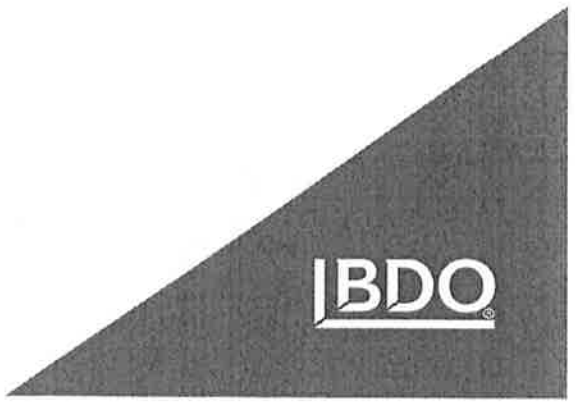
Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)

Basic Financial Statements, Required Supplementary Information, and Supplementary Information
Years Ended December 31, 2021 and 2020

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



Nome Joint Utility System

(A Component Unit of the City of Nome, Alaska)

Basic Financial Statements, Required Supplementary Information, and Supplementary Information

Years Ended December 31, 2021 and 2020

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)

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(A Component Unit of the City of Nome, Alaska)

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Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Members of the Nome Joint Utility Board
Nome Joint Utility System
Nome, Alaska

Opinion

We have audited the financial statements of Nome Joint Utility System a component unit of the City of Nome, Alaska, which comprise the statements of net position as of December 31, 2021 and 2020, and the related statements of revenue, expense and change in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Nome Joint Utility System as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Nome Joint Utility System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Nome Joint Utility System's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

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BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Nome Joint Utility System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Nome Joint Utility System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the schedules of the Nome Joint Utility System's information on the net pension and OPEB liability and the Utility's contributions to the pension and OPEB plans on pages 46 through 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards

generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Utility's basic financial statements. The accompanying Schedules of Revenues and Expenses and Allocated Expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Schedules of Revenues and Expenses and Allocated Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2026 on our consideration of Nome Joint Utility System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nome Joint Utility System's internal control over financial reporting and compliance.

BDO USA, P.C.

Anchorage, Alaska
May 6, 2026

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Basic Financial Statements

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)
Statements of Net Position

December 31,	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Undesignated cash and cash equivalents	$ 667,908	$ 810,313
Receivables:		
Customer accounts - net of allowance for doubtful accounts of $270,997 ($253,743 in 2020)	1,245,294	1,178,601
State PCE	225,012	99,000
Other accounts	1,185,740	999,989
Unbilled revenues	607,409	516,907
Inventories of fuel, materials, and supplies	5,293,538	4,994,866
Prepaid expenses	110,763	120,731
Board-designated insurance reserve	125,500	125,500
General fund reserve	1,108,564	1,108,564
Debt service reserve	-	233,000
Total Current Assets	10,569,728	10,187,471
Noncurrent Assets		
Net other postemployment benefits (OPEB) asset	1,030,590	-
Investment in ARECA	2,055,372	1,984,829
Utility plant in service:		
Capital assets being depreciated	184,709,162	182,077,607
Less accumulated depreciation	(110,956,369)	(105,070,082)
Net capital assets being depreciated	73,752,793	77,007,525
Land and land improvements	1,605,786	1,605,786
Construction in progress	412,223	900,803
Net utility plant in service	75,770,802	79,514,114
Total Noncurrent Assets	78,856,764	81,498,943
Total Assets	89,426,492	91,686,414
Deferred Outflows of Resources		
Loss on refunding of bonds	15,227	20,314
Deferred charges	1,575,113	1,383,477
Related to pensions	129,018	309,705
Total Deferred Outflows of Resources	1,719,358	1,713,496
Total Assets and Deferred Outflows of Resources	$ 91,145,850	$ 93,399,910

See accompanying notes to basic financial statements.

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)
Statements of Net Position, continued

December 31,	2021	2020
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	$ 846,018	$ 489,733
Accrued payroll and related items	169,645	155,629
Accrued annual leave	220,731	213,894
Accrued interest payable	60,128	59,176
Customer deposits	179,637	242,676
Fuel loan payable	2,663,403	2,664,502
Current portion of long-term debt	905,473	894,050
Total Current Liabilities	5,045,035	4,719,660
Long-term Liabilities		
Long-term debt, net of current portion	9,344,254	9,300,065
Unamortized bond premium	99,038	132,086
Net pension liability	1,446,271	1,972,074
Net other postemployment benefits liability	-	148,424
Total Long-term Liabilities	10,889,563	11,552,649
Total Liabilities	15,934,598	16,272,309
Deferred Inflows of Resources		
Related to pensions	576,740	-
Related to other postemployment benefits	504,524	216,958
Total Deferred Inflows of Resources	1,081,264	216,958
Net Position		
Net investment in capital assets	65,437,264	71,714,816
Committed - insurance reserve	125,500	125,500
Restricted:		
OPEB asset	1,030,590	-
General fund reserve	1,108,564	1,108,564
Debt service	-	233,000
Unrestricted	6,428,070	3,728,763
Total Net Position	74,129,988	76,910,643
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 91,145,850	$ 93,399,910

See accompanying notes to basic financial statements.

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)
Statements of Revenues, Expenses and Changes in Net Position

Years Ended December 31,	2021	2020
Operating Revenues		
Electricity	$ 10,443,288	$ 10,006,987
Water and wastewater	2,501,735	2,467,509
Sanitation and solid waste billing	144,792	144,134
Total Operating Revenues	13,089,815	12,618,630
Operating Expenses		
Electricity:		
Generation	6,554,366	6,627,634
Distribution operations	55,346	41,589
Distribution maintenance	849,364	635,299
Total electricity	7,459,076	7,304,522
Water:		
Distribution operations	264,644	213,182
Distribution maintenance	210,918	230,855
Water treatment	152,832	167,732
Total water	628,394	611,769
Wastewater:		
Wastewater collection	334,505	321,031
Wastewater treatment	116,779	112,378
Total wastewater	451,284	433,409
General and administrative:		
General and administrative	1,476,144	1,295,081
Consumer accounting	276,173	286,939
Property insurance	386,523	310,767
Payment in lieu of taxes to City of Nome	250,000	250,000
Total general and administrative	2,388,840	2,142,787
Depreciation	5,847,487	5,794,560
Total Operating Expenses	16,775,081	16,287,047

See accompanying notes to basic financial statements.

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)

Statements of Revenues, Expenses and Changes in Net Position, continued

Years Ended December 31,	2021	2020
Operating Loss	$ (3,685,266)	$ (3,668,417)
Nonoperating Revenues (Expenses)		
Pole attachment revenue	56,700	33,045
Patronage capital allocation	70,543	117,636
Intergovernmental revenues (expense) - PERS on-behalf	659,824	(650,282)
Gain on disposal of capital assets	-	13,897
Interest income	1,102	1,508
Equipment rental	-	17,818
Interest expense	(203,216)	(217,454)
Other nonoperating revenues	93,319	75,563
Nonoperating Revenues (Expenses), net	678,272	(608,269)
Loss before capital contributions	(3,006,994)	(4,276,686)
Capital contributions	226,339	617,088
Change in Net Position	(2,780,655)	(3,659,598)
Net Position, beginning	76,910,643	80,570,241
Net Position, ending	$ 74,129,988	$ 76,910,643

See accompanying notes to basic financial statements.

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)
Statements of Cash Flows

Years Ended December 31,	2021	2020
Cash Flows from Operating Activities		
Receipts from customers	$ 12,707,837	$ 12,077,937
Payments to employees and suppliers	(10,182,300)	(8,632,727)
Net cash flows from operating activities	2,525,537	3,445,210
Cash Flows from Noncapital Financing Activities		
Proceeds from fuel loan received	3,800,000	3,800,000
Principal paid on line of credit and fuel loan	(3,801,099)	(5,089,345)
Interest paid on fuel loan	20,006	40,784
Net cash flows from (for) noncapital financing activities	18,907	(1,248,561)
Cash Flows from Capital and Related Financing Activities		
Capital contributions received	226,339	617,088
Acquisition and construction of capital assets, construction in progress, and deferred charges	(2,952,671)	(2,337,238)
Proceeds from sale of capital assets	-	13,897
Draws on long-term debt	1,261,399	1,302,889
Principal paid on long-term debt	(1,205,787)	(1,940,301)
Interest paid on long-term debt	(250,231)	(449,618)
Net cash flows for capital and related financing activities	(2,920,951)	(2,793,283)
Cash Flows from Investing Activities		
Interest income received	1,102	1,508
Patronage capital refunds received	-	12,870
Net cash flows from investing activities	1,102	14,378
Net Decrease in Cash and Cash Equivalents	(375,405)	(582,256)
Cash and Cash Equivalents, beginning of year	2,277,377	2,859,633
Cash and Cash Equivalents, end of year	$ 1,901,972	$ 2,277,377
Reconciliation of Cash and Cash Equivalents to Statements of Net Position		
Undesignated cash and cash equivalents	$ 667,908	$ 810,313
Board-designated insurance reserve	125,500	125,500
General fund reserve	1,108,564	1,108,564
Debt service reserve	-	233,000
Total Cash and Cash Equivalents	$ 1,901,972	$ 2,277,377

See accompanying notes to basic financial statements.

