



# SUMMARY PERFORMANCE AND FINANCIAL INFORMATION FY 2012



## COMMISSIONERS

The Denali Commission Act designates seven leading Alaskan policy makers by position to form a team as the Denali Commissioners:

- Federal Co-Chair, appointed by the U.S. Secretary of Commerce
- The Governor of Alaska, who serves as the State Co-Chair
- President of the University of Alaska
- President of the Alaska Municipal League
- President of the Alaska Federation of Natives
- Executive President of the Alaska American Federation of Labor -Congress of Industrial Organization
- President of the Associated General Contractors of Alaska

Commissioners meet at least twice a year to develop and monitor annual work plans that guide the Commission's activities. Commissioners draw upon community-based comprehensive plans as well as comments from individuals, organizations and partners to guide funding recommendations. 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.

## ADVISORY COMMITTEES

The Commission has 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 and policies.

- Transportation Advisory Committee, established in 2006
- Energy Advisory Committee, established in 2007
- Business Board, established in 2007
- Health Steering Committee, established in 1999
- Training Advisory Committee, established in 2007
- Economic Development Committee, established in 2007

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## MISSION

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

## UNQUALIFIED FINANCIAL AUDIT

The Denali Commission's Inspector General contracted with an auditor who conducted an audit under federal standards of the Commission's financial statements, controls, and compliance with related laws. The result of the audit was an unqualified opinion.

The Commission's full financial information is available at [www.denali.gov](http://www.denali.gov)



## 2011 – 2012 PROGRESS TOWARD GOALS

Alaska will have a healthy, well-trained labor force working in a diversified and sustainable economy that is supported by a fully developed and well-maintained infrastructure.

### MODERNIZE AND DEVELOP STRONGER AND SUSTAINABLE INFRASTRUCTURE IN RURAL ALASKA

FY 2012 continued to reflect the Commission's commitment to infrastructure development in rural Alaska communities. Although the budget authority was less than FY 2011, Commission staff continued to re-purpose project savings to maximize the impact of federal investments. Infrastructure projects were vetted according to tested and proven standards of due diligence. And prior year funds were matched with leveraged funding from other program partners to improve the standard of living across the state and provide rural residents with access to fundamental facilities and opportunities.

#### Program Achievements in FY 2012

Roads Projects .....	12
Waterfront Projects.....	15
Bulk Fuel Storage Facilities.....	3
Rural Power System Upgrades .....	4
Rural Primary Care Clinic Openings .....	6

### PROMOTE THE SUSTAINABILITY OF RURAL ALASKA COMMUNITIES

“What we need in rural Alaska communities are an economy, affordable and safe housing, accessible health care, effective government, and infrastructure management. Overarching all of this is the need for safe and cost-effective energy.” (Quote by a rural Alaskan Elder) Communities need the capability to secure, protect and maintain these critical components—and they need that capacity within their own communities. The Commission has stepped out to assist communities to attain this capacity in new ways.

Program Achievements	Sustainability Concept
Barge Landings and Mooring Points Study	Innovative Designs, Phased Schedule of Projects
Emerging Energy Technologies	Reducing energy costs in rural Alaska
Engineering Technical Support	Build community capacity to obtain and maintain infrastructure
Training Projects Across Alaska (50+)	Local skills capacity in construction, allied health and facility maintenance; improved economy

### FORTIFY ACCOUNTABILITY POLICIES AND PROCEDURES

The Commission instituted a rigorous process for examining each active project and any reasons for exceptions to scope, schedule or budget. More dynamic monitoring has resulted in some delayed projects being replaced by projects that are ready for construction or implementation. Thorough project vetting and oversight has led to more efficient obligation of current fiscal year budget authority on projects that are equipped for sustainability. At the close of FY 2012, less than \$1 million was carried over for obligation in FY 2013. The Commission's grant close-out process has been accelerated, so that any savings realized as construction and training projects reach completion, the funding can quickly be re-purposed for new projects.

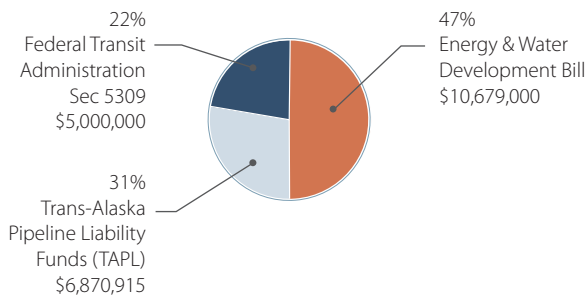
Program Achievements	Accountability Concept
Project Selection Process Strengthened	Appropriate vetting and due diligence
Timely Closing of Projects	Accounting for grant finances and outcomes
Re-Program Recovered Funds	Encourage project savings and use best practices and vetted priority lists to enhance infrastructure development
Unqualified Audit Opinion	Sound accounting of financial and program resources



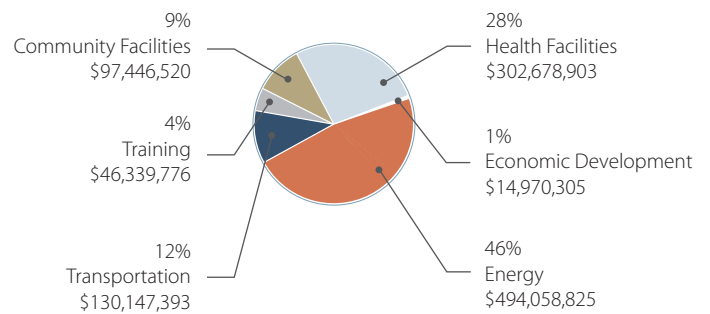
# FY 2012 FINANCIAL HIGHLIGHTS

The Commission's FY 2012 budget authority once again included federal funds transfers from FTA and TAPL. However, historically routine transfers from USDA-RUS, FHWA, HRSA and DOL were not received in FY 2012.

