



SUMMARY OF PERFORMANCE AND FINANCIAL INFORMATION

DENALI COMMISSION FY2010

DEAR FRIENDS OF THE DENALI COMMISSION

The Denali Commission has opted to produce an alternative to the consolidated Performance and Accountability Report (PAR) this year. The Denali Commission (Commission) Agency Financial Report (AFR) and our Annual Performance Report (APR) can be found on our website in one report. We are pleased to now present you with this Summary of Performance and Financial Information and happy to share our progress this past year.

Change is upon us at the Commission as we embark on our second decade of operations and development of critical infrastructure in Alaska. For twelve years the Commission has administered over \$1 billion dollars in basic infrastructure, training, and economic development projects in Alaska's remote communities. The Commission's funding, along with all the leveraged funding from other program partners, has improved the standard of living across the state and has provided rural residents with access to fundamental facilities and opportunities that many urban residents take for granted. Over the past twelve years, the Commission has:

- Completed 97 code compliant bulk fuel tank farms and 55 rural power system upgrades in rural Alaska communities.
- With numerous partners, including the State of Alaska, we are engaged in the development and construction of alternative and renewable energy projects, including wind turbines, hydro, geothermal and biomass.
- Completed 114 clinics with an additional 11 clinics currently under construction. The Commission has 27 health facility projects that are in the conceptual planning or design phases.
- Completed 33 road projects and 42 waterfront development projects. Eighty-two road and waterfront development projects are currently in the planning, design or construction phase.
- Partnered with numerous agencies, including the State of Alaska, and leveraged millions of dollars. Since 2006, for example, the Commission's \$478 million in program dollars were matched by the State of Alaska with \$106 million and an additional \$460 million from other funding sources.



JOEL NEIMEYER
Federal Co-Chair
Denali Commission

Although our funding has decreased in the past four years, the relevance and necessity of the Commission is clear. The need for partnerships, leveraging of dollars and collaboration are all the more apparent in this economy. This is the very foundation the Denali Commission was built upon years ago and it will be the foundation of our future efforts as we adjust in these changing times. This coming year the Commission will look at reauthorization opportunities, review organizational restructuring models and work to continue the necessary project development activities in which we have excelled for over a decade. We are excited about our future prospects and our future course as we work with program partners on rural development issues.

I am proud to share this summary which showcases the work of the Commission in FY2010. The next decade holds challenges for the agency which will highlight our strengths and adaptability as we continue to serve Alaska.

The Summary of Performance and Financial Information provides a brief overview of the Commission's financial and program activities this past year. See the complete Agency Financial Report (AFR) and Annual Performance Report (APR) on our website at www.denali.gov.



FINANCIAL SUMMARY

As of September 30, 2010 the financial condition of the Denali Commission was sound with respect to having sufficient funds to meet program needs and adequate control of these funds in place to ensure obligations did not exceed budget authority. Agency audits are conducted in accordance with auditing standards generally accepted in the United States of America, OMB Bulletin 07-04 (Audit Requirements for Federal Financial Statements) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our complete Agency Financial Report (AFR) and Annual Performance Report (APR) can be found on our website at www.denali.gov.



Secretary of Commerce Gary Locke (L)
with Joel Neimeyer, Federal Co-Chair.

FUNDING SUMMARY (IN MILLIONS)

	FY10	FY09
Assets		
Fund balance with Treasury	\$162.7	174.1
Other assets	0.0	0.0
Total assets	\$162.7	\$174.1
Liabilities		
Accounts payable, intragovernmental	\$0.019	0.08
Other intragovernmental liabilities	.066	.01
Accounts payable, public	0.092	0.10
Other public liabilities	11.75	18.29
Total liabilities	\$11.927	\$18.48
Net Position		
Total Net Position	\$150.8	\$155.7
Statement of Net Cost		
Program costs	\$60.4	94.4
Less: earned revenue	0.0	0.0
Net Costs of Operations	\$60.4	\$94.4

FY1999-2010 FUNDING SOURCES (IN MILLIONS)

