



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

As of December 31, 2025 and 2024, and for the years  
ended December 31, 2025, 2024, and 2023

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# Annual Comprehensive Financial Report

As of December 31, 2025 and 2024, and for the years  
ended December 31, 2025, 2024, and 2023

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This report was prepared by  
the Accounting and Financial Reporting Department

WASHINGTON STATE

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# Introductory Section

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Port of Seattle / 2025 Annual Comprehensive Financial Report





April 24, 2026

Port of Seattle Commission  
Citizens of King County

The Annual Comprehensive Financial Report of the Port of Seattle (the Port), as of and for the year ended December 31, 2025, is enclosed. All amounts are rounded to the nearest thousand dollars in the statements and tables for presentation purposes within this report.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures in this report, rests with the management of the Port. On the basis that the cost of internal controls should not outweigh their benefits, the Port has established a comprehensive framework of internal controls to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

A firm of independent auditors is engaged each year to conduct an audit of the Port's financial statements in accordance with auditing standards generally accepted in the United States of America. The audit includes an examination, on a test basis, of the evidence supporting the amounts and disclosures in the financial statements, an assessment of the accounting principles used, significant estimates made by management, and the overall presentation of the financial statements. To express an opinion on the financial statements, the independent auditors determine auditing procedures by considering the Port's comprehensive framework of internal controls during the planning and performance of the audit. The independent auditor's report is presented as the first component in the Financial Section following this letter.

The independent audit of the financial statements of the Port included a broader, federally-mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the auditee's internal controls and compliance with legal requirements related to the federal awards administration. These reports are available in the Port's separately issued Single Audit Report.

This letter of transmittal is designed to complement the Management's Discussion and Analysis, and should be read in conjunction with the independent auditor's report and the audited Financial Statements.

### Profile of the Port

The Port is a municipal corporation of the State of Washington (the State), organized on September 5, 1911, under the State statute RCW 53.04.010 et seq. In 1942, the local governments in King County, Washington (the County) selected the Port to build and operate Seattle-Tacoma International Airport (SEA).

Port policies are established by a five-member Commission elected at-large by the voters of the County for four-year terms. The Commission appoints the Executive Director (ED), who oversees the daily operations of the organization. Through resolutions and directives, the Commission sets policy for the Port. These policies are then implemented by the ED and his executive staff.

The Port comprises three operating divisions: Aviation, Maritime, and Economic Development. The Aviation Division manages SEA. The Maritime Division manages industrial property connected with maritime business, recreational marinas, Fishermen's Terminal, cruise, grain, and maritime operations. Following a strategic reorganization in 2025, the Maritime Division assumed responsibility for commercial and industrial property management, and most of the revenue streams and projects previously in the Economic Development Division. This realignment strengthens the integration of asset management and economic initiatives within maritime operations. The Economic Development

Division continues to focus on real estate development and planning, encouraging tourism, fostering small business opportunities in the aviation, maritime, and construction industries, and managing economic development programs.

Central Services provides high-quality and cost-effective professional and technical services to the operating divisions and supports the overall goals of the Port; it also delivers projects to support the financial plans and infrastructure investments of the Port. Central Services departments include Accounting and Financial Reporting; Central Procurement Office; Commission Office; Engineering; Environment and Sustainability; Executive Office; External Relations; Finance and Budget; Human Resources; Information Communications and Technology; Information Security; Labor Relations; Legal; Office of Equity, Diversity and Inclusion; Office of Strategic Initiatives; Police; Port Construction Services; and Risk Management.

In August 2025, The Ports of Seattle and Tacoma (the home ports) celebrated the 10-year anniversary of the formation of the Northwest Seaport Alliance (NWSA) to unify management of marine cargo terminal investments, operations, planning, and marketing to strengthen the Puget Sound gateway and attract more business and jobs to the region. Combining cargo terminal operations makes the region more competitive in the global economy and supports the retention and creation of jobs in Washington. It also allows the home ports to make more effective investments in container facilities and to speak with a stronger, unified voice on pressing regional and industry-related issues. The NWSA, a Port Development Authority, is a separate legal and governmental entity. Since January 1, 2016, the NWSA has been accounted for as a joint venture between the home ports. In 2016, the Port's containerized cargo business and related industrial properties were exclusively licensed to NWSA, while the remaining maritime businesses became part of the Maritime Division.

The Industrial Development Corporation (IDC), a special-purpose government entity was established in 1982 to support industrial expansion through tax-exempt financing. Governed by the Port Commission, which serves as its Board of Directors, the IDC operates independently with limited powers. The IDC facilitates financing for eligible industrial projects within the Port's corporate boundaries, but any debt it issues is non-recourse to both the Port and the IDC. As a result, the Port accounted for IDC as a blended component unit and no related assets or liabilities are recorded on the Port's financial statements.

The operating budget is an essential component of the Port's management, planning, and control process. It quantifies business division and departmental plans for future periods in strategic, operational, and monetary terms. The budget process includes a series of Commission briefings with the operating divisions as well as Central Services during the year. These briefings inform Commissioners about key issues facing the business groups so that Commissioners can guide necessary changes in strategies and objectives.

Divisional business plans and budgets are often revised to reflect Commission input. On an annual basis, each division presents a preliminary budget to the Commission and the Commission reviews the budget and votes on its adoption. Once the annual budget is in place, variances from the budget are analyzed monthly (with a more extensive analysis conducted quarterly) to determine if corrective action is needed to meet planned targets.

### Economy and Outlook

In 2025, the United States (U.S.) economy experienced slower growth with increasing global uncertainty, restrictive monetary policy, and persistent inflationary pressures. Real Gross Domestic Product (GDP) increased 2.1% in 2025, declining from the 2.8% growth recorded in 2024. The increase in real GDP in 2025 primarily reflected increases in consumer spending and investment. Real GDP is expected to grow in the range of 1.8% to 2.0% from 2026 to 2029.

