



2025

POPULAR ANNUAL

Financial Report

NORTH SLOPE BOROUGH, ALASKA

A year of accomplishments
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

www.north-slope.org

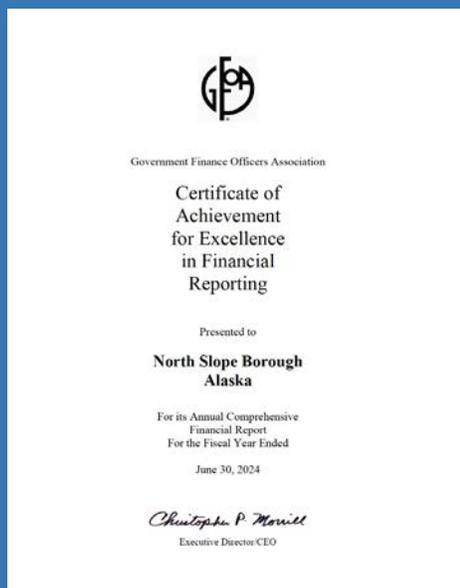


About this report

Although this report is primarily based on the Borough's 2025 Annual Comprehensive Financial Report (ACFR), this report is not prepared in accordance with Generally Accepted Accounting Principles (GAAP). Only the financial data for general government is included in this report and summarized in a transparent and easy-to-follow format. Certain financial statements and note disclosures required by GAAP are omitted for this purpose. More detailed information is provided in the 2025 ACFR.

A copy of this Popular Annual Financial Report (PAFR) as well as the Borough's 2025 ACFR, which is prepared and conforms with GAAP, are located on the Borough's website (www.north-slope.org), and linked under Financial and Budget Reports. A direct link can be accessed by scanning the QR code on this page.

Awards



With this report, the North Slope Borough is submitting its Popular Annual Financial Report (PAFR) for consideration in the Government Finance Officers Association (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting Program. The GFOA Award represents a significant achievement in governmental financial reporting and recognizes governments that clearly communicate their financial story in a transparent and accessible manner. The Borough previously received this award for its 2024 Popular Annual Financial Report, and this submission represents the Borough's 11th application to the GFOA PAFR program.

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Mayor's message

Paglagivsi,

On behalf of the North Slope Borough, I am pleased to present the Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2025. This report is intended to provide our residents, policymakers, and other interested stakeholders with a clear and accessible overview of the Borough's financial position and operating results.

The Borough continues to maintain a strong and stable financial foundation. Our financial performance is driven primarily by the strength of the oil and gas property tax base, prudent financial planning, and disciplined budgetary controls. These factors have enabled the Borough to meet its debt obligations, invest in critical infrastructure, and maintain sufficient fund balance reserves to address economic uncertainty and long-term fiscal planning.

The Borough remains committed to responsible financial stewardship, long-term sustainability, and transparency in financial reporting. These principles guide decision-making and support the delivery of essential services to our North Slope communities while preserving financial flexibility for future generations.

In 2024, the North Slope Borough received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association (GFOA) for the tenth consecutive year. The Borough has submitted its fiscal year 2025 PAFR for consideration in the GFOA program, which,

if awarded, would represent more than a decade of continued recognition. This achievement reflects the Borough's sustained commitment to clear, accurate, and transparent financial reporting and sound financial management practices.

In addition to summarizing financial results, this report highlights the broad range of services the Borough provides in support of healthy, safe, and thriving North Slope communities. Responsible financial stewardship remains a guiding principle in ensuring the continued delivery of these services while preserving long-term financial sustainability.

I would like to sincerely thank the Borough Assembly and Borough staff for their continued collaboration and commitment to providing essential services to North Slope residents. I also extend my heartfelt appreciation to the Finance Department team for their professionalism, dedication to sound financial stewardship, and ongoing efforts to preserve the Borough's long-term financial health.

I encourage you to review the 2025 PAFR and use it as a resource to better understand the Borough's financial position and operations. Following your review, I welcome any questions or feedback you may wish to share.

Quyanaqpak,

Josiah Aullaqsruaq Patkotak
Mayor

Elected officials

- ▶ Josiah A. Patkotak
Mayor, North Slope Borough
- ▶ Crawford Patkotak
President, District A-3C, Barrow
- ▶ Trina Paul
Vice President, District A-3D, Barrow
- ▶ Avaiyak Burnell
District A-3A, Barrow
- ▶ Martin Edwardsen
District A-3B, Barrow
- ▶ Frederick Brower
District A-3E, Barrow
- ▶ Michael Donovan
District A-3F, Barrow
- ▶ Stanley Brower
District A-2, Wainwright
- ▶ Eva Kinneeveauk
District A-1, Point Hope
- ▶ Thomas Napageak, Jr.
District A-4, Nuiqsut
- ▶ Cilia Attungowruk
District A-5, Atqasuk & Point Lay
- ▶ Robin J. Kaleak
District A-6, Kaktovik & Anaktuvuk Pass

Departments

Administration
 Finance
 Law
 Assembly / Clerk
 Capital Improvement Projects Management
 Fire
 Health & Social Services
 Housing
 Human Resources
 Iñupiat History, Language & Culture
 Mayor's Office
 Planning & Community Service
 Police
 Port Authority
 Public Works
 Search & Rescue
 Wildlife Management

Principal government officials

Mayor: Josiah A. Patkotak
Chief Administrative Officer: Vernon J. Edwardsen
Director of Finance: Fadil Limani
Acting Borough Attorney: Hwan H. Kim
Borough Clerk: Sheila Burke

About the Borough

"The majority of North Slope Borough residents are Iñupiat. The word 'Iñupiat' means 'the real people.' Inhabiting one of earth's most challenging environments for thousands of years, our people remain deeply rooted to the traditions and cultural practices of our ancestors."

The Borough encompasses an area of approximately 94,000 square miles, north of the Arctic Circle. It extends 650 miles east from Point Hope on the Chukchi Sea to the Canadian Border and 225 miles south from Point Barrow, the most northern point in the state. Prudhoe Bay, the largest oil field in the United States, is located in the northeastern portion of the Borough. It is also the origination point of the 800-mile Trans-Alaskan pipeline, which terminates at the City of Valdez on Prince William Sound.