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)

Statements of Cash Flows, continued

Years Ended December 31,	2021	2020
Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating loss	$ (3,685,266)	$ (3,668,417)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation charged to operations	5,886,286	5,840,212
Amortization of deferred charges	618,061	483,847
Equipment rental	-	17,818
Other nonoperating revenues	150,019	108,608
State PERS minimum contribution, net of relief	659,824	(650,282)
(Increase) decrease in assets:		
Customer accounts receivable (net)	(66,693)	27,192
Unbilled revenues	(90,502)	29,633
State PCE receivable	(126,012)	62,538
Other accounts receivable	(185,751)	(982,756)
Inventories	(298,672)	1,123,924
Prepaid expenses	9,968	75,012
Net other postemployment benefits asset	(1,030,590)	146,943
Deferred outflows of resources related to pensions	180,687	-
Deferred outflows of resources related to other postemployment benefits	-	163,964
Increase (decrease) in liabilities:		
Accounts payable	356,285	78,953
Accrued payroll and related items	14,016	40,718
Accrued annual leave	6,837	11,653
Customer deposits	(63,039)	196,274
Net pension liability	(525,803)	255,519
Net other postemployment benefits liability	(148,424)	(48,384)
Deferred inflows of resources related to pensions	576,740	(25,028)
Deferred inflows of resources related to other postemployment benefits	287,566	157,269
Net Cash Flows from Operating Activities	$ 2,525,537	$ 3,445,210

See accompanying notes to basic financial statements.

1. Organization and Summary of Significant Accounting Policies

Organization

Nome Joint Utility System (the Utility) is a legal subdivision of City of Nome, Alaska, organized and operated in accordance with AS 29.43.340 and pursuant to Nome Code of Ordinances, Chapter 15. Nome Ordinance 78-9-1 was enacted to provide for the more organized and efficient administration of all public utilities of the City, by formation of the Nome Joint Utility System Board to manage and operate all utilities owned by the City of Nome.

The City Council reserves the power and authority for approval of all budgets, rates, and the acquisition or disposal of real property of the Utility. As a result, Nome Joint Utility System is included as a component unit in City of Nome, Alaska's basic financial statements. Consistent with Alaska State law, the Utility is not subject to regulation by the Regulatory Commission of Alaska.

The Utility provides electrical generation and distribution, piped water service, wastewater disposal, and refuse billing services for the residences and business establishments in the City of Nome area.

Basis of Presentation

The accounts of the Utility are organized as an enterprise fund. An enterprise fund is a proprietary type fund used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accompanying financial statements are reported using the "economic resources measurement focus," and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. The Utility distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations, principally, utility services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Utility considers all cash and short-term investments as cash and cash equivalents.

Unbilled Revenue

The Utility's billing for the sale of electrical energy and water consumption reflect metered energy and water sold through varying dates ending prior to the end of the monthly and annual accounting periods. The Utility estimates and records the revenue earned for the sale of electrical energy and water consumption from the last billing through the end of the accounting period.

Plant-In-Service and Depreciation

Plant-in-service acquired by purchase is stated at cost. Contributions of plant are stated at cost or, if cost is unknown, at estimated fair value on date received with fair value of new plant determined based on donors actual or estimated cost. Depreciation of all exhaustible plant is computed on the straight-line method based on the estimated useful lives of the respective assets. The estimated useful lives are as follows:

	Years
Building and treatment plants	35
Electrical production plant	10-20
Electrical distribution system	20
Water and sewer lines	30
General plant	5-10

Normal maintenance and repairs are charged to operations as incurred. Expenditures for major additions, improvements and replacements are capitalized. Upon disposal of property subject to depreciation, the accounts are relieved of related identifiable costs and accumulated depreciation charged less salvage.

Capital Contributions

Capital contributions consist of various federal and State of Alaska grants for construction of plant facilities and transfers of new plant and equipment from the City of Nome. They are recorded at actual cost or estimated fair value on the date received if cost is unknown.

Inventories of Fuel, Materials and Supplies

Inventories of fuel, materials and supplies are stated at cost on a weighted average basis.

Accrued Annual Leave

Annual leave is recorded as expensed in the period it is earned by employees.

Fair Value Measurements

The Utility categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

The levels of the fair value hierarchy are as follows:

- *Level 1* - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.
- *Level 2* - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.
- *Level 3* - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Utility's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Capitalized Interest

The Utility includes as a cost of major plant construction any interest incurred to finance the construction.

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension and OPED liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Operating Revenues and Expenses

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Utility's principal ongoing operations. All other revenues and expenses are reported as nonoperating. Revenues are recognized when utility services are provided and expenses are recognized when costs are incurred.

2. Cash and Short-term Investments

Utility Investment Policy

The Utility's cash and investment policy allows the Utility to invest in the following:

A. Treasury bonds, bills, notes or other general obligation evidences of indebtedness of the United States or an agency or instrumentality of the United States, or of the State of Alaska, or of other states of the United States, or of this Utility, or of other cities of the state and of boroughs of this state.

B. Fully insured certificates of deposit, savings deposits, and other interest-bearing deposit accounts in member banks insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC).

C. Fully collateralized certificates of deposit, savings deposits, or other interest-bearing deposit accounts of member banks insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC). Such deposits shall be fully collateralized for any amount of the deposit in excess of the FDIC or FSLIC insurance limits then in force.

Investments may be placed with or through member banks insured by the FDIC or FSLIC.

All investments shall have maturities measured from the date of purchase which do not exceed one year, except for investments that shall be put to specific uses (such as defeasance of debt or establishment of a sinking fund) where the matching of maturity to the use is most important. Term of investments longer than 90 days will be coordinated and weighed with planned construction and capital improvements. Maturity dates over longer terms may be staggered to allow more liquidity.

All deposits that require collateralization must be in accordance with the following requirements:

A. The market value of collateral must be maintained during the life of the investment at a level equal to or greater than the deposit.

B. All collateral securities must be delivered to and held by a third-party trustee bank under a written trust agreement.

C. An undivided interest in the securities pledged as collateral must be granted to the Utility.

D. The trust agreement shall provide that upon trustee's receipt of written notice that the depository is in default of repayment of any deposit of Utility funds or any part thereof, the trustee shall deliver to the designated official of the Utility upon his order, all or such part of the collateral securities held by the trustees as directed.

E. Securities which may be used as collateral are limited to negotiable treasury bills, notes and other general obligation evidences of the indebtedness of the United States or any agency of the United States or of the State of Alaska or a municipality of the State.

Demand Deposits

At December 31, 2021, the carrying amount of the demand deposits (including $1,500 of cash on hand) was $1,776,472 and the bank balances totaled $1,901,971. At December 31, 2020, the carrying amount of the demand deposits (including $1,500 of cash on hand) was $2,151,877 and the bank balances totaled $2,169,333. A reconciliation of the book balance of the demand deposits to the Statement of Net Position follows:

	2021	2020
Cash and cash equivalents	$ 667,908	$ 810,313
General fund reserve	1,108,564	1,108,564
Debt service reserve	-	233,000
Total Demand Deposits	$ 1,776,472	$ 2,151,877

Board-Designated Insurance Reserve

To provide proof of financial responsibility for its tank farm in case of a fuel spill, the Utility purchases insurance and also maintains certificates of deposit. The carrying amount of the certificates of deposit, which was equal to fair value, was $125,500 for both years ended December 31, 2021 and 2020.

General Fund Reserve

The Utility maintains a distinct general fund reserve bank account for an operating reserve separate from the Utility's general operating cash. Funds were set aside and designated for potential use in capital improvements, to provide funding for periodic major overhaul and maintenance requirements which are above and beyond annual operating and maintenance expenses, to set aside funds for large capital improvements and equipment replacement that may be required, funds that may be required for matches to state or federal grants, and otherwise develop a reserve through the rate structure of the Utility.

Custodial Credit Risk

The Utility has instituted a policy to maintain all its cash and cash equivalents in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF), and to fully collateralize all deposits in excess of current federal insurance limits. At December 31, 2021 and 2020, the Utility's cash deposits were fully insured or collateralized by U.S. government securities held by the pledging institution's agent in the Utility's name.

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3. Utility Plant in Service, Land and Land Improvements and Construction in Progress

Utility plant in service including land and land improvements and construction in progress as of December 31, 2021 consists of the following.

