



WESTERN ALASKA COMMUNITY
DEVELOPMENT ASSOCIATION



Western Alaska Community Development Quota Program



2011

ANNUAL REPORT

ELIGIBLE COMMUNITIES AND CDQ ENTITIES

Western Alaska Community Development Quota Program



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ABOUT THE COMMUNITY DEVELOPMENT QUOTA PROGRAM



In coastal western Alaska, 65 communities look out upon the Bering Sea—an expanse of the North Pacific Ocean whose waters hold some of healthiest and most valuable fish stocks in the world. Despite this proximity, for many years lack of infrastructure and opportunity meant that the residents of this region could only watch as the wealth generated by these fisheries accrued elsewhere.

This began to change in 1992 when the North Pacific Fishery Management Council established the Community Development Quota (CDQ) program as a means to address high unemployment and limited economic opportunity in coastal western Alaska. Designed to give these communities access to the fisheries off their coasts, the CDQ program has grown and flourished to become one of the most successful rural development initiatives undertaken in Alaska and, indeed, the nation.

The CDQ program does not depend on direct government funding for its programs and activities; rather, the six nonprofit groups that make up the program are sustained by their ability to harvest a small percentage of the fishery resources of the Bering Sea. The program-wide allocation of roughly 10 percent of many of the Bering Sea's harvestable fish stocks has made a tremendous impact on the 27,700 residents who inhabit the 65 western Alaska coastal communities included in the program. In working to fulfill their mission, CDQ groups have created jobs, infrastructure and opportunity in some of the nation's most geographically isolated and economically depressed communities.

The Western Alaska Community Development Association (WACDA), the author of this report, is the umbrella organization and governing panel for the CDQ program. A nonprofit organization authorized by the Magnuson-Stevens Fishery Conservation and Management Act of 2006, WACDA serves as the trade association for the six individual entities that are responsible for implementing CDQ program. These six entities represent geographic regions along the Bering Sea coast and are (from south to north) Aleutian Pribilof Island Community Development Association, Central Bering Sea Fishermen's Association, Bristol Bay Economic Development Corporation, Coastal Villages Region Fund, Yukon Delta Fisheries Development Association, and Norton Sound Economic Development Corporation.

The revenue largely earned through the harvest of species such as pollock, crab and halibut have funded critical infrastructure, the development of local fisheries, training and scholarship programs, grant programs and social services in CDQ member communities. The six CDQ entities strive to maximize the overall harvest of CDQ quota while minimizing catch of non-target species to the greatest extent possible, protecting the long-term viability of the resource. These efforts make it possible for the program to enable residents of western Alaska to gain employment on the vessels that fish CDQ quotas, in local fish plants built with the support of harvest revenues and in myriad other jobs associated with and supported by the CDQ program. In the 19 years between the program's inception and 2011, more than \$521 million has been generated in direct wages, payments to resident fishermen, scholarships and training benefits. In 2011 alone, the six CDQ groups invested more than \$176 million in its communities and fisheries activities.

The accomplishments realized by the six CDQ nonprofit entities that make up the Western Alaska Community Development Association over those 19 years speak to the overwhelming success of the program. Yet for all the achievements, there is still much work to be done.

Ever-increasing fuel prices in CDQ communities, that can be as much as triple the national average, threaten to put a chokehold on economic development. Heavily dependent on diesel fuel-fed power systems, escalating fuel costs directly drive increases in energy expenses. Additionally, many of these communities are the first to see the impacts of a changing climate as they watch the ground under their feet literally disappear due to the effects of coastal erosion. This requires costly responses, whether it be work to shore up a stretch of coastline or a river bank, or, more drastically, relocation efforts to higher ground. And while the CDQ groups continue to create jobs and employment opportunities, bringing down the unemployment rate in the region remains a challenge.

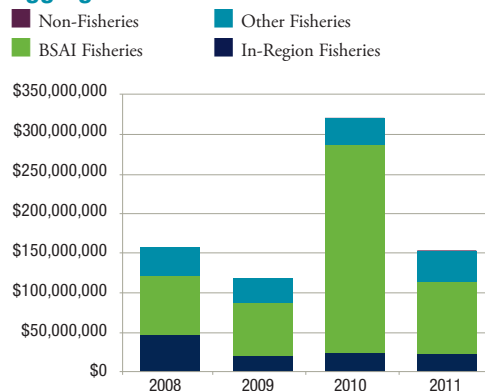
This report highlights the work of WACDA and the individual CDQ groups as they continue to address the challenges faced by their communities. The following pages illustrate how CDQ efforts and investments are helping to fulfill the statutory mandate of the program to provide eligible villages with an opportunity to participate and invest in Bering Sea fisheries, support economic development in the region, alleviate poverty, provide economic and social benefits to western Alaska residents, and achieve sustainable and diversified local economies.

THE CDQ PROGRAM: A MODEL FOR SUSTAINABLE COMMUNITIES

Investments in Economic Capital

In pursuit of the purposes of the Western Alaska Community Development Quota program to develop sustainable, fisheries-based economies in 65 western Alaska villages, the six CDQ entities made economic investments totaling over \$151 million in 2011. All of these investments are categorized as fisheries-related investments as defined in the Magnuson-Stevens Fishery Conservation and Management Act. Since 2006, the program also allows for nonfisheries-related investments, which are limited to 20 percent of total investments.

Aggregated Economic Investments¹



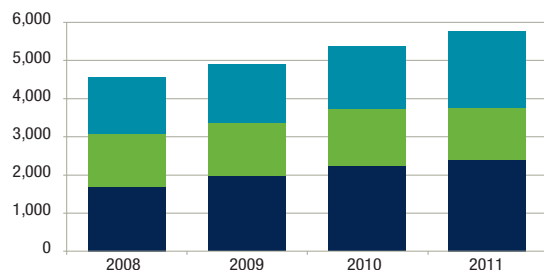
Investments in Human Capital

Each CDQ entity provides training and scholarship opportunities to prepare residents in eligible communities for job opportunities, skill development and career advancement. In 2011, the six CDQ entities granted more than 725 scholarships totaling a combined human capital investment of over \$2.1 million. Combined training investments exceeded \$780,000 for the year, providing more than 865 training and skill development opportunities to eligible residents.

In 2011, the six CDQ entities provided wage and salary jobs to 2,410 individuals. Total combined payroll for the year exceeded \$45.5 million. CDQ processors, fish-buying stations, and other fisheries businesses paid ex-vessel payments in excess of \$32.2 million to more than 1,360 fishery permit holders in western Alaska. In turn, those permit holders supported an estimated 2,000 crewmember jobs.

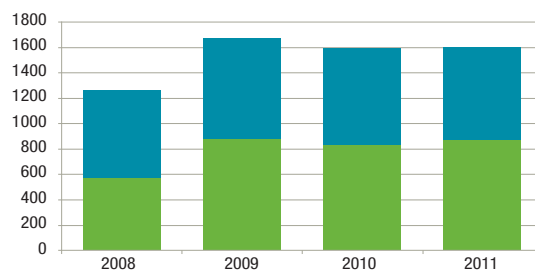
Aggregated Employment and Fishery Workforce

■ Crew Members ■ Commercial Fishery Permit Holders ■ Unique Individuals Employed



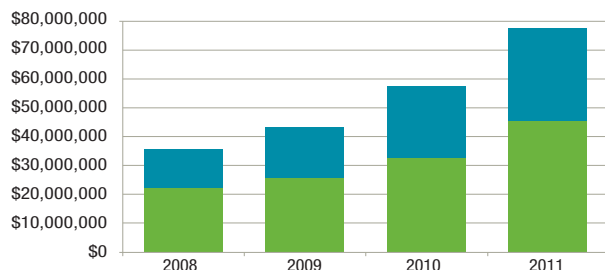
Aggregated Training and Scholarship Opportunities

■ Scholarships ■ Training



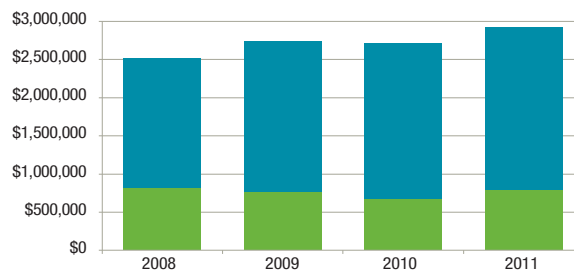
Aggregated Wages, Salaries and Payments to Fishery Permit Holders

■ Payments to Commercial Fishery Permit Holders ■ Wages and Salaries



Aggregated Training and Scholarship Expenditures

■ Scholarships ■ Training



¹ In 2011, CDQ aggregated economic investments were updated. CVRF inadvertently excluded the acquisition of pollock and cod fishing rights (1% of the directed pollock fishery and 7.61% of the cod freezer-longliner fishery) when it submitted its data for the original 2010 WACDA annual report. Accordingly, the 2010 data has been revised to include an additional \$84,245,000 in BSAI fisheries investments. Also, CBSFA reclassified infrastructure investments previously reported in 2008, 2009, and 2010 as BSAI fishery investments. BSAI fishery investments were reduced by \$17,940,153 in 2008 and increased by \$609,583 and \$1,356,445 in 2009 and 2010, respectively.