The U.S. labor market softened in 2025, as the weakest year for employment growth since 2020, the start of the pandemic. The national unemployment rate increased to 4.4% for the year, compared to 4.0% in 2024. Job gains were concentrated in health care and social assistance, while government, manufacturing, technology, transportation, and warehousing experienced continued stagnation or contraction. Employment growth is expected to average 0.4% from 2026 through 2029, down from 0.9% in 2025. Prices are expected to continue to rise due to a surge in fuel prices due to the Iran conflict along with evolving tariff and trade policies. Inflation is volatile, and 2026 was forecasted at 3.0% before the February start of escalations in Iran, increasing from 2.6% in 2025, and was expected to decrease to an average of 2.1% from 2027 through 2029. The housing market remains weak with high mortgage rates making home buying less affordable. Consumer confidence declined entering 2026, with ongoing concerns about geopolitical risks, trade policy uncertainty, turmoil surrounding gas and oil prices, and stock market volatility.

Washington State's economy grew at a slower pace in 2025 compared to 2024, with the addition of government jobs being offset by declines in the State's wholesale trade, construction, and technology industries. The State saw a decrease of approximately 7,800 jobs over the year, slower than previous years but remained positive in a nationally decelerating economy. Washington State's unemployment rate ended the year at 4.6%, a slight increase from the average of 4.5% in 2024. Despite rising incomes, inflationary pressures remained elevated. The State's exports saw continued year over year increases in transportation equipment by 25.5% and agricultural exports by 1.4%, mostly from soybean and corn exports. The impacts of tariffs enacted in 2025 will continue to have an impact on U.S. exports competitiveness, particularly agricultural goods in the future.

In 2025, the Port's financial results demonstrated adaptability across its operating divisions, contributing significantly to the regional economy while advancing its sustainability and equity goals. SEA experienced another record-breaking year, serving approximately 52.7 million passengers, a slight increase from 2024 levels. SEA maintained its position as a key domestic and international hub, the 11th busiest airport in the U.S. SEA continued to invest in terminal modernization and environmental sustainability, including electric ground support equipment and sustainable aviation fuel initiatives. The Port invested \$120.9 million to acquire International Place, a three-building office campus adjacent to SEA, adding more than \$11.2 million of leasing revenue with \$5.1 million of expenses. The Maritime operations remained a major economic driver. The 2025 cruise season ended with 298 sailings across with homeport cruise brands operating fourteen different ships and hosting nearly 1.9 million passengers. The Bell Street Cruise Terminal at Pier 66, the first homeport in North America to support simultaneous shore power use across multiple berths, allows ships to connect to municipal power, thereby reducing emissions and improving air quality. Shore power utilization reached 65% of homeported ships in 2025, setting a new record as the Port approaches its 2027 goals of 100% utilization. Additionally, the Port closed a \$47.9 million sale of habitat restoration credits generated from the restoration work at Duwamish River People's Park and Shoreline Habitat in 2025. The Economic Development Division advanced regional prosperity through targeted support for tourism, small businesses, and innovation. The overall occupancy rate of commercial and industrial properties saw continued decreases, from 89% in 2024 to 85% in 2025.

### Business Forecast

The Port's Century Agenda, adopted in 2012, is a long-term strategic plan designed to guide its development and priorities over the next 25 years. The agenda sets aspirational goals beginning with the overarching goal of generating 100,000 new jobs in the region by 2036. The Port achieved another record-breaking year in 2025 as a result of thoughtful and strategic advancements. Looking ahead to 2026, the Port is well-positioned to build on the momentum of 2025, with a continued focus on expanding capacity, advancing sustainability goals, and strengthening community partnerships in alignment with its Century Agenda.

With continued strong air travel demand, the Aviation Division projects passenger traffic to reach 54.1 million in 2026, a 2.7% increase from 2025. Aeronautical revenues, driven by cost recovery, are expected to grow by 13.3% from 2025, reflecting rising capital and operating costs. International passenger volume is anticipated to grow in 2026 with the launch of new international services and anticipated increases in passenger volumes for the 2026 FIFA World Cup. Non-aeronautical revenues, primarily driven by passenger activity, are forecasted to increase by 1.1% in 2026 from 2025, aligning with continued growth in travel demand. Cost Per Enplanement, which measures the overall cost to the airlines for each departing passenger, is budgeted at \$21.16 in 2026, up from \$19.06 in 2025. Total Aviation Division operating expenses in 2026 are expected to increase by \$51.1 million or 9.5% from 2025, reflecting passenger volume growth and ongoing investments in SEA.

The Maritime Division will continue managing the cruise business, four recreational marinas, Terminal 91, Fishermen's Terminal, and various industrial and commercial properties, along with the real estate portfolio and conference and event centers. The cruise industry is projected to grow by 10% by 2028, with 330 sailings scheduled, welcoming more than an estimated 2 million passengers in 2026. The 2026 cruise season will bring two new homeported brands. Infrastructure investments continue to prepare for a 2027 requirement for all home port ships to utilize shore power. Cruise revenues are budgeted at \$49.4 million in 2026, increasing slightly by 1% from 2025. Grain volume is expected to reach 3.2 million metric tons, a 37.8% decline compared to 2025 due to the industry's unpredictability, influenced by global demand shifts and weather-dependent grain harvests. Overall Maritime operating revenues are budgeted at \$110.4 million, reflecting a \$9.3 million increase from 2025. Net operating loss before depreciation and amortization is projected at \$5.5 million in 2026 or a \$1 million decrease from 2025.

The Economic Development Division remains focused on real estate development and planning, expanding opportunities for minority and/or women-owned businesses, creating quality jobs, advancing tourism, and driving economic prosperity throughout Washington State. Following the 2025 reorganization, operating revenues are expected to be minimal, while operating expenses are budgeted at \$3.3 million in 2026, an increase of \$1.6 million compared to 2025.