	Balance January 1, 2021	Additions and Reclass-ifications	Deletions and Reclass-ifications	Balance December 31, 2021
Capital assets not being depreciated:				
Land and land improvements	$ 1,605,786	$ -	$ -	$ 1,605,786
Construction in progress	900,803	2,142,976	(2,631,556)	412,223
Total assets not being depreciated	2,506,589	2,142,976	(2,631,556)	2,018,009
Capital assets being depreciated:				
Electric production plant	56,003,944	77,145	-	56,081,089
Electric distribution system	18,142,039	472,608	-	18,614,647
Electric general plant	1,416,408	10,186	-	1,426,594
Water and sewer plant	18,628,471	20,872	-	18,649,343
Water and sewer lines	84,445,498	1,953,736	-	86,399,234
Water and sewer equipment	2,231,835	37,867	-	2,269,702
Administrative plant and equipment	1,209,412	59,143	-	1,268,552
Total assets being depreciated	182,077,607	2,631,556	-	184,709,161
Less accumulated depreciation	(105,070,082)	(5,886,286)	-	(110,956,368)
Total assets being depreciated, net	77,007,525	(3,254,732)	-	73,752,793
Total Capital Assets, net	$ 79,514,114	$ (1,111,756)	$ (2,631,556)	$ 75,770,802

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Utility plant in service including land and land improvements and construction in progress as of December 31, 2020 consists of the following.

	Balance January 1, 2020	Additions and Reclass-ifications	Deletions and Reclass-ifications	Balance December 31, 2020
Capital assets not being depreciated:				
Land and land improvements	$ 1,605,786	$ -	$ -	$ 1,605,786
Construction in progress	300,921	1,379,568	(779,686)	900,803
Total assets not being depreciated	1,906,707	1,379,568	(779,686)	2,506,589
Capital assets being depreciated:				
Electric production plant	55,789,773	214,171	-	56,003,944
Electric distribution system	18,142,039	-	-	18,142,039
Electric general plant	1,365,879	50,529	-	1,416,408
Water and sewer plant	18,339,933	288,538	-	18,628,471
Water and sewer lines	84,438,221	7,277	-	84,445,498
Water and sewer equipment	2,174,264	57,571	-	2,231,835
Administrative plant and equipment	1,182,425	26,987	-	1,209,412
Total assets being depreciated	181,432,534	645,073	-	182,077,607
Less accumulated depreciation	(99,229,870)	(5,840,212)	-	(105,070,082)
Total assets being depreciated, net	82,202,664	(5,195,139)	-	77,007,525
Total Capital Assets, Net	$ 84,109,371	$ (3,815,571)	$ (779,686)	$ 79,514,114

Depreciation expense was charged to the functions as follows:

Years Ended December 31,	2021	2020
Electric	$ 2,622,170	$ 2,561,643
Water and wastewater	3,225,317	3,232,917
Clearing accounts	38,799	45,652
Total Depreciation Expense	$ 5,886,286	$ 5,840,212

4. Deferred Charges

Deferred charges, net of accumulated amortization at December 31, 2021 and 2020 consisted of the following:

	2021	2020
EWT maintenance agreement	$ 28,708	$ 32,032
Generator overhauls	722,101	1,029,924
Tank maintenance	824,304	321,521
Total Deferred Charges	$ 1,575,113	$ 1,383,477

Deferred charges are amortized and charged to expense over periods ranging from 3 to 6 years. Amortization of deferred charges in the amount of $618,061 and $483,847 was recorded during the years ended December 31, 2021 and 2020.

5. Fuel Loan Payable

It is customary for the Utility to borrow funds to assist in the annual purchase of diesel fuel.

In September 2021, the Utility issued a Revenue Anticipation Note (RAN) in the amount of $3,800,000 to Wells Fargo Bank for the financing of the purchase of generation diesel fuel. The interest rate was 0.95% and repaid in 10 equal installments, the last in July 2022. The loan is financed by fuel charges to customers. At December 31, 2021, the balance of the loan was $2,663,403.

In October 2020, the Utility issued a Revenue Anticipation Note (RAN) in the amount of $3,800,000 to Wells Fargo Bank for the financing of the purchase of generation diesel fuel. The interest rate is 1.28% and was repaid in 10 equal installments, the last in July 2021. At December 31, 2021 and 2020, the balance was $0 and $2,664,502, respectively.

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6. Long-term Debt

The following is a summary of bond and loan transactions for the year ended December 31, 2021:

	Revenue Bonds	ADEC Loans	Totals
Balances, January 1, 2021	$ 975,000	$ 9,219,115	$ 10,194,115
Additions	-	949,661	949,661
Debt retired	(225,000)	(669,049)	(894,049)
Balances, December 31, 2021	$ 750,000	$ 9,499,726	$ 10,249,726

Bonds and loans included in long-term debt consisted of the following at December 31, 2021 and 2020:

	2021	2020
$5,300,000 Alaska Department of Environmental Conservation water/sewer loan, due in annual installments of $265,000, plus interest at 1.5% through 2029	$ 2,133,646	$ 2,399,689
$475,000 Alaska Department of Environmental Conservation water/sewer loan, due in annual installments of $23,750, plus interest at 1.5% through 2029	191,697	215,447
$265,351 Alaska Department of Environmental Conservation water/sewer loan, due in annual installments of $13,268, plus interest at 1.5% through 2029	108,436	121,449
$2,140,000 2015 electric revenue bonds, due in annual installments of $190,000 to $265,000, plus interest at 3% to 5.0% through 2024	750,000	975,000
$1,740,000 Alaska Department of Environmental Conservation water/sewer loan, due in annual installments of $90,379, including interest at 1.5% through 2035	1,008,226	1,072,517
$995,000 Alaska Department of Environmental Conservation water/sewer loan, due in annual installments of $38,250, including interest at 1.5% through 2035	479,784	510,378
$640,000 Alaska Department of Environmental Conservation water/sewer loan, due in annual installments of $20,192, plus interest at 1.5% through 2029	171,634	191,826
$855,000 Alaska Department of Environmental Conservation water/sewer loan, due in annual installments of $37,608, plus interest at 1.5% through 2029	300,862	338,470
$1,563,600 Alaska Department of Environmental Conservation water/sewer loan, due in annual installments of $56,903, plus interest at 1.5% through 2039	1,024,262	1,081,165

$1,830,200 Alaska Department of Environmental Conservation water/sewer loan, due in annual installments of $91,510, plus interest at 1.5% through 2039	1,647,180	1,738,690
$882,700 Alaska Department of Environmental Conservation water/sewer loan, due in annual installments of $26,058, plus interest at 1.5% through 2039	703,560	742,646
$588,480 Alaska Department of Environmental Conservation water/sewer loan, due in annual installments of $26,058, plus interest at 1.5% through 2039	469,040	495,100
$2,433,988 Alaska Department Environmental Conservation water/sewer loan, terms not yet established, interest at 1.5%	1,115,255	291,485
$2,086,937 Alaska Department Environmental Conservation water/sewer loan, terms not yet established, interest at 1.5%	146,144	20,253
Total long-term debt	10,249,727	10,194,115
Less current portion	(905,473)	(894,050)
Total Long-term Debt, Net of Current Portion	$ 9,344,254	$ 9,300,065
Unamortized Bond Premium	$ 99,038	$ 132,086

The annual debt service requirements of the long-term debt, follow:

Years Ended	ADEC Loans		Revenue Bonds		
December 31	Principal	Interest	Principal	Interest	Totals
2022	$ 670,473	$ 123,976	$ 235,000	$ 37,500	$ 1,066,949
2023	631,020	113,914	250,000	25,750	1,020,684
2024	661,408	104,057	265,000	13,250	1,043,715
2025	665,804	94,135	-	-	759,939
2026	670,266	84,150	-	-	754,416
2027-2031	2,694,710	274,124	-	-	2,968,834
2032-2036	1,544,668	118,867	-	-	1,663,535
2037-2039	1,961,378	20,139	-	-	1,981,517
	$ 9,499,727	$ 933,3612	$ 750,000	$ 76,500	$ 11,259,589

Repayment terms for certain Alaska Department of Environmental Conservation loans have not been finalized; however, the Utility has estimated the terms and included in the above based on projections and proposed.

Bond Ordinance Requirements

At December 31, 2021 and 2020, the funding for bond redemption and other bond ordinance reserve requirements were met or exceeded by cash and security deposits.

7. Retirement Plans

General Information About the Plan

The Utility participates in the Alaska Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple-employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. That report is available via the internet at http://doa.alaska.gov/drb/pers. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

The Plan provides for retirement, death and disability, and postemployment healthcare benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. Police/Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other postemployment benefits (OPEB). A complete benefit comparison chart is available at the website noted above.

(a) Defined Benefit (DB) Pension Plan

The PERS DB Plan was closed to new entrants effective July 1, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

Historical Context and Special Funding Situation

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from a DB agent-multiple-employer plan to a DB cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in these notes. The Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

Alaska Statute 39.35.280 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Retirement Management Board (ARM Board). As such, the Plan is considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows of resources, and disclosures on this basis.