Most of the Borough's 10,583 permanent residents live in eight communities, the largest of which is Utqiagvik, which also serves as

the Borough seat of government. Another 6,101 people are counted as residents because they work at least half of the calendar year in the North Slope oil fields.

The Borough was incorporated on July 2, 1972, and on April 30, 1974, it adopted its Home Rule Charter, which allows it to exercise any legal governmental power in addition to its mandatory powers of taxation, property assessment, education, and planning and zoning services. The legislative power of the Borough is vested in an eleven-member assembly body, elected to staggered three-year terms. The Borough's executive and administrative powers are vested in

a mayor, limited to two consecutive three-year terms.

The Borough provides a full range of services including police and fire protection, search and rescue services, the construction and maintenance of roads and other infrastructure, sewers and sewage treatment, light, power and heat, health services and clinic facilities, fuel storage, water, and garbage, and solid waste collection and disposal. The Borough also is financially accountable for a legally separate school district and a legally separate college, both of which are reported separately within the Borough's financial statements.

Borough Facts

Assessed Value for FY2025		Demographics		Public Safety	
Oil & Gas	\$ 24,272,196,820	Population		Police Stations	9
Local	\$ 1,142,082,567	North Slope Borough	10,583	Police Patrol	76
Tax Levied in FY24 & Collected in FY24		Oil Field Workers	6,101	Fire Stations	9
Tax Levied	\$ 525,431,572	School Enrollment	2,055	Fire Trucks	19
Tax Collected	\$ 522,332,901	Unemployment Rate	3.4	Ambulances	9
Outstanding Debt				Helicopters	2
G.O. Bonds	\$ 321,950,000			King Air Plane	1
Bond Premiums	\$ 21,184,529			Pilatus	1

Mayor's initiatives

Over the past year, the Borough has made remarkable progress in several key areas. Through the Housing Shipping Subsidy program, we have helped offset the high cost of transporting building materials to our remote communities, making housing more affordable and accessible. Additionally, we are actively in the process of establishing a public-private partnership to bring large-scale, affordable housing solutions to North Slope communities, ensuring sustainable growth and long-term housing stability for our residents.

Environmental stewardship has been a central focus, including compliance with the EPA consent decree and investing over \$70 million in environmental cleanup and remediation efforts, reinforcing our commitment to protecting the health and integrity of our land and resources.

Financially, the Borough has achieved historic milestones. The Permanent Fund has grown to an all-time high of \$1.3 billion, while property assessments have reached a record \$29.2 billion, reflecting prudent financial management and long-term strategic planning. To further enhance operational excellence, the Borough has implemented a comprehensive digital transformation initiative, streamlining processes and migrating key services to an electronic platform. This transformation encompasses travel operations, procurement, human resources, and other critical Borough functions, improving efficiency

and enabling the delivery of faster, more effective services to our residents.

Supporting local communities and economic development has been a priority. The Borough has increased contributions through the Economic Impact Assistance Program, directly benefiting local cities and communities across the North Slope. Separately, the Borough has expanded funding and support for the School District and Ilisagvik College, reinforcing our commitment to education, workforce development, and opportunities for our residents.

Furthermore, the Borough has strategically invested over \$400 million in bond proceeds to fund critical capital improvement projects across all North Slope communities. These investments are designed to modernize and strengthen infrastructure, enhance essential public services, support economic growth, and ensure the long-term resilience and sustainability of our North Slope communities. From roads and utilities to public facilities, these projects reflect the Borough's commitment to proactive planning, responsible stewardship of resources, and improving the quality of life for all Borough residents.

Throughout these efforts, the North Slope Borough has maintained a strong and healthy financial position, demonstrating a steadfast commitment to fiscal responsibility, operational excellence, and the long-term well-being of our residents.

Our mission

The North Slope Borough is committed to having healthy communities, economically, spiritually and culturally. The borough works with the tribes, cities, corporations, schools, and businesses to support a strong culture, encourage families and employees to choose a healthy lifestyle, and sustain a vibrant economy.

Our communities



Map courtesy of Voice of the Arctic Iñupiat.

Point Hope

Point Hope is located near the end of a triangular spit, which juts 15 miles into the Chukchi Sea 248 miles southwest of Utqiagvik. This peninsula is one of the longest continually inhabited areas in North America. Some of the earliest residents came to the peninsula for bowhead whaling some 2,000 years ago after crossing the Siberian land bridge. Point Hope is the second largest city on the North Slope with a population of approximately 766 and a workforce of 298. The local economy is largely based on subsistence hunting, fishing and whaling. The public sector employs approximately 57% of the workforce.

Point Lay

Point Lay is located on the Chukchi Sea coast, approximately 300 miles southwest of Utqiagvik. Point Lay has a population of approximately 169 residents, of which 88% are Iñupiat. Point Lay's economy is primarily based on subsistence hunting, fishing and whaling with 78% of the workers employed by the public sector.

Wainwright

Wainwright is located along a wave-eroded coastal bluff on the west side of a narrow peninsula which separates Wainwright Inlet from the Chukchi Sea and is 72 air miles southwest of Utqiagvik. It is the third largest village in the North Slope Borough, with a population of approximately 580 residents, 90% of which are Iñupiat. The public sectors provides employment for 70% of its workforce of 231.

Utqiagvik

Utqiagvik is the economic, transportation and administrative center for the North Slope Borough. Located on the Chukchi Sea coast, Utqiagvik is the northernmost community in the United States. As the largest city in the Borough, Utqiagvik is home to 4,622 residents, of which 63% are Iñupiat. The public sector employs approximately 55% of all workers. Other employers include the Alaska Native regional and village corporations, numerous businesses that provide support services to oil field operations, as well as state and federal agencies.



Atqasuk

Atqasuk is located inland from the Arctic Ocean on the Meade River about 60 miles southwest of Utqiagvik. It has a population of about 269 residents, with Iñupiat making up over 90% of the population. Atqasuk's economy is largely based on subsistence. The public sector employs approximately 87% of all workers. Some residents also produce arts and crafts for sale including masks, mittens, dolls, yo-yos, ulus and parkas.

