

CBSFA

Central Bering Sea Fishermen's Association

CBSFA Decennial Review Report (DRR)
for the period 2006-2010
Western Alaska Community Development Quota (CDQ) Program

Prepared for:
State of Alaska

November 6, 2012

INTRODUCTION

The purpose of this report by the Central Bering Sea Fishermen's Association (CBSFA), is to comply with Section 305(i)(1)(H)(ii) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) (16 U.S.C. 1855(i)(1) et seq.) of 2006, hereinafter known as the Decennial Review. Section 305(i)(1)(D)(iii) of the MSA establishes the eligibility of "...[t]he village of Saint Paul through the Central Bering Sea Fishermen's Association..." to participate in the Western Alaska Community Development Quota (CDQ) program. CBSFA is formed as a 501(c)(4) non-profit corporation under the laws of the State of Alaska.

The village of Saint Paul, on Saint Paul Island, is located in the Bering Sea approximately 300 miles offshore to the west of mainland Alaska and 200 miles north of the Aleutian Chain. Approximately 85% of Saint Paul's residents are Aleut, making Saint Paul the largest Aleut community in the world. Saint Paul was founded in 1768 during the Russian colonial period and served as an important outpost for the commercial harvesting of valuable northern fur seal pelts. When the United States purchased Alaska from the Russian Empire in 1867, the U.S. Bureau of Commercial Fisheries, the predecessor to the National Marine Fisheries Service (NMFS), continued the commercial fur harvesting, which included maintaining the local Aleut population as a captive labor force. This state of affairs lasted until 1983, when the fur seal harvest was terminated by the U.S. Congress through the Fur Seal Act Amendments. When the federal government terminated the commercial fur seal harvest, which was the main source of livelihood for the Saint Paul people for over two centuries, the people were forced to develop an alternative economy based on commercial fisheries in order to survive as a viable community. Since then Saint Paul has made substantial progress in developing a viable fisheries based economy. CBSFA and the CDQ program have played a critical role in this remarkable accomplishment.

In the past three decades, Saint Paul has been able to take advantage of its strategic location of being in close proximity to the Bering Sea commercial fisheries to secure substantial federal, state, and private investment in fisheries-related infrastructure. These investments have allowed Saint Paul to develop an economy that is largely supported by the crab and halibut fisheries. The Bering Sea snow crab (opilio) fishery is a key source of direct and indirect revenues for the municipal government, the village corporation, airlines and local businesses, and accounts for 85% of Saint Paul's economy.

Saint Paul is also located in close proximity to the Bering Sea halibut fishery. CBSFA has successfully developed a local commercial halibut fleet and fishery that now provides annual employment to a significant number of local residents and has become a major contributor to the Saint Paul economy. The halibut fishery is not just the economic heart of Saint Paul – it is a customary and traditional fishery with deep cultural roots. The halibut fishery provides many adults in the community with jobs as skippers and crew members, and also provides jobs for many of the youth as onshore hook-baiters.

The CBSFA board of directors and management are proud to report that CBSFA has experienced steady growth in all respects during the first twenty years of the CDQ program, including the 2006-2010 period. CBSFA has truly become a major contributor to the social and economic development of our community since the program was created in 1992. We believe we have been successful in meeting the intent and purpose of the CDQ program which is: "(i) to provide eligible western Alaska villages with the opportunity to participate and invest in fisheries in the Bering Sea and Aleutian Islands Management Area; (ii) to support economic development in western Alaska; (iii) to alleviate poverty and provide economic and social benefits for residents of western Alaska; and (iv) to achieve sustainable and diversified local economies in western Alaska."

Following is the CBSFA Decennial Review Report for the period 2006 through 2010.

REVIEW CRITERIA

OVERVIEW

This report will evaluate the performance of CBSFA through use of four specific criteria:

1) CRITERION 1: POPULATION, POVERTY AND ECONOMIC DEVELOPMENT

This section will examine the changes in population, poverty level and economic development within the community of Saint Paul Island through use of the best available independent data sources. The data in this section are collected from the U.S. Census Bureau, American Community Survey, and Alaska Department of Labor and Workforce Development.

2) CRITERION 2: FINANCIAL PERFORMANCE

This section will detail CBSFA's overall financial performance including changes in total assets, net assets, liquidity and profitability. All of CBSFA's investments are fisheries related. Accordingly, only fisheries related investments are being evaluated.

The data for this section has been obtained from CBSFA's annual audited financial statements, and statistics obtained from RMA Risk Management Association (formerly named Robert Morris Associates): Annual Statement Studies.

3) CRITERION 3: EMPLOYMENT, SCHOLARSHIPS AND TRAINING

This section provides information on CBSFA employment, direct and indirect, and on CBSFA education support. These data are self-reported and sourced from internal payroll information (W-2's), 1099's and payments to educational institutions.

4) CRITERION 4: ACHIEVEMENT OF CDP GOALS

This section demonstrates CBSFA's CDQ harvesting performance as well as cooperation with other CDQ entities in the pooling of quotas for efficiency of allocation management and harvest. The National Marine Fisheries Service and Alaska Department of Fish and Game provided most of the data for this section of the report. The halibut harvest numbers are self-reported. CBSFA's Community Development Plan goal is to harvest target species to the maximum extent possible, using certain gear types while minimizing bycatch.

CRITERIA DEFINITION

CRITERION 1: POPULATION, POVERTY AND ECONOMIC DEVELOPMENT

Population: Saint Paul Island residents

Poverty: Defined in accordance to dollar value thresholds that vary by family size and composition.¹

Economic development: As measured by the community median household income, per capita income, community jobs and total wages.

CRITERION 2: FINANCIAL PERFORMANCE

Investments: Defined as expenditures that have a life of greater than one year and that are expected to generate ongoing cash flow to support CBSFA's goal of providing continuing economic growth and employment opportunities for the Saint Paul community.

¹ U.S. Census Bureau

Net Assets: Defined as total assets minus debt.

CRITERION 3: EMPLOYMENT, SCHOLARSHIPS AND TRAINING

Employment: Any individuals who are directly employed by CBSFA or its wholly-owned subsidiaries or are indirectly employed as a result of CBSFA's economic development activities.

Scholarships: Eligible recipients seeking higher education opportunities.

Training: Eligible recipients seeking vocational or work-related training.

CRITERION 4: ACHIEVEMENT OF CDP GOALS

CDP: The Community Development Plans include the following information for each target CDQ fishery: The type of gear used for harvest, the general time period of such harvest and the bycatch plan with respect to the harvest of CBSFA's share of fishery resources.

CDP Goal: Harvest of target species to the maximum extent possible, using certain gear types while minimizing bycatch.

ASSIGNMENT OF VALUE TO CRITERIA

The federal statute governing the program requires the CDQ Panel to establish rules for the review of the CDQ program that allows each entity, in the process of evaluating its performance, "to assign relative values to . . . the criteria in order to reflect the particular needs of its villages." Accordingly, the Panel Rule for Annual Reports calls for each entity to weight the four criteria.

CBSFA has assigned the following relative values to the four criteria:

- Changes in population, poverty level, and economic development in the entity's member villages.
5%
- The overall financial performance of the entity, including fishery and non-fishery investments by the entity.
35%
- Employment, scholarships, and training supported by the entity.
35%
- Achievement of the goals of the entity's CDP.
25%

The following sections on each of the four criteria detail the particular needs and circumstances of the community represented by CBSFA, and the reasons for assignment of these values.

CRITERION 1: POPULATION, POVERTY AND ECONOMIC DEVELOPMENT

OVERVIEW

This section presents data on the community population, the poverty rate, and economic development. Economic development changes can affect median household and community income, as well as community jobs and wages.

- Community population includes Saint Paul Island residents.
- Poverty rate is determined when a family's total income is less than the poverty threshold.
- Economic development is measured by the community's median household income, per capita income, community jobs and total wages.

Weight assigned to Criterion 1 is 5%. The available data for population, poverty and income earned in the community is inadequate and inconsistent. Fishing income to self-employed vessel owners and crew members is not included in this data; this data is necessary to accurately represent the community of Saint Paul's fisheries-based economy.

DATA SOURCES

Data sources for the criterion are the U.S. Census Bureau (2000 and 2010 Census), 2006-2010 American Community Survey (ACS), and the Alaska Department of Labor and Workforce Development, Alaska Local and Regional Information (ALARI).

DATA LIMITATIONS

The findings in criterion one were compiled using secondary data from the above sources.

Different demographics and other factors impact populations and can include, but are not limited to, age, gender, marital status, household composition, ethnicity, birth rates, death rates, education, and employment.

The data collected during the 2006-2010 American Community Survey for the community of Saint Paul is not reliable and should not be used as an accurate measurement. The ACS's estimate margin of error is greater than the population estimate, and the population for whom poverty status is determined.

Fisheries employment is underrepresented in the data and self-employment income is not included. This data is needed to accurately represent a community with a fisheries-based economy.

CBSFA PERFORMANCE

In comparing the data sources it is difficult to come to a conclusion about the changes that occurred within this time period. The increases in per capita income, community jobs and community wages all show positive trends that differ from the data shown for population, poverty and median household income. It is more intuitive that these data move together. The data for population, poverty and median household income is inadequate and potentially misleading. ALARI data for population seems to reflect a more accurate representation of the real population trend for Saint Paul. The margins of error for both poverty and median household income are relatively large.

In addition, efforts by CBSFA to improve economic conditions are not reflected in the data sources. Fisheries employment is underrepresented in the data and self-employment income is not included - these are critical data that truly represent a community with a fishery-based economy.

Community Population

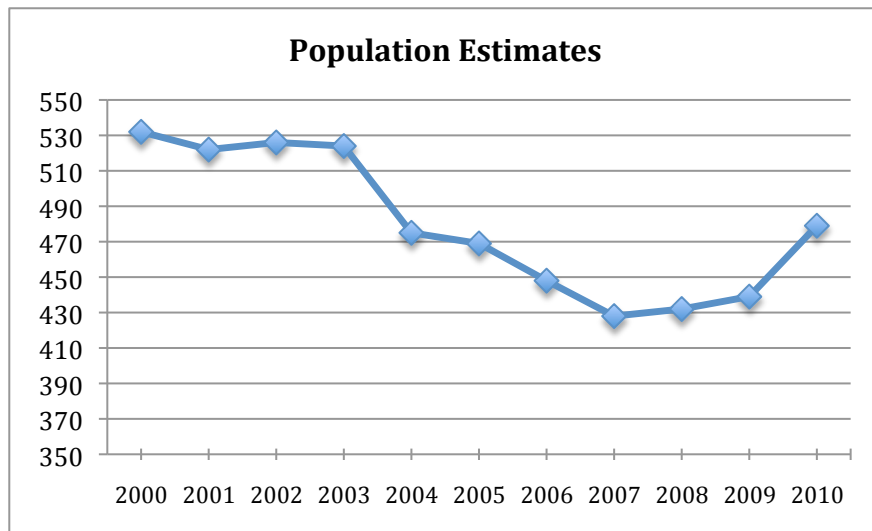
	2000 ¹	2010 ¹	2000 vs 2010	
			Change	% Change ²
Saint Paul	532	479	-53	-9.96%

Population data presented in the above table have been taken from U.S. Census data. The American Community Survey data provides no reliable population estimate for 2006; therefore the year 2000 is substituted as a benchmark. (The ACS data for 2006-2010 estimates the population at 963 with a margin of error +/- 1,230.)

From 2000 to 2010 the population of Saint Paul decreased by 53, a -9.96% change. Various factors may have contributed to the decrease in population during this time period. Saint Paul's economy is heavily dependent on the Bering Sea snow crab (opilio) fishery; the collapse of the fishery beginning in 2000 ³ (80% decline) left many residents uncertain about local economic conditions and may have led to families relocating. In addition, the U.S. Coast Guard and National Weather Service continuously reduced the number of personnel at Saint Paul between 2000 and 2010.

The comparison using U.S. Census data alone may not fully reflect population changes that occurred within this particular time period. Alaska Local and Regional Information (ALARI) sourced from the Alaska Department of Labor and Workforce Development provides population data in further detail than does U.S. Census data. ALARI data shows a distinct decline in population from 2003 to 2007 and subsequent population increase from 2007 to 2010. This data may be more indicative of actual population changes within the community. The increase in population from 2007 to 2010 corresponds with recent increases in opilio Total Allowable Catch (TAC), increases in the value of the local commercial halibut fishery, and increases in per capita income and in community total wages.

Year	Population ⁴
2000	532
2001	522
2002	526
2003	524
2004	475
2005	469
2006	448
2007	428
2008	432
2009	439
2010	479



¹ U.S. Census Bureau

² % Change = (2010 Population - 2000 Population) / 2000 Population

³ Alaska Department of Fish and Game, Commercial Fisheries: Alaska Shellfish Harvests & Ex-vessel Values

⁴ Alaska Department of Labor and Workforce Development, Alaska Local and Regional Information

Community Poverty Rate

	1999 ⁵		2006 - 2010: 5 Year Data ⁶				1999 vs 2006-2010	
	Actual	%	Estimate	Estimate Margin of Error +/-	%	% Margin of Error +/-	Change	% Change ⁷
Saint Paul	66	11.9%	188	+/- 248	17.7%	+/- 4.8	122	48.7%

Poverty statistics for both Census Data and ACS reports adhere to the standards specified by the Office of Management and Budget in Statistical Policy Directive 14. The Census Bureau uses set dollar value thresholds that vary by family size and composition to determine who is in poverty. Poverty thresholds for individuals living alone or with nonrelatives and two-person families vary by age (under 65 years or 65 years and older). If a family's total income is less than the dollar value of the appropriate threshold, then that family and every individual in it are considered to be in poverty. Similarly, if an unrelated individual's total income is less than the appropriate threshold, then that individual is considered to be in poverty. The poverty thresholds do not vary geographically; there is no regional adjustment for Alaska. The rates are updated annually to allow for changes in the cost of living (inflation factor) using the Consumer Price Index (CPI).

Data from the 2000 Census shows 66 individuals below the poverty level and a corresponding poverty rate of 11.9%. The ACS data estimates 188 individuals below the poverty level with a poverty rate of 17.7%. The estimated change in persons below the poverty level is 122, an increase of 48.7%. It must be noted that the margin of error of the ACS data is +/- 248, which provides a range of values significantly larger than the estimate.

Poverty data can be used to show the socioeconomic health of a population. Quality of life is determined in part by an individual's ability to adequately provide for themselves and, if applicable, their dependents. A lower poverty rate would indicate a healthier, and presumably better, functioning community. Unfortunately, the ACS data, with its large margin of error, does not provide a reliable estimate of this information. Therefore an accurate assessment of the change in community poverty rate for Saint Paul cannot be made.

⁵ U.S. Census Bureau – 2000 U.S. Census reports 1999 data

⁶ U.S. Census Bureau, 2006-2010 American Community Survey

⁷ % Change = (2006-2010 % - 1999 %) / 1999 %

Median Household Income

1999 vs 2006 - 2010			
	1999 ⁸	2006 - 2010: 5 Year Data ⁹	
	Estimate (Dollars)	Estimate (Dollars)	Margin of Error +/- (Dollars)
Saint Paul	50,750	38,125	+/- 10,092

1999 vs 2006 - 2010	
Change	% Change ¹⁰
12,625	-24.9%

Census money income is defined as income received on a regular basis (exclusive of certain money receipts such as capital gains) before payments for personal income taxes, social security, union dues, Medicare deductions, etc. Therefore, money income does not reflect the fact that some families receive part of their income in the form of noncash benefits, such as food stamps, health benefits, subsidized housing, and goods produced and consumed on the farm.¹¹

Median household income is the midpoint in the range of household incomes; half of the households have higher incomes and half of the households have lower incomes. Household income is often the combination of two or more income earners pooling the resources; the residents of the household do not have to be related to the householder for their earnings to be considered part of the household.

Census 2000 data shows that the median household income is \$50,750. The ACS data average from 2006-2010 is \$38,125 with a margin of error of +/- \$10,092. The change in median household income is -\$12,625, a change of -24.9%.

Median household income represents the overall economic well-being of households. The negative change in median household income indicates that either fewer members of the households have employment or availability of higher paying employment has been reduced.

Comparing employment by industry type between the two data sources shows that reductions in certain job types may be a contributing factor in lower median household income. Employment in construction, education, health and social services, and public administration is significantly lower according to the ACS data (2006-2010) versus Census data (1999). In particular employment in construction was considerably higher in 1999 (31 jobs) when compared to 2006-2010 (4 jobs). In addition, according to local knowledge and CBSFA records, a large number of households participate in the local commercial halibut fishery; these households appear to be underrepresented in the ACS data. From the ACS data it is estimated that only five households participated in the "agriculture, forestry, fishing and hunting, and mining" industry, under which commercial fishing would fall.

The Census 2000 data may have overrepresented the impact of high-paying construction jobs on median household income. ACS data from 2006-2010 may also be under-representing the impact of the high value local commercial halibut fishery on median household income. Due to these factors, it is difficult to accurately estimate the economic well-being of Saint Paul based on the change in median household income.

⁸ U.S. Census Bureau, *Census 2000 Summary*

⁹ U.S. Census Bureau, *2006-2010 American Community Survey*

¹⁰ % Change = (2006-2010 Estimate) / 1999 Estimate

¹¹ U.S. Census Bureau, *About Income*: <https://www.census.gov/hhes/www/income/about/index.html>

Community Income Per Capita Income

	2006 - 2010 5 Year Data ¹³		
	1999 ¹²		
	Estimate (Dollars)	Estimate (Dollars)	Margin of Error +/- (Dollars)
Saint Paul	18,408	26,198	+/-5,735

1999 vs 2006-2010	
Change	% Change ¹⁴
7,790	42.3%

Per capita income is the mean money income received in the past 12 months computed for every man, woman, and child in a geographic area. It is derived by dividing the total income of all people 15 years old and over in a geographic area by the total population in that area.¹⁵

Income included in the calculation includes amounts reported separately for wage or salary income; net self-employment income; interest; dividends; or net rental or royalty income or income from estates and trusts; Social Security; Supplemental Security Income (SSI); public assistance or welfare payments; retirement, survivor, or disability pensions; and all other income.

According to Census 2000 data, per capita income was \$18,408 for Saint Paul in 1999. ACS data estimates per capita income averaged from 2006-2010 is \$26,198. The margin of error for this estimate is modest at +/- \$5,735. The change in per capita income between the two time periods is \$7,790, a change of 42.3%.

Per capita income serves as a measurement of the stability and wealth in an economy. The positive change in per capita income in Saint Paul indicates that overall prosperity in the community has increased.

Per capita income can only be a useful measurement if there are a relatively low number of high earners in the community, as those high earners can skew the representation. Comparing the distribution of family incomes between the Census and ACS data show that distribution has remained fairly consistent between them; neither possess relatively high numbers of high earners. We can therefore conclude that the change in per capita income is indeed useful here in assessing the change in economic well-being in the community of Saint Paul.

¹² U.S. Census Bureau

¹³ U.S. Census Bureau, *2006-2010 American Community Survey*

¹⁴ % Change = (2006-2010 Estimate - 1999 Estimate) / 1999 Estimate

¹⁵ U.S. Census Bureau, *Per Capita Income*: http://quickfacts.census.gov/qfd/meta/long_INC910210.htm

Community Jobs Number of Residents Employed

	2007 ¹⁶	2010 ¹⁶
Saint Paul	220	230

2007 vs 2010	
Change	% Change ¹⁷
10	4.5%

Community jobs data are gathered by the Alaska Department of Labor and Workforce Development, Research and Analysis Section and compiled under the Alaska Local and Regional Information (ALARI) for Saint Paul Island.

For Saint Paul, community jobs are almost evenly split between the private sector and local government sector. Top jobs by type for both years remained relatively similar with executive administration, labor work, and maintenance being the most prevalent. Meat, poultry and fish cutting and trimming jobs increased from five to fifteen and office clerk jobs increased from five to eleven during the Decennial Review period.

Capital projects and grants can increase job opportunities in Saint Paul. The State of Alaska's Department of Commerce, Community, and Economic Development's Division of Regional Affairs reports the following projects occurring during 2007-2010: City of Saint Paul's sewage outfall project and harbor improvement grant, the Aleutian/Pribilof Island Association's Health Center and living quarters improvements, Tribal Government of Saint Paul Island's Rural Housing & Economic Development (RHED) project, and the Aleut Community of Saint Paul Indian Housing Block Grant.

The Bering Sea snow crab (opilio) fishery is a significant part of Saint Paul's winter economy. The opilio Total Allowable Catch (TAC) increased substantially from 2007 to 2010. This may explain the large change in employment in fish cutting and trimming jobs.

Overall it appears that the positive change in community jobs can be attributed to varying factors. However, CBSFA efforts to increase employment through fisheries may not necessarily be captured in this data. The self-employed fishermen participating in the local commercial halibut fishery are not counted in these data sources.

¹⁶ Alaska Department of Labor and Workforce Development, Research and Analysis Section

¹⁷ % Change = (2010 Employment - 2007 Employment) / 2007 Employment

Community Total Wages

	2007 ¹⁶	2010 ¹⁶
Saint Paul	5,485,433	6,527,826

2007 vs 2010	
Change	% Change ¹⁸
961,018	19.0%

Community wage information is taken from the Alaska Local and Regional Information (ALARI) data, which is derived from the Alaska Department of Labor and Workforce Development’s Occupational Database (ODB). The ODB contains quarterly earnings, occupation and industry information on workers covered by unemployment insurance within Alaska. Workers included in the ODB were considered Alaska residents if they applied for a Permanent Fund Dividend (PFD) in at least one of the two most recent years. Most of the data in Alaska Local and Regional Information is for Alaska residents only; nonresidents are not included in this data.¹⁹ ALARI captures data for workers in private sector, state and local government covered by unemployment insurance within Alaska. Federal workers, military and the self-employed are not included.

Community wage data for 2007 has been used, as 2006 data is not available. Community wages for Saint Paul have increased by \$961,018 between 2007 and 2010, an increase of 19%.

The change in community total wages may be explained by the increased availability of employment, increased availability of higher paying employment opportunities or by increased demand for work in existing employment. The total number of community jobs increased by 4.5% from 2007 to 2010. Workers by industry have remained roughly the same between 2007 and 2010 except for in the areas of construction, manufacturing and professional and business services. There was an increase in the number of workers in construction and manufacturing and a decrease in the number of workers in professional and business services.

Saint Paul’s local economy is largely dependent on the Bering Sea snow crab (opilio) fishery; a large portion of the northern region crab deliveries is processed inside the Saint Paul Harbor. As a result, the demand for labor in fish processing can be tied to the annual Bering Sea snow crab Total Allowable Catch (TAC). In 2007 the Bering Sea snow crab TAC was 32.9 million pounds and in 2010 it was 54.3 million pounds, a 65% higher TAC in 2010 vs. 2007²⁰. The combination of the increased Bering Sea snow crab TAC for 2010, increased number of community jobs and availability of presumably better paying jobs may explain the positive change in community total wages for Saint Paul.

It must be emphasized that these data are not fully indicative of the total income earned in the community. Saint Paul’s local commercial halibut fishery provides a significant source of income for the residents. The CBSFA Halibut Cooperative, owned and operated by CBSFA, purchased CDQ and IFQ halibut from the local fishermen in both 2007 and 2010; the fishermen prosecuting the halibut fishery are self-employed and the data on their income is not recorded in the ODB. The data on this income is shown in the Criterion 3 section of this report, under “Indirect Employment Wages.”

¹⁶ Alaska Department of Labor and Workforce Development, Research and Analysis Section

¹⁸ % Change = (2010 Wages – 2007 Wages) / 2007 Wages

¹⁹ Alaska Department of Labor and Workforce Development; ALARI FAQs: <http://live.laborstats.alaska.gov/alari/faqs.cfm>

²⁰ Alaska Department of Fish and Game, Commercial Fisheries: Alaska Shellfish Harvests & Ex-vessel Values

CRITERION 2: FINANCIAL PERFORMANCE (FISHERY AND NONFISHERY)

OVERVIEW

This section details CBSFA's overall financial performance for the 2006 to 2010 period. Financial performance is evaluated within the context of both investments and asset performance. All of CBSFA's investments during the period were fisheries related. Asset performance is evaluated by reviewing four different factors.

First, the change in net assets during the period is used as an overall indicator of financial performance. Second, total assets are evaluated as more clearly demonstrating overall growth in CBSFA's asset base and the use of leverage. Third, overall liquidity is evaluated. Finally, profitability is evaluated in regards to returns on both total assets and net assets.

CBSFA has assigned a 35% weighting to Criterion 2. This weighting is consistent with the overall goals of the CDQ program in general and CBSFA specifically.

DATA SOURCES

The data sources for these criteria include CBSFA's annual audited financial statements and RMA Risk Management Association (formerly named Robert Morris Associates): Annual Statement Studies (RMA).

DATA LIMITATIONS

The RMA data is compiled from organizations that are for profit. The data reported does not include deductions for the various community support programs and educational support programs that CBSFA sponsors. Accordingly, there are substantial inconsistencies in the data reported by CBSFA versus the other reporting entities.

Additionally, RMA data was not available for the full five-year review period. Data was only available for the 2007 to 2010 period.

CBSFA PERFORMANCE

In the 2006 to 2010 period, CBSFA's net assets grew by \$22.08 million, or 74.4%. Additionally, total assets increased by \$35 million, or 78.9%. Liquidity, as measured by the current ratio and quick ratio, substantially out performed the RMA averages. In terms of profitability, CBSFA also out performed the RMA averages. Finally, CBSFA also out performed the RMA averages on financial leverage by maintaining a conservative investment philosophy.

The achievement of CBSFA's financial goals has been the direct result of being able to leverage CBSFA's CDQ allocations. The stable CDQ allocations have provided the consistent cash flow base that has allowed CBSFA to further invest in fishing vessels, fishing quota and community infrastructure.

CBSFA has achieved strong financial performance and achieved its financial goals for the 2006 to 2010 period.

**Investments – Per Audited Financial Statements
(Dollars)**

	2006	2007	2008	2009	2010	Average Annual Investment
Total Fisheries Investments ²¹	25,569,328	27,326,662	52,529,185	6,336,477	59,605,439	
Fisheries Investments by Year ²²	95,550	1,757,334	25,202,523	739,831	6,336,477	6,826,343 ²³

Investments per Audited Financial Statements: For the five-year period from 2006 to 2010 inclusive, fisheries investments grew by \$34.06 million, or by \$6.82 million on an average annual basis. This represented an increase of 133% for the five-year period.

In an effort to grow and maximize revenue, while promoting the growth of the Saint Paul Island economy, CBSFA made numerous strategic investments during the five-year period. These investments included the purchase of crab harvesting and processing quota, the construction of critical community infrastructure, the construction of CBSFA’s first wholly owned fishing vessel and a substantial investment in working capital to support the goal of becoming a vertically integrated seafood company. The annual highlights are summarized below.

2006: An investment was made to upgrade CBSFA’s shore side catcher vessels, the F/V Starlite and the F/V Starward.

2007: CBSFA completed the upgrade program on its shore side catcher vessels and began construction of its first wholly owned vessel, the F/V Saint Paul. The F/V Saint Paul investment was made to increase CBSFA’s ability to harvest its CDQ halibut quota, to support the harvesting of locally owned Saint Paul Island IFQ halibut quotas, as well as allowing CBSFA to directly harvest its Pacific cod and sablefish allocations.

2008: In late 2008, CBSFA formed a new entity, 57 Degrees North, LLC, which purchased a substantial amount of crab harvesting and processing quota from Yardarm Knot, LLC and Highland Light Seafoods, Inc. The total amount of the transaction was \$22.1 million. The goal of the transaction was to gain control of large amounts of northern opilio processing quota to insure that these shares would be processed in the Saint Paul processing facility. Also in 2008, CBSFA completed the construction of the F/V Saint Paul at a total cost of \$2.3 million.

2009: CBSFA partnered with the City of Saint Paul to construct a new facility to house the Saint Paul Volunteer Fire Department and to provide adequate facilities for CBSFA’s crane and other supporting equipment. This multi-use facility provides the Saint Paul Volunteer Fire Department with a centralized location for its operations and equipment storage – critical to their response time. Also in 2009, CBSFA purchased portioning equipment and vacuum packaging equipment to support its local halibut fishery on Saint Paul Island. This new equipment allowed the CBSFA Halibut Cooperative to diversify its product offerings and to enter new end-user markets for the sale of its halibut. Additionally, further enhancements were made to CBSFA’s shore side catcher vessels.

2010: In 2010, CBSFA and the City of Saint Paul commenced construction of the new small boat harbor on Saint Paul Island. The new small boat harbor was designed and built to support the local halibut fishing fleet, as well as provide moorage for both emergency response vessels and transient

²¹ Total Fisheries Investments is equivalent to book value of BSAI investments

²² Fisheries Investments by Year is the annual change in the book value of fisheries investments

²³ Average Annual Investment = (Sum of fisheries investments) / 5

vessels. CBSFA's contribution to the small boat harbor project was \$6.1 million. Additionally, CBSFA purchased supporting equipment valued at \$0.67 million. This included a Manitowoc 4000 W (crawler crane) to deploy the new SBH docks, launch heavier vessels, and to provide a high-capacity crane to support the operations of the main Saint Paul Harbor and other community development projects. Finally, during the year, CBSFA made an additional investment in ASLP Acquisitions, LLP to further support CBSFA's CDQ pollock harvesting abilities.

Central Bering Sea Fishermen's Association										
Fisheries Investments per Audited Financial Statements, by Company, by Year										
for the years ended 2006-2010										
	CBSFA	57 Degrees North	American Seafoods	St. Paul Fishing Company	Star Partners	F/V Saint Paul	Central Bering Sea Vessels	Bering Sea Partners	Fisheries Investments by Year	Total Fisheries Investments
Prior to 2006	348,677	-	-	-	19,604,374	-	4,976,227	544,500	25,473,778	25,473,778
2006	(3,105)	-	-	-	169,992	-	(71,337)	-	95,550	25,569,328
2007	232,538	-	-	-	384,913	575,000	564,883	-	1,757,334	27,326,662
2008	22,992	23,903,593	1,232,999	3,078	(74,485)	1,762,028	(1,647,682)	-	25,202,523	52,529,185
2009	342,239	21,720	146,024	(327)	90,401	(47,119)	186,893	-	739,831	53,269,016
2010	6,417,610	(11,099)	369,152	1,183	(460,408)	(109,739)	129,778	-	6,336,477	59,605,493
Total by Company	7,360,951	23,914,214	1,748,175	3,934	19,714,787	2,180,170	4,138,762	544,500	59,605,493	-

The fishing related assets held at CBSFA include the CBSFA Office Building located in Saint Paul, and various pieces of processing equipment, mainly for halibut. During the years covered by this report, the halibut operations were conducted by CBSFA. They were moved to a subsidiary called 170 Degrees West subsequent to 2010. The main fishing asset managed by CBSFA is the Small Boat Harbor dock system that was put into use in 2010.

57 Degrees North (57DN) is the crab processing company for CBSFA – it is a wholly owned subsidiary that started processing operations in the 2008/2009 crab year with the buyout of crab assets from the Yardarm Knot, LLC and Highland Light Seafoods, Inc. 57DN manages the processing and leasing of CBSFA's CDQ, in addition to the processing and leasing of the IFQ, CPO and IPQ owned by 57DN. 57DN has worked with several other crab processors from 2008 - 2010 and processed crab in several plants around the state including plants in Saint Paul Island, Dutch Harbor and Akutan.

American Seafoods (AS) is CBSFA's pollock partner. CBSFA has worked with AS since 1992 and made its first equity investment in AS in 2000. Making gradual gains in the equity position over time as various sellers were looking for exit strategies, CBSFA currently owns approximately 10.1% of AS and holds a board seat. The majority of CBSFA's value in AS is not reflected in the investments as reported on the Balance Sheet in the Audited Financial Statements. Most of CBSFA's equity investments have been returned in the form of dividends over the years and only a minor portion of the value is reflected on the table above.

Saint Paul Fishing Company (SPFC), originally named Multi-Species Development Holdings (MSDH), was formed in 2003 when CBSFA made its investment in Central Bering Sea Vessels (CBSV), as the operating fishing company for CBSFA. SPFC co-owns and manages several fishing vessels with the other joint owners. SPFC is 100% owned by CBSFA and is responsible for six vessels including the F/V Saint Paul, F/V Saint Peter (invested in 2011), the F/V Starlight and F/V Starward (Star Partners) and the F/V Early Dawn and F/V Fierce Allegiance (CBSV). SPFC also co-owns and helps manage Bering Sea Partners (BSP).

Star Partners (SP) is a 75% owned company of SPFC; it holds the F/V Starlight and F/V Starward, two pollock catcher vessels that CBSFA purchased in 2003.

F/V Saint Paul is a 100% owned catcher-vessel that longlines for halibut and pot-fishes for cod and sablefish.

Central Bering Sea Vessels (CBSV) is a 30% owned company of SPFC; it holds the F/V Early Dawn and F/V Fierce Allegiance, catcher vessels that harvest cod, pollock, and all species of crab.

Bering Sea Partners (BSP) is a 9.9% owned company of SPFC, it holds brown crab IPQ purchased from Royal Aleutian Seafoods in 2005.

Central Bering Sea Fishermen's Association						
Vessel Ownership Summary						
As of November 5, 2010						
Vessel Name	Vessel Length	Vessel Type	Target Species	Ownership %	Year of Investment	Holding Company
F/V Saint Peter	58'	Catcher Vessel	Pacific cod, sablefish & halibut	100%	2011	Saint Boats
F/V Saint Paul	58'	Catcher Vessel	Pacific cod, sablefish & halibut	100%	2008	Saint Boats
F/V Starlight	123'	Catcher Vessel	Pacific cod & pollock	75%	2004	Star Partners
F/V Starward	123'	Catcher Vessel	Pacific cod & pollock	75%	2004	Star Partners
F/V Early Dawn	108'	Catcher Vessel	Pacific cod, opilio crab, red, brown and blue king crab	30%	2003	Central Bering Sea Vessels
F/V Fierce Allegiance	166'	Catcher Vessel	Pacific cod, pollock, opilio crab, red, brown and blue king crab	30%	2003	Central Bering Sea Vessels
F/T Northern Jaeger	336'	Catcher Processor	Pacific whiting, pollock & yellowfin sole	10.1%	2000	American Seafoods
F/T Ocean Rover	256'	Catcher Processor	Pacific whiting, pollock & yellowfin sole	10.1%	2000	American Seafoods
F/T American Dynasty	272'	Catcher Processor	Pacific whiting, pollock & yellowfin sole	10.1%	2000	American Seafoods
F/T Katie Ann	295'	Catcher Processor	Pacific cod & pollock	10.1%	2000	American Seafoods
F/T Northern Eagle	341'	Catcher Processor	Pacific whiting, pollock & yellowfin sole	10.1%	2000	American Seafoods
F/T American Triumph	285'	Catcher Processor	Pacific whiting, pollock & yellowfin sole	10.1%	2000	American Seafoods

**Investments – Per Panel Rule
(Dollars)**

	2006	2007	2008	2009	2010	Average Annual Investment
Expenditures	9,889,112	12,074,803	10,674,641	21,111,418	29,394,535	16,628,902
Depreciation	148,875	269,829	637,535	813,763	944,673	562,935
Taxes	0	0	3,500	0	0	700
Change in Swap Contract Value	0	0	0	-192,239	691,672	99,887
Minority Interest Expense	0	230,091	303,630	-5,228	79,998	121,698
Investments	315,762	1,387,280	2,351,148	1,220,677	8,109,579	2,676,889
Total	10,055,999	12,962,163	12,081,124	21,715,799	35,787,771	18,520,571

	2006	2007	2008	2009	2010	Average Annual Investment
Fisheries Related Investments	9,962,011	12,818,363	11,650,580	21,151,443	35,202,747	18,157,029
Pre Existing / Education Investments	93,988	143,800	430,544	564,356	585,024	363,542
Total Investments per Panel Rule	10,055,999	12,962,163	12,081,124	21,715,799	35,787,771	18,520,571

Investments per Panel Rule: Investments per the Panel Rule include all expenditures made by the organization, less depreciation and taxes plus any investments. During the 2006 to 2010 period, all of CBSFA's expenditures and investments were fisheries related.

Accordingly, the accompanying table is provided for information purposes only as the Investments per Panel Rule are not germane to this report.

**Net Assets & Total Assets
(Dollars)**

	2006	2007	2008	2009	2010
Total Net Assets	29,640,587	35,300,523	41,370,503	44,290,533	51,721,533
Change in Net Assets	4,239,598	5,659,936	6,069,980	2,920,030	7,431,000
% Change in Net Assets	16.69%	19.10%	17.20%	7.06%	16.78%
Average Total Net Assets	27,520,788	32,470,555	38,335,513	42,830,518	48,006,033
Return on Net Assets	15.41%	17.43%	15.83%	6.82%	8.51%
Long Term Debt	11,491,005	10,786,046	28,502,123	26,295,612	24,035,788
Long Term Debt to Net Assets	38.77%	30.55%	68.89%	59.37%	46.47%
Total Assets	44,338,017	49,581,503	75,043,604	75,681,062	79,338,597
Change in Total Assets	3,444,624	5,243,486	25,462,101	637,458	3,657,535
% Change in Total Assets	8.42%	11.83%	51.35%	0.85%	4.83%
Average Total Assets	42,615,705	46,959,760	62,312,554	75,362,333	77,509,830
Return on Total Assets	9.95%	12.05%	9.74%	3.87%	9.59%

For the Decennial Review period, CBSFA increased its net assets by \$22.08 million and its total assets by \$35.0 million. This represented a compound growth rate in both net assets and total assets just in excess of 15%, or an annual average growth rate of approximately 16.75%. Long-term debt increased by \$12.5 million, or 109%.

For the 2006 to 2010 period, 100% of CBSFA's investments were in fisheries investments. Accordingly, the changes in net assets and total assets parallel the investments as outlined in the Investments per Audited Financial Statements section.

	Liquidity Ratios					4 Year Average
	2006	2007	2008	2009	2010	
Current Ratio						
Current Assets	10,429,009	12,768,848	13,036,342	12,665,456	16,417,915	13,722,140
Current Liabilities	2,042,449	1,290,885	3,751,847	3,922,443	4,268,482	3,308,414
Ratio	5.11	9.89	3.47	3.23	3.85	4.15
RMA	N/A	1.35	1.78	1.36	1.75	1.56
Quick Ratio						
Current Assets	10,429,009	12,768,848	13,036,342	12,665,456	16,417,915	13,722,140
Inventory	0	844,864	2,900,775	3,624,235	5,140,217	3,127,523
Current Liabilities	2,042,449	1,290,885	3,751,847	3,922,443	4,268,482	3,308,414
Ratio	5.11	9.24	2.70	2.30	2.64	3.20
RMA	N/A	0.63	1.00	0.78	0.93	0.84

Liquidity is measured by two key financial ratios. First, is the current ratio, which is the total current assets, divided by the total current liabilities. Second, is the quick ratio, which is the total current liabilities minus inventory divided by total current liabilities.

For the 2006 to 2010 period, CBSFA had an average current ratio of 4.15. for the 2007 to 2010 period, while the RMA average current ratio was 1.56. CBSFA's current ratio was 1.66 times stronger than the RMA industry average.

For the 2006 to 2010 period, CBSFA had an average quick ratio of 3.20. for the 2007 to 2010 period, and the RMA average quick ratio was 0.84. CBSFA's quick ratio was 2.80 times stronger than the RMA industry average.

CBSFA has maintained strong liquidity. This performance provides a strong indication that CBSFA will be able to meet its obligations as they become due and to continue to fund the programs that are central to both CBSFA and the CDQ program.

	Financial Leverage Ratios					4 Year Average
	2006	2007	2008	2009	2010	
Debt Ratio						
Total Debt	11,971,238	11,324,697	30,503,388	28,226,044	27,617,064	24,417,798
Total Assets	44,338,017	49,581,503	75,043,604	75,681,062	79,338,597	69,911,192
Ratio	0.27	0.23	0.41	0.37	0.35	0.35
RMA	N/A	0.45	0.42	0.46	0.44	0.44
Debt - to - Equity Ratio						
Total Debt	11,971,238	11,324,697	30,503,388	28,226,044	27,617,064	24,417,798
Total Equity	29,640,587	35,300,523	41,370,503	44,290,533	48,377,046	42,334,651
Ratio	0.40	0.32	0.74	0.64	0.57	0.58
RMA	N/A	0.82	0.71	0.84	0.80	0.79
Interest Coverage Ratio						
EBITDA	5,045,865	6,470,548	7,254,301	5,001,651	6,505,451	6,307,988
Interest paid	657,392	540,783	546,786	1,267,858	1,474,265	957,423
Ratio	7.68	11.97	13.27	3.94	4.41	6.59
RMA	N/A	0.78	0.49	2.94	7.77	3.00

Financial leverage is measured by three key ratios. First, is the debt ratio. The debt ratio is a measure of what portions of an organization's assets are financed by using debt. Second, is the debt to equity ratio. This ratio provides a measure of the use of debt financing versus equity financing. Finally, the interest coverage ratio provides a measure of how many times CBSFA's EBITDA (earnings before interest, taxes, depreciation and amortization) can make the interest payments on its obligations.

For the 2006 to 2010 period, CBSFA had an average debt ratio of .35. For the 2007 to 2010 period; the RMA average debt ratio was .44. CBSFA used 20% less debt to finance its assets than did the average organization in the RMA report.

For the Decennial Review period, CBSFA had an average debt-to-equity ratio of .58. The RMA four year average was .79. This indicates that CBSFA used 25% less debt to finance its investments than the industry average.

For the 2006 to 2010 period, CBSFA had an average Interest Coverage Ratio of 6.59. The RMA average was 3.00. This indicates that CBSFA had in excess of twice the ability to make its interest payments, when due, than the RMA group average.

CBSFA has used debt judiciously to expand its operations. The responsible use of debt financing provides a strong indication that CBSFA will be able to meet its obligations as they become due and to finance future fisheries investments.

	Profitability Ratios					4 Year Average
	2006	2007	2008	2009	2010	
Return on Assets						
Net Income	4,239,598	5,659,936	6,069,980	2,920,030	4,086,513	4,684,115
Total Assets	44,338,017	49,581,503	75,043,604	75,681,062	79,338,597	69,911,192
Ratio	0.10	0.11	0.08	0.04	0.05	0.07
RMA	N/A	-0.07	0.01	0.12	0.15	0.05
Return on Equity						
Net Income	4,239,598	5,659,936	6,069,980	2,920,030	4,086,513	4,684,115
Total Equity	29,640,587	35,300,523	41,370,503	44,290,533	48,377,046	42,334,651
Ratio	0.14	0.16	0.15	0.07	0.08	0.11
RMA	N/A	-0.13	0.17	0.21	0.27	0.13

CBSFA benchmarks its profitability using two key ratios. First, is the return on total assets. Second, is the return on equity. CBSFA does not measure profitability against sales as is standard in the RMA statistics because CBSFA funds many community programs and educational programs that the “average” firm in the RMA statistics does not fund.

For the 2006 to 2010 period, CBSFA had an average Return on Assets of .07. The RMA average for the 2007 to 2010 period was .05. CBSFA out performed the RMA average by 28%, while also making very meaningful community and educational expenditures.

For the Decennial Review period, CBSFA had an average Return on Equity of .11. The RMA average for the 2007 to 2010 period was .13. This is the only metric for which CBSFA under performed the RMA base statistic. However, this under performance can be explained by the fact that CBSFA used substantially more equity to finance its operations than that of the RMA average participant.

CBSFA has maintained above average profitability performance. This profitability provides a strong indication that CBSFA will be able to continue to provide the community and educational benefits to the community of Saint Paul, while simultaneously being able to expand its fishing operations.

CBSFA Fisheries-Related & Community Infrastructure Joint Effort Projects

Joint Venture Project	CBSFA Investment and/or Designated Funds	Total Project Cost	CDQ Support to Project Cost %
Small Boat Harbor	\$6,134,231	\$21,166,000	28.98%
SAFE Boat - Lunax	\$171,582	\$310,000	55.35%
Vessel Repair & Tribal Government Multi-use Facility	\$2,500,000	\$4,300,000	58.14%
Fire Station/Crane Storage Facility	\$500,000	\$1,447,442	34.54%
Tribal Government Dock	\$500,000	\$1,500,000	33.33%
Total CBSFA CDQ Support/Total Project	\$9,805,813	\$28,723,442	34.14%

Over the years CBSFA has collaborated with and financially supported local projects with the City of Saint Paul and the Tribal Government of Saint Paul Island. The above table shows the monetary contributions to each joint venture project.

Small Boat Harbor (2010)

The construction of Saint Paul Harbor and the Small Boat Harbor (SBH) are among the most important investments on the island in terms of economic impact on the community. The harbor is integral to Saint Paul, providing millions of dollars in income and numerous jobs each year through commercial fishing. The completion of the Small Boat Harbor in October 2010, at a cost of over \$20 million, represented the final phase of this monumental local, state, and federal effort. CBSFA contributed \$6.1 million to the project. The improved Saint Paul Harbor and the newly constructed SBH are critical to Saint Paul's long-term economic well-being and its diversification efforts. They will enhance the community's ability to generate significant income and will create numerous job opportunities each year, particularly for our younger generations, through commercial fishing and related activities. The SBH is considered a state-of-the-art design and engineering project, and the joint construction team consisting of CBSFA, BMI, Red Point, and Dutra was awarded the 2011 "Project Excellence Award" by the Coasts, Oceans, Ports, and Rivers Institute. CBSFA owns and manages the SBH and is leasing the SBH tidelands.

SAFE Boat - Lunax (2009)

In 2009, CBSFA collaborated with the Tribal Government of Saint Paul to purchase a 29' x 10' multipurpose boat designed and built by SAFE Boats International. Both CBSFA and the Tribal Government desired to have a versatile boat that would serve our needs in the waters surrounding Saint Paul. CBSFA funding served as a match to a \$150,000 Community Oriented Policing Services (C.O.P.S.) grant that the Tribe applied for from the U.S. Department of Justice. It is a superior vessel that will be used for search & rescue, local fleet towing and assistance, near shore research, deployment and retrieval of the new small boat harbor dock system, vessel safety training for local fishermen, and various charter work.

Vessel Repair & Tribal Government Multi-use Facility (2010)

Construction of a vessel repair facility to support the local fishing fleet has been a goal of CBSFA and money for this project has been set-aside for a number of years. In more recent years, CBSFA has been working with the Tribal Government of Saint Paul to construct a jointly owned facility, which will include the CBSFA Vessel Repair Facility and space to support the Tribe's business development. This project will expand the overall services offered within the Small Boat Harbor and Saint Paul Harbor in general. CBSFA funds will serve as part of the local match toward receiving grant funds that will make the project complete.

Fire Station/Crane Storage Facility (2007)

CBSFA partnered with the City of St. Paul to build a combination fire station/crane storage facility. This facility provides the Saint Paul Volunteer Fire Department with a central location to operate from and store equipment – critical to proper response. CBSFA uses its part of the building to store heavy equipment and for maintenance and repairs. Construction was completed in 2008.

Tribal Government Dock

The Tribal Government Dock project falls under the larger Vessel Repair & Tribal Government Multi-use Facility. Its construction will complement the SBH and overall Saint Paul Harbor. It has been included in the DRR to show CBSFA's continued support and leveraging of CDQ dollars for the benefit of community of Saint Paul Island.

CBSFA funding in these joint efforts has effectively increased the impact of CDQ dollars in the community. Without this vital funding these projects may not have been possible.

CRITERION 3: EMPLOYMENT, SCHOLARSHIPS & TRAINING

OVERVIEW

This section will review employment, scholarship and training figures. It will demonstrate how CBSFA has invested in its community through creating job opportunities and supporting education at all levels.

Weight assigned to Criterion 3 is 35%.

DATA SOURCES

The data is self-reported.

DATA LIMITATIONS

The data was limited because only individuals who received either a form W-2 or 1099 directly from CBSFA or one of its majority owned subsidiaries were considered in the employment evaluation. Individuals who were employed by organizations other than CBSFA, but whose employment funding resulted from CBSFA financial support, were not considered in this report.

CBSFA PERFORMANCE

During the 2006-2010 period, CBSFA has achieved its goals of expanding employment, scholarship and training opportunities. The local commercial halibut fishery has been a main contributor to the local employment opportunities and the halibut fishery support sector. Creation of the CBSFA Halibut Cooperative has dramatically increased the value of the local fishery through increased ex-vessel pricing and market expansion. Construction of the F/V Saint Paul ensures that CDQ halibut and locally owned halibut IFQ are fully harvested, as well as creating high-value job opportunities on the fishing vessel itself. Construction of the Small Boat Harbor has enhanced the community's ability to generate income and create additional job opportunities.