The Utility recorded the related on-behalf contributions as revenue and expense as prescribed by GAAP.

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary.

Employer and Other Contribution Rates

There are several contribution rates associated with the pension contributions and related liabilities. These amounts are calculated on an annual basis.

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, the amount calculated for the statutory employer effective contribution rate is 22% on eligible wages. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the DC plan. Contributions derived from the DC employee payroll is referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This change results in lower ARM Board Rates than previously adopted.

State Contribution Rate: This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition.

Contribution rates for the plan years ended June 30, 2020 and June 30, 2021 were determined in the June 30, 2016 and June 30, 2017 actuarial valuations, respectively.

The Utility's contribution rates for the 2021 calendar year were as follows:

January 1, 2021 to June 30, 2021	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	14.57%	26.58%	8.85%
Postemployment healthcare (ARHCT)	7.43%	4.27%	-%
Total Contribution Rates	22.00%	30.85%	8.85%

July 1, 2021 to December 31, 2021	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	15.54%	26.99%	8.11%
Postemployment healthcare (ARHCT)	6.46%	3.12%	-%
Total Contribution Rates	22.00%	30.11%	8.11%

The Utility's contribution rates for the 2020 calendar year were as follows:

January 1, 2020 to June 30, 2020	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	15.72%	23.73%	6.62%
Postemployment healthcare (ARHCT)	6.28%	4.89%	-%
Total Contribution Rates	22.00%	28.62%	6.62%

July 1, 2020 to December 31, 2020	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	15.72%	26.58%	8.85%
Postemployment healthcare (ARHCT)	6.28%	4.27%	-%
Total Contribution Rates	22.00%	30.85%	8.85%

In 2021, the Utility was credited with the following contributions to the pension plan.

	Measurement Period July 1, 2020 to June 30, 2021	Utility Fiscal Year January 1, 2021 to December 31, 2021
Employer contributions (including DBUL)	$ 143,608	$ 154,248
Nonemployer contributions (on-behalf)	89,391	89,105
Total Contributions	$ 232,999	243,353

In 2020, the Utility was credited with the following contributions to the pension plan.

	Measurement Period July 1, 2019 to June 30, 2020	Utility Fiscal Year January 1, 2020 to December 31, 2020
Employer contributions (including DBUL)	$ 148,687	$ 142,724
Nonemployer contributions (on-behalf)	73,917	83,157
Total Contributions	$ 222,604	$ 225,881

In addition, employee contributions to the Plan totaled $51,062 during the Utility's fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021 and 2020, the Utility reported liabilities for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the Utility. The amounts recognized by the Utility for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the Utility were as follows:

	2021	2020
Utility proportionate share of NPL	$ 1,446,271	$ 1,972,074
State's proportionate share of NPL associated with the Utility	195,613	817,171
Total Net Pension Liability	$ 1,641,884	$ 2,789,245

The total pension liability for the June 30, 2021 and 2020 measurement dates were determined by an actuarial valuations as of June 30, 2020 and 2019 rolled forward to June 30, 2020 and 2019 to calculate the net pension liability as of that date. The Utility's proportion of the net pension liability was based on a projection of the Utility's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2021 measurement date, the Utility's proportion was 0.03942 percent, which was a increase of 0.00600 from its proportion measured as of June 30, 2020.

For the years ended December 31, 2021 and 2020, the Utility recognized pension expense of $356,207 and $791,329, respectively, and on-behalf revenue of $89,391 and $289,652, respectively, for support provided by the State. At December 31, 2021, the Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (6,407)
Net difference between projected and actual earnings on pension plan investments	-	(570,333)
Changes in proportion and differences between Utility contributions and proportionate share of contributions	46,499	-
Utility contributions subsequent to the measurement date	82,519	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	$ 129,018	$ (576,740)

At December 31, 2020, the Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (25,028)
Changes in assumptions	51,759	
Net difference between projected and actual earnings on pension plan investments	24,240	-
Changes in proportion and differences between Utility contributions and proportionate share of contributions	155,863	-
Utility contributions subsequent to the measurement date	77,843	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	$ 309,705	$ (25,028)

The $82,519 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year December 31,	
2022	$ (92,447)
2023	(130,641)
2024	(141,317)
2025	(165,836)
Total Amortization	$ (530,241)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021:

Actuarial cost method	Entry age normal
Amortization method	Unfunded accrued actuarial liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For all others, increase range from 6.75 to 2.75 based on service.
Allocation methodology	Amounts for the June 30, 2021 measurement date were allocated to employers based on the present value of contributions for fiscal years 2022 to 2039 to the Plan, as determined by projections based on the June 30, 2019 valuation. The liability is expected to go to zero at 2039.
Investment rate of return	7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 health annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. 40% of the time for all others beside peace officers/firefighters.

The actuarial assumptions used in the June 30, 2020 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions effective for the June 30, 2018 actuarial valuation adopted by the Board to better reflect expected experience.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component

of 2.50%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	28%	6.63%
Global equity (non-U.S.)	19%	5.41%
Intermediate Treasuries	22%	0.76%
Opportunistic	6%	4.39%
Real assets	13%	3.16%
Private equity	12%	9.29%
Cash equivalents	0%	0.13%

Discount Rate

The discount rate used to measure the total pension liability was 7.38%. The discount rate used did not change from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Utility's proportionate share of the net pension liability calculated using the discount rate of 7.38%, as well as what the Utility's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%
Utility's proportionate share of the net pension liability	0.03942%	$ 2,142,128	$ 1,446,271	$ 861,661

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

(b) Defined Contribution (DC) Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a DC plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the DB plan noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, a retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. This Plan is included in the comprehensive annual financial report for PERS, and at the following website, as noted above. http://doa.alaska.gov/drb/pers.

Contributions to the DC plan consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the Utility contribute at 22%. After deducting the DC plan contributions (and related OPEB contributions), the remaining remittance (the DBUL) is deposited into the DB plan as noted earlier.

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended December 31, 2021 to cover a portion of the Utility's employer match contributions. For the year ended December 31, 2021, there were no forfeitures.

Employee Contribution Rate

Employees are required to contribute 8% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rate

For the years ended December 31, 2021 and 2020, the Utility was required to contribute 5% of covered salary into the Plan.

The Utility and employee contributions to PERS for pensions for the year ended December 31, 2021 were $15,623 and $24,997, respectively. The Utility and employee contributions to PERS for pensions for the year ended December 31, 2020 were $107,847 and $518,212, respectively. The Utility contribution amounts are recognized as pension expense/expenditures.

(c) Defined Benefit OPEB Plans

As part of its participation in PERS, the Utility participates in the following cost-sharing multiple-employer defined benefit OPEB plans: Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD).

The ARHCT, a healthcare trust fund, provides major medical coverage to retirees of the DB plan. The ARHCT is self-funded and self-insured. The ARHCT was closed to all new members effective July 1, 2006. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS DC Plan (Tier IV). The RMP is self-insured. Members are not eligible to use the Plan until they have at least 10 years of service and are Medicare age eligible. The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration. The OPEB plans are included in the comprehensive annual financial report for PERS, at the following website, as noted above. http://doa.alaska.gov/drb/pers.

Employer Contribution Rate

Employer contribution rates are actuarily determined and adopted by and may be amended by the Board. Employees do not contribute.

Employer contribution rates for the year ended December 31, 2021 were as follows:

January 1, 2021 to June 30, 2021	Other	Peace/Fire
Alaska Retiree Healthcare Trust	7.43%	7.43%
Retiree Medical Plan	1.27%	1.27%
Occupational Death and Disability Benefits	0.31%	0.70%
Total Contribution Rates	9.01%	9.40%

July 1, 2021 to December 31, 2021	Other	Peace/Fire
Alaska Retiree Healthcare Trust	6.46%	6.46%
Retiree Medical Plan	1.07%	1.07%
Occupational Death and Disability Benefits	0.31%	0.68%
Total Contribution Rates	7.84%	8.21%

In 2021, the Utility was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2019 to June 30, 2020	Utility Fiscal Year January 1, 2020 to December 31, 2020
Employer contributions - ARHCT	$ 53,022	$ 52,356
Employer contributions - RMP	3,962	3,649
Employer contributions - ODD	967	969
Total Contributions	$ 57,952	$ 56,974

Employer contribution rates for the year ended December 31, 2020 were as follows:

January 1, 2020 to June 30, 2020	Rate
Alaska Retiree Healthcare Trust	6.28%
Retiree Medical Plan	1.32%
Occupational Death and Disability Benefits	0.26%
Total Contribution Rates	7.86%

July 1, 2020 to December 31, 2020	Rate
Alaska Retiree Healthcare Trust	-%
Retiree Medical Plan	1.27%
Occupational Death and Disability Benefits	0.70%
Total Contribution Rates	1.97%