Anaktuvuk Pass

Located approximately 250 miles northwest of Utqiagvik, Anaktuvuk Pass stands as the gateway to the stunning wilderness of the Gates of the Arctic National Park and Preserve. It has a population of 395 residents, with Iñupiat making up over 84% of the population. The community's economy is largely based on subsistence hunting. Employment in Anaktuvuk Pass is largely supported by the public sector, which provides 76% of local jobs. The North Slope Borough and the local school district are major employers, ensuring essential services are available to the community.

Nuiqsut

Nuiqsut is located 18 miles south of the Colville River headwaters at the Beaufort Sea and 136 miles southeast of Utqiagvik. Nuiqsut has a population of approximately 481 residents, of which approximately 87% are Iñupiat. Like all North Slope villages, Nuiqsut's economy is based primarily on subsistence hunting, fishing, and whaling. The public sector employs 54% of the workforce in Nuiqsut, while the village corporation, construction industry, and oil and gas industry provide other employment opportunities.

Kaktovik

Kaktovik is located 90 miles west of the Canadian border and 280 miles southeast of Utqiagvik, between the Beaufort Sea and the Arctic National Wildlife Refuge (ANWR). Kaktovik has a population of 267 residents. Over 95% of residents identify as Iñupiat. Residents are deeply rooted in subsistence whaling, fishing, and hunting. Although remote, Kaktovik's economy thrives through its ties to the North Slope Borough, with two-thirds of its workforce serving the borough or local school district.

Financial highlights FY25

Net Position Increase

143M
Increase

The Borough's total net position increased by \$143,135,938 to \$3,484,950,632 for FY 2025.

Governmental Fund Balance Increase

164.7M
Increase

At the end of FY 2025, the Borough's governmental funds reported combined ending fund balances of \$1,939,749,001 an increase of \$164,712,763 in comparison with the prior year. The net increase is primarily due to investment earnings due to strong performance in the public investment markets.

Permanent Fund Balance Increase

123M
Increase

Investment balances in the Permanent Fund increased by approximately \$123.0 million due to favorable market conditions and planned contributions into the Fund.

Unassigned Fund Balance

50%
of total
General
Fund
Expenditures

At the end of FY 2025, unassigned fund balance for the General Fund was \$248,605,718 or 50% of total General Fund expenditures. The increase from FY 2024 was primarily due to investment earnings.

Long-term Liabilities Increase

16M
Increase

The Borough's governmental activities long-term liabilities increased by approximately \$84.8 million in the current year mainly as a result of a \$16.0 million increase in pollution remediation obligations and an increase in overall bond debt of \$55.0 million.

Available Cash and Investments

109M
Increase

The Borough's primary government reported available cash and investments with central treasury at \$1,285,144,279, an increase of \$109,313,731 from prior year. This is mainly due to investment earnings and proceeds from a bond issuance.

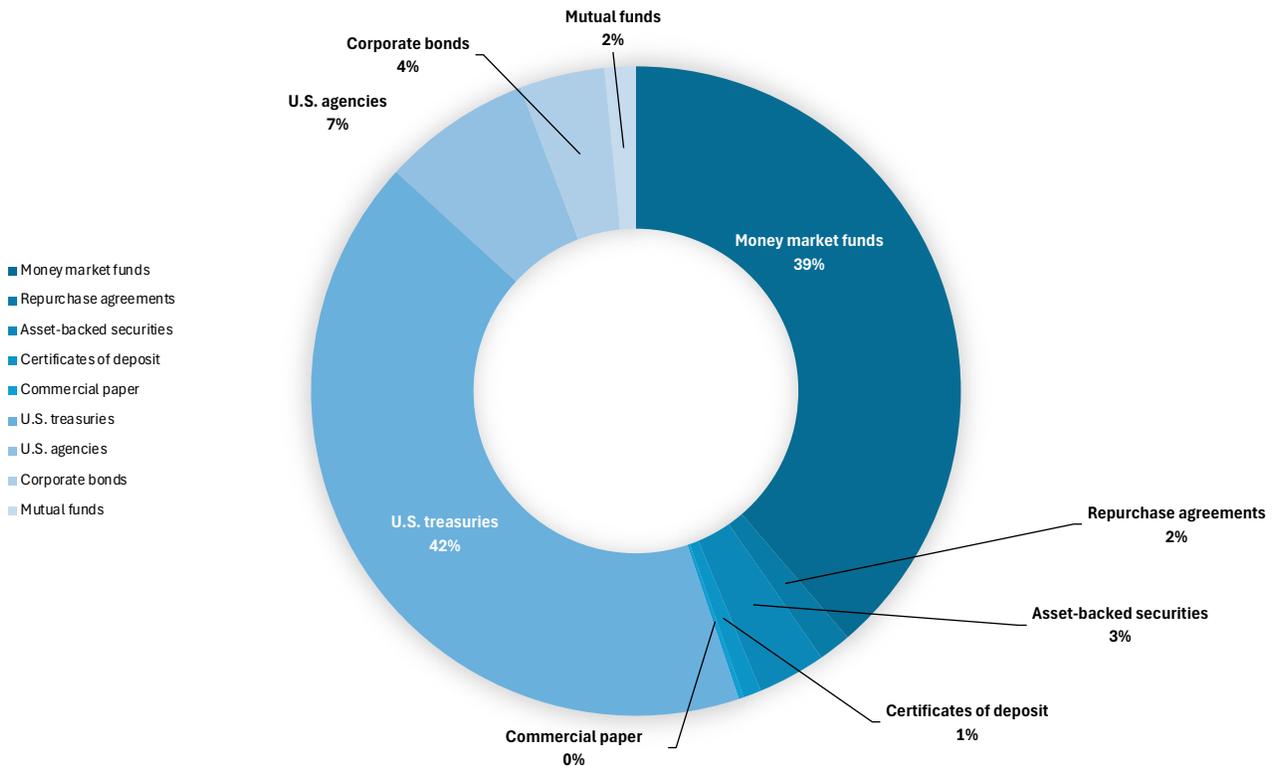
Operating investment portfolio

Investments are reported at fair value. Certain Investments of the Permanent Fund are deposited or invested in individual segregated bank accounts. Moneys of all other funds are maintained or invested in a common group of bank accounts. Collectively, these common bank accounts and investments represent the central treasury and each fund whose moneys are included in the central treasury has equity therein.