CBSFA helps create job opportunities, not only within the organization, but also through support of other entities within the community. In 2010, CBSFA began supporting the TDX Summer Youth Hire Program – a program that provides youth with job opportunities and job-skill development. The Montessori Program (a pre-school education program) continues to be fully funded by CBSFA and has created additional employment since 2007.

Education and development of Saint Paul residents has been a priority for CBSFA. CBSFA funding supports students at all ages and education levels. The Montessori Program provides education to pre-school aged children. Contributions to Pribilof School District extracurricular activities provide elementary, middle school and high school students with unique opportunities. CBSFA's Scholarship and Training Program provides opportunities for individuals to pursue post-secondary education or vocational training. Annually, a substantial number of residents participate in these programs.

CBSFA has made great efforts to develop its local economy and provide its residents with significant education and employment opportunities. These efforts promote a community that is educated, capable and has opportunity. CBSFA has performed well in this regard.

EMPLOYMENT

Unique Individuals Employed	2006		2007		2008		2009		2010		TOTAL	
	#	Wages (Dollars)	#	Wages (Dollars)	#	Wages (Dollars)	#	Wages (Dollars)	#	Wages (Dollars)	#	Wages (Dollars)
Direct Employment ²⁴	33	426,433.36	37	551,465.11	44	653,635.04	36	779,311.54	38	779,869.72	188	\$3,190,714.77
Indirect Employment ²⁵	105	3,359,655.47	116	3,392,461.80	138	5,003,009.72	149	3,172,171.11	141	5,459,188.23	649	\$20,386,486.33

DIRECT EMPLOYMENT ²⁴ BY RESIDENCY

Unique Individuals Employed	2006		2007		2008		2009		2010		TOTAL	
	#	Wages (Dollars)	#	Wages (Dollars)	#	Wages (Dollars)	#	Wages (Dollars)	#	Wages (Dollars)	#	Wages (Dollars)
CDQ Community Resident In-Region	24	\$210,838.50	25	\$276,864.17	33	\$328,263.25	30	\$419,789.84	32	\$452,708.24	144	\$1,688,464.00
CDQ Community Resident Out of Region	1	\$54,067.45	1	\$56,719.71	1	\$58,559.45	1	\$53,360.08	1	\$16,244.03	5	\$238,950.72
Other Western Alaska Resident	-	-	-	-	-	-	-	-	-	-	0	\$0.00
Other Alaska Resident	4	\$156,326.28	3	\$175,774.68	2	\$213,426.26	3	\$245,690.53	4	\$302,688.80	16	\$1,093,906.55
Nonresident	4	\$5,201.13	8	\$42,106.55	8	\$53,386.08	2	\$60,471.09	1	\$8,228.65	23	\$169,393.50
Total Direct Employment	33	\$426,433.36	37	\$551,465.11	44	\$653,635.04	36	\$779,311.54	38	\$779,869.72	188	\$3,190,714.77

The Employment table represents individuals earning wages directly through employment with CBSFA or one of CBSFA's subsidiaries. Employees represented under Direct Employment are those employees who received a W-2 from CSBFA or one of its subsidiaries; this includes permanent, seasonal and part-time employees. Total direct employment earnings for the period totaled \$3.19 million and averaged \$638,000 annually.

The individuals represented under Indirect Employment are primarily resident commercial halibut fishermen who participate in CBSFA's Halibut Cooperative. The importance and impact of this program on the local economy must be emphasized. The total amount paid to the local fishermen from the CBSFA Halibut Cooperative was in excess of \$14.8 million for the five-year period, or a \$2.96 million annual average. These amounts are particularly significant because they are not represented in either the Community Total Wages (p. 10) or Occupational Database data.

The balance of the individuals represented in Indirect Employment include individuals who received a form 1099 from CBSFA, or one of CBSFA's subsidiaries. The majority of this income was earned as a result of working on one of CBSFA's wholly owned or controlled fishing vessels. The Indirect Employment did not include those individuals who were employed as a result of CBSFA's funding of

²⁴ Direct employment includes unique individuals directly employed by CBSFA and/or its wholly-owned subsidiaries

²⁵ Indirect employment includes unique individuals assisted or recruited by CBSFA in its regional efforts - not directly employed by CBSFA or its wholly-owned subsidiaries

the TDX Summer Youth Hire Program, those individuals employed by the Pribilof Island School District as a result of CBSFA's funding of the Montessori Program or those individuals employed by the Tribal Government of St. Paul as a result of CBSFA funding.

Direct Employment by Residency provides a breakdown of the location where direct CBSFA employees reside. CBSFA's main office is located on Saint Paul Island. This is where the majority of CBSFA's employees function. All of St. Paul based employees are included under CDQ Community Resident In-Region. CBSFA's wholly owned subsidiary, the Saint Paul Fishing Company, formerly Multi-Species Development Holdings (MSDH), has its main office in Wasilla, Alaska. Employees in the remaining rows are based out of that office.

CBSFA has undertaken a number of programs recently that have provided increased in-region employment. In 2008, CBSFA completed the construction of the F/V Saint Paul. This vessel harvests halibut, Pacific cod and sablefish. Local community residents are given priority for crew positions on the F/V Saint Paul. Additionally, CBSFA has funded the TDX Summer Youth Hire Program and funded the Pribilof Island School District's Montessori Program. Both of these programs provide meaningful employment opportunities.

CBSFA and the City of Saint Paul completed the new Small Boat Harbor in 2010. CBSFA owns and operates the Small Boat Harbor. The Small Boat Harbor provides employment opportunities seasonally for the installation and removal of the docks. Additionally, CBSFA has contracted with the Tribal Government of Saint Paul to provide security for the facility.

SCHOLARSHIPS, EDUCATION & TRAINING

	2006		2007		2008		2009		2010	
	#	\$	#	\$	#	\$	#	\$	#	\$
Scholarships	33	73,616	32	74,400	31	79,900	43	108,000	34	87,500
Education	93	6,800	100	58,100	92	79,576	96	119,574	81	126,426
Training	44	11,079	2	5,225	2	4,335	2	4,316	5	15,136

CBSFA's Scholarship and Training Program was created in 1994. The goal of the Scholarship and Education Program is to provide financial assistance to individuals pursuing post-secondary education or vocational training. The offering of financial assistance increases individuals' opportunity to obtain the education, skills and training that are necessary to become qualified job candidates. The goal is to have these individuals acquire the necessary skills to make Saint Paul a more economically and socially viable community. Since the program's inception, many eligible recipients have benefitted from this program. The program has helped 32 individuals earn degrees or complete vocational training.

It is CBSFA's belief that healthy, well-educated youth are critical to the welfare of the community. For this reason, monetary contributions are annually given to the Saint Paul School, the Bering Sea-Pribilof Islands Science Camp, Tribal Government Amix Program, Bering Sea Days at the Saint Paul School, and the Montessori Program.

Marine safety training workshops are facilitated by CBSFA on a regular basis. This training is valuable because Saint Paul is surrounded by the Bering Sea and is a commercial fishing community. These workshops are made available to fishermen and other interested community residents.

CRITERION 4: ACHIEVEMENT OF CDP GOALS

OVERVIEW

In this section CBSFA demonstrates its participation in BSAI target fisheries using vessels directly owned by CBSFA, its harvesting partners, or vessels privately owned by its members. Using a combination of trawl, pots and longline gear, CBSFA achieved its CDP goals.

Weight assigned to Criterion 4 is 25%.

DATA SOURCES

The National Marine Fisheries Service and Alaska Department of Fish & Game provided the information specified in the CDQ Performance table for groundfish and crab. Halibut harvest data is sourced from National Marine Fisheries Service, Restricted Access Management Program.

DATA LIMITATIONS

Quota remaining at year-end between the years of 2006 and 2010 was calculated using information provided by NMFS and the ADF&G. Quota transferred from CBSFA to other groups and harvested in quota pools limited CBSFA's ability to accurately calculate exact harvest amounts in some groundfish fisheries.

CBSFA PERFORMANCE

In accordance with the CDQ Panel Rule on Community Development Plans (CDP), in Section 2 of WACDA Resolution 2010-07, CBSFA chose to base its CDP on 16 U.S.C. 1855(i)(1)(J)(i). This section of the Statute states "the term CDP means a plan . . . that describes how the entity intends to harvest its share of fishery resources allocated to the (CDQ) program. "

CBSFA has complied with this Rule, and has achieved the goals of its Community Development Plans for the years 2006 through 2010.

CDQ PERFORMANCE - DIRECTED GROUND FISH TARGETS

COMMUNITY DEVELOPMENT QUOTA		2006		2007		2008		2009		2010		Average % Harvested/Transferred - Permit C53
SPECIES & ALLOCATIONS	%	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	
POLLOCK & COD TARGETS												
BS Pollock	5%	7,520.0	7,520.0	6,970.0	6,970.0	5,000.0	5,000.0	17,681.1	17,674.8	36,777.0	36,773.9	99.99%
AI Pollock	5%	95.0	95.0	95.0	-	95.0	-	95.0	-	95.0	-	20.00%
Pacific Cod	9%	1,320.0	1,320.0	1,152.0	1,152.4	1,631.2	1,631.2	1,818.5	1,784.5	1,877.0	1,875.9	99.55%
AI TRAWL TARGETS												
WAI Atka Mackerel	8%	93.0	92.9	57.6	57.0	144.7	144.0	144.7	141.7	176.4	176.0	99.23%
CAI Atka Mackerel	8%	240.0	239.9	177.6	177.6	208.0	208.0	278.2	275.2	253.4	248.0	99.26%
EAI/BS Atka Mackerel	8%	45.0	44.4	142.8	142.2	166.9	166.6	231.8	227.8	205.0	198.4	98.47%
WAI Pacific Ocean Perch	8%	30.5	30.0	46.3	46.0	65.1	65.0	55.8	54.8	56.0	53.0	98.05%
CAI Pacific Ocean Perch	8%	18.0	18.0	30.3	30.0	42.7	42.0	36.5	35.1	36.6	34.0	97.01%
EAI/BS Pacific Ocean Perch	8%	18.0	18.0	29.8	29.0	41.9	41.0	36.0	35.0	36.1	34.0	97.01%
BS FLATFISH TARGETS												
Yellowfin Sole	8%	574.0	574.2	816.0	815.5	1,926.6	1,925.2	1,803.4	642.6	1,890.6	659.4	65.86%
Rock Sole	8%	249.0	24.0	330.0	329.5	639.1	639.0	798.0	313.4	860.5	313.5	56.29%
Flathead Sole	9%	131.7	131.7	202.5	202.0	474.5	474.0	600.7	370.5	665.8	382.5	75.21%
BSAI SABLEFISH TARGETS												
BS Fixed Gear Sablefish	16%	45.0	25.0	47.7	45.0	45.8	45.0	43.5	40.0	44.6	29.7	81.52%
AI Fixed Gear Sablefish	3%	13.5	13.5	12.7	10.0	11.0	-	9.9	9.0	9.3	9.3	74.09%

CBSFA holds a 10.1% equity interest in American Seafoods, which is a world leader in harvesting, at-sea processing and preparation of quality seafoods in the Bering Sea, mainly pollock. American Seafoods has established a global sourcing, marketing and distribution network providing quality seafood to consumers worldwide. CBSFA's investment in American Seafoods has proven to be a profitable and efficient means of harvesting its pollock allocations from 2006 through 2010. During this time American Seafoods, through the Pacific Longline Company, harvested and marketed much of CBSFA's Pacific cod allocations as well.

In 2008 CBSFA constructed a 58' Fred Wahl Marine Construction combination vessel to harvest Pacific cod, halibut and sablefish. The 100% owned vessel began harvesting some of CBSFA's Pacific cod allocation in 2009 and increased its production through 2010. Through this harvesting plan, CBSFA harvests some of its Pacific cod on the fishing vessel (F/V) Saint Paul, then sells the fish to its wholly-owned subsidiary Village Cove Seafoods where it is custom processed and marketed. CBSFA is now profiting at the vessel level and through wholesale and retail marketing of some of its Pacific cod allocations.

Other groundfish species - mainly flatfish, mackerel and Pacific Ocean perch - were harvested mostly by U.S. Seafoods from 2006 to 2010. CBSFA's quota was pooled for management efficiency purposes.

Success in harvesting these allocations varied from year to year due to market conditions and limited availability of bycatch species.

CDQ PERFORMANCE - DIRECTED CRAB SPECIES

COMMUNITY DEVELOPMENT QUOTA		2006		2007		2008		2009		2010		Average % Harvested/ Transferred - Permit C53
SPECIES & ALLOCATIONS	%	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	
Opilio Snow Crab (BSS)	20%	731,320.0	730,580.0	1,260,680.0	1,260,406.0	1,171,000.0	1,171,000.0	960,340.0	960,340.0	1,085,620.0	1,085,620.0	99.98%
Bairdi Tanner Crab (BST)	19%	56,411.0	20,786.0	106,799.0	14,604.0	81,700.0	52,616.0	25,650.0	25,650.0	-	-	42.01%
Bristol Bay Red King Crab (BBR)	10%	155,270.0	155,270.0	203,830.0	203,880.0	203,640.0	203,639.0	160,090.0	160,090.0	148,390.0	148,390.0	100.01%
Eastern Aleutians Golden King Crab (EAG)	21%	87,000.0	87,000.0	87,000.0	87,000.0	91,350.0	91,350.0	66,150.0	66,150.0	66,150.0	66,150.0	100.00%
St. Matthew Blue King Crab (SMB)	0%	-	-	-	-	-	-	-	-	-	-	-
Pribilof Island King Crab (PIKC)	100%	-	-	-	-	-	-	-	-	-	-	-

CBSFA's crab harvesting vessels, Fierce Allegiance and Early Dawn, are responsible for harvesting CBSFA's opilio, Bristol Bay Red King (BBR) and Eastern Aleutians Golden King crab (EAG) CDQ allocations. As the above table reflects, CBSFA's vessels were extremely successful – landing over 99% of the allocation of each of these species. CBSFA's bairdi allocation was leased to outside vessels with varying success from 2006 to 2009 and the fishery was closed completely in 2010. The western bairdi district was closed in 2009 as well.

In 2009, the F/V Saint Paul also participated in the Bristol Bay Red King crab fishery and landed approximately 70,000 pounds. Due to the reduction in the Total Allowable Catch in 2010, and the vessel's excellent production of Pacific cod, the F/V Saint Paul has not participated in the BBR fishery since 2009.

The Pribilof Island King crab fishery was closed from 2006 to present and CBSFA does not have a CDQ allocation for St. Matthew Blue King crab (SMB).

In 2008, CBSFA formed a wholly owned crab processing and marketing subsidiary, 57 Degrees North (57DN). 57 DN purchases CDQ, IFQ and CPO crab from CBSFA's vessels, then has it custom processed and occasionally value added, packaged and marketed along with its halibut, Pacific cod and sablefish products – much of which is labeled with CBSFA's logo. Saint Paul is a crab dependent community, and opilio, BBR and SMB processing is a major contributor to the local economy. The processing plant employs 20-60 local residents, depending on the particular season, creating demands for goods and services provided by local businesses and generating local tax dollars that support the municipal government. Moreover, crab processing, by providing the plant operator with commercially viable production efficiency, is the economic underpinning for the processing of local CDQ and IFQ halibut fishery in the summer months. Without the CDQ and IFQ crab that is delivered to Saint Paul, the local plant would not be viable – and halibut, which is critically important to CBSFA members, would not have such an efficient and large facility to process and add value to CBSFA's halibut allocation.

CDQ PERFORMANCE - DIRECTED HALIBUT

COMMUNITY DEVELOPMENT QUOTA		2006		2007		2008		2009		2010		
SPECIES & ALLOCATIONS	%	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Average % Harvested/ Transferred - Permit C53
4C Halibut	85%	684,250.0	667,597.0	793,262.0	789,416.0	751,825.0	755,429.0	666,825.0	666,824.0	690,625.0	690,625.0	99.53%

Vessels owned by resident Saint Paul Island fishermen harvested the majority of CBSFA’s CDQ halibut allocation each year during the Decennial Review period. Respectively, the local fleet – ranging in size from 18–46 feet in length – landed 56%, 61%, 83%, 83% and 94% of the CDQ allocation between 2006 and 2010. Prior to 2008 quota that was not harvested by the local fleet was leased to larger halibut vessels not directly owned by CBSFA or its members. Since then, the F/V Saint Paul has been used to harvest the remaining halibut quota when the local fleet had to stop fishing due to extreme fall weather patterns each year. The majority of halibut harvested by the local fleet, the F/V Saint Paul and other vessels was sold to the CBSFA Halibut Cooperative. The halibut is custom processed in Saint Paul by Trident Seafoods in the forms of head & gut, fillets, and vacuum-sealed halibut portions and then marketed by CBSFA (or its newly formed subsidiary – 170 Degrees West). CBSFA has worked diligently to expand its processing and marketing operations in an effort to increase the long-term profitability of the halibut co-op. Investments in value-added processing equipment installed and operating in the Saint Paul plant help to support and stabilize this invaluable source of livelihood of CBSFA members. Halibut is the lifeblood of Saint Paul and a major contributor to the local economy. It has helped CBSFA to realize the goals of the CDQ program – allowing its members the opportunity to participate and invest in Bering Sea fisheries, supporting economic development in the region, helping alleviate poverty and providing economic and social benefits to its residents and achieving a sustainable and diversified local economy.

CDQ PERFORMANCE - PSQ SPECIES

COMMUNITY DEVELOPMENT QUOTA		2006		2007		2008		2009		2010		
SPECIES & ALLOCATIONS	%	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Average % Harvested/ Transferred - Permit C53
Zone 1 Red King Crab	8%	1,182.0	782.0	1,182.0	770.0	1,686.0	850.0	1,686.0	968.0	2,016.0	968.0	55.96%
Zone 1 Bairdi Tanner Crab	8%	5,880.0	3,310.0	5,880.0	3,100.0	8,389.0	3,200.0	8,389.0	2,752.0	9,305.0	5,252.0	46.54%
Zone 2 Bairdi Tanner Crab	8%	17,820.0	13,400.0	17,820.0	13,100.0	25,423.0	13,200.0	25,423.0	16,387.0	24,445.0	16,388.0	65.33%
Opilio Tanner Crab	8%	34,570.0	15,940.0	26,100.0	15,100.0	37,236.0	15,200.0	37,236.0	18,624.0	40,236.0	18,631.0	47.61%
Pacific Halibut (mt)	9%	31.0	21.0	30.8	18.0	30.9	30.9	44.4	37.8	47.8	27.0	72.87%
Chinook Salmon	5%	109.0	109.0	109.0	109.0	109.0	109.0	468.0	104.0	985.0	154.0	32.87%
Non-Chinook Salmon	5%	158.0	158.0	158.0	158.0	225.0	158.0	600.0	-	1,673.0	-	16.84%

CBSFA is committed to minimizing bycatch and works with harvesting partners and other CDQ co-op managers to closely monitor bycatch levels in the CDQ fisheries throughout each year. Being responsible stewards of the BSAI resources will help ensure that these fisheries are available to

future generations of CBSFA's members. CBSFA utilizes Sea State, Inc. for monitoring of groundfish harvests and associated bycatch.

CDQ PERFORMANCE - NON-DIRECTED GROUND FISH

COMMUNITY DEVELOPMENT QUOTA		2006		2007		2008		2009		2010		Average % Harvested/Transferred - Permit C53
SPECIES & ALLOCATIONS	%	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	Allocation (Including Transfers In)	Harvest (Including Transfers Out)	
BS Sablefish (Trawl)	9%	9.5	3.6	10.1	10.0	9.7	9.7	9.9	8.4	10.7	3.6	70.59%
AI Sablefish (Trawl)	8%	4.5	1.5	4.2	4.0	3.7	3.7	3.3	2.9	3.1	1.1	70.61%
BS Greenland Turbot	8%	11.4	11.4	10.1	9.5	15.0	14.2	51.4	49.8	41.5	22.7	83.11%
Arrowtooth Flounder	9%	87.8	87.8	135.0	134.5	722.3	720.0	742.8	352.3	770.4	359.5	67.29%

CBSFA did not directly target the species in the above table but instead utilized them as bycatch in the targeted groundfish fisheries.

CONCLUSION/SUMMARY

The Central Bering Sea Fishermen's Association (CBSFA) has reviewed its performance as the CDQ entity for Saint Paul, and is proud to report to the State of Alaska, and to its members and community, that CBSFA has improved its overall performance with respect to the required criteria during the period 2006 through 2010.

To summarize, the criteria and their weighted value for CBSFA are:

- Changes in population, poverty level, and economic development in the entity's member villages.

CBSFA weighted this criterion at 5%

- The overall financial performance of the entity, including fishery and non-fishery investments by the entity.

CBSFA weighted this criterion at 35%

- Employment, scholarships, and training supported by the entity.

CBSFA weighted this criterion at 35%

- Achieving the goals of the entity's CDP.

CBSFA weighted this criterion at 25%

As detailed in the review document, CBSFA chose to weight the criteria in these proportions based on several considerations.

For the first criterion, which we rated at 5%, both the available population data and the poverty level data were inadequate and inconsistent. For example, the community population of Saint Paul in 2000 and in 2010 is taken from U.S. Census data, but there is not census information about the population in 2006. The community poverty rate in 1999, according to the U.S. Census data, was 66 people, changing to 188 people in the period 2006-2010; the margin of error in this data is plus or minus 248 people, suggesting that the data has no predictive value of the actual community poverty rate, and therefore rendering the data virtually worthless.

During the period of the review, the median household income went down by \$12,625, but – again – the margin of error is plus or minus \$10,000. The per capita income went up \$7,790, with a smaller margin of error. Again, this would suggest that the data is not a reliable predictor.

By contrast, the data from the Alaska Department of Labor (DOL) appears more precise. Using the Permanent Fund Dividend (PFD) as a measure for residency, the DOL provided data indicating that the number of Saint Paul residents employed increased by 1.5% between 2007 and 2010. The DOL data also indicates that community total wages went up 17.3% in the same time period. The conflicting conclusions drawn from the U.S. Census data and the DOL data suggest that the data is unreliable.

While substantial economic development and opportunity was achieved in Saint Paul during the Decennial Review period, we do not believe that CBSFA's effort are adequately reflected in the data used for this section of the review. This is highlighted by the fact that the data used does not include fishing income to self-employed vessel owners and crew members, nor income to the self-employed

support service providers in the community. The exclusion of this data resulted in a substantial under statement of the community's per capita and median household income.

Accordingly, due to the shortcomings and inconsistencies of the data used for criterion number one, CBSFA chose to provide detailed information about its economic development programs and projects in the second category of criteria, which includes these programs and projects as fisheries-related investments.

CBSFA gave criterion number two – financial performance – a weighting of 35%. CBSFA has made fisheries investments that support and enhance the commercial fisheries most important to the community and its economy: crab and halibut. These investments have worked successfully in conjunction with the CBSFA share of CDQ species allocations.

We showed sustained growth of both fisheries investments and net worth over the period of the Decennial Review. Between 2006 and 2010, CBSFA increased its net assets by \$22.08 million and its total assets by \$35.0 million. This represented a compound growth rate in both net assets and total assets just in excess of 15%, or an annual average growth rate of approximately 16.75%. These growth rates are a primary indicator of CBSFA's commitment to fisheries investments in the Bering Sea and Aleutian Islands Management Area, consistent with the CDQ statute.

CBSFA has also maintained strong liquidity. This performance provides a strong indication that CBSFA will be able to meet its obligations as they become due, and to continue to fund the programs that are central to both CBSFA and the CDQ program. This performance is consistent with the CDQ statute's mandate of alleviating poverty and providing social benefits to the community.

For the 2006 to 2010 period, CBSFA had an average Return on Assets of 7%, while the RMA average for the same period was 5%. CBSFA thus out performed the RMA average by 28%. CBSFA has maintained above average profitability performance, while simultaneously being able to provide for community infrastructure projects and educational benefits. Again, this performance is consistent with the CDQ statute, indicating CBSFA's ongoing ability to provide economic development, economic benefits and educational benefits to the residents and community of Saint Paul.

CBSFA weighted criterion number three – employment, training and education – at 35%. CBSFA has provided steadily increasing, family-wage employment opportunities, both direct and indirect. CBSFA has successfully developed a local commercial halibut fleet and fishery that provided annual employment to a significant number of local residents during this period. In addition, CBSFA is extremely proud of the scholarship opportunities provided to the youth of Saint Paul, as we believe that an educated person is better prepared for life. Employment and education are two of the most important goals of the CDQ program, and ones on which we place great emphasis and financial resources.

For criterion number four – the accomplishment of the goals of the CDP – we agreed on a weight of 25%. The successful harvesting of our CDQ allocations is the foundation of our economic growth and the source for the community benefits we are able to provide. During the Decennial Review period, CBSFA achieved extremely high annual average harvest percentages of the major groundfish and crab species: 99.99% of pollock, 99.95% of Pacific cod, 99% of Atka mackerel, 98% of Pacific Ocean perch, and close to 100% of snow crab and Bristol Bay red king crab.

In addition, the local fishing fleet achieved an annual average harvest of 99.53% of CBSFA's CDQ halibut allocation. Halibut is the mainstay of Saint Paul's local economy. The CDQ halibut allocation has helped CBSFA realize the goals of the CDQ program.

The CBSFA board of directors and management are proud to report that CBSFA has experienced steady growth in all respects during the first twenty years of the CDQ program, including the 2006-

2010 period. CBSFA has truly become a major contributor to the social and economic development of our community since the program was created in 1992. We believe we have been successful in meeting the intent and purpose of the CDQ program which is: “(i) to provide eligible western Alaska villages with the opportunity to participate and invest in fisheries in the Bering Sea and Aleutian Islands Management Area; (ii) to support economic development in western Alaska; (iii) to alleviate poverty and provide economic and social benefits for residents of western Alaska; and (iv) to achieve sustainable and diversified local economies in western Alaska.”

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ATTACHMENTS/APPENDICES



**CENTRAL
BERING SEA
FISHERMEN'S
ASSOCIATION
ANNUAL REPORT**

❧ **2006** ❧



Saint Paul Island Alaska



TABLE OF CONTENTS

Chairman's Letter	4
President's Report	5
The History of St. Paul Harbor.....	6
Halibut Cooperative Update	8
Investment Update	10
Crab Rationalization	12
The CDQ Program	14
Scholarship Programs.....	16
Montessori Preschool Program	18
Fisheries Studies Program.....	20
Summer Youth Camps	22
Pribilof Blue King Crab Research	24
CBSFA Board and Staff	26
Boards of Directors	27
Auditors' Report.....	28
Statements of Financial Position	30
Organizational Chart	47
Mission Statement.....	48



Letter from the Chairman

Myron Melovidov



Dear CBSFA members,

There is no doubt that our community is facing difficult challenges and problems, but the past year has provided much to be excited and optimistic about. The future of St. Paul depends on individuals and entities working together to achieve the goals that will ensure the prosperity of our community, and it is happening. The small boat harbor is progressing and is anticipated to be in place in the next three years. This effort has been long and difficult at times, but recent cooperation amongst community entities has brought the project through a critical stage in the process. Additionally, current fisheries and environmental issues have united TDX, the City of St. Paul, the Tribal Government and CBSFA together to collaborate on joint efforts to represent Saint Paul.

As you all know, the seafood processing plant was closed for the 2007 Opilio crab season. At the time, it seemed to be a bleak sign of things to come. There was also a possibility the closure would extend to the halibut season. However, CBSFA worked with Trident to open for the 2007 halibut season, ensuring the success of the CBSFA Halibut Coop would continue to benefit our fishermen and the community.

Negotiations between CBSFA, Trident Seafoods and TDX to jointly operate the seafood processing plant have been successful, and we anticipate the conclusion of these negotiations and the beginning of an exciting new venture by January 2008. All parties involved understand that the prosperity of St. Paul is tied to the success of the processing plant. The CBSFA board of directors approved this partnership with processing companies and believes this action will keep the plan open and processing for years to come.

Good news surfaced this fall when the total allowable catch (TAC) for Bering Sea Snow Crab (Opilio) and Bristol Bay Red King Crab came in at over 63 million and 20 million pounds respectively. That is a significant increase for both species over last year and a positive development for our community and CBSFA's investment in the plant.

CBSFA is hopeful that the recent strides in cooperation and collaboration amongst St. Paul entities will continue well into the future and extend to many different efforts.

Best wishes in the coming year.

Sincerely,

Myron Melovidov

President's Report

Phillip Lestenkof



Dear members:

The past year has been eventful and productive. Agreements necessary for the small boat harbor to proceed are close to being finalized. The local fishermen are very pleased with the progress and we thank all the local entities for their hard work on this project. Our wholly owned subsidiary MSDH, LLC has recently undergone a change in management. Jeff Kauffman, a local resident, was hired as the general manager and will now be working with the CBSFA team full time. We are pleased to have him onboard.

The CBSFA Halibut Cooperative paid a record ex-vessel price to our local fishermen in 2006 and a total income of over \$2.5 million. The success of the Coop has continued to grow since its creation in 2003 and is a major contributor to our local economy. It has significantly increased our fishermen's income and has provided a stable source of employment for our residents.

This past year, CBSFA has made substantial contributions to projects and programs within the community. The joint venture with the City to fund the construction of the fire station and crane storage building is currently under-way, with construction slated to be completed by the end of 2007. We have significantly increased the assistance fund in our community outreach program to better meet local funding requests such as the St. Paul School Montessori and Fisheries Studies Programs. CBSFA also began our first subsistence halibut elder-donation in 2006 and we will continue this program in 2007. We have also provided funding to the following groups and programs: youth sports teams, annual wellness conference, volunteer tax preparation assistance, community celebrations, substance abuse treatment, family bereavement assistance, and the Amix Youth Summer Camp. We are glad to support community events and programs and will continue to do so in the future.

The coming year is shaping up to be a challenging one. The crab rationalization program and key components vital to maintaining processing in our community are under review at the North Pacific Fishery Management Council (NPFMC). There is an effort by others to change the current structure of the program that could negatively impact St. Paul's future economy. Accordingly, CBSFA is devoting significant time and effort to protect the interests of our community. On this critical issue, we have been working closely together with TDX, the Tribal Government, and the City of St. Paul.

The CBSFA board and staff will continue to do our best to help the community on these and other efforts. I wish you all the best in the coming year.

Sincerely,

Phillip Lestenkof

From Congress to Construction- The History of St. Paul Harbor

Nearly two decades ago, Congress authorized the construction of the St. Paul Harbor in order to replace the longstanding economy of the Pribilof Islands which was historically based on the commercial harvesting of the northern fur seal. Millions of dollars were invested in constructing a harbor that would establish a commercial fishing based economy at St. Paul Island.

The construction of St. Paul harbor is the single most important investment on the island in terms of the economic impact on the community. The harbor is the lifeblood of St. Paul, providing millions of dollars in income and numerous jobs each year via commercial fishing in western Alaska, and its construction has provided an opportunity for CBSFA to be successful.

In 1986, Congress authorized the construction of the St. Paul Harbor to help residents begin to diversify their economy, and introduce commercial fishing to the region. The estimated expense of the harbor project was \$24.8 million, and the U.S. government pledged \$11.8 million in federal funds.

The first stage of the harbor project was completed in 1990, but by 1996, problems with overcrowding and congestion threatened the efficiency of St. Paul harbor. Vessels were delayed and

overtopping waves caused damage to docks and facilities.

Later in 1996, Congress authorized harbor

improvements at an estimated cost of \$18.9 million. These improvements included altering the entrance channel and maneuvering basin, correcting the water quality in the Salt Lagoon, and ending the damage caused by overtopping waves.

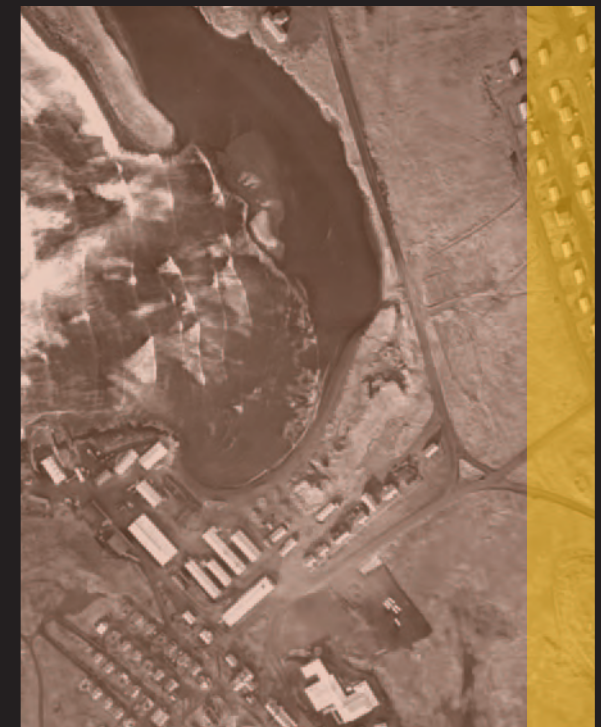
By 2002, the contract for the first phase of harbor improvements was completed. In 2003, Congress authorized a cost increase for the next phase of harbor improvements. The legislation raised the authorized cost from \$19 million to \$52 million and required the federal government to pay 90% of the total costs.

Phase II of the harbor improvement project altered the entrance channel, maneuvering area, and sediment management areas. A spending beach and breakwater splitter were constructed.

The project was successfully completed in 2005. Offshore reefs now prevent waves from overtopping the main breakwater. The spending beach prevents reflecting waves in the harbor, and the sediment basin minimizes sedimentation in the harbor. The Salt Lagoon channel allows tidal exchange to improve water quality. The total project cost for the harbor improvements was an estimated \$50 million.

While improvements were made to St. Paul Harbor, Congress authorized the construction of a St. Paul Small Boat Harbor in 1999. At an estimated cost of nearly \$16.5 million, the small boat harbor is intended to serve the needs of local fishermen and small vessels. CBSFA will fund one-third of the total project cost, or \$6.5 million. An additional one-third will come from federal funds, and the final \$6.5 million will be funded by the State of Alaska and the City of St. Paul. To date, CBSFA has set aside \$6.25 million for the small boat harbor project.

Construction of the small boat harbor is scheduled to begin in June 2008 and be completed by September 2009. CBSFA and the community of St. Paul look forward to the completion of the project and the opportunities that will arise as a result this expansion to the harbor.





Halibut Fetching Record Prices- The CBSFA Halibut Cooperative Update

The CBSFA Halibut Cooperative (Coop) is the single most important development of CBSFA because of the direct economic impact it has on the community of St. Paul and the Bearing Sea region. Since the Coop was created in 2003, more than \$8 million has been paid to local fishermen in the form of ex-vessel prices.

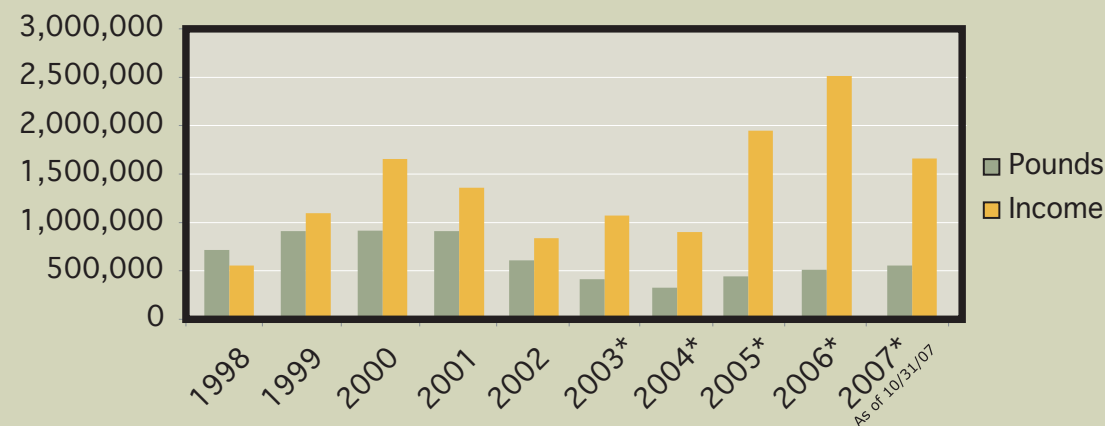
In 2003, CBSFA and its board members approved the creation of the CBSFA Halibut Coop with a goal of increasing ex-vessel prices paid to the local fleet. Since its inception in 2003, the success of the Coop has led to an increased ex-vessel price each of the past three years, and the coming years promise continued success.

CBSFA operates the halibut Coop in conjunction with local fishermen, Trident

Seafoods and outside vessels hired to harvest the quota that the local fleet is unable to catch. Local fishermen catch the CDQ halibut, which CBSFA purchases and partners with Trident Seafoods to process and market the catch. The current arrangement has been successful for each stakeholder within the Coop. The economic benefit the Coop has on the community is significant, and CBSFA handles each aspect of the Coop's management with meticulous care.

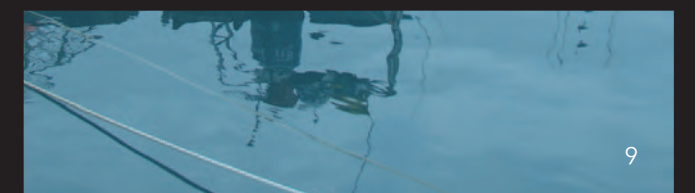
In 2006, an extraordinary average ex-vessel price of \$4.91 per pound was paid to fishermen. With local vessel landings at 512,268 lbs, this amounted to more than \$2.5 million paid to local fisherman. In 2007, local landings local landings amounted to 562,264 lbs, an increase over last year.

Since its formation in 2003, the CBSFA Halibut Cooperative has become more effective each year. Increases in ex-vessel prices paid to local fishermen have exceeded expectations. Continuing the success of the Coop and expanding the opportunities for the success of local fishermen will continue to be a priority for CBSFA.



The graph opposite illustrates the total vessel landings (lbs) and the gross income from those landings over the past decade:

*Years in which Halibut Coop operated



CBSFA Works to Increase Profits, Lower Debt

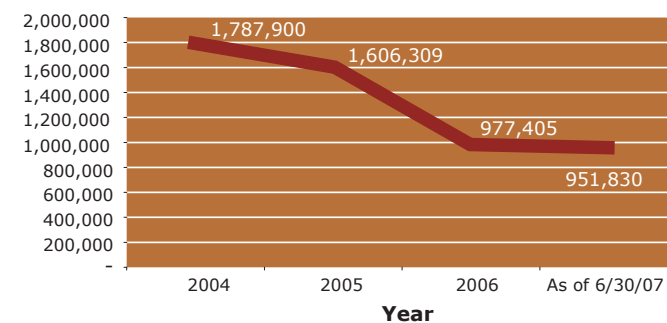
CBSFA's conservative fiscal strategies have made it possible to increase our financial health and long term stability by making attempts to maximize the efficiency with which our fleet operates, as well as investing wisely in an attempt to recoup the largest gains possible on those investments.

In some instances it has made great financial sense to pay down debt rapidly, but because of the debt instruments on certain vessels, that is not always the case. This philosophy is indicative of the conservative fiscal approach that guides CBSFA.

Overall, the debt position for CBSFA is decreasing significantly, and with our profits we will continue to accelerate the reduction of debts on the vessels that are most appropriate to do so.

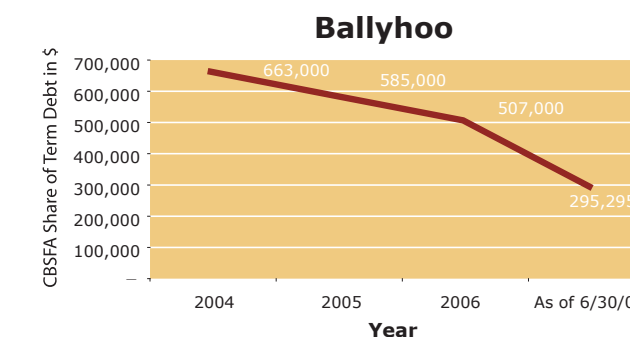
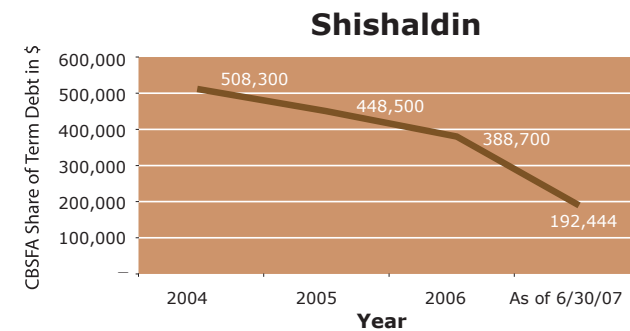
Because CBSFA has invested heavily in fisheries during recent years, it has been necessary to take on a certain debt load. CBSFA took on debt at the parent level to make investments in the Fierce Allegiance and Early Dawn. In 2006, a substantial payment was made on the principal of this loan.

CBSFA Parent Level Debt

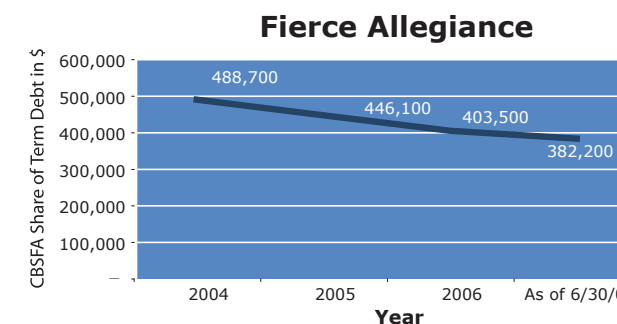


Fleet Debt Management

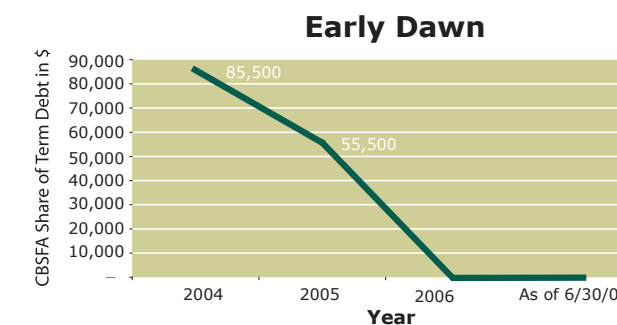
Last year, CBSFA sold two aging crab vessels, the F/V Shishaldin and the F/V Ballyhoo. The proceeds from the sale of these vessels were used to reduce the principal debt amount for each vessel.



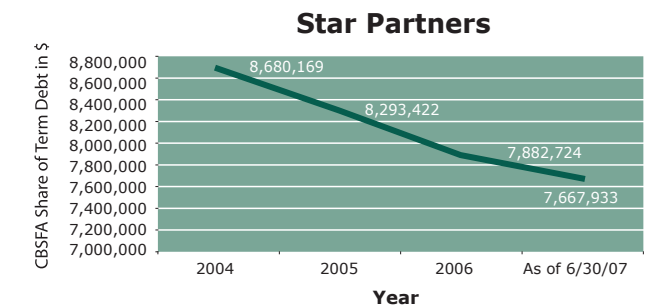
Fierce Allegiance- CBSFA is a 30% owner in the Fierce Allegiance. The debt instrument and its terms held at the vessel level are favorable, creating a disincentive to accelerate debt reduction.



Early Dawn- Minimal term debt was held by the vessel when CBSFA invested in the Early Dawn, and since then the entire debt has been retired.



Star Partners- As a 75% owner in the Star Partners vessels, Starlite and Starward, the CBSFA share of debt is higher than on other vessels. The debt instrument held by Star Partners carries an extremely favorable interest rate. This makes accelerating debt paydown less advantageous.



American Seafoods

American Seafoods Group LLC is one of the largest integrated seafood companies in the United States in a global industry that has been increasing steadily over the past fifty years. Bering Sea pollock provide American Seafoods with its most abundant source of fish for marketing and selling across the globe.

In 2006, CBSFA increased its total investment holdings in American Seafoods, and as a result has seen greater dividends in 2006 and 2007. To date CBSFA has received more than \$10 million in accumulated cash distributions from investments in American Seafoods.

The combination of conservative debt management and increased investment in American Seafoods has led to increased financial success for CBSFA. In 2006, CBSFA recorded net assets of \$4.2 million dollars, and we expect continued success in the future. In addition, CBSFA has increased its gross assets by more than \$3.4 million from 2005 to 2006.

CBSFA's goal in making these types of fishery investments is to earn income over and above CDQ royalties. The return from these investments increases our ability to promote community development.



A Fair Share for St. Paul- Crab Rationalization Supports Our Community

Alaska's crab fishing industry is in dispute as some stakeholders look to change fundamental regulations related to the Crab Rationalization Program. The program, which took more than six years to create, was scheduled for a full review of its effectiveness in 2008, but the state of Alaska and other entities have successfully pushed an early evaluation date.

On October 6, 2007, the Northern Pacific Fisheries Management Council (NPFMC) voted 7-3 to approve a motion that greatly expands areas of the Crab Rationalization Program to be evaluated and analyzed. All five Alaska members voted to approve the motion. This evaluation is outside the scope of the original review process established with the creation of the Crab Rationalization Program.

Originally, two formal evaluations of the program were scheduled. The first, a limited scope evaluation, occurred 18 months after the program began. A second, full review was scheduled to occur 36 months after program implementation. With this vote, the detailed analysis of the Crab Rationalization Program will essentially occur one year ahead of schedule.

CBSFA and other opponents of this early evaluation have argued that a program built over more than half a decade, with shares and splits based on historical data, will not provide an accurate representation of its effectiveness in just two years time. Low TAC and rebounding prices are certain to skew data from the two years of the Crab Rationalization Program. In addition, any change to the current A shares matched with processor shares, and B shares allowed to be processed anywhere, could prove devastating for CBSFA and the community of St. Paul.

The analysis will include a review of the controversial 90-10 A/B share split between harvesters and processors, as well as the effects on all stakeholders of other possible splits including 70/30, 50/50, and 0/100. Detractors of the program claim the 90/10 split concentrates too much power in the processing sector and does not allow the use of "B" shares as intended. CBSFA's position

is that the program currently appears to be working well overall, and more time is needed to allow participant cooperation between harvesters and processors. With this in mind, there is insufficient data at this stage to understand with certainty whether crab rationalization will work well in the future.

Another change to the process may also mean good news for CBSFA and opponents of preemptive changes to the program. The recently created Crab Advisory Committee will be expanded to include six new members. The committee was originally formed with four harvester and four processor representatives. The revised committee will now include representatives from four communities and two crew representatives. The Crab Advisory Committee is tasked with providing guidance and input regarding changes to the A/B split including:

- Potential compensation to processors from harvesters for lost economic opportunity
- Potential changes in landing distribution
- Potential changes to the arbitration program
- The use and effectiveness of regional landing requirements to protect communities

As stakeholders in every aspect of the Crab Rationalization Program, CBSFA will continue to be directly engaged in the evaluation process. CBSFA recognizes that the 90/10 split and regionalization are the keys to protecting St. Paul's historic deliveries of crab. The importance of these decisions is not lost on CBSFA, who owns both harvesting and processing quota, and is a part of the St. Paul community.

The St. Paul presence at NPFMC and the Crab Advisory Committee is significant, as representatives from the City of St. Paul, CBSFA, and TDX regularly attend meetings. Because of this presence, CBSFA and residents of St. Paul believe their position on crab rationalization will not be overlooked.

Over the next two years, debate will continue. Data will be analyzed and interpreted to support claims from those who want to see a change to the program, as well as those who would like it to remain as is. CBSFA and St. Paul will look to explore alliances with other groups to defend the interests of harvesters, processors, and especially the community of St. Paul Island.

Working Together for Western Alaska- The CDQ Program Update

Last year, CBSFA reported that the six CDQ members formed the Western Alaska Community Development Association (WACDA). President Phillip Lestenkof represents CBSFA, and Chief Financial Officer Jonathan Thorpe serves as his alternate. Staff member Steve Manley and other advisors also attend monthly meetings, and CBSFA has a member on each of the Panel committees working on policy and regulatory issues.

At the September Panel meeting, CDQ members signed the historic WACDA Membership Agreement. This agreement specifies the process by which rules are established for the elements of the CDQ program to be administered by the Panel. Each of the six CDQ members approved this agreement through their representative governing boards before joining together in a cooperative effort to satisfy federal regulations.

