2014 ANNUAL REPORT

OUR HERITAGE, OUR FUTURE

Goldbelt

Nine canoes, some having paddled over 100 miles, arrived at Sandy Beach in Douglas early on the afternoon of June 4 for the "Coming Ashore Ceremony" that kicked-off Celebration 2014. Goldbelt Heritage Foundation helped facilitate the arrival by providing food and other logistical support. The Foundation also arranged for a welcoming dance that was performed by more than 60 students from the Harborview Elementary School's Tlingit Culture, Language & Literacy program.

Goldbelt

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Cover: This drum is owned by shareholder Norman John Sarabia and was presented to him by Ross Sheakley at a Thunderbird potlatch. The design on the drum is the Woodworm clan crest.

All photos, unless otherwise indicated, by Tesla Cox.

Joe Kahklen

Chairman of the Board

Dear Shareholders:

2014 was a time of transition for Goldbelt, Incorporated. Even though the transition has just begun, we are already seeing many positive changes that are pointing Goldbelt in the right direction and will build on the success that the corporation experienced in 2014. While we were saddened to see Robert Loiselle leave us, we were excited to welcome aboard Richard G. Irwin as our new President and CEO. The board is confident that his strong background in government contracting will bring increased opportunity and financial success to the corporation.

Even though the transition has just begun, we are already seeing many positive changes that are pointing Goldbelt in the right direction and will build on the success that the corporation experienced in 2014. In addition to being another profitable year, enabling the Board to declare its ninth subsequent dividend, we also witnessed the passage of the Goldbelt Ancestral Trust. The full board supported establishing the Trust and we are confident this is a victory for our shareholders that will ensure benefits well into the future, despite any difficult financial trials the corporation may face.

In 2014 the board adopted a strategic plan that serves as a roadmap for management and the board. This plan will guide Goldbelt's journey. As the corporation approaches $200 million in revenue and the employment of approximately 1,000 employees, the mission of the strategic plan remains to engage the assets of the company in a manner that maximizes shareholder returns.

Key initiatives of the strategic plan include:

- Aggressively growing Goldbelt's government contracting businesses through the expansion of our corporate footprint into areas where we have little or no presence;
- Hiring key personnel that will strengthen our ability to increase the quality of services offered, bring about consistency to the execution of our business plans, and manage it all efficiently;
- Diversify Goldbelt's business investment model; and
- Develop a plan and implement a program that will enable Goldbelt to one day become a shareholder led company.

Though this is a multi-year strategic plan that will take time to develop and implement, the board is optimistic that the right management and components are in place to ensure positive results for the corporation. We are on the right path, and the Board will strive for continued success in 2015.

Finally, the board is ever mindful that you, our shareholders, elected us. It is an honor to serve you, and we remain committed to making a significant and positive difference in the lives of our shareholders. Gunalchéesh.

Joseph Kahklen

Joseph E Kahklen

Chairman of the Board

Richard G. Irwin

President and CEO

Dear Shareholders:

As 2014 came to a close, Mr. Robert Loiselle stepped down from his leadership role as Goldbelt's President and CEO and into retirement. I was honored to step into the position. Though I only had two weeks to spend with Mr. Loiselle during the changeover, I was impressed with his dedication and commitment to Goldbelt, its shareholders, and all that he had accomplished during his tenure. The transition was smooth and, thanks to Mr. Loiselle, I hit the ground running.

In 2012, Mr. Loiselle set the ambitious goal of generating $500 million in net revenue in five years. With only two years remaining, I will continue striving to reach that goal by 2017. I intend to do this by streamlining our organization, implementing new plans, policies, procedures, and by adding key personnel that will work together to strengthen Goldbelt and to support the Strategic Plan developed by Mr. Loiselle and the Board in September 2014. Our new company mantra is "One Team, One Mission." Our mission remains making a significant and positive difference in the lives of Goldbelt's shareholders.

In his final year of service, Mr. Loiselle was a key proponent in the establishment of the Goldbelt Ancestral Trust. With the majority of shareholders voting in support of this Resolution at the 2014 Annual Meeting of Shareholders, I am confident that the Trust, in time, will serve as a major source of shareholder dividends, scholarship funding, and burial cost assistance for its beneficiaries. I pledge to carry on Mr. Loiselle's commitment to the Trust and will work to develop successful businesses and investments that can contribute income and assets to the Trust.

In 2014, Goldbelt made an initial donation to the Ancestral Trust of $2.1 million, an amount that provided the Trust with its startup finances. The donation caused a slight decline in cash flow, but not enough to prevent the Board of Directors from distributing over $1 million, or $3.75 per share, to Goldbelt's 3,600 shareholders.

I am delighted to report that overall, 2014's revenue continued on an upward trend providing a solid footing for future success.

Government sequestration in 2014, and earlier changes to the Federal Acquisitions Regulations (FAR), imposed challenges to the federal contracting market, but Goldbelt continued to experience growth in this sector. Thanks in part to several major contract awards, Alaska Business Monthly magazine listed Goldbelt as number 23 of the top 49 businesses in the state. Some noteworthy accomplishments include Peregrine Technical Solutions securing a substantial contract with the Army National Guard's Recruitment Sustainment Program; Goldbelt Hawk being awarded a large contract focusing on providing intelligence, surveillance, and reconnaissance; and Goldbelt Wolf opening up an ammunition and manufacturing plant in the Midwest while continuing to grow their international market sales.

continued on next page

In 2014, under Mr. Loiselle's auspices, Goldbelt's Alaska Operations also demonstrated positive growth. The Mount Roberts Tramway experienced record ridership during their 2014 summer season and we are anticipating this trend to continue into the upcoming season. In addition, Goldbelt Security expanded their operations in Juneau, and opened up an office in Anchorage upon winning multiple contracts with the State of Alaska and Municipality of Anchorage.

During 2014, government contracting remained the highest revenue generator for the corporation. Goldbelt continued to diversify its business holdings and launched several new companies including Goldbelt Seafoods and wholly-owned 8(a) subsidiaries C-6 and Nisga'a Tek. We are excited about these new entities and remain on the lookout for other business opportunities and new start-up companies that will enable long-term profitable growth.

Increasing the number of shareholder employment opportunities and shareholder hires will remain a priority and a key component of Goldbelt's strategic plan. In order to better provide a foundation of employment opportunities for our shareholders and descendants, we will continue with Mr. Loiselle's vision to expand our operations in the Pacific Northwest and Hawaii, while recruiting shareholders to fill employment positions.

Thank you for allowing me the opportunity to serve you. I will continue to work for you, the Goldbelt shareholders, and will continue to build on the foundation laid down by my predecessors and the Board of Directors.

Gunalchéesh.

Richard G. Irwin

Richard G. Irwin
President & CEO

Goldbelt Shareholder Marie Olson.

Photo by Peter Metcalfe

Board of Directors

Chairman	Joseph E. Kahklen
Vice Chair	Randy Wanamaker
Treasurer	Kathy Polk
Corporate Secretary	Trudy Skan

Joseph E. Kahklen
Chairman

Randy Wanamaker
Vice Chair

Kathy Polk
Treasurer

Trudy Skan
Corporate Secretary

Richard Beasley

Andrea Cadiente-Laiti

Benjamin D. Coronell

Katherine Eldemar

Lori Grant

Goldbelt employees not pictured

Chuck Wimberly, *Vice President of Medical & Defense Services Group*
Joseph LoCasale, *Vice President of Facility & Engineering Group*
Bruce Swagler, *Vice President of Information Technology Group*
Brian Wells, *Staff Accountant*
Carol Mitchell, *Staff Accountant*
Deborah Nicholson, *Director of Contracts*
Elena Brigham, *Human Resources Generalist*
Ian McClure, *Business Analyst*
Jaime Spigner, *Sr. Accountant*
John Barsa, *Director of Business Development*
Joshua L'Etoile, *Staff Accountant*
Kimberly Rucinski, *Staff Accountant*
Mani Singh, *IT Consultant*
Marian Ghobrial, *Staff Accountant*
Monnazah Sohail, *Sr. Accountant*
Montee McGowan, *Human Resources Generalist*
Navy Chhour, *Sr. Accountant*
Nayer Pourkiani, *Staff Accountant*
Oscar Turcios, *Staff Accountant*
Patrick Marshall, *Controller*
Patrick Higgins, *Director of Business Development*
Ryan Kish Sr., *Accountant*
Sherrel Novinger, *Executive Administrator*
Susan Mochinski, *Director of Human Resources*
Terrence Yu, *Financial Analyst*
Wayne Mercer, *Recruiter*
Karen Miracle, *Sr. Accountant*
Joyce Scatena, *Cost Accountant*
Terri Seese, *Director of Human Resources*
Janie Wolleck, *Director of Finance*
Christopher Casavale, *Director of Finance*
Latoya Green, *Sr. Accountant*