The Borough does not have a formal Investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Borough places no limit on the amount it may invest in any one issuer; however, no more than 60% of the Permanent Fund may be invested in non-domestic investments.

Central Treasury

Investment Type	Fair Value
Central Treasury:	
Money Market Funds	\$ 479,161,360
Repurchase Agreements	20,000,000
Asset-Backed Securities	42,050,953
Certificates of Deposit	11,185,622
Commercial Paper	2,973,571
Debt Securities:	
U.S. Treasuries	518,822,151
U.S. Agencies	91,794,523
Corporate Bonds	52,467,103
Equity Securities:	
Mutual Fund	19,307,200
Total Central Treasury	\$ 1,237,762,483

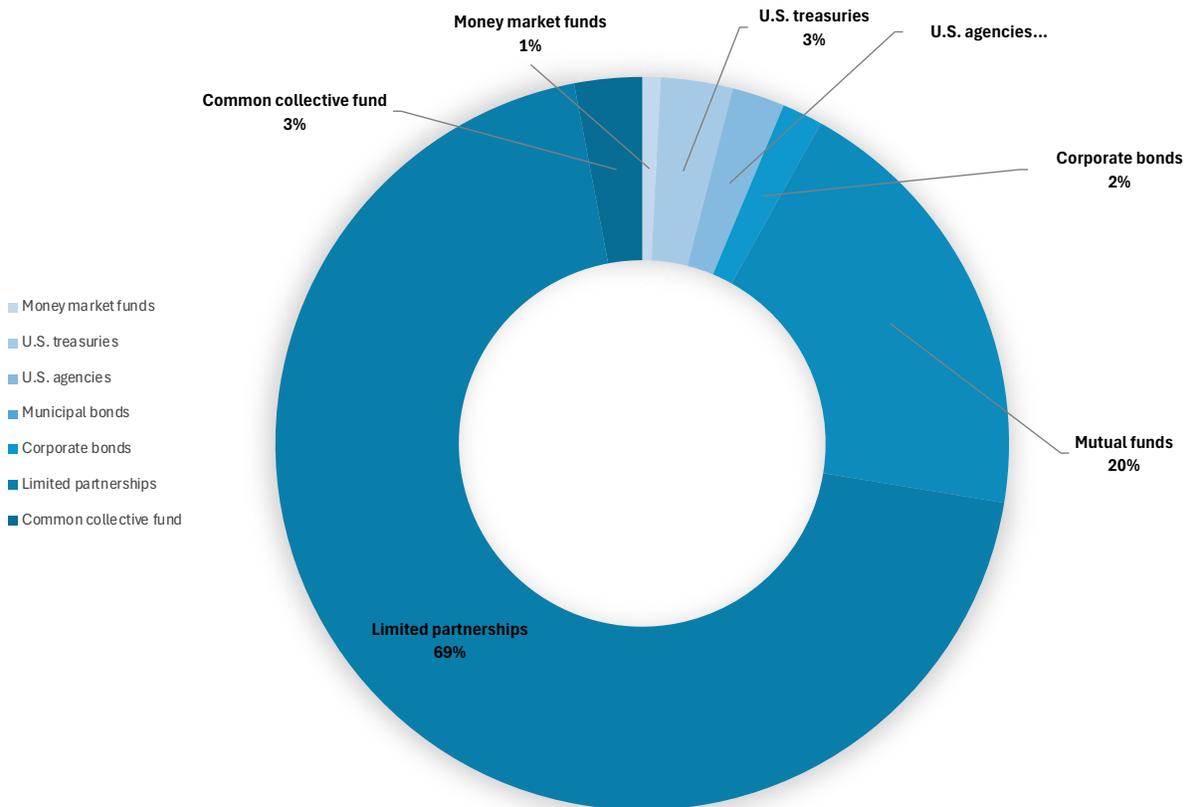


Long-term investment portfolio

In 1984, the Borough established a Permanent Fund to provide a long-term source of funding for Borough services. An amount up to 8% of the average total value of the Permanent Fund at the end of the previous three Fiscal Years may be transferred annually to the General Fund. The Charter prohibits the use of the investments or income from the Permanent Fund transferred to the General Fund to pay debt service on the Borough's debt. Money may be appropriated to the Permanent Fund from any source including direct appropriations and transfer of excess money in the General Fund at the close of the Borough's Fiscal Year. On June 30, 2025, the value of the Permanent Fund investments was \$1.3 billion.

Permanent Fund

Investment Type	Fair Value
Permanent Fund:	
Money Market Funds	\$10,250,949
Debt Securities:	
U.S. Securities	39,536,188
U.S. Agencies	28,961,563
Municipal Bonds	134,276
Corporate Bonds	22,395,331
Equity Securities:	
Mutual Fund	243,818,142
Common Collective Fund	37,210,212
Limited Partnerships	868,498,516
Total Permanent Fund	\$ 1,250,805,177



