher processors, the *F/V Pacific Glacier*, the *F/V Northern Glacier*, and the *F/V Alaska Ocean* combined to harvest 22,000 metric tons of CDQ pollock. Our A season pollock (also known as “roe season”) was harvested in the first quarter, while the B season pollock was taken in the third quarter.

Pacific Cod

The CDQ Pacific cod harvest accounted for almost 11 percent of CDQ royalties. NSEDC harvested a little over 3,000 metric tons of CDQ cod in fishing operations in the Bering Sea, primarily using GFC's two longline catcher-processor vessels, the *F/V Norton Sound* and *F/V Glacier Bay*.

Atka Mackerel/Pacific Ocean Perch

The CDQ harvest in bottom-trawl fisheries for Atka mackerel/POP, yellowfin sole and rock sole accounted for about 2 percent of all CDQ royalties. On behalf of NSEDC, U.S. Seafoods harvested 93 percent of available CDQ Atka mackerel and 78 percent of the Pacific Ocean Perch.

Yellowfin Sole and Rock Sole

U.S. Seafoods harvested approximately 20

percent of both NSEDC's allocations of Yellowfin sole and rock sole. Changes in the management of these benthic fisheries as well as the increased harvest limits affected the value of CDQ allocations to harvesting partners.

Sablefish

NSEDC harvested CDQ sablefish in the Bering Sea and Aleutian Islands working with two other CDQ groups – Bristol Bay Economic Development Corporation and Yukon Delta Fisheries Development Association. Royalties from sablefish accounted for about 1 percent of CDQ revenue in 2008.

Halibut

Local NSEDC fishermen had a fantastic halibut season in 2008, harvesting all of NSEDC's quota and more in what was the best season we've experienced. A total of 188,174 pounds of CDQ halibut was harvested by local fishermen, with 23,976 pounds landed in Savoonga and 164,198 pounds landed in Nome. NSEDC received generous transfers of halibut from BBEDC and CVRF to keep our fishermen fishing later in the season – special thanks those groups for their help!

Norton Sound Red King Crab

The entire allocation of 30,900 pounds of Norton Sound Red King Crab CDQ was harvested by local fishermen in 2008. NSEDC receives 50 percent of the CDQ allocation

for Norton Sound and acquired the remaining 50 percent of the allocation from YDFDA for local fishermen.

Bristol Bay Red King Crab

Bristol Bay Red King Crab CDQ fishing accounted for a little over 11 percent of CDQ revenue in 2009. The *F/V North Sea* and other participants in the Sea Boat Coop harvested the red king crab on behalf of NSEDC.

Bering Sea Opilio Crab

The *F/V Aleutian No. 1* and the *C/P Baranof* harvested NSEDC's opilio crab CDQ (a little over 1.1 million pounds) in 2008. Opilio revenues accounted for a little over 9 percent of total CDQ royalties in 2008.

Eastern Aleutian Islands Golden King Crab

NSEDC harvested its CDQ allocation of 66,150 pounds in 2008 using its catcher vessel, the *F/V Aleutian No. 1*. The CDQ fishery was again conducted in combination with the IFQ fishery. The Golden King Crab fishery is prosecuted using longline pot gear.

Bering Sea Bairdi Crab

NSEDC harvested approximately half of its bairdi allocation in 2008. A large biomass of almost legal-sized crab was present during the fishery which bodes well for future years but made it tough for crabbers to land their quotas without sorting through a lot of sublegal crab.



In 2008 the *R/V Pandalaus*, armed with a new camera sled, aided ADF&G and NSFR&D with the triennial Norton Sound red king crab survey. Photo transects may provide important information on the status and habitat of the opilio crab in northern Bering Sea. (see article on page 4)

Education, Employment & Training

Education

In the 2008 first quarter, the NSEDC Scholarship Committee, on behalf of the NSEDC Board of Directors, awarded eighty-eight Norton Sound residents a \$2,000 post-secondary scholarships for the spring 2008 semester totaling \$166,901. Sixteen students received the NSEDC vocational education scholarship for a total of \$32,000.

Twenty-four Norton Sound students received a NSEDC scholarship in the second quarter for a total of \$36,859.

In the third quarter, one hundred thirty-five Norton Sound students were awarded a NSEDC scholarship with a total expenditure of \$261,501.

In the fourth quarter, nine scholarships were awarded to Norton Sound residents pursuing their post-secondary education for a total of \$16,000.

The NSEDC Scholarship Committee awarded scholarships to Norton Sound residents totaling \$198,901 in the first quarter; \$36,859 in the second quarter; \$261,501 in the third quarter; and \$16,000 in the fourth quarter for a total of \$513,261 in 2008. Thanks to the NSEDC Board of Directors for providing an all time high number of scholarship awards to our



In 2008 the F/V Aleutian No. 1 harvested 1.2 million pounds of golden king crab, making it one of the top earners in the entire crab fleet. Two Norton Sound residents worked on board the F/V Aleutian No. 1 in 2008.

students looking to enhance their employable skills.

Employment

In the 2008 first quarter, eleven Norton Sound residents worked on the *F/T Pacific Glacier* bringing home \$150,931.64 in crew share wages, ten worked on the *F/T Northern Glacier* bringing home \$68,731.04 in crew share wages, two worked on the *F/V Glacier Bay* bringing home \$60,334.09 in crew share wages, and one resident worked on the *F/V Norton Sound* bringing home \$5,906.02 for a total of \$285,902.79 for the quarter. One processor worked on the *F/V Aleutian No. 1* and brought home \$21,424.47 in wages. David Hatton of Westward Seafood was recruiting for land-based employees for the company's fish plants.