The Port's share of NWSA joint venture income for 2026 is budgeted at \$56.2 million, a decrease of \$48.8 million from 2025. The significant decline was primarily due to a one-time early lease termination fee resulting in about \$38.5 million joint venture income in 2025. Both home ports share equally in NWSA capital expenditures as investments in the joint venture. The NWSA has outlined a \$456 million capital investment plan spanning five years (2026–2030). The Port's share is forecasted to be \$77.1 million for 2026, contributing to its 50% share of the plan, approximately \$228 million. This investment is in addition to the Port's capital budget.

The Port's 2026 budget showcases a diverse portfolio of essential services and bold capital investments, with accountability and environmental stewardship at its core in service to our communities. For 2026, the Port budgeted total operating revenues of \$1.2 billion, a 3.2% increase from 2025. Budgeted total operating expenses are \$731.1 million, a 8.8% increase from 2025. Net operating income (NOI) before depreciation and amortization is budgeted at \$427.8 million, a 5% decrease from 2025. NOI after depreciation and amortization is budgeted at \$119.6 million, a 21.2% decrease from 2025, due to higher expected revenues, a moderate increase in expenses, and increased depreciation and amortization. The total capital budget for 2026 is \$932.9 million, which is part of the \$4.4 billion five-year (2026–2030) capital improvement program, reaffirming the Port's commitment to make investments supporting the economic growth and environmental sustainability of the region.

### Major Initiatives

Amid economic and geopolitical uncertainty, the Port remains a resilient and dynamic force, advancing trade, travel, commerce, and equitable job creation while driving sustained growth and innovation through its strategic initiatives and capital investments.

SEA holds Skytrax's prestigious 4-Star airport rating, making it one of only three large hub airports in the U.S. to receive this distinction. SEA continues to make significant progress on its multi-year Upgrade SEA capital initiative, which is designed to modernize and expand airport facilities to accommodate future demand. These improvements support SEA's goal of achieving a Skytrax 5-Star rating and will help enhance operations and customer service ahead of the 2026 FIFA World Cup.

Highlights of ongoing multi-year projects include: (1) the three-phase Baggage Optimization initiative, which aims to replace and reconfigure baggage screening equipment to boost efficiency and expand capacity to support 60 million annual passengers, with completion anticipated by the end of 2029, and (2) S Concourse Evolution, which updates the formerly named South Satellite, the primary hub for international passengers, by strengthening structural and seismic systems to enhance operational and environmental performance, while revitalizing the S Concourse as an improved gateway for the Pacific Northwest and advancing the region's role as a premier destination for tourism and global business. Together, these projects reflect SEA's continued commitment to elevating the passenger experience, improving operational efficiency, and promoting environmental sustainability.

In 2026, the Port will deliver several high-impact projects scheduled to open that year: (1) the C Concourse Expansion, which adds four new floors above the existing structure and extends over Concourses C and D, providing 145,530 additional square feet for dining and retail, sought-after amenities such as an interfaith prayer and meditation room and a nursing suite, and a brand-new Alaska Airlines lounge exceeding 20,000 square feet. The project targets Leadership in Energy and Environmental Design Silver certification and is designed to be fully electric and free of fossils, and (2) the SEA Gateway Project, which reconfigures the 40-year-old terminal's north end ticketing area, expands the security checkpoint, and creates a bright, functional space that integrates modern technology and updated building standards. In partnership with Alaska Airlines, the project brings a fresh, contemporary look to the airport's front door and seeks to streamline the travel journey from check-in and ticketing to security screening and baggage claim. Both projects are expected to be completed by the second quarter of 2026. Looking ahead, the Port is continuing the design and planning work for the Sustainable Airport Master Plan, which includes a proposed second terminal with 19 additional gates. The Federal Aviation Administration issued a draft Environmental Assessment in late 2024, followed by final approval in 2025. Construction is expected to be completed or actively underway by 2032. The Port will now lead the State Environmental Policy Act environmental review of these proposed investments, with a

public comment period in early 2026. These forward-looking investments are essential to accommodate the region's projected population growth of one million residents over the next decade, while ensuring that SEA upholds its standards of operational excellence and long-term sustainability.

In 2026, SEA continues to expand its international reach with several key air service additions. Cathay Pacific's direct flights between Seattle and Hong Kong are scheduled to debut in 2026 for the first time since the COVID-19 pandemic, offering increased services and building on SEA's network in Asia. Among new domestic and international offerings, both Delta Airlines and Alaska Airlines will begin offering direct flights from Seattle to Rome in 2026.

The Maritime Division is advancing a series of transformative capital projects aimed at strengthening the region's maritime economy, fostering innovation, and promoting environmental sustainability. Highlights of ongoing projects include: (1) Terminal 91 Uplands Development and construction of approximately 120,000 square feet of industrial building space to support maritime suppliers and manufacturers, with utility and site infrastructure improvements across approximately six acres, (2) Terminal 91/Pier 66 Cruise shore power flexible capabilities to assist and accommodate ships of many different configurations, (3) dock improvements and upgrades at Fishermen's Terminal, and (4) modernization of the Port's maritime fleet and infrastructure, ensuring operational reliability and alignment with clean energy goals. Featured projects to be completed in 2026 include: (1) Maritime Innovation Center, the historic Ship Supply Building at Fishermen's Terminal is being transformed into a state-of-the-art innovation hub focused on maritime sustainability, entrepreneurship, and workforce development, with new reservable space opportunities for meetings, seminars, and classes, and (2) Terminal 91 Berth 6 and 8 Redevelopment, with the goal of better accommodating fishing and commercial vessels by replacing piles, adding a new wharf structure and float system, improving bulkheads, and adding shore power to berths for vessels, resulting in improved marine infrastructure to support the North Pacific Fishing Fleet and environmental health.

Sustainability remains central to the Port's strategy in 2026, with continued advancement of the Pacific Northwest to Alaska Green Corridor, planning for zero-emission fuels, and adoption of the Port's Electrification Strategy, which is developed in collaboration with the NWSA and Seattle City Light. This strategy outlines a comprehensive plan to decarbonize waterfront operations and meet future energy demands by 2050. This strategy also aims to make the Port the greenest port in North America, requiring all homeported cruise vessels to use shore power by 2027. These initiatives will guide the investments in habitat restoration, environmental cleanup, and climate-resilient development across Port properties for years to come. Additionally, the Port is leading the nation with the largest pilot program to repair and replace sound insulation for near-airport communities.