Revenue: where the money comes from

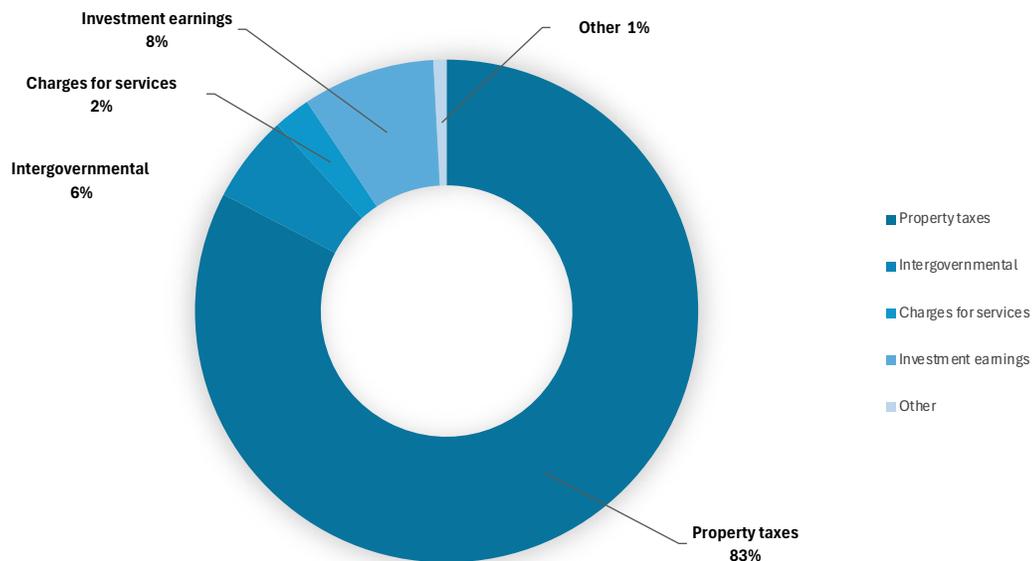
Like all governments, the Borough must raise funds to pay for the services it provides to its local residents and communities. These sources of funds, referred to as revenue, are primarily derived from property taxes, charges for services, grants, and other related revenues.

general operating fund of the Borough and supports the regular day-to-day operations of the Borough. It is used to account for all revenues and expenditures of the Borough, except those required to be accounted for in another fund (i.e. Capital Projects Funds, Enterprise Funds, and etc.). In this section, we will discuss General Fund revenues, the largest of which are property taxes.

Analysis of the financial results of the Borough focuses primarily on the General Fund. The General Fund is the

General Fund Revenues

Revenues	2025	2024	2023	2022	2021
Property taxes	\$ 467,085,253	\$ 427,723,827	\$ 404,230,014	\$ 393,942,032	\$ 405,614,767
Intergovernmental	31,659,355	21,941,932	14,509,075	19,784,961	17,470,883
Charges for services	13,373,853	12,371,156	11,264,507	8,851,648	7,815,537
Investment earnings	48,144,525	41,407,274	15,265,831	(12,107,186)	(845,514)
Economic impact assistance	—	—	—	—	9,718,000
Other	4,765,552	4,994,334	5,164,836	5,784,538	4,447,246
Total Revenues	\$ 565,028,538	\$ 508,438,523	\$ 450,434,263	\$ 416,255,993	\$ 444,220,919



Expenditures: where the money goes

The Borough generates revenues to provide services to the residents of our eight villages and Prudhoe Bay. The revenues are also used to pay for the debt incurred from the issuance of bonds approved by the voters for infrastructure and capital improvements. The General Fund is the main operating fund of the Borough. During the years ended June 30, 2025, 2024, 2023, 2022, and 2021,

the Borough expended its funds as shown below. General Fund expenditures were \$80.9 million under budget largely due to grants awarded but not spent, the timing of certain expenditures where encumbrances were carried forward, contingency funds minimally spent, and prudent efforts by departments to reduce spending.

The expenditures of the General Fund are classified by the type of service provided. Below is a summary of the function and the major departments within that function.

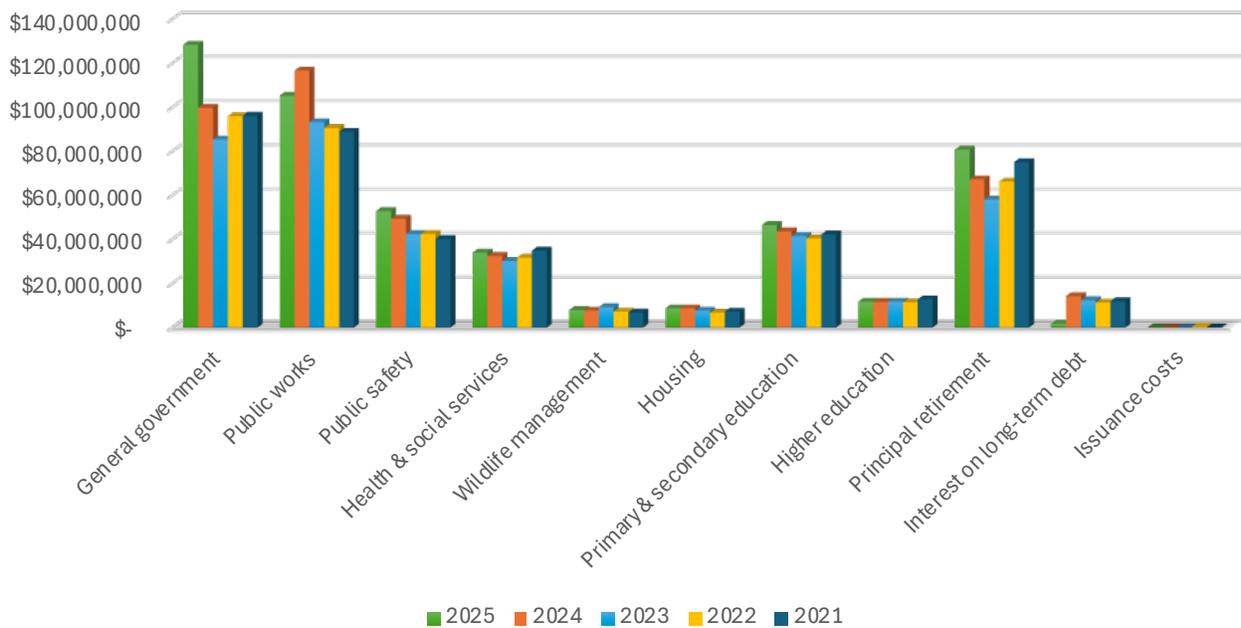
<p>General Government</p> <ul style="list-style-type: none"> ▶ Administration of the Borough affairs including: the mayor’s office, administration, finance, law and several other departments. 	<p>Public Works</p> <ul style="list-style-type: none"> ▶ Management oversight of the village airports, village landfills, and natural gas infrastructure ▶ Operation and maintenance of facilities and equipment 	<p>Public Safety</p> <ul style="list-style-type: none"> ▶ Police Force ▶ Fire Department ▶ Search & Rescue
<p>Health & Social Services</p> <ul style="list-style-type: none"> ▶ Health care services for all NSB residents 	<p>Debt Services</p> <ul style="list-style-type: none"> ▶ Payment toward existing debt of General Obligation bonds 	<p>Education</p> <ul style="list-style-type: none"> ▶ NSB School District ▶ Ilisagvik College