Bristol Bay photo courtesy of Bob Waldrop

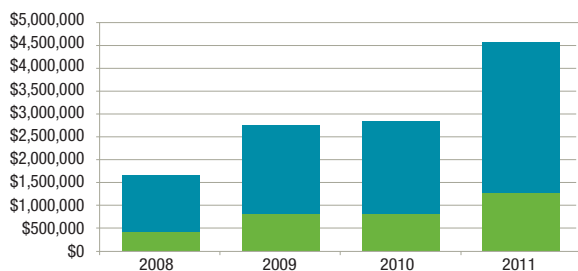
Investments in Community Capital

The six CDQ entities partner with state, federal and local governments as well as other regional organizations to leverage available funding for community capital investments that increase eligible communities' capacity to govern, provide basic services, and improve living standards in western Alaska. Community capital investments take many forms including seed, matching or completion grants to municipal governments, tribal entities and NGOs in CDQ villages for infrastructure projects, facilities, municipal government and NGO operations, equipment, environmental programs and projects, and educational programs and support.

In 2011, the six CDQ entities provided nearly \$7.3 million toward community infrastructure projects and over \$17.7 million in community benefit projects. These investments leveraged an additional \$5 million from other sources, bringing the total value of community capital investments to approximately \$30 million for the year.

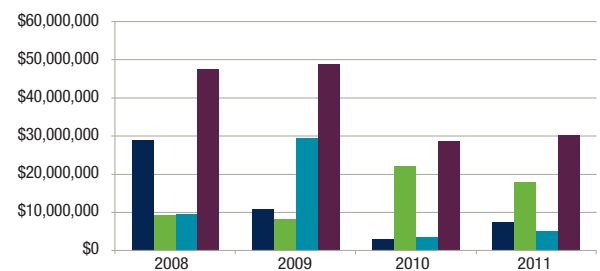
Aggregated Fees and Taxes Paid to State and Local Government

■ State of Alaska ■ CDQ Communities and Boroughs



Aggregated Community Capital Investments¹

■ Infrastructure Project Contributions ■ Community Benefit Projects
■ Additional Funds Leveraged ■ Total Community Capital Value



¹ In 2011, community benefit project contributions in 2010 were revised to include an additional \$14,430,790 in community benefits projects. CVRF inadvertently reported only its CDQ Project funds, which totaled \$500,000, when it submitted its data for the 2010 WACDA annual report. Also, CBSFA infrastructure project contributions previously reported for 2008, 2009, and 2010 were reclassified as BSAI fishery investments. Please see the footnote on page four for more information.



ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION



(Clockwise, left to right) Lead: Aleutians founding members at their initial meeting in Unalaska. Crystal Dushkin (Atka) and Fredrick Lekanoff prepare to give a presentation. Glen Fred Nelson (Nelson Lagoon), Delores Gregory (Unalaska) and Fredrick Lekanoff (Unalaska) work together to develop Lead: Aleutian goals

LEAD: Aleutians, Leaders for the Next Generation

Last spring, young adults from the Aleutian/Pribilof region gathered in Unalaska to discuss the development of a regional young leaders' network. This group had common interest in culture, heritage, community wellness, youth engagement and the desire to learn from the current leaders of the Aleutian/Pribilof Islands.

Through an intense two-day dialogue conducted in Unalaska and facilitated by Institute of the North's LEAD: North Program, LEAD: Aleutians was born. Sixteen young adults between the ages of 18 and 40 from as far west as Atka, up the Aleutian Chain to Nelson Lagoon, and north to St. George Island made up the forum.

The development of this program was led by APICDA's Training and Education department and organized by members of the A-Team (comprised of the Aleut Corporation, the Aleut Foundation, the Aleutian Housing Authority, the Aleutians East Borough, the Aleutian Pribilof Island Association, and APICDA). APICDA, the Aleut Foundation, APIA, Atka IRA Council and the Nelson Lagoon Tribal Council sponsored the event in the form of scholarships.

Initially, it was expected the group would address current affairs and devise solutions to problems plaguing the Aleutians region, including rising fuels costs, housing needs, transportation, and substance abuse. Instead, friendships were formed and trust was built across the region among attendees. Despite differences in hometowns or problems faced at home, the same common themes arose. Collectively, the group identified goals which included learning from current leaders and elders, keeping the Unangax culture and heritage alive, making home a place people want to return to, engaging youth to become more involved and inspired by community, networking with those with shared values, building friendships and growing as young leaders. With this focus the LEAD: Aleutians had its vision and mission.

LEAD: Aleutians Vision

As young community leaders in the region, we recognize:

- The sharing and carrying forward of the knowledge and experience of our elders is critical, and important to all generations;
- Our individual and community identity is derived from and maintained by our heritage and culture;
- The stewardship of our unique natural and human resources determines our economic sustainability and future;

- *Formal, informal and traditional education is key to a healthy, growing community;*
- *Our vision of the future must infuse well-established ideas with new perspectives.*

LEAD: Aleutians Mission

- *To be active and engaged community leaders who act as positive role models and mentors, share knowledge, and encourage the next generation;*
- *Take the initiative to learn from established leaders and better understand their history and current issues; and*
- *Address challenges by asking difficult questions and proactively seeking out answers.*

To carry forward its vision and make LEAD: Aleutians successful, participants are focusing on items identified as priorities. Foremost is creating awareness of the group and welcoming young, emerging leaders. Since inception, members of LEAD: Aleutians have given many presentations to regional entities, conferences, corporations, tribes and city officials and schools. A public Facebook page shares information about the group, how to join, and opportunities for training and networking events.

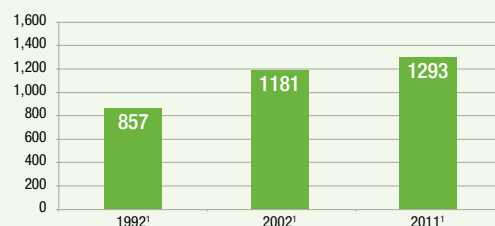
A second focus is to create and promote more community activities and events. Many regions around the state hold festivals and culture camps. LEAD: Aleutians hopes to establish a regional Aleutian/Pribilof Festival and develop culture camps for the communities. This year community events have been held in Atka and Akutan with the leadership and drive from LEAD Members. Oftentimes when someone leaves home to pursue higher education or employment there is a stigma that returning home after-the-fact is shameful. Members of LEAD: Aleutians want to change this perception so returning home is a celebration of sharing knowledge and experiences with other community members. Communities need to be proactive and offer activities and opportunities to entice people to return home.

Mentoring is a third focus of the group. Transferring knowledge from current leaders and elders to youth is key. Mentorship for members of LEAD: Aleutians is necessary for participants to grow as professionals and leaders in their community. LEAD members also need to serve as a mentor to children as it's critical to provide school-age children with role models. The group has already received many volunteer requests from elders and active leaders to mentor LEAD members. LEAD is working to pair members and mentors together to make the most of the each opportunity. Current LEAD members are also providing mentorship through basketball scrimmages, small chats after practice, or hosting youth who transition from home life in the village to college life in Anchorage.

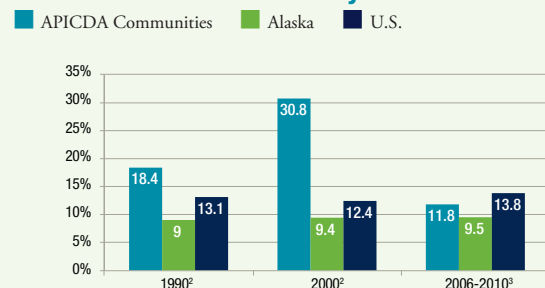
A final focus of the group is to open and increase communication between current leaders and community members. The Aleutian region is full of great leaders working hard to make the Aleutian/Pribilof a viable, sustainable home for the future. LEAD: Aleutians wants to encourage boards and committees to share what they are doing with those who benefit or can be a part of the activity.