The Port will continue deepening its commitment to equity and economic inclusion. In 2026, a new round of investments will focus on small business growth, regional Port-related job-training programs, sustainable tourism, expanded youth maritime and aviation career pathways. Key initiatives include: (1) expanding the South King and Port Communities Fund - Economic Opportunities for Communities Program to increase access and visibility of living-wage jobs and careers in aviation, construction trades, green jobs, and maritime for underrepresented communities, (2) implementation of a five-year utilization plan for Women-and-Minority-Owned Businesses to reduce barriers and improve access to contracting opportunities, (3) establishing and supporting the Federal Disadvantaged Business Enterprise program across SEA and maritime operations, and (4) supporting Community Business Connector and Duwamish Community Equity Partners' economic development initiatives.

Together, these major initiatives represent a bold and strategic approach to building a modern, resilient, and equitable port. By prioritizing sustainability, economic inclusion, and operational excellence, the Port is well-positioned to attain its Century Agenda goals and serve the region's growing needs.

### Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Port for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024. This was the twentieth consecutive year that the Port has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the professionalism and dedication demonstrated by the Accounting and Financial Reporting Department and the Port's Finance and Budget teams. We wish to express our appreciation to all who assisted and contributed to the preparation of this report. Credit also must be given to the Commissioners and Executive Leadership for their ongoing commitment to ensure fiscal transparency and accountability, and to maintain the Port's financial statements in conformance with the highest professional standards.

Respectfully submitted,

Chris Wimsatt

Chief Financial Officer

Lisa Lam

Director, Accounting and Financial Reporting



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Port of Seattle  
Washington**

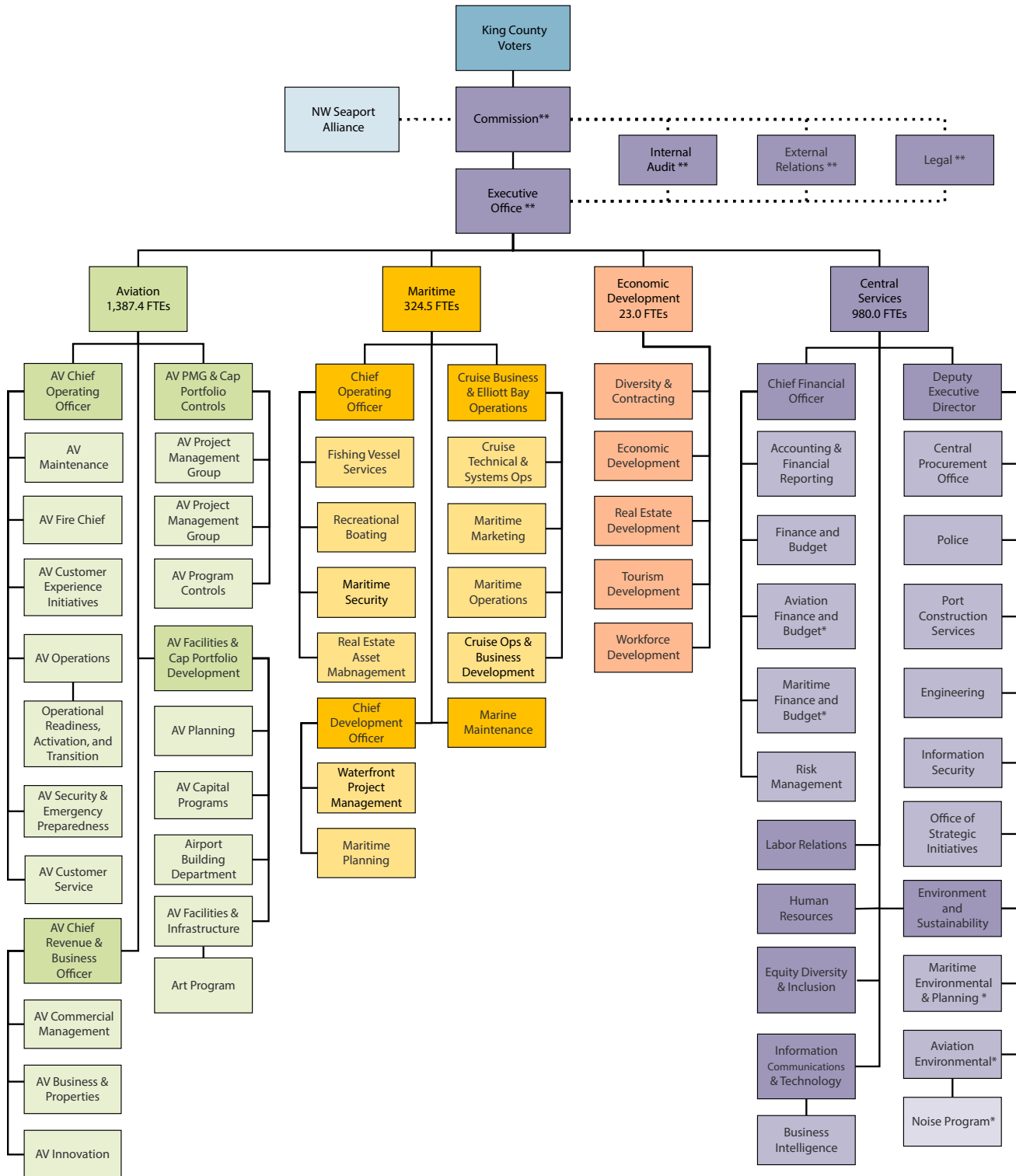
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2024

*Christopher P. Morill*

Executive Director/CEO

# Organizational Chart for 2026



\* Reporting structure only. Financials and FTEs counted in the respective division being supported.  
 \*\* For reporting purposes only. Commission, Executive Office, Internal Audit, External Relations, and Legal financials and FTEs roll up to Central Services.