Under this agreement, the CDQ members will propose administrative rules, which must then be voted for unanimously, at two different meetings, separated by at least 30 days. This process ensures the necessary agreement within and among the six CDQ members before any program rules are codified, and satisfies federal requirements for transparency.

The Panel also recently drafted proposed regulatory language to govern those aspects of the program that remain under the direction of the federal government, and sent the proposal to the National Marine Fisheries Service (NMFS). This proposal was developed for the Panel by its Implementation Committee, which includes Heather McCarty for CBSFA. At the suggestion of NMFS, three Panel members will work with the agency to revise and finalize the regulatory language. The language will eventually be submitted to the Secretary of Commerce, and is subject to federal regulation procedure.

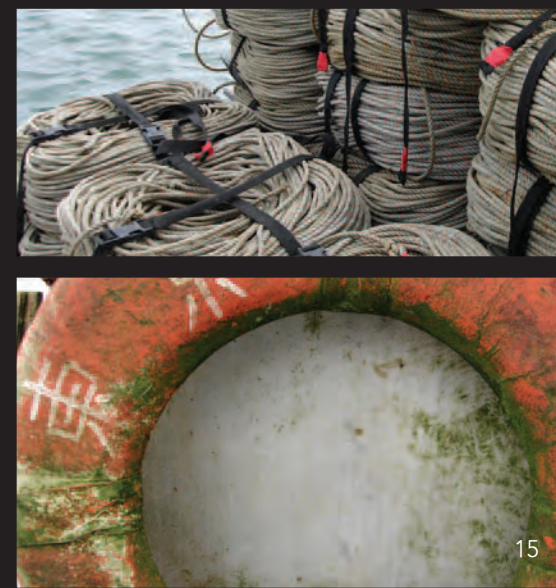
During 2007, the Panel also hired Wanetta Ayers as Executive Director, and established the organization's offices in downtown Anchorage. Morgen Crow of Coastal Villages Regional Fund is currently serving as Chairman of the Panel, and Larry Cotter of APICDA as the Vice-chairman. These officers all serve one-year terms that will expire in November 2007.

The Community Development Plan (CDP) Committee, chaired by Steve Manley, has made recommendations accepted by the panel to create a new, simplified CDP format for CDQ members. The CDP Committee will continue working on a summarized marketing report to be developed through WACDA, which will help improve the success of all six CDQ members.

The Panel also recently agreed to the allocation among the six members of the additional .7% Incidental Catch Allowance for cod and other species granted by the federal statute. The panel formed an Allocation Committee to discuss methods of allocation of any future fishery resources granted to the CDQ program in an effort to reduce the possibility of divisive allocation battles among the groups. CBSFA's Jonathan Thorpe will chair the committee.

It is CBSFA's position that a well-organized, cooperative and coordinated CDQ panel will create a strong sector voice for all six CDQ members. It will allow CBSFA and members of the CDQ program to negotiate from a position of strength with federal and state authorities as well as fishing industry participants. It should also be noted that the CDQ representative on the NPFMC has been voted in as its new chairman, which should further strengthen the CDQ voice within various fishing industry sector groups.

The success of CBSFA and the economic development of the St. Paul community are largely tied to the success of the CDQ program. The program has brought substantial economic benefit to western Alaska since its creation in 1992, and the continued success will ensure greater economic independence in the future.

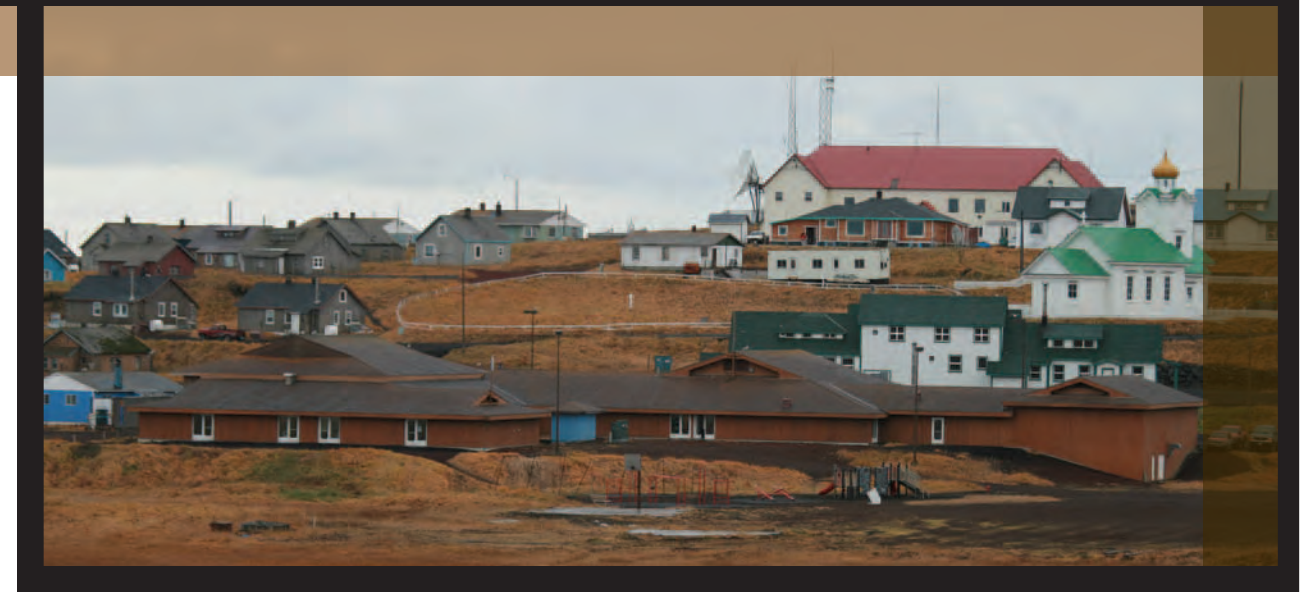


CBSFA Scholarship Programs Encourages St. Paul Students

The CBSFA scholarship program was established in 1994 with the goal of providing St. Paul students with increased educational opportunities beyond high school. The scholarships are for St. Paul students seeking post secondary education, and often account for significant contribution to the students' educational goals.

Scholarships are offered twice a year. CBSFA contributes to student loans and training grants twice a year, as well. "It's a very successful program," said Rena Kudrin, Office Manager. "It really helps get students to where they want to be."

One of those students is Michael Baldwin, now a teacher's aide at St. Paul School. He tutors reading. "I first applied for and was awarded the scholarship in 1996; I was given a scholarship in '97 and '98, too. That money helped get me through UAA." Michael applied for a scholarship again this year. "The money went toward my education classes at UAF. I'm hoping to finish my degree by next fall so I can be a full-time teacher here at St. Paul School."



The CBSFA education and training program awarded over \$160,000 to St. Paul students in 2006 and 07. The funds were distributed as follows: \$148,016 in student scholarships, \$11,225 in training grants and \$2,500 in student loans.

"The amount of money CBSFA gives to students every year is tremendous," said Jamie Stacks, Principal and Superintendent of St. Paul School. "They are extremely supportive. People are working here at St. Paul school because of their organization. Michael's great—he has been able to stay in his community because of this scholarship. He works full time, goes to school, and is a father—he has kids to support. He couldn't do it all without the help of CBSFA."

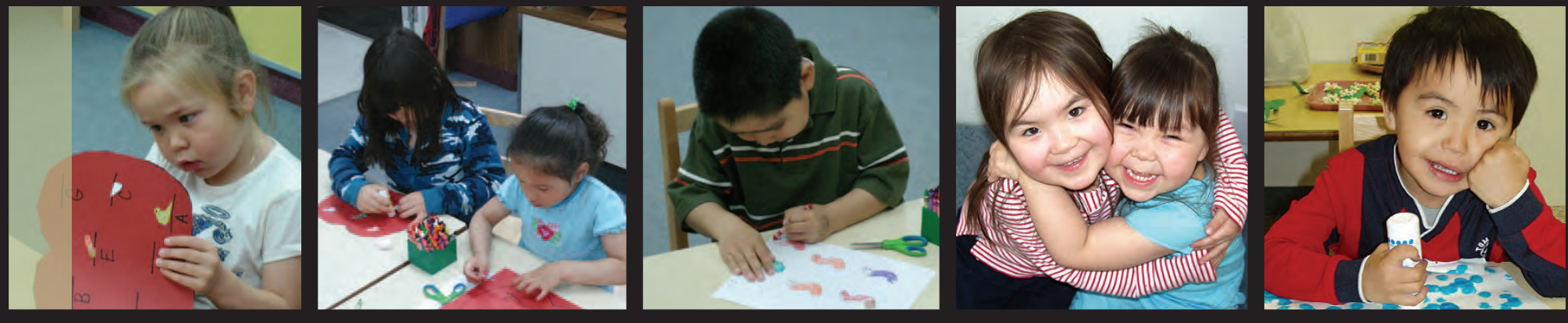
Beverly Melovidov of Fairbanks, AK has also reaped significant benefits from CBSFA. "CBSFA contributed more to my education than any other organization to which I applied for scholarships," Beverly said. "I went to an expensive school my first year; CBSFA helped me a lot."

Beverly attended Loyola University in Chicago her first year and a half of college, and finished her education in Fairbanks, AK. She's been in Fairbanks since January 2000, and graduated in 2004 with two Bachelor's degrees—one in Political Science and the other in Rural Development. She later finished a Masters degree in Rural Development, and is currently working on finishing her business certificate.

Beverly works full time as a budget analyst for the Borough of Land Management in Fairbanks. She's been there for five and a half years.

CBSFA believes that supporting our children's education is one of the most important contributions we make to the community.





Bright Beginnings in St. Paul Montessori Preschool Program

In December 2005, federal funding for the HeadStart program on St. Paul lapsed because of decreased enrollment. Parents and members of the community approached CBSFA for help because of our willingness to support youth programs , and asked us to fund a preschool program that would allow children under the age of five to get an early start on their education. CBSFA graciously accepted the challenge and today there are a dozen children aged 2-4 participating in St. Paul's Montessori Preschool Program.

For more than 10 years, the Aleutian Pribilof Islands Association (APIA) received federal funding to administer a HeadStart Program on the island of St. Paul. But in 2005, when enrollment fell below ten students, the federal government shut off funding, and essentially ended HeadStart in St. Paul.

Shortly after the HeadStart funding crisis, members brought the situation to the attention of CBSFA board members who took action and pledged support and funding for early education programs in St. Paul.

At the St. Paul Montessori Preschool Program, 12 students aged two to four attend daily to prepare them for Kindergarten. Through the Montessori method, students get a hands-on approach to learning that is proven to lay the groundwork for educational achievement later in life.

Developed by Dr. Maria Montessori in the early 20th century, the Montessori method emphasizes self-directed activity on the part of the child and careful observation on the part of the teacher. It stresses the importance of adapting the child's learning environment to his developmental level, and connecting physical and academic concepts and practical skills.

Through a partnership with the St. Paul school, CBSFA funded the salary of Dawn Jones to teach the preschool students, while St. Paul School provided a classroom and materials for

the students use.

Together, CBSFA and St. Paul School were able to provide a setting where these young students could begin building the foundation for future success. Studies have shown that early childhood education can:

- Promote personal, social and emotional development
- Increase communication, including talking and listening
- Positively affect reading ability
- Decrease likelihood of special needs
- Increase likelihood of graduating high school and college

CBSFA is proud to be part of helping young children in St. Paul achieve early education success. As a company, CBSFA's success is tied to that of the community, and we take great pleasure in our ability to contribute positively to the development of St. Paul and its residents.

Over the years, CBSFA has pledged support for community projects on St. Paul, and we will continue to help build our community through projects like the Montessori Preschool Program.





School for Fish Fisheries Studies Program

Alaska's universities, school districts, and community leaders are seeking solutions to the problems associated with leaving the management of the state's fisheries to outside sources. CBSFA, APICDA and the Pribilof School District have begun combating this problem by instituting a high school fisheries management programs in St. Paul and St. George Schools.

Like many coastal communities in Alaska, the Pribilof Islands depend on fisheries to sustain economic growth and continued development. Unfortunately, the management of Alaska's fisheries has traditionally been trusted to out of state decision makers.

For years, these coastal communities in Alaska have been struggling to find ways to engage young people from across the state to explore careers in fisheries right in their backyard.

CBSFA is proud to support programs that connect young Alaskans with careers in fisheries science and management. Through the Pribilof School District, CBSFA has donated funds to make a Fisheries Studies Program possible for students in St. Paul, while APICDA has donated funds for the program at St. George School.

Fisheries science is multidisciplinary, drawing expertise from biological, physical, and social sciences. Fisheries scientists study populations

and communities of aquatic resources, their responses to exploitation, and changes to their environmental condition.

The purpose of developing a Fisheries Studies Program in the Pribilof School District is not only to encourage students to explore careers in fisheries science, but also to make connections between students and their communities. This program was designed to give young students a clear picture about how their communities operate, and what the future holds in terms of development through our resources.

The first course in the program, Fisheries I, was designed as a survey course to introduce students to all aspects of the fishing industry, including the history of the industry in Alaska, the boats and gear used in the industry, and the business of commercial fishing.

In addition, students research the history of fishing in Alaska, local fishing boats and gear, and fisheries management regulations. The culminating experience for students in Fisheries I was a three day marine safety training program presented by AMSEA.

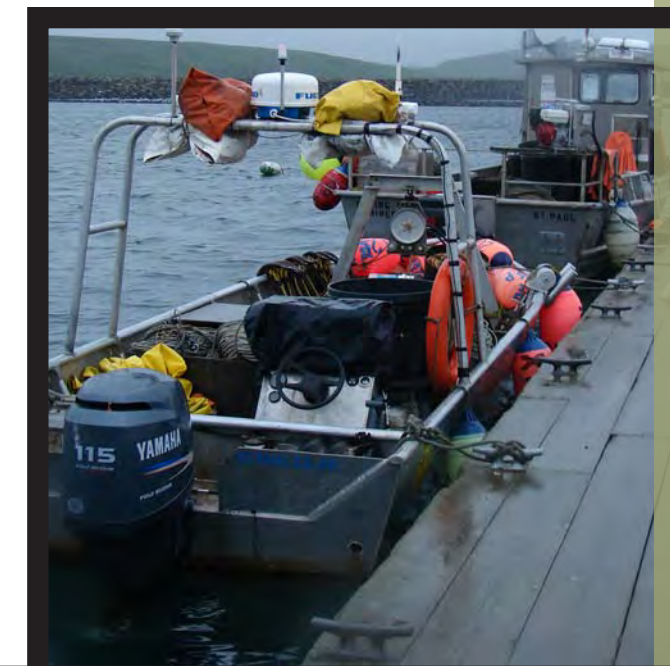
The AMSEA training put these students through the same rigors that commercial fishermen go through. Every student earned an AMSEA certification card upon completion. CBSFA was proud to help finance the training because we recognize the importance of keeping our youth involved in the industry that drives our communities.

Beyond the Fisheries I course, the Pribilof School District has developed new curriculum for the Fisheries Studies Program. Marine Biology and Fisheries Ecology classes will also be taught at St. Paul and St. George schools to further develop youth interest in the fishing industry, and in the communities that these students call home.

Marine biology in an introductory course designed to emphasize the marine habitat in the Bering Sea. Students will learn the principles of marine science, fish anatomy and physiology, life in the marine environment, and explore careers in marine biology. These students will also get hands on experience collecting data on water, animals and marine plants in St. Paul and St. George.

Fisheries Ecology will introduce students to basic concepts that affect productivity and distribution of fish resources. The goal of this course is to develop students understanding of the relationship between environmental conditions and fish resources, fisheries management practices, and to explore career opportunities in fisheries ecology.

CBSFA has been a proud partner in developing the Fisheries Studies Program in the Pribilof School District. Programs like these that actively engage our youth are an invaluable tool for drawing connections between our students and their future in the community.





CBSFA Invests in Pribilof Tradition

For CBSFA, investing in the St. Paul community is part of running a successful enterprise. Being a part of St. Paul means more than operating a business in Western Alaska. That is why CBSFA provides funding to help sponsor the Pribilof Islands Stewardship Program.

The Pribilof Islands Stewardship Program, the environmental camp program for youth on St. Paul and St. George Island, was first administered through the Pribilof School District in 1994. Support for the program comes in various forms from other local entities, including US Fish and Wildlife Services, The Aleut Corporation, and Central Bering Sea Fishermen’s Association (CBSFA).

St. Paul Island’s youth camp is specifically known as the “Amix Education Program.” Amix translates as “Mother’s Brother,” and is the historic pre-contact name of St. Paul Island.

As time passes, especially in rural parts of Alaska, fewer young people are familiar with the history, languages and culture of their ancestors. The purpose of the Amix program is to immerse local St. Paul children, generally between the ages of 8-13, in a variety of traditional activities in hope that they will take their knowledge and apply it to their lives for years to come. “The culture and environment here are essentially one in the same,” said Aquilina D. Lestenkof, Co-Director of the Ecosystem Conservation Office of St. Paul and Director of the Amix program. “If we could have a place for these children, they could have a place to work. Young people can get better jobs here baiting or fishing, so it’s hard. But then there are some that have taken their knowledge from our program and applied it to their careers as an adult.”

Three children in particular, now adults, were greatly influenced by the program. One is now an environmental lawyer, and the other two are marine biologists. “Two of the three came back to live and work on St. Paul,” Aquilina said.

Much of the program’s success depends on outside funding. “Support from local entities is still quite necessary for the success of the program,” Aquilina said. “We couldn’t have had the success we did this past year without the help of CBSFA.”

CBSFA, who has committed funding to multiple community projects, willingly donated \$2,000 to the 2007 program, which in turn funded the salaries of the staff hired to work with the children.

“We used to hire kids from outside the island,” Aquilina said. “The disadvantage to that, though, was that the kids would take their knowledge of the island and then leave. Now, we really work on hiring kids from St. Paul so that they might stay here and work.”

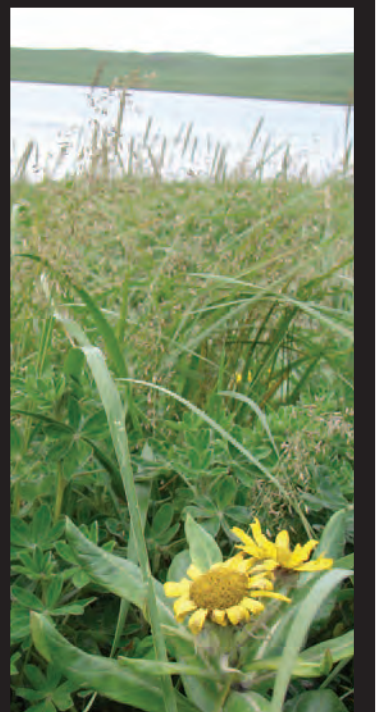
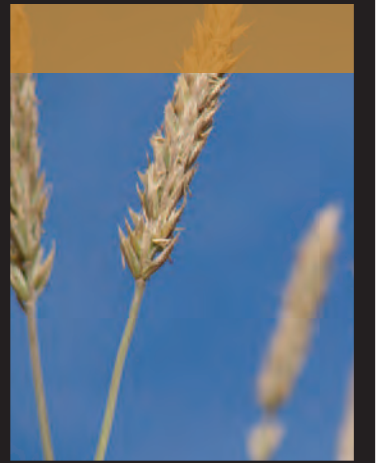
Katia Bourdukofsky was one of those hired to work for Amix in 2007. Katia currently attends UAA and is studying to be a teacher. Aquilina said that Katia plans on returning to St. Paul when she’s finished with school. In her 2007 staff report Katia wrote, “Having awareness of my home is essential to me. Using the knowledge of home repetitively, like working with and teaching the youth, puts my knowledge, new and old, to good use. I hope to continue being a part of this program and to persist in its ability to increase awareness of St. Paul for years to come.”

Aquilina hopes that they can continue to hire young adults in the future. “Hiring these young adults really helped strengthen the program, because not only was it fun for the kids, but the adults also,” Aquilina said. “They learned how to work with children and how to work in the environment.”

Program activities include everything from nature treks, mapping, and building observation and recording skills to crafts, singing-night, and lessons on self-respect. “Most of our activities take place outdoors,” Aquilina said, “but we have some indoor activities, as well.” Regardless, though, the children understand that “if they show up, they have to be busy doing something.”

Ultimately, Aquilina hopes that what the children take away from their experiences is an overall understanding of and appreciation for the island of St. Paul and their heritage. A twelve-year old girl from the program once said to Aquilina, “If I ever live somewhere else, away from St. Paul, I’m not going to have any children.” When Aquilina asked her why not she replied, “because I can’t imagine anyone growing up anywhere else but St. Paul. I want my children to experience what I’ve experienced here.”

CBSFA congratulates the Tribal Government for developing the Amix program and we feel traditional knowledge is important to our children.





CBSFA Partners in Groundbreaking Crab Research

In November 2006, fishermen harvested the first Pribilof Island king crab in nearly a decade from the waters of the Bering Sea. These crabs were not collected for commercial harvesting, but as part of the first stages of a pilot program designed to rebuild St. Paul's collapsed blue king crab fishery.

CBSFA has formed a partnership with the Aleutian Pribilof Island Community Development Association (APICDA), Alutiiq Pride Shellfish Hatchery, and agencies and communities in both the Gulf of Alaska and the Bering Sea. This partnership was formed with the shared goal of initiating a project to rehabilitate stocks of blue king crab near the Pribilofs, as well as red king crab near Kodiak Island.

Alaska's king crab fisheries once boasted enormous harvests. At the height of the crabbing boom in the early 1980's, more than 14 million pounds of blue king crab were harvested from Bering Sea waters, fetching nearly \$10 million for fishermen.



Unfortunately, crab stocks began a rapid decline during the 1980's. Though these crab fisheries have been closed for nearly a decade, stocks have failed to recover. The Pribilof blue king crab rehabilitation project has developed Alaska's only crab hatchery, seeking to bolster fading crab stocks in the coming years. CBSFA recognizes the importance of re-developing a sustainable crab fishery in the Bering Sea to sustain long-term economic development in St. Paul and the entire region.

Last year, CBSFA reported the collection of twenty-eight Pribilof blue king crab and their trek to the Alutiiq Pride Shellfish Hatchery in Seward. In April and May of 2007, the twenty-eight crabs produced approximately 1.75 million blue king crab larvae. The newly hatched larvae will provide information about the preferred habitat, feeding patterns, water quality and living conditions of Pribilof blue king crabs.

The research being done at Alutiiq Pride is the first of its kind anywhere in North America, and as a result it will take years to develop scientific techniques to create ideal hatchery conditions for Pribilof Blue King Crabs. From permitting to hatchery setup and raising crabs to maturity, difficulties abound in this type of research, but with

consistent data and analysis researches are optimistic about the prospects for a successful king crab hatchery.



In October 2006, weather damage nearly put a halt to blue crab research before it began. A storm flooded the hatchery and left behind tons of gravel and debris. The damage to the hatchery has

since been repaired, but intensive labor and new investments were needed to keep the hatchery in working order.

The rebuilding project gave the shellfish hatchery an opportunity to properly construct two separate crab hatchery modules for the blue and red king crab respectively. CBSFA donated a number of materials currently used in the crab modules including filters, piping and circular tanks. Originally donated as part of a crab transport graveyard, the donations have come in handy for the hatchery managers who work with a limited budget.

The process of rehabilitating crab in a hatchery environment poses numerous difficulties, as it relies on the development of new science, data and discovery. CBSFA has been involved with the hopes that the successful beginning to this project will restore Pribilof blue king crab populations in the Bering Sea, and provide economic opportunities and stability in St. Paul.



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Myron Melovidov
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Term expires: 2007

Jeffery P. Kauffman
Director
PO Box 250
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(907) 546-5032
Term expires: 2006

Amos Philemonoff
Director
PO Box 232
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(907) 546-2298
Term expires: 2009

Jason Bourdukofsky, Sr.
Director
PO Box 235
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(907) 546-2431
Term expires: 2007

Multi - Species Development Holdings, LLC Board Of Directors

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General Manager
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Terry Shaff
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Joe Childers
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Term expires: 2009

Star Partners, LLC Board Of Directors

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(425) 742-7456

Jonathan Thorpe
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44539 Sterling Highway
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(907) 262-0800



Independent Auditors Report

June 27, 2007



KPMG LLP
Suite 600
701 West Eighth Avenue
Anchorage, AK 99501

Independent Auditors' Report:

The Board of Directors
Central Bering Sea Fishermen's Association:

We have audited the accompanying consolidated statements of financial position of Central Bering Sea Fishermen's Association and subsidiaries (Association) as of December 31, 2006 and 2005, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Association's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on

a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Bering Sea Fishermen's Association and subsidiaries as of December 31, 2006 and 2005, and the changes in their net assets, and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information included in schedules 1 and 2 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position or changes in net assets of the individual companies. The consolidating information referred to in this report have been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KPMG LLP

June 27, 2007



Consolidated Statements of Financial Position

Years ended December 31, 2006 & 2005

<i>Assets</i>	<i>CBSFA</i>	<i>CBSFC</i>	<i>MSDH</i>	<i>Eliminations</i>	<i>Consolidated</i>
Current assets:					
Cash and cash equivalents \$	5,585,839	17,340	1,096,011	—	6,699,190
Investments	3,039,558	—	—	—	3,039,558
Receivables:					
Accounts	281,126	—	154,615	—	435,741
Grant	8,500	—	—	—	8,500
Due from related parties	—	—	88,002	—	88,002
Due from CBSFC	649,156	—	—	(649,156)	—
Due from MIS	23,212	—	—	(23,212)	—
Prepaid expenses	17,997	1,090	138,931	—	158,018
<i>Total current assets</i>	<u>9,605,388</u>	<u>18,430</u>	<u>1,477,559</u>	<u>(672,368)</u>	<u>10,429,009</u>
Investments	7,362,238	—	—	—	7,362,238
Prepaid rent	24,750	—	—	—	24,750
Notes receivable, net	—	363,504	—	—	363,504
Investment in MIS	—	(5,658)	—	5,658	—
Investment in Central Bering Sea Vessels	—	—	4,904,890	(4,904,890)	—
Investment in Star Partners	—	—	8,178,571	(8,178,571)	—
Investment in Early Dawn	—	—	1,289,631	—	1,289,631
Investment in Fierce Allegiance	—	—	2,402,510	—	2,402,510
Investment in 57 Degrees North	—	—	657,821	—	657,821
Investment in Shishaldin	—	—	554,928	—	554,928
Investment in Bering Sea Partners	—	—	544,500	—	544,500
Investment in MSDH	13,892,070	—	—	(13,892,070)	—
Investment in CBSFC	(227,435)	—	—	227,435	—
Property and equipment, net	300,757	62,999	1,756,182	—	2,119,938
Fishing rights	—	—	18,000,000	—	18,000,000
Interest rate swap receivable	—	—	589,188	—	589,188
	<u>\$ 30,957,768</u>	<u>439,275</u>	<u>40,355,780</u>	<u>(27,414,806)</u>	<u>44,338,017</u>
<i>Liabilities and Net Assets</i>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 336,475	—	143,758	—	480,233
Due to CBSFA	—	672,368	—	(672,368)	—
Notes payable, current portion	980,706	—	581,510	—	1,562,216
<i>Total current liabilities</i>	<u>1,317,181</u>	<u>672,368</u>	<u>725,268</u>	<u>(672,368)</u>	<u>2,042,449</u>
Note payable, less current portion	—	—	9,928,789	—	9,928,789
<i>Total liabilities</i>	<u>1,317,181</u>	<u>672,368</u>	<u>10,654,057</u>	<u>(672,368)</u>	<u>11,971,238</u>
Minority interest	—	—	2,726,192	—	2,726,192
Unrestricted net assets	29,640,587	(233,093)	26,975,531	(26,742,438)	29,640,587
	<u>\$ 30,957,768</u>	<u>439,275</u>	<u>40,355,780</u>	<u>(27,414,806)</u>	<u>44,338,017</u>

See accompanying independent auditors' report.

Consolidated Statements of Activities

Years ended December 31, 2006 & 2005



	<i>2006</i>	<i>2005</i>
Changes in unrestricted net assets:		
Revenue and gains:		
Program revenue	\$ 7,679,642	7,258,895
Revenue from fishing operations	4,602,309	5,398,421
Equity in earnings of unconsolidated affiliates (note 6)	65,236	446,000
Distribution from American Seafood, L.P. (note 6)	172,213	28,197
Gain on disposal of unconsolidated affiliates (note 6)	—	398,125
Investment and other income	1,533,570	991,614
Change in the fair value of interest rate swap (note 9)	75,740	345,285
Transfer between net asset classes (note 10)	—	3,954,797
<i>Total revenue and gains</i>	<u>14,128,710</u>	<u>18,821,334</u>
Expenses:		
Program:		
Education and outreach	93,988	87,856
Fisheries development	—	52,208
Vessel launch and retrieval project	57,929	46,838
EFH advocacy and research project	125,224	109,596
Development of small boat harbor	—	538
Multi Species Development Project	92,563	125,671
Investment Fund Policies and Procedures	59,628	49,395
CBSFA Halibut Coop operations	3,787,185	3,611,841
Fishing operations from MSDH	2,722,164	2,998,520
Total program	6,938,681	7,082,463
Supporting services – general and administrative	2,673,994	2,621,855
Minority interest	276,437	460,530
<i>Total expenses</i>	<u>9,889,112</u>	<u>10,164,848</u>
<i>Changes in unrestricted net assets</i>	<u>4,239,598</u>	<u>8,656,486</u>
Changes in temporarily restricted net assets:		
Transfer between net asset classes (note 10)	—	(3,954,797)
<i>Change in temporarily restricted net assets</i>	<u>—</u>	<u>(3,954,797)</u>
<i>Changes in net assets</i>	<u>4,239,598</u>	<u>4,701,689</u>
Net assets at beginning of year	25,400,989	20,699,300
Net assets at end of year	<u>\$ 29,640,587</u>	<u>25,400,989</u>

See accompanying notes to consolidated financial statements.



Consolidated Statements of Cash Flow

Years ended December 31, 2006 & 2005

Consolidated Statements of Financial Position

Years ended December 31, 2006 & 2005



	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,239,598	4,701,689
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	148,875	130,232
Minority interest	276,437	460,530
Bad debts	34,763	139,241
Distributions in excess of earnings (undistributed earnings) of unconsolidated affiliates	71,337	(96,000)
Gain on disposal of unconsolidated affiliates	—	(398,125)
Realized and unrealized gains on investments	(430,210)	(94,597)
Change in fair value of interest rate swap	(75,740)	(345,285)
Change in operating assets and liabilities that provided (used) cash:		
Accounts receivable	472,671	(437,669)
Grants receivable	—	3,200
Prepaid expenses	82,958	(69,734)
Inventory	—	222,654
Due from related parties	(88,002)	—
Accounts payable and accrued expenses	191,004	110,276
Net cash provided by operating activities	<u>4,923,691</u>	<u>4,326,412</u>
Cash flows from investing activities:		
Purchase of property and equipment	(315,762)	—
Proceeds from sale of property and equipment	—	7,663
Issuance of loans receivable	(183,811)	(154,123)
Principal payments on loans receivable	87,926	122,521
Purchase of investment in Bering Sea Partners, Inc.	—	(544,500)
Proceeds from the liquidation of Zolotoi Partnership	—	130,847
Purchase of investments	(2,562,158)	(2,211,471)
Sale of investments	576,728	493,311
Net cash used in investing activities	<u>(2,397,077)</u>	<u>(2,155,752)</u>
Cash flows from financing activities:		
Minority partner distributions	(83,333)	—
Repayments under line-of-credit agreement	—	(44,000)
Principal payments under capital lease obligations	(2,581)	(2,356)
Principal payments on long-term debt	(1,176,501)	(697,253)
Net cash used in financing activities	<u>(1,262,415)</u>	<u>(743,609)</u>
Net increase in cash and cash equivalents	1,264,199	1,427,051
Cash and cash equivalents at beginning of year	5,434,991	4,007,940
Cash and cash equivalents at end of year	\$ 6,699,190	5,434,991
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 657,392	591,201

(1) Organization and Nature of Business

The Central Bering Sea Fishermen's Association (Association), incorporated September 8, 1992, is a not for profit corporation organized to represent the St. Paul Island community in the Community Development Quota (CDQ) program. The CDQ program was established by the federal government in 1992. The program is funded by reserving a percentage of the total allowable catch of pollock, halibut, sablefish, crab, and other groundfish species for the Bering Sea and Aleutian Island area for the CDQ program. Allocations to CDQ participants were set at March 2006 levels in amendments to the Magnuson Stevens Fishery Conservation and Management Act, and were signed into federal law in July 2006. The CDQ program runs on a calendar year.

The Association had agreements for harvesting of the allocation at a fixed price per metric ton for both 2006 and 2005. Proceeds received are to be used to develop natural and human resources in the St. Paul Island community and to promote educational and charitable betterment of its members. Allocations are set at current levels until the first decennial review in 2012.

In 1993, the Association formed a for profit subsidiary called Central Bering Sea Fishermen's Corporation (CBSFC). CBSFC acts as a for profit holding corporation for future investments. In 2003, the Association formed a limited liability company called Multi Species Development Holding LLC (MSDH). MSDH acts as a holding company for future multi species related investments.

In 1994, the Association began programs to develop the human resources of St. Paul Island and to improve the island's infrastructure. These programs include:

- Education and Outreach – This provides scholarships, training grants and student loans for the residents of St. Paul Island to further their education. This program also provides outreach to the community of St. Paul, via newsletters, radio announcements, website, community surveys, and annual meetings.
- Development of Small Boat Harbor – This program provides to maintain the current St. Paul Harbor with necessary upgrades for infrastructure for the local fishermen to have access to moor their vessels. This program also maintains the set aside account for the SBH.



Consolidated Statements of Financial Position

Years ended December 31, 2006 & 2005



- Support and Development of St. Paul harbor projects – This program provides the potential economy to be brought into the harbor for the community of St. Paul Island.
- Fisheries Development – This program provides CBSFA and its subsidiary to invest in the fishing industry, through partnerships, provide vessel and gear, individual fishing quota loans and business loans to the local fishermen to invest in the fishing industry. This program maintains the CDQ Halibut fisheries, provides vessel support for the local fleet, provides vessel launch and retrieval for the local fleet, provides vessel and repair and maintenance program for the local fleet.
- CBSFA Halibut Coop – The Coop is operated to maximize the ex-vessel price paid to local fishermen. CBSFA purchases CDQ halibut from the local fleet, then has it custom processed through a negotiated contract with a local processor. The product is then marketed through a marketing agreement with a distributor. Revenue from the sales are used to pay for costs directly related to operation of the coop, including: processing fees, freight, cold storage, State of Alaska taxes, marketing fees, and Local Fleet Support Program expenses. Net revenue is then distributed to the local fleet through a retroactive ex-vessel price adjustment.
- Vessel Launch – This program develops and facilitates vessel launch and retrieval services that support the growth of the Local Fleet and insure their ability to prosecute the local fisheries.
- EFH advocacy and research project – This program advocates for Pribilof Islands harvesting and processing interests within the EFH process and to attract research projects to the Pribilof Islands.
- Investment Fund Policies and Procedures – This program implements policies and procedures to maintain a conservative stance and sufficient liquidity in investments to meet the funding requirements of Community Development Plan projects.
- CBSFA through its administration provides monitoring of all partners, monitoring of all CBSFA CDQ allocations, secure an annual audit, annually, provide board training, participate in fisheries policy forums, and establish an annual budget.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements of the Association have been prepared in accordance with accounting principles generally accepted in the United States of America. The consolidated financial statements include assets, liabilities, net assets, and financial activities for those programs for which the Association exercises fiscal and operational control. All of the Association's net assets have been classified as unrestricted in accordance with Statement of Financial Accounting Standards No. 117, Financial Statements for Not For Profit Organizations.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of the Association and its wholly owned subsidiaries CBSFC (and its wholly owned subsidiary Misty Island Seafoods, LLC), MSDH (and its wholly owned subsidiary Central Bering Sea Vessels, LLC (CBSV) and its majority owned subsidiary, Star Partners, LLC.) All significant intercompany balances and transactions have been eliminated in consolidation.

(c) Cash Equivalents

For purposes of the consolidated statements of cash flows, the Association considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

(d) Investments in Marketable Securities

The Association invests in marketable securities consisting primarily of treasury notes, mutual funds, common stocks, corporate bonds, and government securities. The Association records investments at fair value. The change in fair value is included in the statement of activities. Realized gains and losses are calculated using the specific identification method.

(e) Property and Equipment

Property and equipment are capitalized at cost when purchased or at fair value at date of donation, if donated. Depreciation is recorded using the straight line method over the estimated useful lives of the assets, which vary from 5 to 40 years.



Consolidated Statements of Financial Position

Years ended December 31, 2006 & 2005



(f) Fishing Rights

Fishing rights represent an allocation of the purchase price from the acquisition of vessels to the fair value of quota shares issued to those vessels by the National Marine Fisheries Services. These quota shares give the Company the right to harvest a fixed quantity of pollock and crab and are transferable under certain conditions. These rights have been determined to have an indefinite useful life and are not amortized, but instead tested for impairment at least annually in accordance with the provisions of FASB Statement 142 Goodwill and Other Intangible Assets.

(g) Investment in Unconsolidated Affiliates

Investments and affiliates are accounted for using the cost or the equity method, depending on whether the Association has the ability to exercise significant influence over operating and financial policies of an investee. Under the cost method, investments are carried at acquisition cost with distributions recognized as income when received. Under the equity method, the Association's share of affiliate earnings is included in income when earned and distributions are credited to the investment when received. For flow through entities (i.e. partnerships, limited liability companies, subchapter S corporations, etc.), the ability to exercise significant influence is presumed to exist if the percentage of ownership is equal to or greater than 5%. For other entities, significant influence is presumed to exist if the percentage of ownership is equal to or greater than 20%.

(h) Impairment of Long Lived Assets

Long lived assets, such as property and equipment, and purchased intangible assets subject to amortization, 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 estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell,

and are no longer depreciated. The assets and liabilities of a disposal group classified as held for sale would be presented separately in the appropriate asset and liability sections of the consolidated statements of financial position.

(i) Derivative Instruments and Hedging Activities

The Company uses financial instruments to hedge interest rate risk on long term debt. Derivative instruments are recorded on the balance sheet at their respective fair values as either assets or liabilities. The change in value of derivatives is included in the consolidated statements of activities.

(j) Revenue Recognition

Program revenues consist primarily of CDQ royalty revenues for pollock, pacific cod and crab. Contingent royalty payments are recognized when the amount is fixed and determinable and collection is assured. Revenue from operations consists of the sales of pollock, cod and crab and crab lease fees.

(k) Income Taxes

The Association is exempt from federal and state income taxes under provisions of Section 501(c)(4) of the Internal Revenue Code, except for taxes on unrelated business income. Unrelated business income is generated mainly through interest earned on notes receivable issued by the Association's subsidiary. The Association's subsidiary is subject to federal and state income taxes; however, the amounts are not significant in relation to the consolidated financial statements.

(l) Commitments and Contingencies

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

(m) Promotion and Advertising Costs

Promotion, advertising, and marketing costs are expensed as incurred.



Consolidated Statements of Financial Position

Years ended December 31, 2006 & 2005



(n) Use of Estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 those estimates and assumptions.

(3) Investments

Investment securities consist of the following at December 31:

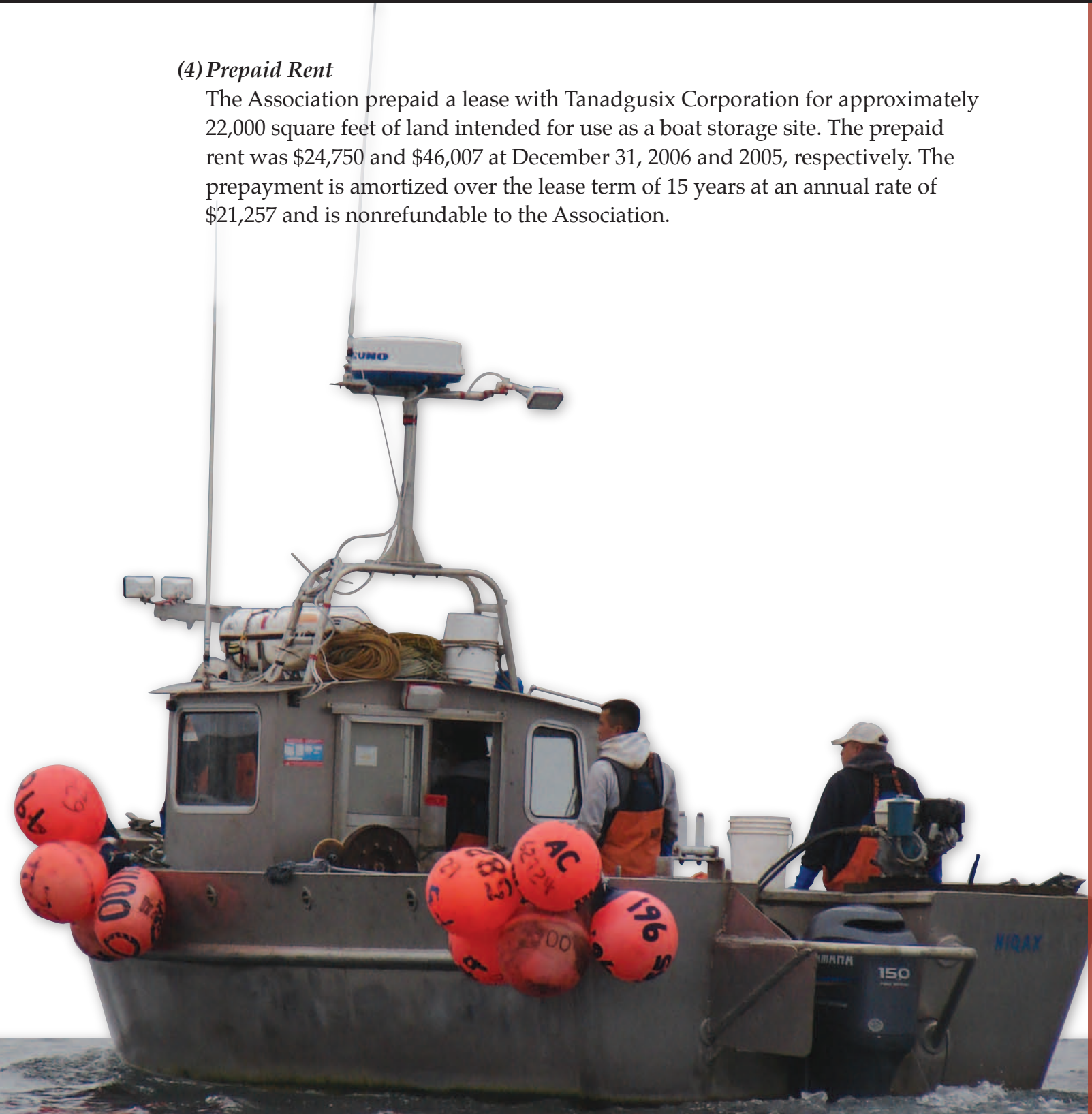
	<u>2006</u>	<u>2005</u>
Money market funds	\$ 115,794	84,713
Municipal bonds	6,700,000	4,575,000
Corporate debt securities	300,000	500,000
Mutual funds	322,695	314,745
Common stocks	2,963,307	2,511,698
	<u>\$ 10,401,796</u>	<u>7,986,156</u>
Long-term investments	\$ 7,362,238	6,191,809
Current investments	3,039,558	1,794,347
	<u>\$ 10,401,796</u>	<u>7,986,156</u>

Long-term investments are designated by the board of directors for the following projects at December 31:

	<u>2006</u>	<u>2005</u>
Small boat harbor (note 10)	\$ 5,762,238	4,691,809
Vessel Repair Center	1,600,000	1,500,000
	<u>\$ 7,362,238</u>	<u>6,191,809</u>

(4) Prepaid Rent

The Association prepaid a lease with Tanadgusix Corporation for approximately 22,000 square feet of land intended for use as a boat storage site. The prepaid rent was \$24,750 and \$46,007 at December 31, 2006 and 2005, respectively. The prepayment is amortized over the lease term of 15 years at an annual rate of \$21,257 and is nonrefundable to the Association.





Consolidated Statements of Financial Position

Years ended December 31, 2006 & 2005



(5) Loans Receivable

Loans receivable and related allowances for loan losses are as follows at December 31:

	2006	2005
Vessel and gear loans	\$ 630,486	548,325
Student loans	291,195	277,471
	921,681	825,796
Less allowance for loan losses	(558,177)	(525,726)
	<u>\$ 363,504</u>	<u>300,070</u>

In the aggregate, the principal amount of vessel and gear loans and student loans outstanding at December 31, 2006 and 2005 to members of the board of directors are \$79,727 and \$40,516, respectively. Loans to members of the board of directors are under the same terms and conditions as loans to other members of the Association. All loans receivable are considered long term.

(6) Investment in Unconsolidated Affiliates

The Association has interests in various affiliates involved in the seafood industry. These companies, method of accounting, percentage of ownership and investment amount are as follows at December 31:

	<i>Method of accounting</i>	<i>Percentage ownership</i>	2006	2005
Fierce Allegiance, LLC	Equity	30.00	\$ 2,402,510	2,440,817
Early Dawn, LLC	Equity	30.00	1,289,631	1,237,875
57 Degrees North, LLC	Equity	40.00	657,821	800,366
Shishaldin, LLC	Equity	40.00	554,928	497,169
ASLP Acquisition, LLC	Cost	7.86	—	—
Bering Sea Partners, Inc.	Cost	9.90	544,500	544,500
American Seafoods, L.P.	Cost	2.94	—	—
			<u>\$ 5,449,390</u>	<u>5,520,727</u>

Summary financial information for each equity method investee as of and for the years ended December 31, 2006 and 2005 is as follows:

	2006			
	<i>Early Dawn, LLC</i>	<i>Fierce Allegiance, LLC</i>	<i>Shishaldin, LLC</i>	<i>57 Degrees North, LLC</i>
Current assets	\$ 395,303	602,598	475,274	508,817
Total assets	4,254,241	9,420,901	2,363,123	2,971,013
Current liabilities	12,270	361,836	157,223	204,750
Total liabilities	12,270	1,564,836	979,473	1,277,250
Equity	4,241,971	7,856,065	1,383,650	1,693,763
Revenues	2,932,043	5,183,560	295,444	823,145
Expenses	2,359,519	4,911,250	151,046	1,179,510
Net income	572,524	272,310	144,398	(356,365)

	2005			
	<i>Early Dawn, LLC</i>	<i>Fierce Allegiance, LLC</i>	<i>Shishaldin, LLC</i>	<i>57 Degrees North, LLC</i>
Current assets	\$ 380,028	907,190	479,391	372,446
Total assets	4,321,680	9,597,697	2,373,843	3,523,866
Current liabilities	167,233	268,942	158,193	254,175
Total liabilities	252,233	1,613,942	1,129,943	1,521,675
Equity	4,069,447	7,983,755	1,243,900	2,002,191
Revenues	2,923,518	4,437,153	755,339	1,690,148
Expenses	2,560,169	3,363,254	875,870	1,464,011
Net income	363,349	1,073,899	(120,531)	226,137

During 2005, the Association sold their general partnership interest in the Zolotoi Partnership for a gain of \$398,125. Included in other income is \$182,011 of legal fees reimbursed for fees incurred in previous years related to the Zolotoi.

During 2004, the Company received a distribution from American Seafoods, L.P. in excess of its earnings and was recorded by the Association as a return of investment.



Consolidated Statements of Financial Position

Years ended December 31, 2006 & 2005



This distribution reduced the Association's investment to zero. Accordingly, all subsequent distributions are recorded as income.

During 2006, the Association made an investment of \$103,427 in ASLP Acquisition Co., LLC, an LLC formed to acquire a portion of American Seafoods. This investment is accounted for on the equity basis by the Association until the investment in the affiliate reaches zero. At that time, the investment is then accounted for on the cost method. During 2006, the Association's share of net losses of ASLP Acquisition, Co., LLC exceeded their investment in the LLC by approximately \$608,000. As a result, the Association's investment in ASLP Acquisition, LLC is recorded at zero. The Company does not guarantee any debt of ASLP Acquisition, LLC.

The Association guarantees debt of Bering Sea Partners, Inc. for their proportionate share of ownership (9.9% or \$594,000).