The founding members left the initial meeting in Unalaska with a united voice and a new network of friends to move the Lead: Aleutians vision forward. Through online social networking the group has formed a Facebook page to connect with each other and the public. Please visit the group's Facebook page at www.facebook.com/LeadAleutians or send email inquiries to lead.aleutians@gmail.com for more information.

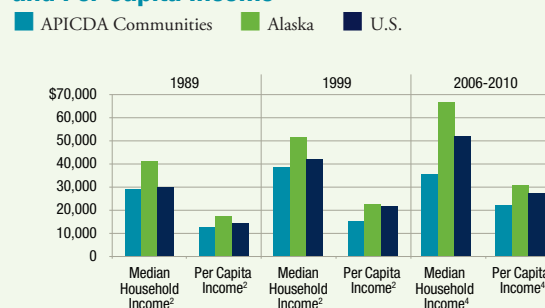
APICDA Communities' Population



APICDA Communities' Poverty Rate



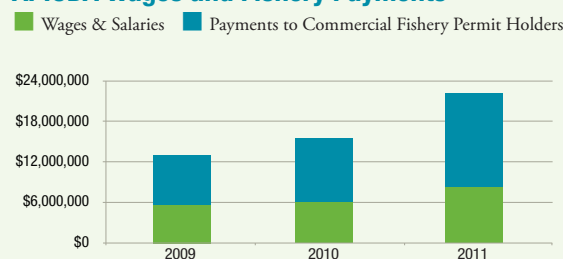
APICDA Communities' Median Household and Per Capita Income



APICDA Jobs and Fishery Workforce



APICDA Wages and Fishery Payments



¹ Source: Alaska Division of Community & Regional Affairs ² Source: U.S. Census Bureau, Census of the Population 1990 and 2000 ³ Source: American Community Survey 5-year average population estimates and characteristics (January 2006 to December 2010) ⁴ Source: American Community Survey 5-year average population estimates and characteristics (January 2006 to December 2010 in 2010 inflation adjusted dollars)



BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION



Since 2002, BBEDC has hosted Salmon Camp in the Bristol Bay region. Salmon camp is designed to provide students with opportunity to experience management and research techniques associated with the salmon life cycle. Salmon Camp is a place where salmon, students, science and art all come together.

BBEDC Salmon Camp

Bristol Bay is home to 51% of the world's wild sockeye salmon and in 2002 the Bristol Bay Economic Development Corporation (BBEDC) created a camp designed to focus on the life cycle of salmon, its habitat and the many uses this resource provides. BBEDC's Salmon Camp introduces young people to fisheries professionals and their work with the hope that local youth choose a career in the fisheries and return to the region to become the harvesters, processing plant managers, resource managers, biologists and scientists with a local knowledge and understanding of the salmon resource.

In its beginning, Salmon Camp operations were based out of the Aleknagik School. Location, session separation, curriculum and activities have all evolved over the years to only better what the BBEDC Board of Directors envisioned when Salmon Camp was created. The basic goal to provide students with opportunity to experience management and research techniques associated with the salmon life cycle, however, remains the same.

BBEDC held its 10th Salmon Camp in 2011 with the theme "We Learn from Fish." Twenty-nine students in grades six through twelve received hands-on experience working with, and learning about, salmon. BBEDC Education, Employment & Training Director Pearl Strub supervised the camp with the assistance of Camp Directors Clint Reigh and Jeanette LeClair. Salmon Camp took place on Lake Aleknagik at Camp Polaris and each session included a variety of activities geared to the specific age group attending.

The camp for 6th and 7th grade students focused on the salmon life cycle and identifying the different species and user groups of this resource. Seven students counted salmon at the Alaska Department of Fish and Game (ADF&G) counting tower, went on stream walks, and studied the salmon life cycle with University of Washington Fisheries Research Institute staff (FRI); they studied the different species of salmon with US Fish & Wildlife's (USFW) Terry Fuller. They also experienced fish taxidermy, fly tying, and sports fishing.

Eleven students participated in the 8th & 9th grade camp. Learning objectives were more focused, with an in-depth, hands-on study of salmon that included counting and sampling activities with ADF&G, stream-walks and zooplankton studies with FRI as well as a visit to FRI's research lab. The camp incorporated an art component with local artist Apayo Moore. Apayo taught the students the ancient Japanese form of print making using actual salmon as stamps for the images called gyotaku.

Prior to the camp, students were mailed a digital camera with an assignment to photograph how they and those in their communities interact with and utilize salmon. When they came to camp, each camper described the photos they had taken to professional photographer Oscar Avellaneda (hired for the photo project by the Alaska Nature Conservancy) who audio recorded their stories. Upon return to his studio in Anchorage, Oscar produced a photo slideshow narrated by the campers. This photo display was on special exhibit last fall at the Anchorage Museum. It is the Nature Conservancy's hope that this project using the student's voices will tell the world, in an innovative and powerful way, about the importance of the Bristol Bay salmon resource.

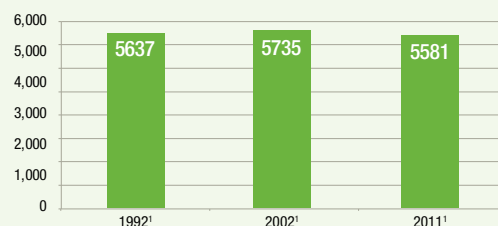
High school students in grades 10th-12th used salmon to investigate the Wood Tikchik ecosystem during their session. Students had the opportunity to experience aquatic-related science through hands-on scientific observation, experimentation, and data research and analysis. Led by Dr. Todd Radenbaugh with the University of Alaska Fairbanks (UAF) Bristol Bay Campus, the students developed an understanding of the Scientific Method and applied it to the individual projects that they worked on. They used seine nets and fishing poles to catch salmon to collect data and dissect. They collected data on creek characteristics, macro invertebrates, and water quality for the different creeks they visited. Dr. Tom Marsik with the UAF Bristol Bay Campus provided instruction to students on how to install solar panels, a wind generator, and a bicycle-powered generator to power the camp and computer lab. Data was collected on each form of alternative energy from the energy output and contribution, to the displacement of diesel used to provide electricity for the camp. The week concluded with each student presenting their research and findings to an audience of family members, BBEDC staff and UAF Bristol Bay Campus staff on the final day. In addition to the Bristol Bay students who came from Twin Hills, Manokotak, Port Heiden and Dillingham, the 2011 10th through 12th grade Salmon Camp also included students from Petersburg, Fairbanks, Huslia, Wrangell, Scammon Bay and Anchorage who were funded by a NOAA grant through the Bristol Bay Campus. Eleven students received one college credit for successfully completing this session.

In addition to the above-mentioned partners, the Bristol Bay Native Association (BBNA) placed an intern with BBEDC's Education, Employment & Training department to help with Salmon Camp. Esther Edwards was hired and did a fantastic job of scheduling, organizing and purchasing salmon camp supplies. She participated at camp as a co-director with two contract camp directors. Upon completion, Esther was invited by the US Fish and Wildlife Office of Subsistence Management in Anchorage to give a presentation on the activities and research projects conducted at Salmon Camp. Two other contributions that made the camp more comfortable and safe were a generator loaned by GCI and the use of an eighteen foot skiff with an outboard jet by Choggiung Limited's Bay Power Sports.

A previous Salmon Camp participant probably sums it up best:

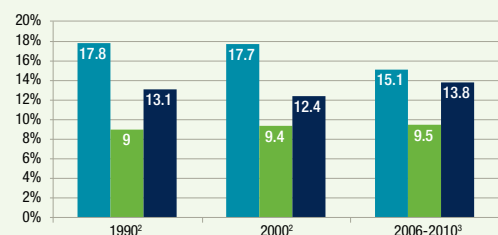
"Salmon Camp was great. Wait, let me rephrase that. It was three times great, seeing as I went for three straight summers in a row! I loved every bit of it and learned so much. I would recommend this camp to any middle and high school students out there. Whether you are interested in wildlife biology and the natural sciences as I am or love the outdoors, or just love having fun and meeting new friends, Salmon Camp is the place. I sound like I am getting paid to speak for a Pepsi commercial but I really mean it! It was truly a worthwhile experience!" -Erin Walsh, Dillingham High School Graduate

BBEDC Communities' Population



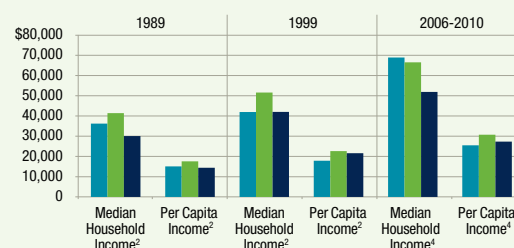
BBEDC Communities' Poverty Rate

■ BBEDC Communities ■ Alaska ■ U.S.