## List of Elected and Appointed Officials in 2026

### Elected Board of Commissioners

<b>Name</b>	<b>Office</b>	<b>Term Expires</b>
Ryan Calkins	President	December 31, 2029
Fred Felleman	Vice President	December 31, 2027
Sam Cho	Secretary	December 31, 2027
Hamdi Mohamed	Commissioner at Large	December 31, 2029
Toshiko Grace Hasegawa	Commissioner at Large	December 31, 2029

### Appointed Executive Officers

<b>Name</b>	<b>Office</b>
Stephen P. Metruck	Executive Director
Karen R. Goon	Deputy Executive Director
Christopher Wimsatt	Chief Financial Officer
Matt Breed	Chief Information Officer
Pete Ramels	General Counsel/Chief Compliance Officer
Wendy Reiter	Managing Director, Aviation Division
Neepaporn "A" Boungjaktha	Managing Director, Economic Development Division
Stephanie Jones Stebbins	Managing Director, Maritime Division
Bookda Gheisar	Senior Director, Office of Equity, Diversity, and Inclusion
Pearse Edwards	Senior Director, External Relations
Katie Gerard	Senior Director, Human Resources
Mikel Marie O'Brien	Senior Director, Labor Relations
Sandra Kilroy	Senior Director, Environment and Sustainability
Glenn Fernandes	Director, Internal Audit

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# Financial Section

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Port of Seattle / 2025 Annual Comprehensive Financial Report



## Report of Independent Auditors

The Port Commission  
Port of Seattle  
Seattle, Washington

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the Port of Seattle Enterprise Fund and the Warehousemen’s Pension Trust Fund (collectively the “Port”) as of December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024, and 2023, and the related notes to the financial statements, which collectively comprise the Port’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective net position of the Port of Seattle Enterprise Fund and the fiduciary net position of the Warehousemen’s Pension Trust Fund as of December 31, 2025 and 2024, and the changes in net position and cash flows for the Port of Seattle Enterprise Fund, and the changes in fiduciary net position for the Warehousemen’s Pension Trust Fund for the years ended December 31, 2025, 2024, and 2023 in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Port 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 opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 these financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether these 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 opinions. 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 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 these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of these 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 these 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 Port'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 these financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port'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 Matter***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, Schedule of Port of Seattle's Proportionate Share of Net Pension Asset/Liability (NPA/NPL) - Enterprise Fund Pension Plans, Schedule of Port of Seattle's Contributions - Enterprise Fund Pension Plans, Schedule of Changes in Total OPEB Liability and Related Ratios - LEOFF Plan 1 Members' Medical Services Plan, Schedule of Changes in Total OPEB Liability and Related Ratios - Retirees Life Insurance Plan, Schedule of Changes in Net Pension Liability and Related Ratios - Warehousemen's Pension Trust Fund, Schedule of Employer Contributions - Warehousemen's Pension Trust Fund, Schedule of Investment Returns - Warehousemen's Pension Trust Fund, and Notes to Required Supplementary Information - Warehousemen's Pension Trust Fund 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 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.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Baker Tilly US, LLP*

Seattle, Washington  
April 24, 2026

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# Port of Seattle

## Management's Discussion and Analysis for the Year Ended December 31, 2025

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### Introduction

The following Management's Discussion and Analysis (MD&A) of the Port of Seattle's (the Port) activities and financial performance provides an introduction to the financial statements of the Port for the fiscal year ended December 31, 2025, including the Port operations within the Enterprise Fund and the Warehousemen's Pension Trust Fund, reported as a Fiduciary Fund, with selected comparative information for the years ended December 31, 2024 and 2023.

The Enterprise Fund accounts for all activities and operations of the Port except for the activities included within the Fiduciary Fund. This includes the Port's major business activities, which are composed of the Aviation, Maritime, and Economic Development divisions. The Enterprise Fund is used to account for operations and activities that are financed at least in part by fees or charges to external users. The Fiduciary Fund accounts for the Warehousemen's Pension Trust Fund. The Warehousemen's Pension Trust Fund accounts for the assets of the employee benefit plan held by the Port in a trustee capacity. The Port became the sole administrator for the Warehousemen's Pension Trust Fund effective May 25, 2004.

The MD&A presents certain required information regarding capital assets and long-term debt activity during the year, including commitments made for capital expenditures. The information contained in this MD&A has been prepared by management and should be considered in conjunction with the financial statements and the notes thereto, which follow this section. The notes are essential to understand the data contained in the financial statements thoroughly.

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### Overview of the Financial Statements

The financial section of this annual report consists of four parts: MD&A, the basic financial statements, the notes to the financial statements, and the required supplementary information (RSI). The report includes the following three basic financial statements for the Port Enterprise Fund: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The report also includes two basic financial statements for the Fiduciary Fund: the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

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### Local Economic Factors

In 2025, Washington State's economy remained steady despite concerns over international trade and geopolitical risks. However, anticipated increases in inflation and soft short-term employment outlook signal emerging headwinds. The statewide unemployment rate increased to 4.6% in 2025 from an average of 4.5% in 2024, showing little momentum in the labor market. Private sector employment showed no growth during the same period, while public sector employment saw a mild decrease of 1.2%. The Seattle metropolitan area gained 19,000 jobs, a 1.1% increase, with government contributing most of these positions, offset by declines in wholesale trade, construction, and technology industries.

The Port delivered strong financial results in 2025, reflecting strategic and resilient operations. Seattle-Tacoma International Airport (SEA) had another record-breaking year in 2025 by serving 52.7 million passengers, a slight increase of 0.1% over 2024. Steady demand paired with increased offerings for leisure travel remained a key driver of the strong performance in both air and cruise industries. The 2025 cruise season hosted a record-breaking 298 ship calls and welcomed 1,898,000 passengers, with passenger volume increasing 8.3% compared to 2024. The 2025 cruise season set a new record with 65% of ships utilizing shore power at berth. Grain volumes leapt to 5.2 million metric tons, marking a 16.7% increase in volume from 2024, driven largely by heightened demand for corn exports. The overall occupancy rate of commercial and industrial properties decreased slightly from 89% at the end of 2024 to 85% at the end of 2025.

