



Q2 2020 Financial Results

As of June 30, 2020

July 20, 2020



Note: In January 2020, the Port implemented the new lease accounting standard, GASB 87, which requires that a portion of long-term lease revenues be classified as interest. The interest component is labeled “Lease Interest - GASB 87” on the statement of revenue and expense and it reduces operating revenues and increases interest for the same amount, resulting in no overall impact on net income. The estimated total annual amount of GASB 87 interest income that will be reclassified from revenue to non-operating interest income is \$49.6 million in 2020.

The impact to the statement of net position is an increase in lease receivable and offsetting increase in deferred inflows by the amount equal to the net present value of future long-term lease payments or \$1.21 billion. For year over year comparability, the statement of revenue expense was revised to report revenue and operating income before lease interest – GASB 87.

Executive Summary

(Dollars in Thousands)		2020				2019		
DESCRIPTION	BUDGET	ACTUAL	VARIANCE FAV/(UNFAV)	%		ACTUAL	VARIANCE FAV/(UNFAV)	%
Operating Revenue	\$ 96,185	\$ 89,755	\$ (6,430)	-7%		\$ 98,997	\$ (9,242)	-9%
Revenue before GASB 87 Adjustment	96,185	89,755	(6,430)	-7%		98,997	(9,242)	-9%
Lease Interest - GASB 87	(24,056)	(25,389)	(1,333)	-6%		-	(25,389)	0%
Total Revenue	72,130	64,366	(7,764)	-11%		98,997	(34,631)	-35%
Operating Expenses	56,934	47,354	9,580	17%		51,212	3,858	8%
Operating Income	15,196	17,011	1,815	12%		47,784	(30,773)	-64%
<i>Memo: Operating Income before Lease Interest - GASB 87</i>	39,251	42,401	3,150	8%		47,784	(5,383)	-11%
Non-Operating Inc/(Exp)								
Interest Income	818	891	73	9%		1,185	(294)	-25%
Non-Operating Inc/(Exp)	(1,708)	(842)	866	51%		(322)	(520)	-162%
Grant income	1,120	46	(1,074)	-96%		1,246	(1,200)	-96%
Non-Operating Inc/(Exp) before Lease Interest GASB 87	230	95	(135)	-59%		2,109	(2,014)	-95%
Lease Interest Income - GASB 87	24,056	25,389	1,333	6%		-	25,389	0%
Lease Interest Expense - GASB 87	148	60	88	59%		-	(60)	0%
Lease Interest Income, net - GASB 87	23,908	25,329	1,421	6%		-	25,329	0%
Net Income	\$ 39,334	\$ 42,435	\$ 3,101	8%		\$ 49,894	\$ (7,459)	-15%

Through the second quarter of 2020, NWSA net income of \$42.4 million was \$3.1 million more than budget and \$7.5 million less than the prior year. Operating income before Lease Interest – GASB 87 was above budget by \$3.2 million as lower cargo volumes resulted in lower variable revenues and related operating expenses, however budget timing on the removal of cranes and maintenance paving projects, and lower support services costs resulted in the overall positive expense variances.

Net Non-Operating Income before Lease Interest – GASB 87 was below plan \$0.1 million as TIGER grant income was below budget \$1.1 million due to timing, offset by non-operating expense below budget \$0.9 million, primarily for timing on public expense related to the T5 improvements in the North Harbor, and Interest income up \$0.1 million.

Q1 2020 Financial Results

Compared with the prior year, net income was down \$7.5 million as operating revenues before lease interest – GASB 87 were down \$9.0 million on lower cargo volumes and lease terminations, operating expenses were down \$4.0 million primarily due to prior year crane removal costs and lower cargo volume related operating expenses. Grant income was \$1.2 million less than the prior year due timing, non-operating expense was up \$0.5 million (primarily for public expense related to the T5 improvements) and interest income was down \$0.3 million. See below for more details.