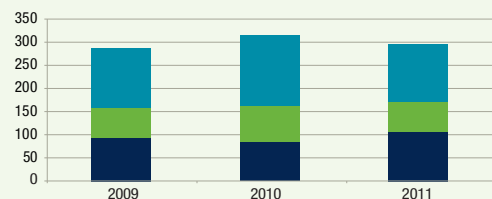
BBEDC Communities' Median Household and Per Capita Income

■ BBEDC Communities ■ Alaska ■ U.S.



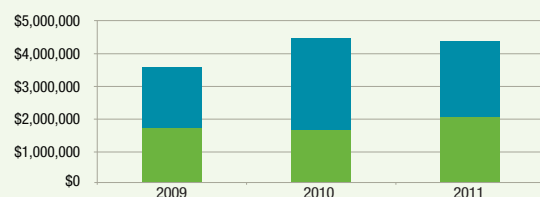
BBEDC Jobs and Fishery Workforce

■ Wage & Salary Employees ■ Commercial Fishery Permit Holders
■ Crew Members



BBEDC Wages and Fishery Payments

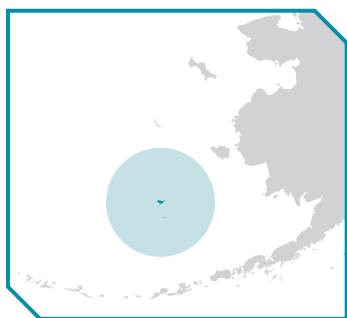
■ Wages & Salaries ■ Payments to Commercial Fishery Permit Holders



¹ Source: Alaska Division of Community & Regional Affairs ² Source: U.S. Census Bureau, Census of the Population 1990 and 2000 ³ Source: American Community Survey 5-year average population estimates and characteristics (January 2006 to December 2010) ⁴ Source: American Community Survey 5-year average population estimates and characteristics (January 2006 to December 2010 in 2010 inflation adjusted dollars)



CENTRAL BERING SEA FISHERMEN'S ASSOCIATION



(Clockwise, left to right) The quick response vessel Lunax providing towing service to a local vessel. St. Paul youth at the local recreational center. The fuel tanker purchased for the City of St. Paul by CBSFA.

Efficient management of resources and investments allows the Central Bering Sea Fishermen's Association (CBSFA) to expand its support of local projects and programs in St. Paul. As CBSFA continues to deliver benefits to its fishermen, CBSFA also provides important economic and social benefits to the entire community through its Community Outreach Program.

St. Paul Elders

A brand new Chevrolet van purchased by CBSFA serves as the main transportation for shuttling elders to the grocery store, post office, health center and church. The Saints Peter and Paul Russian Orthodox Church is the center of the St. Paul community and the donated van makes transportation readily available for elders to attend services and other community events. CBSFA also purchased an entertainment system which helps promote healthy activities at the Senior Center.

The Elders Residential Assistance Program supplies subsidized funds to energy suppliers or housing entities on behalf of community elders age 55 and older. Macarius Mandregan Sr., a lifelong St. Paul resident, remarked "Residents receive this fuel assistance during the right time of the year (February). It is very much appreciated." Over the years, CBSFA has increased its contributions to help alleviate the increasing costs of living in rural Alaska. "This significant donation helps elders withstand the high fuel cost and increased electric use in the winter, especially those with fixed incomes," added Phyllis Swetzof, City Clerk.

St. Paul residents continue to be affected by the rising cost of living in many ways. Subsistence resources have become increasingly important to offset these rising costs. CBSFA created the Elder Subsistence Halibut and Crab Donation Program, which disburses halibut portions and crab to community elders twice a year. Mandregan stated, "CBSFA's halibut and crab donations are very helpful. The halibut portions are very well preserved and seem fresher than if halibut is home-packed." Efforts to expand the program were made possible through cooperation with the St. Paul Foodbank and SeaShare, an organization dedicated to providing seafood as a source of hunger relief. CBSFA worked with the Foodbank to acquire salmon for both the Foodbank program and the CBSFA Elders Subsistence Program.

St. Paul Fishers

To reinforce the importance of marine safety, CBSFA sponsors and encourages all captains and crewmembers to participate in the Alaska Marine Safety Education Association's (AMSEA) training network. Participants have gained knowledge on appropriate procedures for dealing with flood, fire, person overboard, and abandon ship emergencies. Attendees learn how to effectively use the onboard life saving appliances and practiced a variety of survival swimming techniques while wearing immersion suits.

In collaboration with the Tribal Government, a quick response vessel was purchased to provide search and rescue services to the local fleet. Among the vessel's capabilities are vessel towing, and immediate responses to distressed vessels, emergency medical situations, person overboard, and environmental emergencies.

St. Paul Youth

CBSFA recognizes the importance of quality job training and therefore supports Tanadgusix Corporation's summer youth hire program with an annual contribution. Young adults between the ages of 14 and 18 learn the importance of developing civic and social responsibilities. They also engage in local traditional and cultural activities through participation in the community subsistence fur seal harvests, learning the proper techniques involved with the collection of the subsistence resource. "It's a good way to help us learn what it takes to be independent and reliable," said Grace Rukovishnikoff, first year summer youth employee.

Monetary contributions to the local recreation center have helped purchase video game consoles, flat screen televisions, a projection screen, entertainment system, and foosball and ping pong tables. The rec center is available to the entire community, but it specifically targets St. Paul youth. To guarantee available entertainment for young people, CBSFA continuously provides funding to increase the types of recreational activities, and pays for the center's utilities.

St. Paul Community

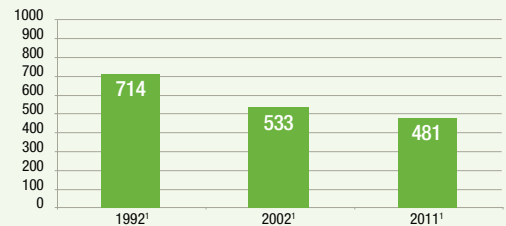
The safety and well-being of the community of St. Paul continue to be a CBSFA priority. Contributions have helped the City of St. Paul and St. Paul's Volunteer Fire Department construct a new fire station. The new station provides a central location to operate from and store equipment, which is critical for emergency response.

CBSFA believes it's important to invest in assets that benefit its fleet and supports local entities. CBSFA funded the purchase of a 2011 Nissan UD 3300 fuel tanker for the City of Saint Paul. This contribution provides multiple benefits: City compliance with ADEC regulations, continual delivery service to local fishermen, and a safe transport for the City Bulk Fuel department, its customers, and the community.

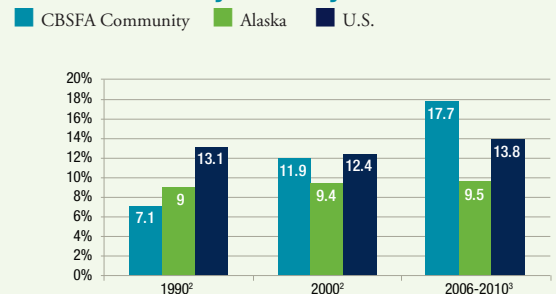
It is of great importance to celebrate unity and togetherness within St. Paul. Therefore, CBSFA proudly donates funding as well as halibut and crab to support various community events occurring throughout the year. "CBSFA's halibut and crab donations help make these events even more special and ties cultural tradition into each celebration," commented Phyllis Swetzof, long-time community events coordinator.

CBSFA is proud to continue and expand the Community Outreach Program as it benefits all residents of St. Paul Island. The program reflects how CBSFA strives to meet the intent and purpose of the CDQ program—to develop fishery-related economies and to improve social and economic conditions in CDQ communities.