Eight Norton Sound processors worked on the *F/T Pacific Glacier* in the second quarter bringing home \$27,833 in labor wages. Fourteen Norton Sound processors worked on the *F/T Northern Glacier* bringing home \$107,280.08 in crew share wages. Three processors worked on the *F/V Norton Sound* and brought home \$36,614.57 in wages. One processor worked on the *F/V Glacier Bay* with \$20,317.29 in crew share wages. The cumulative total of all Norton Sound processors' crew share wages for the second quarter of 2008 was \$192,044.94.

The *F/T Pacific Glacier* was up on dry dock in the third quarter. On the *F/T Northern Glacier*, fourteen Norton Sound processors brought home \$190,166.80 in crew share wages. Two Norton Sound seafood processors worked on the *F/T Alaska Ocean* bringing home \$20,927.50 in crew share wages. One processor worked on the *F/V Norton Sound* and brought home \$6631.03 in crew share wages. One processor worked on the *F/V Aleutian No. 1* bringing home \$5,344.27 in crew share wages.

During the fourth quarter of 2008, twenty-two Norton Sound seafood processors brought home \$202,150.52 in crew share wages from Glacier Fish Company. For 2008, the crew share wages paid to our seafood processors was \$897,823.88 bringing the cumulative total from 1992-2008 to \$12,432,676.03 from Glacier Fish Company and \$12,985,250.95 from all seafood processing companies.

2008 NSEDC Education & Training Statistics

	People	Expenditures
Scholarships		
Post-Secondary	225	\$425,824.00
Vocational	47	\$87,437.00
Total Scholarships	272	\$513,261.00
Fisheries Related Training	32	\$75,430.86
TOTAL	304	\$588,691.86

2008 Employment Statistics

	People	Wages
Management/Administration		
NSEDC	8	\$529,706.40
NSSP	9	\$383,851.31
Total Management/Administration	17	\$913,557.71
CDQ Pollock Related	37	\$797,644.63
NSSP Employment	188	\$763,560.00
Other NSEDC Employment	19	\$208,319.22
Other Fishing		
GFC - Longline	1	\$100,179.25
O/A Norton Sound Winter		
Red King Crab	7	\$36,899.00
O/A Norton Sound Red King Crab	26	\$1,146,143.25
NSEDC CDQ Red King Crab	8	\$49,435.75
YDFDA CDQ Red King Crab	7	\$49,435.75
Norton Sound Salmon	73	\$1,023,817.64
Norton Sound Herring	7	\$54,397.50
NSEDC CDQ Halibut	19	\$707,191.44
Total Other Fishing	148	\$3,167,499.58
NSEDC Community Outreach		
Liaisons	13	\$78,000.00
Interns		
NSEDC Administration	3	\$31,750.66
NSEDC Salmon Rehab.	10	\$146,222.08
Alaska Dept. of Fish & Game	7	\$8,862.05
Fisheries Development	73	\$331,400.93
Total Interns	93	\$518,235.72
GRAND TOTAL	515	\$6,446,816.86

Training

February 17-27, 2008 a Fisheries Safety Orientation Class (FSOC) was held at AVTEC in Seward. Six trainees successfully finished the program and received their certificates completing their documentation for employment with Glacier Fish Company: Orpha Oozevaseuk of Gambell, Mossadeque Reza and Charlie Pehle of Unalakleet, Warren Daniels of Elim, Maggie Lou Akaran of St. Michael, and Jerraine Raymond of Stebbins. The total cost of the class was \$28,563.24.

Fifteen Norton Sound residents were given the opportunity to participate in the FSOC on November 30-December 10, 2008 and six trainees completed the training session ready to work for a total cost of \$33,085.94: Clark Okpealuk and Misty Miller of Teller, Jeffrey Katchatag and Elizabeth Paniptchuk of Unalakleet, Wayne Foxie of Stebbins, and Patrick Soolook of Little Diomed. Jerry Ivanoff would like to commend Mr. Patrick Soolook of Little Diomed for successfully completing this training and is the first trainee from Little Diomed to do so since 1992; hopefully leading the way for more to follow.

Frank Doty and Bruce Johnson of Unalakleet completed refrigeration training at Refrigeration School, Inc. in Phoenix, Arizona, on April 22, 2008. They went on for their Ammonia Refrigeration Operator I training at Raleigh, North Carolina on May 19-22, 2008 with an expense of \$5,849.10.

Bruce Johnson and Frank Doty of Unalakleet successfully completed Ammonia Refrigeration Operator II training at Garden City, Kansas, with a cost of \$7,932.58. They will have to complete Operator III and IV training to complete their ammonia training, which requires them to acquire the schematics and information on the ammonia refrigeration system in Unalakleet.

With a cost of \$1,997, twelve residents from Stebbins and St. Michael completed a UAF Northwest Campus Introduction to Quick-Books Class: Arlene Kobuk, Laya Dan, Susie Johnson, Minnie Kobuk, Daisy Katcheak, Rosina Lockwood, Sonya Nashoanah, Branson Pete, Yvonne Pete, Jori Raymond, Gertrude Steve, and Ada Snowball.