Balance Sheet and Cashflow - Total cash and investments were \$44.0 million at the end of the first quarter, compared to \$77.3 million at the beginning of the year. This decrease of \$33.3 million is due to the return of the SSA security deposit of \$13.3 million, the distribution to homeports of accumulated interest and TIGER grant receipts, totaling \$10.2 million, and timing variances of \$9.8 million on cash contributions from and distributions to the homeports, and changes in the payables and receivables accounts. Cashflows from operations (excluding the adjustment for GASB 87 and the return of SSA's security deposit for comparability) were \$55.7 million in the current year compared with \$52.8 million in 2019.

The homeports contributed \$65.0 million to fund NWSA capital improvements. This amount represents the capital spending for December 2019 of \$14.1 million, and \$50.9 million for the first five months of 2020. Capital construction projects are funded on a "pay as you go" basis on a one-month lag; project spending in June that will be funded in July totaled \$7.9 million. Cash used for NWSA capital expenditures was \$64.9 million.

Operating Income by Line of Business (excludes Lease Interest – GASB 87)

(Dollars in Thousands)		2020				2019			
DESCRIPTION	BUDGET	ACTUAL	FAV/(UNFAV)		ACTUAL	FAV/(UNFAV)			
			\$	%		\$	%		
Container									
Operating Revenue	\$78,987	\$75,110	(\$3,877)	-5%	\$80,152	(\$5,042)	-6%		
Operations	14,165	10,321	3,843	27%	14,530	4,209	29%		
Maintenance	6,564	5,315	1,249	19%	5,038	(277)	-5%		
Depreciation	6,368	6,535	(166)	-3%	4,814	(1,721)	-36%		
Total Operating Expense	27,097	22,171	4,927	18%	24,382	2,211	9%		
Operating Income - Container	51,890	52,939	1,049	2%	55,770	(2,831)	-5%		
Non- Container									
Operating Revenue	10,912	8,087	(2,825)	-26%	12,419	(4,332)	-35%		
Operations	4,341	4,241	100	2%	5,133	891	17%		
Maintenance	1,007	782	225	22%	844	62	7%		
Depreciation	755	409	345	46%	247	(162)	-65%		
Total Operating Expense	6,103	5,432	670	11%	6,224	792	13%		
Operating Income - Non-Container	4,809	2,655	(2,155)	-45%	6,195	(3,541)	-57%		
Real Estate									
Operating Revenue	6,286	6,558	272	4%	6,426	132	2%		
Operations	191	118	73	38%	98	(20)	-21%		
Maintenance	253	64	189	75%	157	93	59%		
Depreciation	50	50	0	0%	49	(1)	-3%		
Total Operating Expense	494	232	262	53%	304	71	23%		
Operating Income - Real Estate	5,792	6,326	533	9%	6,122	203	3%		
Other Expenses									
Commercial Administration	6,405	5,488	917	14%	5,367	(121)	-2%		
Infrastructure and Administration Expense	16,835	14,031	2,804	17%	14,937	905	6%		
Total Operating Income	\$39,252	\$42,400	\$3,148	8%	\$47,784	(\$5,384)	-11%		
* This table excludes the effects of GASB 87 lease interest									

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Actual vs Budget

Container Business (Container Terminals and Intermodal)

Container business (containers and intermodal) revenues were down \$3.9 million. This was mostly driven by intermodal volumes and crane/strad variable revenue being lower than expected, due to 20% less TEUs than expected. Through the second quarter of 2020 there were a total of 55 blank sailings, where a ship scheduled to call does not show, compared with 27 blank sailings through the second quarter of 2019. Operations expense was down \$4.9 million mostly due to timing of crane removal at Husky and less direct labor at NIM (volume driven expense). Maintenance expense was down \$1.2 million due to timing of project spending (budgeted quarterly). This caused container business operating income to be \$1.0 million higher than budget.

Operating revenues of \$75.1 million were below budget \$3.9 million.