	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	
		\$20.0	\$25.0	\$66.4	\$97.3	\$99.2	\$120.5	\$140.1	\$140.6	\$133.8	\$108.9	\$74.5	\$58.4
U.S. Department of Labor							\$5.0	\$6.9	\$6.9	\$6.9	\$6.8	\$3.4	
U.S. Department of the Interior							\$1.0						
U.S. Department of Transportation (FTA & FHWA)								\$25.0	\$18.4	\$25.5	\$23.5	\$21.3	
Energy & Water Appropriation	\$20.0	\$20.0	\$30.0	\$38.0	\$48.0	\$55.0	\$66.5	\$49.5	\$49.5	\$21.8	\$11.8	\$12.0	
U.S. Environmental Protection Agency				\$3.0	\$3.0	\$3.5	\$4.0						
U.S. Department of Health & Human Services			\$10.0	\$19.9	\$27.2	\$34.7	\$39.5	\$39.3	\$39.3	\$38.6	\$19.6	\$10.0	
U.S. Department of Housing & Urban Development						\$2.0	\$1.3						
USDA Rural Utilities Service			\$15.0	\$25.0	\$18.5	\$15.0	\$15.0	\$15.0	\$15.0	\$10.0	\$8.5	\$8.0	
USDA Solid Waste						\$1.0	\$1.5	\$0.7	\$0.7	\$0.4	\$0.4		
Trans-Alaska Pipeline Liability Fund		\$5.0	\$11.4	\$11.4	\$2.5	\$4.3	\$4.4	\$4.2	\$4.0	\$5.8	\$7.3	\$7.1	



THE JOURNEY CONTINUES : THE NEXT DECADE OF THE DENALI COMMISSION

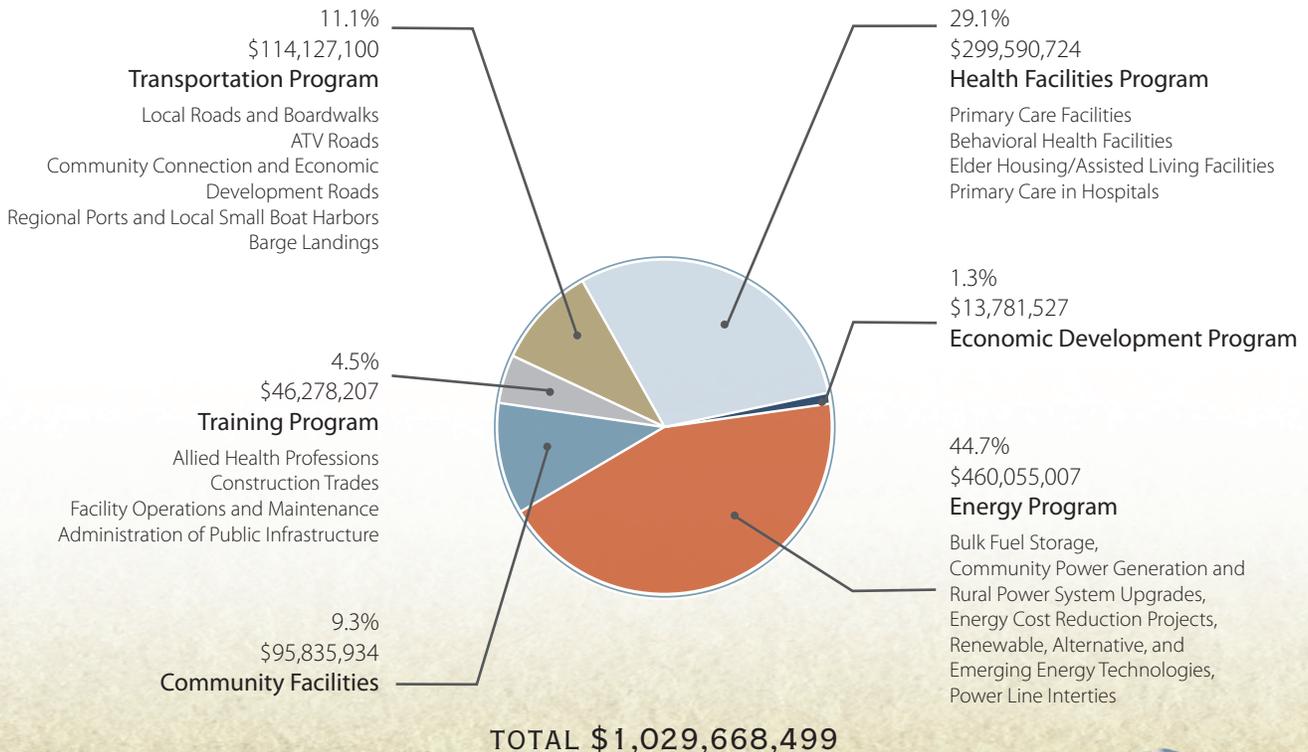
As the Denali Commission (Commission) continues to advance the development of infrastructure across rural Alaska, strategic changes will take place in our major programs. While funding for the energy, transportation, health and training programs are unknown for FY11, there is still significant need in each program area.