Corporate Employees


Richard G. Irwin
President & CEO


Craig Molyneaux
Vice President & CFO


McHugh Pierre
Vice President of Alaska Operations


Tina Cloyd
Vice President of Human Resources


Lisa-Marie Ikonomov
Director of Corporate Communications & Shareholder Relations


Lisa Fisher
Director of Finance & Accounting


Ben Johnson
Director of Information Technology


Joann Flora
Director of Tourism Marketing


Judy Mason
Lands Manager


Barbara Fujimoto
8(a) Compliance Manager


Tesla Cox
Shareholder Relations & Communications Specialist


Nadja Kookesh
Human Resources Generalist


Eran Jenkins
Network Administrator


Barb Duncan
Staff Accountant


Jeri Roehl
Staff Accountant


Tia Bagoyo
Accounting Technician


Norman Flood
Executive Assistant


Isaac Martin
Human Resources Assistant

2014 Interns

Aubrey Briscoe
Accounting
Montana State University

Krista Bontrager
Human Resources
Fort Lewis College

David Russell-Jensen
Retail Management
University of Alaska Southeast

Issac Martin
Shareholder Services
University of Alaska Southeast

Colton Welch
Corporate Communications
University of Alaska Anchorage

Kyler Mitchell
Information Technology
University of Alaska Anchorage

Interns Isaac Martin, Krista Bontrager, Aubrey Briscoe, Colton Welch, Kyler Mitchell, and David Russell-Jensen during the 2014 Elder's Cruise to Hobart Bay.

Reading the Annual Report by Ian Wanamaker

Annual Report
Annual ReportA document that Alaska Native Corporations are required to publish and make available to their shareholders. This contains detailed financial information from the preceding year and is intended to give shareholders information about the company's operations and financial performance.

Management Discussion and Analysis (MD&A)
In this section the chief financial officer (CFO) speaks to financial trends of the corporation and compares the corporation's performance to those years prior.

Balance Sheet
Weighs assets against liabilities and shareholder's equity. These segments show what a company owns, what it owes, and has available to invest into the corporation. The balance sheet is a good indicator of a company's financial position.

Consolidated Statements of Operations (Income Statement)
This statement measures Goldbelt's financial performance for the year. Shown are how the corporation generates revenues, incurs expenses, and net income for the year. Net income is equal to total revenue minus total expenses.

Revenue
Any money made by Goldbelt during the year through sales, contracted services, tourism, real estate, or any other operations.

Expense
Any costs incurred by the corporation related to the generation of revenue.

Statement of Cash Flows
Demonstrates the corporation's inflow and outflow of cash. Cash flow is vital to a company's success as ample cash will ensure that creditors, employees, and shareholders can be paid on time. The bottom line of the statement of cash flows is the net increase (or decrease) in cash from the year prior. This is an important indicator of the success and growth of Goldbelt. There are three separate categories in the statement of cash flows: operation, financing, and investing activities.

Operating activities
Any activities that pertain to the corporation's core business activities and generate regular revenue.

Financing Activities
Cash flow between Goldbelt, shareholders, and creditors. Typical financing activities include issuing shares, paying dividends, or taking out loans.

Investing activities
Any cash flow resulting from investments in financial markets or other Goldbelt subsidiaries.

Notes to the Financial Statements/Significant Accounting Policies
Directly following the financial statements are footnotes with further detailed information and descriptions of items in the financial statements such as long term debt, investments, assets, revenue, taxes and more. Also included are Goldbelt's significant accounting policies. These policies are important as they affect recorded value of revenue, inventory, land, and other important items in the annual report.

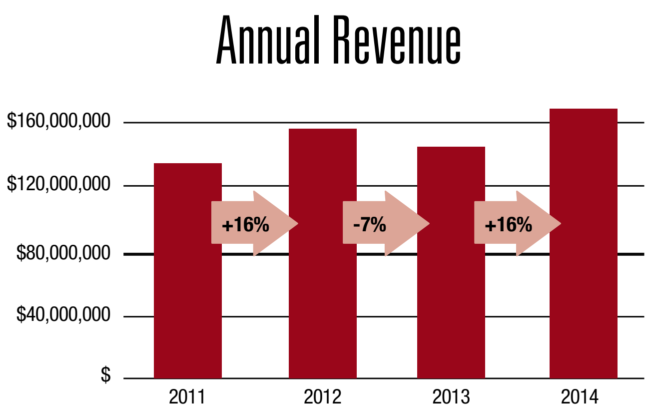
Board of Directors
Comprised of nine elected shareholders that act as a representative body of the shareholders. They jointly oversee operations and make corporate management policies and decisions. Such responsibilities include: hiring and firing of executives officers, dividend policies, approval of budget, and determining the compensation of executive officers. However, the board does not deal with day-to-day management decisions such as hiring and firing of non-executive employees or payroll issues. The board is accountable to shareholders for performance of the company. Each board member serves a three year term.

Subsidiaries
Goldbelt subsidiaries include any company of which Goldbelt maintains at least a 51% ownership. Many of these companies fall into the Small Business Administration's 8(a) program, and are located outside of Alaska. Despite their location these subsidiaries produce revenue for Goldbelt and are included in the consolidated financial statements. Goldbelt currently has fourteen subsidiaries.

Management Discussion & Analysis

Strong Revenue Growth And Stability

In 2014 Goldbelt generated $169 million in revenue, the highest in the company's history. Strong growth was seen in both Contract Services, up 16% from 2013, and Tourism, up 12%. These earnings provide a strong platform for future growth in both existing and new businesses. As in previous years the Board and Management have made strategic decisions to invest in new operations, which are expected to provide long-term growth and added shareholder value.



Goldbelt's balance sheet remains strong and stable even after a number of non-operational adjustments. Of significance is the $2.1M contribution the Board and Shareholders elected to contribute to the Goldbelt Ancestral Trust, investments and start-up of Goldbelt Seafood, and write down of investments and goodwill dating back to 1999-2000. Despite these adjustments, Owners Equity decreased only slightly to $47.4M.

Net income, before non-operational adjustments, was $4.76M, just ahead of 2013 performance of $4.53M. Adjusting $1.257M for minority interests, $574K for the write-down of investments made in 1999-2000 and $796K for goodwill and intangibles, the resulting net income was $2.13M.

Pacific Northwest Operations

With the establishment of Goldbelt Seafoods' processing plant in Sumner, WA, Alaska Operations have expanded to the Pacific Northwest. Overall these operations continue to be a major area of focus for Management and the Board in that they provide the greatest opportunity to diversify from a predominantly Government Contracting portfolio and provide well-paying jobs for shareholders. The Mt. Roberts Tram and Transportation performed well in 2014, although the Hotel, Security, and CP Marine fell below expectations.

Exceptionally strong performance was seen at the Mt. Roberts Tram where 2014 marked a record year in terms of profitability. During the tourist season 495 cruise ships brought 900,000 visitors to Juneau. The Tram hosted 17.7% of these passengers, a new record for the operation. Expanded marketing efforts, a new website, and new ticket sales locations all contributed to strong ridership even though we had an exceptionally rainy summer. We anticipate continued strong performance in this business, although increased CBJ rent fees will affect future profitability and cash flow.

Improved marketing, and renovations completed in 2013, increased Hotel occupancy, resulting in a smaller loss than previous years. Hotel Management continues to concentrate on building the brand and improving our position against other properties. As in recent years, additional capital expenditures were required to improve infrastructure.

In June 2014 the Board approved establishing Goldbelt Seafoods LLC and in September a new plant operation was opened in Sumner, WA. The plant's primary products are processed sea urchin roe, sea cucumbers, and geoduck from the State of Washington. During late 2014 the plant was able to secure suppliers and has established a good reputation with customers for both quality and consistency. Changes in the international seafood market have negatively impacted profitability and the markets will continued to be watched closely in 2015. In addition to the plant operations, farmed geoduck continues to be planted in Hobart Bay and will be ready for harvest in 7-9 years.

Goldbelt Transportation continued with strong revenue and profit performance, which would have been better except for an engine problem, which required our vessel to be in dry dock for a period of time. The vessel is back running strong and positioned for a solid 2015.

Our Security business won a major new contract for services in Anchorage and is positioned for further growth in 2015. While Goldbelt Security has challenges, pending contacts throughout the State hold promise for continued improvements.