- Total intermodal lift revenue was down \$3.4 million – NIM, HIM and SIM lift revenues were down \$2.4 million, \$0.6 million and \$0.3 million, respectively (volumes down 22%, 33% and 7%, respectively).
- Husky strad and crane rents were down \$0.9 million driven by lower TEU's than expected, down 6% at Husky.
- West Sitcum revenue up \$0.2 million for the stormwater contribution (this was anticipated to be included in non-operating income as part of the GASB 87 adjustment, but it was determined after the budget was finalized that this is not subject to GASB 87 accounting and therefore the actuals remain in operating)
- Rent revenue at Lot F up \$0.2 million for new Husky lease.

Operating Expenses of \$22.2 million were \$4.9 million and 18% below budget.

- Operations expense at Husky was down \$3.0 million due to the timing of the removal of cranes of \$2.6 million, expected to be spent in Q3 and lower strad expenses \$0.5 million.
- Operations expense at NIM was down \$0.8 million due to lower longshore labor of \$0.5 million and lower strad expenses of \$0.3 million.
- Maintenance Project spending down \$1.4 million; \$0.4 million at WUT for barrier and striping, \$0.3 million at T-18 for stormwater utility upgrade, \$0.2 million for roof repair of T-7 warehouse, \$0.2 million at T-5 for striping and signs and \$0.2 million at T-46 for bulkhead rehabilitation.

Non-Container Business (Autos and Breakbulk)

Operating Revenues of \$8.1 million were \$2.8 million and 26% below budget.

- Breakbulk revenues were below budget \$2.2 million as volumes were down 44%.
- Auto revenues were below budget \$0.7 million as units were down 28%.

Operating Expenses of \$5.4 million were \$0.7 million and 11% below budget.

- Depreciation expense was lower than planned by \$0.3 million due to new assets being placed into service.
- Maintenance expense was lower than planned by \$0.3 million due to timing delays on paving repairs.



Q1 2020 Financial Results

Real Estate

Operating Revenues of \$6.6 million were above budget \$0.3 million and 4%.

- T5 interim Foss lease \$26,000 above budget
- T25 above budget by \$0.3 million for the UPS lease (effective 10/1/19).

Operating Expenses of \$0.2 million were below budget \$0.3 million and 53%.

Other (not LOB-specific) Operating Expenses

- Commercial and Administrative expenses were below budget by \$0.9 million, primarily due to lower consulting costs and lower travel and hosting expenses due to pandemic-related restrictions on those activities.
- Infrastructure and other Administration expenses were below budget by \$2.8 million driven primarily by administration costs that were below plan \$1.9 million due to lower homeport support service agreement allocations (driven by consulting services, IT data services and hardware/software maintenance spending below plan) and environmental costs below budget \$0.7 million due to timing on project spending.

Year to Date vs. Prior Year

Container Business (Container Terminals and Intermodal)

Container business (containers and intermodal) revenue decreased \$5.0 million over the prior year. This was mostly driven by TEU volumes down 18% versus the prior year. There were 9 blank sailings for the month of June and 55 blank sailings in 2020 versus 2019 which had 4 blank sailing in June of 2019 and 27 for the year. Also contributing to the revenue decline were lower revenue from the new leases at East Sitcum and T-46. Operations expense decreased \$2.2 million as 2019 had costs for the removal of cranes at T-18 and T-46 and the Puget Soundkeeper legal costs. Depreciation is up \$1.7 million mostly for T-4 assets. This caused container business operating income to be \$2.8 million lower than the prior year.

Operating Revenues of \$75.1 million decreased \$5.0 million and 6% versus the prior year.