The Commission's two legacy programs: Energy and Health Facilities are the first programs to see significant changes in FY10. While funding has decreased significantly, our focus on Alaska's need for rural community energy solutions and health facilities has not. The Transportation Program, initiated in FY06, continues to address road and harbor improvements and we foresee continued funding at historic levels from the U.S. Department of Transportation for this program. Our Training Program has also seen changes as we move toward FY11. While funding in this area is unknown, it is necessary to further the goals set in this program as we move into the next fiscal year. The Commission plans to move these four foundational programs forward in the coming years.

With limited funding anticipated in FY11, the Commission will likely focus solely on the four major program areas listed above, and will likely not have funding for program areas such as washeterias, multi-use facilities and teacher housing projects.

As we move into the next decade, the relevance and necessity of the Commission is clear for rural Alaska. Today, the need for partnerships, leveraging of dollars and collaboration are all the more apparent in this economy. Partnerships, Leveraging and Collaboration has been the foundational structure of the Denali Commission and will continue to be in The Next Decade of the Denali Commission.

FY1999-2010 GRANTS AWARDED BY THE DENALI COMMISSION





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MISSION

The Denali Commission works with partners to develop basic public infrastructure, opportunity, and quality of life in Alaska communities.

HISTORY OF THE COMMISSION

In 1998 Congress focused national attention on the immense infrastructure and economic challenges faced by rural Alaskan communities when they passed the Denali Commission Act. The Act became law on October 21, 1998 (Title III of Public Law 105-277, 42 USC 3121). The Denali Commission (Commission) is an innovative federal-state partnership designed to provide critical utilities, infrastructure and support for economic development in Alaska by delivering federal services in the most cost-effective manner possible. By creating the Commission, Congress mandated that all parties involved partner together to find new and innovative solutions to the unique infrastructure and economic development challenges of America's most remote communities. This approach gives the Denali Commission its unique scope and breadth of services.

ADVISORY COMMITTEES

The Commission incorporated an advisory committee model for all major program areas. These committees consist of experts in the field to assist and advise on future program guidelines.

- Health Steering Committee 1999
- Transportation Advisory Committee 2006
- Economic Development Committee 2007
- Energy Advisory Committee 2007
- Training Advisory Committee 2007
- Federal Financial Management Advisory Committee 2007



FINANCE LINE OF BUSINESS



The Commission has worked diligently to improve and enhance our program delivery internally. On October 1, 2009 the Commission implemented the Financial Line of Business through the Administrative Resource Center, Bureau of Public Debt, U.S. Treasury. This significant change has enhanced controls over financial reporting and provided Federal Managers' Financial Integrity Act compliance. Implementation of these types of important procedures enhances the Commission's program delivery and strengthens Commission grants management practices.

COMMISSIONERS

The Denali Commission Act teams seven leading Alaska policy makers together. Commissioners meet at least twice a year to develop and monitor an annual work plan that guides the Commission's activities. Commissioners draw upon community-based comprehensive plans as well as comments from individuals, organizations, partners and staff to guide funding decisions. This approach helps provide basic services in the most cost effective manner by moving the problem solving resources closer to the people best able to implement solutions.

JOEL NEIMEYER
 Federal Co-Chair
 Denali Commission

KAREN REHFELD
 State Co-Chair
 Director of the Office of Management & Budget, State of Alaska

VINCE BELTRAMI
 Executive President, Alaska AFL-CIO

LORETTA BULLARD
 Director, Alaska Federation of Natives

PATRICK K. GAMBLE
 President, University of Alaska

JOHN MACKINNON
 Executive Director
 Associated General Contractors of Alaska

KATHIE WASSERMAN
 Executive Director, Alaska Municipal League