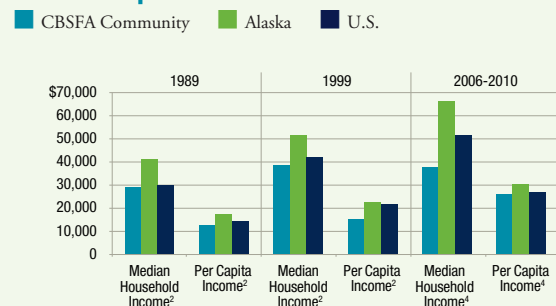
CBSFA Community's Population



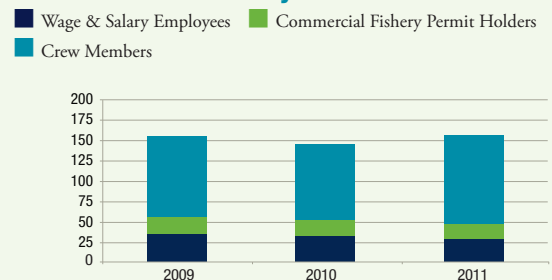
CBSFA Community's Poverty Rate



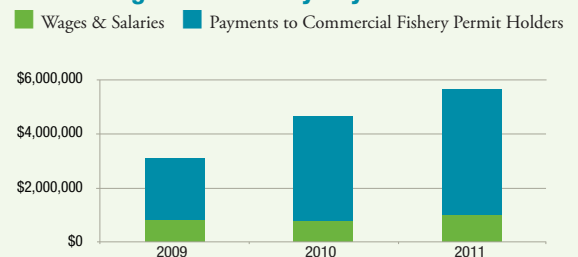
CBSFA Community's Median Household and Per Capita Income



CBSFA Jobs and Fishery Workforce



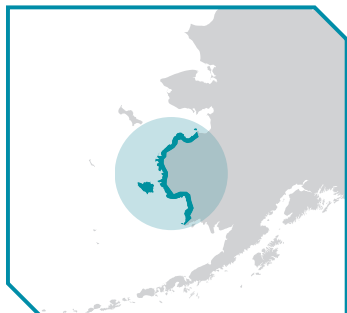
CBSFA Wages and Fishery Payments



¹ Source: Alaska Division of Community & Regional Affairs ² Source: U.S. Census Bureau, Census of the Population 1990 and 2000 ³ Source: American Community Survey 5-year average population estimates and characteristics (January 2006 to December 2010) ⁴ Source: American Community Survey 5-year average population estimates and characteristics (January 2006 to December 2010 in 2010 inflation adjusted dollars)



COASTAL VILLAGES REGION FUND



Before CVRF, the Coastal Villages region had limited in-region jobs, no reliable salmon or halibut markets, and very limited resources. Through Coastal's continuing efforts to bring economic activity to its member communities, people are Working, Fishing, and finding Hope for the present as well as the future.

The theme of Coastal Villages' 2011 annual report is "Cali Pikaningnaqluta," a Yup'ik phrase that means "striving to do more." This theme, though appearing for the first time in their 2011 annual report, has been an integral part of the Coastal philosophy since its incorporation in 1998.

Coastal Villages strives to do more in many ways. In 2010 the Company acquired a pollock catcher/processor, three cod freezer-longliners, and the boats' respective pollock and cod fishing quotas. This was a historic transaction—Coastal Villages was the first and is still the only CDQ group to own its own pollock factory trawler—no partners, no debt, no safety net. Coastal Villages is now the largest 100% Alaskan-owned seafood company. It is "owned" by the 9,300 residents of 20 member villages who elect the governing Board of Directors for their non-profit CDQ corporation. In the early days of the CDQ program, no one could have imagined that this dream could be made real.

By serving over 9,300 people in 20 villages along the Kuskokwim coast, Coastal is the largest of the six CDQ groups. The people of these villages live in one of the most economically challenged regions in the U.S., with many of the "houses" without running water. Although Coastal is the largest employer in the region and engages in many economic development projects and a host of assistance programs for region residents, there is much, much more work to be done. Coastal's mantra, "Work, Fish, Hope," guides its every action.

WORK

CVRF strives to provide more opportunities for region residents to work in rewarding jobs. Because people find satisfaction in different types of work, Coastal Villages offers a wide range of employment opportunities. People can go to work for several months at a time in the Bering Sea on board one of Coastal's crab or pollock vessels. The work is very demanding, and requires significant amounts of time away from home, but also offers good pay and a schedule that can blend nicely with hunting, fishing, and berry picking activities during the off season.

Crew positions aboard Coastal's in-region tender vessels offer maritime experience closer to home. Five tenders, including one crab vessel that tenders in the summer, and two fishery support vessels cruise the Kuskokwim Bay and lower river buying fish from local fishermen and providing ice, fuel, and other fishing supplies. These crew positions require a good attitude, hard work, and a desire to help fellow region residents. In return, the jobs provide reliable paychecks, a great experience, and Hope for the future.

For those that do not want to go to sea, Coastal offers over 200 jobs each summer at its regional seafood processing plant in Platinum, Alaska. Platinum, a village of about 60 people, quadruples in size each summer as processors, mechanics, machinery operators, cooks, and housekeepers flood the airstrip. CVRF completed

the self-sufficient plant in 2009. It has its own well, water maker, septic system, generator, bulk fuel storage, dock, bunkhouses, and cafeteria. All of the salmon and halibut purchased from local fishermen are processed at the plant before being sold in the worldwide market. On average, more than 80% of the work force at the plant is comprised of residents of CVRF's member villages.

People with a knack for mechanics and construction can go to work at one of CVRF's 17 in-region shops that provide mechanic/welding services to region residents. The shops are part of Coastal's Community Support Centers, or CSCs, which are located in the 20 CVRF villages. In villages where resources and infrastructure are highly limited, having a large, indoor, heated space in which to perform these types of services is priceless. In 2012, CVRF's mechanic/welders will become certified to work on 4-stroke engines so that residents will no longer have to ship their boat motors out of the villages for service.

In addition to shop services, the CSCs also provide office space for Community Service Representatives (CSRs). CVRF has full time and part time CSR positions in almost all of its member villages. As a CSR, a person is responsible for everything from recruiting for Coastal's vessels and plant, to helping coordinate groceries for funeral feasts provided by Coastal, to taking surveys in his or her village to help define new Coastal programs. These great jobs enable Coastal's residents to earn a decent living while being able to go home to their families each night and make a positive contribution in their community.

Coastal also has employment opportunities at its Anchorage office for residents of its member villages. These include a variety of professional jobs in management, accounting, human resources, purchasing, logistics and information technology—all common to the seafood industry, and jobs that were only available outside Alaska before Coastal became the controlling owner of its vessels and quota. For college students, Coastal offers summer and part-time internships that provide practical work experience while region residents are completing higher education programs. Many interns have transitioned into full time positions in the CVRF Anchorage office and in CVRF member villages.

FISH

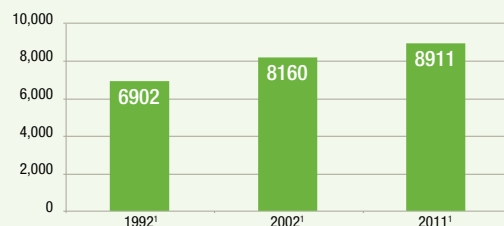
CVRF strives to provide more earning potential for region fishermen. Coastal Villages has provided a stable salmon and halibut fishery since 1999. Before then, seafood buyers came and went and there was no reliable source of income for local fishermen. Because CVRF is a consistent, reliable buyer, fishermen are assured that they will have a source of income each summer and can invest with confidence in new or upgraded fishing equipment.

The operation of the Coastal Villages salmon and halibut fisheries is no easy feat. In an area plagued with running water limitations, costly supplies, transportation challenges, and small historic salmon runs compared with Bristol Bay and other areas of Alaska, it takes a huge amount of planning and continued revenue from the Bering Sea to ensure that Coastal Villages is there every summer to buy salmon and halibut. While it is immensely expensive to run these operations, they have the biggest direct impact on the lives of the people in the CVRF region.

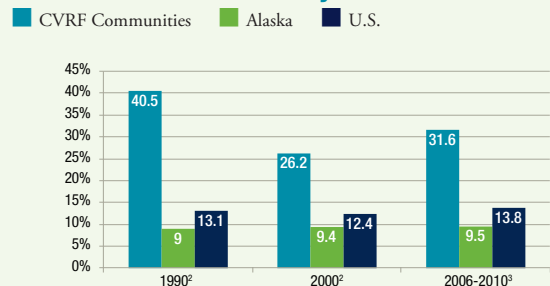
HOPE

All of the work and fishing opportunities provided by Coastal give its residents Hope. Before CVRF, the Coastal Villages region had limited in-region jobs, no reliable salmon market, no service centers, and limited resources for things like scholarships, heating oil, firewood, elder parkas, subsistence webbing, funeral assistance, tax return assistance and salmon research. Because of Coastal's success, there are increasing numbers of jobs for residents, an increasing chance of finding meaningful work and being able to stay in the village, and a brighter future for the region's economy and people. Although there is still a lot of work to be done, there is a growing sense of hope in the 20 CVRF villages as a result of the CDQ program.