- Total intermodal lift revenue decreased \$2.7 million – lift revenues down \$1.8 million at NIM, \$0.5 million at PIM and \$0.5 million at HIM (volumes down 21%, 42% and 29%, respectively); offset by lift revenues up \$0.1 million at SIM.
- Land rent revenue decreased \$0.9 million due to new leases at East Sitcum (revenue down \$1.8 million), T-46 (revenue up \$1.8 million due to 2019 TTI lease incentive write-off) and Husky (revenue up \$1.0 million).
- Crane and straddler revenue decreased \$1.5 million at East Sitcum for Ports America termination.

Operating Expenses of \$22.2 million decreased \$2.2 million and 9% from the prior year.

- Operations expense at T-18 decreased \$2.3 million as 2019 had expense for the removal of cranes.
- Operations expense at T-46 decreased \$0.6 million as 2019 had expenses for the removal of



Q1 2020 Financial Results

cranes (\$0.8 million) and reserve for litigation costs related to the Soundkeeper lawsuit (\$0.4 million).

- Operations expense at NIM decreased \$0.7 million due to lower volumes.
- Depreciation expense increased by \$1.3 million, primarily due to the improvements at T-4, West Sitcum and T-46.

Non-Container Business (Autos and Breakbulk)

Operating Revenues of \$8.1 million were \$4.3 million less than the prior year.

- Breakbulk revenues were down \$3.3 million as volumes decreased by 35%.
- Auto revenues were down \$1.0 million as volumes were down 27.5%.

Operating Expenses of \$5.4 million were down \$0.8 million compared with the prior year.

- Longshore expenses were down \$0.9 million due to the decrease volumes (tonnage down 35%).
- Maintenance expenses were down \$0.1 million compared to prior year due to timing of paving projects.
- Depreciation costs increased \$0.2 million over prior year due to new asset additions.

Real Estate

Operating Revenues of \$6.6 million were up \$0.1 million and 2%.

- Dockage, wharfage and service charges at the T18 bulk facility were comparable to prior year. Petroleum volumes were up 31% and molasses volumes were down 9%.
- Rent revenue was up \$0.3 million at T25 due to the new lease with UPS and escalations.

Operating Expenses of \$0.2 million were down \$0.1 million compared with the prior year

Other (not LOB-specific) Operating Expenses

- Commercial Administration expenses of \$2.8 million increased by \$0.1 million or 2% due to several offsetting variances with no individually significant items to note.
- Infrastructure and other Administration expenses were down \$0.9 million compared with the prior year primarily due to lower service agreement allocations by the home ports.

NOTE: An objective of operating statements would be to associate and reflect periodic depreciation expense with the related revenue generation, when calculating the Net Income earned by the NWSA (and subsequently distributed to the homeports). In accordance with the NWSA Charter, capital assets of the homeports existing at the start of the Alliance remain with the homeports. Thus, the depreciation expense for these capital assets, now licensed to the NWSA and relevant toward generating NWSA revenues, is not reflected in the NWSA Statement of Revenue and Expenses. Rather, the depreciation expense is recorded in the respective homeports' financial statements. Capital assets completed by the NWSA since the start of the Alliance and the related depreciation expense, however, are reflected in the NWSA operating statements.

NW Seaport Alliance Scorecard

June 30, 2020



CARGO VOLUME

	2019 Total	2020 YTD Actuals	2020 Budget
<u>Containers (TEUs)</u>			
International	3.1 M	1.2 M	3.3 M
Domestic	0.7 M	0.3 M	0.7 M
Break Bulk (Metric Tons)	246 K	140 K	306 K
Autos (Units)	156 K	67 K	160 K



JOB CREATION

	2019 Total	2020 YTD Actuals	2020 Target
ILWU Hours	4.7 M	1.8 M	4.7 M



FINANCIAL RETURNS

<i>\$ in millions</i>	2019 Total	2020 YTD Actuals	2020 YTD Budget
Operating Income <i>(Before GASB 87 Adjustment & Depreciation)</i>	\$105.8	\$42.4	\$97.6
Return on assets	7.1%	6.0%	5.8%