Government Contracting

2014 marked a record year for Goldbelt's Government Operations, which accounted for 92% of Company total revenue and operating income. Government Operations is composed of three Divisions — IT Technical Services, Medical and Defense, and Facilities and Engineering — in all sixteen subsidiaries, most of which are classified as 8(a) by the Small Business Administration. The 8(a) designation provides a competitive advantage for these companies to win contracts specifically earmarked to benefit socially and economically disadvantaged individuals or communities.

Three subsidiaries will be closed at the end of 2015 and replaced by three new start-ups including Goldbelt Frontier, a healthcare services and systems supplier; Goldbelt Operations Support Services, a facility management and construction company; and Nisga'a Tek, which will be the 8(a) follow-on to our successful Nisga'a Data Systems subsidiary. Each of these new companies is positioned in strong growth markets and should generate profits as early as 2016.

Goldbelt's Government Contracting Divisions continue to experience the economic impact of budget cuts, decreased federal spending, and increased regulatory requirements. Nonetheless, the federal government continues to be the largest consumer in the world, spending more than $500 billion annually on procuring goods and services, and is expected to increase expenditures in the areas of healthcare, cybersecurity, cloud computing, and IT infrastructure. Goldbelt is strategically positioned to benefit from these future government spending trends. The larger contractors, in response to shrinking federal budgets, are now competing in areas where Goldbelt has a presence. This new competition drives prices and profits down and makes winning new business more challenging. Many of these new competitors are also looking for 8(a) partners to jointly pursue new business, which creates an opportunity for Goldbelt to increase market share and improve performance.

As a means of diversifying away from federal government business, a number of Goldbelt subsidiaries have taken steps to develop markets in new commercial and international sectors. For example, our construction business, Facility Support Services, won a major contract at the University of Pittsburgh, and our defense products business, Goldbelt Wolf, has now opened an ammunition factory and has expanded its sales efforts to include government entities in South America. These efforts will continue to lessen the profit erosion seen in Goldbelt's traditional federal government markets.

Lands

Goldbelt is dedicated to preserving its ANCSA lands while identifying the highest and best use to maximize financial returns and economic opportunities. The company owns approximately 30,000 acres at Hobart Bay, 70 miles south of Juneau. Since 1999 when logging ended, Goldbelt has been actively tree-thinning to encourage healthy tree growth for future logging opportunities. Currently, Goldbelt is "testing the waters" and experimenting in aquatic farming. Over the past two years Goldbelt has planted 80,000 geoduck seed. Geoduck (goo-eey duck) is a delicious large, long-necked clam that's gaining world-wide popularity, especially in Asian markets. Hobart Bay's high nutrient waters make an ideal location for growing geoduck and other shellfish.

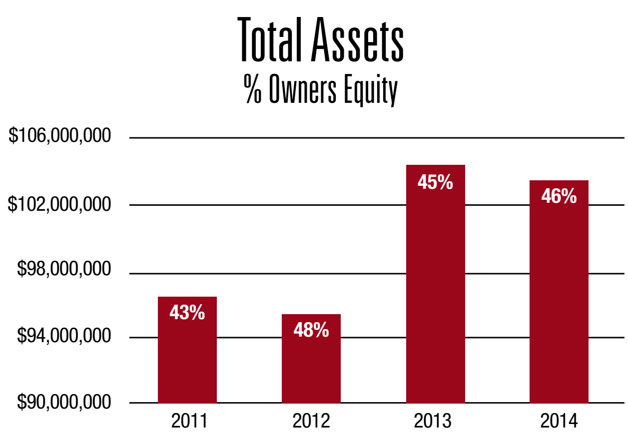
Expanding use on other lands is also a priority. At Echo Cove, 40 miles north of Juneau, Goldbelt owns approximately 1,400 acres of land. Goldbelt continues to explore development opportunities related to the

Juneau Access Improvement Project at Cascade Point, at the entrance to Echo Cove.

Goldbelt owns approximately 1,600 acres along 7.5 miles of coastal lands on the west side of Douglas Island from Outer Point to south of Point Hilda, where several areas for mixed-use development have been identified. The City and Borough of Juneau is currently applying for an Army Corps of Engineering Permit to build a pioneer road that will eventually extend the North Douglas Highway and open new areas for future development and wilderness recreation. Construction could begin as early as this fall.

Equity

The company ended the year with total equity at $47.4M, just below the 2013 level of $47.5M, a very strong position considering that $2.1M was contributed to the Goldbelt Ancestral Trust, $1M paid to shareholders in the form of dividends, and $35K paid to Elders.



Net income attributable to non-controlling interests increased in 2014 to $1.257M from $485K in 2013. As a result, retained earnings and total equity did not increase to the degree it would have if all net income were derived from wholly owned subsidiaries. As the company establishes new businesses it intends to limit minority ownership interests.

Liqidity & Capital Reources

Cash and cash equivalents at year-end were $10.9M, slightly above the 2013 figure of $10.8M. As noted in the Equity section, the total cash position is net of distributions to the Ancestral Trust, shareholder dividends, and contributions to the Heritage Foundation.

The company maintains multiple lines of credit with a borrowing capacity of $22M. As of December 31, 2014, $14.1M was outstanding against those facilities. This was the highest level during 2014, which was required to fund project expenses associated with significant new contract awards at Peregrine, Nisga'a Data Systems, Wolf, and Specialty Services. Each of these projects is underway and line of credit balances will normalized during the first quarter of 2015.

Long-term debt was reduced from $11.3M in 2013 to $9.5M in 2014. During the year the company continued to pay down debt associated with the Tram, Hotel, and Transportation.

Year-end current assets were $60.1M compared to $46.6M of current liabilities. The positive balance between assets and liabilities is an indication of a strong balance sheet position.

Summary

Overall, 2014 was a successful year for the company, allowing Goldbelt to make significant contributions to our Shareholders. Strong revenue growth has the company well positioned to expand in future years and continue its efforts to diversify. Profits were negatively impacted by the write-down of past investments and change in business mix. Profit margins on government contracts could erode as competition continues to strengthen in Goldbelt's markets. To address this the company will continue to concentrate on high growth areas in both federal and commercial sectors.

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Independent Auditors Report

The Board of Directors
Goldbelt, Incorporated
Juneau, Alaska

We have audited the accompanying consolidated financial statements of Goldbelt, Incorporated and Subsidiaries (the Company) which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of operations, changes in equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Goldbelt, Incorporated and Subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

Anchorage, Alaska
March 28, 2015

Consolidated Balance Sheet

Goldbelt, Incorporated and Subsidiaries

December 31,	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	$ 10,927,991	$ 10,803,678
Accounts receivable, net	38,877,501	45,581,067
Inventory	479,605	376,398
Costs and estimated earnings in excess of billings	1,371,082	90,370
Prepaid expenses and other	8,443,565	1,711,636
Total Current Assets	60,099,744	58,563,149
Investment in affiliates	127,212	159,012
Equipment under operating lease, net	1,635,442	2,461,010
Property and equipment, net	34,116,904	34,507,632
Deferred income taxes	5,069,562	5,069,562
Goodwill	1,215,000	1,350,000
Other assets	1,215,574	2,370,832
	43,379,694	45,918,048
Total Assets	$ 103,479,438	$ 104,481,197
Liabilities and Shareholders' Equity		
Current Liabilities		
Lines of credit	$ 14,134,452	$ 7,620,522
Accounts payable and accrued expenses	30,019,660	33,162,492
Billings in excess of costs and estimated earnings	525,858	1,502,656
Current portion of long-term debt	1,938,653	3,336,955
Deferred revenue	4,091	94,219
Total Current Liabilities	46,622,714	45,716,844
Long-term debt, net of current portion	9,493,945	11,257,922
Total Liabilities	56,116,659	56,974,766
Commitments and contingencies (Note 21)		
Equity		
Goldbelt shareholders' equity:		
Common stock, no par value. Authorized 400,000 shares; issued and outstanding 272,200 shares	-	-
Elders stock, no par value. Authorized 400,000 shares issued and none outstanding	-	-
Contributed capital	26,825,465	26,825,465
Retained earnings	17,721,954	18,743,121
Total Goldbelt shareholders' equity	44,547,419	45,568,586
Noncontrolling interest	2,815,360	1,937,845
Total Equity	47,362,779	47,506,431
Total Liabilities and Shareholders' Equity	$ 103,479,438	$ 104,481,197

See accompanying notes to consolidated financial statements.