General Fund Expenditures

Expenditures	2025	2024	2023	2022	2021
General government	\$ 128,411,641	\$ 99,849,261	\$ 85,401,166	\$ 95,949,609	\$ 96,218,165
Public works	105,297,940	116,644,878	93,268,645	90,616,669	88,866,902
Public safety	52,881,237	49,359,271	42,441,525	42,489,715	40,164,839
Health and social services	33,995,560	32,449,751	30,233,356	31,713,129	34,910,223
Wildlife management	7,886,113	7,636,034	9,187,773	7,219,485	6,804,125
Housing	8,725,438	8,720,698	7,658,035	6,722,792	7,168,229
Primary and secondary education	46,521,154	43,627,760	41,520,914	40,467,042	42,292,818
Higher education	11,701,321	11,656,706	11,695,801	11,448,727	12,752,424
Debt service					
Principal retirement	80,754,794	67,270,000	58,085,000	66,210,000	75,095,000
Interest on long-term debt	17,132,629	14,254,917	12,373,037	11,259,904	11,959,080
Issuance costs	—	—	—	382,800	—
Total expenditures	\$ 493,307,827	\$ 451,469,276	\$ 391,865,252	\$ 404,479,872	\$ 416,231,805



A successful whaling captain hosts a Nalukataq celebration (whaling feast), where his harvest is shared with the community and the whale is celebrated with a blanket toss.



Fund balance, assets & liabilities

Understanding where the Borough's money comes from and where it goes is critical to understanding the flow of the current financial position and resources of the Borough. In looking at the overall financial position of the Borough, it's essential to note that the Borough uses a modified accrual basis of accounting. This is

a combination of cash basis and full accrual basis. Revenue is recognized when both measurable and available.

The Borough's General Fund balance totaled nearly \$317.8 million as of June 30, 2025, with unassigned fund balance making up 78.2% of total General Fund balance.

1 Nonspendable

consists of pre-paid and inventory.

2 Restricted includes an amount restricted to a specific health program.

3 Committed reflects amounts that are committed to specific purpose by formal action of the assembly (i.e., provided to the CIPM program).

4 Assigned includes encumbrances at year-end, as approved by the Assembly, as well an amount assigned for self-insurance.

5 Unassigned consists of the remaining amounts after applying the four categories listed previously.

The Borough utilizes a modified accrual basis of accounting

In addition to liabilities, the Borough's Balance Sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents a portion of fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until such time as those revenues are earned. The Governmental Funds report unavailable revenue from four sources: real property taxes, economic impact

assistance, loans, and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The Borough's assets totaled \$889 million at the end of FY25, with cash and investments with central treasury making up 91.9% of the General Fund assets. Total assets increased by \$110.6 million from FY24 to FY25.





A dance group from the village of Kaktovik share their traditional Inupiat dances accompanied by the groups drummers. Photo courtesy of Jenny Evans.

Total assets	2025	2024	2023	2022	2021
Total liabilities	\$ 889,181,959	\$ 778,470,364	\$ 637,714,570	\$ 585,055,739	\$ 596,373,670
Total deferred inflows of resources	38,421,737	42,584,383	26,808,999	24,555,946	25,579,706
Total fund balance	532,948,965	462,907,058	433,372,570	409,910,235	407,523,591
	317,811,257	272,978,923	177,533,001	150,589,558	163,170,373
Total liabilities*	\$ 889,181,959	\$ 778,470,364	\$ 637,714,570	\$ 585,055,739	\$ 596,373,670

*Deferred inflows of resources & fund balance.

Revenues & expenditures

Revenues vs. expenditures (General Fund)

This table summarizes the revenue and expenditure activity of the Borough's General Fund for the year ended June 30, 2025.

Revenues	:	\$ 565,028,538
Expenditures for services		395,420,404
Debt service		97,887,423
Net other financing sources (uses)		(26,888,377)
Net change in fund balance		\$ 44,832,334

Capital project funds

The Borough maintains separate Capital Projects Funds to account for the financial transactions and resources used by the Borough for the acquisition or construction of major capital projects and related assets. A summary of the Borough's revenue and expenditures of the Capital Projects Fund is provided to the right.

Beginning capital projects balance	\$ 360,715,185
Revenues	4,844,790
Expenditures	156,181,887
Net other financing sources (uses)	145,923,297
Net change in fund balance	(\$ 5,413,800)

Proprietary funds

The Borough maintains five proprietary funds. The Borough uses enterprise funds to account for the Prudhoe Bay solid waste disposal and water treatment facility (Service Area 10), a revolving loan fund (Home Assistance

Loan), an electric utility (Power Generation & Distribution), the Real Property Management Fund, and the Technical Training Center Fund.

Major enterprise funds	Power Generation & Distribution	Real Property Management	Non-major Ent. Funds	Total
Net position, beginning of year	\$ 70,682,344	\$ 267,363,560	\$ 106,845,171	\$ 444,891,075
Operating revenues	8,050,100	3,307,722	34,793,725	46,151,547
Operating expenses	35,065,626	3,711,256	37,367,257	76,144,139
Non-operating revenues (expenses)	540,155	(803,227)	(1,806,049)	(2,069,121)
Transfers	20,913,664	(1,188,572)	4,270,578	23,995,670
Capital contributions	5,561,707	—	258,233	5,819,940
Net position, end of year	\$ 70,682,344	\$264,968,227	\$106,994,401	\$ 442,644,972

Statement of net position

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the finances of the Borough in a manner similar to a private-sector business.

The statement of net position presents information on all of the Borough's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Borough is improving or deteriorating.