ENVIRONMENTAL STEWARDSHIP

	2019 Results	2020 Actuals	2020 Target
Water Quality (Improve Source Control)	195 Acres	NIM Jellyfish (22 ac.), E. Sitcum OWS (4 ac.), Safeboats (3 ac.)	65 Acres
Air Quality (Reduce Greenhouse Gas Emissions)	15% Terminals; Executed Fuel Efficiency Plans	15% Terminals; Executed Fuel Efficiency Plans	36% Container Terminals Executed Fuel Efficiency Plans



NORTHWEST SEAPORT ALLIANCE
Statement of Revenue and Expense
Year to Date Budget vs Actual
North & South Harbor
June 30, 2020
(Dollars in Thousands)

	2020				2019		
	BUDGET	ACTUAL	VARIANCE	VAR %	ACTUAL	VARIANCE	VAR %
Operating Revenue	96,186	89,755	(6,431)	-7%	98,997	(9,242)	-9%
Lease Interest - GASB 87	(24,056)	(25,389)	(1,333)	-6%	-	(25,389)	0%
Total Operating Revenue	72,130	64,366	(7,764)	-11%	98,997	(34,631)	-35%
Operations	23,330	19,159	4,171	18%	24,238	5,079	21%
Maintenance	10,640	8,373	2,268	21%	8,384	12	0%
Administration	11,513	9,513	2,000	17%	10,042	529	5%
Security	2,817	2,567	250	9%	2,505	(62)	-2%
Depreciation	7,380	7,153	227	3%	5,318	(1,835)	-35%
Environmental	1,254	591	663	53%	726	135	19%
Total Operating Expense	56,934	47,354	9,579	17%	51,212	3,858	8%
Operating Income	15,196	17,011	1,815	12%	47,784	(30,773)	-64%
<i>Memo Line: Op. Income excluding GASB 87</i>	<i>39,252</i>	<i>42,400</i>	<i>3,148</i>	<i>8%</i>	<i>47,784</i>	<i>(5,384)</i>	<i>-11%</i>
Lease Interest Revenue - GASB 87	24,056	25,389	1,333	6%	-	25,389	0%
Interest Income	818	775	(43)	-5%	856	(81)	-9%
Market Value Adjustment	-	116	116	0%	330	(214)	-65%
Interest Expense	(148)	(60)	88	59%	-	(60)	0%
Grant Income	1,120	47	(1,073)	-96%	1,246	(1,199)	-96%
Misc. Non Op Income/(Expense)	(1,696)	(831)	865	51%	(313)	(518)	165%
Other Non Operating	(12)	(11)	-	3%	(9)	(3)	33%
Non-Operating Revenue & (Expense)	24,137	25,424	1,287	5%	2,110	23,315	1105%
Net Income	39,334	42,435	3,102	8%	49,894	(7,458)	-15%

NORTHWEST SEAPORT ALLIANCE
North & South Harbor
Trended Statement of Revenue and Expense
June 30, 2020
(Dollars in Thousands)