Consolidated Statements of Operation

Goldbelt, Incorporated and Subsidiaries

Years Ended December 31,	2014	2013
Revenues		
Contracted services	$ 160,059,497	$ 137,957,004
Tourism	8,717,576	7,795,821
Real estate	114,276	101,771
Other	172,208	178,643
Total Revenues	169,063,557	146,033,239
Expenses		
Cost of contracted services	134,039,554	112,584,098
General and administrative	22,463,799	20,015,648
Tourism	3,856,256	4,181,473
Depreciation	2,377,416	2,354,350
Real estate	463,558	387,002
Total Expenses	163,200,583	139,522,571
Income from Operations	5,862,974	6,510,668
Other Income (Expenses)		
Interest expenses	(1,005,989)	(974,573)
Interest income	217,528	38,037
Equity in net income (loss) of affiliates	(31,805)	32,074
Other expenses	(1,240,753)	(457,165)
Other Expenses	(2,061,019)	(1,361,627)
Income from continued operations	3,801,955	5,149,041
Loss from discontinued operations (Note 20)	-	(414,170)
Income before provision for income taxes	3,801,955	4,734,871
Provision for income taxes	(415,474)	(202,337)
Net income	3,386,481	4,532,534
Net income attributable to the noncontrolling interest	(1,257,146)	(485,031)
Net Income Attributable to Goldbelt	$ 2,129,335	$ 4,047,503
Net Income per Share	$ 8	$ 15

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

Goldbelt, Incorporated and Subsidiaries

	Goldbelt Shareholders				Non-	
Years Ended December 31, 2014 and 2013	Common Stock	Elders Stock	Contributed Capital	Retained Earnings	controlling Interest	Total Equity
Balance, December 31, 2012	$ -	$ -	$ 26,825,465	$ 16,348,456	$ 2,643,132	$ 45,817,053
Net income	-	-	-	4,047,503	485,031	4,532,534
Shareholder dividends - $3.75 per share	-	-	-	(1,020,750)	-	(1,020,750)
Distributions to noncontrolling interest	-	-	-	-	(849,231)	(849,231)
Ownership change	-	-	-	(580,088)	(341,087)	(921,175)
Redemption of 5,200 shares of Elders stock ($10 per share)	-	-	-	(52,000)	-	(52,000)
Balance, December 31, 2013	-	-	26,825,465	18,743,121	1,937,845	47,506,431
Net income	-	-	-	2,129,335	1,257,146	3,386,481
Distribution to Ancestral Trust	-	-	-	(2,094,752)	-	(2,094,752)
Shareholder dividends - $3.75 per share	-	-	-	(1,020,750)	-	(1,020,750)
Distributions to noncontrolling interest	-	-	-	-	(379,631)	(379,631)
Redemption of 3,500 shares of Elders stock ($10 per share)	-	-	-	(35,000)	-	(35,000)
Balance, December 31, 2014	$ -	$ -	$ 26,825,465	$ 17,721,954	$ 2,815,360	$ 47,362,779

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Goldbelt, Incorporated and Subsidiaries

Years Ended December 31,	2014	2013
Cash Flows from Operating Activities		
Net income	$ 3,386,481	$ 4,532,534
Adjustments to reconcile net income to net cash		
from operating activities:		
Non-cash charges and credits:		
Depreciation	2,377,416	2,354,350
Amortization	796,060	-
Loss on sale of assets	23,713	226,103
Equity in net (income) loss of affiliates	31,805	(32,074)
Changes in operating accounts providing (using) cash:		
Accounts receivable	6,658,341	(6,474,907)
Inventory	(103,207)	(38,938)
Costs and estimated earnings in excess of billings	(1,280,712)	(34,583)
Prepaid expenses and other	(6,731,929)	180,106
Other assets	359,198	(289,964)
Accounts payable and accrued expenses	(3,142,832)	6,235,688
Billings in excess of costs and estimated earnings	(976,798)	(1,002,018)
Deferred revenue	(90,128)	94,219
Net cash from operating activities	1,307,408	5,750,516
Cash Flows for Investing Activities		
Distributions from affiliates	-	268,877
Payments to noncontrolling interest	-	(550,000)
Purchase of property and equipment	(1,323,798)	(2,733,747)
Proceeds from the sale of assets	317,457	58,353
Net cash for investing activities	(1,006,341)	(2,956,517)
Cash Flows for Financing Activities		
Distributions to minority interest	(379,631)	(849,231)
Net borrowings under lines of credit	6,513,930	1,620,065
Proceeds from long-term debt	183,674	3,650,092
Principal payments of long-term debt	(3,344,225)	(4,727,347)
Distributions to ancestral trust	(2,094,752)	-
Dividends paid	(1,020,750)	(1,020,750)
Redemption of elder's stock	(35,000)	(52,000)
Net cash for financing activities	(176,754)	(1,379,171)
Net increase in cash and cash equivalents	124,313	1,414,828
Cash and Cash Equivalents, beginning of year	10,803,678	9,388,850
Cash and Cash Equivalents, end of year	$ 10,927,991	$ 10,803,678
Supplemental disclosures:		
Cash paid for interest	$ 1,005,989	$ 974,573
Cash paid for income taxes	$ 543,993	$ 437,220
Long term debt increase due to addition of intangible asset	$ -	$ 1,106,707

See accompanying notes to consolidated financial statements.

Notes to the Consolidated Financial Statements

1. History and Operations

Goldbelt, Incorporated (GBI) was incorporated according to the Alaska Native Claims Settlement Act (ANCSA). Under the terms of ANCSA (and amendments), the GBI is entitled to $250,000 and the surface estate of 32,627 acres of land. The regional corporation within whose designated boundaries the GBI is located will receive title to the subsurface estate. Until developed or leased or sold to third parties, lands conveyed to the GBI pursuant to ANCSA are exempt from adverse possession and similar claims and real property taxes with certain exceptions.

Under the provisions of ANCSA the Settlement Common Stock and right thereto may not be sold, pledged, or treated as an asset under Title 11. However, the stock may be transferred to a Native or a descendant of a Native in certain circumstances or by will or intestate succession. The stock shall carry voting rights only if the holder thereof is an eligible Native or a descendant of a Native.

On June 28, 1997, the GBI amended its Articles of Incorporation to authorize 400,000 shares of a new class of stock. This new class of stock is referred to as Elders Stock and is nonvoting, without par value, and ineligible for payment of dividends or distributions. This stock is restricted to issuance to shareholders meeting the eligibility requirements of: 1) 65 years of age or older and 2) holder of Settlement Common Stock that was not obtained through gift, inheritance or purchase, or who transferred such Settlement Common Stock by intervivos gift. The shares cannot be sold, pledged or assigned in present or future, nor shall inchoate rights thereto, and present and future rights to receive dividends therefrom be sold, pledged or assigned.

Each eligible shareholder of record on May 1, 1997, and shareholders becoming eligible subsequent to that date, are issued 100 shares of the Elders Stock, which are immediately redeemed by the GBI for $10 per share. The redeemed shares are constructively retired by the GBI.

The GBI's operations are geographically concentrated in tourism in Alaska and government contracting with the U.S. Government. As a result of these concentrations, the GBI's growth and operations depend upon economic conditions of the Alaska tourism industry and spending by the U.S. Government.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries (collectively, the Company), Goldbelt Hotel, LLC (Hotel), CP Marine, LLC (CPM), Goldbelt Transportation, LLC (Tours), Goldbelt Aerial Tramway, LLC (Tram), Goldbelt Security, LLC (GBS), Goldbelt Raven, LLC (Raven), CP Leasing, LLC (CPL) Goldbelt Specialty Services, LLC (GSS), Facility Support Services, LLC (FSS), Goldbelt Professional Services, LLC (GPS), Goldbelt C6, LLC (C6), Goldbelt Seafoods (SEA), Nisga'a Tek, LLC (NT) and their subsidiaries that are at least 51% owned. Operating subsidiary companies include, LifeSource Biomedical, LLC (LifeSource), Nisga'a Data Systems, LLC (Nisga'a), Goldbelt Eagle, LLC (Eagle), Goldbelt Wolf, LLC (Wolf), Goldbelt Cedar, LLC (Cedar), Goldbelt Hawk, LLC (Hawk), Goldbelt Orca, LLC (Orca), Goldbelt Falcon, LLC (Falcon), Goldbelt Glacier Health Services, LLC (Glacier), and Peregrine Technical Solutions, LLC (Peregrine). All significant inter-company transactions have been eliminated in consolidation.

FSS, LifeSource, Nisga'a, Wolf, GSS, Falcon, Hawk, Glacier, and Peregrine hold 8(a) status under the Small Business Administration's Minority Small Business Development program. The Company's interest in these entities ranges from 60% to 100% and its share of earnings ranges from 51% to 100%. As of December 31, 2014 CPL, Raven, Orca, Cedar and Eagle have graduated from the 8(a) program.