(7) Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2006</u>	<u>2005</u>
Vessel, improvements and related equipment	\$ 1,958,692	1,700,000
Furniture and other equipment	676,318	619,248
Building	90,000	90,000
	<u>2,725,010</u>	<u>2,409,248</u>
Less accumulated depreciation	(605,072)	(456,197)
	<u>\$ 2,119,938</u>	<u>1,953,051</u>

(8) Line-of-credit

The Association has a \$1.0 million revolving line-of-credit with a bank. The line-of-credit carries a variable interest rate based upon LIBOR plus 1.9% adjusted monthly. All outstanding balances of the line-of-credit are due in full on July 31, 2007. At December 31, 2006 and 2005 there was no outstanding balance on the line-of-credit.

(9) Long Term Debt

Long term debt consists of the following at December 31, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Notes payable to banks with a fixed interest rate, unless LIBOR exceeds 6% then interest rate is variable at LIBOR plus 1.85% (blended fixed interest rate of 5.07% at December 31, 2006 and 2005). Total consists of two notes, with each note representing half the total due with total semi-annual principal payments of \$273,925 plus interest with a maturity in June 2014, secured by the Company's assets.	\$ 10,510,299	11,057,896
Note payable to bank with interest at 8.50%, matures January 31, 2007	977,405	1,606,309
Capital lease obligation	3,301	5,882
	<u>11,491,005</u>	<u>12,670,087</u>
Less current maturities	1,562,216	2,156,706
Long-term debt, excluding current maturities	<u>\$ 9,928,789</u>	<u>10,513,381</u>

Scheduled principal payments on long term debt are as follows:

	<u>Amount</u>
Year ending December 31:	
2007	\$ 1,562,216
2008	617,523
2009	655,767
2010	696,377
2011	762,060
Thereafter	<u>7,197,062</u>
	<u>\$ 11,491,005</u>



Consolidated Statements of Financial Position

Years ended December 31, 2006 & 2005

Consolidating Information Financial Position

Year ended December 31, 2006



In 2004, the Association entered into an interest rate swap contract for the note payable due in June 2014, described above. The agreement effectively changed the interest rate exposure on the note to a fixed rate. The fair value of the interest rate swap contract of \$589,188 and \$513,447 at December 31, 2006 and 2005, respectively, is reflected as an asset and changes in fair value is recognized as a gain or loss.

(10) Temporarily Restricted Net Assets

In prior years, the Association, in accordance with the community development plan, has set aside \$650,000 of the pollock harvest royalty payments each year and earnings thereon for the construction of a small boat harbor, which was reflected as temporarily restricted net assets on the consolidated statement of financial position. During 2005 it was determined that these restricted funds do not meet the criteria for temporarily restricted net assets and were transferred to unrestricted net assets.

(11) Concentrations

All of the Association's operations are involved in the fisheries of the Bristol Bay and Bering Sea regions of Alaska. The program revenue received by the Association is a result of the Association's ability to contract the harvesting of the CDQ allocation received from the federal government. As a result of the geographic and natural resource concentration, the Association's growth and activities depend upon the viability of the North Pacific fisheries of pollock, halibut, crab, and other species and the continued allocation of harvesting quotas by the federal government. Any deterioration or improvements in these fisheries and quota allocations could affect the Association.

Cash and cash equivalents are insured by FDIC insurance up to \$100,000 per institution. Any amounts exceeding FDIC insurance are uncollateralized and uninsured and represent a concentration of credit risk. The uninsured amount at December 31, 2006 and 2005 was \$764,641 and \$975,997, respectively.

(12) Litigation

In the normal course of business, the Association has various claims and allegations made against it. In the opinion of management, these matters will not have a material effect on the Association's consolidated financial statement.

Schedule 1

<i>Assets</i>	<i>CBSFA</i>	<i>CBSFC</i>	<i>MSDH</i>	<i>Eliminations</i>	<i>Consolidated</i>
Current assets:					
Cash and cash equivalents	\$ 5,585,839	17,340	1,096,011	—	6,699,190
Investments	3,039,558	—	—	—	3,039,558
Receivables:					
Accounts	281,126	—	154,615	—	435,741
Grant	8,500	—	—	—	8,500
Due from related parties	—	—	88,002	—	88,002
Due from CBSFC	649,156	—	—	(649,156)	—
Due from MIS	23,212	—	—	(23,212)	—
Prepaid expenses	17,997	1,090	138,931	—	158,018
<i>Total current assets</i>	<u>9,605,388</u>	<u>18,430</u>	<u>1,477,559</u>	<u>(672,368)</u>	<u>10,429,009</u>
Investments	7,362,238	—	—	—	7,362,238
Prepaid rent	24,750	—	—	—	24,750
Notes receivable, net	—	363,504	—	—	363,504
Investment in MIS	—	(5,658)	—	5,658	—
Investment in Central Bering Sea Vessels	—	—	4,904,890	(4,904,890)	—
Investment in Star Partners	—	—	8,178,571	(8,178,571)	—
Investment in Early Dawn	—	—	1,289,631	—	1,289,631
Investment in Fierce Allegiance	—	—	2,402,510	—	2,402,510
Investment in 57 Degrees North	—	—	657,821	—	657,821
Investment in Shishaldin	—	—	554,928	—	554,928
Investment in Bering Sea Partners	—	—	544,500	—	544,500
Investment in MSDH	13,892,070	—	—	(13,892,070)	—
Investment in CBSFC	(227,435)	—	—	227,435	—
Property and equipment, net	300,757	62,999	1,756,182	—	2,119,938
Fishing rights	—	—	18,000,000	—	18,000,000
Interest rate swap receivable	—	—	589,188	—	589,188
	<u>\$ 30,957,768</u>	<u>439,275</u>	<u>40,355,780</u>	<u>(27,414,806)</u>	<u>44,338,017</u>
<i>Liabilities and Net Assets</i>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 336,475	—	143,758	—	480,233
Due to CBSFA	—	672,368	—	(672,368)	—
Notes payable, current portion	980,706	—	581,510	—	1,562,216
<i>Total current liabilities</i>	<u>1,317,181</u>	<u>672,368</u>	<u>725,268</u>	<u>(672,368)</u>	<u>2,042,449</u>
Note payable, less current portion	—	—	9,928,789	—	9,928,789
<i>Total liabilities</i>	<u>1,317,181</u>	<u>672,368</u>	<u>10,654,057</u>	<u>(672,368)</u>	<u>11,971,238</u>
Minority interest	—	—	2,726,192	—	2,726,192
Unrestricted net assets	29,640,587	(233,093)	26,975,531	(26,742,438)	29,640,587
	<u>\$ 30,957,768</u>	<u>439,275</u>	<u>40,355,780</u>	<u>(27,414,806)</u>	<u>44,338,017</u>

See accompanying independent auditors' report.



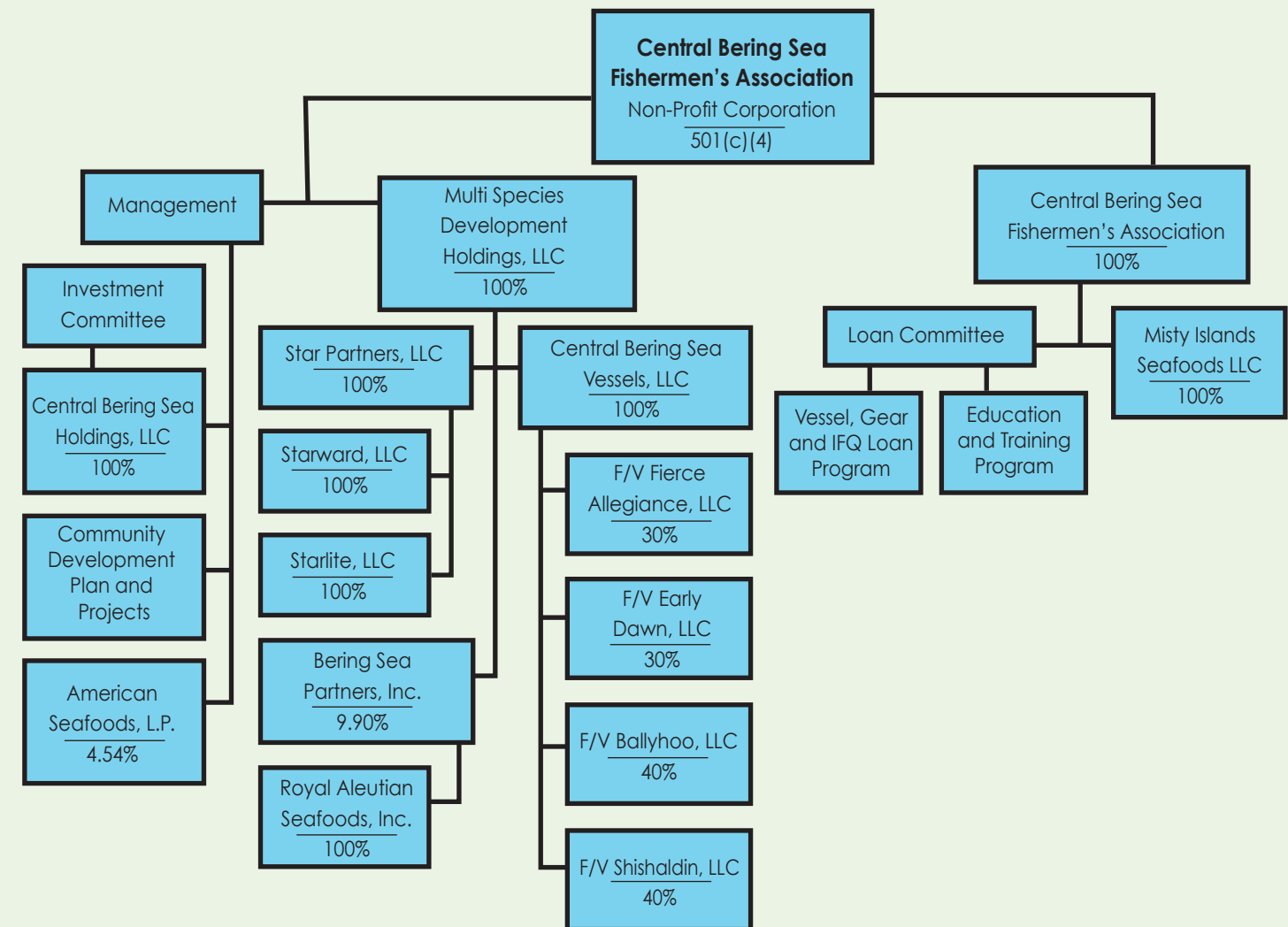
Consolidating Information Activities

Year ended December 31, 2006

Organizational Chart as of December 31, 2006

Schedule 2

	CBSFA	CBSFC	MSDH	Eliminations	Consolidated
Changes in unrestricted net assets:					
Revenue and gains:					
Program revenue	\$ 7,679,642	—	—	—	7,679,642
Revenue from fishing operations	—	—	4,602,309	—	4,602,309
Equity in earnings of subsidiary – CBSFC	(6,442)	—	—	6,442	—
Equity in earnings of subsidiary – MSDH	129,735	—	—	(129,735)	—
Equity in earnings of subsidiary – CBSV	—	—	168,663	(168,663)	—
Equity in earnings of subsidiary – MIS	—	(4,659)	—	4,659	—
Equity in earnings of subsidiary – Star Partners, LLC	—	—	829,309	(829,309)	—
Equity in earnings of Fierce Allegiance, LLC	—	—	81,693	—	81,693
Equity in earnings of Shishaldin, LLC	—	—	57,759	—	57,759
Equity in earnings of 57 Degrees North, LLC	—	—	(142,546)	—	(142,546)
Equity in earnings of Early Dawn, LLC	—	—	171,757	—	171,757
Equity in loss of ASLP Acquisition, LLC	(103,427)	—	—	—	(103,427)
American Seafood distribution	172,213	—	—	—	172,213
Investment and other income	1,965,201	47,987	443,382	(923,000)	1,533,570
Gain on interest rate swap	—	—	75,740	—	75,740
<i>Total revenue and gains</i>	<u>9,836,922</u>	<u>43,328</u>	<u>6,288,066</u>	<u>(2,039,606)</u>	<u>14,128,710</u>
Expenses:					
Program	4,216,517	—	2,722,164	—	6,938,681
Supporting services	1,380,807	54,429	1,238,758	—	2,673,994
Distributions made	—	—	923,000	(923,000)	—
Minority interest	—	—	276,437	—	276,437
<i>Total expenses</i>	<u>5,597,324</u>	<u>54,429</u>	<u>5,160,359</u>	<u>(923,000)</u>	<u>9,889,112</u>
<i>Changes in net assets</i>	<u>4,239,598</u>	<u>(11,101)</u>	<u>1,127,707</u>	<u>(1,116,606)</u>	<u>4,239,598</u>
Net assets at beginning of year	25,400,989	(222,060)	25,987,901	(25,765,841)	25,400,989
Net assets at end of year	\$ <u>29,640,587</u>	<u>(233,161)</u>	<u>27,115,608</u>	<u>(26,882,447)</u>	<u>29,640,587</u>



Our Mission

To develop a viable, self-sustaining, independent fisheries development organization that, on behalf of the local fishermen, and the community of St. Paul as a whole, and in cooperation with other Bering Sea Coastal Communities and CDQ Groups, will ensure key participation in fishery related development in the region while exercising proper resource stewardship.





*Central Bering Sea
Fishermen's Association*
2007 ANNUAL REPORT





Table of Contents

Chairman's Letter.....	4
President's Report.....	5
Fire Station, Crane Storage Update	6
ERAP	7
The Launch of the F/V St. Paul	8
Education Investment	12
Crab Management Update	14
CBSFA Board and Staff.....	16
Boards of Directors.....	17
Auditors' Report	18
Section 305 Compliance	19
Statements of Financial Position	20
Organizational Chart	36
Mission Statement.....	37

Letter from the Chairman

Myron Melovidov

Dear CBSFA members,

The community got off to a good start in 2008 with the opening of the plant for the opilio season. As we all experienced in 2007 when it was closed, the economic activity surrounding its operation is important to St. Paul. For that reason CBSFA is entering the joint venture with Trident to become an investor in the facility, as we reported last year.



Talks with Trident to finalize the operating agreement that will govern the joint venture are ongoing. There are many details to work out, but conversations so far have been very cooperative. CBSFA will continue working hard to make sure that the investment works to benefit the community and local economy.

Related to the success of the plant is the crab rationalization program. There has been much discussion at the North Pacific Fisheries Management Council on aspects of rationalization that directly affects the community's economy. The effort to protect the interests of St. Paul at the council is ongoing as CBSFA works with representatives from other community entities. St. Paul has a formidable team working the issues and we are optimistic that our efforts will be successful in defending the community.

Another project CBSFA is working on is the Vessel Repair Facility. The facility will serve as a safe working environment for the local fleet to repair and maintain vessels. As the local fleet continues to thrive and expand there is an increasing need for a service facility. We have been actively negotiating with TDX on land issues for the facility and are still trying to secure a piece of property for the building. As soon as negotiations are finalized, construction will begin. In the meantime, the CBSFA side of the new Fire Station/ Crane Storage building can serve as a temporary vessel repair facility.

CBSFA is pleased to be bringing benefit to the community through its projects, programs and investments and we look forward to continuing our efforts in the coming year.

Sincerely,

Myron Melovidov

President's Report

Phillip Lestenkof

Dear Members,

The CBSFA board of directors and management worked together this past year trying to create meaningful programs, make good investments aimed at supporting our local economy, and make contributions that promote the well-being of our community. On the following pages we will be reporting on several activities that CBSFA has developed and implemented that provide direct benefits to the residents of our community. I am going to highlight a few of them here.



The most notable investment that CBSFA made this past year was the purchase of the new 58 foot fishing vessel – the Saint Paul. This vessel will provide us with improved control and management of our fishing operations by insuring that all of our CDQ and IFQ halibut quota's are fully harvested. The FV Saint Paul will also provide valuable crew jobs to local residents and direct support to the CBSFA Halibut Cooperative which is crucial to the success of our local halibut fishery. Another benefit provided by this vessel is to help local IFQ holders fully harvest their quota by taking them further offshore where the halibut resource is more abundant. In the past, a significant amount of IFQ was not harvested causing loss of income. The additional income provided by the FV Saint Paul to the local fishermen and their families will help support their livelihoods now and in the future.

Another new program CBSFA created last winter, that we feel has been very helpful, is the Elders Residential Assistance Program. Through this program we provided monetary assistance to our elders to help them purchase home heating fuel and

electricity for those that reside in private homes and helped the elders that reside in the Senior Center pay their monthly rent. We also continued the Elders Halibut Subsistence Program for the second year in a row. Through this program we donated halibut to the elders from the CBSFA Halibut Cooperative inventory to supply the elders with a traditional food to enjoy and to support their well-being.

Every year since 2003, when we first created the CBSFA Halibut Cooperative, we have been successful in reaching our goal of increasing the ex-vessel price CBSFA pays to our fishermen. In 2007, we had another exceptional season that achieved a new record price and as a result increased the total income paid out to our fishermen. The local halibut fishery and the CBSFA Halibut Cooperative is the most important fishery-related project that we have supported and developed over the years because of the substantial amount of local employment and income it has generated for many residents of our community.

I would also like to mention that some of the programs we support come from other local organizations that have made requests to CBSFA for funding assistance. CBSFA is always glad to help other local organizations with their worthwhile programs and projects.

In closing, I would like to say that I am grateful to be working for and helping the community as a member of the CBSFA management team. I hope everything goes well for all of you in the coming year.

Sincerely,

Phillip Lestenkof

Fire Station/ Crane Storage Update

Last year CBSFA partnered with the City of St. Paul to build a combination fire station/crane storage facility. It will serve the needs of the St. Paul Volunteer Fire Department and provide much needed indoor space to CBSFA.

Last fall the foundation was laid and shell erected. Heat and electricity have recently been installed and interior finish work is currently under way. The building should be completed and ready for use by the end of the year. Having a central location for the Fire Department's trucks and equipment provides a great benefit to the community.

The CBSFA side of the building will mainly serve as storage for the Grove crane, a piece of equipment vital to the halibut fishery. In addition to storage, the facility will be available for use as a temporary vessel repair facility until negotiations with TDX on land issues are finalized, and a dedicated Vessel Repair and Maintenance Facility can be built



ERAP

In early 2008, CBSFA adopted a program to help alleviate the burden of high energy costs faced by community elders. The board of directors approved a proposal by management to create the Elders Residential Assistance Program and to add it to the 2008 CBSFA budget. The program distributed \$2,000 to every household with an elder 55 years and older. A total of \$118,000 was distributed to 59 households in February. Payments went directly to energy providers and housing entities, providing the elders with much needed assistance in meeting their living expenses.

Appreciation for the program poured in not only from direct recipients of the assistance, but from community members that commended CBSFA for helping the elders. All the feedback received indicated that the program was instrumental in households enduring the higher cost of living during the cold winter. CBSFA is glad to have created this program and to be able to provide this kind of direct benefit and assistance to the elders who are sometimes living on a fixed income



THE LAUNCH OF THE F/V SAINT PAUL

AR
07



The Launch of the F/V Saint Paul

St. Paul residents got their first look at CBSFA's latest vessel investment as it cruised into the harbor in June of this year, the newly built 58 foot F/V Saint Paul. In its first season the vessel has already begun contributing direct economic benefit and support to the local halibut fishermen, their families, and to the community as a whole. At a meeting held on October 17, 2007, the CBSFA board of directors approved the purchase of the new fishing vessel and construction began soon thereafter.

The vessel will provide valuable year-round crew jobs for local residents. During halibut fishing the vessel maintains a crew of five or six. An experienced Bering Sea skipper, Robert Hanson, was temporarily brought on to train the permanent local skipper Ricardo Mercurief. Hank Perales, a seasoned engineer and commercial fisherman, is also employed to train the crew and maintain the mechanical equipment. The local halibut fishing crew was



THE LAUNCH OF THE F/V SAINT PAUL



Martin Stepetin, Nekita Melovidov and Anthony Kushin. Temporary crew for IFQ halibut included Dustin Jones, Ray Melovidov, Larry Chapman, Jeffery Philemonoff and Jeffery Demientieff.

Pacific cod is another main fishery the F/V Saint Paul will be prosecuting besides halibut. They will be catching cod using pot gear near the Aleutian Islands at first. If timing of the seasons is right and if quota is available, the vessel is also planning on fishing cod and crab in the Bering Sea. During the course of participating in these different fisheries, the crew will rotate which will provide long-term job opportunities for residents of St. Paul Island.

MSDH General Manager Jeff Kauffman worked with vessel fabricator Fred Wahl Marine throughout the manufacturing process. Additionally the vessel's crew spent time working on the boat in the final stage of construction. The result of this joint effort has produced a state of the art fishing vessel.

In addition to creating local crew employment, the F/V Saint Paul is providing local halibut IFQ holders a high quality fishing vessel to help them catch their quota which they have not been able to fully harvest in the past. This season 13 local fishermen and residents caught their IFQ halibut on the F/V Saint Paul. For the first time ever the local halibut IFQ was fully harvested. This produced increased fishing income to residents that have not realized it before. This success was made possible by the purchase of the F/V Saint Paul.

The primary purpose of purchasing the F/V Saint Paul is to support the local fishermen in catching their CDQ and IFQ halibut. For the past few years CBSFA was forced to hire other vessels to help harvest CDQ halibut that could not be fully harvested by the local fleet due to lower

catch rates in Area 4C. This leasing arrangement was necessary to increase deliveries and profits to the CBSFA Halibut Coop and generate higher ex-vessel prices to our fishermen. The problem of leasing to other vessels is that there was no guarantee that the vessels would be available to fully harvest our CDQ halibut and our local IFQ halibut. With the acquisition of the F/V Saint Paul, the local halibut fishery now has top priority and the local fishermen have the means to fully harvest all their halibut. In its first season the FV Saint Paul harvested 239,382 pounds of IFQ and 125,762 pounds of CDQ for a grand total of 365,145 pounds of halibut!

CBSFA is very proud to have the F/V Saint Paul now operating as part of the CBSFA Halibut Coop and supporting the fishermen and the community of St. Paul Island. We hope it will continue to provide long-term benefits to everyone involved far into the future.



EDUCATION

CBSFA Invests in St. Paul's Kids

It is CBSFA's belief that healthy, well educated kids are critical to the welfare of the community. For that reason we uphold our support for the children of St. Paul. In 2008 CBSFA maintained its funding of the Montessori program and Pribilof School District fisheries studies curriculum. Contributions were also made to the first Pribilof summer marine science camp and to Tribal Youth Program activities.

Early Education Advances Preschoolers

CBSFA began its support for the St. Paul Montessori Preschool Program in the spring 2007 semester, and has continued it since. Fully funded by CBSFA, the program provides early education and activities for kids age two to four. It employs two teachers that work with 12 children. The Montessori curriculum and structure provides a distinct advantage to kids as they enter kindergarten by developing social, reading and communication skills. With positive feedback from parents and teachers about the kids' response to the program, CBSFA will continue funding in support of the community.



St. Paul Students Study the Ocean

Teenagers from St. Paul travelled to St. George this summer to participate with students there in an 11 day marine science camp. The camp involved an intensive and hands-on approach to marine ecosystem study. In addition to classroom listening to scientists and experts, the kids spent time in the field collecting samples to bring back to the lab and study. They also built and deployed two submersible remote operated vehicles (ROV's) to get a closer look at what lies beneath the ocean surface, around the place they live.

The ROV's were donated by a grant and came unassembled. Students used the parts and manual designed by engineers at MIT to build them. The construction was an impressive feat, as the kids did in 9 days what is designed to take high school students 10 weeks.

With so much of St. Paul's culture and economy being derived from the ocean, it is beneficial for kids to learn as much as they can about this critical environment. CBSFA is hopeful that this education will spark interest in young people to pursue education and careers in marine sciences that will support the community in the future.



CBSFA On Top of Crab Management Issues That Put Saint Paul At Risk

The crab management system known as “crab rationalization” – now three years old – has been good for the community of Saint Paul, whose economy is 85% dependant on the harvest and processing of crab. Strong community protection measures are purposely built in to the program, especially regional delivery requirements based on past landings, as well as the requirement for harvesters to deliver **90% of their catch to their historical processor – the “90/10” management basis.** These two essential elements of the crab program ensure that Saint Paul continues to receive the percentage of the crab quota that was earned by harvesters and processors on Saint Paul.

The North Pacific Council is engaged in a mandatory three-year review of the crab program, and several proposals are on the table to change the 90/10 and other community protections. The 90/10 basis of the program is being challenged. Harvesters fearing harbor ice damage to their vessels have proposed emergency exemptions to the regional delivery requirements that protect deliveries to Saint Paul. Crab vessel crew members are seeking additional crew quota, which has the potential to decrease the percentage of crab that must be delivered to the Pribilofs.

CBSFA has been working collaboratively and successfully with the City of Saint Paul and the TDX Corporation at the North Pacific Council, and at the state and national levels, to maintain the value of CBSFA’s crab-related investments, as well as the community protections in the current management system. We have succeeded in maintaining strong guidelines for regional delivery, and have worked hard to help Council, State and Congressional leaders understand and support Saint Paul’s interests in continuing the status quo.



CBSFA Board and Staff

CBSFA Board of Directors



Jason Bourdukofsky, Sr.
Director
Term expires: 2010



Rena J. Kudrin
Secretary/Treasurer
Term expires: 2011



Robert Melovidov
Vice President
Term expires: 2010



Roman Fratis
Director
Term expires: 2009



Phillip Lestenkof
President
Term expires: 2011



Terenty Philemonoff
Director
Term expires: 2011



Jeffery P. Kauffman
Director
Term expires: 2009



Myron Melovidov
Chairman
Term expires: 2010



Amos Philemonoff
Director
Term expires: 2009

CBSFA Employees



Rena Kudrin
Office Manager
Employee since 1998



Steve Manley
Program & Operations Support,
Employee since 2005



Patience Mercurief
Quota Manager
Employee since 1999



Phillip Lestenkof
President
President since 1999



Ray Melovidov
Administrative Assistant/Webmaster
Employee since 2001



Jonathan Thorpe
Chief Financial Officer
Employee since 2003

Boards of Directors

Central Bering Sea Fishermen's Association Board Of Directors

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(907) 262-0800

Independent Auditors' Report

June 27, 2008



KPMG LLP
Suite 600
701 West Eighth Avenue
Anchorage, AK 99501

Independent Auditors' Report:

The Board of Directors
Central Bering Sea Fishermen's Association:

We have audited the accompanying consolidated statements of financial position of Central Bering Sea Fishermen's Association and subsidiaries (Association) as of December 31, 2007 and 2006, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Association's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the Association's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Bering Sea Fishermen's Association and subsidiaries as of December 31, 2007 and 2006, and the changes in their net assets, and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information included in schedules 1 and 2 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position or changes in net assets of the individual companies. The consolidating information referred to in this report have been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KPMG LLP

August 6, 2008



Annual Report for Calendar Year 2007 to the Village of Saint Paul in Compliance with Section 305 (I)(1) of the Magnuson-Stevens Fishery Conservation and Management Act.

November 9, 2008

Section 305(i)(1)(F)(ii) of the Magnuson-Stevens Fishery Conservation and Management Act, as amended by section 416 of Public Law 109-241 (the Coast Guard and Maritime Transportation Act of 2006), requires that each CDQ entity "comply with State of Alaska law requiring annual reports to the entity's member villages summarizing financial operations for the previous calendar year, including general and administrative costs and compensation levels of the top 5 highest paid personnel."

In order to implement the above provision, the CDQ Panel, also known as the Western Alaska Community Development Association (WACDA), unanimously adopted a CDQ Rule entitled "Resolution 2008-01 -- Annual Reports to CDQ Villages by CDQ Groups" on September 17, 2008, which establishes the required contents for annual financial reports in Section 4.

The Central Bering Sea Fishermen's Association (CBSFA) Board of Directors approved said CDQ Rule by way of CBSFA Resolution 08-03 on September 15, 2008.

Therefore, in compliance with Section 305(i)(1)(F)(ii) of the Magnuson-Stevens Act and with Section 4 of CDQ Panel Resolution 2008-01, CBSFA, as the CDQ Group for the village of Saint Paul, hereby submits the following financial disclosures for calendar year 2007:

A. Financial Reporting

Note: CBSFA's entire financial statement is included in the report.

B. Directors

Note: The director's page will include terms.

CBSFA directors receive \$225 for each board meeting of less than 2 hours duration, and \$375 for meetings over 2 hours. Term life insurance policies are also provided. CBSFA paid directors \$30,150 in fees and \$15,821 for insurance policies.

C. Related Party Transactions

CBSFA's wholly owned subsidiary, the Central Bering Sea Fishermen's Corporation (CBSFC), provides a vessel, gear and IFQ loan program to CBSFA member fishermen. In calendar year 2007 CBSFA has two directors that meet the threshold under the CDQ Panel Resolution 2008-01 for related party transactions involving amounts over \$20,000. Directors Terenty Philemonoff and Roman Fratis, Sr. each received vessel and gear loans in excess of the \$20,000 reportable threshold. Directors who are member fishermen are eligible for the vessel, gear, and IFQ loan program. All loans are structured similar to conventional financing. Payments for the loans are withheld from ex-vessel proceeds paid by CBSFA for deliveries of fish to the CBSFA Halibut Cooperative. An independent loan committee is established under CBSFC to manage the loan program to address potential conflict of interest issues.

D. Legal Proceedings Involving Directors

There were no legal proceedings involving CBSFA and its directors during the year.

E. Employee Compensation

Top five highest paid personnel.

Rena Kudrin	Office Manager	CBSFA	\$63,121
Phillip Lestenkof	President	CBSFA	\$108,471
Steve Manley	Controller	CBSFA	\$64,878
Patience Mercurief	Quota Manager	CBSFA	\$59,503
Jonathan Thorpe	Chief Financial Officer	CBSFA	\$122,662

F. Professional Fees

Legal	\$134,557
Consulting	\$74,025
Accounting	\$48,543
Lobbying	\$24,963

G. Auditor Relationship

CBSFA has not had any disagreements with its auditor, KPMG, for either 2007 or 2006. KPMG performed tax preparation services, the fees for which represent 11% and 28% of the total fees paid in 2006 and 2007 respectively.

H. Committees

CBSFA maintains a compensation committee. For 2007 its membership was made up of directors Amos Philemonoff, Roman Fratis, Jason Bourdukofsky and Terenty Philemonoff. The committee's function is to review employee evaluations and make determinations about employee compensation. The committee met on February 18, 2007.

Consolidated Statements of Financial Position

Years ended December 31, 2006 & 2005

<i>Assets</i>	<u>2007</u>	<u>2006</u>
Current assets:		
Cash and cash equivalents	\$ 6,791,736	6,699,190
Investments (note 3)	3,196,439	2,716,864
Receivables:		
Accounts	1,799,441	435,741
Grant	8,500	8,500
Due from related parties	—	88,002
Inventory (note 4)	884,864	—
Prepaid expenses	<u>127,868</u>	<u>158,018</u>
<i>Total current assets</i>	12,768,848	10,106,315
Investments (note 3)	8,051,966	7,362,238
Prepaid expenses (note 5)	556,292	24,750
Loans receivable, net (note 6)	348,501	363,504
Investment in unconsolidated affiliates (note 7)	6,317,782	5,772,084
Property and equipment, net (note 8)	3,234,389	2,119,938
Fishing rights	18,075,000	18,000,000
Interest rate swap (note 10)	<u>225,725</u>	<u>589,188</u>
	<u>\$ 49,581,503</u>	<u>44,338,017</u>
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 538,651	480,233
Current portion of long-term debt (note 10)	<u>752,234</u>	<u>713,990</u>
<i>Total current liabilities</i>	1,290,885	1,194,223
Long-term debt, less current portion (note 10)	<u>10,033,812</u>	<u>10,777,015</u>
<i>Total liabilities</i>	<u>11,971,238</u>	<u>11,971,238</u>
Minority interest	2,956,283	2,726,192
Net assets:		
Unrestricted net assets:		
Undesignated	27,248,557	22,278,349
Designated for small boat harbor	6,343,640	5,762,238
Designated for vessel repair center	<u>1,708,326</u>	<u>1,600,000</u>
<i>Total net assets</i>	35,300,523	29,640,587
Commitments and contingencies (notes 5, 7, 8, 9, 10, 11 and 12)		
	<u>\$ 49,581,503</u>	<u>44,338,017</u>

See accompanying notes to consolidated financial statements.

Consolidated Statements of Activities

Years ended December 31, 2007 & 2006

	<u>2007</u>	<u>2006</u>
Changes in unrestricted net assets:		
Revenue and gains:		
Program revenue	\$ 7,797,484	7,679,642
Revenue from fishing operations	5,628,887	4,602,309
Equity in earnings of unconsolidated affiliates (note 7)	744,883	65,236
Distribution from American Seafood, L.P. (note 7)	605,347	172,213
Investment and other income	1,370,491	1,533,570
Change in the fair value of interest rate swap (note 9)	<u>(363,463)</u>	<u>75,740</u>
<i>Total revenue and gains</i>	15,783,629	14,128,710
Expenses:		
Program:		
Education and outreach	143,800	93,988
Fisheries development	58,261	—
Vessel launch and retrieval project	15,811	57,929
EFH advocacy and research project	84,664	125,224
Multi Species Development Project	76,865	92,563
Investment Fund Policies and Procedures	71,736	59,628
CBSFA Halibut Coop operations	3,133,135	3,787,185
Fishing operations from MSDH	3,522,059	2,722,164
<i>Total program</i>	<u>7,106,331</u>	<u>6,938,681</u>
Supporting services – general and administrative including interest expense of \$537,464 and \$564,503 for 2007 and 2006 respectively	2,787,271	2,673,994
Minority interest	<u>230,091</u>	<u>276,437</u>
<i>Total expenses</i>	10,123,693	9,889,112
<i>Changes in unrestricted net assets</i>	<u>5,659,936</u>	<u>4,239,598</u>
Net assets at beginning of year	<u>29,640,587</u>	<u>25,400,989</u>
Net assets at end of year	<u>\$ 35,300,523</u>	<u>29,640,587</u>

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flow

Years ended December 31, 2007 & 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Change in net assets	\$ 5,659,936	4,239,598
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	269,829	148,875
Minority interest	230,091	276,437
Bad debts	120,076	34,763
Distributions in excess of earnings (undistributed earnings) of unconsolidated affiliates	(545,698)	71,337
Realized and unrealized gains on investments	(145,942)	(430,210)
Change in fair value of interest rate swap	363,463	(75,740)
Change in operating assets and liabilities that provided (used) cash:		
Accounts receivable	(1,363,700)	472,671
Prepaid expenses	(501,392)	82,958
Inventory	(844,864)	—
Due from related parties	88,002	(88,002)
Accounts payable and accrued expenses	58,418	191,004
Net cash provided by operating activities	<u>3,388,219</u>	<u>4,923,691</u>
Cash flows from investing activities:		
Purchase of property and equipment	(1,387,280)	(315,762)
Purchase of fishing rights	(75,000)	—
Issuance of loans receivable	(197,876)	(183,811)
Principal payments on loans receivable	92,803	87,926
Purchase of investments	(2,683,856)	(2,562,158)
Sale of investments	1,660,495	576,7281
Net cash used in investing activities	<u>(2,590,714)</u>	<u>(2,397,077)</u>
Cash flows from financing activities:		
Minority partner distributions	—	(83,333)
Principal payments under capital lease obligations	(2,769)	(2,581)
Principal payments on long-term debt	(702,190)	(1,176,501)
Net cash used in financing activities	<u>(704,959)</u>	<u>(1,262,415)</u>
Net increase in cash and cash equivalents	92,546	1,264,199
Cash and cash equivalents at beginning of year	6,699,190	5,434,991
Cash and cash equivalents at end of year	\$ <u>6,791,736</u>	<u>6,699,190</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 540,783	657,392

See accompanying notes to consolidated financial statements.

Consolidated Statements of Financial Position

Years ended December 31, 2007 & 2006

(1) Organization and Nature of Business

The Central Bering Sea Fishermen's Association (Association), incorporated September 8, 1992, is a not for profit corporation organized to represent the St. Paul Island community in the Community Development Quota (CDQ) program. The CDQ program was established by the federal government in 1992. The program is funded by reserving a percentage of the total allowable catch of pollock, halibut, sablefish, crab, and other groundfish species for the Bering Sea and Aleutian Island area for the CDQ program. Allocations to CDQ participants were set at March 2006 levels in amendments to the Magnuson Stevens Fishery Conservation and Management Act, and were signed into federal law in July 2006. The CDQ program runs on a calendar year.

The Association had agreements for harvesting of the allocation at both market price and fixed price for both 2007 and 2006. Proceeds received are to be used to develop natural and human resources in the St. Paul Island community and to promote educational and charitable betterment of its members. Allocations are set at current levels until the first decennial review in 2012.

In 1993, the Association formed a for profit subsidiary called Central Bering Sea Fishermen's Corporation (CBSFC). In 2003, the Association formed a limited liability company called Multi Species Development Holding LLC (MSDH). MSDH acts as a holding company for future multi species related investments.

In 1994, the Association began programs to develop the human resources of St. Paul Island and to improve the island's infrastructure. These programs include:

- Education and Outreach – This provides scholarships, training grants and student loans for the residents of St. Paul Island to further their education. It funds educational programs and curriculum provided by other local entities. This program also provides outreach to the community of St. Paul, via newsletters, radio announcements, website, community surveys, and annual meetings.
- Fisheries Development – This program maintains the CDQ Halibut fisheries, provides vessel support for the local fleet. It also provides the repair and maintenance of equipment and personnel to secure and transport vessels
- CBSFA Halibut Coop – The Coop is operated to maximize the ex-vessel price paid to local fishermen. CBSFA purchases CDQ halibut from the local fleet, then has it

Consolidated Statements of Financial Position

Years ended December 31, 2007 & 2006

custom processed through a negotiated contract with a local processor. The product is then marketed through a marketing agreement with a distributor. Revenue from the sales are used to pay for costs directly related to operation of the coop, including: processing fees, freight, cold storage, State of Alaska taxes, marketing fees, and Local Fleet Support Program expenses. Net revenue is then distributed to the local fleet through a retroactive ex-vessel price adjustment.

- Vessel Launch and retrieval – This program develops and facilitates vessel launch and retrieval services that support the growth of the local fleet and insure their ability to prosecute the local fisheries. It also provides at sea vessel rescue services.
- EFH advocacy and research – This program advocates for Pribilof Islands harvesting and processing interests within the EFH process, participates in and advises on matters related to the CDQ sector, and attracts research projects to the Pribilof Islands.
- Investment Fund Policies and Procedures – This program implements policies and procedures to maintain a conservative stance and sufficient liquidity in investments to meet the funding requirements of Community Development projects and fisheries investment.
- CBSFA through its administration provides monitoring of all partners, monitoring of all CBSFA CDQ allocations, secure an annual audit, annually, provide board training, participate in fisheries policy forums, and establish an annual budget.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements of the Association have been prepared in accordance with accounting principles generally accepted in the United States of America. The consolidated financial statements include assets, liabilities, net assets, and financial activities for those programs for which the Association exercises fiscal and operational control. All of the Association's net assets have been classified as unrestricted in accordance with Statement of Financial Accounting Standards No. 117, Financial Statements for Not For Profit Organizations.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of the Association and its wholly owned subsidiaries CBSFC (and its wholly owned subsidiary Misty Island Seafoods, LLC), MSDH (and its wholly owned subsidiary Central Bering Sea Vessels, LLC (CBSV) and its majority owned subsidiary, Star Partners, LLC.) All significant intercompany balances and transactions have been eliminated in consolidation.

(c) Cash Equivalents

For purposes of the consolidated statements of cash flows, the Association considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

(d) Investments in Marketable Securities

The Association invests in marketable securities consisting primarily of treasury notes, mutual funds, common stocks, corporate bonds, and government securities. The Association records investments at fair value. The change in fair value is included in the statement of activities. Realized gains and losses are calculated using the specific identification method.

(e) Property and Equipment

Property and equipment are capitalized at cost when purchased or at fair value at date of donation, if donated. Depreciation is recorded using the straight line method over the estimated useful lives of the assets, which vary from 5 to 40 years.

(f) Fishing Rights

Fishing rights represent an allocation of the purchase price from the acquisition of vessels to the fair value of quota shares issued to those vessels by the National Marine Fisheries Services. These quota shares give the Company the right to harvest a fixed quantity of pollock and crab and are transferable under certain conditions. These rights have been determined to have an indefinite useful life and are not amortized, but instead tested for impairment at least annually in accordance with the provisions of FASB Statement 142 Goodwill and Other Intangible Assets.

(g) Investment in Unconsolidated Affiliates

Investments and affiliates are accounted for using the cost or the equity method, depending on whether the Association has the ability to exercise significant influence over operating and financial policies of an investee. Under the cost method, investments are carried at acquisition cost with distributions recognized as income when received. Under the equity method, the Association's share of affiliate earnings is included in income when earned and distributions are credited to the investment when received. For flow through entities (i.e. partnerships, limited liability companies, subchapter S corporations, etc.), the ability to exercise significant influence is presumed to exist if the percentage of ownership is equal to or greater than 5%. For other entities, significant influence is presumed to exist if the percentage of ownership is equal to or greater than 20%.

Consolidated Statements of Financial Position

Years ended December 31, 2007 & 2006

(h) Impairment of Long Lived Assets

Long lived assets, such as property and equipment, and purchased intangible assets subject to amortization, 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 estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposal group classified as held for sale would be presented separately in the appropriate asset and liability sections of the consolidated statements of financial position.

(i) Derivative Instruments and Hedging Activities

The Company uses financial instruments to hedge interest rate risk on long term debt. Derivative instruments are recorded on the balance sheet at their respective fair values as either assets or liabilities. The change in value of derivatives is included in the consolidated statements of activities.

(j) Revenue Recognition

Program revenues consist primarily of CDQ royalty revenues for pollock, pacific cod and crab. Contingent royalty payments are recognized when the amount is fixed and determinable and collection is assured. Revenue from operations consists of the sales of pollock, cod and crab and crab lease fees.

(k) Income Taxes

The Association is exempt from federal and state income taxes under provisions of Section 501(c)(4) of the Internal Revenue Code, except for taxes on unrelated business income. Unrelated business income is generated mainly through interest earned on notes receivable issued by the Association's subsidiary. The Association's subsidiary is subject to federal and state income taxes; however, the amounts are not significant in relation to the consolidated financial statements.

(l) Commitments and Contingencies

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

(m) Promotion and Advertising Costs

Promotion, advertising, and marketing costs are expensed as incurred.

(n) Use of Estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 those estimates and assumptions.

(3) Investments

Investment securities consist of the following at December 31:

	<u>2007</u>	<u>2006</u>
Money market funds	\$ 3,575,013	115,794
Municipal bonds	5,550,000	6,700,000
Corporate debt securities	225,000	300,000
Common stocks	1,898,392	2,963,308
	<u>\$ 11,248,405</u>	<u>10,079,102</u>
Long-term investments	\$ 8,051,966	7,362,238
Current investments	3,196,439	2,716,864
	<u>\$ 11,248,405</u>	<u>10,079,102</u>

Long-term investments are designated by the board of directors for the following projects at December 31:

	<u>2007</u>	<u>2006</u>
Small boat harbor	\$ 6,343,640	5,762,238
Vessel Repair Center	1,708,326	1,600,000
	<u>\$ 8,051,966</u>	<u>7,362,238</u>

Consolidated Statements of Financial Position

Years ended December 31, 2007 & 2006

(4) Inventories

Inventory consists of fish held for resale and is stated at lower-of-cost (first-in, first our method) or market.

(5) Prepaid items

The Association advanced the City of St. Paul \$500,000 to aid in construction of a storage facility, an asset owned by the city. The Association will lease or sublease 1,650 gross square feet of the storage facility in subsequent years. This prepayment will be applied towards future lease payments. This prepayment is amortized over the lease term of 30 years at an annual rate of \$16,666, and is nonrefundable to the Association.

The Association prepaid a lease with Tanadgusix Corporation for approximately 22,000 square feet of land intended for use as a boat storage site. The prepaid rent was \$3,492 and \$24,750 at December 31, 2007 and 2006, respectively. The prepayment is amortized over the lease term of 15 years at an annual rate of \$21,257 and is nonrefundable to the Association.

(6) Loans Receivable

Loans receivable and related allowances for loan losses are as follows at December 31:

	<u>2007</u>	<u>2006</u>
Vessel and gear loans	\$ 716,728	630,486
Student loans	310,026	291,195
	<u>1,026,754</u>	<u>921,681</u>
Less allowance for loan losses	(678,253)	(558,177)
	<u>\$ 348,501</u>	<u>363,504</u>

In the aggregate, the principal amount of vessel and gear loans and student loans outstanding at December 31, 2007 and 2006 to members of the board of directors are \$200,335 and \$79,727, respectively. Loans to members of the board of directors are under the same terms and conditions as loans to other members of the Association. All loans receivable are considered long term.

(7) Investment in Unconsolidated Affiliates

The Association has interests in various affiliates. These companies, method of accounting, percentage of ownership and investment amount are as follows at December 31:

	<i>Method of accounting</i>	<i>Percentage ownership</i>	<u>2007</u>	<u>2006</u>
Fierce Allegiance, LLC	Equity	30.00	\$ 2,519,946	2,402,510
Early Dawn, LLC	Equity	30.00	1,367,658	1,289,631
57 Degrees North, LLC	Equity	40.00	863,405	657,821
Shishaldin, LLC	Equity	40.00	718,764	554,928
ASLP Acquisition, LLC	Cost	7.86	—	—
Bering Sea Partners, Inc.	Cost	9.90	544,500	544,500
American Seafoods, L.P.	Cost	2.94	—	—
Morgan Stanley Spectrum Select, L.P.	Cost	0.02	123,376	114,729
Morgan Stanley Spectrum Technical, L.P.	Cost	0.02	94,951	110,333
Morgan Stanley Spectrum Currency, L.P.	Cost	0.08	85,182	97,632
			<u>\$ 6,317,782</u>	<u>5,772,084</u>

Summary financial information for each equity method investee as of and for the years ended December 31, 2007 and 2006 is as follows:

Consolidated Statements of Financial Position

Years ended December 31, 2007 & 2006

Summary financial information for each equity method investee as of and for the years ended December 31, 2007 and 2006 is as follows:

	2007			
	<i>Early Dawn, LLC</i>	<i>Fierce Allegiance, LLC</i>	<i>Shishaldin, LLC</i>	<i>57 Degrees North, LLC</i>
Current assets	\$ 716,493	821,195	223,154	235,266
Total assets	4,564,490	9,488	2,038,110	2,547,072
Current liabilities	62,431	179,520	1,269	2,383
Total liabilities	62,431	1,240,520	281,110	440,620
Equity	4,502,059	8,247,520	1,757,000	2,106,452
Revenues	4,483,081	5,187,664	467,334	627,213
Expenses	3,922,993	4,496,209	57,744	113,254
Net income	560,088	691,455	409,590	513,959

	2006			
	<i>Early Dawn, LLC</i>	<i>Fierce Allegiance, LLC</i>	<i>Shishaldin, LLC</i>	<i>57 Degrees North, LLC</i>
Current assets	\$ 395,303	602,598	475,274	508,817
Total assets	4,254,241	9,420,901	2,363,123	2,971,013
Current liabilities	12,270	361,836	157,223	204,750
Total liabilities	12,270	1,564,836	979,473	1,277,250
Equity	4,241,971	7,856,065	1,383,650	1,693,763
Revenues	2,932,043	5,183,560	295,444	823,145
Expenses	2,359,519	4,911,250	151,046	1,179,510
Net income	572,524	272,310	144,398	(356,365)

During 2004, the Company received a distribution from American Seafoods, L.P. in excess of its earnings and was recorded by the Association as a return of investment. This distribution reduced the Association's investment to zero. Accordingly, all subsequent distributions are recorded as income.

During 2006, the Association made an investment of \$103,427 in ASLP Acquisition Co., LLC, an LLC formed to acquire a portion of American Seafoods. This investment is accounted for on the equity basis by the Association until the investment in the affiliate reaches zero.

At that time, the investment was then accounted for on the cost method. During 2006, the Association's share of net losses of ASLP Acquisition, Co., LLC exceeded their investment in the LLC by approximately \$608,000. As a result, the Association's investment in ASLP Acquisition, LLC was recorded at zero. During 2007, the Association made an additional investment of \$910,207 in ASLP Acquisition Co., LLC. During 2007, the Association's share of net losses of ASLP Acquisition Co., LLC exceeded their investment in the LLC by approximately \$336,000. As a result, the Association's investment in ASLP Acquisition, LLC is recorded at zero. The Company does not guarantee any debt of ASLP Acquisition, LLC.