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### The Northwest Seaport Alliance

In August 2015, the home ports of Seattle and Tacoma unified the management of marine cargo facilities and businesses to strengthen the Puget Sound gateway and attract more marine cargo and jobs to the region. On January

1, 2016, the Northwest Seaport Alliance (NWSA), a separate legal governmental entity, was established as a Port Development Authority. The commissions of each home port serve as the Managing Members of the NWSA. The NWSA is accounted for as a joint venture by the home ports.

Each home port remains a separate legal entity, independently governed by its own elected commissioners. Each home port has granted the NWSA a license for the NWSA's exclusive use, operation, and management of certain facilities, but ownership of the licensed facilities remains with the home ports. The NWSA's financial framework aims to support both home ports' credit profiles without negatively affecting existing bond pledges and covenants. Outstanding bonds remain the obligations of each individual home port. To maintain the rights of each home port's existing bondholders, the NWSA is prohibited from issuing debt. The NWSA has its own annual operating budget and five-year capital investment plan.

The home ports set up an initial 50/50 investment in the NWSA. The home ports share the NWSA's change in net position and distribution of operating cash equally. The home ports contribute to capital construction projects subject to Managing Member approval. Capital funding does not come from working capital.

In 2019, the Managing Members and the Port of Seattle Commission (the Commission) authorized the completion of a one-time Membership Interest Affirmation of 50/50 for each home port in satisfaction of the NWSA Charter. In lieu of completing the required reevaluation of Membership Interest, the Port agreed to pay up to \$32 million additional contribution to the NWSA. This additional contribution was to recognize that certain forecasted revenue streams, not secured by long-term contractual agreements in the initial valuation, would only be achieved with the redevelopment of Terminal 5. This additional contribution is being made to the NWSA in three installments. The first two installments of \$11 million each were paid in 2020 and 2021, respectively. The final installment of \$10 million was accrued in 2025 and paid in February 2026. The Managing Members also authorized the distribution of these affirmation payments to the home ports equally after the NWSA received the funds from the Port.

In 2019, an Interlocal Agreement was approved between the Port and the NWSA to facilitate the development of a new cruise terminal by the Port occupying 29 acres of the overall 86.5 acres at Terminal 46. The remainder of the site would be maintained by the NWSA as a marine cargo facility and for administrative use. This cruise terminal project was postponed due to the pandemic and is no longer being actively planned. The Port agreed to pay the NWSA a monthly use fee, starting January 1, 2020, for 23 years with a 2% annual increase. The Port's payment to the NWSA was \$4.2 million in 2025 and \$4.1 million in 2024. The Port's 50% share of the NWSA's change in net position was reduced by \$2.1 million in both 2025 and 2024 due to the elimination of profit on the intra-entity transaction.

In 2022, the Managing Members approved an amendment and restatement of an Interlocal Agreement allowing the NWSA's use of three cranes owned by the Port at Terminal 46. The NWSA agreed to pay the Port a monthly use fee, beginning October 1, 2022, for 4 years. In 2025 and 2024, the Port's 50% share of the NWSA's change in net position was increased by \$165,000 for both years due to the elimination of profit on the intra-entity transaction.

In 2025, the Port's share of joint venture income before the elimination of profit on the intra-entity transactions was \$107 million, an increase of \$44.6 million or 71.5% from 2024. The increase was primarily driven by a \$96.9 million increase in nonoperating income compared to 2024, largely due to (1) a \$77 million settlement related to the early lease termination at Terminal 30 in December 2025, and (2) a \$12 million increase in capital grant contributions mainly from Port Infrastructure Development Program grants supporting projects at Husky Terminal and Terminal 5. Intermodal revenues also grew as importers accelerated cargo shipments ahead of anticipated tariff increases, leading to higher vessel call volumes. The continued Terminal 5 Phase II expansion contributed \$1.8 million in additional lease revenues associated with an expanded lease footprint. These gains were partially offset by a \$2.8 million decline in breakbulk and military revenues, reflecting a 17% drop in volumes compared to 2024. Beginning in 2026, the early lease termination is expected to reduce annual lease revenue from Terminal 30 by approximately \$11 million.

In 2024, the Port's share of joint venture income before the elimination of profit on the intra-entity transactions was \$62.4 million, an increase of \$4.7 million or 8.2% from 2023. The increase was primarily driven by higher operating revenues and nonoperating income, partially offset by increased operating expenses. Operating revenues rose due to container business expansion, with the Terminal 5 redevelopment project increasing the lease footprint and revenue. A 12% increase in container volumes boosted crane and other equipment revenues, while intermodal revenue grew alongside a 20% rise in lift volumes. Non-container revenue also increased, largely due to military cargo-driven breakbulk activities. Operating expenses climbed, driven by higher rail operational incentives, increased longshore labor costs for intermodal operations, and rising auto business expenses from additional rent for storage and drayage costs to manage congestion. Breakbulk business costs increased as well, reflecting heightened longshore and security

expenses tied to military cargo growth. Legal and consulting costs also contributed to higher administrative expenses. Nonoperating income rose primarily due to increased lease interest income and investment interest income, though partially offset by reduced capital grant contributions and higher public expenses.

In 2025 and 2024, the NWSA spent \$53 million and \$56.2 million, respectively, on the acquisition and construction of capital assets, primarily for the modernization of container terminals for ultra-large ships and the redevelopment of Terminal 5. Both home ports contributed equally to the capital expenditures in both years as investments in the joint venture.

Additional information on the formation and operations of the joint venture can be found in Note 1 and Note 13 in the accompanying Notes to Financial Statements.