REGIONALLY OPERATED VESSELS



F/V Norton Bay

Length: 39 feet

Products: Supports NSSP operations in the Norton Sound region.



F/V Golovin Bay

Length: 38 feet

Products: Supports NSSP operations in the Norton Sound region.



Besboro Barge

Length: 33 feet

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



F/V Egavik

Length: 61.5 feet

Products: Supports NSSP operations in the Norton Sound region.

BERING SEA OPERATED VESSELS



F/V Pacific Star

Length: 180 feet

Products: Variety of crab but is chartered several times a year for NOAA surveys.



F/V Aleutian No. 1

Length: 105.3 feet

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

LOPMENT CORPORATION VESSELS

GLACIER FISH COMPANY OPERATED VESSELS



F/T Pacific Glacier

Length: 276 feet

Crew Capacity: 106

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



F/T Northern Glacier

Length: 201 feet

Crew Capacity: 64

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



F/V Alaska Ocean

Length: 376 feet

Crew Capacity: 150

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



C/P Norton Sound

Length: 136 feet

Crew Capacity: 21

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



C/P Glacier Bay

Length: 154 feet

Crew Capacity: 24

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

NSEDC Education Foundation

NSEDC strengthens its support for education

In 1993, the NSEDC Board of Directors stated their goal of establishing an education foundation and began making annual contributions to an investment account. In 2003 the Board titled the account the NSEDC Education Endowment Fund and in 2008 directed staff to begin forming the Foundation.

NSEDC Corporate Resolution 08-08, adopted in August 2008, directed the formation of an Alaskan non-profit, tax-exempt corporation named the NSEDC Education Foundation. The sole member is Norton

Sound Economic Development Corporation and it has a substantially independent five member board of directors.

In November 2008, the Board further directed the filing of the Articles of Incorporation, adopted initial bylaws, elected five board members, made an initial contribution of \$250,000, and pledged a \$15 million contribution upon recognition of tax exempt status by the IRS. The Foundation board has two NSEDC affiliated seats and three non-affiliated seats and all five seats have staggered three year terms. The initial five board members are Wilfred Katcheak (Stebbins, NSEDC affiliated), Victor Joe (St.

Michael, NSEDC-affiliated), Laura Lawrence (Nome), Eric Morris (White Mountain), and Janice Dickens (Unalakleet).

The NSEDC Board will control the bylaws and appoint Foundation directors and the Foundation Board will hire a separate staff to administer the activities, eventually including the NSEDC scholarship and vocational training programs.

The purpose of the Foundation is to provide support for the advancement of education opportunities for residents of the Norton Sound, including the funding of scholarships and vocational training.

Siu Alaska Corporation

NSEDC forms Siu Alaska Corporation to protect non-profit Status

Upon its entrance into the CDQ Program, NSEDC was established as a 501(c)4 private non-profit corporation. As a result of this, the company does not pay state or federal taxes on income related to its non-profit status. This income includes that derived from Community Development Quota (quota granted to NSEDC), Individual Fishing Quota (quota that NSEDC has purchased including halibut, sablefish and crab) interests, stock market investments, and assets within and income generated in the Norton Sound region.

Through a completely self-initiated legal review, NSEDC determined that some of its assets are taxable and considered unrelated to its non-profit status: the ownership interest in Glacier Fish Company, Glacier Bay Fisheries, PS fisheries, and the *F/V Aleutian No 1*.

If a non-profit, like NSEDC, earns too much unrelated business income (in proportion to

non-taxable income) it risks losing its non-profit status and possibly making it liable for taxes on those assets that were previously considered related to their non-profit purpose. To avoid this situation NSEDC created the for-profit subsidiary, Siu Alaska Corporation (Siu) in 2008.

Siu is one-hundred percent owned by NSEDC. It will be endowed with the vessels and businesses that fall outside of NSEDC's tax-exempt purpose. Siu will also investigate

and pursue future for-profit investments. Their sole purpose is to earn profits and return dividends to NSEDC.

The Siu Board of Directors consists of three NSEDC-affiliated seats and four non-affiliated seats. The Siu Board held organizational meetings in the last part of 2008 to familiarize themselves with the assets that would be endowed to Siu and, working with NSEDC, start the process of transferring those assets.



Siu Alaska Corporation's (Siu) Board of Directors, from left to right Don Stiles, Harvey Sookiayak, Neal Foster, Isaiah Towarak, Dan Harrelson and John Baker. John Eckels was also on the Board at this time but wasn't available for the picture. In 2008 NSEDC formed Siu, a for-profit subsidiary one hundred percent owned by NSEDC, to protect NSEDC's non-profit status.