Management Estimates

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 period then ended. Actual results could differ from those estimates.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, that is, other than in a forced liquidation or distress sale.

Accounts Receivable

Accounts receivable consist of trade accounts receivable and are stated at amounts billed less any allowance for doubtful accounts. Credit is extended to customers after an evaluation of the customer's financial condition, and generally collateral is not required. Accounts are considered past due after 90 days. Management's determination of allowance for doubtful accounts is based on an evaluation of the accounts receivable, past experience, current economic conditions, and other risks inherent in the accounts receivable portfolio.

Billing practices are governed by the contract terms for each project. When billings on service contracts are less than the recognized revenue, the difference is recorded as unbilled accounts receivable. Unbilled work is usually billed during the next normal billings process following achievement of contractual requirements.

Historically uncollectible receivables have been less than 1%, Management therefore believes all receivables are reasonably collectible and has not recorded an allowance for doubtful accounts.

Inventory

Inventory consists primarily of materials the Company is obligated to purchase from a subcontractor in accordance with contract terms. Inventory is valued at the lower of cost or market.

Investments in Affiliates

Investments in affiliates where the Company has significant influence are accounted for using the equity method of accounting, whereby the Company's pro rata share of the earnings or losses of each investment is included in the consolidated statements of operations and the undistributed earnings or losses are reported as in increase or decrease in the investment balance. Distributions are reported as a decrease in the investment balance when received. Equity investments not accounted for under the equity method are recorded at the lower of cost or estimated market value.

Noncontrolling Interests

The Company applies the provisions of Topic 810 of the FASB Accounting Standards Codification relating to noncontrolling interests in consolidated financial statements. This guidance requires noncontrolling interests to be reported as a component of equity separate from the parent's equity and purchases or sales of equity interests, that do not result in a change in control, to be accounted for as equity transactions. In addition, net income attributable to a noncontrolling interest is to be included in net income and, upon a loss of control, the interest sold, as well as any interest retained, is to be recorded at fair value, with any gain or loss recognized in net income.

Depreciation and Amortization
Depreciation for property and equipment is calculated using the straight line method over the estimated useful lives of the underlying assets. Depreciation for equipment under operating lease is calculated based upon the lease terms. Estimated useful lives by major category of fixed assets are as follows:

	Years
Buildings	40
Marine vessels and equipment	5-15
Furniture and fixtures	3-10
Production and office equipment	3-10

Land
Land transferred to the Company under the terms of ANCSA that was received for other than its timber or other resources value is recorded as contributed capital at its estimated fair value on the date of conveyance.

Land conveyed to the Company under ANCSA for its timber or other resource value is recorded at zero value, in accordance with industry practice, because its fair value at the date of conveyance was not determinable within reasonable limits.

Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of
Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Goodwill
Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in a purchase business combination. In 2014, the Company elected to implement the *FASB Accounting Standards Update 2014 - 02* which provides an accounting alternative on the accounting for goodwill and the Company began to amortize goodwill on a straight-line basis over 10 years. Goodwill is reviewed for impairment if a triggering event occurs. The Company has an option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more-likely-than-not that the fair value of a reporting unit is less that its carrying amount. If, after assessing the totality of events or circumstances, the Company determines it is not more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step goodwill impairment test is unnecessary. However, if the Company concludes otherwise, then the Company is required to perform the first step of the two-step impairment test. Under the first step, the fair value of the reporting unit is compared with its carrying value (including goodwill). If the fair value of the reporting unit exceeds its carrying value, step two does not need to be performed. However, if the fair value of the reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and the Company must perform step two of the impairment test (measurement). Under step two, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation. The residual fair value after this allocation is the implied fair value of the reporting unit goodwill. Fair value of the reporting unit is determined using a discounted cash flow analysis.

The Company has an option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step goodwill impairment test. The Company may resume performing the qualitative assessment in any subsequent period.

Other Assets
Other assets consist of art and intangible assets. Finite lived intangible assets are amortized over their estimated life. Infinite-lived and acquired intangible assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the carrying value is no longer recoverable based upon the undiscounted future cash flows of the asset, the amount of the impairment is the difference between the carrying amount and the fair value of the asset.

Income Taxes
Funds received under provisions of ANCSA from the Alaska Native Fund are not subject to federal, state or local income taxes. Real property interests received pursuant to ANCSA are also not subject to income taxes; however, income derived from the real property interests and other operations of the Company are subject to federal, state and local income taxes.

The Company and subsidiaries file consolidated federal and state income tax returns. The Company accounts for income taxes utilizing the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Income tax benefits derived from differences between the book and tax basis of assets received under ANCSA are recorded as increases to contributed capital.

The Company applies the provisions of Topic 740 of the FASB Accounting Standards Codification relating to accounting for uncertainty in income taxes. The Company annually reviews its tax return and positions taken in accordance with the recognition standards. The Company believes that it has no uncertain tax positions which would require disclosure or adjustment in these financial statements.

For the year ended December 31, 2014, there were no material changes to the total amount of unrecognized tax benefits. The Company does not expect any significant increases or decreases for uncertain tax positions during the next 12 months.

The Company files income tax returns in the U.S. and various state jurisdictions. The tax years 2009 through 2013 remain subject to examination by the tax jurisdictions.

The Company's policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. There is no interest or penalties accrued at December 31, 2014.

Revenue Recognition and Contract Costs
Revenue for rental and tourism activities is recognized at the time of service or over the rental period. Revenues on long-term service contracts are recognized ratably over the term of the contract, as services are performed or based on the terms of the contracts.

Revenue related to reimbursable cost line items is recognized when the applicable expense is incurred. Award fee revenue is recognized as the Company achieves performance criteria if they are objective in nature otherwise when notified of the fee by the U.S. government agency. Variances between provisional rates and actual rates are accrued if the variance is unfavorable to the Company. If they are favorable to the Company, they are only accrued when the Company has the ability and intent to collect the variances.

Revenue from sales where the Company has transferred all significant risk to vendors, manufactures or purchasers are recorded net of costs.

The Company recognizes revenues from long-term construction contracts on the percentage-of-completion method. Under this method, the completion percentage is measured by the percentage that costs incurred to date bears to total estimated final costs for each contract. For financial statement purposes, income is determined by applying the percentage of completion, determined at the financial statement date, to the estimated final gross profit for each contract.

The Company utilizes this method because management believes it is the best available measure of progress on contracts. Because of inherent uncertainties in estimating costs, it is reasonable to assume that estimates will change in the future. When changes in job performance, job conditions, and estimated profitability occur, including those arising from contract penalty provision and final contract settlements, these changes may result in revision to final estimated revenue, costs, and income and are recognized in the period in which the revision is determined. Provision for estimated losses on uncompleted contracts is made in the period in which such losses are determined.

Contract costs include all direct labor, labor burden, material, subcontract and equipment costs, and those indirect costs related to contract performance, such as indirect labor, supplies, tools, and depreciation costs. General and administrative expenses are charged to expenses when incurred. Profit incentives are included in contract revenue when realization is reasonably assured. An amount equal to contract costs attributable to claims is included in revenue only when the Company has a measurable claim and the amount can be reliably estimated.

The current asset "costs and estimated earnings in excess of billings on uncompleted contracts" represents contract revenues recognized in excess of amounts billed. The current liability, "billings in excess of costs and estimated earnings on uncompleted contracts" represents billings in excess of contract revenues recognized.

Reclassification

Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 presentation.

Subsequent Events

The Company has evaluated subsequent events through March 28, 2015, the date on which the financial statements were issued.

3. Cash and Cash Equivalents

Credit Risk

The Company maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The cash balances in excess of FDIC insurable limits are $5,617,710 and $7,380,831 at December 31, 2014 and 2013, respectively.

4. Accounts Receivable

Accounts receivable consist of the following at December 31:

	2014	2013
Billed	$ 29,550,560	$ 26,590,101
Unbilled	9,326,941	18,990,966
	$ 38,877,501	$ 45,581,067

Historically uncollectible receivables have been less than 1%, Management therefore believes all receivables are collectible and has not recorded an allowance for doubtful accounts.

5. Investments in Affiliates

Investments in affiliates consist of the following at December 31:

	2014	2013
Investment in Eagle Facility Management Services	$ 127,212	$ 159,012

Eagle Facility Management Services

Eagle Facility Management Services (EFMS) was formed between one of the Company's subsidiaries and EG&G Technical Services, Inc. on October 22, 2003, for the purpose of making a proposal to the Department of Energy National Energy Technology Laboratory operation services project and to perform the project if awarded. The Company's interest in the joint venture is 51% and its share of net loss was $0 and $0 for the years ended December 31, 2014 and 2013, respectively. The investment was impaired for $31,800 in 2014. EFMS will be dissolved in 2015, pending the closeout of contracts with the DCAA.