In 2020, the Utility was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2019 to June 30, 2020	Utility Fiscal Year January 1, 2020 to December 31, 2020
Employer contributions -ARCHT	$ 59,398	$ 54,615
Employer contributions - RMP	3,726	4,129
Employer contributions - ODD	734	909
Total Contributions	$ 63,858	$ 59,653

OPEB Liabilities, OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans

At December 31, 2021, the Utility reported a liability for its proportionate share of the net OPEB asset and liabilities (NOL) that reflected a reduction for State OPEB support provided to the Utility. The amount recognized by the Utility for its proportional share, the related State proportion, and the total were as follows:

	2021	2020
Utility's proportionate share of NOL - ARHCT	$1,016,869	$ (151,504)
Utility's proportionate share of NOL - RMP	5,730	(1,481)
Utility's proportionate share of NOL - ODD	7,991	4,561
Total Utility's Proportionate Share of Asset (Liability)	$ 1,030,590	$ (148,424)
State's proportionate share of the ARHCT NOL associated with the Utility	$ 130,620	$ 62,673
Total Net OPEB Asset (Liabilities)	$ 1,161,210	$ (85,751)

The total OPEB liabilities (asset) for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 to calculate the net OPEB liabilities (asset) as of that date. The Utility's proportion of the net OPEB liabilities (asset) were based on a projection of the Utility's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2020 Measurement Date Employer Proportion	June 30, 2021 Measurement Date Employer Proportion	Change
Utility's proportionate share of the net OPEB liabilities (asset):			
ARHCT	0.03346%	0.00396%	(0.02954)%
RMP	0.02089%	0.02135%	0.00046 %
ODD	0.01673%	0.01813%	0.00140 %

Collective Totals (All Plans)

For the year ended December 31, 2021, the Utility recognized collective OPEB expense of $(379,743 and revenue of $(45,320) for support provided by the Plans.

For the year ended December 31, 2020, the Utility recognized collective OPEB expense of $20,461 and revenue of $40,332 for support provided by the Plans.

At December 31, 2021, the Utility reported collective deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

All Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 426	$ (13,134)
Changes in assumptions	1,781	(41,895)
Changes in benefits	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(482,248)
Changes in proportion and differences between Utility contributions and proportionate share of contributions	3,976	(1,286)
Utility contributions subsequent to the measurement date	27,856	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans	$ 34,039	$ (538,563)

At December 31, 2020, the Utility reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

All Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 8	$ (14,002)
Changes in assumptions	2,081	(109,504)
Changes in benefits	-	-
Net difference between projected and actual earnings on OPEB plan investments	61,606	-
Changes in proportion and differences between Utility contributions and proportionate share of contributions	12,196	(1,279)
Utility contributions subsequent to the measurement date	28,836	-
Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB Plans	$ 104,727	$ (124,785)

The $28,836 reported as collective deferred outflows of resources related to OPEB plans resulting from Utility contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	
2022	$ (159,845)
2023	(111,713)
2024	(119,866)
2025	(116,100)
2026	(560)
Thereafter	(883)
Total Amortization	$ (508,967)

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ARHCT Plan

At December 31, 2021, the Utility reported deferred outflows of resources and deferred inflows of resources related to the ARHCT plan from the following sources:

ARHCT Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (10,679)
Changes in assumptions	-	(38,428)
Changes in benefits	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(475,840)
Changes in proportion and differences between Utility contributions and proportionate share of contributions	2,864	-
Utility contributions subsequent to the measurement date	25,648	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to ARHCT Plan	$ 28,512	$ (524,947)

At December 31, 2020, the Utility reported deferred outflows of resources and deferred inflows of resources related to the ARHCT plan from the following sources:

ARHCT Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (12,154)
Changes in assumptions	-	(105,607)
Changes in benefits	-	-
Net difference between projected and actual earnings on OPEB plan investments	60,787	-
Changes in proportion and differences between Utility contributions and proportionate share of contributions	10,929	-
Utility contributions subsequent to the measurement date	26,315	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to ARHCT Plan	$ 98,031	$ (117,761)

The $25,648 reported as collective deferred outflows of resources related to the ARHCT plan resulting from Utility contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	
2022	$ (157,717)
2023	(109,584)
2024	(117,671)
2025	(137,111)
Total Amortization	$ (522,083)

RMP Plan

At December 31, 2021, the Utility reported deferred outflows of resources and deferred inflows of resources related to the RMP plan from the following sources:

RMP Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 426	$ (272)
Changes in assumptions	1,781	(3,406)
Changes in benefits	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between Utility contributions and proportionate share of contributions	1,084	-
Utility contributions subsequent to the measurement date	1,712	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to RMP Plan	$ 5,003	$ (3,678)

At December 31, 2020, the Utility reported deferred outflows of resources and deferred inflows of resources related to the RMP plan from the following sources:

RMP Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 8	$ (318)
Changes in assumptions	2,081	(3,830)
Changes in benefits	-	-
Net difference between projected and actual earnings on OPEB plan investments	663	-
Changes in proportion and differences between Utility contributions and proportionate share of contributions	1,234	-
Utility contributions subsequent to the measurement date	2,026	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to RMP Plan	$ 6,012	$ (4,148)

The $1,712 reported as collective deferred outflows of resources related to the RMP plan resulting from Utility contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	
2022	$ (1,197)
2023	(1,199)
2024	(1,251)
2025	(1,415)
2026	(69)
Thereafter	(382)
Total Amortization	$ (5,513)

ODD Plan

At December 31, 2021, the Utility reported deferred outflows of resources and deferred inflows of resources related to the ODD plan from the following sources:

ODD Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (2,183)
Changes in assumptions	-	(61)
Changes in benefits	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(1,281)
Changes in proportion and differences between Utility contributions and proportionate share of contributions	28	(1,286)
Utility contributions subsequent to the measurement date	496	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to ODD Plan	$ 524	$ (4,811)

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ODD Plan

At December 31, 2020, the Utility reported deferred outflows of resources and deferred inflows of resources related to the ODD plan from the following sources:

ODD Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (1,530)
Changes in assumptions	-	(67)
Changes in benefits	-	-
Net difference between projected and actual earnings on OPEB plan investments	156	-
Changes in proportion and differences between Utility contributions and proportionate share of contributions	33	(1,279)
Utility contributions subsequent to the measurement date	495	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to ODD Plan	$ 684	$ (2,876)

The $496 reported as collective deferred outflows of resources related to the ODD plan resulting from Utility contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	
2022	$ (931)
2023	(930)
2024	(944)
2025	(986)
2026	(491)
Thereafter	(501)
Total Amortization	$ (4,783)

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Actuarial Assumptions

The total OPEB liability (asset) for each plan for the measurement period ended June 30, 2021 was determined by actuarial valuations as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2021:

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level percentage of payroll, closed
Inflation	2.50%
Salary increases	Graded by service from 6.75% to 2.75% for all others
Allocation methodology	Amounts for the June 30, 2021 measurement date were allocated to employers based on the present value of contributions for FY 2021-2039, as determined by projections based on the June 30, 2018 valuation.
Investment rate of return	7.38%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Healthcare cost trend rates (ARHCT Plan and RMP)	Pre-65 medical: 6.5% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drug: 7.5% grading down to 4.5% EGWP: 7.5% grading down to 4.5%
Mortality	Pre-termination and post-termination mortality rates were based upon the 2013-2017 actual mortality experience. Post-termination mortality rates were based on 91% of the male rates and 96% of the female rates of the RP-2014 healthy annuitant table project with MP-2017 generational improvement. The rates for pre-termination mortality were 100% of the RP-2014 employee table with MP-2017 generational improvement.
Participation (ARHCT)	100% system paid of members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. 20% of non-system paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2020 actuarial valuation to better reflect expected future experience.

In addition to the changes in assumptions resulting from the experience study, the following assumption changes have been made since the prior valuation:

1. An Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in larger projected subsidies to offset the cost of prescription drug coverage.
2. Based on recent experience, the healthcare cost trend assumptions were updated
3. Per capita claims costs were updated to reflect recent experience.
4. Healthcare cost trends were updated to reflect a Cadillac Tax load.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.50% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	28%	6.63 %
Global equity (non-U.S.)	19%	5.41 %
Aggregate bonds	22%	0.76 %
Opportunistic	6%	4.39 %
Real assets	13%	3.16 %
Private equity	12%	9.29 %
Cash equivalents	-%	0.13 %

Discount Rate

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2021 was 7.38%. The discount rate used did not change from the prior year measurement date. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position or each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

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Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the Utility's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.38%, as well as what the Utility's proportionate share of the respective plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Proportional Share	1% Decrease (6.38 %)	Current Discount Rate (7.38 %)	1% Increase (8.38 %)
Utility's proportionate share of the net OPEB liability (asset):				
ARHCT	0.00396	(1,951,880)	(1,016,869)	(3,842,186)
RMP	0.02135	3,740	(5,730)	(12,884)
ODD	0.01813	(7,652)	(8,262)	(8,262)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the Utility's proportionate share of the net OPEB liability (asset) calculated using the healthcare cost trend rates as summarized in the 2020 actuarial valuation reports as well as what the Utility's proportionate share of the respective plan's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Utility's proportionate share of the net OPEB liability (asset):				
ARHCT	0.00396%	(3,942,578)	(1,016,869)	(1,828,557)
RMP	0.02135%	(13,907)	(5,730)	5,411
ODD	0.01813%	N/A	N/aA	N/A

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

(d) Defined Contribution OPEB Plans

PERS DC Pension Plan participants (PERS Tier IV) also participate in the Health Reimbursement Arrangement Plan (HRA Plan). The HRA Plan allows for medical care expense to be reimbursed from individual savings accounts established for eligible persons. The HRA Plan became effective July 1, 2006 at which time contributions by employers began.