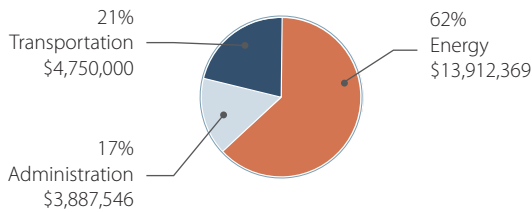
## FY 2012 SOURCES OF FUNDS



## FY 1999 - FY 2012 PROGRAM FUNDING USES



## FY 2012 FUNCTIONAL USES



## FY 2012 BUDGETARY AUTHORITY

Appropriations Received.....	\$17,549,915
Nonexpenditure Transfers.....	5,000,000
<b>Total Budget Authority.....</b>	<b>\$22,549,915</b>

## FUNDING SOURCES

(in millions)

	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
	\$20.0	\$25.0	\$66.4	\$97.3	\$99.2	\$120.5	\$140.1	\$140.6	\$133.8	\$108.9	\$74.5	\$58.4	\$28.4	\$22.6
U.S. Department of the Interior							\$1.0							
U.S. Department of Labor						\$5.0	\$6.9	\$6.9	\$6.9	\$6.8	\$3.4			
USDA Solid Waste						\$1.0	\$1.5	\$0.7	\$0.7	\$0.4	\$0.4			
U.S. Department of Housing & Urban Development						\$2.0	\$1.3							
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 Agriculture			\$15.0	\$25.0	\$18.5	\$15.0	\$15.0	\$15.0	\$15.0	\$10.0	\$8.5	\$8.0	\$5.8	
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	\$7.0	\$6.9
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	\$10.7	\$10.7
U.S. Department of Transportation (FTA & FHWA)								\$25.0	\$18.4	\$25.5	\$23.5	\$21.3	\$4.9	\$5.0



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## DEAR FRIENDS OF THE DENALI COMMISSION



**Joel Neimeyer**  
 Federal Co-Chair,  
 Denali Commission

Since the inception of the Denali Commission in 1998, the agency has concentrated on our mission to work with partners to develop basic public infrastructure, opportunity, and quality of life in Alaska communities. To progress toward this mission, the Commission has formulated three major goals:

- To modernize and develop stronger and sustainable infrastructure in rural Alaska
- To promote the sustainability of rural Alaska communities
- To fortify accountability policies and procedures

As we tell the narrative of the Commission for FY 2012, what becomes apparent is that the agency is adapting well to changing resources, demands, and environment. But overarching all of this is an abiding commitment to the improvement of the quality of life of rural Alaskans.

The budget authority of the Commission has decreased from a high in FY 2005 of about \$140 million to about \$25 million annually now. Directed appropriations were not received, or discontinued in FY 2012, for the Training, Health Facilities, and Transportation Programs (FHWA was discontinued). However, staff will continue to oversee dozens of active projects in these programs through the end of FY 2015.

As the agency's budgetary resources have declined, and as energy costs especially in rural Alaska continue to rise beyond affordability, new approaches are sought. The Commission will transition from large energy infrastructure projects to having a more comprehensive review of high energy consumers in Alaska villages, and seeking solutions to the communities' energy issues. Our first thoughts are of the water and sanitation systems, schools and housing – the largest energy consumers in any community – and an examination of energy efficiencies and conservation measures that might be enhanced by smaller-scale investments in infrastructure, or even alternative and renewable energy.

It is true that the Denali Commission is in transition from a grant making agency focused on singular, large infrastructure projects to one that takes a broader view of community sustainability in this time of limited financial resources and dramatically increasing heating and electricity costs. The Commission's vision of "Alaska having a healthy, well-trained labor force working in a diversified and sustainable economy that is supported by a fully developed and well-maintained infrastructure," is, ultimately, all about sustainability.

I am pleased to share this Summary report with the Alaskans we serve and the stakeholders who allow our work to continue.

Sincerely,

## FY 2012 HIGHLIGHTS

### Rural Power System Upgrade Saves Fuel

The Commission, in partnership with the State of Alaska, Alaska Energy Authority (AEA), funded a new power plant in Hoonah, Alaska. The community of nearly 800 residents is located on Chichagof Island in Southeast Alaska. The new power plant was brought online in April 2012 and includes four generators totaling 3,100 kW, a control panel with automatic switchgear to ensure the most efficient combination of generation is used, and exhaust silencers. In addition, a heat recovery system was installed to deliver heat recovered from the generators to the school, fire hall, senior center, and health clinic. It is anticipated that the heat recovery system will offset approximately 57,000 gallons of space heating diesel annually.

### Barge Landing Study Improves Rural Economy

The Alaska Barge Landing System Design Study is a two phased project that identifies potential barge landing improvement project needs in communities throughout Alaska. The study evaluated 202 communities located on coastal lands and rivers across the State, of which 136 were identified as having barge landing improvement needs.

This study provides stakeholders with a prioritized list of barge landing improvement projects and preliminary cost information.

Barge delivery in rural Alaska directly impacts the economy by enabling rural Alaska to access the larger market of goods and commodities, which indirectly impacts the economy by helping to drive costs down and increase the variety/competition of goods and commodities throughout the United States.