	<u>Jun-19</u>	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>
Operating Revenue	14,522	16,015	15,058	16,663	14,893	17,102	16,294	15,672	14,926	15,063	14,314	14,686	15,093
Revenue Before GASB 87 Adjustment	14,522	16,015	15,058	16,663	14,893	17,102	16,294	15,672	14,926	15,063	14,314	14,686	15,093
Lease Interest - GASB 87	-	-	-	-	-	-	-	(5,282)	(4,459)	(3,372)	(4,105)	(4,092)	(4,078)
Total Operating Revenue	14,522	16,015	15,058	16,663	14,893	17,102	16,294	10,390	10,467	11,690	10,209	10,595	11,015
Operations	3,248	3,300	3,837	3,696	3,416	3,103	3,436	3,217	3,057	3,358	3,277	3,017	3,233
Maintenance	1,252	1,668	1,235	1,391	1,667	1,514	2,600	1,137	1,463	1,453	1,922	1,201	1,197
Administration	1,712	1,599	1,546	1,621	1,723	1,747	1,404	1,552	1,536	1,699	1,552	1,504	1,669
Security	425	410	411	387	413	370	278	502	411	423	405	396	430
Depreciation	1,512	598	957	1,129	1,083	1,092	1,096	1,144	1,222	1,188	1,189	1,210	1,199
Environmental	96	85	87	106	107	87	89	63	128	99	71	91	138
Total Operating Expense	8,245	7,662	8,073	8,331	8,408	7,913	8,903	7,616	7,817	8,220	8,416	7,420	7,866
Operating Income	6,277	8,354	6,985	8,333	6,485	9,189	7,392	2,774	2,649	3,470	1,793	3,175	3,149
<i>Memo Line: Op. Income excluding GASB 87</i>	<i>6,277</i>	<i>8,354</i>	<i>6,985</i>	<i>8,333</i>	<i>6,485</i>	<i>9,189</i>	<i>7,392</i>	<i>8,056</i>	<i>7,109</i>	<i>6,843</i>	<i>5,899</i>	<i>7,267</i>	<i>7,227</i>
Lease Interest - GASB 87	-	-	-	-	-	-	-	5,282	4,459	3,372	4,105	4,092	4,078
Interest Income	152	123	131	121	140	120	117	116	107	110	354	47	41
Market Value Adjustment	22	14	79	(15)	12	(13)	(2)	29	75	(17)	(27)	16	39
Interest Expense	-	-	-	-	-	-	-	-	(23)	(8)	(10)	(10)	(10)
Grant Income	-	840	(4)	544	-	254	989	-	-	19	(51)	51	27
Misc. Non Op Income/(Expense)	(232)	(37)	(3)	(2)	(1,207)	(1,011)	(1,861)	252	(244)	(976)	(104)	9	221
Non-Operating Revenue & (Expense)	(58)	940	204	647	(1,055)	(650)	(757)	5,679	4,374	2,501	4,268	4,205	4,397
Net Income/(Loss)	6,219	9,294	7,189	8,980	5,430	8,538	6,634	8,453	7,024	5,971	6,061	7,380	7,546

NORTHWEST SEAPORT ALLIANCE
Statement of Net Position
North & South Harbor
June 30, 2020
(Dollars in Thousands)

	<u>Current Year</u>	<u>6/30/2019</u>
ASSETS		
CURRENT ASSETS		
Cash	\$4,780	\$18,159
Investments, at fair value	39,247	52,105
Net Trade A/R	5,356	10,696
Grants Receivable	20	160
Prepayments and other current assets	1,062	2,101
Related Party Receivable - JV	777	0
Total Current Assets	51,242	83,221
NON-CURRENT ASSETS		
Capital Assets	271,871	144,601
Construction in Process	112,243	130,005
Total cost	384,114	274,606
Less: Accumulated Depreciation	27,878	14,337
Capital Assets, Net	356,236	260,269
Lease Receivable - GASB 87	1,197,646	106
Total Non-Current Assets	1,197,646	106
Total Assets	\$1,605,124	\$343,596
Deferred Outflows of Resources		
Pension Deferred Outflow	1,488	1,652
Total Assets and Deferred Outflows	\$1,606,612	\$345,248
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts Payable and accrued liabilities	\$5,732	\$6,029
Related Party Payable - JV	2,952	3,285
Payroll and Benefits Liabilities	1,579	1,264
Total Current Liabilities	10,263	10,578
NON-CURRENT LIABILITIES		
Rent Deposits	1,371	14,606
Net Pension Liability	2,316	3,059
Other Noncurrent Liabilities	7,049	3,702
Total Non-Current Liabilities	10,736	21,367
Total Liabilities	20,999	31,945
Deferred Inflows of Resources		
Lease Deferred Inflows - GASB 87	1,197,646	0
Pension Deferred Inflow	1,395	1,258
Total Equity	386,572	312,045
Total Liabilities, Deferred Inflows & Equity	\$1,606,612	\$345,248