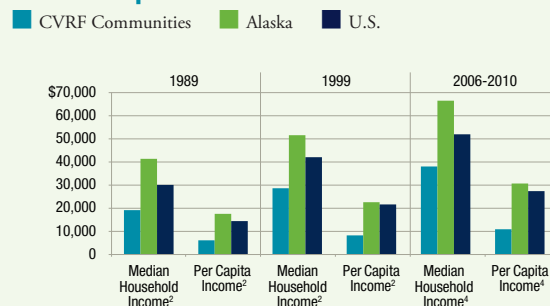
CVRF Communities' Population



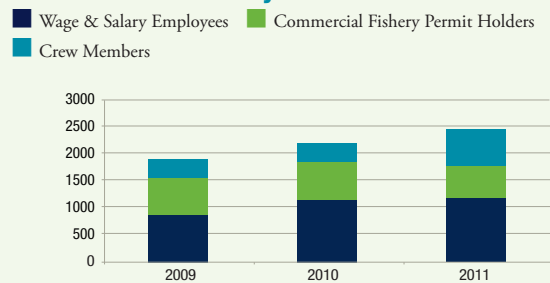
CVRF Communities' Poverty Rate



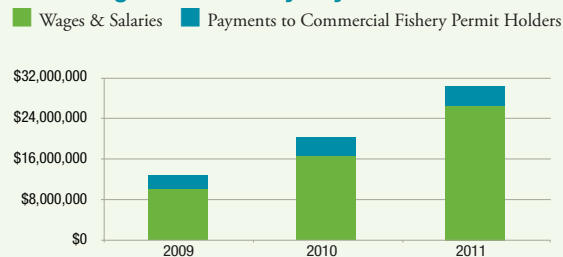
CVRF Communities' Median Household and Per Capita Income



CVRF Jobs and Fishery Workforce



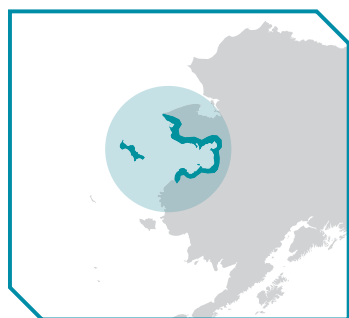
CVRF Wages and Fishery Payments



¹ Source: Alaska Division of Community & Regional Affairs ² Source: U.S. Census Bureau, Census of the Population 1990 and 2000 ³ Source: American Community Survey 5-year average population estimates and characteristics (January 2006 to December 2010) ⁴ Source: American Community Survey 5-year average population estimates and characteristics (January 2006 to December 2010 in 2010 inflation adjusted dollars)



NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION



(Clockwise, left to right) NSFR&D technician Casey Perkins helps a first-grader in Nome with a fish dissection. NSFR&D biologists Kevin Keith (left) and Charlie Lean plant fertilized chum salmon eggs in the Snake River. Lean leads a group of second-graders to a stream to release juvenile salmon. NSFR&D operates an extensive marine debris cleanup program. Technicians Marjorie Tahbone (left) and Brenda Evak collect salmon ear bones.

NSEDC's Fisheries Research and Development Division

Once the semester ends at the University of Alaska Fairbanks, Nome resident Marjorie Tahbone probably spends more time reading rivers than books. Often working in chest-waders and driving boats, Marjorie has been an instrumental team member of NSEDC's Fisheries Research and Development division for several years.

Through NSEDC, Marjorie has counted salmon from weirs; collected eggs and ear bones from spawning salmon; measured smolt as they head out to sea; and fertilized a lake to help ensure sustainable sockeye returns. It's a summer job off the beaten path—but it's at the heart of NSEDC's effort to involve residents in the region's subsistence and commercial fisheries.

Before becoming the CDQ group for the Bering Sea's northernmost communities, NSEDC was organized in the early 1990s to address diminished salmon returns to the Norton Sound region. As it has expanded, NSEDC has never lost sight of its initial focus. NSEDC's commitment to fisheries rehabilitation, research and environmental programs has only grown over the last two decades.

NSEDC's fisheries development and rehabilitation efforts eventually coalesced to become the Norton Sound Fisheries Research and Development (NSFR&D) division in 2003. The division now encompasses programs that rehabilitate and enhance salmon runs, fill gaps in the region's fishery management framework, bolster research efforts, and support and grow regional commercial fisheries.

Many projects, one common goal

NSFR&D works to maximize the opportunity for subsistence and commercial harvests of regional fisheries while ensuring the long-term health and stability of stocks.

NSFR&D operates an extensive series of projects and programs, many of which are boots-on-the-ground type of work, such as counting stations, enriching salmon habitat, salmon egg incubation, marine debris clean up, and various marine and freshwater research projects. Other efforts include advocacy, collaboration with regional and local entities, and educational outreach.

NSFR&D also operates several programs that are more specifically targeted at commercial fisheries. As an example, NSEDC staff biologists often provide support for the region's commercial herring fishery, flying surveys to help guide fishing and processing vessels to the areas where fish will be at their prime.

Numbers that count

NSFR&D's salmon restoration efforts encompass a wide variety of activities. Forming the backbone of the restoration work is a salmon counting framework. NSFR&D's comprehensive salmon counting program supports many of the division's projects and goals. NSFR&D operates weirs and/or counting towers on the Pilgrim, Snake, Eldorado, North and Iglutalik rivers, as well as a highly regarded sonar counting system on the Shaktoolik River. NSEDC also provides funding for a number of technicians who work under the Alaska Department of Fish and Game (ADF&G) for its counting projects.

These counting projects are vital to the region. The most immediate and direct benefit for residents is the ability to maximize the use of salmon for subsistence and commercial fishing once the necessary escapement is assured. Counting fish will not directly create more salmon, but it does put more fish on residents' racks and more money in commercial fishermen's wallets. These efforts also help ensure the region will see future salmon returns.

NSEDC's counting projects have allowed for a regional management of fisheries alongside ADF&G's efforts. In addition to providing a more accurate picture of salmon returns, NSFR&D's work gives the region ownership of fishery data. This ownership allows residents to make better-informed management decisions.

Bringing fisheries back

Whether it is due to impacts from past activities like mining, changing habitat or evolving fishing patterns, NSFR&D works to rehabilitate diminished salmon returns in the region. The most current efforts involve fertilizing Salmon Lake to improve sockeye returns to the Pilgrim River system and planting fertilized salmon eggs in local river systems.

Over the past few years, NSEDC has refined Salmon Lake fertilization program. This renewed effort looks to iron out the boom-and-bust cycles of the past by providing enough fertilizer to keep sockeye numbers at a level the lake can sustain while also meeting subsistence harvest needs.

NSFR&D is also growing its mist incubation program that enhances salmon returns by collecting and fertilizing eggs. The eggs are incubated until they are ready to be returned to under-utilized sections of river where they will hatch and continue life as a wild salmon would. NSFR&D has seen encouraging results with this technique for Coho and chums, and has started a pilot project for Chinooks.

Jobs that provide more than paychecks

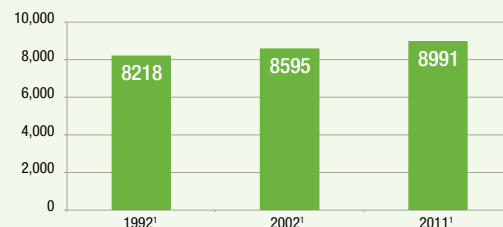
In addition to research and restoration work, NSFR&D is an important source of employment in places where job opportunities are limited. These jobs also directly involve regional residents in the management of their fishery resources.

Beyond entry-level technician posts, residents have worked their way through the ranks to conduct research and run the projects that have a real impact on their communities' ability to harvest fish. Many jobs that were once held by biologists from outside the region are now staffed by residents who have a vested interest in sustainable fish returns.