Norton Sound Economic Corporation

Schedule of General and Administrative Expenses

Year Ended December 31, 2008

BOARD EXPENSES:

Stipends/Honorariums	\$145,600
Transportation	137,200
Per Diem	275,251
Insurance	38,555

STAFF:

Salaries	272,134*
Benefits	99,457*
Payroll Taxes	25,127*

TRAVEL/PER DIEM:

Staff	162,736
Contract Personnel/Consultants	1,678

TRAINING:

Staff	12,773
Board Members	17,963
Audit/Accounting	66,874
Legal Fees	368,987

OTHER:

Meetings Space, Catering & Meal Expenses	52,172
Contract Services	181,874
Rent	283,033
Supplies and Equip. Purchases	63,670
Postage/Freight	16,205
Communications	35,042
Insurance	196,814
Dues and Subscriptions	2,887
Equipment R and M	1,234
Equipment/Storage Rentals	5,647
Advertising/Brokerage	12,622
Fees and Licenses	(3,054)
Miscellaneous	103,371
Donations and Contributions	17,369
Depreciation	316,164
Bad Debt Expense/Recoveries	145
Discretionary Grants	472,128

Total Administrative:

\$3,381,658

** The amounts shown on this statement only reflect the salaries, benefits and payroll taxes of NSEDC's administration. The totals for all of NSEDC's salaries, benefits and payroll taxes are \$2,350,817, \$617,847, and \$219,250 respectively.*

Norton Sound Economic Corporation

Consolidated Statements of Financial Position
December 31, 2008 and 2007

Assets	2008	2007
Current assets:		
Cash and cash equivalents	\$ 11,445,023	4,254,388
Designated cash and cash equivalents	3,257,582	2,677,839
Investments in marketable securities, short term	26,350,617	40,151,080
Accounts receivable	3,670,845	1,092,371
Interest receivable	233,522	181,970
Inventory	695,628	486,033
Prepaid expenses and other assets	37,733	8,600
Short-term notes receivable	4,305,635	2,001,165
Total current assets	49,996,585	50,853,446
Notes receivable, net of allowance of \$526,511 and \$489,872, in 2008 and 2007	1,653,883	1,514,443
Investments:		
Investment in marketable securities	15,506,092	21,524,103
Designated investments in marketable securities	4,595,312	7,753,270
Investment in Glacier Fish Company, LLC	29,614,006	18,904,214
Investment in Pacific Star Fish, LLC	814,557	288,613
Investment in Ocean Olympic, LLC	66,044	744,261
Investment in Glacier Bay Fisheries, LLC	1,085,154	1,539,675
Goodwill in Glacier Bay Fisheries, LLC	440,854	440,854
Goodwill in Pacific Star Fish, LLC	617,251	-
Investment in quota share units	9,966,883	8,110,088
Total investments	62,706,153	59,305,078
Property, plant, and equipment, net of accumulated depreciation of \$4,220,196 in 2008 and \$3,632,046 in 2007	8,656,806	5,432,396
Prepaid leases, net of accumulated amortization of \$202,781 in 2008 and \$167,926 in 2007	902,319	937,174
Life insurance surrender value	326,891	267,497
Other notes receivable	2,417,137	-
Total assets	\$ 126,659,774	118,310,034
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	2,201,762	4,162,426
Income tax payable		
2008	823,323	-
2007	43,369	400,645
2005 - 2006	-	3,556,017
Total liabilities	3,068,454	8,119,088
Net assets:		
Unrestricted:		
Undesignated	115,738,426	99,759,837
Designated	7,852,894	10,431,109
Total net assets	123,591,320	110,190,946
Total liabilities and net assets	\$ 126,659,774	118,310,034

See accompanying notes to consolidated financial statements.

Norton Sound Economic Corporation

Consolidated Statements of Activities Years Ended December 31, 2008 and 2007

	2008	2007
Changes in unrestricted net assets		
Revenues and support:		
Harvesting revenue	\$ 12,312,560	14,484,728
Crab revenue	6,079,850	1,310,774
Fishing and fish processing	4,372,207	3,291,955
Investment income, net	(16,361,188)	3,554,659
Grant revenues	864,750	465,382
Other income	445,822	259,127
Revolving loan income	14,797	9,335
Total unrestricted revenues, gains and other support	<u>7,728,798</u>	<u>23,375,960</u>
Expenses and losses:		
Program services:		
CDQ harvest management	304,740	449,716
CDQ crab marketing	3,180	8,160
Fisheries development	804,513	540,918
Salmon rehabilitation and enhancement	626,867	889,231
Training and scholarships	873,560	850,201
Revolving loan program	60,175	39,191
Shoreside improvements	318,245	1,189,329
Community benefits	1,670,240	1,731,682
Bulk fuel	1,271,038	77,922
Norton Sound Marketplace	62,860	-
Community outreach	460,802	454,597
Tender vessel management	633,903	367,120
NSIC	307,758	1,022,018
CDQ fees	-	52,810
Total program services	<u>7,397,881</u>	<u>7,672,895</u>
Fishing and fish processing	6,539,644	5,076,916
Administrative expenses	3,381,658	3,041,752
Aleutian #1 expenses	4,060,696	1,391,590
Total expenses	<u>21,379,879</u>	<u>17,183,153</u>
Equity in earnings of limited liability company	5,141,284	6,274,597
Gain on sale of Glacier Fish Company, LLC	9,082,729	-
Gain on redistribution of capital in Glacier Fish Company, LLC	16,710,220	-
Loss on disposal of fixed assets	-	(4,307)
Increase in unrestricted net assets from operations, before taxes	<u>17,283,152</u>	<u>12,463,097</u>
Income tax (expense) benefit:		
Tax expense	(3,882,778)	(2,950,365)
Prior years tax expense and penalties	-	(7,182,829)
Total income tax expense	<u>(3,882,778)</u>	<u>(10,133,194)</u>
Increase in unrestricted net assets	13,400,374	2,329,903
Net assets, beginning of year, as restated	<u>110,190,946</u>	<u>107,861,043</u>
Net assets, end of year (restated)	<u>123,591,320</u>	<u>110,190,946</u>

See accompanying notes to consolidated financial statements

Norton Sound Economic Corporation

Notes to Consolidated Financial Statements • December 31, 2008

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 2008 and 2007 Pollock allocation was 22,000 and 30,668 metric tons, respectively. The CDQ allocation program is on a calendar year basis and allocations awarded cannot be taken in subsequent years if the previous year's allocations were not fully utilized.