Contribution Rate

AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2021, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates $2,168 per year for each full-time employee, and $1.39 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In 2021, the Utility contributed $8,322 in DC OPEB costs. These amounts have been recognized as expense.

In 2020, the Utility contributed $8,465 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

8. Deferred Compensation Plan

The Utility offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is available to all employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with the Internal Revenue Code, all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries.

9. Union Agreements

Employees of the Utility currently participate in four (4) separate Union Bargaining Agreements: Alaska Public Employees Association (APEA) covers Water and Sewer, Administration and Accounting employees; International Brotherhood of Electrical Workers (IBEW) covers Line Department employees; Operating Engineers Local 302 (302) covers Power Plant employees; and an agreement jointly with Alaska Laborers Union and Operating Engineers Local 302 (Laborers/Operating Engineers) covers seasonal construction employees.

The APEA Agreement includes Utility contributions to a Legal fund for eligible employees, participation in a group health insurance policy (GHIP) as well as contributions to the Public Employees' Retirement System (PERS). IBEW and 302 have distinct insurance and retirement programs. The Utility contributes to a Union retirement fund and a health reimbursement agreement reserve for those employees covered under the Laborers/Operation Engineers Agreement.

Administrative employees who are exempt from Bargaining Agreements and the Utility Board members participate in the same GHIP as APEA members. Administrative staff and eligible Board members also participate in PERS.

10. Risk Management

The Utility faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensation; i.e., employee injuries, and (f) medical insurance costs of employees. Commercial policies, transferring these risks of loss, except for relatively small deductible amounts, are purchased for property and content damage, workers' compensation, employee medical costs, and professional liabilities. Coverage limits and the deductibles on the commercial policies have stayed relatively constant for the last several years.

Alaska Statute 18 AAC 75.235 requires that the Utility maintain a certain minimum level of working capital and net worth in order to provide proof of financial responsibility in the event of a fuel spill related to its tank farm. The Utility elected to purchase fuel spill insurance in conjunction with certificates of deposit to meet this requirement. The Utility obtained insurance coverage of $4,000,000 and also maintained $125,500 in the Board-designated insurance reserve for both years ended December 31, 2021 and 2020.

11. Contingencies

Unasserted claims
On doesn't allege a violation, but states that a Notice of Violation will be issued if the Utility doesn't comply with the letter and that the Utility will be responsible for the cost of any response actions.

The Utility investigated the alleged contamination and found evidence of a buried dumpsite consistent with military activity in the Port Road corridor during World War II. This information was provided to both ADEC and the U.S. Army Corps of Engineers. Subsequently, ADEC has not requested or required the Utility to perform additional site assessment, but also has not formally withdrawn their November 19, 2014 letter. No fines or cost are alleged at this time. If fines or cost are levied arising out of this alleged contamination, the Utility will vigorously defend against them. While the ultimate outcome of this litigation cannot be determined, an adverse judgment against the Utility could have a material adverse impact on its financial condition or its results of operations.
November 19, 2014, the Utility received a letter from Alaska Department of Environmental Conservation stating that the Utility may be responsible for contamination from spilled fuel oil. The letter

Other
Significant financial assistance has been received by the Utility from federal and state agencies in the form of grants. The disbursement of funds received under these grants generally requires compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Utility. However, management believes such liabilities, if any, would not have a material effect on the Utility's financial position.

12. Subsequent Events

The Utility has evaluated subsequent events through May 6, 2026, the date on which the financial statements were issued.

Each year the Utility negotiates a fuel loan that is paid in full in the subsequent year. As of March 31, 2026, the date of issuance of the financial statements, the Utility had and outstanding fuel loan payable of $3,500,000 that is due on September 9, 2026 and is accruing interest at 7.26%.

13. Related Parties

The Nome Joint Utility System (the "Utility") is jointly governed by, and financially accountable to, the City of Nome (the "City"). As such, the City is considered a related party for financial reporting purposes. During the year, the Utility entered into related-party transactions with the City for fuel totaling $77,883 represented charges for fuel provided by the City. All related-party transactions were conducted in the normal course of operations in accordance with established policies and agreements between the parties.

In the normal course of business, the Utility may contract for goods or services from vendors whose shareholders, officers, or employees may also be associated with the Utility as an official, or employee. Such payments during 2021 in aggregate were $208,282.

14. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined.

GASB 87 - *Leases* - Effective for year-end December 31, 2021, with earlier application encouraged - This statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period* - Effective for year-end December 31, 2021, with earlier application encouraged - This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

GASB 91 - Conduit Debt Obligations - Effective for year-end December 31, 2022.This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations, and related note disclosures. This Statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting.

GASB 92 - Omnibus 2020 - Provisions of this Statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The effective date for all other provisions of the Statement are to be implemented for year-end December 31, 2021. This Statement addresses a variety of topics such as leases, the applicability of Statement No. 73 and Statement No. 74 for

reporting assets accumulated for postemployment benefits, the applicability of Statement No. 84 to postemployment benefit arrangements, the measurements of liabilities and assets related to asset retirement obligations in a government acquisition, reporting of public entity risk pools, referencing to nonrecurring fair value measurements, and terminology used to refer to derivative instruments.

GASB Statement No. 93 - Replacement of Interbank Offered Rates - The provisions of this Statement, except for paragraph 11b, are required to be implemented for year-end December 31, 2022. The requirements in paragraph 11b are required to be implemented for year-end December 31, 2023. This Statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements - Effective for year-end December 31, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APA).

In light of the COVID-19 Pandemic, on May 8, 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance,* to provide relief to governments. This Statement, which was effective upon issuance, postpones the effective dates of certain provisions in the above noted pronouncements for one year, except for Statement No. 87 and provisions related to leases in Statement No. 92 which are postponed for eighteen months, Certain other provisions of Statement No. 92 are excluded from Statement No. 95. Additionally, Statement No. 95 excludes provisions in Statement No. 93 related to lease modifications and excludes Statement No. 94 since the GASB considered the pandemic in determining effective dates. Earlier application of the standards is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

GASB Statement No. 98 - The Annual Comprehensive Financial Report - Effective for year-end June 30, 2022. Earlier application is encouraged. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

GASB Statement No. 99 - Omnibus 2022 - Provisions of this Statement related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, classification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance. The effective date for the provisions of this Statement related to leases, PPPs, and SBITAs are to be implemented for year-end December 31, 2023. The effective date for the provisions of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53, are to be implemented for yearend December 31, 2024.

GASB Statement No. 100 - Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62 - Effective for year-end December 31, 2024. Earlier application is encouraged. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101 - Compensated Absences - Effective for year-end December 31, 2024. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102 - Certain Risk Disclosures - Effective for year-end December 31, 2025. Earlier application is encouraged. The objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

GASB Statement No. 103 - Financial Reporting Model Improvements - Effective for year-end December 31, 2026. Earlier application is encouraged. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

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Required Supplementary Information

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)

Public Employees' Retirement System Pension Plan
Schedule of the Utility's Information on the Net Pension Liability

Year Ended December 31,	Utility's Proportion of the Net Pension Liability	Utility's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	Utility's Covered Payroll	Utility's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.0394%	$ 1,446,271	$ 195,613	$ 1,641,884	$ 1,028,475	141%	76.46%
2020	0.0334%	$ 1,972,074	$ 817,171	$ 2,789,245	$ 1,051,315	188%	61.61%
2019	0.0309%	$ 1,716,555	$ 668,328	$ 2,384,883	$ 1,080,370	156%	63.42%
2018	0.0219%	$ 1,088,960	$ 314,425	$ 1,403,385	$ 949,945	115%	65.19%
2017	0.0276%	$ 1,427,278	$ 532,481	$ 1,959,759	$ 799,822	178%	63.37%
2016	0.0326%	$ 1,824,226	$ 234,848	$ 2,059,074	$ 786,814	232%	59.55%
2015	0.0338%	$ 1,636,384	$ 439,020	$ 2,075,404	$ 925,492	177%	63.96%
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*

* Information for these years is not available.

See accompanying notes to Required Supplementary Information.