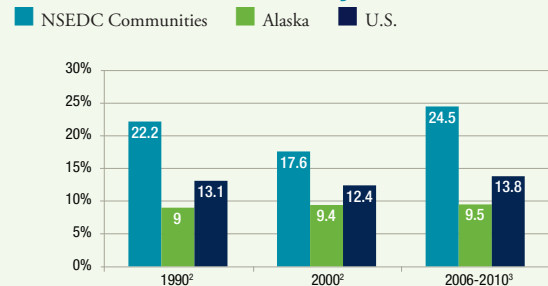
This local workforce has proved highly competent. NSFR&D's Shaktoolik sonar counting project was developed and is run with local expertise and manpower. The success of the project has led to funding from the Alaska Legislature to support eastern Norton Sound salmon management.

The NSFR&D division can be seen as the place where NSEDC's roots as a fisheries development organization unite with its mission under the CDQ program. Marjorie Tahbone and her fellow NSFR&D employees are a great example of this. They are a team who have meaningful jobs in their own region while ensuring some of Norton Sound's most important resources will be available for generations.

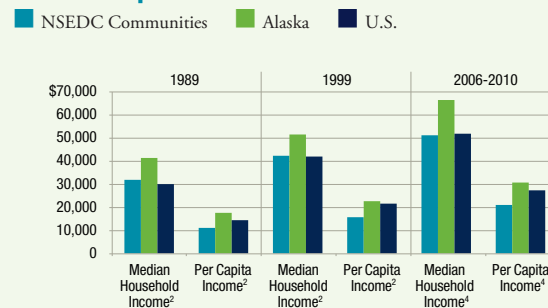
NSEDC Communities' Population



NSEDC Communities' Poverty Rate

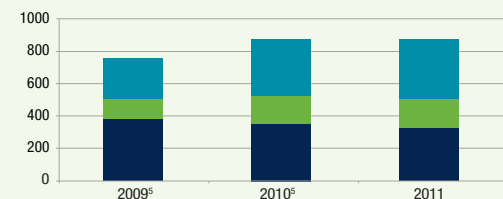


NSEDC Communities' Median Household and Per Capita Income



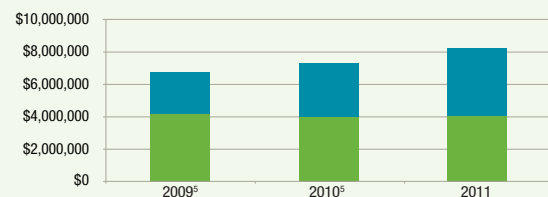
NSEDC Jobs and Fishery Workforce

■ Wage & Salary Employees ■ Commercial Fishery Permit Holders ■ Crew Members



NSEDC Wages and Fishery Payments

■ Wages & Salaries ■ Payments to Commercial Fishery Permit Holders



¹ Source: Alaska Division of Community & Regional Affairs ² Source: U.S. Census Bureau, Census of the Population 1990 and 2000 ³ Source: American Community Survey 5-year average population estimates and characteristics (January 2006 to December 2010) ⁴ Source: American Community Survey 5-year average population estimates and characteristics (January 2006 to December 2010 in 2010 inflation adjusted dollars) ⁵ In 2011, NSEDC 2009 and 2010 commercial fishery permit holder and crew estimates were updated to more accurately reflect actual data. 2009 wage and salary data was also corrected to reflect actual data.



YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION



YDFDA offers Yukon-Delta region youth employment through its subsidiary Kwik'pak. YDFDA's Youth Employment Project not only employs local youth, but also trains young adults for future career opportunities.

In urban areas, youth are afforded many opportunities to earn money. In rural Alaska, those opportunities are few and far between. Yukon Delta Fisheries Development Association (YDFDA) recognized this lack of employment opportunity for youth in the six communities it represents and created a program to address this issue. YDFDA's Youth Employment Project (YEP) began by employing youth from its member villages through its subsidiary Kwik'pak Fisheries. YEP not only gives all youth an opportunity to participate in a paying summer job, but also trains young adults for their future and exposes youth to Kwik'pak's regional operations.

YEP employees (or YEPers) in the 14-15 age range work at Kwik'pak's Emmonak station five hours a day, every other day, on a rotating two week schedule. The job rotation includes office assistants, receptionists, cashiers, retail sales, public relations, sales, marketing, and custodial duties. YEPers 16-17 years old work at all Kwik'pak stations six days a week with one day off during the busy part of the season and are on a rotating schedule during the non-production days. Roe production, fish packing, and box making positions were developed for this age group.

Youth work at all Kwik'pak's buying stations with the majority working at the Emmonak Station. YEPers from Nunam Iqua, Kotlik, and Mountain Village employed at the Emmonak station are able to work thanks to relatives living in Emmonak and Alakanuk that open their homes to them. Daily boat shuttle service is also provided between Alakanuk and Emmonak.

In 2008, thirty 16-17 year olds were hired to work in roe production and as office assistants.

In 2009, receptionists, employee break room cashiers, and custodial positions were created which allowed for additional YEPers; twenty-four 14-15 year olds and thirty-nine 16-17 year olds were hired that season.

In 2010, box making, gel ice, and construction clean-up positions were added to the mix and YDFDA was able to employ fifty-one 14-15 year olds and fifty-two 16-17 year olds.

Thanks to a grant from the Alaska Department of Labor and Workforce Development, through the Workforce Investment Act, in 2011 YDFDA employed fifty-nine 14-15 year olds and eighty-two 16-17 year olds. Employment opportunities added to the mix included retail sales, fishermen's store cashiers, public relations, sales, marketing, and fish packing. Youth employees worked 22,000 hours earning approximately \$233,000 in wages averaging \$1,660 per person. YEPers made up 31% of YDFDA's total workforce for the entire fishing season.

YDFDA's Youth Employment Project teaches youth about teamwork. YEPers learn that if their coworkers are truant or absent, they will have to work harder doing others' jobs as well as their own and that by working together, more will get done, both easier and more enjoyably. YEPers also learn about punctuality and accountability. They become responsible for themselves and learn how to present themselves in a business environment by learning about the importance of each position in their respective rotations and how this behavior influences others.

The 14-15 year olds are the first contact visitors see or speak with when visiting or calling Kwik'pak. YEPers are taught to speak in a professional manner and to direct visitors and employees to the department that best fits their needs by screening calls and asking questions.

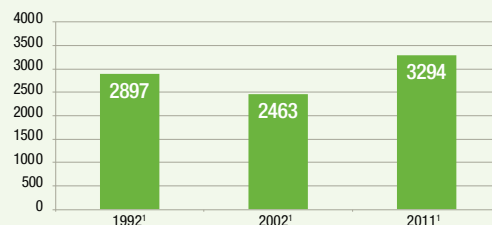
YEPers are used to having the whole summer off, but as these youth work for Kwikpak, they learn to balance work and social time. YEPers are taught the value of earning money which in turn translates into more appreciation and respect for other workers in their family. For many of the employees, it is their first job and are overjoyed with their first paycheck no matter the amount. Some YEPers use their earnings to buy school clothes and supplies, others save for school trips, and some YEPers are the only family member bringing home a paycheck and they contribute to their family's food or other needs.

The average age of subsistence and commercial fishermen in the Yukon Delta is 50. One of YDFDA's goals with the Youth Employment Project is to bridge the gap between the older generation and the younger generation with regard to fishing industry knowledge and management. YDFDA also holds weekly picnic lunches to which family members are invited to join and mingle with YEPers and other Kwik'pak staff. YDFDA seeks to expose youth of its member communities to fishing industry career opportunities through hands-on experience at Kwik'pak while these youth are still planning for their futures. Though Kwik'pak is a small company at the mouth of the Yukon River, its employees are introduced scope and scale of the Alaska fishing industry as a whole.

Through the Youth Employment Program, YDFDA hopes to gently introduce youth to the working world they might otherwise not be exposed to. Youth and young adults should be encouraged to be a part of the fishing industry by introducing them to all aspects of the industry, from permit holders to fisheries managers. As long as Kwik'pak is able to sustainably buy Yukon salmon from local fishermen, YDFDA will provide jobs for the youth and people of its region.

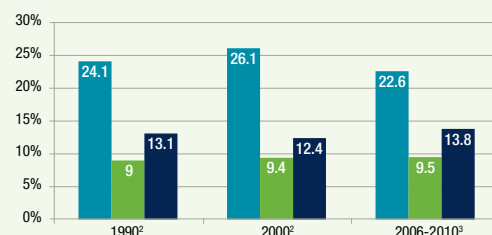
YDFDA recognizes that not all YEPers will want to work in the seafood industry, however the training provided will teach these young adults basic skills applicable in many other careers in local, city, tribal and corporate business management. The possibilities are endless and if YDFDA can assist in the successful future of these youth, then its member communities and entire region will reap the benefits.