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

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

In 2007, the Company acquired three limited liability companies (LLCs), GB Fisheries, LLC, Ocean Olympic, LLC, and PS Fisheries, LLC. The LLCs were acquired through the dissolution of Norton Sound Ventures, LLC and through purchase agreements. Norton Sound Economic Development Corporation has a 59.52% interest and a 50% voting interest in Ocean Olympic, LLC, a 31.97% interest and a 50% voting interest in PS Fisheries, LLC, GB Fisheries, LLC is a wholly owned subsidiary.

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

Accounting Estimates and Assumptions

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

Principles of Consolidation

In 2007, the consolidated financial statements include the accounts of the Company and its wholly owned subsidiary GB Fisheries, LLC. In 2008, the consolidated financial statements include GB Fisheries LLC, PS Fisheries, LLC and Siu Alaska Corporation a wholly owned subsidiary formed in 2008. All significant intercompany transactions and accounts have been eliminated in the consolidation.

Basis of Presentation

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

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

Cash and Cash Equivalents

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

Norton Sound Economic Corporation

Notes to Consolidated Financial Statements, Continued

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 Corporations for bulk fuel purchases.

Investments in Limited Liability Companies

The equity method of accounting is used to account for the Company's investment in the Glacier Fish Company, LLC, Ocean Olympic, LLC and PS Fisheries, LLC (2007 only), whereby the Company records its proportionate share of the LLC's net income or loss.

In December 2003, the Financial Accounting Standards Board issued FIN 46R, Consolidation of Variable Interest Entities, that provides guidance in determining when variable interest entities should be consolidated in the financial statements of the primary beneficiary. The provisions of this interpretation were effective for fiscal years beginning after December 15, 2004. An evaluation of Norton Sound Economic Development Corporation's investments in variable interest entities indicated that consolidation is not required under the FIN 46R.

Investment in Individual Fishing Quota

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

Furniture and Equipment

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

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

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

Community Development Quota

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

Income Taxes

The Company is exempt from the federal and state income taxes under provisions of Section 501(c) (4) of the Internal Revenue Code, except for taxes on unrelated business income. In evaluation of unrelated business income, the Company has adopted the provisions of FIN48, Accounting for Uncertainty in Income Taxes, which is an interpretation of FASB 109.

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.

Norton Sound Economic Corporation

Notes to Consolidated Financial Statements, Continued

Designated Cash and Investments

The Company's Board of Directors has designated \$3,257,582 and \$2,677,839 in cash and cash equivalents and \$4,595,312 and \$7,753,270 of long-term investments at December 31, 2008 and 2007, 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.

NOTES RECEIVABLE

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

Loans to individuals	\$ 2,180,394
Less allowance	(526,511)
	<u>\$ 1,653,883</u>

Notes receivable consist of the following at December 31, 2007:

Loans to individuals	\$ 2,004,315
Less allowance	(489,872)
	<u>\$ 1,514,443</u>

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

Balance December 31, 2007	\$ 2,001,165
Balance December 31, 2008	\$ 4,305,635

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

Loans to individuals have scheduled repayments over one to seven years at 6% to 10%. The Company waived interest on loans to individuals from 1993 through 2008 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 \$526,512 and \$489,871 and the expense recognized for doubtful accounts was \$36,640 and \$11,320 at December 31, 2008 and 2007, respectively.

PROPERTY, PLANT, AND EQUIPMENT

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

	2008	2007
Furniture and equipment	\$1,065,761	895,825
Plant improvements	8,203,417	5,456,098
Tender vessels	3,484,984	2,589,679
Construction in progress	55,835	55,835
Land	67,005	67,005
Accumulated depreciation	(4,220,196)	(3,632,046)
Net property, plant, and equipment	<u>\$8,656,806</u>	<u>5,432,396</u>

Depreciation expenses for 2008 and 2007 was \$588,150 and \$400,589, 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

Norton Sound Economic Corporation

Notes to Consolidated Financial Statements, Continued

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, 2008 and 2007 was \$34,856 for each year.

EMPLOYEE RETIREMENT PLAN

The Company had 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 \$91,546 in 2008 for its contributions and \$89,712 in 2007.

OPERATING LEASES

The Company leases Anchorage office space, the Unalakleet plant and office, and space in White Mountain under lease agreements. Rent expense was \$319,414 and \$327,716 for the years ended December 31, 2008 and 2007, respectively. The Company is expected to pay \$244,146 in future minimum lease payments.

UNRELATED BUSINESS INCOME

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

At December 31, 2008 the Company recorded income tax payable of \$823,323 and \$3,956,662 in 2007 associated with its 2005 return, paid \$3,626,811 for its 2006 return during 2007, and recorded income tax payable at \$330,000 for a refund that was received of this amount, \$43,369 was paid in 2009. The federal income tax liability for 2008 is \$2,979,199 of which \$2,445,024 was prepaid and the income tax liability for the State of Alaska is \$903,579 of which \$733,152 was prepaid. The underpayment of \$704,602 has been accrued as income tax payable. Penalties and interest of \$118,721 for 2008 and \$70,645 for 2007 were accrued as income tax payable.