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)

Public Employees' Retirement System Pension Plan
Schedule of the Utility's Contributions

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Utility's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	$ 154,248	$ 154,248	$ -	$ 1,026,099	15.03%
2020	$ 142,724	$ 142,724	$ -	$ 1,030,850	13.85%
2019	$ 156,158	$ 156,158	$ -	$ 1,071,780	14.57%
2018	$ 166,008	$ 166,008	$ -	$ 949,945	17.48%
2017	$ 124,677	$ 124,677	$ -	$ 799,822	15.00%
2016	$ 124,129	$ 124,129	$ -	$ 768,526	16.15%
2015	$ 101,157	$ 101,157	$ -	$ 805,103	12.56%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*

* Information for these years is not available.

See accompanying notes to Required Supplementary Information.

Nome Joint Utility System

(A Component Unit of the City of Nome, Alaska)

Public Employees' Retirement System OPEB Plan

Schedule of the Utility's Information on the Net OPEB Liability - Alaska Retiree Healthcare Trust Plan

Year Ended December 31,	Utility's Proportion of the Net OPEB Liability	Utility's Proportionate Share of the Net OPEB Asset (Liability)	State of Alaska Proportionate Share of the Net OPEB Asset (Liability)	Total Net OPEB Asset (Liability)	Utility's Covered Payroll	Utility's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Asset (Liability)
2021	0.00369000	$ 1,016,869	$ (130,620)	$ 886,249	$ 899,737	113.02%	135.54%
2020	0.03346000	$ 151,504	$ (62,673)	$ 88,831	$ 1,051,315	14.41%	106.15%
2019	0.03084000	$ 45,756	$ 18,259	$ 64,015	$ 535,890	8.54%	98.13%
2018	0.02183000	$ 224,013	$ 314,425	$ 538,438	$ 949,945	23.58%	88.50%
2017	0.02760000	$ 233,149	$ 532,481	$ 765,630	$ 799,822	29.15%	89.68%
2016	*	*	*	*	*	*	*
2015	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*

*Information for these years is not available.

See accompanying notes to Required Supplementary Information.

Nome Joint Utility System

(A Component Unit of the City of Nome, Alaska)

Public Employees' Retirement System OPEB Plan

Schedule of the Utility's Contributions - Alaska Retiree Healthcare Trust Plan

Years Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Utility's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	$ 52,356	$ 52,356	$ -	$ 727,694	7.19%
2020	$ 54,615	$ 54,615	$ -	$ 711,963	7.67%
2019	$ 59,315	$ 59,315	$ -	$ 1,071,780	5.53%
2018	$ 56,410	$ 56,410	$ -	$ 949,945	5.94%
2017	$ 45,257	$ 45,257	$ -	$ 799,822	5.66%
2016	*	*	*	*	*
2015	*	*	*	*	*
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*

*Information for these years is not available.

See accompanying notes to Required Supplementary Information.

Nome Joint Utility System

(A Component Unit of the City of Nome, Alaska)

Public Employees' Retirement System OPEB Plan

Schedule of the Utility's Information on the Net OPEB Liability - Retiree Medical Plan

Year Ended December 31,	Utility's Proportion of the Net OPEB Liability	Utility's Proportionate Share of the Net OPEB Liability	State of Alaska Proportionate Share of the Net OPEB Liability	Total Net OPEB Liability	Utility's Covered Payroll	Utility's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2021	0.00021350	$ (5,730)	$ -	$ (5,730)	$ 308,646	-1.86%	115.10%
2020	0.02089000	$ 1,481	$ -	$ 1,481	$ 1,051,315	0.14%	95.23%
2019	0.01718000	$ 4,109	$ -	$ 4,109	$ 535,890	0.77%	83.17%
2018	0.01398000	$ 1,779	$ -	$ 1,779	$ 949,945	0.19%	88.71%
2017	0.01301000	$ 678	$ -	$ 678	$ 799,822	0.08%	93.80%
2016	*	*	*	*	*	*	*
2015	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*

*Information for these years is not available.

See accompanying notes to Required Supplementary Information.

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)
Public Employees' Retirement System OPEB Plan
Schedule of the Utility's Contributions - Retiree Medical Plan

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Utility's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	$ 3,649	$ 3,649	$ -	$ 298,405	1.22%
2020	$ 4,129	$ 4,129	$ -	$ 318,887	1.29%
2019	$ 2,713	$ 2,713	$ -	$ 1,071,780	0.25%
2018	$ 1,790	$ 1,790	$ -	$ 949,945	0.19%
2017	$ 1,567	$ 1,567	$ -	$ 799,822	0.20%
2016	*	*	*	*	*
2015	*	*	*	*	*
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*

*Information for these years is not available.

See accompanying notes to Required Supplementary Information.

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)

Public Employees' Retirement System OPEB Plan
Schedule of the Utility's Information on the Net OPEB Assets - Occupational Death and Disability Plan

Year Ended December 31,	Utility's Proportion of the Net OPEB Liability	Utility's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability	Total Net OPEB Liability	Utility's Covered Payroll	Utility's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2021	0.00018130	$ (7,991)	$ -	$ (7,991)	$ 308,646	-2.59%	374.22%
2020	0.01673000	$ (4,561)	$ -	$ (4,561)	$ 1,051,315	-0.43%	283.80%
2019	0.01365000	$ (3,310)	$ -	$ (3,310)	$ 1,071,780	-0.62%	297.43%
2018	0.01398000	$ (2,715)	$ -	$ (2,715)	$ 949,945	-0.29%	270.62%
2017	0.01130100	$ (1,846)	$ -	$ (1,846)	$ 799,822	-0.23%	212.97%
2016	*	*	*	*	*	*	*
2015	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*

*Information for these years is not available.

See accompanying notes to Required Supplementary Information.

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)

Public Employees' Retirement System OPEB Plan
Schedule of the Utility's Contributions - Occupational Death and Disability Plan

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Utility's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	$ 969	$ 969	$ -	$ 298,405	0.32%
2020	$ 909	$ 909	$ -	$ 318,887	0.29%
2019	$ 621	$ 621	$ -	$ 1,071,780	0.06%
2018	$ 390	$ 390	$ -	$ 949,945	0.04%
2017	$ 243	$ 243	$ -	$ 799,822	0.03%
2016	*	*	*	*	*
2015	*	*	*	*	*
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*

*Information for these years is not available.

See accompanying notes to Required Supplementary Information.

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)
International Brotherhood of Electrical Workers (IBEW)
Schedule of the Utility's Contributions

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Utility's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	$ 70,943	$ 70,943	$ -	$ 448,190	15.83%
2020	$ 62,786	$ 62,786	$ -	$ 373,082	16.83%
2019	$ 51,121	$ 51,121	$ -	$ 357,974	14.28%
2018	$ 68,380	$ 68,380	$ -	$ 425,331	16.08%
2017	$ 63,170	$ 63,170	$ -	$ 399,951	15.79%
2016	$ 53,193	$ 53,193	$ -	$ 365,798	14.54%
2015	$ 49,342	$ 49,342	$ -	$ 326,243	15.12%
2014	$ 61,200	$ 61,200	$ -	$ 377,222	16.22%
2013	$ 96,538	$ 96,358	$ -	$ 608,869	15.83%
2012	$ 72,517	$ 72,517	$ -	$ 470,998	15.40%

See accompanying notes to Required Supplementary Information.

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)
Alaska Public Employees Association (APEA)
Schedule of the Utility's Contributions

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Utility's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	$ 143,990	$ 143,990	$ -	$ 654,501	22.00%
2020	$ 226,787	$ 226,787	$ -	$ 1,030,850	22.00%
2019	$ 235,792	$ 235,792	$ -	$ 1,071,780	22.00%
2018	$ 208,988	$ 208,988	$ -	$ 949,945	22.00%
2017	$ 182,846	$ 182,846	$ -	$ 831,118	22.00%
2016	$ 169,076	$ 169,076	$ -	$ 768,526	22.00%
2015	$ 177,076	$ 177,076	$ -	$ 804,889	22.00%
2014	$ 218,306	$ 218,306	$ -	$ 992,299	22.00%
2013	$ 212,232	$ 212,232	$ -	$ 964,690	22.00%
2012	$ 192,420	$ 192,420	$ -	$ 874,638	22.00%

See accompanying notes to Required Supplementary Information.

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)

International Union of Operating Engineers Local 302
Schedule of the Utility's Contributions

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Utility's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	$ 170,251	$ 170,251	$ -	$ 827,281	20.58%
2020	$ 169,554	$ 169,554	$ -	$ 923,372	18.36%
2019	$ 137,235	$ 137,235	$ -	$ 849,564	16.15%
2018	$ 124,075	$ 124,075	$ -	$ 772,060	16.07%
2017	$ 135,892	$ 135,892	$ -	$ 927,202	14.66%
2016	$ 106,294	$ 106,294	$ -	$ 812,593	13.08%
2015	$ 121,333	$ 121,333	$ -	$ 933,171	13.00%
2014	$ 136,754	$ 136,754	$ -	$ 1,042,671	13.12%
2013	$ 139,633	$ 139,633	$ -	$ 1,193,512	11.70%
2012	$ 135,340	$ 135,340	$ -	$ 1,226,464	11.03%

See accompanying notes to Required Supplementary Information.