YDFDA Communities' Population



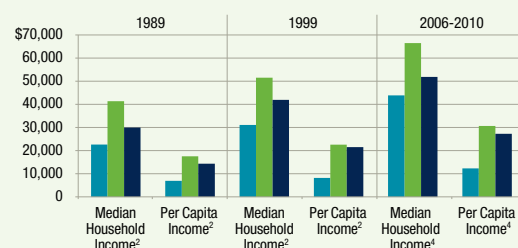
YDFDA Communities' Poverty Rate

■ YDFDA Communities ■ Alaska ■ U.S.



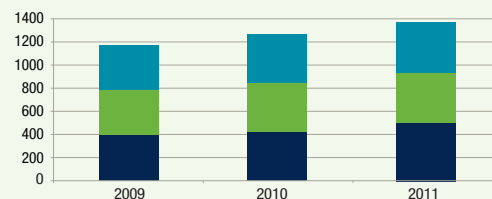
YDFDA Communities' Median Household and Per Capita Income

■ YDFDA Communities ■ Alaska ■ U.S.



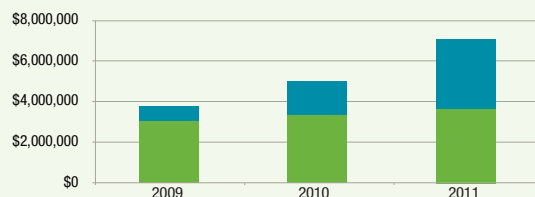
YDFDA Jobs and Fishery Workforce

■ Wage & Salary Employees ■ Commercial Fishery Permit Holders
■ Crew Members



YDFDA Wages and Fishery Payments

■ Wages & Salaries ■ Payments to Commercial Fishery Permit Holders



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OVERALL FINANCIAL PERFORMANCE

Financial performance is a key metric for each CDQ entity and the CDQ program as a whole. The six CDQ entities are federally-recognized nonprofit organizations under the Internal Revenue Code section 501 (c). Each entity has a separate board of directors that independently governs the organization, selects and supervises its chief executive officer, and reviews the overall performance of the entity.

Aggregated financial statements for the six CDQ entities are provided in the charts to the right.

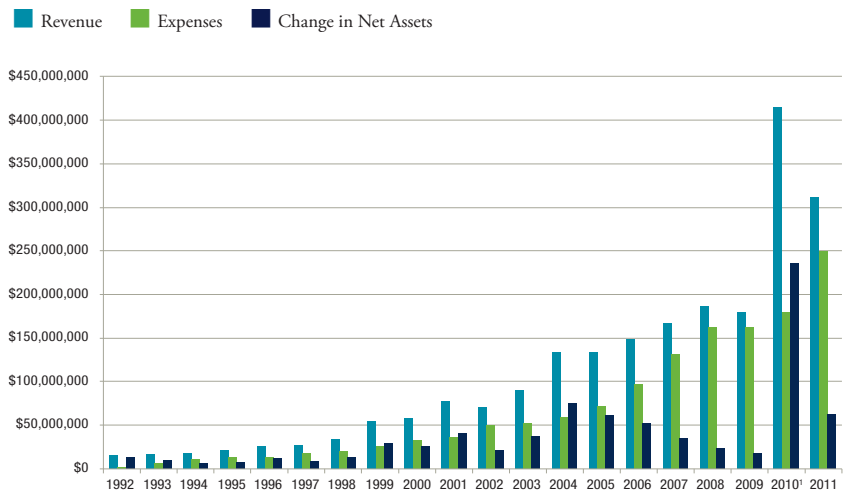
The **Statement of Activities** is the nonprofit equivalent of a profit and loss statement. In 2011, the six CDQ entities generated nearly \$311.5 million in revenue with operating expenses of approximately \$248.8 million, resulting in an increase in net assets of nearly \$63 million. Operating expenses include all program costs, investments, and general and administrative expenses.

The **Statement of Financial Position** is the nonprofit equivalent of a balance statement. In 2011 the six CDQ entities combined held assets totaling over \$938 million and liabilities totaling nearly \$135 million; bringing combined net assets to approximately \$803 million.

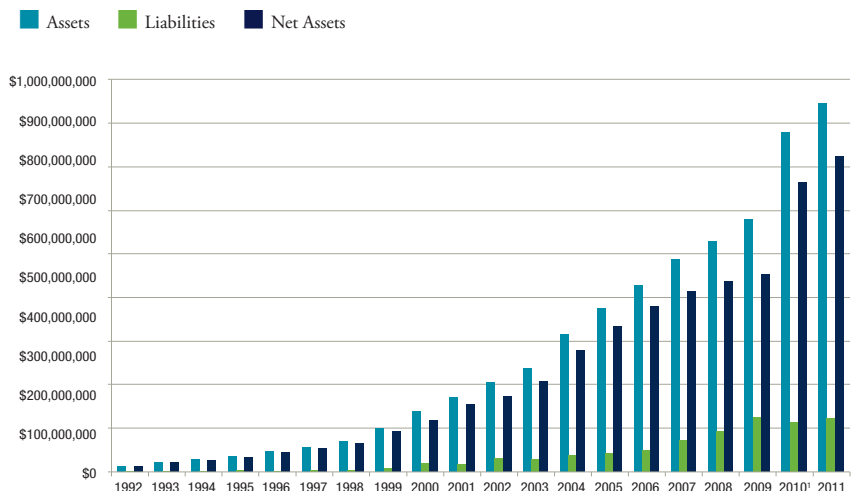
Of the \$311.5 million in revenues, roughly 25 percent was derived from CDQ royalties. Direct income exceeded royalty income for the first time in 2004. That pattern has continued since that time with direct income ranging from 55 to 83 percent annually.

More detailed information from this report can be found at wacda.org and on the web sites of the six CDQ entities.

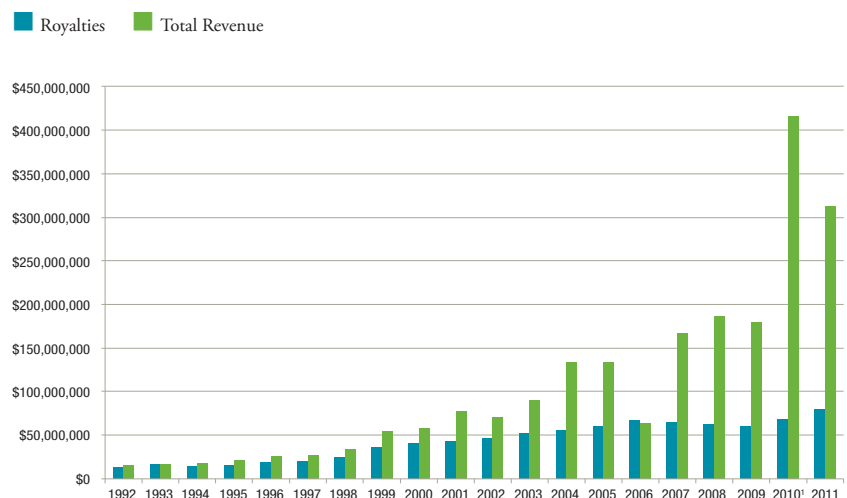
Aggregated Statement of Activities



Aggregated Statement of Financial Position



Aggregated CDQ Royalties vs. Total Revenues²



¹ 2010 revenue and total assets reflects a transaction in which equity in a seafood company investment was redeemed in exchange for fishing assets. ² In 2011, aggregated CDQ royalty and revenue data was updated to reflect the transfer of fishing rights to a CDQ subsidiary.

WACDA BOARD OF DIRECTORS



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The Western Alaska Community Development Association (WACDA) is the governing panel for the Western Alaska Community Development Quota (CDQ) Program. Authorized in the Magnuson-Stevens Fishery Conservation and Management Act of 2006, WACDA is a non-profit trade association that serves the six CDQ entities responsible for implementing the program. WACDA is governed by a six-member board of directors that acts on a unanimity standard. Based on the WACDA Membership Agreement, the panel operates through a private contractual arrangement to administer those aspects of the CDQ program not otherwise addressed in federal statute, and works to coordinate and facilitate activities of entities under the program.



**WESTERN ALASKA COMMUNITY
DEVELOPMENT ASSOCIATION**

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