## Enterprise Fund

### Financial Position Summary

The Statement of Net Position presents the financial position of the Port's Enterprise Fund at the end of the fiscal year. The statement includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Enterprise Fund. Net position, the difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources, is an indicator of the current fiscal health of the organization and the enterprise's financial position over time.

A summarized comparison of the Enterprise Fund assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at December 31 is as follows (in thousands):

	2025	2024	2023 (Restated)
<b>Assets:</b>			
Current, long-term, and other assets	\$ 3,857,242	\$ 3,444,361	\$ 2,863,153
Capital assets	8,761,715	7,901,215	7,412,534
<b>Total assets</b>	<b>\$ 12,618,957</b>	<b>\$ 11,345,576</b>	<b>\$ 10,275,687</b>
<b>Deferred Outflows of Resources</b>	<b>\$ 112,814</b>	<b>\$ 104,939</b>	<b>\$ 86,206</b>
<b>Liabilities:</b>			
Current liabilities	\$ 817,041	\$ 700,010	\$ 592,107
Noncurrent liabilities	5,847,146	5,208,552	4,614,166
<b>Total liabilities</b>	<b>\$ 6,664,187</b>	<b>\$ 5,908,562</b>	<b>\$ 5,206,273</b>
<b>Deferred Inflows of Resources</b>	<b>\$ 781,021</b>	<b>\$ 668,121</b>	<b>\$ 506,907</b>
<b>Net Position:</b>			
Net investment in capital assets	\$ 3,601,080	\$ 3,595,160	\$ 3,504,319
Restricted	617,448	550,034	475,269
Unrestricted	1,068,035	728,638	669,125
<b>Total net position</b>	<b>\$ 5,286,563</b>	<b>\$ 4,873,832</b>	<b>\$ 4,648,713</b>

Assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$5.3 billion as of December 31, 2025, and \$4.9 billion for 2024. Total net position increased by \$412.7 million from 2024 to 2025, and \$225.1 million from 2023 to 2024, respectively.

In 2024, the Port restated its financial statements for all periods presented retroactively for the adoption of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Restatement of the 2023 Statement of Net Position resulted in (1) a decrease of \$3.4 million to payroll and taxes payable for the short-term portion of the compensated absence liability, and (2) addition of \$8 million to lease securities and other long-term liabilities for the long-term portion of the compensated absence liability.

### Net Investment in Capital Assets

For each year presented, the largest portion of the Enterprise Fund's net position represents its net investment in capital assets. The Port uses these capital assets to provide services to its tenants, passengers, and customers of the Aviation, Maritime, and Economic Development divisions; therefore, these assets are not available for future spending. Although the Port's net investment in capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations as the capital assets themselves cannot be used to liquidate liabilities. From 2024 to 2025, and from 2023 to 2024, there were increases of \$5.9 million and \$90.8 million, respectively, in net investment in capital assets.

The respective increases in this category, net of accumulated depreciation and amortization, were primarily driven by new asset additions and construction activities in major Aviation programs, partially offset by related demolitions and bond principal payments. Additional information can be found in the MD&A about Capital Assets and Debt Administration.

### Restricted Net Position

As of December 31, 2025 and 2024, the restricted net position of \$617.4 million and \$550 million, respectively, were composed mainly of bond proceeds restricted for debt service reserves in accordance with bond covenants, airport Passenger Facility Charges (PFC) subject to federal regulations, rental car Customer Facility Charges (CFC) subject to state regulations and net pension asset related to the statewide public employee retirement plans administered by the Department of Retirement Systems (DRS). There was an increase of \$67.4 million in the restricted net position from 2024 to 2025 and an increase of \$74.8 million from 2023 to 2024.

The increase in this category from 2024 to 2025 was largely due to a \$47.8 million increase in restricted debt service reserves. The issuance of the 2025ABC Intermediate Lien Revenue Bonds contributed to a \$89.2 million increase in restricted debt service reserves. This increase was offset by \$40.9 million in debt service payments made from the capitalized interest funds associated with the 2022BC Intermediate Lien Revenue and Refunding Bonds and 2024B Intermediate Lien Revenue and Refunding Bonds. There was also a \$8.6 million increase from the restricted net pension asset administered by DRS due to higher than expected investment returns in 2025. In 2025, higher rental car volumes and increased CFC rates contributed to slight increase in CFC revenues and restricted net position.

The increase in this category from 2023 to 2024 was largely due to a \$51.7 million increase in restricted debt service reserves. The issuance of the 2024AB Intermediate Lien Revenue and Refunding Bonds contributed a \$78.2 million increase in restricted debt reserves. This increase was offset by \$29.8 million in debt service payments made from the capitalized interest funds associated with the 2021 ACD Intermediate Lien Revenue and Refunding Bonds and 2022BC Intermediate Lien Revenue and Refunding Bonds. The \$25 million in Harbor Maintenance Tax proceeds received in 2024 also significantly contributed to the increase in this category. These increases were offset by a \$12.5 million decrease from the restricted net pension asset. In 2024, passenger activity at SEA increased by 3.5% compared to 2023, contributing to increases in PFC and CFC revenues and restricted net position.

### Unrestricted Net Position

As of December 31, 2025 and 2024, the unrestricted net position was \$1.1 billion and \$728.6 million, respectively. From 2024 to 2025, and from 2023 to 2024, there were increases of \$339.4 million and \$59.5 million, respectively. The Port's operating performance largely contributed to the increase in the unrestricted net position in 2025, supported by the Terminal 117 habitat restoration credit sales and investment portfolio appreciation, along with the non-recurrence of the \$91.1 million Terminal 25 South cleanup cost special item recorded in 2024.

In June 2024, the Port Commission approved the sale of habitat restoration credits (Discounted Service-Acre Years, or DSAYs) generated by restoration work at Duwamish River People's Park and Shoreline Habitat. The sale closed in January 2025 for \$47.9 million. An initial deposit of \$11 million was received in 2024 with the first payment of \$14 million and second payment of \$19.9 million collected in 2025 and 2026, respectively. The remaining payment of \$3 million will be due in 2027.