The Association guarantees debt of Bering Sea Partners, Inc. for their proportionate share of ownership (9.9% or \$594,000).

(8) Property and Equipment

Property and equipment consist of the following at December 31:

	2007	2006
Vessel, improvements and related equipment	\$ 2,839,055	1,958,692
Furniture and other equipment	683,235	676,318
Construction in Progress	500,000	—
Building	90,000	90,000
	4,112,290	2,725,010
Less accumulated depreciation	(874,901)	(605,072)
Net property and equipment	\$ 3,237,389	2,119,938

During 2007, MSDH is in process of constructing a new fishing vessel. The vessel is scheduled to be placed in service during May 2008. At December 31, 2007 the vessel is reported in construction in-progress.

(9) Line-of-credit

The Association has a \$1.0 million revolving line-of-credit with a bank. The line-of-credit carries a variable interest rate based upon LIBOR plus 1.9% adjusted monthly. All outstanding balances of the line-of-credit are due in full on July 31, 2008. At December 31, 2007 and 2006 there was no outstanding balance on the line-of-credit.

Consolidated Statements of Financial Position

Years ended December 31, 2007 & 2006

(10) Long Term Debt

Long term debt consists of the following at December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Notes payable to banks with a fixed interest rate, unless LIBOR exceeds 6% then interest rate is variable at LIBOR plus 1.85% (blended fixed interest rate of 5.07% at December 31, 2007 and 2006). Total consists of two notes, with each note representing half the total due with total semi-annual principal payments of \$273,925 plus interest with a maturity in June 2014, secured by the Company's assets.	\$ 9,928,789	10,510,299
Note payable to bank with interest at 8.50%, matures April 30, 2012	856,725	977,405
Capital lease obligation	<u>532</u>	<u>3,301</u>
	10,786,046	11,491,005
Less current maturities	<u>752,234</u>	<u>713,990</u>
Long-term debt, excluding current maturities	<u>\$ 10,033,812</u>	<u>10,777,015</u>

Scheduled principal payments on long term debt are as follows:

Year ending December 31:	<u>Amount</u>
2008	\$ 752,234
2009	797,176
2010	848,386
2011	902,908
2012	960,951
Thereafter	<u>6,524,391</u>
	<u>\$ 10,786,046</u>

In 2004, the Association entered into an interest rate swap contract for the note payable due in June 2014, described above. The agreement effectively changed the interest rate exposure on the note to a fixed rate. The fair value of the interest rate swap contract of \$225,725 and \$589,188 at December 31, 2007 and 2006, respectively, is reflected as an asset and changes in fair value is recognized as a gain or loss.

(11) Concentrations

Most of the Association's operations are involved in the fisheries of the Bering Sea and Aluetian Island regions. The program revenue received by the Association is a result of the Association's ability to contract the harvesting of the CDQ allocation received from the federal government. As a result of the geographic and natural resource concentration, the Association's growth and activities depend upon the viability of the North Pacific fisheries of pollock, halibut, crab, and other species and the continued allocation of harvesting quotas by the federal government. Any deterioration or improvements in these fisheries and quota allocations could affect the Association.

(12) Litigation

In the normal course of business, the Association has various claims and allegations made against it. In the opinion of management, these matters will not have a material effect on the Association's consolidated financial statement.

Consolidating Information Financial Position

Year ended December 31, 2007

Schedule 1

Assets	CBSFA	CBSFC	MSDH	Eliminations	Consolidated
Current assets:					
Cash and cash equivalents	\$ 4,772,237	17,665	2,001,844	—	6,791,736
Investments	3,196,439	—	—	—	3,196,439
Receivables:					
Accounts	1,770,463	—	28,978	—	1,799,441
Grant	8,500	—	—	—	8,500
Due from CBSFC	718,779	—	—	(718,779)	—
Due from MIS	24,860	—	—	(24,860)	—
Inventory	844,864	—	—	—	844,864
Prepaid expenses	11,087	1,090	115,691	—	127,868
<i>Total current assets</i>	<u>11,350,845</u>	<u>18,745</u>	<u>2,146,513</u>	<u>(747,255)</u>	<u>12,768,848</u>
Investments	8,051,966	—	—	—	8,051,966
Prepaid expenses	556,292	—	—	—	556,292
Notes receivable, net	—	348,501	—	—	348,501
Investment in MIS	—	(6,895)	—	6,895	—
Investment in Central Bering Sea Vessels	—	—	5,469,773	(5,469,773)	—
Investment in F/V Saint Paul	—	—	575,000	(575,000)	—
Investment in Star Partners	—	—	8,868,843	(8,868,843)	—
Investment in Early Dawn	—	—	1,367,658	—	1,367,658
Investment in Fierce Allegiance	—	—	2,519,946	—	2,519,946
Investment in 57 Degrees North	—	—	863,405	—	863,405
Investment in Shishaldin	—	—	718,764	—	718,764
Investment in Bering Sea Partners	—	—	544,500	—	544,500
Investment in MSDH	15,966,327	—	—	(15,966,327)	—
Investment in CBSFC	(315,645)	—	—	315,645	—
Investment in Morgan Stanley Limited Partnerships	303,509	—	—	—	303,509
Property and equipment, net	533,273	60,748	2,643,368	—	3,237,389
Fishing rights	—	—	18,075,000	—	18,075,000
Interest rate swap receivable	—	—	225,725	—	225,725
	<u>\$ 30,957,768</u>	<u>439,275</u>	<u>40,355,780</u>	<u>(27,414,806)</u>	<u>44,338,017</u>
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and accrued expenses	\$ 288,787	—	249,864	—	538,651
Due to CBSFA	—	743,639	3,616	(747,255)	—
Current Portion of long term debt	134,711	—	617,523	—	752,234
<i>Total current liabilities</i>	<u>423,498</u>	<u>743,639</u>	<u>871,003</u>	<u>(747,255)</u>	<u>1,290,885</u>
Long term debt, less current portion	722,546	—	9,311,266	—	10,033,812
<i>Total liabilities</i>	<u>1,146,044</u>	<u>743,639</u>	<u>10,182,269</u>	<u>(747,255)</u>	<u>11,324,697</u>
Minority interest	—	—	2,956,283	—	2,956,283
Unrestricted net assets	35,300,523	(322,540)	30,879,943	(30,879,943)	35,300,523
	<u>\$ 36,466,567</u>	<u>421,099</u>	<u>44,018,495</u>	<u>(31,304,658)</u>	<u>49,581,503</u>

Consolidating Information Activities

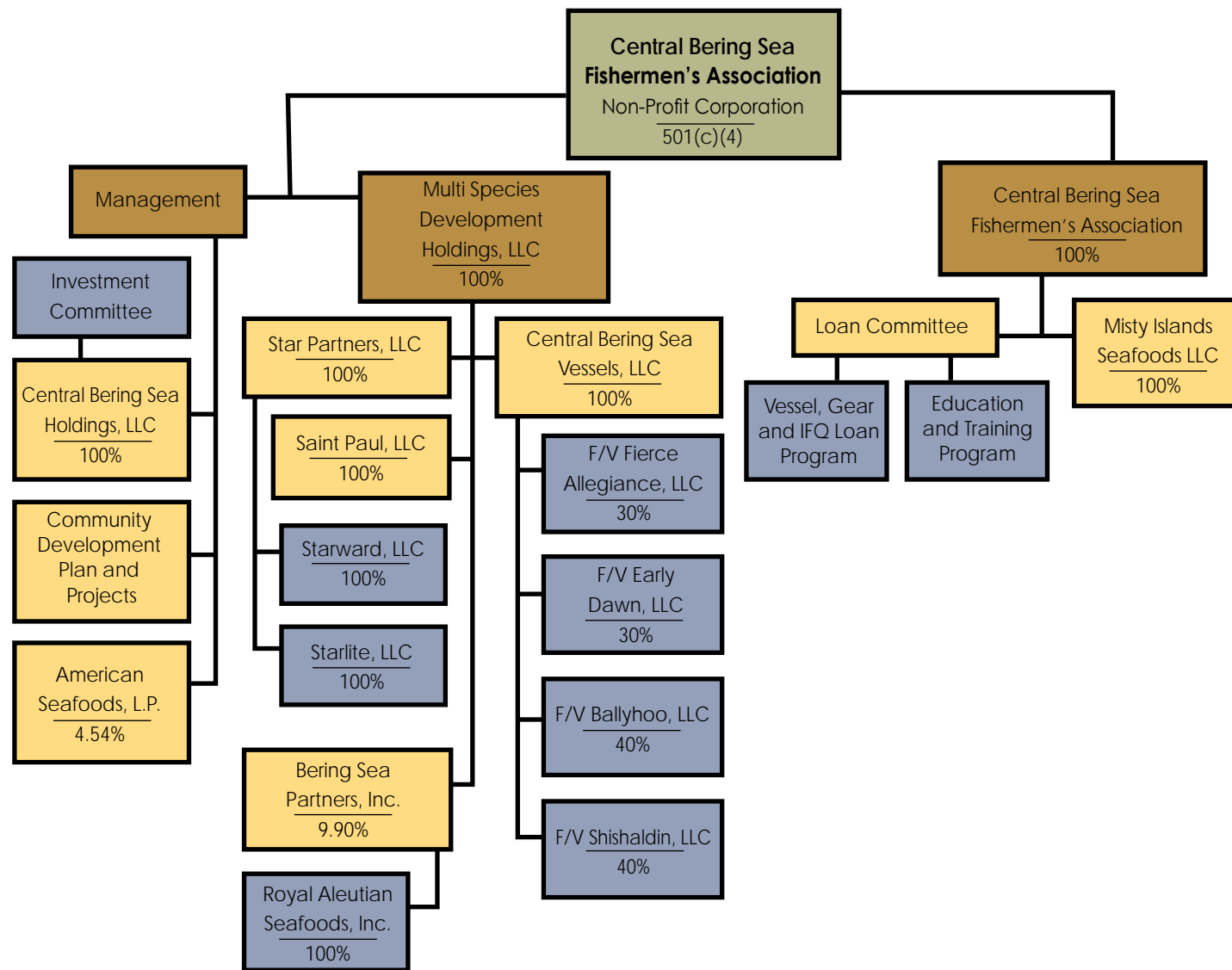
Year ended December 31, 2007

Schedule 2

	CBSFA	CBSFC	MSDH	Eliminations	Consolidated
Changes in unrestricted net assets:					
Revenue and gains:					
Program revenue	\$ 7,797,484	—	—	—	7,797,484
Revenue from fishing operations	—	—	5,628,887	—	5,628,887
Equity in earnings of subsidiary – CBSFC	(88,210)	—	—	88,210	—
Equity in earnings of subsidiary – MSDH	2,074,257	—	—	(2,074,257)	—
Equity in earnings of subsidiary – CBSV	—	—	744,883	(744,883)	—
Equity in earnings of subsidiary – MIS	—	(1,237)	—	1,237	—
Equity in earnings of subsidiary – F/V Saint Paul	—	—	575,000	(575,000)	—
Equity in earnings of subsidiary – Star Partners, LLC	—	—	690,272	(690,272)	—
Equity in earnings of Fierce Allegiance, LLC	—	—	207,436	—	207,436
Equity in earnings of Shishaldin, LLC	—	—	168,027	—	168,027
Equity in earnings of 57 Degrees North, LLC	—	—	205,584	—	205,584
Equity in earnings of Early Dawn, LLC	—	—	163,836	—	163,836
American Seafood distribution	605,347	—	—	—	605,347
Investment and other income	1,241,484	54,721	74,286	—	1,370,491
Change in the fair value of interest rate swap	(363,463)	—	—	—	(363,463)
Contribution for boat construction	—	—	500,000	(500,000)	—
<i>Total revenue and gains</i>	<u>11,266,899</u>	<u>53,484</u>	<u>8,958,211</u>	<u>(4,494,965)</u>	<u>15,783,629</u>
Expenses:					
Program	3,584,272	—	3,597,059	(75,000)	7,106,331
Supporting services	1,522,691	142,931	1,121,649	—	2,787,271
Capital contributions	500,000	—	—	(500,000)	—
Minority interest	—	—	230,091	—	230,091
<i>Total expenses</i>	<u>5,606,963</u>	<u>142,931</u>	<u>4,948,799</u>	<u>(575,000)</u>	<u>10,123,693</u>
<i>Changes in net assets</i>	<u>5,659,936</u>	<u>(89,447)</u>	<u>4,009,412</u>	<u>(3,919,965)</u>	<u>5,659,936</u>
Net assets at beginning of year	29,640,587	(233,161)	27,115,608	(26,882,447)	29,640,587
Net assets at end of year	<u>\$ 35,300,523</u>	<u>(322,608)</u>	<u>31,125,020</u>	<u>(30,802,412)</u>	<u>35,300,523</u>

See accompanying independent auditors' report.

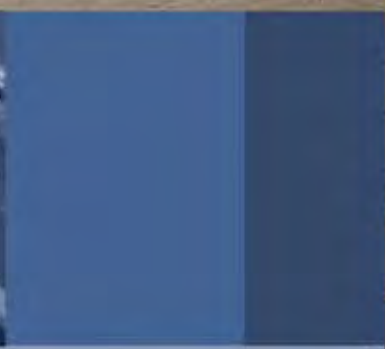
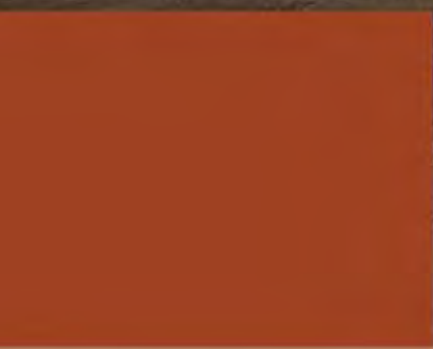
Organizational Chart as of June 30, 2008



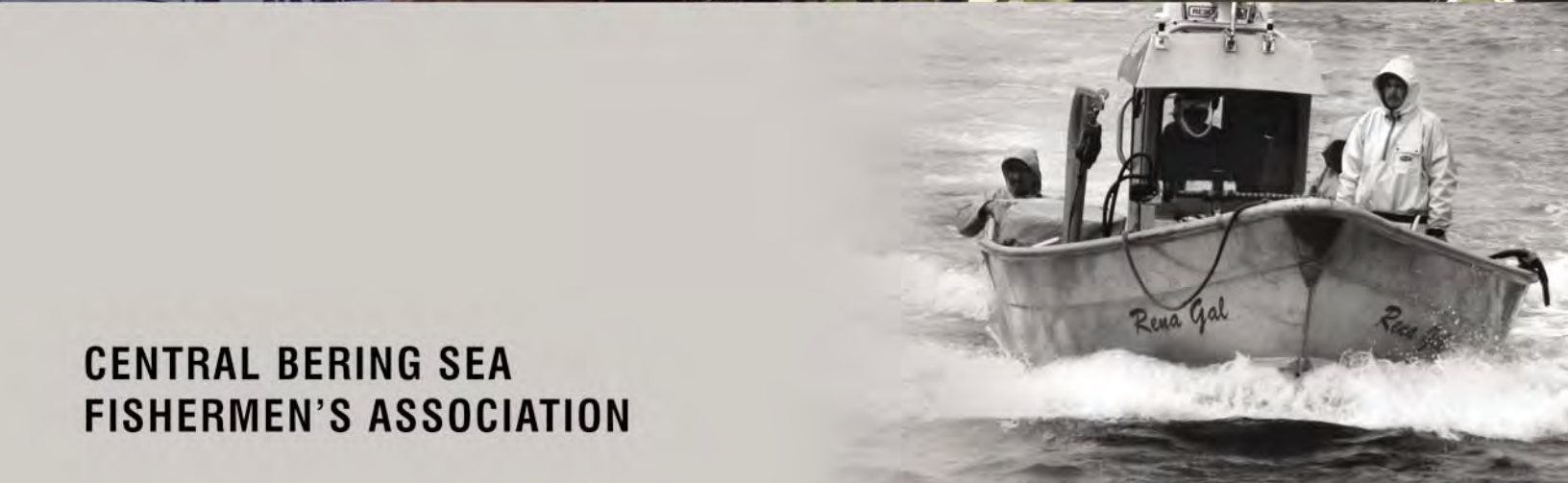
Our Mission

To develop a viable, self-sustaining, independent fisheries development organization that, on behalf of the local fishermen, and the community of St. Paul as a whole, and in cooperation with other Bering Sea Coastal Communities and CDQ Groups, will ensure key participation in fishery related development in the region while exercising proper resource stewardship.





2008 ANNUAL REPORT



**CENTRAL BERING SEA
FISHERMEN'S ASSOCIATION**



CBSFA 2008 ANNUAL REPORT





PAGE 09



PAGE 10



PAGE 14



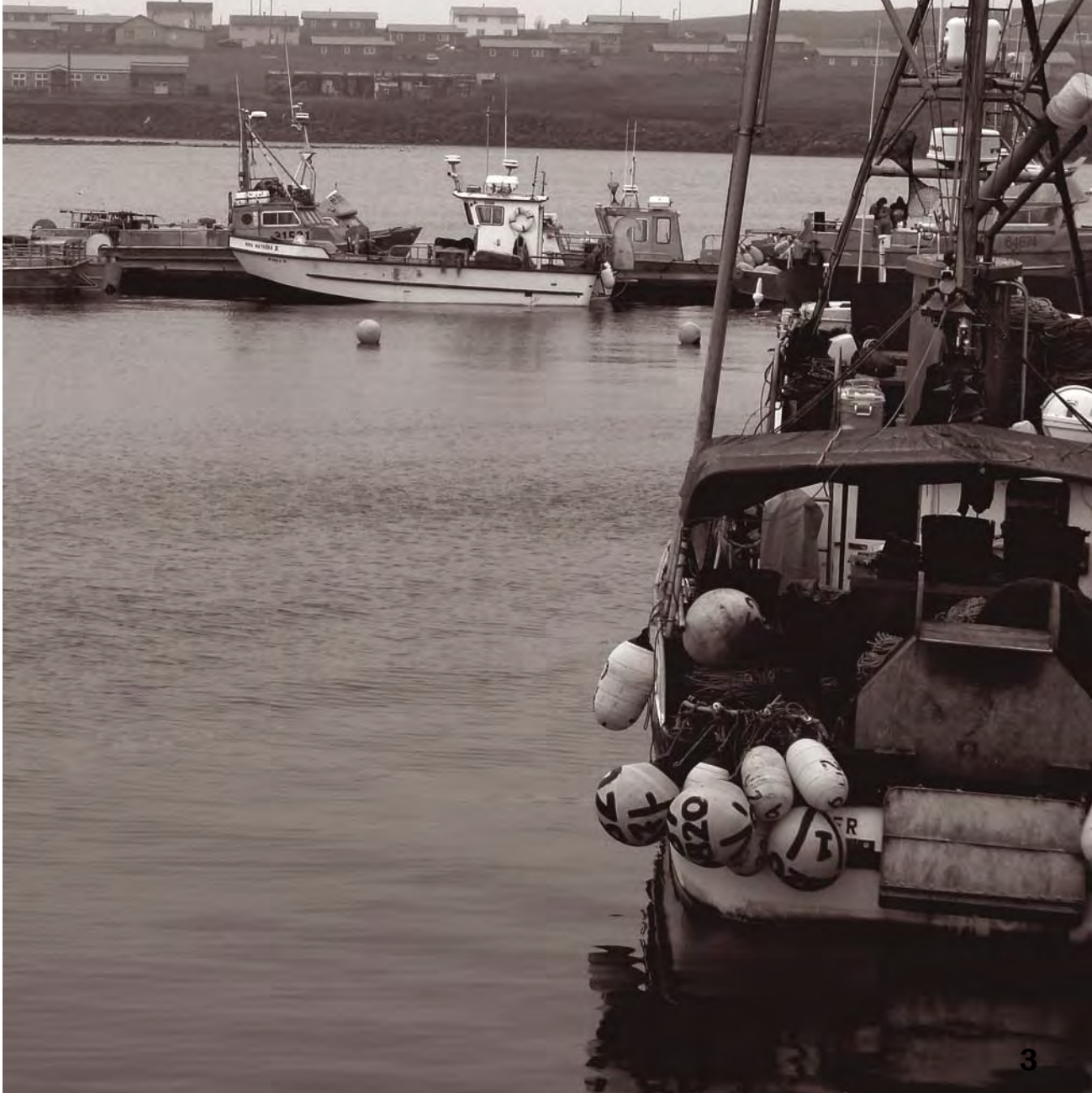
PAGE 15



PAGE 22

TABLE OF CONTENTS

- 4 *Chairman's Letter*
- 5 *President's Letter*
- 6 *Board and Staff*
- 7 *Board of Directors*
- 8 *CBSFA Crab Investment*
- 9 *Crab Management Update*
- 10 *Halibut Cooperative*
- 12 *Small Boat Harbor Project*
- 14 *Education*
- 15 *Community Outreach*
- 16 *Fire Station/CBSFA Crane Storage Facility*
- 17 *Consolidated Statements of Financial Position*
- 20 *Compliance Disclosure*
- 22 *Organizational Chart*





CHAIRMAN'S LETTER



Dear CBSFA Members,

I am pleased to be addressing our members in such an exciting time for CBSFA. We are excited about recent developments in the Small Boat Harbor and various CBSFA projects. While the economic climate around the world continues to remain uncertain, we are staying positive and progress is being made on projects that will bring tangible benefit to our residents.

Following the developments in 2008 on land agreements for the Small Boat Harbor, 2009 has been more eventful. The US Army Corp of Engineers awarded a contract for Phase III of the project. Following the award, CBSFA went to work on the infrastructure that will be built in the harbor. With many years behind us in the development of St. Paul's harbor, the end is in sight.

As we have reported to you in the past, CBSFA along with local entities have been actively engaged in the North Pacific Fishery Management Council process regarding crab rationalization. In 2008 there was a great deal of uncertainty surrounding key aspects of the program. However, with St. Paul entities working together to protect the community's interests, it seems that much of the uncertainty has gone. While we cannot be sure about the future of the process, it seems that St. Paul has been successful in defending the program.

The Small Boat Harbor progress and effectiveness of St. Paul entities in the Council process have again highlighted how important it is for us to be united and work together. While there is no doubt that our community faces many struggles, there are many opportunities for us if we can collaborate. No single entity or group can deliver prosperity to our residents. With that in mind, CBSFA will continue to work with local entities on efforts that will bring us together.

It's an honor to serve as chairman and I look forward to continuing our work to support St. Paul.

Sincerely,

Myron Melovidov
Chairman



Dear Members,

Although many companies worldwide experienced negative impacts from the downturn of the economy in this past year, I am glad to report that CBSFA made it through the year and remains a stable company overall. In fact, we were able to achieve substantial growth in our total assets from our investments and from revenues earned from our fisheries operations. The Community Development Quota Program still requires the CDQ Groups to make eighty-percent of our investments in fishery-related businesses. Our management strategy is to make it a priority to make investments that will directly support the fishery-dependent economy of St. Paul. Investing money in fisheries has always involved risks, but our belief as a CDQ Group is that we must take some risk if the particular investment directly supports businesses that our economy is dependent upon and try our best to make it work.

As part of this investment strategy, CBSFA secured a significant quantity of shares of processor quota, catcher processor quota, and vessel quota from Yardarm Knot and Highland Light - by closing a major deal in 2008. The acquisition included a substantial amount of Northern Region opilio processor quota that will directly support our local economy. There are two benefits to CBSFA closing this deal that are especially important to our community because we are dependent on fishing vessel services, crab deliveries and processing. First, it provides St. Paul through CBSFA, local ownership and control of a large amount of the crab being landed and processed in our community. CBSFA ownership will ensure that this crab continues to support our local fishery-dependent economy. The next benefit is that we secured some catcher processor quota as part of the deal. This particular catcher processor quota has never been landed and processed in St. Paul. This additional crab quota will now be processed in our community as a result of CBSFA ownership. This new quota will also provide an additional source of revenue to CBSFA and more crab to be processed in our community.

Unfortunately, the CBSFA Halibut Cooperative (Coop) was negatively impacted by the decline in the halibut market this past year. As a result the Coops' sales were not as profitable as it has been in the last several years. It was a tough year for

all halibut buyers including CBSFA due to the poor market. Once again, as part of our strategy, CBSFA worked diligently this past year to expand our processing and marketing operations in an effort to increase the long-term profitability of the Coop. We have recently invested in value added processing equipment that was installed and began operating at the St. Paul plant this halibut season. The local halibut fishery is a major source of employment and income for many of our residents and this investment was made to support and stabilize this invaluable source of livelihood. We are certain that the purchase of the value added equipment will create more marketing options that will help maximize the revenues to the Coop once it gets established in the market place.

CBSFA continues to grow and we are glad to report that the recent crab quota investment, in combination with additional revenue from our other investments and fisheries operations, boosted our total assets from \$49.5 million in 2007 to over \$75 million in 2008. This is an increase of over \$25 million in total assets in 2008 over 2007.

I would like to take this opportunity congratulate the CBSFA board of directors and management for their efforts and prudent business decisions that has created growth and stability for CBSFA. We have been focusing our efforts on making key investments and developing programs that have a realistic chance of supporting the local economy and improving the lives of the people of St. Paul. Over the years, we have progressively built an organization that has grown tremendously in both assets and programs that have supported the well being of our community.

On behalf of the CBSFA board of directors and staff, I would like to thank all the people of who have supported us and expressed their gratitude to CBSFA for the contributions and donations we have made to the community. We will do our best to continue growing CBSFA and expanding our contributions to the community. I wish you all the best of luck in the coming year.

Sincerely,

Phillip Lestenkof
President

CBSFA BOARD AND STAFF

Board of Directors



Myron Melovidov
Chairman
Term Expires: 2010



Phillip Lestenkof
President
Term Expires: 2011



Jeffery P. Kauffman
Vice President
Term Expires: 2009



Rena J. Kudrin
Secretary/Treasurer
Term Expires: 2011



Jason Bourdukofsky, Sr.
Director
Term Expires: 2010



Roman Fratis
Director
Term Expires: 2009



Robert Melovidov, Sr.
Director
Term Expires: 2010



Amos Philemonoff
Director
Term Expires: 2009



Simeon Swetozof, Jr.
Director
Term Expires: 2011

Employees



Phillip Lestenkof
President
President since 1999



Jonathan Thorpe
Chief Financial Officer
Employee since 2003



Steven Manley
Controller
Employee since 2005



Rena J. Kudrin
Office Manager
Employee since 1998



Ray Melovidov
Community Outreach
& Projects Coordinator
Employee since 2001

BOARDS OF DIRECTORS

Central Bering Sea Fishermen's Association Board of Directors

Myron Melovidov
Chairman
PO Box 167
St. Paul Island, AK
99660
(907) 546-2250
Term Expires: 2010

Phillip Lestenkof
President
PO Box 127
St. Paul Island, AK
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(907) 546-2279
Term Expires: 2011

Jeffery P. Kauffman
Vice President
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Term Expires: 2009

Rena J. Kudrin
Secretary/Treasurer
PO Box 229
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99660
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Simeon Swetzof, Jr.
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(907) 546-2328
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Multi-Species Development Holdings, LLC Board of Directors

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Terry Shaff
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Patience P. Mercurief
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99660
(907) 546-5032

Rick Mezich
Director
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Edmonds, WA
98026
(425) 742-7456

Jonathan Thorpe
Director
35911 Kenai Spur Hwy
Suite 2
Soldotna, AK
99669
(907) 262-0800

CBSFA INVESTS IN ST. PAUL BASED CRAB ASSETS

Combined Crab Quota Holdings of CBSFA and 57 Degrees North, LLC

	Opilio	Bristol Bay Red King	Eastern Aleutian Golden King	Western Aleutian Golden King	Eastern Bairdi	St. Matthews Island Blue King	Total
2009-10 Total Allowable Catch	48,017,000	16,009,000	3,150,000	2,835,000	1,350,000	1,167,000	
Harvesting Quota Lbs Including CDQ Share of Total Allowable Catch	1,840,345 3.83%	407,372 2.54%	166,908 5.30%	29,884 1.05%	43,721 3.24%	24,723 2.12%	2,512,953
Processing Quota Lbs Including CDQ Share of Total Allowable Catch	3,311,802 6.90%	509,553 3.18%	96,333 3.06%	-- 0.00%	74,441 5.51%	14,536 1.25%	4,006,665

Note: Does not include CBSFA's share of crab quota held in MSDH investments

In the latest CBSFA strategic plan; the board of directors outlined the goal of gaining control of fishing assets that impact the community. As 2008 drew to a close, CBSFA completed the purchase of a substantial amount of crab quota shares, taking a big step to do just that. The primary reason for the investment was to gain control of a large amount of northern opilio processing shares, but it also included harvesting, processing and catcher/processor shares of various species of crab.

The deal involved the purchase of the entire crab quota held by companies Highland Light Seafoods, LLC and Yardarm Knot, LLC. The vast majority of harvesting quota will be caught with boats CBSFA is invested in, FV Early Dawn, FV Fierce Allegiance and FV Saint Paul. The crab processing quota is subject to regionalization and community designations under the crab rationalization program.

CBSFA also consolidated previously held crab harvesting quota from its MSDH held investments Shishaldin, LLC and 57 Degrees North, LLC. As part of the transaction CBSFA fully acquired the entity 57 Degrees North, LLC. It is now a wholly owned subsidiary of CBSFA and the entity holding all its directly owned crab quota.

Northern region processing shares will be run through the St. Paul plant. This includes 2.2 million pounds of opilio crab at the 2009/10 total allowable catch (TAC) level. CBSFA acquiring these shares will ensure that they continue to be processed in the plant, supporting its operation.

Also as part of the investment are shares of catcher/processor (CP) quota. This is quota that has never been landed in St. Paul harbor. These shares were caught and processed at sea prior to rationalization, and have stayed there since the program began. With CBSFA now in control of these shares, it will divide the CP into harvesting and processing and bring the crab to the St. Paul plant. These CP shares represent 16% of 57 Degrees North processor quota. These landings will be a benefit to the community it has never seen in the form of landing tax, wharfage and economic activity.

Investment in processing shares gives CBSFA control over a sizeable amount of crab in the market. There is considerable opportunity as a holder of crab inventory to bring profit from the processing shares back to the community.



57 Degrees North represents a major step forward for St. Paul. Through CBSFA the community now holds a major stake in every aspect of the fishery it depends on, opilio crab. While fisheries investments are never guaranteed, CBSFA expects that this investment will deliver benefits to the community well into the future.

The crab management program, or crab rationalization, was put in place by the North Pacific Fisheries Management Council (NPFMC) to reflect and protect the investments and historic contributions of harvesters, processors and communities in the Bering Sea. This “three-legged stool” has successfully ensured that the local processors and the community of St. Paul continue to receive their historic level of deliveries of crab, through the regional delivery requirements in the program.

Since its inception, the NPFMC has enacted several changes, or amendments, to the crab management system to make the program work more smoothly. The Council’s Crab Advisory Committee, which includes Simeon Swetzof of St. Paul, recently initiated several proposed changes. For example, the Council is currently working on an amendment package to improve community protections under the ROFR (Right of First Refusal) provision, and is considering changes to the program to provide a small amount of quota, or harvesting shares, to historic crab vessel crew members.

In addition, harvesters asked for an amendment to provide emergency relief from the regional delivery requirements, to allow them to deliver crab outside the required region if there is a circumstance that prevents delivery. The icing situations in the St. Paul harbor the last several years have been the main impetus for this harvester-driven effort.

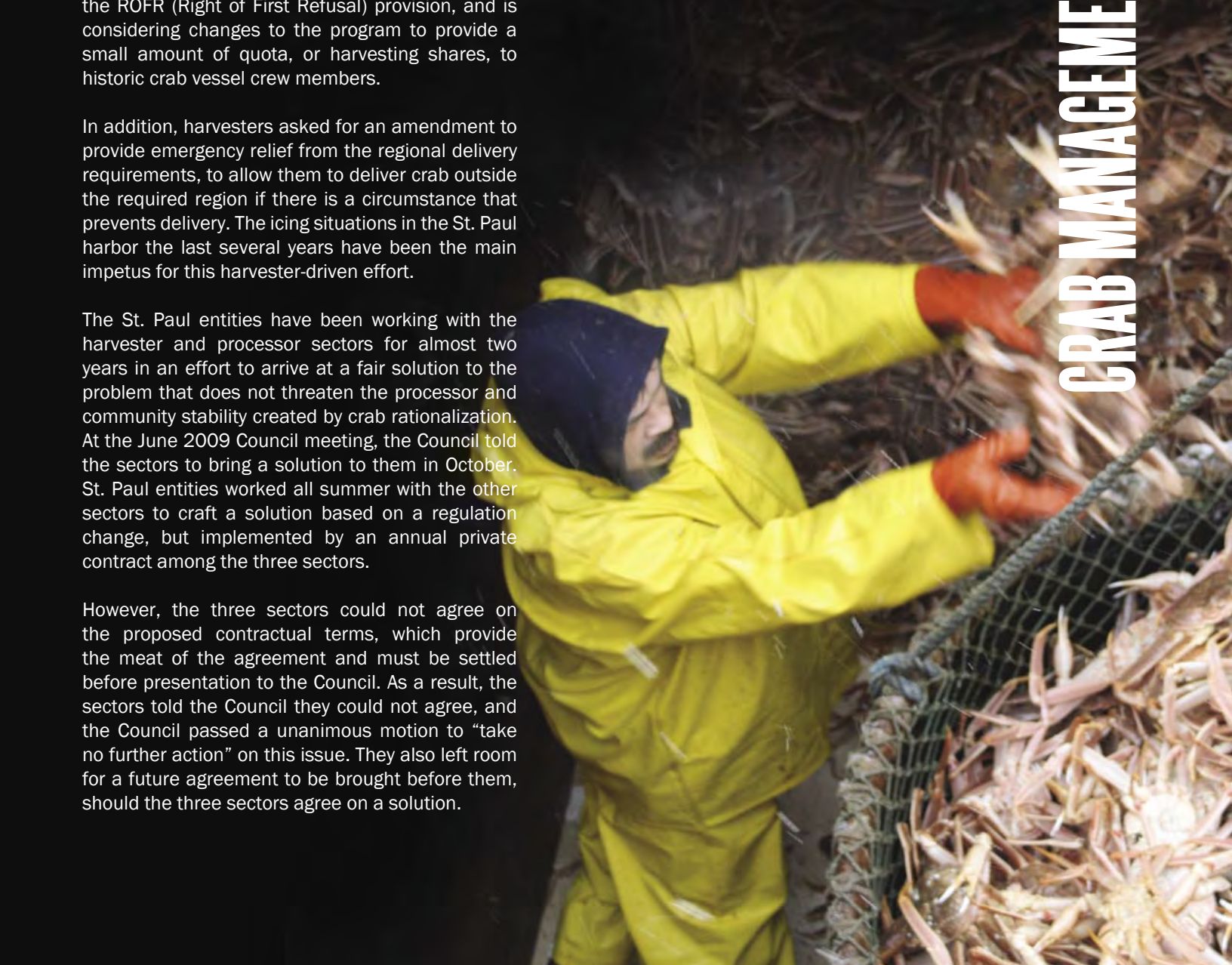
The St. Paul entities have been working with the harvester and processor sectors for almost two years in an effort to arrive at a fair solution to the problem that does not threaten the processor and community stability created by crab rationalization. At the June 2009 Council meeting, the Council told the sectors to bring a solution to them in October. St. Paul entities worked all summer with the other sectors to craft a solution based on a regulation change, but implemented by an annual private contract among the three sectors.

However, the three sectors could not agree on the proposed contractual terms, which provide the meat of the agreement and must be settled before presentation to the Council. As a result, the sectors told the Council they could not agree, and the Council passed a unanimous motion to “take no further action” on this issue. They also left room for a future agreement to be brought before them, should the three sectors agree on a solution.

This outcome is positive in the short term for St. Paul, in that an emergency exemption has no possibility of being granted in the upcoming season, or even the following season – ensuring the delivery to St. Paul of all of its regionally designated crab. Almost all the harvesters belong to a new “inter-cooperative” association – and this organization is expected to be able to deal with most short-term delivery problems by trading harvest shares and rearranging delivery schedules.

In the long term, however, the Council may decide to reconsider an equitable system to deal with longer-term events and severe natural or man-made catastrophes that incapacitate entire ports or regions.

CRAB MANAGEMENT PROGRAM UPDATE



CBSFA HALIBUT COOPERATIVE

The CBSFA Halibut Cooperative was created in 2003 with the goal of increasing ex-vessel prices paid to the local fleet. Since inception, the Coop has paid out \$14.5 million to the local fishermen in the form of ex-vessel prices.

CBSFA operates the Coop in conjunction with the local fishermen, the FV Saint Paul, Trident Seafoods and American Seafoods. CBSFA purchases the halibut from the local fleet, partners with Trident Seafoods to process the fish, and is now working with American Seafoods on marketing the fish. Any CDQ unable to be caught by the local fleet is leased to our own boat, the FV Saint Paul. It is CBSFA's goal that the local fleet has as much CDQ halibut available to them as they are willing to invest effort in catching. However, the Coop's ex-vessel price is lower when quota is left uncaught. At the same time, CDQ quota leased to FV Saint Paul is very beneficial to the local fleet because it significantly raises the price the Coop is able to pay. With these considerations in mind, CBSFA carefully tracks its quota balance as the season progresses to deliver maximum benefit and value to the fishermen.



2008 was a tough year for the economy, and its effect was certainly felt by the fish markets and the Coop. Local landings totaled 847,724 pounds, including 210,210 pounds of locally held IFQs caught on FV Saint Paul. \$2.9 million was paid to local fisherman at the base price of \$3.50; due to slow volumes and declining prices in halibut markets, the Coop did not make a profit and a retroactive ex-vessel price adjustment could not be paid out.

For 2009, local landings have totaled 783,714 pounds, including 208,335 pounds of locally held IFQ caught on the FV Saint Paul. \$1.8 million has been paid to the local fishermen at a base price of \$2.30; a retroactive price adjustment may follow, pending profits from the sale of fish.

Due in large part to the reduced catch limits, the local fleet landed 64,000 pounds less than in 2008; 83% of the CDQ was landed locally, the same as last year. Approximately 113,000 pounds were leased to FV Saint Paul.

CBSFA has taken a proactive approach to uncertainty within the halibut market and expanded the Coop's opportunities through the purchase of secondary processing equipment. New for 2009, the Coop now has the ability to process halibut into custom specified, vacuum sealed portions.

Halibut is the lifeblood of our community and a major contributor to the local economy. CBSFA is optimistic about the future of the Coop and broadening opportunities for the success of the local fishermen and the community will continue to be a priority.

CBSFA HALIBUT COOPERATIVE



KEEP FROZEN
PERISHABLE
Store Below 0°F (-18°C)

SMALL BOAT HARBOR PROJECT

FOLLOWING THE CONCLUSION OF LAND AGREEMENTS IN 2008, SIGNIFICANT STEPS WERE TAKEN IN THE FINAL PHASE OF THE SMALL BOAT HARBOR (SBH). IN MAY OF 2009 THE US ARMY CORP OF ENGINEERS AWARDED THE PHASE III DREDGE WORK AND BREAKWATER CONSTRUCTION TO THE DUTRA DREDGING COMPANY. DUTRA DREDGING IS PART OF A GROUP OF COMPANIES THAT HAVE EXTENSIVE BACKGROUND IN ALL STAGES OF HARBOR CONSTRUCTION.

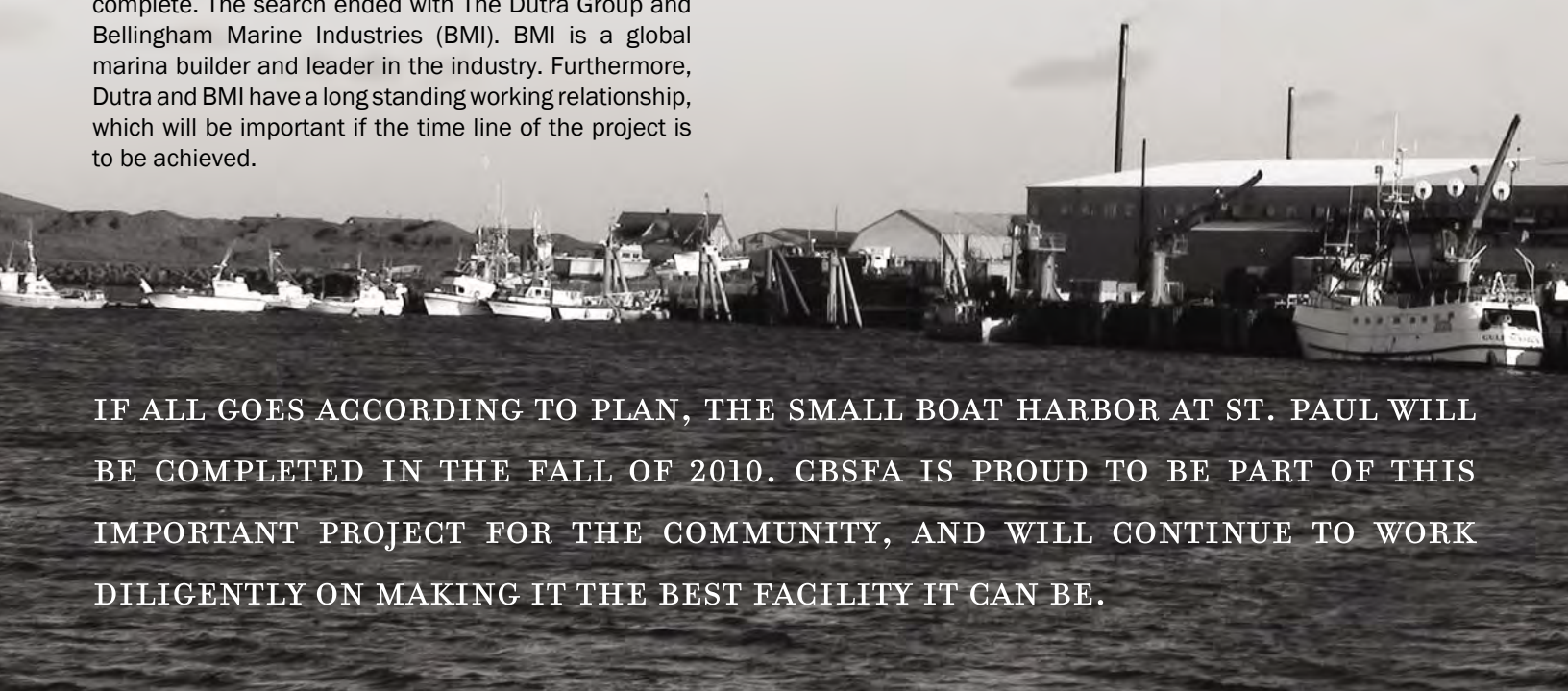
This is very welcome news for the community, and a major milestone in getting to completion of the harbor. Immediately following the award, CBSFA contacted Dutra to establish a line of communication and inquire about their time line for the project. They relayed that their schedule would start with quarry work to begin in 2009, followed by mobilization in early 2010, with work in the harbor to begin in the spring and end sometime in the fall of 2010.

While this is encouraging, it also means that if the costs of mobilization, demobilization and freight, which are significant, are to be minimized, the time to design and fabricate harbor components is short. CBSFA is operating under this tight time line in an effort not only to minimize cost, but also to make the complete SBH available for fishermen to use as soon as possible.

Immediately following the Corps' award to Dutra, CBSFA began work to find qualified companies to design, fabricate and install the infrastructure that will go in the harbor when the dredge and breakwater work is complete. The search ended with The Dutra Group and Bellingham Marine Industries (BMI). BMI is a global marina builder and leader in the industry. Furthermore, Dutra and BMI have a long standing working relationship, which will be important if the time line of the project is to be achieved.

After a visit to BMI's facility and meeting with its management, CBSFA brought two representatives from BMI to St. Paul to meet with the public and see the harbor they would be building in. In mid August 2009, Walt Jackson, Manager of Project Development, and Jesse Ellenz, Northwest General Manager, came to St. Paul. An open to the public meeting was held on August 11 for members of the community to share their input on the SBH with CBSFA and BMI. BMI gathered valuable information on the trip that will inform their design and engineering process.

In September 2009, CBSFA signed a contract with Dutra Group, who will subcontract with BMI for the design and engineering of SBH floats, ramps, gangways and other infrastructure. CBSFA will work with BMI in the design process to ensure that the harbor will best suit the needs of the local fleet and be most cost effective. The resulting plans will be followed by fabrication of many of the pieces that will be installed in the harbor, which will take place over the course of the 2009/10 winter. It will then be loaded on barges and brought to St. Paul for installation by Dutra following the completion of subsurface harbor work.



IF ALL GOES ACCORDING TO PLAN, THE SMALL BOAT HARBOR AT ST. PAUL WILL BE COMPLETED IN THE FALL OF 2010. CBSFA IS PROUD TO BE PART OF THIS IMPORTANT PROJECT FOR THE COMMUNITY, AND WILL CONTINUE TO WORK DILIGENTLY ON MAKING IT THE BEST FACILITY IT CAN BE.



EDUCATION

CBSFA Invests in St. Paul's Kids

It is CBSFA's belief that healthy, well-educated kids are critical to the welfare of the community. For that reason we uphold our support for the children of St. Paul. In 2009 CBSFA maintained its funding of the Montessori program and some Pribilof School District programs. Contributions were also made to the Pribilof summer marine science camp, Tribal Youth Program activities and to the Aleut Language and Culture class.

In it's 2009 budget the CBSFA board also approved providing \$100,000 toward renovation of the school gymnasium. Renovations include replacing the worn gym floor, new safer bleachers and more energy-efficient lighting. The money will go toward a matching grant from the Rasmussen Foundation. The CBSFA board stated that an opportunity to get matching grants and stretch our funding as far as possible couldn't be passed up. The estimated total for the renovations amount to approximately \$420,000 and the PSD is currently seeking additional funds from the State of Alaska.



Early Education

Advances Preschoolers

CBSFA began its support for the St. Paul Montessori Preschool Program in the spring 2007 semester, and has continued it since. Fully funded by CBSFA, the program provides early education and activities for kids age two to four. It currently employs two teachers that work with 12 children. The Montessori curriculum and structure provides a distinct advantage to kids as they enter kindergarten by developing social, reading and communication skills. With positive feedback from parents and teachers about the kids' response to the program, CBSFA will continue funding in support of the community.

Education & Training Program

In addition to local support for education, CBSFA continues to provide scholarships, training grants and student loans through its Education & Training Program. For 2008, 20 students were awarded a total of \$84,235 and for 2009 23 students received \$77,316.

COMMUNITY OUTREACH

Education	2008	2009
Montessori	\$73,494	\$87,787
Student Scholarships	79,900	73,000
Training Grants	4,335	4,316
Bering Sea Science Camp	8,000	10,257
Extra Curricular Programs	12,418	29,737
TOTAL	178,148	205,097
Outreach	2008	2009
Elders Residential Assistance Program	\$118,000	\$120,294
Volunteer Tax and Loan Program	2,652	3,000
Halibut Donation	20,302	21,278
Community Events and Programs	15,194	16,573
Bereavement	3,633	10,934
Wellness Assistance	--	10,151
TOTAL	159,781	182,230

Elders Residential Assistance Program

Provides \$2,000 to energy suppliers or housing entities on behalf of elders 55 and over.

Volunteer Tax

Contributions to program that provides free tax preparation services to St. Paul residents.

Halibut & Crab

Donations of halibut to St. Paul elders 55 and older, and to community events and fund raisers.

Community Events

Funds and purchases contributed to events such as Aleut Day and 4th of July celebrations, Wellness Conference and sporting events.

Bereavement

Contributions to funeral arrangements for families of CBSFA members.

Wellness

Payments to substance abuse treatment programs for CBSFA members.

Recreation Center

Provided funding for the purchase of the new equipment in the Rec Center and is also covering the utility costs.

Fire Station

CBSFA \$500,000 contribution to construct the new fire station.





FIRE STATION/CBSFA CRANE STORAGE FACILITY

In 2009 construction of the City of St. Paul Volunteer Fire Department and CBSFA Crane Storage facility was completed. The fire department has moved into their space in the building and now has a central location to operate from and store equipment, which is critical to proper response.

CBSFA has also moved its heavy equipment into the space, protecting its Grove crane and front end loader from the elements. This indoor storage will extend the useful life of these valuable machines. It will also provide a space for vessel repair and maintenance until a permanent facility can be built.