Joint Management Services, LLC

Joint Management Services, LLC (JMS) was formed between one of the Company's subsidiaries and the Bionetics Corporation on December 28, 2007, for the purpose of proposing, negotiating, and performing up to three specific or limited-purpose business ventures. The Company's interest in the joint venture is 51% and its share of net income was $0 and $32,075 for the years ended December 31, 2014 and 2013, respectively. The Company received a distribution of $0 and $268,877 in 2014 and 2013, respectively. JMS' sole contract ended January 31, 2013 and the members dissolved JMS in 2014.

6. Equipment Under Operating Leases

Equipment under operating leases primarily represents vehicles owned by the Company leased to agencies of the U.S. Government. Depreciation expense is included in cost of service for government contracts. The components of equipment under operating leases consists of the following at December 31:

	2014	2013
Cost of equipment under operating leases	$ 7,574,554	$ 8,283,883
Less accumulated depreciation	5,939,112	5,822,873
Equipment Under Operating Leases, Net	$ 1,635,442	$ 2,461,010

7. Property and Equipment

Property and equipment, at cost, consists of the following at December 31:

	2014	2013
Aerial tramway and buildings	$ 19,712,175	$ 19,557,086
Land and land improvements	16,783,699	16,729,544
Commercial and residential buildings	9,849,400	9,720,906
Operating and office equipment	3,155,279	3,861,336
Land transportation equipment	2,005,117	1,899,734
Furniture and fixtures	3,127,497	1,769,491
Marine vessels and equipment	969,482	969,482
Construction in progress	353,046	113,645
	55,955,695	54,621,224
Less accumulated depreciation	21,838,791	20,113,592
Property And Equipment, Net	$ 34,116,904	$ 34,507,632

Real estate held for investment purposes, which is part of property and equipment, consists of the following at December 31:

	2014	2013
Land acquired under the ANCSA and held for investment or development:		
Land on West Douglas, 1,402 acres	$ 6,506,000	$ 6,506,000
Land near Echo Cove, 1,382 acres	5,370,600	5,370,600
	$ 11,876,600	$ 11,876,600

8. Costs and Estimated Earnings on Contracts in Progress

WORK IN PROGRESS ON UNCOMPLETED CONTRACTS AT YEAR END CONSISTS OF THE FOLLOWING AT DECEMBER 31:

	2014	2013
Costs incurred on contracts in progress to date	$ 23,031,309	$ 16,317,701
Estimated earnings to date	1,711,681	1,050,275
Contract revenue earned to date	24,742,990	17,367,976
Less billings to date	23,897,766	18,780,262
Contract Revenue Adjustment Required To Reflect Percentage Of Completion	$ 845,224	$ (1,412,286)

This contract revenue adjustment is included in the accompanying balance sheet under the following captions at December 31:

	2014	2013
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 1,371,082	$ 90,370
Billings in excess of costs and estimated earnings on uncompleted contracts	(525,858)	(1,502,656)
	$ 845,224	$ (1,412,286)

9. Other Assets

Other assets consist of the following at December 31:

	2014	2013
Intangibles	$ 843,619	$ 1,424,676
Artwork	371,955	371,955
1999/2000 Investment in film	-	574,201
	$ 1,215,574	$ 2,370,832

During 2014 amortization of intangibles was $661,090 and the investment in film was impaired for $574,201.

10. Goodwill

In January 2009, the Company executed an agreement to purchase the minority member's interest in Goldbelt Raven, LLC. The total amount to be paid was contingent on the profitability of existing contracts. See footnote 13 for a complete explanation. The purchase resulted in a contract asset related to the backlog of the existing contracts and goodwill. The portion of the purchase related to goodwill was $1,350,000. The goodwill is being amortized over a ten year period. Amortization expense related to goodwill for the years ended December 31, 2014 and 2013 was $135,000 and $0, respectively. The contract asset is amortized over the life of the contracts and analyzed for impairment based upon the actual profitability. Amortization expense related to the contract asset for the years ended December 31, 2014 and 2013 was $661,090 and $0, respectively. The contract asset is included in other assets under the grouping intangibles. Amortization expense is included on the statement of operations under the "other expense" line.

11. Lines of Credit

The Company and subsidiaries maintained multiple lines of credit. The lines of credit with amounts outstanding are:

	2014	2013
Line of credit with a financial institution to $14.1 million subject to the borrowing base, bearing interest at LIBOR plus 3.00%, (currently at 3.19%), guaranteed by the Company, maturity date of September 30, 2015 *	$ 12,640,000	$ 3,980,638
Line of credit with financial institution to $1.0 million bearing interest at Prime Rate plus 2.00% with a floor of 5.50%,(currently at a floor of 5.50%), secured by various assets guaranteed by the Company, maturity date of December 25, 2015	928,030	-
Lines of credit with financial institutions to $6.75 million bearing interest at LIBOR plus 3.00%,(currently at 3.19%), secured by various assets guaranteed by the Company, maturity dates of September 30, 2015	566,422	3,639,884
	$ 14,134,452	$ 7,620,522

*The line of credit is shared among the Company. The Company has set individual limits for each subsidiary. Amounts available for advances on the line are limited to an amount determined by specific criteria of accounts receivable and costs incurred on uncompleted projects including:

- 90% of eligible accounts receivable owed by the United States itself, or any department, agency or instrumentality of the United States
- Plus, 80% of all other eligible accounts receivable
- Less, receivables aged greater than 90 days
- Less, receivables from related parties

The combined borrowing base for all companies was $18,960,388 as of December 31, 2014. In connection with the line of credit financing agreement, the Company has agreed to comply with certain financial covenants.

The Company also maintains a letter of credit for $350,000, which is pledged to the State of Alaska, in connection with a tidelands lease that the Company has obtained from the Department of Natural resources of the State of Alaska. The project is not complete but the letter of credit serves as a source of funds that the State could use to restore the tidelands to its natural state at the termination of the lease.

12. Long-term Debt

A summary of long-term debt at December 31 follows:

	2014	2013
Note payable to a financial institution, principal and interest at 6.5%, due in monthly payments of $58,333 through December 2023, secured by Aerial Tramway with a depreciated cost of $9,628,584	$ 6,300,000	$ 7,000,000
Note payable to a financial institution, principal and interest at 4.930%, due in monthly payments of $42,720 through April 8, 2023, the Bureau of Indian Affairs has provided a 90% Guarantee for the note and provided an interest subsidy equal to the difference between the lender's interest rate and 2.625%, secured by a building and equipment with a depreciated cost of $7,744,937	3,273,786	3,448,715
Unsecured note payable to a related party, interest at 7.00% with monthly payments of $61,632, maturity date no later than June 30, 2016 guaranteed by the Company	1,020,269	1,653,217
Note payable to a financial institution, principal and interest at 6.25%, due in monthly payments of $8,603 through January 11, 2021 secured by certain marine vessel of Tours with depreciated cost of $1,137,349	619,784	701,062
Notes payable to a financial institution, principal and interest at 7.50%, due in monthly payments of $2,799 through March 1, 2017, and a single payment of $49,995 on April 1, 2017, secured by certain designated equipment with depreciated cost of $101,529	105,254	129,935

	2014	2013
Note payable to a financial institution, principal and interest at 7.50%, due in monthly payments of $3,027 and a single payment of $66,866 on June 15, 2015, secured by certain equipment of Wolf with a depreciated cost of $82,185	82,185	111,159
Note payable to a financial institution, principal and interest at 7.50%, due in monthly payments ranging from $859 to $196 and a single payment of $19,950 on September 21 2016, secured by certain equipment of Wolf with a depreciated cost of $21,041	19,403	21,854
Note payable to a financial institution, principal and interest at 8.48%, due in monthly payments ranging from $813 to $367 and a single payment of $4,500 on December 1, 2016, secured by certain equipment of Wolf with a depreciated cost of $5,334	11,917	15,804
Notes payable that matured during 2014	-	1,513,131
Total long-term debt	11,432,598	14,594,877
Less current portion	1,938,653	3,336,955
Long-Term Debt	$ 9,493,945	$ 11,257,922

There are covenants contained in the long-term debt agreements. The Company believes it is in compliance with these covenants.