The amounts accrued and those paid for 2005 and 2006 were classified as a change in estimate and presented separately from the current year income tax expense on the Statement of Activities for the year ended December 31, 2007.

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. The Company hires the majority of its seasonal labor from the Norton Sound region. As a result of the geographic and natural resource concentration, the Company's growth and activities depend upon the viability of the North Pacific fisheries of pollock, halibut, crab, and other species, the continued allocation of harvesting quotas by the federal government, and the ability to obtain skilled labor from the region. Any deterioration or improvements in these fisheries, quota allocations, or the labor pool could have a significant effect on the Company.

DISPUTES AND CLAIMS

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

PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2008, an error was discovered in which revenue from the Federal Public Works and Economic Development Facilities Grant was not recognized in 2007. The effects of the error resulted in an understatement of accounts receivable, net assets and revenues by \$465,382. The 2007 amounts have been restated to reflect this adjustment.

NSEDC 2008 Financial Disclosure Information

Description of compensation policy for directors:

Per diem and honorariums shall be paid to directors for each day they attend meetings of the Board, any committee of the Board, or any meeting attended at the request of NSEDC, the president or CEO, or the Board of Directors (i.e. meetings with partners, meetings with the State or meetings regarding the CDQ Program). Per diem and honorariums may be paid in advance of meetings held outside a member community, and any director who does not attend such meeting shall reimburse the Corporation in such amount. The rate of per diem shall be \$350 per day for board members and board members alone. Honorarium shall be paid at the rate of \$250 per meeting. An additional \$50 will be paid to the chairman of the Board for each Board meeting. If weather, flight schedules, or other acts out of the control of a director cause a director to arrive prior to the start of a meeting or cause a delay in departing after a meeting, that director shall be paid additional per diem for each additional day the director is caused to be at the meeting location.

Total amount paid to directors:

Compensation for 15 directors in 2008 was \$422,144.

Employee Compensation:

Top 5 highest paid personnel in 2008

In 2008, Eugene Asicksik received \$175,000 in compensation for his position as Chief Executive Officer. Vice-President and Community Benefits Director Janis Ivanoff earned \$140,675.82; Asset Manager Dick Tremaine earned \$111,203.17; Community Development Quota Manager Simon Kinneen earned \$108,727.17; and Education, Employment and Training Coordinator Jerry Ivanoff earned \$99,343.33.

Related Party Transactions:

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

Name of Director	Name of the family members, if applicable	Position held by the director or family member, if applicable	Nature of the amount of the transaction
Peterson, Dean	Peterson, Ruth (wife)	Loan recipient	Large Vessel Loan
Saccheus, Charles Sr.	Saccheus, Charles Jr. (son)	Loan recipient	Large Vessel Loan
Sookiayak, Harvey	Sookiayak, Lars (son)	Loan recipient	Large Vessel Loan

Legal proceedings involving directors:

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

• None

Professional fees:

List of totals

Legal	\$396,613
Consulting	\$128,323.24
Accounting	\$66,874
Lobbying.....	\$18,333

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 2008 and 2007.
- NSEDC was unable to resolve disagreements with KPMG LLP relating to income that NSEDC treated as taxable income on its 2006 and 2007 federal and state tax returns.

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 \$10,178 or ~16% of total fees paid to Altman, Rogers & Co.

Committees

Membership of any committees of the CDQ Entity that provide:

Audit Functions:

- None

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 2008 were Dan Harrelson, Chairman; Dean Peterson, Vice-Chairman; Harvey Sookiayak, Sergeant-at-arms; Don Stiles and Joe Garnie.

The Executive Committee is composed of the three (3) officers of the Board and two additional directors. The Executive Committee is responsible for planning the work of the full Board, setting meeting schedules and agendas, insuring accountability of operations of the Corporation, setting guidelines between regular meetings, clarifying policy, and referring work or issues to other committees. The Executive Committee may exercise all of the authority of the full Board in the management of the Corporation, except where action of the Board of Directors is otherwise specified by statute, regulation, the bylaws, or the articles of incorporation.

The committee held meetings on January 7, April 14, July 28, and November 3, 2008.

- Compensation Committee

The Compensation Committee members for 2008 were Dan Harrelson, Henry Ivanoff and Jack Carpenter.

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 held a meeting on April 16, 2008.

2008 NSEDC Board of Directors



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



Mary Menadelook
P.O. Box 7043
Diomedes, AK 99762
2008–2011 Term



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



Ramona Tunjiyan
P.O. Box 162
Gambell, AK 99742
(term ended 2008)