Consolidated Statements of Financial Position

Years ended December 31, 2008 & 2007

Assets	2008	2007
Current assets:		
Cash and cash equivalents	\$ 6,781,261	6,791,736
Investments	2,261,546	3,196,439
Receivables:		
Accounts	614,154	1,799,441
Grant		8,500
Due from related parties	217,824	--
Inventory	2,900,775	884,864
Prepaid expenses	260,782	127,868
Total current assets	<u>13,036,342</u>	<u>12,768,848</u>
Investments	8,424,728	8,051,966
Prepaid expenses	500,000	556,292
Loans receivable, net	296,453	348,501
Investment in unconsolidated affiliates	5,856,486	6,317,782
Property and equipment, net	5,090,351	3,237,389
Fishing rights	41,839,244	18,075,000
Interest rate swap	--	225,725
	<u>\$ 75,043,604</u>	<u>49,581,503</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,505,780	538,651
Due to related party	3,556	--
Current portion of long-term debt	2,242,511	752,234
Total current liabilities	<u>3,751,847</u>	<u>1,290,885</u>
Long-term debt, less current portion	26,295,612	10,033,812
Interest rate swap	455,929	--
Total liabilities	<u>30,503,388</u>	<u>11,324,697</u>
Minority interest	3,169,713	2,956,283
Net assets:		
Unrestricted net assets:		
Undesignated	32,945,775	27,248,557
Designated for small boat harbor	6,657,221	6,343,640
Designated for vessel repair center	1,767,507	1,708,326
Total net assets	<u>41,370,503</u>	<u>35,300,523</u>
Commitments and contingencies		
	<u>\$ 75,043,604</u>	<u>49,581,503</u>

Information in this Annual Report is compiled from audited financial statements.

Consolidated Statements of Financial Position *Years ended December 31, 2008 & 2007*

	<u>2008</u>	<u>2007</u>
Changes in unrestricted net assets:		
Revenue and gains:		
Program revenue	\$ 6,872,978	7,797,484
Revenue from fishing operations	6,724,535	5,628,887
Equity in earnings of unconsolidated affiliates	404,322	744,883
Distribution from American Seafood, L.P.	3,557,399	605,347
Investment and other income	585,549	1,370,491
Total revenue and gains	<u>18,144,783</u>	<u>16,147,092</u>
Expenses:		
Program:		
Education and outreach	373,100	143,800
Fisheries development	--	58,261
Vessel launch and retrieval	125,388	15,811
EFH advocacy and research	256,702	84,664
Multi-species Development	8,124	76,865
Investment Fund Policies and Procedures	57,444	71,736
CBSFA Halibut Coop operations	3,046,870	3,133,135
Fishing operations from MSDH	4,016,188	3,522,059
Total program	<u>7,883,816</u>	<u>7,106,331</u>
Supporting services – general and administrative, including interest expense of \$506,141 and \$537,468 for 2008 and 2007 respectively	2,790,825	2,787,271
Change in the fair value of interest rate swap	681,654	363,463
Loss on impairment of halibut inventory	414,878	--
Minority interest	303,630	230,091
Total expenses	<u>12,074,803</u>	<u>10,487,156</u>
Changes in unrestricted net assets	<u>6,069,980</u>	<u>5,659,936</u>
Net assets at beginning of year	<u>35,300,523</u>	<u>29,640,587</u>
Net assets at end of year	<u>\$ 41,370,503</u>	<u>35,300,523</u>



Information in this Annual Report is compiled from audited financial statements.

Consolidated Statements of Financial Position *Years ended December 31, 2008 & 2007*

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ 6,069,980	5,659,936
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	637,535	269,829
Minority interest	303,630	230,091
Bad debts	--	120,076
Distributions from ASLP contributed directly to investment in ASLP Acquisition, LLC	(2,136,492)	--
Distributions in excess of earnings (undistributed earnings) of unconsolidated affiliates	880,917	(545,698)
Realized and unrealized losses (gains) on investments	900,463	(145,942)
Change in fair value of interest rate swap	681,354	363,463
Change in operating assets and liabilities that provided (used) cash:		
Accounts receivable	1,205,688	(1,363,700)
Prepaid expenses	(76,622)	(501,392)
Inventory	(2,055,911)	(844,864)
Due from related parties	(280,575)	88,002
Accounts payable and accrued expenses	877,779	58,418
Net cash provided by operating activities	<u>7,008,046</u>	<u>3,388,219</u>
Cash flows from investing activities:		
Purchase of property and equipment	(2,351,148)	(1,387,280)
Increase in cash upon consolidation of 57 Degrees North	10,421	--
Purchase of fishing rights	(4,400,000)	(75,000)
Issuance of loans receivable	(147,310)	(197,876)
Principal payments on loans receivable	199,358	92,803
Proceeds from return of investment in unconsolidated affiliates	46,613	--
Purchase of investments	(10,885,829)	(2,683,856)
Sale of investments	10,547,497	1,660,495
Net cash used in investing activities	<u>(6,980,398)</u>	<u>(2,590,714)</u>
Cash flows from financing activities:		
Minority partner distributions	(90,200)	--
Proceeds from issuance of long-term debt	1,596,000	--
Principal payments under capital lease obligations	--	(2,769)
Principal payments on long-term debt	(1,543,923)	(702,190)
Net cash (used in) financing activities	<u>(38,123)</u>	<u>(704,959)</u>
Net increase (decrease) in cash and cash equivalents	<u>(10,475)</u>	<u>92,546</u>
Cash and cash equivalents at beginning of year	6,791,736	6,699,190
Cash and cash equivalents at end of year	<u>\$ 6,781,261</u>	<u>6,791,736</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 546,786	540,783
Supplemental schedule of noncash investing and financing activities:		
Exchange of equity interest in Shishaldin, LLC for equity interest in 57 Degrees North, LLC	\$ 742,373	--
Distribution from ASLP contributed directly to investment in ASLP Acquisition, LLC	2,136,492	--
Purchase of fishing rights through proceeds from insurance of debt	17,700,000	

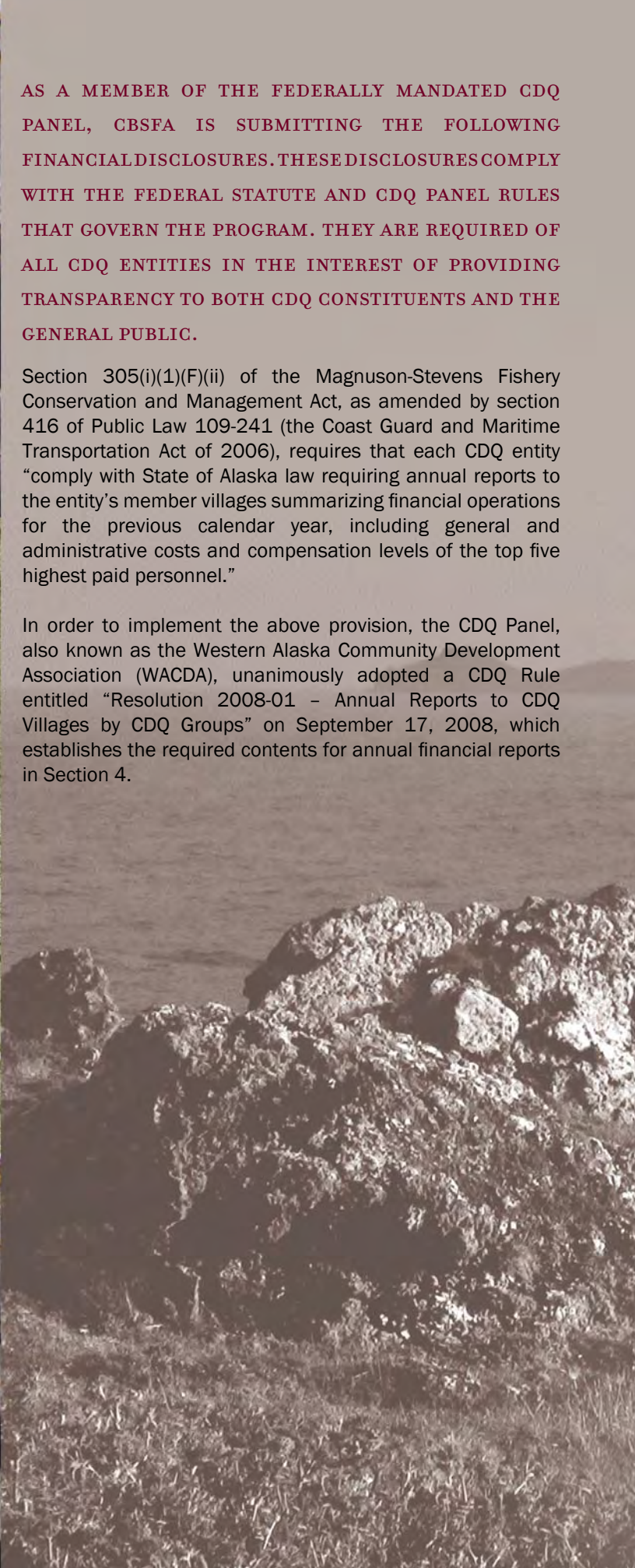
Information in this Annual Report is compiled from audited financial statements.



AS A MEMBER OF THE FEDERALLY MANDATED CDQ PANEL, CBSFA IS SUBMITTING THE FOLLOWING FINANCIAL DISCLOSURES. THESE DISCLOSURES COMPLY WITH THE FEDERAL STATUTE AND CDQ PANEL RULES THAT GOVERN THE PROGRAM. THEY ARE REQUIRED OF ALL CDQ ENTITIES IN THE INTEREST OF PROVIDING TRANSPARENCY TO BOTH CDQ CONSTITUENTS AND THE GENERAL PUBLIC.

Section 305(i)(1)(F)(ii) of the Magnuson-Stevens Fishery Conservation and Management Act, as amended by section 416 of Public Law 109-241 (the Coast Guard and Maritime Transportation Act of 2006), requires that each CDQ entity “comply with State of Alaska law requiring annual reports to the entity’s member villages summarizing financial operations for the previous calendar year, including general and administrative costs and compensation levels of the top five highest paid personnel.”

In order to implement the above provision, the CDQ Panel, also known as the Western Alaska Community Development Association (WACDA), unanimously adopted a CDQ Rule entitled “Resolution 2008-01 – Annual Reports to CDQ Villages by CDQ Groups” on September 17, 2008, which establishes the required contents for annual financial reports in Section 4.



The Central Bering Sea Fishermen's Association (CBSFA) Board of Directors approved said CDQ Rule by way of CBSFA Resolution 08-03 on September 15, 2008.

Therefore, in compliance with Section 305(i)(1)(F)(ii) of the Magnuson-Stevens Act and with Section 4 of CDQ Panel Resolution 2008-01, CBSFA, as the CDQ Group for the village of Saint Paul, hereby submits the following financial disclosures for calendar year 2008:

Directors

CBSFA directors receive \$225 for each board meeting of less than two hours duration, and \$375 for meetings over two hours. Term life insurance policies are also provided. In 2008, CBSFA paid directors \$28,065 in fees and \$13,283 for insurance policies.

Related Party Transactions

CBSFA's wholly owned subsidiary Central Bering Sea Fishermen's Corporation operates a vessel and gear loan program for member fishermen. Loan terms are between three and seven years at three percent interest. Loan payments are withheld from ex-vessel payments. The CBSFC board of directors has appointed an independent loan committee to review and approve or disapprove loan applications. For 2008, director Anthony Philemonoff received loans in excess of \$20,000.

Legal Proceedings Involving Directors

There were no legal proceedings involving CBSFA and its directors during the year.

Employee Compensation

Top five highest paid personnel within entity and majority owned subs:

	<i>Company</i>	<i>Position</i>	<i>Salary</i>
Jeffery Kauffman	MSDH	General Manager	\$80,053
Rena Kudrin	CBSFA	Office Manager	\$63,871
Phillip Lestenkof	CBSFA	President	\$112,678
Steve Manley	CBSFA	Controller	\$77,245
Jonathan Thorpe	CBSFA	Chief Financial Officer	\$152,914

Professional Fees

Legal	\$75,622
Consulting	\$105,837
Accounting	\$64,131
Lobbying	\$13,221

Auditor Relationship

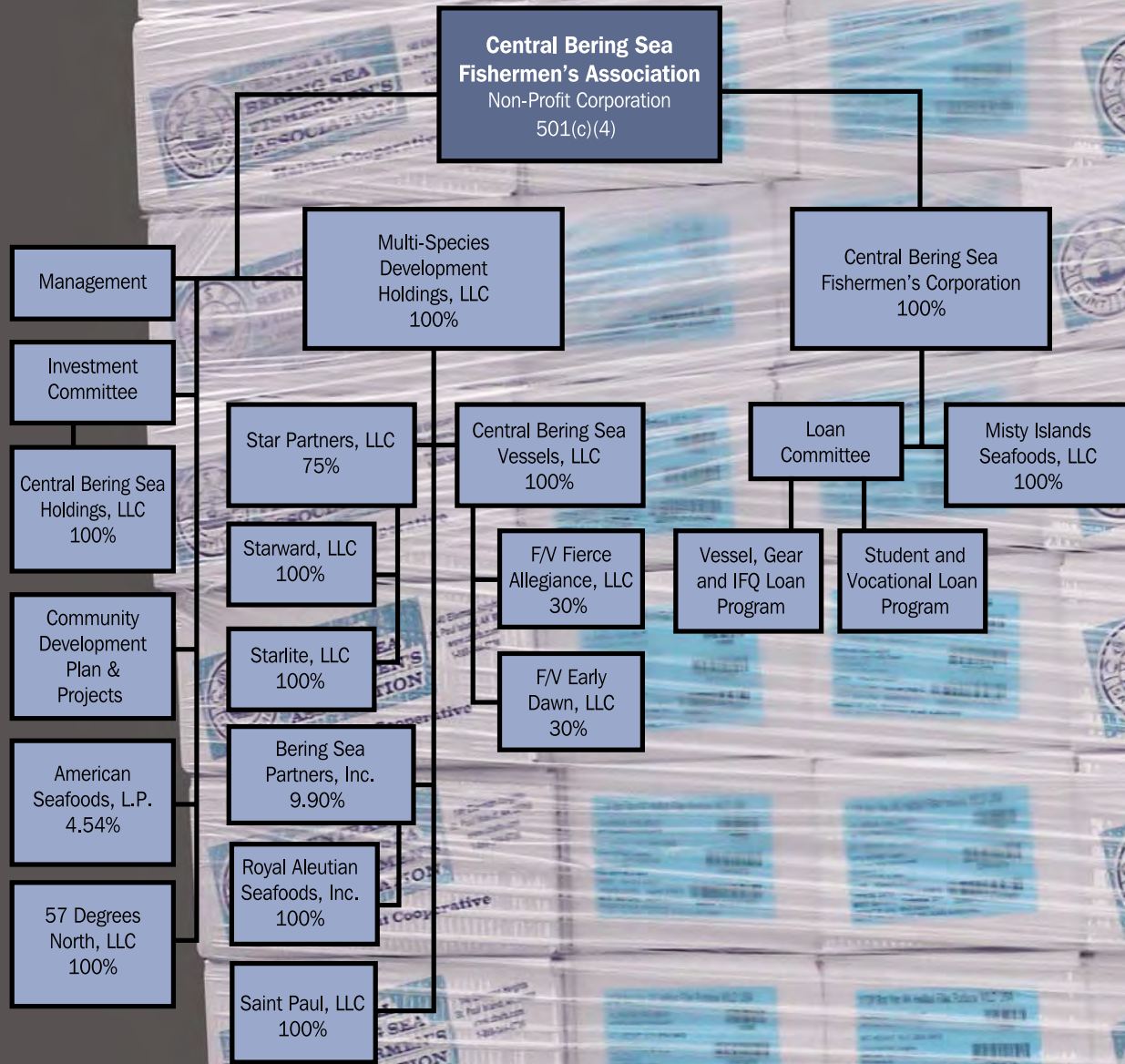
CBSFA has not had any disagreements with its auditor, KPMG, for either 2008 or 2007. KPMG performed tax preparation services, the fees for which represent 28 percent of the total fees paid in 2007 and 2008 respectively.

Committees

CBSFA maintains a compensation committee. In 2008, its membership was made up of directors Amos Philemonoff, Roman Fratis, Jason Bourdukofsky, Sr. and Terenty Philemonoff. The committee's function is to review employee evaluations and make determinations regarding employee compensation. The committee met February 18, 2008.

ORGANIZATIONAL CHART

As of December 31, 2008







OUR MISSION

To develop a viable, self-sustaining, independent fisheries development organization that, on behalf of the local fishermen, and the community of St. Paul as a whole, and in cooperation with other Bering Sea Coastal Communities and CDQ groups, will ensure key participation in fishery related development in the region while exercising proper resource stewardship.



Central Bering Sea Fishermen's Association

2009 Annual Report







2009 Annual Report



TABLE *of* CONTENTS

6	Chairman's Letter
7	President's Letter
8	Board and Staff
9	Directors
10	Small Boat Harbor
12	Halibut Cooperative
13	170 Degrees West
15	Safe Boat
16	Outreach
17	Education
18	Consolidated Financial Statement
22	Transparency Disclosures
24	Organizational Chart
27	Mission Statement







CHAIRMAN'S *Letter*



Dear Members,

CBSFA is excited to present this annual report detailing our current work and updating long awaited developments on various projects.

In the summer of 2010, work began on the Small Boat Harbor, bringing local employment opportunities into the community. CBSFA's substantial investments in crab harvesting and processing quota had a year of profitable operation. Additionally, our investment in adding value to halibut in St. Paul has been successful and the opportunity to reach new buyers and markets is expanding.

CBSFA's management of its resources and investments has also allowed us to expand our support of local projects and programs as well. The Elders Residential Assistance Program continues to deliver benefits our elders deserve. CBSFA funded the 2010 summer employment program for our young adults. A successful collaboration with the Tribe provided our local fleet with the Lunax safe boat. Furthermore, CBSFA is pleased to continue its support and funding of the Montessori program, St. Paul School's extra curricular sports programs, various community events and fundraisers, the volunteer tax program, and many other local efforts.

Additionally, our company has continued its trend of growth. Gross assets have increased to \$75.7 million as of December 31, 2009, with net assets growing to \$44.3 million.

It has been a privilege to have served as the Chairman of your CDQ group as we have started to grow and take advantage of opportunities to make investments that are meaningful to the community, and deliver benefits that can be seen by and make a difference to our members. Our organization will strive to continue these efforts on your behalf.

Sincerely,

Myron Melovidov



PRESIDENT'S *Letter*



Dear CBSFA Members,

The CBSFA management is glad to report that we have been quite successful in achieving the intent and purpose of the CDQ Program since it was first created in 1992 and amended by congress several times since that time.

In 1996, Congress amended the CDQ section of the Magnuson-Stevens Fishery Conservation and Management Act, which established the Western Alaska Community Development Program with the following criteria that defines the basis of the CDQ Program:

- a) to provide eligible western Alaska villages with the opportunity to participate and invest in fisheries in the Bering Sea and Aleutian Islands Management Area;
- b) to support economic development in western Alaska;
- c) to alleviate poverty and provide economic and social benefits for residents of western Alaska;
- d) to achieve sustainable and diversified local economies in western Alaska.

CBSFA has developed a viable local halibut fleet and commercial fishery that now provides annual employment to a significant number of local residents and has become a major contributor to our local economy. We have also made good investments in many sectors of the Bering Sea commercial fisheries that are returning significant profits and benefits to our community. CBSFA has also funded the

construction of the Small Boat Harbor that will allow our community to participate in and benefit from the Bering Sea fisheries for many generations.

CBSFA has made significant contributions to programs that provide economic and social benefits to our community. Our funding of student education programs and other local social programs help to promote a healthy community.

We are especially proud of our creation of the Elders Residential Assistance Program to help our elders withstand the high cost of living in the community. We have also provided them with traditional foods through our subsistence halibut and crab donation program. We recently purchased entertainment equipment for the Senior Center and a new Chevrolet van to provide much needed transportation for all the elders of our community.

Since the beginning of the CDQ Program, our board and management have guided CBSFA to achieve exceptional corporate asset growth that has translated to increased local contributions and benefits. We will continue our efforts to maintain a successful organization that will hopefully bring growth and stability to our community. I wish you all the best.

Sincerely,

Phillip Lestenkof

CBSFA BOARD *and* STAFF

Board of Directors



Myron Melovidov
Chairman
Term Expires: 2010



Phillip Lestenkof
President
Term Expires: 2011



Jeffery P. Kauffman
Vice President
Term Expires: 2012



Rena J. Kudrin
Secretary/Treasurer
Term Expires: 2011



Jason Bourdukofsky, Sr.
Director
Term Expires: 2010



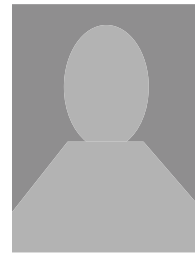
Roman Fratis, Sr.
Director
Term Expires: 2012



Robert Melovidov, Sr.
Director
Term Expires: 2010



Amos Philemonoff, Sr.
Director
Term Expires: 2012



Michael Baldwin
Director
Term Expires: 2011

Employees



Phillip Lestenkof
President
President since 1999



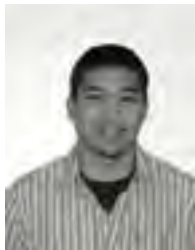
Jonathan Thorpe
Chief Financial Officer
Employee since 2003



Steven Manley
Controller
Employee since 2005



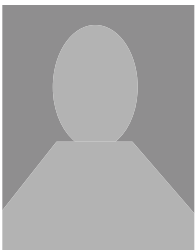
Rena J. Kudrin
Office Manager
Employee since 1998



Ray Melovidov
Community Outreach
& Projects Coordinator
Employee since 2001



Robert Melovidov, Sr.
Traffic Coordinator
Employee since 2010



Marva Merculief
Administrative Assistant
Employee since 2009

BOARDS of DIRECTORS

Central Bering Sea Fishermen's Association Board of Directors

Myron Melovidov
Chairman
PO Box 167
St. Paul Island, AK
99660
(907) 546-2250
Term Expires: 2010

Phillip Lestenkof
President
PO Box 127
St. Paul Island, AK
99660
(907) 546-2279
Term Expires: 2011

Jeffery P. Kauffman
Vice President
PO Box 250
St. Paul Island, AK
99660
(907) 546-5032
Term Expires: 2012

Rena J. Kudrin
Secretary/Treasurer
PO Box 229
St. Paul Island, AK
99660
(907) 546-2429
Term Expires: 2011

Jason Bourdukofsky, Sr.
Director
PO Box 235
St. Paul Island, AK 99660
(907) 546-2431
Term Expires: 2010

Roman Fratis, Sr.
Director
PO Box 3
St. Paul Island, AK
99660
(907) 546-2629
Term Expires: 2012

Robert Melovidov, Sr.
Director
PO Box 87
St. Paul Island, AK
99660
(907) 546-2552
Term Expires: 2010

Amos Philemonoff, Sr.
Director
PO Box 232
St. Paul Island, AK
99660
(907) 546-2298
Term Expires: 2012

Michael Baldwin
Director
PO Box 268
St. Paul Island, AK
99660
(907) 546-2528
Term Expires: 2011

Multi-Species Development Holdings, LLC Board of Directors

Myron Melovidov
Chairman
PO Box 167
St. Paul Island, AK
99660
(907) 546-2250

Joe Childers
Director
2900 Fritz Cove
Juneau, AK
99801
(907) 523-1931

Rick Mezich
Director
7215 156th Street, SW
Edmonds, WA
98026
(425) 742-7456

Terry Shaff
Director
PO Box 97019
Redmond, WA
98073
(425) 861-5311

Jonathan Thorpe
Director
35911 Kenai Spur Hwy
Suite 2
Soldotna, AK
99669
(907) 262-0800

Central Bering Sea Fishermen's Corp. Board of Directors

Amos Philemonoff, Sr.
President
PO Box 232
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Robert Melovidov, Sr.
Vice President
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Patience P. Merculief
Director
5811 Radcliff Drive
Anchorage, AK
99504
(907) 929-1849

Star Partners, LLC Board of Directors

Phil Hanson
Chairman
PO Box 97019
Redmond, WA
98073
(425) 861-5304

Jeffery P. Kauffman
Director
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St. Paul Island, AK
99660
(907) 546-5032

Rick Mezich
Director
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Edmonds, WA
98026
(425) 742-7456

Jonathan Thorpe
Director
35911 Kenai Spur Hwy
Suite 2
Soldotna, AK
99669
(907) 262-0800





SMALL BOAT HARBOR

Small Boat Harbor Construction Underway

The construction of St. Paul harbor has been the single most important investment on the island in terms of economic impact on the community. The harbor is integral to St. Paul, providing millions of dollars in income and numerous jobs each year through commercial fishing.

CBSFA worked with Bellingham Marine Industries (BMI) this past winter to finalize the design of the Small Boat Harbor (SBH) infrastructure. The extreme environment of St. Paul and potential usage of the SBH required extensive discussions with BMI on the engineering of the docks, the vessel launch ramp, and dock layout. The final design will more than accommodate the current local fleet and provides the opportunity for growth and expansion.

The Dutra Dredging Company mobilized in the spring of 2010 and has been working around the clock dredging and filling. While the harbor is being dredged, BMI has been fabricating the dock infrastructure at its Bellingham facility. The infrastructure pieces are due to arrive in St. Paul in mid-September 2010.

The plan is to deploy and retrieve the docks in the fall of 2010 while the contractors are on site to ensure the pieces fit properly together and provide training to local residents who will operate the harbor in the future.

The final cost to CBSFA for the construction of the SBH facility will be \$6 million. CBSFA will continue to be involved in its operation in the future. The board and management are looking forward to the completion of this long awaited project and the benefit it will bring to local fishermen and the community.





CBSFA HALIBUT COOPERATIVE

The CBSFA Halibut Cooperative was created in 2003 with the goal of increasing ex-vessel prices paid to the local fleet. Since inception, the Coop has paid out \$14.9 million to the local fishermen in the form of ex-vessel prices.

CBSFA operates the Coop in conjunction with the local fishermen, the FV Saint Paul and various industry partners. CBSFA purchases the halibut from the local fleet, has it processed locally and works with seafood companies that have established marketing channels to sell the inventory. Any CDQ that is unable to be caught by the local fleet is leased to our own boat, the FV Saint Paul.

It is CBSFA's goal that the local fleet has as much CDQ halibut available to them as they are willing to invest effort in catching. However, the Coop's ex-vessel price is lower when quota is left uncaught. At the same time, CDQ quota leased to FV Saint Paul is very beneficial to the local fleet because it significantly raises the price the Coop is able to pay. With these considerations in mind, CBSFA carefully tracks its quota balance as the season progresses to deliver maximum benefit and value to the fishermen.

For 2009, local landings totaled 783,714 pounds, including 208,335 pounds of locally held IFQ caught on the FV Saint Paul. \$2.28 million has been paid to the local fishermen at a base price of \$2.30; a series of retroactive price adjustments were paid out following the close of the season and the final 2009 ex-vessel price was \$2.91.

For 2010, CBSFA's CDQ allocation is 690,625 pounds, an increase of 23,800 pounds over the 2009 allocation. There are 269,788 pounds of locally held IFQ, a majority of which will be harvested on the FV Saint Paul, scheduled to arrive in late July. The 2010 fishing season began on June 16th with a posted price of \$4.00 per pound.

CBSFA has taken a proactive approach to uncertainty within the halibut market and expanded the Coop's opportunities through the purchase of value added processing equipment. New for 2009, the Coop now has the ability to process halibut into custom specified, vacuum sealed portions.

Halibut is the lifeblood of our community and a major contributor to the local economy. CBSFA is optimistic about the future of the Coop and broadening opportunities for the success of the local fishermen and the community will continue to be a priority.





170 DEGREES WEST

CBSFA Halibut Cooperative Continues to Grow

In April 2010 CBSFA formed the subsidiary 170 Degrees West to be the operating company for the CBSFA Halibut Cooperative. The creation is in response to the continuing growth and expanding marketing of halibut products. A web site for 170 Degrees West, www.170dwseafood.com, was implemented (image shown above).

170 Degrees West is similar in structure to CBSFA's crab company, 57 Degrees North. The differences in operation will be seen on the marketing and operations with various vendors.

The goal of the halibut operation will continue to be maximizing value to St. Paul's fishermen in the form of ex-vessel pricing, and operation of 170 Degrees West is another step towards accomplishing that goal.







SAFE BOAT

LUNAX

In 2009, CBSFA collaborated with the Tribal Government of Saint Paul to purchase a 29' X 10' multipurpose boat designed and built by SAFE Boats International in Port Orchard, Washington. Both CBSFA and the Tribal Government desired to have a versatile boat that would serve our needs in the waters surrounding Saint Paul.

The Tribe applied for and was awarded a U.S. Department of Justice grant in 2009 through the Community Oriented Policing Services (C.O.P.S) in the amount of \$150,000.

Phillip Zavadil, Director of Operations, began gathering information about a variety of boats and boat builders around the US and Canada. He then approached CBSFA President Phillip Lestenkof about the possibility of partnering to get a bigger, more seaworthy, and higher quality boat than could be afforded with the grant alone.

The CBSFA team met with Mr. Zavadil and helped him narrow down the vessel choices from twelve to three. They then made site visits to the manufacturing facilities and to inspect and test-drive the boats. In the end, it was clear that the vessel designed and built by SAFE Boats International was the right choice because of its seaworthiness, superior design and construction, and amazing performance.

The CBSFA Board of Directors then approved matching the Tribe's \$150,000 grant to purchase the vessel and another \$25,000 for shipping, accessories, and insurance.

In late December 2009, after choosing the vessel size, engine package, electronics and accessories, the contract was signed and vessel construction began shortly thereafter. The vessel was completed in April 2010, and arrived in St. Paul in May.

The final cost of the SAFE boat, named Lunax, was \$310,000. It is a superior vessel that will be used for search & rescue, local fleet towing and assistance, near shore research, deployment and retrieval of the new small boat harbor dock system, vessel safety training for local fishermen, and various charter work.

It was a pleasure working with the Tribal Government of Saint Paul on this project and the outcome is a vessel that will serve both CBSFA and Tribal members in many ways. CBSFA feels that the Lunax is a positive asset to our community and new small boat harbor, and will provide services that were not previously available.



COMMUNITY OUTREACH

Outreach	2009	<i>As of</i> 6.30.2010
Elders Residential Assistance Program	\$120,294	\$157,000
Elder Support	---	41,620
Volunteer Tax Program	3,000	5,700
Halibut Donation	10,639	10,639
Community Events and Programs	23,473	13,864
Bereavement	10,934	7,891
Wellness	10,151	500
Youth Employment	---	20,000
Quick Response Vessel	---	167,927
TOTAL	\$178,491	\$425,141

Elders Residential Assistance Program

Provides \$2,500 to energy suppliers or housing entities on behalf of elders 55 and over.

Elder Support

CBSFA continues to assist elders in the community with contributions including the purchase of a new 2010 Chevrolet van and an entertainment system. The van serves as transportation for elders, and the electronics promote healthy entertainment at a centralized location.

Volunteer Tax Program

Contributions to a program that provides free tax preparation services to St. Paul residents.

Halibut Donation

Donations of halibut to St. Paul elders 55 and older, and to community events and fundraisers.

Community Events and Programs

Funds and purchases contributed to events such as Aleut Day and 4th of July celebrations, Wellness Conference and sporting events.

Bereavement

Contributions to funeral arrangements for families of CBSFA members.

Wellness

Payments to substance abuse treatment programs for CBSFA members.

Youth Employment

Quality job training for the youth in St. Paul is important to our community. As such, CBSFA continues to promote community outreach with a \$20,000 contribution to the Tanadgusix Corporation summer youth hire program for the year 2010.

Over the years Tanadgusix Corporation has achieved measurable success in providing the youth with a summer program to help develop civic and social responsibility, and many of our youth look forward to the summer employment opportunity.

CBSFA's contribution made it possible for the employment of nine young adults between the ages of fourteen to eighteen. The objective of the program is to introduce job training and instill lifelong citizenship into St. Paul's youth.

Quick Response Vessel

Please see page 15 for more information.

EDUCATION



Education	2009	As of 6.30.2010
Montessori	\$87,787	\$87,226
Scholarships	73,000	50,000
Training Grants	4,316	1,778
Amix Program	10,257	26,100
Extracurricular	29,737	17,185
TOTAL	\$205,097	\$182,289

Montessori

CBSFA began its support for the St. Paul Montessori Preschool Program in the spring 2007 semester, and has continued it since. Fully funded by CBSFA, the program provides early education and activities for kids age two to four.

Scholarships & Training Grants

In addition to local support for education, CBSFA continues to provide scholarships, training grants and student loans for post secondary education and vocational training.

Amix Program

A summer program designed to educate our youth about the history and culture of St. Paul.

Extracurricular

Provides funding for sports team travel and other after school programs.

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION AND SUBSIDIARIES

Consolidated Statements of Financial Position | *December 31, 2009 and 2008*

Assets	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and cash equivalents	\$ 4,945,344	6,781,261
Investments	1,827,975	2,261,546
Accounts receivable	2,052,637	614,154
Due from related parties	—	217,824
Inventory	3,624,235	2,900,775
Prepaid expenses	<u>215,265</u>	<u>260,782</u>
Total current assets	12,665,456	13,036,342
Investments	8,665,677	8,424,728
Prepaid expenses	494,444	500,000
Loans receivable, net	352,908	296,453
Investment in unconsolidated affiliates	6,166,068	5,856,486
Property and equipment, net	5,497,265	5,090,351
Fishing rights	<u>41,839,244</u>	<u>41,839,244</u>
Total assets	<u>\$ 75,681,062</u>	<u>75,043,604</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,666,742	1,505,780
Due to related party	—	3,556
Current portion of long-term debt	<u>2,255,701</u>	<u>2,242,511</u>
Total current liabilities	3,922,443	3,751,847
Long-term debt, less current portion	24,039,911	26,295,612
Interest rate swap	<u>263,690</u>	<u>455,929</u>
Total liabilities	28,226,044	30,503,388
Minority interest	3,164,485	3,169,713
Net assets:		
Unrestricted net assets:		
Undesignated	35,624,856	32,945,775
Designated for small boat harbor	6,873,331	6,657,221
Designated for vessel repair center	<u>1,792,346</u>	<u>1,767,507</u>
Total net assets	44,290,533	41,370,503
Commitments and contingencies		
Total liabilities and net assets	<u>\$ 75,681,062</u>	<u>75,043,604</u>

Information in this annual report is compiled from audited financial statements.

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION AND SUBSIDIARIES

Consolidated Statements of Activities | *Years ended December 31, 2009 and 2008*

	<u>2009</u>	<u>2008</u>
Changes in unrestricted net assets:		
Revenue and gains:		
Program revenue	\$ 9,544,987	6,872,978
Revenue from fishing operations	13,223,616	6,724,535
Equity in earnings (loss) of unconsolidated affiliates	(766,344)	404,322
Distribution from American Seafood, L.P.	650,468	3,557,399
Investment and other income	<u>1,181,254</u>	<u>585,549</u>
Total revenue and gains	<u>23,833,981</u>	<u>18,144,783</u>
Expenses and other:		
Program:		
Education and outreach	519,745	373,100
Vessel launch and retrieval	177,358	125,388
EFH advocacy and research	323,047	256,702
Multi species development	345,500	8,124
Investment fund policies and procedures	44,611	57,444
CBSFA Halibut Coop	5,429,805	3,046,870
Fishing operations from MSDH	<u>10,064,883</u>	<u>4,016,188</u>
Total program	16,904,949	7,883,816
Supporting services – general and administrative, including interest expense of \$468,542 and \$506,141 for 2009 and 2008, respectively	<u>4,206,469</u>	<u>2,790,825</u>
Total expenses	21,111,418	10,674,641
Minority interest	(5,228)	303,630
Change in the fair value of interest rate swap	(192,239)	681,654
Loss on impairment of halibut inventory	<u>—</u>	<u>414,878</u>
Total expenses and other	<u>20,913,951</u>	<u>12,074,803</u>
Changes in unrestricted net assets	2,920,030	6,069,980
Net assets at beginning of year:	<u>41,370,503</u>	<u>35,300,523</u>
Net assets at end of year:	\$ <u><u>44,290,533</u></u>	<u><u>41,370,503</u></u>

Information in this annual report is compiled from audited financial statements.

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows | *Years ended December 31, 2009 and 2008*

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,920,030	6,069,980
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	813,763	637,535
Distributions from ASLP	(390,656)	(2,136,492)
Distributions in excess of earnings of unconsolidated affiliates	81,074	880,917
Realized and unrealized losses (gains) on investments	(429,953)	900,463
Minority interest	(5,228)	303,630
Change in fair value of interest rate swap	(192,239)	681,654
Change in operating assets and liabilities that provided (used) cash:		
Accounts receivable	(1,438,483)	1,205,688
Prepaid expenses	51,073	(76,622)
Inventory	(723,460)	(2,055,911)
Due from related parties	217,824	(280,575)
Due to related parties	(3,556)	—
Accounts payable and accrued expenses	<u>160,962</u>	<u>877,779</u>
Net cash provided by operating activities	<u>1,061,151</u>	<u>7,008,046</u>
Cash flows from investing activities:		
Purchase of property and equipment	(1,220,677)	(2,351,148)
Increase in cash upon consolidation of 57 Degrees North	—	10,421
Purchase of fishing rights	—	(4,400,000)
Issuance of loans receivable	(164,118)	(147,310)
Principal payments received on loans receivable	107,663	199,358
Proceeds from return of investment in unconsolidated affiliates	—	46,613
Purchase of investments	(8,644,540)	(10,885,829)
Sale of investments	<u>9,267,115</u>	<u>10,547,497</u>
Net cash used in investing activities	<u>(654,557)</u>	<u>(6,980,398)</u>
Cash flows from financing activities:		
Distributions to minority partners	—	(90,200)
Proceeds from issuance of long-term debt	—	1,596,000
Principal payments on long-term debt	<u>(2,242,511)</u>	<u>(1,543,923)</u>
Net cash used in financing activities	<u>(2,242,511)</u>	<u>(38,123)</u>
Net decrease in cash and cash equivalents	(1,835,917)	(10,475)
Cash and cash equivalents at beginning of year	<u>6,781,261</u>	<u>6,791,736</u>
Cash and cash equivalents at end of year	\$ <u><u>4,945,344</u></u>	<u><u>6,781,261</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 1,267,858	546,786
Supplemental schedule of noncash investing and financing activities:		
Exchange of equity interest in Shishaldin, LLC for equity interest in 57 Degrees North, LLC	\$ —	742,373
Distribution from ASLP contributed directly to investment in ASLP Acquisition, LLC	390,656	2,136,492
Purchase of fishing rights through proceeds from issuance of debt	—	17,700,000



Transparency Disclosures

As a member of the federally mandated CDQ panel, CBSFA is submitting the following financial disclosures. These disclosures comply with the federal statute and CDQ panel rules that govern the program. They are required of all CDQ entities in the interest of providing transparency to both CDQ constituents and the general public.

Section 305(i)(1)(F)(ii) of the Magnuson-Stevens Fishery Conservation and Management Act, as amended by section 416 of Public Law 109-241 (the Coast Guard and Maritime Transportation Act of 2006), requires that each CDQ entity “comply with State of Alaska law requiring annual reports to the entity’s member villages summarizing financial operations for the previous calendar year, including general and administrative costs and compensation levels of the top five highest paid personnel.”

In order to implement the above provision, the CDQ Panel, also known as the Western Alaska Community Development Association (WACDA), unanimously adopted a CDQ Rule entitled “Resolution 2008-01 – Annual Reports to CDQ Villages by CDQ Groups” on September 17, 2008, which establishes the required contents for annual financial reports in Section 4.

The Central Bering Sea Fishermen’s Association (CBSFA) Board of Directors approved said CDQ Rule by way of CBSFA Resolution 08-03 on September 15, 2008.

Therefore, in compliance with Section 305(i)(1)(F)(ii) of the Magnuson-Stevens Act and with Section 4 of CDQ Panel Resolution 2008-01, CBSFA, as the CDQ Group for the village of Saint Paul, hereby submits the following financial disclosures for calendar year 2009.



Directors

CBSFA directors receive \$225 for each board meeting of less than two hours duration, and \$375 for meetings over two hours. Term life insurance policies are also provided. In 2009, CBSFA paid directors \$36,525 in fees and \$26,285 for insurance policies.

Related Party Transactions

CBSFA's wholly owned subsidiary Central Bering Sea Fishermen's Corporation operates a vessel and gear loan program for member fishermen. Loan terms are between three and seven years at three percent interest. Loan payments are withheld from ex-vessel payments. The CBSFC board of directors has appointed an independent loan committee to review and approve or disapprove loan applications. For 2009, Terenty Philemonoff, Jr., parent of Amos Philemonoff, Sr., received loans for an excess of \$20,000.

Legal Proceedings Involving Directors

There were no legal proceedings involving CBSFA and its directors during the year.

Auditor Relationship

CBSFA has not had any disagreements with its auditor, KPMG, for either 2009 or 2008. KPMG performed tax preparation and lobbying services, the fees for which represent 38 percent of the total fees paid in 2009, and 28 percent in 2009.

Committees

CBSFA maintains a compensation committee. In 2009, its membership was made up of directors Amos Philemonoff, Sr., Jason Bourdukofsky, Sr. and Roman Fratis, Sr. The committee's function is to review employee evaluations and make determinations regarding employee compensation. The committee met on March 2, 2009.

Employee Compensation

Top five highest paid personnel within entity and majority owned subsidiaries:

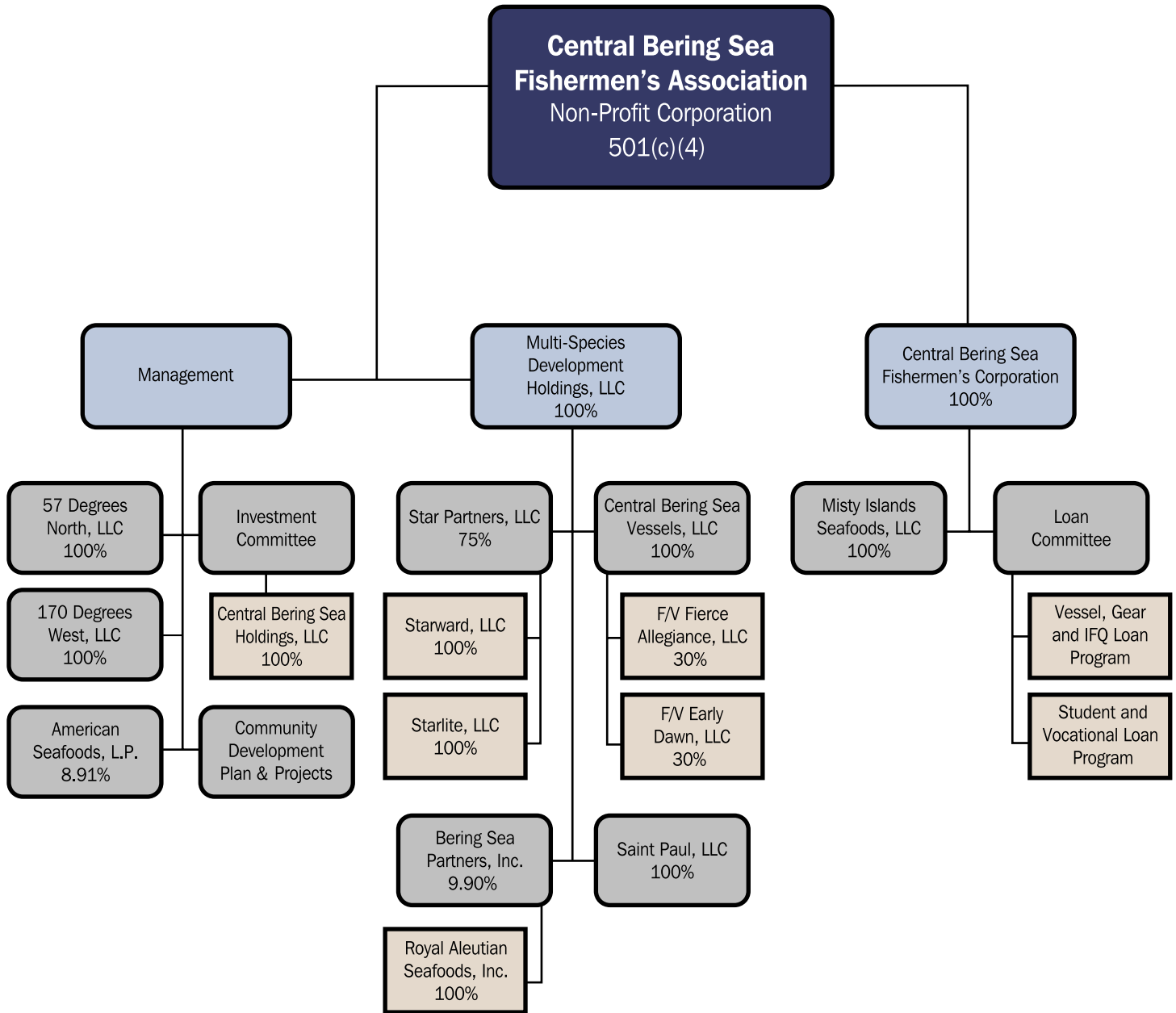
	<i>Company</i>	<i>Position</i>	<i>Salary</i>
Jeffery Kauffman	MSDH	General Manager	\$103,160
Rena Kudrin	CBSFA	Office Manager	\$71,724
Phillip Lestenkof	CBSFA	President	\$136,595
Steve Manley	CBSFA	Controller	\$88,505
Jonathan Thorpe	CBSFA	Chief Financial Officer	\$156,059

Professional Fees

Legal	\$168,958
Consulting	\$114,106
Accounting	\$72,956
Lobbying	\$42,649

ORGANIZATIONAL CHART

As of June 30, 2010









OUR MISSION

To develop a viable, self-sustaining, independent fisheries development organization that, on behalf of the local fishermen, and the community of St. Paul as a whole, and in cooperation with other Bering Sea Coastal Communities and CDQ groups, will ensure key participation in fishery related development in the region while exercising proper resource stewardship.



Central Bering Sea Fishermen's Association

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www.cbsfa.com



Central Bering Sea Fishermen's Association

2010 Annual Report





2010 Annual Report

TABLE OF CONTENTS

8	Chairman's Letter	18	Saint Boats, LLC
10	President's Letter	19	Village Cove Seafoods, LLC
12	Directors	20	Community Outreach
13	Board and Staff	22	Education
14	Small Boat Harbor	24	Consolidated Financial Statement
16	Crab Update	28	Transparency Disclosures
17	CBSFA Halibut Cooperative	29	Organizational Chart
17	170 Degrees West	31	Mission Statement



SAINT PETER
ST. PAUL ISLAND
ALASKA

Chairman's Letter



Dear Members,

CBSFA is pleased to present this annual report with news on our progress on a variety of endeavors. During 2010, the completion of the Small Boat Harbor has by far been our proudest accomplishment. This long awaited project has finally become a reality for our local fishermen and will benefit the community for future generations.

CBSFA has strived to continue sponsorship and provide opportunities not only to members, but also throughout the community by funding local projects and programs. The Elders Residential Assistance Program supplies subsidized benefits to elders. St. Paul's youth are positively impacted through funding of the Montessori program, St. Paul School's extracurricular sports programs, Tandagusix Corporation's summer employment program. The volunteer tax program is provided for all residents. To further invest in our youth's educational opportunities, we contributed funding to the Alaska Native Science and Engineering Program. CBSFA is delighted to continue its support and funding to local events and fundraisers.

Our company purchased a Manitowoc 4000 W crane for the installation and removal of the Small Boat Harbor docks and to increase our vessel launching capabilities for the entire local fleet. This equipment has also benefitted other entities on local projects throughout the year.

CBSFA is excited to announce its newly acquired asset, the F/V Saint Peter, which is in the process of being fabricated by Fred Wahl Marine. This vessel will assist in catching CDQ and IFQ halibut and will also be designed for the Pacific cod fishery.

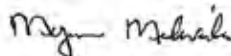
We are looking forward to another successful collaboration with the Tribal Government of St. Paul that involves our next goal, a Vessel Repair Facility. This facility will help serve our fleet with supplementary support, allowing fishermen to repair and maintain vessels indoors rather than in harsh weather conditions.

“The completion of the Small Boat Harbor has by far been our proudest accomplishment. This long awaited project has finally become a reality for our local fishermen and will benefit the community for future generations.”

Furthermore, CBSFA has continued its movement of growth. Gross assets increased to \$79.9 million as of December 31, 2010, with net assets growing to \$48.9 million.