Total current and other assets increased by approximately \$246.7 million due to increases in cash and investments with central treasury and other cash and investments.

Accounting Terminology

Net position represents the Borough's assets and deferred outflows less liabilities and deferred inflows.

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position consists of bonded capital project funds, OPEB benefits, Museum purchases, Pollution Remediation Obligations, and the Permanent Fund Corpus and Permanent Fund earnings.

Unrestricted Net Position represents the remaining net position of the Borough after subtracting net investment in capital assets and restricted net position.

	2025	2024	2023	2022	2021
Current and other assets	\$ 2,694,116,293	\$ 2,447,397,278	\$ 2,173,916,372	\$ 2,024,693,852	\$ 1,987,416,127
Capital assets	1,968,536,959	1,908,637,297	1,894,201,649	1,891,025,866	1,899,992,059
Deferred outflows of resources					
Pension and OPEB related	20,079,194	21,904,378	22,465,384	19,680,845	25,825,492
Total assets and deferred outflows of resources	\$ 4,682,732,446	\$ 4,377,938,953	\$4,090,583,405	\$ 3,935,400,563	\$ 3,913,233,678
Long-term liabilities	\$ 483,001,615	\$ 393,920,809	\$ 390,168,938	\$ 396,898,264	\$ 393,298,956
Deferred inflows of resources	557,908,017	481,270,282	466,818,368	533,979,852	413,111,217
Other liabilities	156,872,182	160,933,168	126,952,188	31,954,642	42,191,571
Total liabilities and deferred inflows of resources	\$ 1,197,781,814	\$ 1,036,124,259	\$ 983,939,494	\$ 962,832,758	\$ 848,601,744
Net investment in Capital Assets	\$ 1,906,870,005	\$ 1,861,134,478	\$ 1,815,144,720	\$ 1,807,044,331	\$ 1,859,730,135
Restricted	1,474,754,523	1,332,349,496	1,158,403,119	1,091,865,679	1,152,569,750
Unrestricted	103,326,104	148,330,720	133,096,072	73,657,795	52,332,049
Net Position	\$ 3,484,950,632	\$ 3,341,814,694	\$ 3,106,643,911	\$ 2,972,567,805	\$ 3,064,631,934

Debt service obligations

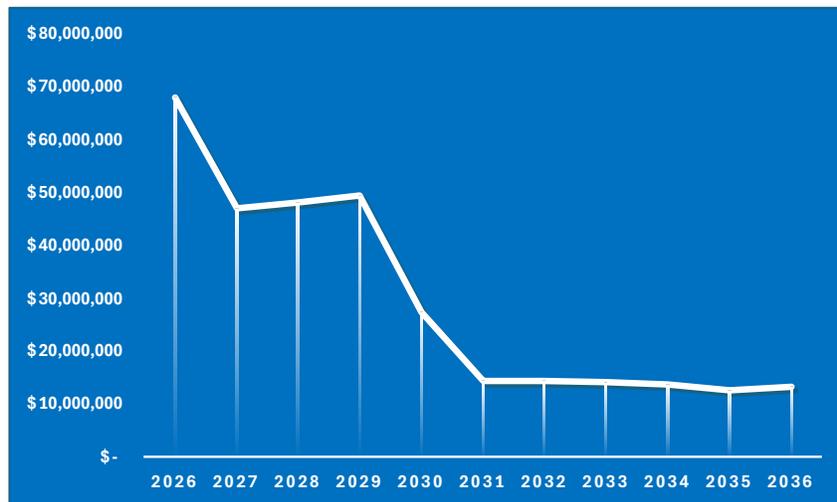
Debt service mill rate is legally set and may not be used for any other purpose. The Borough has unlimited statutory taxing authority to meet its debt service. Debt service is planned at a total mill rate including operations and debt service of 17.99 mills.

Pursuant to the Charter, general obligation bonds of the Borough are secured by a pledge of the Borough's full faith and credit. The Borough may levy ad valorem taxes without limitation as to rate or amount, on property in the Borough, subject to taxation by the Borough, sufficient to provide for the payment of debt. Payment is not limited to a particular fund or source of revenue. Permanent Fund income or transfers from the Permanent Fund cannot be utilized to pay debt service. Below is a summary of the Borough's existing debt profile.

Annual Debt Service Payments

Fiscal Year	Bond Principal	Interest	Total
2026	\$ 67,870,000	\$ 15,685,800	\$ 83,555,800
2027	47,080,000	12,611,750	59,691,750
2028	48,145,000	10,265,800	58,410,800
2029	49,470,000	7,879,300	57,349,300
2030	27,395,000	5,427,200	32,822,200
2031	14,365,000	4,066,500	18,431,500
2032	14,345,000	3,371,450	17,716,450
2033	14,040,000	2,664,000	16,704,000
2034	13,605,000	1,962,000	15,567,000
2035	12,505,000	1,281,750	13,786,750
2036	13,130,000	656,500	13,786,500
Total	\$ 321,950,000	\$ 65,872,050	\$ 387,822,050