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



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



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



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



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



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



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



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



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



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



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



2008 NSEDC Staff & Liaisons

Administration

Dan Harrelson
President

Robert Walsh
Chief Executive Officer

Janis Ivanoff
*Vice President & Community
Benefits Director*

Simon Kinneen
CDQ Manager

Tasha Huffman
Controller

Dick Tremaine
Asset Manager

Camille Cruz
Human Resources Director

Virginia Nashalook
Senior Accountant

Chelsea Ryan
Accountant

Hazel Sagoonick
Accountant

Heather Karmun
Accountant

Pearl Dotomain
Administrative Assistant

Community Benefits

Paul Ivanoff, III
*Community Development
Coordinator*

Katie Peterson
*Community Projects/
Development Coordinator*

Kathy Wheelehan
*Community Outreach
Coordinator*

Education, Employment and Training

Jerry Ivanoff
Secretary & EET Coordinator

Carol Charles
Administrative Assistant

Norton Sound Fisheries Research & Development

Charlie Lean
NSFR&D Director

Wes Jones
Fisheries Biologist

Norton Sound Seafood Products

Josh Osborne
Northern NSSP Manager

William Johnson
Southern NSSP Manager

Richard Ferry
Facilities Engineer

Crystal Taxac
Office Manager

NSEDC Community Outreach Liaisons

Johnee Seetot • *Brevig Mission*

Frances Ozenna • *Diomedede*

Emily Murray • *Elim*

Shirley Antogham • *Gambell*

Sherri Lewis • *Golovin*

Ruby Nassuk • *Koyuk*

Shirley Martin • *St. Michael*

Charlotte Kava • *Savoonga*

Reuben Paniptchuk • *Shaktoolik*

Atha Foxie • *Stebbins*

Sarah Okbaok • *Teller*

Joanne Keyes • *Wales*

Davis Lincoln • *White Mountain*



Delta Western was the Consolidated Bulk Fuel vendor for 2008. They are shown here making a delivery to White Mountain. Twenty-one participants from fourteen communities received 929,802 gallons of Diesel #1 Heating Fuel and 287,926 gallons of Unleaded Gasoline. (see article on page 8)

NSEDC 2008 COMMUNITY HIGHLIGHTS

Brevig Mission

- Reggie Barr served as Board Member
- Johnee Seetot served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the Brevig Mission School for their Little Dribblers Program
- 92 households received a \$500 Energy Subsidy credit to electric utility accounts
- GFC employed 1 resident on board the *F/V Northern Glacier* & *F/V Glacier Bay*
- City of Brevig Mission and Brevig Mission Native Corporation were participants in the Consolidated Bulk Fuel Program
- NSEDC hosted a Fishermen's Fair to thank local commercial and subsistence fishermen for their support of local fisheries

Diomede

- Mary Menadelook served as Board Member
- Frances Ozenna served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the Diomede School for their Little Dribblers Program
- 45 households received a \$500 Energy Subsidy credit to electric utility accounts
- 1 resident was certified in Fisheries Safety Orientation Training under the EET Program

Elim

- Charles Saccheus, Sr. served as Board Member
- Emily Murray served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the Elim School for their Little Dribblers Program
- 84 households received a \$500 Energy Subsidy credit to electric utility accounts
- NSEDC awarded academic scholarships to 1 resident
- 1 resident was certified in Fisheries Safety Orientation Training under the EET Program

- GFC employed 1 resident on board the *F/V Norton Sound*
- 2 residents completed internships with NSEDC and ADF&G sponsored by NSEDC
- City of Elim was a participant in the Consolidated Bulk Fuel Program

Gambell

- Ramona Tungiyen served as Board Member
- Shirley Antoghome served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the Gambell School for their Little Dribblers Program
- 139 households received a \$500 Energy Subsidy credit to electric utility accounts
- NSEDC awarded academic scholarships to 4 residents
- 1 resident was certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 1 resident on board the *F/V Northern Glacier*
- 18 residents completed internships sponsored by NSEDC
- City of Gambell was a participant in the Consolidated Bulk Fuel Program
- NSFR&D Clean Waters Program collected and disposed of 66,540 pounds of debris

Golovin

- Dean Peterson served as Board Member
- Sherri Lewis served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative
- NSEDC contributed \$3,000 to the Golovin School for their Little Dribblers Program
- 51 households received a \$500 Energy Subsidy credit to electric utility accounts
- NSEDC awarded academic scholarships to 6 residents
- 13 residents completed internships sponsored by NSEDC
- City of Golovin was a participant in the Consolidated Bulk Fuel Program
- NSFR&D Clean Waters Program collected and disposed of 22,031 pounds of debris

Koyuk

- Elvina Naranjo served as Board Member
- Ruby Nassuk served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative.
- NSEDC contributed \$3,000 to the Koyuk School for their Little Dribblers Program
- 89 households received a \$500 Energy Subsidy credit to electric utility accounts
- NSEDC awarded academic scholarships to 3 residents
- GFC employed 1 resident on board the *F/V Pacific Glacier*
- 2 residents completed internships with ADF&G sponsored by NSEDC
- City of Koyuk and Koyuk Native Corporation were participants in the Consolidated Bulk Fuel Program

Nome

- Don Stiles served as Board Member
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative.
- NSEDC contributed \$3,000 to the Nome Elementary School for their Little Dribblers Program
- 1,038 households received a \$500 Energy Subsidy credit to electric utility accounts
- NSEDC awarded academic scholarships to 99 residents
- GFC employed 1 resident on board the *F/V Pacific Glacier*
- GFC employed 1 resident on board the *F/V Norton Sound*
- 13 residents completed internships with NSEDC and ADF&G sponsored by NSEDC

Savoonga

- Truman Kava served as Board Member
- Charlotte Kava served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative.
- NSEDC contributed \$3,000 to the Savoonga School for their Little Dribblers Program

- 161 households received a \$500 Energy Subsidy credit to electric utility accounts
- NSEDC awarded academic scholarships to 6 residents
- 28 residents completed internships sponsored by NSEDC
- City of Savoonga was a participant in the Consolidated Bulk Fuel Program
- NSFR&D Clean Waters Program collected and disposed of 34,627 pounds of debris