It has been an honor to serve as the Chairman as our organization continues to grow and seek further investment opportunities that extend to our members and the community of St. Paul. We look forward to continuing these efforts in the future.

Sincerely,



Myron Melovidov



President's Letter



Dear CBSFA Members,

A major milestone for the CBSFA management, the local fishermen, and community of St. Paul Island was achieved in 2010 with the successful completion of the Small Boat Harbor (SBH).

The SBH is the final phase of a local, state, and federal joint-effort that started nearly three decades ago. This new infrastructure is essential for creating stability and growth to St. Paul's fishery-related economy. The CBSFA management and board are certain the SBH will provide our community with the means to generate increased business and employment opportunities for many years to come. New jobs have already been created to help CBSFA with its new responsibility of owning, managing and operating the SBH facility. We are proud to report that the SBH project was granted the 2011 "Project Excellence Award" in the Large Project category by the Coasts, Oceans, Ports, and Rivers Institute for its innovative design and construction. The CBSFA board, management, local fishermen and the residents of St. Paul are very happy with the final completion of the SBH and how it turned out. The first year of use of the new SBH facility, combined with record ex-vessel prices for halibut, and an increased Area 4C halibut catch limit, will result in the local fishermen and their crews having their best year overall.

Complementary to our efforts with the SBH to support our local fishery, CBSFA is involved in discussions with the Tribal Government of St. Paul to construct a jointly owned facility, which will include the CBSFA Vessel Repair Facility and space to support the Tribe's business development. CBSFA recently purchased a Manitowoc 4000 W (big crawler crane) to deploy the new SBH docks,

launch heavier vessels, and to provide a big crane to support the operations of the main St. Paul Harbor and other community development projects. In addition, the CBSFA management, based on the positive experience with the F/V Saint Paul, made the decision to purchase another 58-foot vessel, and named it the F/V Saint Peter. This new vessel, which will be ready in September of this year, will improve our ability to harvest locally owned halibut IFQ, expand our participation in other commercial fishery ventures including leasing of halibut quota, and increase our ability to harvest Pacific cod, sablefish and other species.

"The CBSFA management and board are certain the Small Boat Harbor will provide our community with the means to generate increased business and employment opportunities for many years to come."

As in past years, CBSFA has made significant contributions to programs and projects that provide important economic and social benefits to our community. CBSFA is providing funding to help the Pribilof School District with much needed renovations to the local school gym. CBSFA also increased its contributions to the Elders Residential Assistance Program this year to help elders cope with the higher cost of living in rural Alaska. We are glad to continue providing our elders with traditional seafoods of halibut and crab through our Elders Subsistence Program. CBSFA continues to meet the goals and criteria of the CDQ Program through our fisheries-related investments and economic

development and diversification of St. Paul Island, as well as through our efforts to help alleviate poverty, and by providing social benefits to the residents St. Paul Island.

On behalf of the CBSFA board of directors and staff, I wanted to express our gratitude to all the individuals; local organizations; and local, state, and federal governments, who contributed to the planning and funding of the SBH project. The new harbor has brought a renewed vigor to our local fishery and economy, and it has provided the necessary infrastructure to help our younger residents build a future on St. Paul Island. I also want to thank all the people who have supported us and expressed their appreciation to CBSFA for our contributions and donations. We will continue our best efforts to keep developing a successful and stable organization that will continue to provide economic growth, jobs, and social benefits to our community. I wish you all the best and thank you very much for your time.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip Lestenkof". The signature is written in a cursive style.

Phillip Lestenkof



Central Bering Sea
Fishermen's Association
Board of Directors

Multi-Species Development
Holdings, LLC
Board of Directors

Central Bering Sea
Fishermen's Corporation
Board of Directors

Star Partners, LLC
Board of Directors

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CBSFA Board of Directors



Myron Melovidov
Chairman
Term expires 2013



Phillip Lestenkof
President
Term expires 2011



Jeffery P. Kauffman
Vice President
Term expires 2012



Rena J. Kudrin
Secretary/
Treasurer
Term expires 2011



Jason Bourdukofsky, Sr.
Director
Term expires 2013



Roman Fratis, Sr.
Director
Term expires 2012



John R. Merculief, Jr.
Director
Term expires 2013



Amos Philemonoff, Sr.
Director
Term expires 2012



Michael Baldwin
Director
Term expires 2011

CBSFA Employees



Phillip Lestenkof
President
President since 1999



Jonathan Thorpe
Chief Financial Officer
Employee since 2003



Steven Manley
Controller
Employee since 2005



Rena J. Kudrin
Office Manager
Employee since 1998



Ray Melovidov
Community Outreach & Projects Coordinator
Employee since 2001



Robert Melovidov, Sr.
Traffic Coordinator
Employee since 2010



Marva Merculief
Administrative Assistant
Employee since 2009



Myron Melovidov
Operations Supervisor
Employee since 2011



William J. Dixon
Senior Accountant
Employee since 2011



Benjamin T. Shane
Maintenance/Operator
Employee since 2011



Robert Shearer
Processing Equipment Technician
Employee since 2010



Frank Shane, Sr.
Maintenance/Operator
Employee since 2011

MSDH Employees



Jeffery P. Kauffman
General Manager
Employee since 2007



Jennifer L. Petersen
Administrative Assistant/
Accountant
Employee since 2010



Small Boat Harbor

State-of-the-Art Project is Completed and Operational

The completion of the St. Paul Small Boat Harbor (SBH) in October of 2010 and its official dedication on August 4th, 2011, constitute a major milestone in St. Paul's history. It also brings St. Paul closer to fulfilling the objectives of the 1983 Fur Seal Act Amendments which envisioned St. Paul's transition from an economy based on fur sealing to one based on commercial fishing. We have certainly come a long way since those difficult days of the fur seal harvest phase-out!

“The Small Boat Harbor is the important final phase of a process that started almost three decades ago.”

The first phase was completed in 1989, when the St. Paul Harbor, consisting of a main breakwater and a second detached breakwater, became operational. This allowed St. Paul to attract fish processing facilities and become an important harbor for the Bering Sea crab fleet. The second phase, the Harbor Improvements Project, occurred between 1999 and 2005 when the existing harbor was improved with the addition of: underwater reefs to protect the main breakwater; the deepening of the harbor entrance channel and maneuvering area; and a tidal channel into the Salt Lagoon. The total cost of these improvements reached \$52.3 million.

The completion of the SBH last October 2010 at a cost of over \$20 million represents the final phase of this monumental local, state, and federal effort. CBSFA contributed over \$6 million to the project. CBSFA also worked with Bellingham Marine Industries (BMI) and the Dutra Dredging Company to finalize the design and installation of the SBH infrastructure. The SBH is considered a state-of-the-art design and engineering project, and the joint construction team consisting of CBSFA, BMI, Red Point, and Dutra was recently awarded the 2011 “Project Excellence Award” by the Coasts, Oceans, Ports, and Rivers Institute. CBSFA owns and manages the SBH and is leasing the SBH tidelands.

The improved St. Paul Harbor and the newly constructed SBH are critical to St. Paul's long-term economic well-being and its diversification efforts. They will enhance the community's ability to generate millions of dollars of income and will create numerous job opportunities each year, particularly for our younger generations, through commercial fishing and related activities. CBSFA recognizes and is grateful for the key support provided by St. Paul's local entities, our Alaska congressional delegation, the State of Alaska, and the Denali Commission. The board and management are very happy that this project has finally come to fruition.



Crab Pays Off for CBSFA and St. Paul

Crab Investments Growing in Importance Both in Their Contribution to the Net Income of the Organization and to the Economy of St. Paul Island

One of the most important developments regarding crab investments is CBSFA's investment in 57 Degrees North (57DN). 57DN is CBSFA's wholly-owned crab processing and marketing company. As such, 57DN works jointly with MSDH and its vessel investments to harvest CBSFA's CDQ crab allocations and 57DN's IFQ and CPO crab harvesting rights. In addition to the harvesting rights, 57DN manages the processor quota shares acquired in the investment and the inherent processing rights of its CPO and CBSFA's CDQ crab allocations. The 2010 - 2011 crab season marked an important turn for 57DN and other CDQ groups in terms of the CDQ sector's ability to successfully work together. In addition to the crab managed in the CBSFA portfolio, 57DN processed crab with its existing processing partners through custom processing arrangements in St. Paul, Unalaska, and Akutan on behalf of four other CDQ groups and marketed crab of behalf of three of them. The processing included 1,164,580 pounds of Bristol Bay Red King Crab, 71,949 pounds of St. Matthews Blue King Crab, 489,046 pounds of Eastern Aleutian Golden Crab and 3,622,498 pounds of Bering Sea Snow (opilio) Crab. The total pounds processed represent 7.6% of the king crab total allowable catch (TAC) and 6.6% of the snow crab TAC.

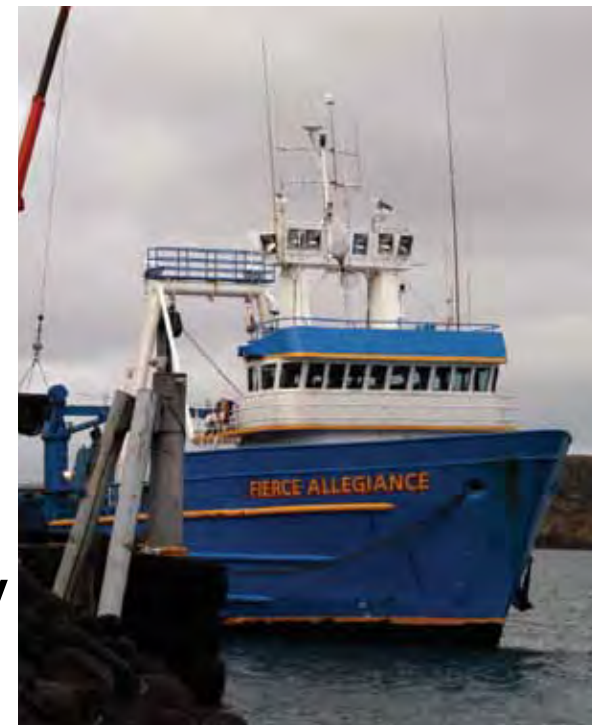
In 2010, driven by \$19,730,346 in gross revenues and \$3,266,246 of net income of from 57DN's crab operations, the consolidated net income of

CBSFA was \$4,119,916. This welcome result was in part because of excellent market conditions for crab, higher crab quotas, and in part because of operational efficiencies realized by teaming with other CDQ groups for processing. CBSFA's percentage of net income from crab has increased significantly to where it currently accounts for almost 79% of the total consolidated net income.

“CBSFA and 57DN's contributions to the output of the St. Paul processing plant are also an economic driver for the community.”

The processing plant employs 20 to 60 local residents, depending on the particular season, creating demand for goods and services provided by local businesses, and generating local tax dollars that support the municipal government. Moreover, crab processing, by providing the plant operator with commercially viable production efficiency, is the economic underpinning for the processing of the local CDQ and IFQ halibut fishery in the summer months. St. Paul Island is crucial to 57DN's operations. Approximately 69% of the crab processed by the organization was completed at the St. Paul plant. 57DN is making every effort to “bring the crab home” in order to support the local industry.

As part of these efforts, CBSFA has also been working collaboratively and successfully with the City of St. Paul and the TDX Corporation at the North Pacific Fishery Management Council (NPFMC), and at the state and national levels, to maintain the value of CBSFA's crab-related investments, as well as the community and CDQ protections in the current crab management system. CBSFA has succeeded in maintaining strong guidelines for regional delivery, and has worked hard to help the NPFMC, State and Congressional leaders understand and support St. Paul's interests in protecting the existing crab program.



CBSFA Halibut Cooperative

Benefits Noted for Fishermen and for the Community

The CBSFA Halibut Cooperative was created in 2003 with the goal of increasing ex-vessel prices paid to the local fleet. Since inception, the CBSFA Halibut Cooperative has paid out \$19.1 million to the local fishermen in the form of ex-vessel prices.

The CBSFA Halibut Cooperative is operated in conjunction with the local fishermen, Saint Boats, LLC (F/V Saint Paul and the newly-built F/V Saint Peter), Trident Seafoods and American Seafoods. CBSFA purchases the halibut from the local fleet, partners with Trident Seafoods to process the fish, and works with American Seafoods on marketing the fish. Any CDQ not able to be caught by the local fleet is leased to our own boats, the F/V Saint Paul and F/V Saint Peter. It is CBSFA's goal that the local fleet has as much CDQ halibut available to them as they are willing to invest effort in catching. However, the CBSFA Halibut Cooperative's ex-vessel price is lower when quota is left uncaught. At the same time, CDQ quota leased to Saint Boats, LLC is very beneficial to the local fleet because it significantly raises the price the CBSFA Halibut Cooperative is able to pay. With these considerations in mind, CBSFA carefully tracks its quota balance as the season progresses to deliver maximum benefit and value to the fishermen.

For 2010, local landings totaled 858,014 pounds, including 168,390 pounds of locally held IFQ caught on the F/V Saint Paul. In total, \$4.1 million was paid to the local fishermen, the highest ever paid out in a single season since the CBSFA Halibut Cooperative was created. The base price was set at \$4.50 and a series of retroactive price adjustments were paid out following the close of the season and the final 2010 ex-vessel price was \$4.80.

As a result of the increased catch limits and catch rates, the local fleet landed 74,300 pounds more than in 2009; 94% of the CDQ was landed locally, compared to 83% in 2009. Approximately 41,000 pounds were leased to F/V Saint Paul.

For 2011, CBSFA's CDQ allocation is 718,250 pounds, an increase of 27,625 pounds over the 2010 allocation. There are 296,261 pounds of locally held IFQ, a majority of which will be harvested on the F/V Saint Paul and F/V Saint Peter. The 2011 fishing season began on June 13th with a posted price of \$6.00/lb.

“Halibut is the lifeblood of our community and a major contributor to the local economy.”

CBSFA is optimistic about the future of the CBSFA Halibut Cooperative and broadening opportunities for the success of the local fishermen and the community will continue to be a priority.

170 Degrees West

Fillets in Production at Costco

2010 was a solid year for the halibut marketing program. For the first time, 170 Degrees West has established a branded retail program, selling 1.75 pound retail bags of halibut portions at Costco. Over the past year there has been much ground work laid to allow 170 Degrees West to continue diversifying the customer base for branded retail products. With the addition of Village Cove Seafoods, and the continued success of 57 Degrees North, CBSFA is starting to realize the dream of being a vertically integrated seafood company.



Saint Boats, LLC

Purchase and Construction of Commercial Fishing Vessel Helps Realize Long-Term Goals for CBSFA

Fred Wahl Marine Construction in Reedsport, Oregon completed construction of the 58' x 26' F/V Saint Paul in 2008. The F/V Saint Paul is CBSFA's first 100% owned commercial fishing vessel and brings diversification to our fleet of crab, cod and pollock vessels.

Since setting sail in 2008, the F/V Saint Paul has been very successful in harvesting halibut, Pacific cod and sablefish in the Bering Sea. It has created numerous professional fishing jobs for our members and provides a safe and efficient platform for harvesting halibut IFQ as well as CBSFA's CDQ halibut allocation that remains uncaught late in the year when our small boat fleet retires for the season due to weather.

It has long been a goal of CBSFA to become a vertically integrated seafood company and the F/V Saint Paul has been instrumental in the process of catching fish in the Bering Sea that is then processed and distributed, reaching dinner plates in homes and restaurants across the globe under the CBSFA logo. In 2010, the F/V Saint Paul landed more than 300,000 pounds of IFQ and CDQ halibut that was delivered to CBSFA's subsidiary 170 Degrees West. In addition, it landed 1.99 million pounds of CBSFA's Pacific cod CDQ and 114,000 round pounds of sablefish in early 2011 that was delivered to another CBSFA subsidiary, Village Cove Seafoods. The F/V Saint Paul is reaching goals set by the CBSFA Board of Directors in that it catches and delivers high quality fish products, creates employment opportunities for our members, provides IFQ holders an alternative way to catch their quota, and contributes to our goal of becoming

a vertically integrated seafood company. In 2010 the F/V Saint Paul had gross revenues of \$1.46 million not including earnings paid to member IFQ holders or lease rates paid to CBSFA.

With the early success of the F/V Saint Paul, the Multi Species Development Holdings, LLC (MSDH) and CBSFA boards began to ponder the benefits to our members and seafood companies of a second 58' combination vessel. In early 2011, CBSFA's vessel management company, MSDH, approved the purchase and construction of the F/V Saint Paul's sister vessel, the F/V Saint Peter. Shortly thereafter, the CBSFA Board of Directors gave final approval and a Vessel Construction Agreement was signed with Fred Wahl Marine Construction. Construction began in March of 2011 with a completion date of September 15th. The F/V Saint Peter will provide up to five additional job opportunities for each of the fisheries it participates in.

The F/V Saint Peter will have a similar fish plan to the F/V Saint Paul. It will fish "A" Season Pacific cod from January through March, switch to Bering Sea sablefish in April, then to halibut in July, and then back to Pacific cod in September. Both boats will fish approximately 11 months out of the year. In addition to harvesting CBSFA's excess CDQ halibut and member IFQ, our boats will continue to target CBSFA's Pacific cod and sablefish allocations. Both boats will also participate in the federal Pacific cod fisheries.



“CBSFA is proud to own the F/V Saint Paul and F/V Saint Peter and believes they will contribute to the successful realization of goals set by the Board of Directors and our members for years to come.”



Village Cove Seafoods, LLC

New Cod Enterprise was a Natural Progression for CBSFA

In February of 2011, CBSFA formed a new subsidiary, Village Cove Seafoods, LLC (VCS). The new company's focus is to maximize the value of CBSFA's CDQ allocations of Pacific cod and sablefish. Using the experience and knowledge gained in CBSFA's other marketing programs of halibut, 170 Degrees West, and crab, 57 Degrees North, adding the cod production to the mix was a natural progression.

A secondary benefit in starting the new business is that we can further support the efforts and operations of the F/V Saint Paul and the soon to be completed F/V Saint Peter. During Spring of 2011, VCS has purchased, processed and taken to market 1,995,520 round pounds of CBSFA's CDQ Pacific cod allocation, harvested by the F/V Saint Paul. Due to VCS's new efforts the F/V Saint Paul was able to continue its fishing efforts after the completion and closure of the federal open access Pacific cod fishery, earning the F/V Saint Paul an additional \$616,462 in fish ticket settlements.

“As of June 30, 2011, Village Cove Seafoods has purchased 78,309 cut-weight pounds of sablefish harvested by the F/V Saint Paul.”

Utilizing CBSFA's strong partner relationships, VCS was able to negotiate custom processing arrangements with two existing partners in Dutch Harbor and Akutan. In addition, through existing broker relationships, VCS is marketing Pacific cod and sablefish in Asia, Europe and the domestic marketplace, including sales to established

customers of 57 Degrees North and 170 Degrees West. It is clear that VCS has further solidified CBSFA's goal of becoming a vertically integrated supplier of quality seafood products starting from the ownership and management of the resource harvesting rights, to the production and marketing of value-added products to the end users.



Community Outreach

Youth Employment

Quality job training for the youth in St. Paul is important to our community. As such, CBSFA continues to promote community outreach with a \$25,000 contribution to the Tanadgusix Corporation summer youth hire program for the year 2011.

CBSFA's contribution made it possible for the employment of 9 young adults between the ages of 14 and 18. The objective of the program is to introduce job training and instill lifelong citizenship into St. Paul's youth.

“Over the years, Tanadgusix Corporation has achieved measurable success in providing the youth with a summer program to help develop civic and social responsibility, and many of our youth look forward to the summer employment opportunity.”



Elders Residential Assistance Program

Provides \$3,000 to energy suppliers or housing entities on behalf of elders 55 and over.



Elder Support

Funds used for one-time events and purchases. In 2010, the majority of the funds were used to purchase a van for seniors.

Outreach

	2010	As of 6.30.2011
Elders Residential Assistance Program	\$157,000	\$190,500
Elder Support	45,792	0
Volunteer Tax Program	5,700	0
Elders Subsistence Program (Halibut & Crab Donation)	10,639	26,650
Community Events and Programs	16,033	27,992
Bereavement	11,765	20,356
Wellness	4,109	19,759
Youth Employment	20,000	25,000
Quick Response Vessel: <i>Lunax</i>	171,582	13,156
TOTAL	\$442,620	\$323,413

AMSEA Training

In preparation for the 2011 halibut season, approximately 70 fishermen and other local participants were involved in a marine safety workshop presented by Chris Lopez of the Alaska Marine Safety Education Association's (AMSEA) training network, sponsored by CBSFA.

During the workshop, participants learned the importance of being prepared for emergencies and how to effectively use a variety of life saving appliances found onboard commercial fishing vessels. Participants also gained knowledge on valuable procedures for dealing with fire, flooding, person-overboard and abandon-ship emergencies. They practiced water training and a variety of survival swimming techniques while wearing immersion suits, along with righting and entering a life raft.



“The course was very informative. I will be better prepared for emergency situations and how to deal with them. Designating crew members to certain tasks was the most valuable part of the training.”

– John W. Melovidov

“I will be more aware of safety practices and the most valuable part of the training were hands-on water and flare training.”

– Jeremy Philemonoff



“The most valuable part of the training were the Seven Steps of Survival.”

– Terenty Simeonoff

Volunteer Tax Program

Contributions to a program that provides free tax preparation services to St. Paul residents.

Elders Subsistence Program (Halibut and Crab Donation)

Donations of halibut and opilio crab to St. Paul elders 55 and older, and to community events and fundraisers.

Community Events and Programs

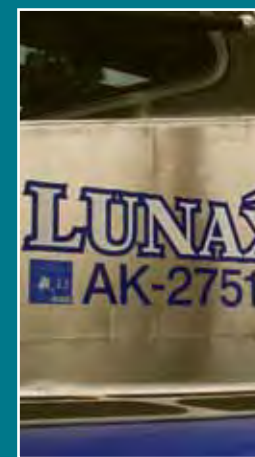
Funds and purchases contributed to events such as Aleut Day and 4th of July celebrations, International Fur Seal Treaty Centennial, Wellness Conference, Bicycle Safety and Maintenance clinic, and sporting events.

Bereavement

Contributions to funeral arrangements for families of CBSFA members.

Wellness

Payments to substance abuse treatment programs for CBSFA members.



Lunax

Contributions and purchases to the quick response vessel that assists our local fishing fleet.

Education

Foundations for Youth in Our Community

It is the belief of CBSFA that healthy, well-educated kids are critical to the welfare of the community.

“With the long-term goals of supporting youth in our community, CBSFA upheld support for educational programs benefiting the children of St. Paul.”

In 2010, CBSFA maintained its funding of vital education and enrichment programs, and began funding of the Alaska Native Science and Engineering Program (ANSEP).



Education	2010	<i>As of</i> 6.30.2011
Montessori	\$87,226	\$87,437
Scholarships	90,000	59,807
Training Grants	15,136	0
Amix Program	26,100	27,000
Extracurricular	38,700	14,779
ANSEP	0	50,000
TOTAL	\$257,162	\$239,023

Bering Sea Science Camp

Contributions to the Bering Sea Science Camp assist with various costs associated with a two-week summer camp.

Montessori

CBSFA began its support for the St. Paul Montessori Preschool Program in the spring 2007 semester, and has continued it since. Fully funded by CBSFA, the program provides early education and activities for kids ages two to four.



Bering Sea Days

Bering Sea Days promotes education for St. Paul's students related to marine ecology, GIS mapping, prehistoric mammoths and their remains, tides and currents, fur seal diets, and the collection of a variety of bird-related information.

Scholarships and Training Grants

In addition to local support for education, CBSFA continues to provide scholarships and training grants for post secondary education and vocational training.

Amix Program

A program designed to educate our youth about the history and culture of St. Paul. Includes Bering Sea Days and Bering Sea Science Camp.

Extracurricular

Provides funding for sports team travel and other after school programs.

Alaska Native Science & Engineering Program (ANSEP)

Provides St. Paul's youth an opportunity to participate in ANSEP's components that provide inspiration, guidance, and opportunity for students from the time they are in middle school up through and including PhD level studies. ANSEP students are fully prepared for Bachelor of Science degrees in science and engineering. More importantly, the program provides a positive impact on students, their families, and our community that will endure for generations.

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION AND SUBSIDIARIES
Consolidated Statements of Financial Position | December 31, 2010 and 2009

	2010	2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,483,338	4,945,344
Investments (notes 3 and 4)	2,318,795	1,827,975
Accounts receivable	3,253,928	2,052,637
Inventory	5,140,217	3,624,235
Prepaid expenses	221,637	215,265
Total current assets	16,417,915	12,665,456
Investments (notes 3 and 4)	2,126,748	8,665,677
Prepaid expenses (note 5)	479,452	494,444
Loans receivable, net (note 6)	476,994	352,908
Investment in unconsolidated affiliates (note 7)	6,663,432	6,166,068
Property and equipment, net (note 8)	11,334,812	5,497,265
Fishing rights	41,839,244	41,839,244
Total assets	\$ 79,338,597	75,681,062
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,625,914	1,666,742
Current portion of long-term debt (note 10)	1,642,568	2,255,701
Total current liabilities	4,268,482	3,922,443
Long-term debt, less current portion (note 10)	22,393,220	24,039,911
Interest rate swap (notes 4 and 10)	955,362	263,690
Total liabilities	27,617,064	28,226,044
Minority interest	3,344,487	3,164,485
Net assets:		
Unrestricted net assets:		
Undesignated	46,250,268	35,624,856
Designated for small boat harbor	331,080	6,873,331
Designated for vessel repair center	1,795,698	1,792,346
Total net assets	48,377,046	44,290,533
Commitments and contingencies (notes 7, 10, and 12)		
Total liabilities and net assets	79,338,597	75,681,062

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION AND SUBSIDIARIES
 Consolidated Statements of Financial Position | Years ended December 31, 2010 and 2009

	2010	2009
Changes in unrestricted net assets:		
Revenue and gains:		
Program revenue	\$ 11,055,697	9,544,987
Revenue from fishing operations	22,400,845	13,223,616
Equity in loss of unconsolidated affiliates (note 7)	(399,430)	(766,344)
Distribution from American Seafood, L.P. (note 7)	546,483	650,468
Investment and other income	649,123	1,181,254
	34,252,718	23,833,981
Expenses and other:		
Program:		
Education and outreach	525,862	519,745
Vessel launch and retrieval	531,721	177,358
EFH advocacy and research	77,753	323,047
Multispecies development	328,298	345,500
Investment fund policies and procedures	49,162	44,611
CBSFA Halibut Cooperative	4,769,397	5,429,805
Fishing operations from MSDH	18,781,928	10,064,883
	25,064,121	16,904,949
Supporting services – general and administrative, including interest expense of \$1,480,906 and \$1,266,613 for 2010 and 2009, respectively	4,330,414	4,206,469
Total expenses	29,394,535	21,111,418
Minority interest	79,998	(5,228)
Change in the fair value of interest rate swap (note 10)	691,672	(192,239)
	30,166,205	20,913,951
Changes in net assets	4,086,513	2,920,030
Net assets at beginning of year	44,290,533	41,370,503
Net assets at end of year	\$ 48,377,046	44,290,533

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows | Years ended December 31, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Change in net assets	\$ 4,086,513	2,920,030
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	944,673	813,763
Noncash distributions from ASLP	—	(390,656)
Distributions and equity in losses of unconsolidated affiliates	829,995	81,074
Realized and unrealized gains on investments	(355,203)	(429,953)
Minority interest	79,998	(5,228)
Change in fair value of interest rate swap	691,672	(192,239)
Change in operating assets and liabilities that provided (used) cash:		
Accounts receivable	(1,201,291)	(1,438,483)
Prepaid expenses and rent	8,620	51,073
Inventory	(1,515,982)	(723,460)
Due from related parties	—	217,824
Due to related parties	—	(3,556)
Accounts payable and accrued expenses	959,172	160,962
	4,528,167	1,061,151
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchase of property and equipment	(6,782,220)	(1,220,677)
Issuance of loans receivable	(215,518)	(164,118)
Principal payments received on loans receivable	91,432	107,663
Purchase of ASLP Acquisitions, LLC units	(1,327,359)	—
Purchase of investments	(205,839)	(8,644,540)
Sale of investments	6,609,155	9,267,115
	(1,830,349)	(654,557)
Net cash used in investing activities		
Cash flows from financing activities:		
Capital contributed by minority partner	100,000	—
Principal payments on long-term debt	(2,259,824)	(2,242,511)
	(2,159,824)	(2,242,511)
Net cash used in financing activities		
Net increase (decrease) in cash and cash equivalents	537,994	(1,835,917)
Cash and cash equivalents at beginning of year	4,945,344	6,781,261
Cash and cash equivalents at end of year	5,483,338	4,945,344
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	1,474,265	1,267,858
Supplemental schedule of noncash investing and financing activities:		
Distribution from ASLP contributed directly to investment in ASLP Acquisition, LLC	—	390,656



Transparency Disclosures

As a member of the federally mandated CDQ panel, CBSFA is submitting the following financial disclosures. These disclosures comply with the federal statute and CDQ panel rules that govern the program. They are required of all CDQ entities in the interest of providing transparency to both CDQ constituents and the general public.

Section 305(i)(1)(F)(ii) of the Magnuson-Stevens Fishery Conservation and Management Act, as amended by section 416 of Public Law 109-241 (the Coast Guard and Maritime Transportation Act of 2006), requires that each CDQ entity “comply with State of Alaska law requiring annual reports to the entity’s member villages summarizing financial operations for the previous calendar year, including general and administrative costs and compensation levels of the top five highest paid personnel.”

In order to implement the above provision, the CDQ Panel, also known as the Western Alaska Community Development Association (WACDA), unanimously adopted a CDQ Rule entitled “Resolution 2008-01 – Annual Reports to CDQ Villages by CDQ Groups” on September 17, 2008, which establishes the required contents for annual financial reports in Section 4. This Rule was amended and extended on April 28, 2011 by way of CDQ Panel Resolution 2010-06. The amended Rule changes the annual report due date to September 30 of each calendar year and extends its duration to December 31, 2012. The Central Bering Sea Fishermen’s Association (CBSFA) Board of Directors approved said CDQ Rule by way of CBSFA Resolution 11-03 on March 11, 2011.

Therefore, in compliance with Section 305(i)(1)(F)(ii) of the Magnuson-Stevens Act and with Section 4 of CDQ Panel Resolution 2010-06, CBSFA, as the CDQ group for the village of St. Paul, hereby submits the following financial disclosures for calendar year 2010.

Directors

CBSFA directors receive \$250 for each board meeting of less than two hours duration, and \$425 for meetings over two hours. Term life insurance policies are also provided. In 2010, CBSFA paid directors \$57,225 and \$15,072 for insurance policies.

Related Party Transactions

CBSFA’s wholly owned subsidiary, Central Bering Sea Fishermen’s Corporation (CBSFC), operates a vessel and gear loan program for member fishermen. Loan terms are between three and seven years at three percent interest. Loan Payments are withheld from ex-vessel payments. The CBSFC board of directors

has appointed an independent loan committee to review and approve or disapprove loan applications. For 2010, Terenty Philemonoff, Jr., parent of Amos Philemonoff, Sr., and Roman Fratis, Sr., CBSFA director, received loans for an excess of \$20,000.

Legal Proceedings Involving Directors

There were no legal proceedings involving CBSFA and its directors during the year.

Auditor Relationship

CBSFA has not had any disagreements with its auditor, KPMG, for either 2010 or 2009. KPMG performed tax preparation and lobbying services, the fees for which represent 25% of total fees paid in 2010, and 28% in 2009.

Committees

CBSFA maintains a compensation committee. In 2010, its membership was made up of directors Amos Philemonoff, Sr., Jason Bourdukofsky, Sr., and Roman Fratis, Sr. The committee’s function is to review employee evaluations and make determinations regarding employee compensation. The committee did not meet in 2010.

Employee Compensation

Top five highest paid personnel within entity and majority owned subsidiaries:

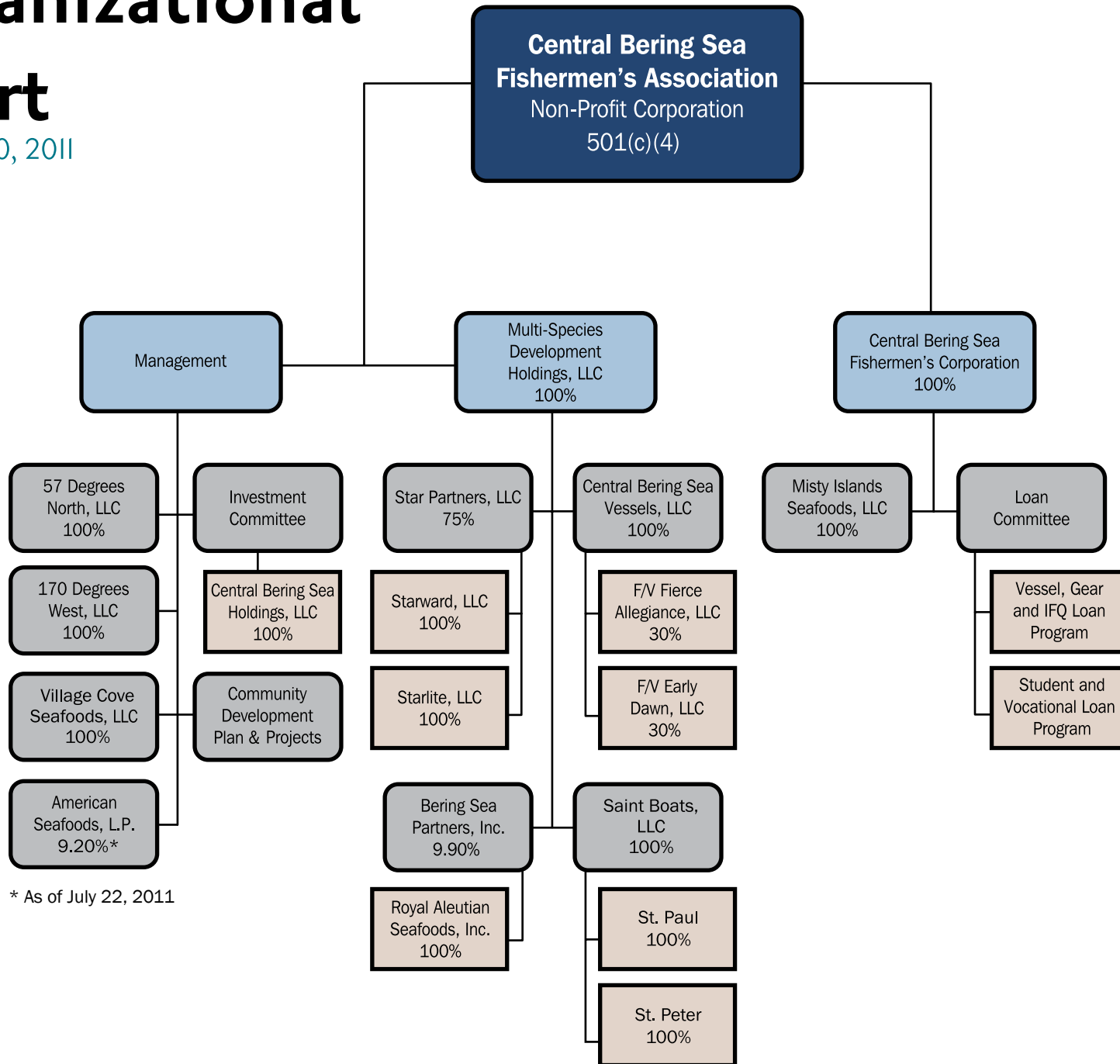
	Company	Position	Salary
Jeffery Kauffman	MSDH	General Manager	\$105,909
Rena Kudrin	CBSFA	Office Manager	\$70,938
Phillip Lestenkof	CBSFA	President	\$128,295
Steven Manley	CBSFA	Controller	\$94,999
Jonathan Thorpe	CBSFA	Chief Financial Officer	\$166,499

Professional Fees

Legal	\$123,532
Consulting	\$106,672
Accounting	\$88,388
Lobbying	\$12,434

Organizational Chart

As of June 30, 2011



* As of July 22, 2011





Our Mission

To develop a viable, self-sustaining, independent fisheries development organization that, on behalf of the local fishermen, and the community of St. Paul as a whole, and in cooperation with other Bering Sea Coastal Communities and CDQ groups, will ensure key participation in fishery related development in the region while exercising proper resource stewardship.







Central Bering Sea Fishermen's Association
140 Ellerman Heights
P.O. Box 288
St. Paul Island, AK 99660
(907) 546-2597
Fax: (907) 546-2450
www.cbsfa.com

**Central Bering Sea Fishermen's Association
2006 Community Development Plan (CDP)**

Target Fishery	Gear Type	Fishing Period
Pollock	Trawl	January 20 - April 30; June 10 - October 31
Pacific Cod	Longline	January 1 - May 31; Sept. 1 - December 31
WAI Atka Mackerel	Trawl	January 20 - December 31
CAI Atka Mackerel	Trawl	January 20 - December 31
EAI/BS Atka Mackerel	Trawl	January 20 - December 31
Yellowfin Sole	Trawl	March 1 - May 31; October 1 - December 1
Rock Sole	Trawl	January 15 - March 31; August 1-31
BS Greenland Turbot	Trawl	January 20 - December 31
Arrowtooth Flounder	Trawl	January 20 - December 31
Flathead Sole	Trawl	April 1 - August 31
WAI POP	Trawl	January 20 - December 31
CAI POP	Trawl	January 20 - December 31
EAI POP	Trawl	January 20 - December 31
AI Sablefish	Longline/Pot	March 5 - November 15
BS Sablefish	Longline/Pot	March 5 - November 15
Halibut	Longline	March 5 - November 15
Eastern AI Golden King Crab	Pot	August 15 - October 15
Bristol Bay Red King Crab	Pot	October 15 - January 15
Eastern BS Tanner Crab (<i>C. Bairdi</i>)	Pot	October 15 - March 31
Western BS Tanner Crab (<i>C. Bairdi</i>)	Pot	October 15 - March 31
BS Snow Crab (<i>C. Opilio</i>)	Pot	October 15 - May 15
Pribilof Island Red and Blue King Crab	Pot	Closed

Bycatch Avoidance Plan

The need for clean fishing is communicated to all fishing partners. Bycatch is monitored with Seastate, a daily catch monitoring system, and cross-referenced with NMFS Landing Reports on a regular basis. If necessary, the Quota Manager has the authority to give a "Stop Fishing Order" that will cease CDQ fishing operations.

**Central Bering Sea Fishermen's Association
2007 Community Development Plan (CDP)**

Target Fishery	Gear Type	Fishing Period
Pollock	Trawl	January 20 - April 30; June 10 - October 31
Pacific Cod	Longline	January 1 - May 31; Sept. 1 - December 31
WAI Atka Mackerel	Trawl	January 20 - December 31
CAI Atka Mackerel	Trawl	January 20 - December 31
EAI/BS Atka Mackerel	Trawl	January 20 - December 31
Yellowfin Sole	Trawl	March 1 - May 31; October 1- December 1
Rock Sole	Trawl	January 15 - March 31; August 1-31
BS Greenland Turbot	Trawl	January 20 - December 31
Arrowtooth Flounder	Trawl	January 20 - December 31
Flathead Sole	Trawl	April 1 - August 31
WAI POP	Trawl	January 20 - December 31
CAI POP	Trawl	January 20 - December 31
EAI POP	Trawl	January 20 - December 31
AI Sablefish	Longline/Pot	March 10 - November 15
BS Sablefish	Longline/Pot	March 10 - November 15
Halibut	Longline	March 10 - November 15
Eastern AI Golden King Crab	Pot	August 15 - October 15
Bristol Bay Red King Crab	Pot	October 15 - January 15
Eastern BS Tanner Crab (<i>C. Bairdi</i>)	Pot	October 15 - March 31
Western BS Tanner Crab (<i>C. Bairdi</i>)	Pot	October 15 - March 31
BS Snow Crab (<i>C. Opilio</i>)	Pot	October 15 - May 15
Pribilof Island Red and Blue King Crab	Pot	Closed

Bycatch Avoidance Plan

The need for clean fishing is communicated to all fishing partners. Bycatch is monitored with Seastate, a daily catch monitoring system, and cross-referenced with NMFS Landing Reports on a regular basis. If necessary, the Quota Manager has the authority to give a "Stop Fishing Order" that will cease CDQ fishing operations.

**Central Bering Sea Fishermen's Association
2008 Community Development Plan (CDP)**

Target Fishery	Gear Type	Fishing Period
Pollock	Trawl	January 20 - April 30; June 10 - October 31
Pacific Cod	Longline	January 1 - May 31; Sept. 1 - December 31
WAI Atka Mackerel	Trawl	January 20 - December 31
CAI Atka Mackerel	Trawl	January 20 - December 31
EAI/BS Atka Mackerel	Trawl	January 20 - December 31
Yellowfin Sole	Trawl	March 1 - May 31; October 1 - December 1
Rock Sole	Trawl	January 15 - March 31; August 1-31
BS Greenland Turbot	Trawl	January 20 - December 31
Arrowtooth Flounder	Trawl	January 20 - December 31
Flathead Sole	Trawl	April 1 - August 31
WAI POP	Trawl	January 20 - December 31
CAI POP	Trawl	January 20 - December 31
EAI POP	Trawl	January 20 - December 31
AI Sablefish	Longline/Pot	March 8 - November 15
BS Sablefish	Longline/Pot	March 8 - November 15
Halibut	Longline	March 8 - November 15
Eastern AI Golden King Crab	Pot	August 15 - October 15
Bristol Bay Red King Crab	Pot	October 15 - January 15
Eastern BS Tanner Crab (<i>C. Bairdi</i>)	Pot	October 15 - March 31
Western BS Tanner Crab (<i>C. Bairdi</i>)	Pot	October 15 - March 31
BS Snow Crab (<i>C. Opilio</i>)	Pot	October 15 - May 15
Pribilof Island Red and Blue King Crab	Pot	Closed

Bycatch Avoidance Plan

The need for clean fishing is communicated to all fishing partners. Bycatch is monitored with Seastate, a daily catch monitoring system, and cross-referenced with NMFS Landing Reports on a regular basis. If necessary, the Quota Manager has the authority to give a "Stop Fishing Order" that will cease CDQ fishing operations.

**Central Bering Sea Fishermen's Association
2009 Community Development Plan (CDP)**

Target Fishery	Gear Type	Fishing Period
Pollock	Trawl	January 20 - April 30; June 10 - October 31
Pacific Cod	Longline/Pot	January 1 - May 31; Sept. 1 - December 31
WAI Atka Mackerel	Trawl	January 20 - December 31
CAI Atka Mackerel	Trawl	January 20 - December 31
EAI/BS Atka Mackerel	Trawl	January 20 - December 31
Yellowfin Sole	Trawl	March 1 - May 31; October 1 - December 1
Rock Sole	Trawl	January 15 - March 31; August 1-31
BS Greenland Turbot	Trawl	January 20 - December 31
Arrowtooth Flounder	Trawl	January 20 - December 31
Flathead Sole	Trawl	April 1 - August 31
WAI POP	Trawl	January 20 - December 31
CAI POP	Trawl	January 20 - December 31
EAI POP	Trawl	January 20 - December 31
AI Sablefish	Longline/Pot	March 21 - November 15
BS Sablefish	Longline/Pot	March 21 - November 15
Halibut	Longline	March 21 - November 15
Eastern AI Golden King Crab	Pot	August 15 - October 15
Bristol Bay Red King Crab	Pot	October 15 - January 15
Eastern BS Tanner Crab (<i>C. Bairdi</i>)	Pot	October 15 - March 31
Western BS Tanner Crab (<i>C. Bairdi</i>)	Pot	Closed
BS Snow Crab (<i>C. Opilio</i>)	Pot	October 15 - May 15
Pribilof Island Red and Blue King Crab	Pot	Closed

Bycatch Avoidance Plan

The need for clean fishing is communicated to all fishing partners. Bycatch is monitored with Seastate, a daily catch monitoring system, and cross-referenced with NMFS Landing Reports on a regular basis. If necessary, the Quota Manager has the authority to give a "Stop Fishing Order" that will cease CDQ fishing operations.

**Central Bering Sea Fishermen's Association
2010 Community Development Plan (CDP)**

Target Fishery	Gear Type	Fishing Period
Pollock	Trawl	January 20 - April 30; June 10 - October 31
Pacific Cod	Longline/Pot	January 1 - May 31; July1 - August 1 - 31; Nov. 1 - December 31
WAI Atka Mackerel	Trawl	January 20 - December 31
CAI Atka Mackerel	Trawl	January 20 - December 31
EAI/BS Atka Mackerel	Trawl	January 20 - December 31
Yellowfin Sole	Trawl	March 1 - May 31; October 1- December 1
Rock Sole	Trawl	January 15 - March 31; August 1-31
BS Greenland Turbot	Trawl	January 20 - December 31
Arrowtooth Flounder	Trawl	January 20 - December 31
Flathead Sole	Trawl	April 1 - August 31
WAI POP	Trawl	January 20 - December 31
CAI POP	Trawl	January 20 - December 31
EAI POP	Trawl	January 20 - December 31
AI Sablefish	Longline/Pot	March 6 - November 15
BS Sablefish	Longline/Pot	March 6 - November 15
Halibut	Longline	March 6 - November 15
Eastern AI Golden King Crab	Pot	August 15 - May 15
Bristol Bay Red King Crab	Pot	October 15 - January 15
Eastern BS Tanner Crab (<i>C. Bairdi</i>)	Pot	Closed
Western BS Tanner Crab (<i>C. Bairdi</i>)	Pot	Closed
BS Snow Crab (<i>C. Opilio</i>)	Pot	October 15 - March 31
Pribilof Island Red and Blue King Crab	Pot	Closed

Bycatch Avoidance Plan

The need for clean fishing is communicated to all fishing partners. Bycatch is monitored with Seastate, a daily catch monitoring system, and cross-referenced with NMFS Landing Reports on a regular basis. If necessary, the Quota Manager has the authority to give a "Stop Fishing Order" that will cease CDQ fishing operations.

ARIZON
NEW MEXICO

OKLAHOMA

ARKANSAS

TENNESSEE

NORTH CAROLINA

SOUTH CAROLINA

DP03

SELECTED ECONOMIC CHARACTERISTICS

2006-2010 American Community Survey 5-Year Estimates

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, for 2010, the 2010 Census provides the official counts of the population and housing units for the nation, states, counties, cities and towns. For 2006 to 2009, the Population Estimates Program provides intercensal estimates of the population for the nation, states, and counties.