1. Public Employees' Retirement System Pension Plan

In accordance with GASB Statement 82, "Covered Payroll" is defined as payroll on which contributions to the pension plan are based. Because a portion of the Utility's contributions to the Plan (the DBUL) are based on Defined Contribution Wages, covered payroll reported here includes all PERS participating wages (both DB and DC).

Both pension tables are intended to present 10 years of information. Additional year's information will be added to the schedules as it becomes available.

Schedule of the Utility's Information on the Net Pension Liability

- This table is presented based on the Plan measurement date. For December 31, 2021, the Plan measurement date is June 30, 2021. For December 31, 2020, the Plan measurement date is June 30, 2020.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes in assumptions from the prior measurement period.
- There were no changes to the allocation methodology.

Schedule of the Utility's Contributions

- This table is based on the Utility's contributions for each year presented. A portion of these contributions are included in the plan measurement results, while a portion of the contributions are reported as a deferred outflow of revenue on the statement of net position.

2. Public Employees' Retirement System - Defined Benefit Other Postemployment Benefit (OPEB) Plans

In accordance with GASB Statement No. 85, "Covered Payroll" is defined as payroll on which contributions to the OPEB plans are based. Because a portion of the Utility's contributions to the Plans (the DBUL) are based on Defined Contribution Wages, covered payroll reported here includes all PERS participating wages (both Defined Benefit and Defined Contribution).

The OPEB tables are presented for each of the three PERS OPEB plans; Alaska Retiree Healthcare Trust Plan (ARHCT), Retiree Medical Plan (RMP), and Occupational Death and Disability Plan (ODD).

The OPEB tables are intended to present 10 years of information. Additional year's information will be added to the schedules as it becomes available.

Schedule of the Utility's Information on the Net OPEB Liability

- These tables are presented based on the Plan measurement date. For December 31, 2021, the Plan measurement date is June 30, 2021. For December 31, 2020, the Plan measurement date is June 30, 2020.
- The measurement period ended June 30, 2020 allocated the net pension liability based on the present value of contributions for fiscal year 2020 through 2040, as determined by projections based on the June 30, 2019 actuarial valuation.

Schedule of the Utility's Contributions

- These tables are based on the Utility's contributions for each year presented. A portion of these contributions are included in the plan measurement results, while a portion of the contributions are reported as a deferred outflow of resources on the Statements of Net Position.
- All tables are intended to present 10 years of information. Additional year's information will be added to the schedule as it becomes available.

3. International Brotherhood of Electrical Workers (IBEW)

Schedule of the Utility's Contributions

- This table is based on the Utility's contributions based on the Utility's fiscal year. All contributions are recognized in expense when paid. There is no net pension liability associated with this plan at this time.

4. Alaska Public Employees Association (APEA)

Schedule of the Utility's Contributions

- This table is based on the Utility's contributions based on the Utility's fiscal year. All contributions are recognized in expense when paid. There is no net pension liability associated with this plan at this time.

5. International Union of Operating Engineers Local 302

Schedule of the Utility's Contributions

- This table is based on the Utility's contributions based on the Utility's fiscal year. All contributions are recognized in expense when paid. There is no net pension liability associated with this plan at this time.

Supplementary Information

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)

Electric System
Schedules of Revenues and Expenses

Years Ended December 31,	2021	2020
Operating Revenues		
Sale of electricity	$ 5,816,533	$ 5,417,596
Fuel adjustment charges	3,821,084	3,749,165
Other operating revenue	58,275	102,573
Interdivision and interdepartmental electrical charges	747,396	737,653
Total Operating Revenues	10,443,288	10,006,987
Operating Expenses		
Direct costs:		
Generation	6,554,366	6,627,634
Distribution operations	55,346	41,589
Distribution maintenance	849,364	635,299
Total direct costs	7,459,076	7,304,522
General and administrative:		
General and administrative	898,101	518,032
Consumer accounting	151,896	157,816
Property insurance	374,770	301,334
Payment in lieu of taxes to City of Nome	110,000	110,000
Total general and administrative	1,534,767	1,087,182
Depreciation	2,622,170	2,561,643
Total Operating Expenses	11,616,013	10,953,347
Operating Loss	(1,172,725)	(946,360)
Nonoperating Revenues (Expenses)		
Pole attachment revenue	56,700	33,045
Patronage capital allocation	70,543	117,636
Intergovernmental revenues (expense) - PERS on-behalf	415,692	(240,605)
Interest income	1,102	1,508
Equipment rental	-	17,818
Interest expense	(101,939)	(137,280)
Other nonoperating revenues	93,319	75,563
Net Nonoperating Revenues (Expenses)	535,417	(132,315)
Change in Net Position	$ (637,308)	$ (1,078,675)

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)

Water and Wastewater System
Schedules of Revenues and Expenses

Years Ended December 31,	2021	2020
Operating Revenues		
Piped water	$ 1,241,251	$ 1,215,041
Wastewater	1,179,945	1,165,879
Other operating revenue	80,539	86,589
Total Operating Revenues	2,501,735	2,467,509
Operating Expenses		
Direct costs:		
Water:		
Distribution operations	264,644	213,182
Distribution maintenance	210,918	230,855
Water treatment	152,832	167,732
Total water	628,394	611,769
Wastewater:		
Wastewater collection	334,505	321,031
Wastewater treatment	116,779	112,378
Total wastewater	451,284	433,409
Total direct costs	1,079,678	1,045,178
General and administrative:		
General and administrative	578,043	777,049
Consumer accounting	69,043	71,735
Property insurance	11,753	9,433
Payment in lieu of taxes to City of Nome	140,000	140,000
Total general and administrative	798,839	998,217
Depreciation	3,225,317	3,232,917
Total Operating Expenses	5,103,834	5,276,312
Operating Loss	(2,602,099)	(2,808,803)
Nonoperating Revenues (Expenses)		
Gain on disposal of capital assets	-	13,897
Intergovernmental revenues (expense) - PERS on-behalf	244,132	(409,677)
Interest expense	(101,277)	(80,174)
Net Nonoperating Revenues (Expenses)	142,855	(475,954)
Change in Net Position	(2,459,244)	$ (3,284,757)

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)

Sanitation and Solid Waste Billing
Schedules of Revenues and Expenses

Years Ended December 31,	2021	2020
Operating Revenues		
Billing services	$ 144,792	$ 144,134
Operating Expenses		
General and administrative:		
Consumer accounting	55,234	57,388
Change in Net Position	$ 89,558	$ 86,746

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)
Schedules of Allocated General and Administrative Expenses

Years Ended December 31,	2021	2020
General and Administrative Expenses		
Finance officer salary and benefits	$ 332,512	$ 345,368
Accounting salaries and benefits	258,118	276,052
Manager's salary and benefits	221,199	222,168
Administrative assistant salaries and benefits	155,678	153,357
Office expenses	60,795	57,210
Board fees	48,536	43,857
Depreciation	38,799	45,652
Auditing services	34,000	44,601
Office utilities	25,698	24,755
Computer consultant	14,770	14,362
Dues and subscriptions	13,582	16,414
Janitorial services	9,180	9,180
Vehicle operations and maintenance	8,793	11,882
Legal services	3,986	3,471
Vehicle expense	3,917	5,423
Administration travel	2,531	3,936
Advertising	2,486	2,527
Errors and omissions insurance	2,464	2,336
Other	239,100	12,530
Total General and Administrative Expenses	$ 1,476,144	$ 1,295,081
Allocation		
Electric - 60%	$ 898,101	$ 518,032
Water and sewer - 40%	578,043	777,049
Total Allocation	$ 1,476,144	$ 1,295,081

Nome Joint Utility System
(A Component Unit of the City of Nome, Alaska)
Schedules of Allocated Consumer Accounting Expenses

Years Ended December 31,	2021	2020
Consumer Accounting Expenses (Revenue)		
Records and collection labor and benefits	$ 175,631	$ 171,199
Meter reading labor	28,420	30,761
Computer consultant	23,129	22,282
Billing office utilities	15,046	14,482
Computer and billing supplies	14,900	17,433
Bad debts	12,000	20,400
Office expenses	7,047	5,914
Postage	-	4,241
Collection fees	-	227
Total Consumer Accounting Expenses	$ 276,173	$ 286,939
Allocation		
Electric - 55%	$ 151,896	$ 157,816
Water and wastewater - 25%	69,043	71,735
Sanitation and solid waste system - 20%	55,234	57,388
Total Allocation	$ 276,173	$ 286,939