Shaktoolik

- Harvey Sookiayak, Sr. served as Board Member
- Reuben Paniptchuk served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative.
- NSEDC contributed \$3,000 to the Shaktoolik School for their Little Dribblers Program
- 59 households received a \$500 Energy Subsidy credit to electric utility accounts
- NSEDC awarded academic scholarships to 6 residents
- 5 residents completed internships sponsored by NSEDC
- City of Shaktoolik and Shaktoolik Native Corporation were participants in the Consolidated Bulk Fuel Program

St. Michael

- Victor Joe served as Board Member
- Shirley Martin served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative.
- NSEDC contributed \$3,000 to the St. Michael School for their Little Dribblers Program
- 99 households received a \$500 Energy Subsidy credit to electric utility accounts
- NSEDC awarded academic scholarships to 2 residents
- 1 resident was certified in Fisheries Safety Orientation Training under the EET Program
- 5 residents completed Intro to QuickBooks training under the EET Program
- City of St. Michael was a participant in the Consolidated Bulk Fuel Program

Stebbins

- Wilfred Katcheak served as Board Member
- Atha Foxie served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share

- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative.
- NSEDC contributed \$3,000 to the Stebbins School for their Little Dribblers Program
- 111 households received a \$500 Energy Subsidy credit to electric utility accounts
- NSEDC awarded academic scholarships to 8 residents
- 2 residents were certified in Fisheries Safety Orientation Training under the EET Program
- 7 residents completed Intro to QuickBooks training under the EET Program
- GFC employed 3 residents on board the *F/V Northern Glacier*
- GFC employed 2 residents on board the *F/V Pacific Glacier*
- City of Stebbins was a participant in the Consolidated Bulk Fuel Program

Teller

- Joe Garnie served as Board Member
- Sarah Okbaok served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative.
- NSEDC contributed \$3,000 to the Teller School for their Little Dribblers Program
- 73 households received a \$500 Energy Subsidy credit to electric utility accounts
- NSEDC awarded academic scholarships to 3 residents
- 2 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 1 resident on board the *C/P Alaska Ocean* and *F/V Northern Glacier*
- 1 resident completed an internship sponsored by NSEDC
- Teller Native Corporation was a participant in the Consolidated Bulk Fuel Program
- NSEDC hosted a Fishermen's Fair to thank local commercial and subsistence fishermen for their support of local fisheries

Unalakleet

- Frank Katchatag served as Board Member
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative.
- NSEDC contributed \$3,000 to the Unalakleet School for their Little Dribblers Program
- 218 households received a \$500 Energy Subsidy credit to electric utility accounts

- NSEDC awarded academic scholarships to 52 residents
- 4 residents were certified in Fisheries Safety Orientation Training under the EET Program
- 2 residents attended the Garden City Ammonia Program's ammonia refrigeration training
- GFC employed 6 residents on board the *F/V Northern Glacier* and 1 resident on board the *F/V Pacific Glacier*
- GFC employed 2 residents on board the *C/P Alaska Ocean*
- 7 residents completed internships sponsored by NSEDC
- Unalakleet Native Corporation was a participant in the Consolidated Bulk Fuel Program

Wales

- Frank Oxereok, Jr. served as Board Member
- Joanne Keyes served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative.
- NSEDC contributed \$3,000 to the Wales School for their Little Dribblers Program
- 47 households received a \$500 Energy Subsidy credit to electric utility accounts
- NSEDC awarded academic scholarships to 3 residents
- 1 resident completed an internship sponsored by NSEDC
- NSEDC hosted a Fishermen's Fair to thank local commercial and subsistence fishermen for their support of local fisheries
- City of Wales and Native Village of Wales were participants in the Consolidated Bulk Fuel Program

White Mountain

- Dan Harrelson served as Board Member
- Davis Lincoln served as Community Outreach Liaison
- Received \$100,000 Community Benefit Share
- \$5,000 was contributed to substance, alcohol or suicide prevention activities at the discretion of the local NSEDC representative.
- NSEDC contributed \$3,000 to the White Mountain School for their Little Dribblers Program
- 61 households received a \$500 Energy Subsidy credit to electric utility accounts
- NSEDC awarded academic scholarships to 10 residents
- 1 resident completed an internship sponsored by NSEDC
- City of White Mountain was a participant in the Consolidated Bulk Fuel Program

Norton Sound Economic Development Corporation

420 L Street, Suite 310

Anchorage, AK 99501

Phone: (907) 274-2248 or (800) 650-2248

Fax: (907) 274-2249

Website: www.nsedc.com

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Norton Sound Economic Development Corporation Nome Office

P.O. Box 358

Nome, AK 99762

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

Fax: (907) 443-2478

Norton Sound Economic Development Corporation Unalakleet Office

P.O. Box 193, Unalakleet, AK 99684

Phone: (907) 624-3190 or

(800) 385-3190 or

(907) 624-3193

Fax: (907) 624-3183

Northern Norton Sound Seafood Products

P. O. Box 906

Nome, AK 99762

Phone: (907) 443-2304

Fax: (907) 443-2457

Southern Norton Sound Seafood Products

P.O. Box 323

Unalakleet, AK 99684

Phone: (907) 624-3014

Fax: (907) 624-3808