NORTHWEST SEAPORT ALLIANCE
Summary of Cash Activities
June 30, 2020
(Dollars in Thousands)

	2020	2019
Operating Income	\$ 18,230	\$ 47,753
Less: Non-cash income/expense items		
Depreciation	6,778	5,318
APL revenue earned	(4,500)	(4,500)
Cash earned in the current year	<u>20,507</u>	<u>48,571</u>
Adjustments		
Collection of APL lease term fee billed in prior year	4,500	4,500
Return of SSA Deposit	(13,321)	-
Increases/decreases in payables and receivables	5,296	(318)
Net cash provided by operating activities	<u>16,982</u>	<u>52,753</u>
Membership interest affirmation payment rec'd from Port of Seattle	11,000	-
Distribution of membership interest affirmation payment	(11,000)	-
Current year distributable cash	(58,218)	(52,620)
Timing on current year distributions	8,380	7,050
Prior Year distributable cash paid in current year	(18,270)	(7,580)
Distribution of accumulated interest and grants 2016-2019	(10,228)	-
Cash received from federal and state grants	9	-
Net cash provided by non-capital & related financing activities	<u>(78,327)</u>	<u>(53,150)</u>
Cash received from Homeports for Capital Construction Fund	64,991	30,641
Cash received from federal grants	1,753	4,676
Acquisition and construction of capital assets (net)	(64,920)	(43,275)
Net cash provided/(used) from Capital & Financing Activities	<u>1,825</u>	<u>(7,958)</u>
GASB 87 Lease Interest	25,389	- *
Cash from/(to) investments	37,829	16,253
Net cash from/(to) investments	<u>63,218</u>	<u>16,253</u>
Total Increase(Decrease) in Cash	<u>3,697</u>	<u>7,898</u>
Plus: Beginning Cash Balance	1,083	10,261
Ending Cash & Investments	<u>\$ 4,780</u>	<u>\$ 18,159</u>

*2019 Lease Interest is in Operating Income

The Northwest Seaport Alliance
Statement of Managing Members' Equity
June 30, 2020
(dollars in thousands)

Description	12/31/2019	2020 Changes	Ending Balance 6/30/2020
Working capital	\$ 51,000	\$ -	\$ 51,000
Membership Interest Affirmation	-	11,000	11,000
Capital construction	297,197	50,937	348,134
Non-cash CWIP	16,792	-	16,792
Total Contributions	<u>\$ 364,989</u>	<u>\$ 61,937</u>	<u>\$ 426,926</u>
Net income from JV	\$ 440,851	\$ 42,435	\$ 483,286
Cash distributions	(452,574)	(60,066)	(512,640)
Membership Interest Affirmation Distribution	-	(11,000)	(11,000)
End Balance	<u><u>\$ 353,266</u></u>	<u><u>\$ 44,306</u></u>	<u><u>\$ 386,572</u></u>

Northwest Seaport Alliance
Managing Members Cash Distribution Report
June 30, 2020

The cash distributions per Article IV of the Charter are shared 50/50 by each homeport. Homeports will receive 50% of the \$9,300,000 or \$4,650,000 each.

Distribution Date*	Fiscal Month/Yr	Amount	YTD Distributions
<u>7/25/20</u>	<u>June 2020</u>	<u>\$9,300,000</u>	<u>\$80,366,000</u>

*Distribution date is approximate, actual cash transfer date is determined by NWSA Treasurer and is typically one week prior to month-end.

Note:

-This report is per Article IV cash distributions, reserves and member bond obligations, section 4.1(a)
-The PDA through the CEO will make distributions of all Distributable Cash to the Managing Members as soon as practicable after each Calculation Period. Prior to executing any distribution, the CEO shall provide a report of planned distributions to Managing Members.”