Subject	St. Paul city, Alaska			
	Estimate	Estimate Margin of Error	Percent	Percent Margin of Error
EMPLOYMENT STATUS				
Population 16 years and over	963	+/-1,230	963	(X)
In labor force	880	+/-1,232	91.4%	+/-18.3
Civilian labor force	880	+/-1,232	91.4%	+/-18.3
Employed	866	+/-1,233	89.9%	+/-21.2
Unemployed	14	+/-10	1.5%	+/-3.1
Armed Forces	0	+/-109	0.0%	+/-2.8
Not in labor force	83	+/-33	8.6%	+/-18.3
Civilian labor force	880	+/-1,232	880	(X)
Percent Unemployed	(X)	(X)	1.6%	+/-4.1
Females 16 years and over	258	+/-240	258	(X)
In labor force	206	+/-241	79.8%	+/-25.6
Civilian labor force	206	+/-241	79.8%	+/-25.6
Employed	202	+/-241	78.3%	+/-28.4
Own children under 6 years	38	+/-18	38	(X)
All parents in family in labor force	25	+/-14	65.8%	+/-29.2
Own children 6 to 17 years	76	+/-39	76	(X)
All parents in family in labor force	74	+/-39	97.4%	+/-6.1
COMMUTING TO WORK				
Workers 16 years and over	860	+/-1,233	860	(X)
Car, truck, or van -- drove alone	25	+/-28	2.9%	+/-12.7
Car, truck, or van -- carpooled	21	+/-16	2.4%	+/-6.3
Public transportation (excluding taxicab)	0	+/-109	0.0%	+/-3.1
Walked	808	+/-1,245	94.0%	+/-20.2
Other means	6	+/-6	0.7%	+/-2.0
Worked at home	0	+/-109	0.0%	+/-3.1
Mean travel time to work (minutes)	2.9	+/-1.0	(X)	(X)
OCCUPATION				
Civilian employed population 16 years and over	866	+/-1,233	866	(X)
Management, business, science, and arts occupations	101	+/-123	11.7%	+/-6.0
Service occupations	8	+/-7	0.9%	+/-2.5
Sales and office occupations	184	+/-244	21.2%	+/-4.3
Natural resources, construction, and maintenance occupations	15	+/-17	1.7%	+/-7.5

Subject	St. Paul city, Alaska			
	Estimate	Estimate Margin of Error	Percent	Percent Margin of Error
Production, transportation, and material moving occupations	558	+/-874	64.4%	+/-19.3
INDUSTRY				
Civilian employed population 16 years and over	866	+/-1,233	866	(X)
Agriculture, forestry, fishing and hunting, and mining	5	+/-7	0.6%	+/-1.4
Construction	4	+/-4	0.5%	+/-1.4
Manufacturing	781	+/-1,250	90.2%	+/-32.8
Wholesale trade	2	+/-4	0.2%	+/-1.1
Retail trade	17	+/-12	2.0%	+/-6.6
Transportation and warehousing, and utilities	11	+/-12	1.3%	+/-5.2
Information	2	+/-3	0.2%	+/-0.5
Finance and insurance, and real estate and rental and leasing	0	+/-109	0.0%	+/-3.1
Professional, scientific, and management, and administrative and waste management services	6	+/-9	0.7%	+/-3.3
Educational services, and health care and social assistance	19	+/-12	2.2%	+/-6.8
Arts, entertainment, and recreation, and accommodation and food services	0	+/-109	0.0%	+/-3.1
Other services, except public administration	4	+/-6	0.5%	+/-2.2
Public administration	15	+/-16	1.7%	+/-6.7
CLASS OF WORKER				
Civilian employed population 16 years and over	866	+/-1,233	866	(X)
Private wage and salary workers	832	+/-1,239	96.1%	+/-13.1
Government workers	33	+/-23	3.8%	+/-13.2
Self-employed in own not incorporated business workers	1	+/-3	0.1%	+/-0.4
Unpaid family workers	0	+/-109	0.0%	+/-3.1
INCOME AND BENEFITS (IN 2010 INFLATION-ADJUSTED DOLLARS)				
Total households	99	+/-70	99	(X)
Less than \$10,000	10	+/-9	10.1%	+/-9.0
\$10,000 to \$14,999	2	+/-6	2.0%	+/-4.2
\$15,000 to \$24,999	20	+/-14	20.2%	+/-10.2
\$25,000 to \$34,999	15	+/-17	15.2%	+/-8.7
\$35,000 to \$49,999	15	+/-18	15.2%	+/-9.2
\$50,000 to \$74,999	16	+/-13	16.2%	+/-10.1
\$75,000 to \$99,999	7	+/-14	7.1%	+/-9.7
\$100,000 to \$149,999	10	+/-9	10.1%	+/-6.3
\$150,000 to \$199,999	3	+/-4	3.0%	+/-4.1
\$200,000 or more	1	+/-4	1.0%	+/-3.0
Median household income (dollars)	38,125	+/-10,092	(X)	(X)
Mean household income (dollars)	52,173	+/-9,627	(X)	(X)
With earnings	71	+/-68	71.7%	+/-18.4
Mean earnings (dollars)	47,731	+/-11,392	(X)	(X)
With Social Security	31	+/-15	31.3%	+/-18.8
Mean Social Security income (dollars)	9,871	+/-2,540	(X)	(X)
With retirement income	40	+/-21	40.4%	+/-15.3
Mean retirement income (dollars)	17,390	+/-6,161	(X)	(X)
With Supplemental Security Income	4	+/-5	4.0%	+/-4.4
Mean Supplemental Security Income (dollars)	3,025	+/-1,196	(X)	(X)
With cash public assistance income	6	+/-7	6.1%	+/-6.4
Mean cash public assistance income (dollars)	4,617	+/-3,131	(X)	(X)
With Food Stamp/SNAP benefits in the past 12 months	14	+/-15	14.1%	+/-8.0
Families	61	+/-47	61	(X)
Less than \$10,000	0	+/-109	0.0%	+/-34.4
\$10,000 to \$14,999	0	+/-109	0.0%	+/-34.4
\$15,000 to \$24,999	13	+/-13	21.3%	+/-12.0
\$25,000 to \$34,999	9	+/-10	14.8%	+/-11.3
\$35,000 to \$49,999	9	+/-9	14.8%	+/-9.2
\$50,000 to \$74,999	11	+/-13	18.0%	+/-12.9

Subject	St. Paul city, Alaska			
	Estimate	Estimate Margin of Error	Percent	Percent Margin of Error
\$75,000 to \$99,999	5	+/-10	8.2%	+/-11.0
\$100,000 to \$149,999	10	+/-9	16.4%	+/-10.6
\$150,000 to \$199,999	3	+/-4	4.9%	+/-6.5
\$200,000 or more	1	+/-4	1.6%	+/-4.9
Median family income (dollars)	48,750	+/-13,733	(X)	(X)
Mean family income (dollars)	65,323	+/-13,501	(X)	(X)
Per capita income (dollars)	26,198	+/-5,735	(X)	(X)
Nonfamily households	38	+/-28	38	(X)
Median nonfamily income (dollars)	20,833	+/-16,846	(X)	(X)
Mean nonfamily income (dollars)	27,855	+/-10,085	(X)	(X)
Median earnings for workers (dollars)	21,417	+/-1,360	(X)	(X)
Median earnings for male full-time, year-round workers (dollars)	18,972	+/-1,162	(X)	(X)
Median earnings for female full-time, year-round workers (dollars)	24,103	+/-3,356	(X)	(X)
HEALTH INSURANCE COVERAGE				
Civilian noninstitutionalized population	(X)	(X)	(X)	(X)
With health insurance coverage	(X)	(X)	(X)	(X)
With private health insurance	(X)	(X)	(X)	(X)
With public coverage	(X)	(X)	(X)	(X)
No health insurance coverage	(X)	(X)	(X)	(X)
Civilian noninstitutionalized population under 18 years	(X)	(X)	(X)	(X)
No health insurance coverage	(X)	(X)	(X)	(X)
Civilian noninstitutionalized population 18 to 64 years	(X)	(X)	(X)	(X)
In labor force:	(X)	(X)	(X)	(X)
Employed:	(X)	(X)	(X)	(X)
With health insurance coverage	(X)	(X)	(X)	(X)
With private health insurance	(X)	(X)	(X)	(X)
With public coverage	(X)	(X)	(X)	(X)
No health insurance coverage	(X)	(X)	(X)	(X)
Unemployed:	(X)	(X)	(X)	(X)
With health insurance coverage	(X)	(X)	(X)	(X)
With private health insurance	(X)	(X)	(X)	(X)
With public coverage	(X)	(X)	(X)	(X)
No health insurance coverage	(X)	(X)	(X)	(X)
Not in labor force:	(X)	(X)	(X)	(X)
With health insurance coverage	(X)	(X)	(X)	(X)
With private health insurance	(X)	(X)	(X)	(X)
With public coverage	(X)	(X)	(X)	(X)
No health insurance coverage	(X)	(X)	(X)	(X)
PERCENTAGE OF FAMILIES AND PEOPLE WHOSE INCOME IN THE PAST 12 MONTHS IS BELOW THE POVERTY LEVEL				
All families	(X)	(X)	1.6%	+/-4.6
With related children under 18 years	(X)	(X)	4.2%	+/-9.4
With related children under 5 years only	(X)	(X)	0.0%	+/-100.0
Married couple families	(X)	(X)	3.0%	+/-7.9
With related children under 18 years	(X)	(X)	9.1%	+/-16.1
With related children under 5 years only	(X)	(X)	-	**
Families with female householder, no husband present	(X)	(X)	0.0%	+/-56.9
With related children under 18 years	(X)	(X)	0.0%	+/-78.7
With related children under 5 years only	(X)	(X)	0.0%	+/-100.0
All people	(X)	(X)	17.7%	+/-4.8
Under 18 years	(X)	(X)	9.0%	+/-13.0
Related children under 18 years	(X)	(X)	9.0%	+/-13.0
Related children under 5 years	(X)	(X)	16.7%	+/-24.1
Related children 5 to 17 years	(X)	(X)	5.8%	+/-9.1
18 years and over	(X)	(X)	18.8%	+/-3.1
18 to 64 years	(X)	(X)	19.2%	+/-2.6

Subject	St. Paul city, Alaska			
	Estimate	Estimate Margin of Error	Percent	Percent Margin of Error
65 years and over	(X)	(X)	9.8%	+/-16.1
People in families	(X)	(X)	6.0%	+/-9.1
Unrelated individuals 15 years and over	(X)	(X)	21.0%	+/-3.5

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

There were changes in the edit between 2009 and 2010 regarding Supplemental Security Income (SSI) and Social Security. The changes in the edit loosened restrictions on disability requirements for receipt of SSI resulting in an increase in the total number of SSI recipients in the American Community Survey. The changes also loosened restrictions on possible reported monthly amounts in Social Security income resulting in higher Social Security aggregate amounts. These results more closely match administrative counts compiled by the Social Security Administration.

Workers include members of the Armed Forces and civilians who were at work last week.

Industry codes are 4-digit codes and are based on the North American Industry Classification System 2007. The Industry categories adhere to the guidelines issued in Clarification Memorandum No. 2, "NAICS Alternate Aggregation Structure for Use By U.S. Statistical Agencies," issued by the Office of Management and Budget.

Occupation codes are 4-digit codes and are based on the Standard Occupational Classification (SOC) 2010. The 2010 Census occupation codes were updated in accordance with the 2010 revision of the SOC. To allow for the creation of 2006-2010 and 2008-2010 tables, occupation data in the multiyear files (2006-2010 and 2008-2010) were recoded to 2010 Census occupation codes. We recommend using caution when comparing data coded using 2010 Census occupation codes with data coded using previous Census occupation codes. For more information on the Census occupation code changes, please visit our website at <http://www.census.gov/hhes/www/oiindex/>.

While the 2006-2010 American Community Survey (ACS) data generally reflect the December 2009 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2000 data. Boundaries for urban areas have not been updated since Census 2000. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Source: U.S. Census Bureau, 2006-2010 American Community Survey

Explanation of Symbols:

1. An '***' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
2. An '-' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
3. An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
4. An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
5. An '***' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
6. An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
7. An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
8. An '(X)' means that the estimate is not applicable or not available.

[Department of Labor / Research and Analysis Section]

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Alaska Local and Regional Information

Please note: There is an important distinction between the local/regional employment data and our "standard" employment series. [Read more here.](#)[ALARI faqs](#)**St. Paul city**

[Map](#) St. Paul is a second class city located on the southern tip of St. Paul Island, the largest of five islands in the Pribilofs. It lies about 45 miles north of St. George Island.

[Department of Commerce, Community, and Economic Development community profile](#)
[Worker characteristics](#)
[Occupations](#)
[Industries](#)
[Population estimates](#)
[New housing units](#)
[Tax](#)
[2010 Census](#)

Worker Characteristics





	2010	2007
Residents age 16 and over	328	313
Residents employed	230	220
Female workers	108	104
Male workers	122	116
Workers age 45 and over	90	90
Workers age 50 and over	59	59
Total wages	\$6,527,826	\$5,485,433
Sector employed in		
Private	119	116
Local government	109	101
State government	2	3
Peak quarterly employment	192	192
Workers employed all 4 quarters	135	145
New hires	92	95
Unemployment insurance claimants	51	61
Worked in an AGIA occupation	210	210

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

[Return to top](#)
[Worker characteristics](#)
[Occupations](#)
[Industries](#)
[Population estimates](#)
[New housing units](#)
[Tax](#)
[2010 Census](#)


Occupations

2010 Top Occupations [\(go to expanded occupations page\)](#)






	Number of workers	Female	Male	Age 45 and over	Age 50 and over
Executive Secretaries and Executive Administrative Assistants GASLINE TOP JOB	15	14	1	3	3
Meat, Poultry, and Fish Cutters and Trimmers	15	6	9	7	5
Laborers and Freight, Stock, and Material Movers, Hand GASLINE 	13	0	13	2	2
Installation, Maintenance, and Repair Workers, All Other 	11	2	9	4	2
Office Clerks, General GASLINE	11	7	4	2	1
Janitors and Cleaners, Except Maids and Housekeeping Cleaners GASLINE	11	4	7	9	6
Construction Laborers GASLINE TOP JOB	10	4	6	2	2
Helpers--Installation, Maintenance, and Repair Workers GASLINE 	9	0	9	4	4
Cashiers	7	7	0	2	1
Elementary School Teachers, Except Special Education TOP JOB	6	4	2	0	0
Office and Administrative Support Workers, All Other GASLINE	6	5	1	3	1
Operating Engineers and Other Construction Equipment Operators GASLINE TOP JOB 	5	0	5	0	0
Nursing Assistants	5	5	0	2	2
General and Operations Managers TOP JOB	5	2	3	4	4

GASLINE means the occupation has been identified as a core occupation involved in the gasoline project. [Read more.](#)

TOP JOB means the occupation is projected to have a high growth rate and numerous openings, and has an above average wage. [Read more.](#)


 means the occupation has been identified as green. [Read more.](#)

2007 Top Occupations [\(go to expanded occupations page\)](#)

	Number of workers	Female	Male	Age 45 and over	Age 50 and over
Executive Secretaries and Executive Administrative Assistants GASLINE TOP JOB	17	13	4	4	1
Laborers and Freight, Stock, and Material Movers, Hand GASLINE 	17	0	17	5	3
Construction Laborers GASLINE TOP JOB	10	2	8	3	2
Janitors and Cleaners, Except Maids and Housekeeping Cleaners GASLINE	10	3	7	10	7
Cashiers	7	6	1	2	1
General and Operations Managers TOP JOB	7	2	5	6	4
Office and Administrative Support Workers, All Other GASLINE	6	5	1	3	2
Helpers--Installation, Maintenance, and Repair Workers GASLINE 	6	0	6	3	2
Installation, Maintenance, and Repair Workers, All Other 	6	1	5	3	3
Police, Fire, and Ambulance Dispatchers	6	4	2	2	1
Meat, Poultry, and Fish Cutters and Trimmers	5	2	3	3	2
Helpers--Carpenters GASLINE 	5	0	5	0	0
Carpenters GASLINE TOP JOB 	5	0	5	1	0
Office Clerks, General GASLINE	5	3	2	1	1
Computer Specialists, All Other	5	5	0	0	0
Bookkeeping, Accounting, and Auditing Clerks GASLINE	5	5	0	2	2

GASLINE means the occupation has been identified as a core occupation involved in the gasoline project. [Read more.](#)

TOP JOB means the occupation is projected to have a high growth rate and numerous openings, and has an above average wage. [Read more.](#)

 means the occupation has been identified as green. [Read more.](#)

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

[Return to top](#)

[Worker characteristics](#) [Occupations](#) [Industries](#) [Population estimates](#) [New housing units](#) [Tax](#) [2010 Census](#)

Industries

2010 Workers by Industry

	Number of workers	Percent of total employed	Female	Male	Age 45 and over	Age 50 and over
Construction	13	5.7	3	10	5	2
Manufacturing	19	8.3	6	13	10	7
Trade, Transportation and Utilities	22	9.6	10	12	3	2
Financial Activities	26	11.3	14	12	10	8
Professional and Business Services	5	2.2	2	3	2	1
Educational and Health Services	20	8.7	19	1	8	6
Leisure and Hospitality	1	0.4	0	1	0	0
State Government	2	0.9	1	1	0	0
Local Government	109	47.4	49	60	45	30
Other	13	5.7	4	9	7	3

Number of Workers with Experience in Industry 2006–2010

Accommodation and food services	6	Management of companies and enterprises	1
Administration and support and waste management	61	Manufacturing	74
Agriculture, forestry, fishing and hunting	0	Mining	4
Arts, entertainment and recreation	4	Professional, scientific and technical services	29
Construction	37	Real estate and rental and leasing	15
Educational services	2	State government	24
Finance and insurance	66	Trade	76
Health care and social assistance	45	Transportation and warehousing	17
Information	1	Utilities	3

2007 Workers by Industry

	Number of workers	Percent of total employed	Female	Male	Age 45 and over	Age 50 and over
Construction	7	3.2	2	5	3	2
Manufacturing	6	2.7	2	4	4	3
Trade, Transportation and Utilities	25	11.4	13	12	5	4
Financial Activities	28	12.7	10	18	15	11
Professional and Business Services	18	8.2	9	9	1	0
Educational and Health Services	20	9.1	17	3	10	7
Leisure and Hospitality	1	0.5	1	0	0	0
State Government	3	1.4	2	1	0	0
Local Government	101	45.9	44	57	47	28
Other	11	5.0	4	7	5	4

Number of Workers with Experience in Industry 2003–2007

Accommodation and food services	5	Management of companies and enterprises	1
Administration and support and waste management	87	Manufacturing	39
Agriculture, forestry, fishing and hunting	0	Mining	0
Arts, entertainment and recreation	2	Professional, scientific and technical services	15
Construction	58	Real estate and rental and leasing	15
Educational services	1	State government	21
Finance and insurance	58	Trade	58
Health care and social assistance	49	Transportation and warehousing	28
Information	1	Utilities	2

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

[Return to top](#)

[Worker characteristics](#) [Occupations](#) [Industries](#) [Population estimates](#) [New housing units](#) [Tax](#) [2010 Census](#)

Population Estimates

Year	Population
2000	532
2001	522
2002	526
2003	524
2004	475
2005	469
2006	448
2007	428
2008	432
2009	439
2010	479
2011	481

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

[Return to top](#)

[Worker characteristics](#) [Occupations](#) [Industries](#)

[Population estimates](#) [New housing units](#) [Tax](#) [2010 Census](#)

New Housing Units

The Alaska new housing unit survey provides an overview of new residential housing structures in selected communities throughout the state. Local governments and housing agencies are surveyed quarterly to obtain numbers of new single family, multifamily, and mobile home units. [Visit the housing information page.](#)

New housing units for 2010: 0

New housing units for 2007: 0

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

[Return to top](#)[Worker characteristics](#) [Occupations](#) [Industries](#) [Population estimates](#) [New housing units](#) [Tax](#) [2010 Census](#)

Tax Revenue

2010

	Tax revenue
Raw Fish Tax	\$1,154,002
Sales Tax	\$335,387

2007

	Tax revenue
Fish Tax	\$575,397
Sales Tax	\$370,240

[Click here to see historical tax revenues.](#)

Source: Alaska Department of Commerce, Community, and Economic Development, Office of the State Assessor.

[Return to top](#)[Worker characteristics](#) [Occupations](#) [Industries](#) [Population estimates](#) [New housing units](#) [Tax](#) [2010 Census](#)

2010 Census

Age and Sex

	Total	Male	Female
Total	479	254	225
Under 5 years	40	20	20
5 to 9 years	30	12	18
10 to 14 years	36	16	20
15 to 19 years	44	21	23
20 to 24 years	30	18	12
25 to 29 years	37	21	16
30 to 34 years	27	16	11
35 to 39 years	34	23	11
40 to 44 years	42	25	17
45 to 49 years	38	21	17
50 to 54 years	36	22	14
55 to 59 years	20	11	9
60 to 64 years	30	17	13
65 to 69 years	15	6	9
70 to 74 years	9	3	6
75 to 79 years	6	2	4
80 to 84 years	2	0	2
85 years and over	3	0	3

Median age		
Both	Male	Female
34.4	35.6	31.8

Race

	Number	Percent
White	53	11.1
Black	2	0.4
American Indian/AK Native	394	82.3
Asian	3	0.6
Pacific Islander	1	0.2
Other	3	0.6

Two or more races	23	4.8
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Household and Family Size

Average household size	2.81
Average family size	3.35

see more census data, visit our [2010 Census](#) website.

Source: United States Census Bureau.

[Return to top](#)

To

Vacancy Rates

Total housing units	190
Homeowner vacancy rate	0.0%
Rental vacancy rate	14.3%

CDQ PERFORMANCE

COMMUNITY DEVELOPMENT QUOTA		2006				2007				2008			
SPECIES & ALLOCATIONS	%	Allocation	Transfer	Harvest	Allocation Remaining	Allocation	Transfer	Harvest	Allocation Remaining	Allocation	Transfer	Harvest	Allocation Remaining
DIRECT CRAB CDQ													
Opilio Snow Crab (BSS)	20%	731,320.0	-	730,580.0	740.0	1,260,680.0	-	1,260,406.0	274.0	1,171,000.0	-	1,171,000.0	-
Bairdi Tanner Crab (BST)	19%	56,411.0	-	20,786.0	35,625.0	106,799.0	-	14,604.0	92,195.0	81,700.0	-	52,616.0	29,084.0
Bristol Bay Red King Crab (BBR)	10%	155,270.0	-	155,270.0	-	203,830.0	-	203,880.0	(50.0)	203,640.0	-	203,639.0	1.0
Eastern Aleutians Golden King Crab (EAG)	21%	63,000.0	24,000.0	87,000.0	-	63,000.0	24,000.0	87,000.0	-	66,150.0	25,200.0	91,350.0	-
St. Matthew Blue King Crab (SMB)	0%	-	-	-	-	-	-	-	-	-	-	-	-
Pribilof Island King Crab (PIKC)	100%	-	-	-	-	-	-	-	-	-	-	-	-
DIRECTED HALIBUT CDQ													
4C Halibut	85%	684,250.0	-	667,597.0	16,653.0	793,262.0	-	789,416.0	3,846.0	751,825.0	-	755,429.0	(3,604.0)
Pollock & Cod Targets													
BS Pollock	5%	7,425.0	(7,425.0)	-	-	6,970.0	(6,970.0)	-	-	5,000.0	(5,000.0)	-	-
AI Pollock	5%	95.0	(95.0)	-	-	95.0	-	-	95.0	95.0	-	-	95.0
Pacific Cod	9%	1,281.0	(1,281.0)	-	-	1,152.0	(1,152.4)	-	(0.4)	1,631.2	(1,631.2)	-	-
AI Trawl Targets													
WAI Atka Mackerel	8%	93.0	(92.9)	-	-	57.6	(57.0)	-	0.6	144.7	(144.0)	-	0.7
CAI Atka Mackerel	8%	240.0	(239.9)	-	-	177.6	(177.6)	-	-	208.0	(208.0)	-	0.0
EAI/BS Atka Mackerel	8%	45.0	(44.4)	-	-	142.8	(142.2)	-	0.6	166.9	(166.6)	-	0.3
WAI Pacific Ocean Perch	8%	30.5	(30.0)	-	-	46.3	(46.0)	-	0.3	65.1	(65.0)	-	0.1
CAI Pacific Ocean Perch	8%	18.0	(18.0)	-	-	30.3	(30.0)	-	0.3	42.7	(42.0)	-	0.7
EAI/BS Pacific Ocean Perch	8%	18.0	(18.0)	-	-	29.8	(29.0)	-	0.8	41.9	(41.0)	-	0.9
BS Flatfish Targets													
Yellowfin Sole	8%	574.0	(574.2)	-	-	816.0	(815.5)	-	0.5	1,926.6	(1,925.2)	-	1.4
Rock Sole	8%	249.0	(24.0)	-	-	330.0	(329.5)	-	0.5	639.1	(639.0)	-	0.1
Flathead Sole	9%	131.7	(131.7)	-	-	202.5	(202.0)	-	0.5	474.5	(474.0)	-	0.5
BSAI Sablefish Targets													
BS Fixed Gear Sablefish	16%	45.0	(25.0)	-	-	47.7	(45.0)	-	2.7	45.8	(45.0)	-	0.8
AI Fixed Gear Sablefish	3%	13.5	(13.5)	-	-	12.7	(10.0)	-	2.7	11.0	-	-	11.0
PSQ RESERVE CATEGORY													
Zone 1 Red King Crab	8%	1,182.0	(782.0)	-	400.0	1,182.0	(770.0)	-	412.0	1,686.0	(850.0)	-	836.0
Zone 1 Bairdi Tanner Crab	8%	5,880.0	(3,310.0)	-	2,570.0	5,880.0	(3,100.0)	-	2,780.0	8,389.0	(3,200.0)	-	5,189.0
Zone 2 Bairdi Tanner Crab	8%	17,820.0	(13,400.0)	-	4,420.0	17,820.0	(13,100.0)	-	4,720.0	25,423.0	(13,200.0)	-	12,223.0
Opilio Tanner Crab	8%	34,570.0	(15,940.0)	-	18,630.0	26,100.0	(15,100.0)	-	11,000.0	37,236.0	(15,200.0)	-	22,036.0
Pacific Halibut (mt)	9%	31.0	(21.0)	-	10.0	30.8	(18.0)	-	12.8	30.9	(30.9)	-	-
Chinook Salmon	5%	109.0	109.0	-	109.0	109.0	(109.0)	-	-	109.0	(109.0)	-	-
Non-Chinook Salmon	5%	158.0	(158.0)	-	-	158.0	(158.0)	-	-	225.0	(158.0)	-	67.0
NON-TARGET GROUND FISH SPECIES													
BS Sablefish (Trawl)	9%	9.5	(3.6)	-	5.9	10.1	(10.0)	-	0.1	9.7	(9.7)	-	-
AI Sablefish (Trawl)	8%	4.5	(1.5)	-	3.0	4.2	(4.0)	-	0.2	3.7	(3.7)	-	-
BS Greenland Turbot	8%	11.4	(11.4)	-	-	10.1	(9.5)	-	0.6	15.0	(14.2)	-	0.8
Arrowtooth Flounder	9%	87.8	(87.8)	-	-	135.0	(134.5)	-	0.5	722.3	(720.0)	-	2.3

Table DP-1. Profile of General Demographic Characteristics: 2000

Geographic Area: St. Paul city, Alaska

[For information on confidentiality protection, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
Total population	532	100.0	HISPANIC OR LATINO AND RACE		
SEX AND AGE			Total population	532	100.0
Male.....	294	55.3	Hispanic or Latino (of any race).....	-	-
Female.....	238	44.7	Mexican.....	-	-
Under 5 years.....	38	7.1	Puerto Rican.....	-	-
5 to 9 years.....	35	6.6	Cuban.....	-	-
10 to 14 years.....	46	8.6	Other Hispanic or Latino.....	-	-
15 to 19 years.....	53	10.0	Not Hispanic or Latino.....	532	100.0
20 to 24 years.....	36	6.8	White alone.....	69	13.0
25 to 34 years.....	78	14.7	RELATIONSHIP		
35 to 44 years.....	95	17.9	Total population	532	100.0
45 to 54 years.....	79	14.8	In households.....	510	95.9
55 to 59 years.....	24	4.5	Householder.....	177	33.3
60 to 64 years.....	19	3.6	Spouse.....	71	13.3
65 to 74 years.....	16	3.0	Child.....	199	37.4
75 to 84 years.....	10	1.9	Own child under 18 years.....	145	27.3
85 years and over.....	3	0.6	Other relatives.....	30	5.6
Median age (years).....	31.9	(X)	Under 18 years.....	8	1.5
18 years and over.....	375	70.5	Nonrelatives.....	33	6.2
Male.....	209	39.3	Unmarried partner.....	15	2.8
Female.....	166	31.2	In group quarters.....	22	4.1
21 years and over.....	353	66.4	Institutionalized population.....	-	-
62 years and over.....	41	7.7	Noninstitutionalized population.....	22	4.1
65 years and over.....	29	5.5	HOUSEHOLD BY TYPE		
Male.....	9	1.7	Total households	177	100.0
Female.....	20	3.8	Family households (families).....	123	69.5
RACE			With own children under 18 years.....	68	38.4
One race.....	529	99.4	Married-couple family.....	71	40.1
White.....	69	13.0	With own children under 18 years.....	41	23.2
Black or African American.....	-	-	Female householder, no husband present.....	39	22.0
American Indian and Alaska Native.....	457	85.9	With own children under 18 years.....	19	10.7
Asian.....	-	-	Nonfamily households.....	54	30.5
Asian Indian.....	-	-	Householder living alone.....	44	24.9
Chinese.....	-	-	Householder 65 years and over.....	11	6.2
Filipino.....	-	-	Households with individuals under 18 years.....	74	41.8
Japanese.....	-	-	Households with individuals 65 years and over.....	27	15.3
Korean.....	-	-	Average household size.....	2.88	(X)
Vietnamese.....	-	-	Average family size.....	3.44	(X)
Other Asian ¹	-	-	HOUSING OCCUPANCY		
Native Hawaiian and Other Pacific Islander.....	3	0.6	Total housing units	214	100.0
Native Hawaiian.....	-	-	Occupied housing units.....	177	82.7
Guamanian or Chamorro.....	2	0.4	Vacant housing units.....	37	17.3
Samoan.....	1	0.2	For seasonal, recreational, or		
Other Pacific Islander ²	-	-	occasional use.....	11	5.1
Some other race.....	-	-	Homeowner vacancy rate (percent).....	1.9	(X)
Two or more races.....	3	0.6	Rental vacancy rate (percent).....	7.4	(X)
Race alone or in combination with one			HOUSING TENURE		
or more other races: ³			Occupied housing units	177	100.0
White.....	70	13.2	Owner-occupied housing units.....	102	57.6
Black or African American.....	1	0.2	Renter-occupied housing units.....	75	42.4
American Indian and Alaska Native.....	460	86.5	Average household size of owner-occupied units.....	3.31	(X)
Asian.....	-	-	Average household size of renter-occupied units.....	2.29	(X)
Native Hawaiian and Other Pacific Islander.....	3	0.6			
Some other race.....	1	0.2			

- Represents zero or rounds to zero. (X) Not applicable.

¹ Other Asian alone, or two or more Asian categories.

² Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.

³ In combination with one or more of the other races listed. The six numbers may add to more than the total population and the six percentages may add to more than 100 percent because individuals may report more than one race.

Source: U.S. Census Bureau, Census 2000.

Table DP-2. Profile of Selected Social Characteristics: 2000

Geographic area: St. Paul city, Alaska

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
SCHOOL ENROLLMENT			NATIVITY AND PLACE OF BIRTH		
Population 3 years and over enrolled in school			Total population	590	100.0
Nursery school, preschool.....	20	9.8	Native.....	588	99.7
Kindergarten.....	3	1.5	Born in United States.....	585	99.2
Elementary school (grades 1-8).....	91	44.4	State of residence.....	479	81.2
High school (grades 9-12).....	73	35.6	Different state.....	106	18.0
College or graduate school.....	18	8.8	Born outside United States.....	3	0.5
EDUCATIONAL ATTAINMENT			Foreign born.....	2	0.3
Population 25 years and over			Entered 1990 to March 2000.....	-	-
Less than 9th grade.....	43	11.6	Naturalized citizen.....	2	0.3
9th to 12th grade, no diploma.....	55	14.8	Not a citizen.....	-	-
High school graduate (includes equivalency).....	135	36.4	REGION OF BIRTH OF FOREIGN BORN		
Some college, no degree.....	92	24.8	Total (excluding born at sea)		
Associate degree.....	7	1.9	Europe.....	-	-
Bachelor's degree.....	27	7.3	Asia.....	2	100.0
Graduate or professional degree.....	12	3.2	Africa.....	-	-
Percent high school graduate or higher.....	73.6	(X)	Oceania.....	-	-
Percent bachelor's degree or higher.....	10.5	(X)	Latin America.....	-	-
MARITAL STATUS			Northern America.....	-	-
Population 15 years and over			LANGUAGE SPOKEN AT HOME		
Never married.....	181	40.0	Population 5 years and over		
Now married, except separated.....	169	37.3	English only.....	409	73.4
Separated.....	12	2.6	Language other than English.....	148	26.6
Widowed.....	38	8.4	Speak English less than "very well".....	44	7.9
Female.....	32	7.1	Spanish.....	1	0.2
Divorced.....	53	11.7	Speak English less than "very well".....	-	-
Female.....	26	5.7	Other Indo-European languages.....	-	-
GRANDPARENTS AS CAREGIVERS			Speak English less than "very well".....	-	-
Grandparent living in household with one or more own grandchildren under 18 years			Asian and Pacific Island languages.....	8	1.4
Grandparent responsible for grandchildren.....	9	100.0	Speak English less than "very well".....	4	0.7
VETERAN STATUS			ANCESTRY (single or multiple)		
Civilian population 18 years and over			Total population		
Civilian veterans.....	89	23.5	Total ancestries reported	583	98.8
DISABILITY STATUS OF THE CIVILIAN NONINSTITUTIONALIZED POPULATION			Arab.....	-	-
Population 5 to 20 years			Czech ¹	3	0.5
With a disability.....	15	9.0	Danish.....	2	0.3
Population 21 to 64 years			Dutch.....	-	-
With a disability.....	75	22.5	English.....	5	0.8
Percent employed.....	62.7	(X)	French (except Basque) ¹	3	0.5
No disability.....	258	77.5	French Canadian ¹	-	-
Percent employed.....	66.7	(X)	German.....	27	4.6
Population 65 years and over			Greek.....	-	-
With a disability.....	21	80.8	Hungarian.....	-	-
RESIDENCE IN 1995			Irish ¹	12	2.0
Population 5 years and over			Italian.....	2	0.3
Same house in 1995.....	323	58.0	Lithuanian.....	-	-
Different house in the U.S. in 1995.....	226	40.6	Norwegian.....	2	0.3
Same county.....	122	21.9	Polish.....	-	-
Different county.....	104	18.7	Portuguese.....	2	0.3
Same state.....	47	8.4	Russian.....	6	1.0
Different state.....	57	10.2	Scotch-Irish.....	3	0.5
Elsewhere in 1995.....	8	1.4	Scottish.....	18	3.1
			Slovak.....	-	-
			Subsaharan African.....	-	-
			Swedish.....	2	0.3
			Swiss.....	-	-
			Ukrainian.....	2	0.3
			United States or American.....	-	-
			Welsh.....	2	0.3
			West Indian (excluding Hispanic groups).....	-	-
			Other ancestries.....	492	83.4

-Represents zero or rounds to zero. (X) Not applicable.

¹The data represent a combination of two ancestries shown separately in Summary File 3. Czech includes Czechoslovakian. French includes Alsatian. French Canadian includes Acadian/Cajun. Irish includes Celtic.

Source: U.S. Bureau of the Census, Census 2000.

Table DP-3. Profile of Selected Economic Characteristics: 2000

Geographic area: St. Paul city, Alaska

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
EMPLOYMENT STATUS			INCOME IN 1999		
Population 16 years and over			Households		
In labor force	441	100.0	Less than \$10,000.....	179	100.0
Civilian labor force.....	298	67.6	\$10,000 to \$14,999.....	10	5.6
Employed.....	267	60.5	\$15,000 to \$24,999.....	5	2.8
Unemployed.....	227	51.5	\$25,000 to \$34,999.....	12	6.7
Percent of civilian labor force.....	40	9.1	\$35,000 to \$49,999.....	29	16.2
Armed Forces.....	15.0	(X)	\$50,000 to \$74,999.....	32	17.9
Not in labor force.....	31	7.0	\$75,000 to \$99,999.....	53	29.6
Females 16 years and over	143	32.4	\$100,000 to \$149,999.....	24	13.4
In labor force.....	191	100.0	\$150,000 to \$199,999.....	12	6.7
Civilian labor force.....	108	56.5	\$200,000 or more.....	2	1.1
Employed.....	108	56.5	Median household income (dollars).....	50,750	(X)
Own children under 6 years.....	97	50.8	With earnings.....	154	86.0
All parents in family in labor force.....	34	100.0	Mean earnings (dollars) ¹	49,154	(X)
All parents in family in labor force.....	23	67.6	With Social Security income.....	19	10.6
COMMUTING TO WORK			Mean Social Security income (dollars) ¹	4,963	(X)
Workers 16 years and over			With Supplemental Security Income.....	6	3.4
Car, truck, or van -- drove alone.....	236	100.0	Mean Supplemental Security Income (dollars) ¹	5,050	(X)
Car, truck, or van -- carpooled.....	77	32.6	With public assistance income.....	14	7.8
Public transportation (including taxicab).....	56	23.7	Mean public assistance income (dollars) ¹	2,864	(X)
Walked.....	2	0.8	With retirement income.....	49	27.4
Other means.....	82	34.7	Mean retirement income (dollars) ¹	20,970	(X)
Worked at home.....	19	8.1	Families		
Mean travel time to work (minutes) ¹	-	(X)	Less than \$10,000.....	125	100.0
Employed civilian population			\$10,000 to \$14,999.....	6	4.8
16 years and over	227	100.0	\$15,000 to \$24,999.....	2	1.6
OCCUPATION			\$25,000 to \$34,999.....	10	8.0
Management, professional, and related occupations.....	90	39.6	\$35,000 to \$49,999.....	18	14.4
Service occupations.....	23	10.1	\$50,000 to \$74,999.....	23	18.4
Sales and office occupations.....	47	20.7	\$75,000 to \$99,999.....	37	29.6
Farming, fishing, and forestry occupations.....	3	1.3	\$100,000 to \$149,999.....	17	13.6
Construction, extraction, and maintenance occupations.....	40	17.6	\$150,000 to \$199,999.....	10	8.0
Production, transportation, and material moving occupations.....	24	10.6	\$200,000 or more.....	2	1.6
INDUSTRY			Median family income (dollars).....	51,750	(X)
Agriculture, forestry, fishing and hunting, and mining.....	6	2.6	Per capita income (dollars) ¹	18,408	(X)
Construction.....	31	13.7	Median earnings (dollars):		
Manufacturing.....	12	5.3	Male full-time, year-round workers.....	32,583	(X)
Wholesale trade.....	4	1.8	Female full-time, year-round workers.....	29,792	(X)
Retail trade.....	8	3.5			
Transportation and warehousing, and utilities.....	32	14.1			
Information.....	-	-			
Finance, insurance, real estate, and rental and leasing.....	1	0.4	POVERTY STATUS IN 1999		
Professional, scientific, management, administrative, and waste management services.....	5	2.2	Families		
Educational, health and social services.....	41	18.1	With related children under 18 years.....	8	6.4
Arts, entertainment, recreation, accommodation and food services.....	9	4.0	With related children under 5 years.....	4	17.4
Other services (except public administration).....	21	9.3	Families with female householder, no husband present		
Public administration.....	57	25.1	With related children under 18 years.....	6	15.0
CLASS OF WORKER			With related children under 5 years.....	2	25.0
Private wage and salary workers.....	95	41.9	Individuals		
Government workers.....	129	56.8	18 years and over.....	66	11.9
Self-employed workers in own not incorporated business.....	3	1.3	65 years and over.....	-	-
Unpaid family workers.....	-	-	Related children under 18 years.....	33	18.9
			Related children 5 to 17 years.....	22	15.5
			Unrelated individuals 15 years and over.....	17	18.1

-Represents zero or rounds to zero. (X) Not applicable.

¹If the denominator of a mean value or per capita value is less than 30, then that value is calculated using a rounded aggregate in the numerator.

See text.

Source: U.S. Bureau of the Census, Census 2000.

Table DP-4. Profile of Selected Housing Characteristics: 2000

Geographic area: St. Paul city, Alaska

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
Total housing units	216	100.0	OCCUPANTS PER ROOM		
UNITS IN STRUCTURE			Occupied housing units	183	100.0
1-unit, detached	152	70.4	1.00 or less	147	80.3
1-unit, attached	-	-	1.01 to 1.50	28	15.3
2 units	14	6.5	1.51 or more	8	4.4
3 or 4 units	13	6.0			
5 to 9 units	8	3.7	Specified owner-occupied units	104	100.0
10 to 19 units	29	13.4	VALUE		
20 or more units	-	-	Less than \$50,000	23	22.1
Mobile home	-	-	\$50,000 to \$99,999	64	61.5
Boat, RV, van, etc	-	-	\$100,000 to \$149,999	13	12.5
			\$150,000 to \$199,999	2	1.9
YEAR STRUCTURE BUILT			\$200,000 to \$299,999	2	1.9
1999 to March 2000	2	0.9	\$300,000 to \$499,999	-	-
1995 to 1998	34	15.7	\$500,000 to \$999,999	-	-
1990 to 1994	4	1.9	\$1,000,000 or more	-	-
1980 to 1989	40	18.5	Median (dollars)	76,500	(X)
1970 to 1979	22	10.2			
1960 to 1969	41	19.0	MORTGAGE STATUS AND SELECTED		
1940 to 1959	28	13.0	MONTHLY OWNER COSTS		
1939 or earlier	45	20.8	With a mortgage	56	53.8
ROOMS			Less than \$300	-	-
1 room	16	7.4	\$300 to \$499	8	7.7
2 rooms	17	7.9	\$500 to \$699	18	17.3
3 rooms	18	8.3	\$700 to \$999	16	15.4
4 rooms	44	20.4	\$1,000 to \$1,499	14	13.5
5 rooms	79	36.6	\$1,500 to \$1,999	-	-
6 rooms	32	14.8	\$2,000 or more	-	-
7 rooms	5	2.3	Median (dollars)	720	(X)
8 rooms	3	1.4	Not mortgaged	48	46.2
9 or more rooms	2	0.9	Median (dollars)	569	(X)
Median (rooms)	4.7	(X)			
Occupied housing units	183	100.0	SELECTED MONTHLY OWNER COSTS		
YEAR HOUSEHOLDER MOVED INTO UNIT			AS A PERCENTAGE OF HOUSEHOLD		
1999 to March 2000	33	18.0	INCOME IN 1999		
1995 to 1998	45	24.6	Less than 15.0 percent	32	30.8
1990 to 1994	19	10.4	15.0 to 19.9 percent	15	14.4
1980 to 1989	34	18.6	20.0 to 24.9 percent	28	26.9
1970 to 1979	22	12.0	25.0 to 29.9 percent	9	8.7
1969 or earlier	30	16.4	30.0 to 34.9 percent	5	4.8
			35.0 percent or more	15	14.4
			Not computed	-	-
VEHICLES AVAILABLE			Specified renter-occupied units	77	100.0
None	75	41.0	GROSS RENT		
1	85	46.4	Less than \$200	2	2.6
2	18	9.8	\$200 to \$299	4	5.2
3 or more	5	2.7	\$300 to \$499	14	18.2
			\$500 to \$749	11	14.3
HOUSE HEATING FUEL			\$750 to \$999	17	22.1
Utility gas	-	-	\$1,000 to \$1,499	12	15.6
Bottled, tank, or LP gas	-	-	\$1,500 or more	-	-
Electricity	4	2.2	No cash rent	17	22.1
Fuel oil, kerosene, etc	157	85.8	Median (dollars)	675	(X)
Coal or coke	-	-			
Wood	-	-	GROSS RENT AS A PERCENTAGE OF		
Solar energy	-	-	HOUSEHOLD INCOME IN 1999		
Other fuel	22	12.0	Less than 15.0 percent	25	32.5
No fuel used	-	-	15.0 to 19.9 percent	11	14.3
			20.0 to 24.9 percent	4	5.2
SELECTED CHARACTERISTICS			25.0 to 29.9 percent	11	14.3
Lacking complete plumbing facilities	4	2.2	30.0 to 34.9 percent	5	6.5
Lacking complete kitchen facilities	3	1.6	35.0 percent or more	4	5.2
No telephone service	20	10.9	Not computed	17	22.1

-Represents zero or rounds to zero. (X) Not applicable.

Source: U.S. Bureau of the Census, Census 2000.

2010 Census Demographic Profile for St. Paul city

Population by Age and Sex

	Total	Male	Female
Total	479	254	225
Under 5 years	40	20	20
5 to 9 years	30	12	18
10 to 14 years	36	16	20
15 to 19 years	44	21	23
20 to 24 years	30	18	12
25 to 29 years	37	21	16
30 to 34 years	27	16	11
35 to 39 years	34	23	11
40 to 44 years	42	25	17
45 to 49 years	38	21	17
50 to 54 years	36	22	14
55 to 59 years	20	11	9
60 to 64 years	30	17	13
65 to 69 years	15	6	9
70 to 74 years	9	3	6
75 to 79 years	6	2	4
80 to 84 years	2	0	2
85 years and over	3	0	3
Median age and population of selected age groups			
Median age	34.4	35.6	31.8
Population 16 years and over	366	203	163
Population 18 years and over	347	195	152
Population 21 years and over	325	183	142
Population 62 years and over	56	23	33
Population 65 years and over	35	11	24

Race

Population of one race: 456

Population of two or more races: 23

	Race alone	Race alone or in combination with one or more other races
White	53	69
Black or African American	2	2
American Indian and Alaska Native	394	417
Asian	3	5
Pacific Islander	1	2
Other	3	7

Hispanic or Latino and Race

Total	17
White alone	2
Black or African American alone	0
American Indian and Alaska Native alone	8
Asian alone	0
Pacific Islander alone	0
Other race alone	3
Two or more races	4

Hispanic or Latino by Origin

Total	17
Mexican	16
Puerto Rican	0
Cuban	0
Other	1

Relationship

Total	479
In households	455
Householder	162
Spouse	58
Child	156
Own child under 18 years	109
Other relatives	40
Under 18 years	20
65 years and over	0
Nonrelatives	39
Under 18 years	3
65 years and over	0
Unmarried partner	23
In group quarters	24
Institutionalized population	0
Male institutionalized population	0
Female institutionalized population	0
Noninstitutionalized population	24
Male noninstitutionalized population	22
Female noninstitutionalized population	2

Households

Total	162
Family households (families)	108
With own children under 18 years	61
Husband-wife family	58
With own children under 18 years	32
Male householder, no wife present	16
With own children under 18 years	11
Female householder, no husband present	34
With own children under 18 years	18
Nonfamily households	54
Householder living alone	46
Male householder living alone	28
65 years and over	1
Female householder living alone	18
65 years and over	9

Households with children/elders

Households with individuals under 18 years	72
Households with individuals 65 years and over	29

Averages

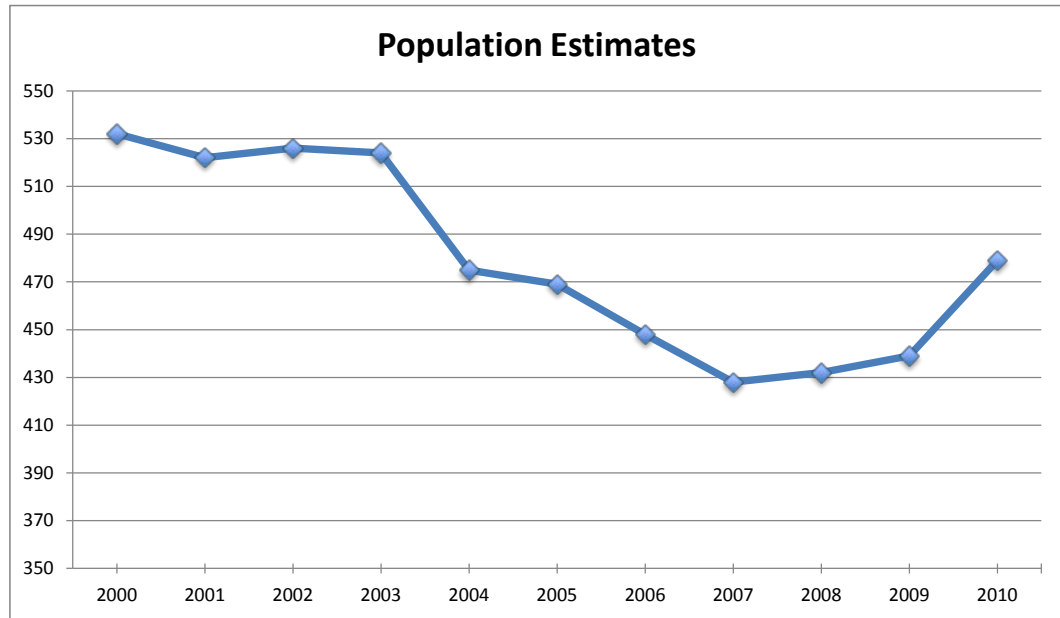
Average household size	2.8
Average family size	3.4

Housing Occupancy

Total	190
Occupied housing units	162
Vacant housing units	28
For rent	12
Rented, not occupied	1
For sale only	0
Sold, not occupied	0
For seasonal, recreational, or occasional use	3
All other vacants	12
Vacancy rates	
Homeowner vacancy rate (percent)	0.0
Rental vacancy rate (percent)	14.3
Housing tenure	
Owner-occupied housing units	91
Renter-occupied housing units	71
Population in owner-occupied housing units	276
Population in renter-occupied housing units	179
Average household size in owner-occupied housing units	3.0
Average household size in renter-occupied housing units	2.5

St. Paul Island Population Estimates 2000-2010

Year	Population
2000	532
2001	522
2002	526
2003	524
2004	475
2005	469
2006	448
2007	428
2008	432
2009	439
2010	479



Source: Department of Labor and Workforce Development, Research and Analysis; <http://live.laborstats.alaska.gov/alari/>