Scheduled payment of principal payments on long-term debt is as follows:

2015	$ 1,938,653
2016	1,558,105
2017	1,221,181
2018	1,206,070
2019	1,238,984
Thereafter	4,269,605
	$ 11,432,598

13. Related Party Long-term Debt

Purchase Agreement
In January 2009, the Company executed an agreement to purchase the minority member's interest in Goldbelt Raven, LLC. The general intention of the Parties was for the minority member Federal Systems, Inc. (FS) to receive 44% of the present value of the expected profit on Raven's existing prime federal contract backlog, which consists of three prime contracts ("Existing Contracts.") These Existing Contracts will potentially continue several years into the future. The Parties agreed to a structured payment of the Redemption Price because Raven did not have cash on hand to pay FS its entire share of expected future profit from the Existing Contracts, and because there was always uncertainty as to the actions the U.S. Government might take with respect to any contract.

The Redemption Price which is the net present value of 44% of applicable contracts carried to term discounted at 7.00%, was established at $4.5 million, and was set forth in a Promissory Note ("Note"). It may be adjusted at any time based on the actual profit experience associated with the Existing Contracts, subject to a limitation that if the Federal Government takes any action which terminates or reduces the scope or profitability of the value of any of the Existing Contracts, the Note will be adjusted accordingly. There is a strict limitation on the adjustments to ensure that the Company does not take actions to reduce profitability through increasing overhead, G&A or other indirect costs in the control of the Company or Goldbelt. The indirect rates are benchmarked on profitability of the applicable contracts from fiscal years 2007 and 2008. However, if the Company generates new business or reduces costs which generates higher than benchmarked profitability the Company will be entitled to receive 100% of the profit related to those changes. There are provisions in the Note to allow FS to audit any adjustments to the Redemption Price, to challenge the same, and for the Parties to engage in a dispute resolution to settle any disagreements as to such adjustments. The Company has provided a guaranty on the Note.

The Existing Contracts have been extended into fiscal year 2015. The final amount of the Note will not be known until those contracts have been completed. The balance on the Note as of December 31, 2014 is $1,020,269. Based upon the current projected value of the contracts, the Note will be paid in monthly payments of $61,632, inclusive of interest at 7% with a maturity date no later than June 30, 2016. Scheduled principal payments on the Note are as follows for December 31:

2015	$ 689,019
2016	334,250
	$ 1,020,269

14. Income Taxes

Income tax expense (benefit) attributable to continuing operations for the years ended December 31, 2014 and 2013 is as follows:

December 31, 2014	Current	Deferred	Total
Federal	$ 121,993	$ -	$ 121,993
State	293,481	-	293,481
Total	$ 415,474	$ -	$ 415,474

December 31, 2013	Current	Deferred	Total
Federal	$ 82,580	$ -	$ 82,580
State	119,757	-	119,757
Total	$ 202,337	$ -	$ 202,337

Actual income tax expense (benefit) differs from “expected” income taxes (calculated at the Federal statutory tax rate of 34%) attributable to continuing operations, for the years ended December 31 as follows:

	2014	2013
Computed “expected” tax expense	$ 877,775	$ 1,580,259
State income tax expense, net of federal effect	119,792	131,791
Net operating losses	(1,208,082)	(1,614,548)
Basis difference of joint ventures and subsidiaries	(104,328)	541,166
Alternative minimum tax	121,993	82,580
Depreciation	2,151	(242,147)
Other	606,173	(276,764)
	$ 415,474	$ 202,337

The components of and changes in deferred tax assets and liabilities as of and for the years ended December 31, follows:

	2014	2013
Deferred tax assets and liabilities:		
Net operating loss carryforward	$ 14,751,196	$ 15,547,370
Fixed assets	(3,568,425)	(3,570,586)
ANCSA land	2,355,617	2,355,617
Basis in LLC's	1,882,552	2,003,537
AMT credit carryforward	798,879	632,607
Other	334,342	143,013
Net deferred tax asset	16,554,161	17,111,558
Valuation allowance	(11,484,599)	(12,041,996)
Net Deferred Tax Asset	$ 5,069,562	$ 5,069,562

A valuation allowance has been estimated by management to reduce the deferred tax asset to the amount that is more likely than not to be realized based on estimated future taxable income and utilization of tax planning strategies. The valuation allowance relates primarily to net operating loss carryforwards.

The Company's net operating loss carryforwards and the years of expiration are as follows:

Year Ended December 31,	Federal	State
2018	$ -	$ 3,392,000
2019	9,820,000	11,739,000
2020	1,631,000	1,423,000
2021	6,254,000	6,091,000
2022	6,407,000	5,800,000
2023	5,943,000	5,421,000
2024	1,677,000	1,083,000
2025	800,000	424,000
2026	64,000	-
	$ 32,596,000	$ 35,373,000

15. Pension Plan

The Company has 401(k) employee savings plans. The plans allow full time employees to become eligible to participate after completing 90 days of service. Under the plans, the Company at its discretion may match a percentage of participant contributions. The Company elected to match employee contributions of $1,138,702 in 2014 and $905,494 in 2013.

The Company also makes contributions to various multi-employer pension plans under collective bargaining agreements on behalf of its union employees. Total contributions to the plans were approximately $251,474 and $66,185 for the years ended December 31, 2014 and 2013, respectively.

16. Gross Vs. Net Revenue

Gross activity reported at net includes supplies and equipment purchased where the Company acts as a purchasing agent. A summary of the gross activity for the years ended December 31, 2014 and 2013 are as follows:

	2014	2013
Gross billings for goods	$ 75,274,196	$ 78,656,188
Less payments to vendors	70,319,966	73,928,595
	$ 4,954,230	$ 4,727,593

17. Concentration Risks and Uncertainties

The Company received substantially all of its contracting revenue from contracted government services from the U.S. Government. Changes in the U.S. Government spending could have a positive or negative impact on the Company.

18. Related Party Transactions

The Company's contracted government service businesses have various agreements with minority owners and related subcontractors that provided for fees for services and participation in profits of the subsidiaries. The subsidiaries paid minority owners and related entities approximately $3.5 million and $1.3 million for subcontracting and administrative services in 2014 and 2013, respectively. Amounts payable to related parties was approximately $3.3 million and $3.2 million at December 31, 2014 and 2013, respectively.

19. Fair Value of Financial Instruments

The following table presents the financial assets and liabilities that are not carried at fair value but which require fair value disclosure as of December 31, 2014:

	Carrying Amount	Fair Value
Notes payable	$ 11,432,598	$ 11,335,332

The carrying amounts shown in the table are included in the consolidated balance sheets under the indicated captions.

The fair value of the notes payable is estimated by discounting the future cash flows of each instrument at rates currently offered by local lending institutions for notes of similar terms and maturities to companies with comparable credit risk.

The carrying value of other financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses and line-of-credit approximate fair value due to their short maturities or variable-rate nature of the respective borrowings.

20. Discontinued Operations

Lifesource Biomedical, LLC.

On October 4, 2013, one of the Company's subsidiaries sold all property and equipment located at Ames Research Center - Moffett Field, California. As a result of the sale, the Subsidiary recorded a loss on sale of property and equipment for $246,928. The Subsidiary has elected not to present the results from operations of Moffett Field for the period beginning January 1, 2013, through October 4, 2013, the effective date of the transfer of ownership as continuing operations. A loss of $0 and $($414,170) has been presented for the years ended December 31, 2014 and 2013, respectively. The write off of the activities has been presented in the Consolidated Statements of Operations as loss from discontinued operations.

Goldbelt Hotel, LLC.

As discussed in Note 22 the Company is planning to sell the Goldbelt Hotel. The loss from operations of the Subsidiary totaled $195,347 and $450,105 for the years ended December 31, 2014 and 2013, respectively.

21. Commitments and Contingencies

Contract Audits

The Company incurred various costs on U.S. Government contracts in 2014 and 2013 that are subject to direct reimbursement from the U.S. Government. The U.S. Government has the right to audit these costs. Disallowed costs, if any, would have to be reimbursed to the U.S. Government. Management believes that disallowed costs, if any, would be insignificant to the Company. At this time no material adjustments or audit issues are outstanding on U.S. Government contracts.

Claims

In the ordinary course of business, the Company may be involved in legal actions, claims, employee matters, and disputes incidental to its operations. While the ultimate results of these items cannot be predicted with certainty, management does not expect at this time the resolution of them to have a material adverse effect on the Company's financial position, results of operations or its liquidity.

22. Subsequent Events

Sale of Goldbelt Hotel, LLC

On January 3, 2015 the Company entered into a Purchase and Sale Agreement to sell the Golbelt Hotel. According to the terms of the Agreement closing is scheduled no later than June 20, 2015 at which time proceeds of the sale will be used to pay down the balance of the outstanding mortgage. The Company anticipates positive net proceeds on the transaction after the mortgage and associated sales transaction expenses.