Outstanding debt service by year



Other financial information

Principal taxpayers FY 2025

State assessed/received in FY 2025	Type of Business	Assessed Value	Tax Levy	% of Total Tax Levy
Hilcorp North Slope LLC	Oil & Gas Producer	\$13,214,314,510	\$ 237,725,518	45.24
ConocoPhillips Alaska, Inc.	Oil & Gas Producer	9,389,338,660	168,914,202	32.15
Alyeska Pipeline Services Co.	Pipeline Transportation	2,226,418,800	40,053,274	7.62
Oil Search Alaska, LLC	Oil & Gas Condensate	1,810,639,930	32,573,412	6.20
Doyon Drilling Inc.	Oilfield Services	172,396,760	3,101,418	0.59
ASRC and subsidiaries	Oilfield Services	159,433,670	2,868,212	0.55
Schlumberger Companies	Commercial Property	142,373,970	2,561,308	0.49
Ukpeagvik Inupiat Corp. and subsidiaries	Oilfield Services	127,047,852	2,285,591	0.43
Nabors Alaska Drilling, Inc.	Oilfield Services	111,911,550	2,013,289	0.38
Haliburton Energy Services, Inc.	Oilfield Services	109,687,440	1,973,277	0.38
Total of state assessed		\$ 27,463,563,142	\$ 494,069,501	94.03%
Locally assessed/received in FY 2024	Type of Business	Assessed Value	Tax Levy	% of Total Tax Levy
ASRC & subsidiaries	Commercial Property	\$ 74,266,730	\$ 1,336,058	0.25
Ukpeagvik Inupiat Corporation & subs.	Village Corporation	117,754,352	2,118,401	0.40
Colville, Inc.	Logistics	75,827,250	1,364,132	0.26
Alaska Frontier Construction, Inc.	Construction	71,744,925	1,290,691	0.25
ICE Services, Inc.	Oilfield Services	46,984,580	845,253	0.16
Worley Alaska, Inc.	Oilfield Services	46,489,400	836,344	0.16
Schlumberger Companies	Oilfield Services	35,877,300	645,433	0.12
Halliburton Energy Services, Inc.	Oilfield Services	33,642,700	605,232	0.12
Quintillion Holdings, LLC	Telecommunications	29,053,260	522,668	0.10
Deadhorse Aviation Center, LLC	Aviation	26,792,900	482,004	0.09
Total of locally assessed		\$ 558,433,397	\$ 10,046,216	1.19
		\$ 28,021,996,539	\$ 504,115,717	95.94 %

North Slope Borough villages have relied on the bowhead whale for thousands of years as their primary food resource.



Other financial information

Employment by industry (2020 - 2024)

The following chart sets forth the estimated non-agricultural annual average Borough employment by industry during calendar years 2020-2024 as reported by the Alaska Department of Labor and Workforce Development.

Industrial Classification	2024		2023		2022		2021		2020	
	Avg. Empl.	% of Total	Avg. Empl.	% of Total	Avg. Empl.	% of Total	Avg. Empl.	% of Total	Avg. Empl.	% of Total
Natural Resources and mining	5,742	48.1	5,043	47.3	4,745	47.1	4,404	45.1	4,995	46.5
Construction	490	4.1	306	2.9	85	0.8	138	1.4	99	0.9
Trade, trans and utilities	638	5.3	590	5.5	584	5.8	597	6.1	604	5.6
Information	54	0.5	57	0.5	51	0.5	53	0.5	54	0.5
Financial activities	101	0.8	89	0.8	76	0.8	72	0.7	77	0.7
Professional and business services	1,750	14.7	1,522	14.3	1,530	15.2	1,430	14.6	1,643	15.3
Educational and health services	478	4.0	482	4.5	478	4.7	489	5.0	483	4.5
Leisure and hospitality	526	4.4	475	4.5	455	4.5	457	4.7	547	5.1
Other services	137	1.1	112	1.0	89	0.9	95	1.0	139	1.3
Federal government	17	0.1	17	0.2	16	0.2	16	0.2	19	0.2
State government	54	0.5	55	0.5	58	0.6	64	0.7	57	0.5
Local government	1,956	16.4	1,925	18.0	1,900	18.9	1,957	20.0	2,033	18.9
Total average employment	11,943	100%	10,673	100%	10,067	100%	9,772	100%	10,750	100%

An Iñupiat hunter looks toward the ice edge during the spring bowhead whale hunt.



Financial planning & policies

Long-term financial planning

The foundation of the Borough's financial strength rests on conservative long-term financial planning. Since 1993, the Borough has used a sophisticated projection model to create a 12-year forecast of property tax revenues. This forecast is used to plan for future operating and capital expenditures as well as to ensure adequate resources are available to repay bonded debt.

The Borough's economy is predominantly based on oil and gas development and is therefore influenced by global energy markets, broader economic conditions, industry investment and development decisions, and state and federal policies, as well as the success of exploration activities on the North Slope. Many of these factors are beyond the direct control of the Borough. However, the Borough plays an important role in influencing how exploration and development activities are conducted within the region through its permitting authority and its responsibility to protect subsistence resources and preserve the environment.

Relevant Financial Policies

The Borough adheres to financial policies to support strategic goals, ensure stability in service delivery, and promote efficient use of public funds. It is the Borough's policy to maintain reserve funds, which can be used to reduce the impact of substantial revenue fluctuations, thus providing a more stable delivery of services to Borough residents. Other critical financial policies as described below include the Fund balance reserve policy, the Debt management policy.

Fund balance reserve policy

The Borough has long maintained and consistently adhered to a Fund Balance Reserve Policy as a core element of prudent fiscal management. The policy provides guidance to ensure adequate reserves for working capital, cash flow needs, unforeseen expenditures, economic downturns, and natural or other unexpected events. It also defines the components of fund balance and authorizes the assignment of fund balances, including the transfer of

excess resources from the General and Enterprise Funds to the Permanent Fund, in support of the Borough's long-term financial stability.

Debt management policy

The Borough has long maintained and consistently adhered to a Debt Management Policy as an integral component of its overall financial governance framework. The policy establishes guidelines for the issuance and management of bonds and other forms of indebtedness used to finance land acquisitions, capital improvements, equipment, and other Borough needs. It provides direction on the appropriate use of debt, establishes debt management objectives, and supports the maintenance and potential improvement of the Borough's credit rating, while promoting prudent risk management and preserving financial health and budgetary flexibility to meet both current and future capital requirements.

Operating contingency — Finance Department

As part of the annual budget development process, the Finance Department establishes an operating contingency to provide a financial safeguard against unexpected budgetary shortfalls or unplanned commitments. This contingency ensures the Borough maintains financial stability, supports prudent fiscal management, and allows flexibility to respond to unforeseen operational or economic challenges without compromising essential services or strategic priorities.

Borough's permanent fund

The Borough adheres to financial policies to support strategic goals, ensure stability in service delivery, and promote efficient use of public funds. It is the Borough's policy to maintain reserve funds, which can be used to reduce the impact of substantial revenue fluctuations, thus providing a more stable delivery of services to Borough residents. In the financial statements, these can be observed as part of cash and cash equivalents as well as the fund balance categories.



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