At the 40th Annual Meeting of Goldbelt Shareholders, a Special Veterans Recognition Ceremony was held to honor all Goldbelt Veterans.

Goldbelt Roll of Honor

Our Gratitude To All Who Served Our Nation In War And Peace

Gus Adams *Army*
Joseph Akagi Sr. *Army*
Ethan Akagi *Army*
Joseph P Akagi Jr. *Army*
Lucille Austin *Marine Corps*
Edward P Baker *Navy*
George Barril *Air Force*
Catalino Barril *Air Force*
Al Barril *Army*
Tony Barril *Navy*
Larry Barril *Army*
Pete Barril *Army*
Florentino (Tiny) Barril *Army*
Christopher A Baz *Marine Corps*
Robert Paul Beirley Jr. II *Army*
Gerald F Bennett Sr. *Navy*
George J. Bennett Sr. *Army*
Joseph W Bennett Jr. *Navy*
Clifford Benzel *Navy*
Stacey Bjerkeset *Air Force*
Jeff Brandt *Navy*
Michael R Brooks *Army*
Darrell Brown *Navy*
Alfred F Burgo Jr. *Marine Corps*
Andres “Andy” Cadiente, Jr. *National Guard*
Edward D Casey *Navy*
John L Castillo *Marine Corps*
Delfin Cesar *Army*
Niles C Cesar *Navy*
Kenneth R Cesar *Army*
Michael R Cesar *Army*
Wayne Thomas Chulik *Army*
Peter Michael Church *Army*
Zachary W Clifton *Marine Corps*
John Costello *Marine Corps*
Arsenio V Credo *Marine Corps*
John Cropley *Marine Corps*
Henry Cropley *Coast Guard*
Alton Ike Cropley *Army*
Ronald Henry Cropley *Army*
Ronald E Davis *Army*
Floyd Webster DeLapp Jr. *Navy*
Archie Demmert *Army*
Brandon E Derenoff *Marine Corps*
Carlos Didrickson *Marine Corps*
Jim Duncan Jr. *Army*
Gene Durkee *Army*
Andy Ebona *Navy*
Derek J Ebona *Army*
Danny Eldemar *Army*
John Eldemar *Army Army* Reserve
David Eldemar *Army*
John Eldemar Jr. *Army*
Dianne Eldemar *Air Force* Reserve
Daniel Evenson *Army*
Johnny B. Evenson *Army*
Murlin G Everson *Army/ Air Force*
Ubaldo L Ezree *Army*
Alexander John Fadaoff Jr. *National Guard*
Vicki Fields *Air Force*
Rodney J Franzen *Navy*
Harvey Frazier *Navy*

Fred Fulgenicio *Army*
Charles Gamble Sr. *Army*
Charles Gamble Jr. *Army*
Lee Jim George *Army*
Everett Glover Sr. *Navy*
Harold M Goade *Marine Corps*
Daniel Eugene Gore *Army*
Roy B Guerrero Sr *Army*
Allen G Guerrero *Navy*
Charles Edward Hall *Navy*
David James Fadoff *Army*
John H. Gregory *Army*
Helen Hanlon-Ward *Air Force*
Hugh Harris *Army*
James B Harris *Army*
Fred E Harris *Navy*
Kenneth J Harris *Navy*
Conrad Helgesen *Air Force*
Mel Hondolero *Army*
Fred Hopkins Sr. *Army*
William S Horton Sr. *Army*
Eddy Horton *National Guard*
Robert W Horton *Navy*
Leo Houston Sr. *Army National Guard*
Dermott Howard *Marine Corps/ Army National Guard*
Roy Isturis *Army*
Walter E Johns Jr. *Navy*
Glenn Johnson *Navy*
Tyrone Johnson *Army*
Victor Johnson *Army*
Clifford D Johnson *Army*
Glenn Dennis Johnson *Navy*
Archie Kahklen *Army/National Guard*
Delaney A Kahklen Sr *Army*
Daniel D Kahklen Jr. *Army*
Terry L Kahklen *Army*
Edward M Kasko *Army*
Clarence “Butch” Laiti *Army*
Ronald W. Laiti *Navy*
William Maurice Lake *Marine Corps*
Jack O. Lee, Jr. AK *National Guard*
James Lindoff Jr. *Army*
George A Lindoff *Army*
Ervin Lott *Navy*
Claude Lundy *Navy*
Richard Erwin Lundy Jr. *Army*
Jimmy Marks *National Guard*
Robert Martin Jr. *Army*
Conrad Mather *Navy*
George Mather Sr. *Army*
Victor Mather *Army*
Gerald John Mayeda *Army*
Alfred McKinley Sr. *Army*
Duff Mitchell *National Guard*
Jake Morris *Army*
John C Morris *Army*
Jake E Morris *Army*
Frederick A Nielson *Marine Corps*
Virginia Norris *Air Force*
George Obert *Marine Corps*
Oscar Olsen *Coast Guard*

Sammie Osborne *Navy*
Tom Paddock Jr. *Army*
Raymond E Paddock Jr. *Air Force*
Thomas O Paddock Sr. *Navy*
Michael George Patterson *Army*
Fausto Paulo Jr. *Army*
Johanna Marie Peck *Navy*
Nettie Peratrovich *Army*
Norma D Peratrovich
Ronald C Perry *Navy*
Charles G Polk *Army*
James P. Powers *Navy*
Wayne B Powers *Navy*
Benjamin Quick *Army*
Marcello Quinto *Navy*
Joel Patrick Ruhle *Army*
Russell Gary See IIII *Army*
Richard Anthony Shutt *Army*
Wesley Allen Shutt *Army*
Byron Skinna *Army*
Elizabeth Ruth Shutt-Sparks *Marine Corps*
Raymond Smith Jr. *Air Force*
David Speck *Air Force*
Aaron J StClair Sr. *Army*
Earl T StClair *Army*
Tom Stevens *Army*
Jim Stevens *Army*
Bill J Stoddard *Army*
Paul Thomas IIII *Marine Corps*
John W Thompson *Air Force*
Arthur David Torres *Air Force*
Gerald Varrelman *Coast Guard*
Gordon A Varrelman *Coast Guard*
John Vavalis Sr. *Navy*
Ryan Kyle Walker *Army*
Amos Louis Wallace *Army*
Sam Wanamaker *Army*
Randy Wanamaker *National Guard*
William G Wanamaker Jr. *Coast Guard*
Patrick F West *Coast Guard*
Harold Wheaton *Army*
Patrick Wheaton *Army*
David John White Sr. *Marine Corps*
Alfred Elton Willard *Army*
Leroy Williams Alaska *Army National Guard*
Walter Babe Williams *Navy*
George F Williams *Army*
Raymond Wilson *Army*
Alfin Ware Withrow *Army*
Eugene William Woodin *Army*
Benjamin Andrew Wright Jr. *Army*

Goldbelt Subsidiaries

Facility & Engineering Group

Facility Support Services, LLC
John P. Mroz, *President*

Goldbelt C6, LLC
Michael Bosley, *President*

Goldbelt Falcon, LLC
Michael Blume, *President*

Goldbelt Hawk, LLC
Bruce Swagler, *President*

Goldbelt Specialty Services, LLC
John Pritz, *President*

Medical & Defense Services Group

CP Leasing, LLC
Todd Kelsey, *General Manager*

Goldbelt Frontier, LLC
John R. Kirk, *General Manager*

Goldbelt Glacier Health Services, LLC
Virginia M. Torsch, *General Manager*

Goldbelt Raven, LLC
Elliott "Chuck" Wimberly, *President*

Goldbelt Wolf, LLC
James Jones, *President*

Lifesource Biomedical, LLC
Steven Tew, *General Manager*

Information Technology Group

Goldbelt Hawk, LLC
Bruce Swagler, *President*

Nisga'a Data Systems, LLC
Frank Watson, *President*

Peregrine Technical Solutions, LLC
Dr. Edwin "Leigh" Armistead, *President*

Alaska Operation Companies

CP Marine, LLC
McHugh Pierre, *Vice President of Alaska Operations*

Goldbelt Aerial Tramway, LLC
Jim Duncan, *General Manager*

Goldbelt Hotel, LLC
Ron Hauck, *General Manager*

Goldbelt Seafoods, LLC
Michael Ellis, *General Manager*

Goldbelt Security, LLC
Steve Stewart, *Interim General Manager*

Goldbelt Transportation, LLC
McHugh Pierre, *Vice President of Alaska Operations*








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