In 2024, the Port's strong operating performance largely contributed to the increase in the unrestricted net position, which was partially offset by the \$91.1 million special item related to cleanup costs at Terminal 25 South, unanticipated legal costs, and \$8.1 million reduction of the Environmental Legacy Fund from 2023.

Resources from the unrestricted net position may be used to satisfy the Port's ongoing obligations. However, due to federal regulations, resources from SEA operations must be used solely for the Aviation Division's operations. In 2025, cash and cash equivalents, and investment balances related to SEA operations increased from \$739.8 million in 2024 to

\$828.7 million in 2025. The \$88.9 million increase was largely driven by (1) receipt of a \$28 million settlement related to the International Arrivals Facility project and (2) strong non-aeronautical revenue performance, partially offset by the \$120.9 million acquisition of the International Place office campus adjacent to SEA.

In 2024, cash and cash equivalents, and investment balances related to SEA operations increased from \$655.1 million in 2023 to \$739.8 million in 2024. The \$84.7 million increase was largely driven by (1) delayed cash spending on capital projects, (2) higher non-aeronautical revenues, and (3) reimbursement received from the American Rescue Plan (ARP) Act grant. These funding contributions were partially offset by (1) higher operating expenses driven by record-breaking passenger volumes, and (2) reduced cash receipts from airlines, resulting from higher dollar amount of credit memos issued following the 2023 annual settlement of the Signatory Lease and Operating Agreement.

### Statement of Revenues, Expenses, and Changes in Net Position

The change in net position is an indicator of whether the overall fiscal condition of the Enterprise Fund has improved or worsened during the year. Following is a summary of the Statement of Revenues, Expenses, and Changes in Net Position (in thousands) for the years ended December 31:

	2025	2024	2023 (Restated)
Operating revenues	\$ 1,122,446	\$ 1,021,838	\$ 953,560
Operating expenses	672,312	652,641	551,070
Operating income before depreciation and amortization	450,134	369,197	402,490
Depreciation and amortization	298,355	277,917	256,740
Operating income	151,779	91,280	145,750
Nonoperating income—net	220,644	130,664	150,069
Capital grants and contributions	40,308	94,282	36,309
Special items:			
Terminal 25 cleanup costs		(91,107)	
Increase in net position	412,731	225,119	332,128
Net position—beginning of year, as previously reported	4,873,832	4,653,220	4,320,921
Adoption of new accounting standard(s)		(4,507)	(4,336)
Net position—beginning of year, as restated (Note 1)	4,873,832	4,648,713	4,316,585
Net position—end of year	\$ 5,286,563	\$ 4,873,832	\$ 4,648,713

### Financial Operation Highlights

A summary of operating revenues is as follows (in thousands):

	2025	2024	2023
Operating Revenues:			
Services	\$ 403,040	\$ 395,720	\$ 353,114
Property rentals	591,069	544,484	527,348
Customer facility charge revenues	23,201	20,872	16,954
Operating grants	93	269	324
Joint venture income	105,043	60,493	55,820
Total operating revenues	\$ 1,122,446	\$ 1,021,838	\$ 953,560

During 2025, operating revenues increased by \$100.6 million, or 9.8%, from \$1 billion in 2024 to \$1.1 billion in 2025. The increase was primarily driven by three factors: a \$47.2 million increase in Aviation Division operating revenues, a \$44.6 million increase in joint venture income from the NWSA, and an \$8.1 million increase in Maritime Division operating revenues.

Aviation Division operating revenues rose by \$47.2 million in 2025, with increases of \$24.4 million in aeronautical revenues and \$22.8 million in non-aeronautical revenues. Aeronautical revenue growth, which follows a cost-recovery model, was primarily driven by (1) higher operating expenses, (2) debt service increase, and (3) a non-recurring settlement for the International Arrivals Facility project in 2024. These cost increases, which resulted in higher cost

recovery revenue, were partially offset by reductions in overhead and maintenance expenses as well as legal costs that came in significantly below estimates. Increase in non-aeronautical revenue was primarily driven by (1) Commercial Properties of \$11.2 million from the acquisition of International Place and its leasing operation, (2) Rental Cars of \$3 million due to higher percentage of passengers renting cars and an increase in the CFC rate, (3) \$2.8 million from SEA-owned Clubs and Lounges, and (4) Airport Dining and Retail of \$2.6 million. Joint venture income from the NWSA increased by \$44.6 million, or 73.6%, from \$60.5 million in 2024 to \$105 million in 2025. The increase was primarily driven by higher nonoperating income compared to 2024. Additional information can be found in Note 13 about NWSA. Maritime Division operating revenues increased by \$8.1 million, or 8.7%, from 2024. The increase was mainly attributed to (1) a \$3.6 million increase in Cruise operations with an 8.3% growth in passenger volume, (2) Recreational Boating of \$1.5 million from higher moorage rates, and (3) a \$1.2 million increase from Conference and Event Centers from higher event volumes, and notably a business line under the Economic Development Division prior to 2025.

During 2024, operating revenues increased by \$68.3 million, or 7.2%, from \$953.6 million in 2023 to \$1 billion in 2024. Aviation Division operating revenues rose by \$62.9 million in 2024, with increases of \$41.3 million in aeronautical revenues and \$21.6 million in non-aeronautical revenues. Higher aeronautical revenues were primarily due to (1) allocated costs from Central Services and Law Enforcement, largely due to unanticipated legal costs, (2) increased staffing costs for Transportation Security Administration exit lanes, and (3) payroll increases resulting from newly negotiated contracts. These cost increases were partially offset by a \$28 million settlement related to the International Arrivals Facility project, which was applied to reduce aeronautical revenue requirements charged to airlines. Non-aeronautical revenue growth was driven by a 3.5% increase in passenger volumes, particularly in Airport Dining and Retail of \$7.3 million, Public Parking of \$5.6 million driven by strong demand and greater utilization of the parking reservation program, Rental Car of \$2.9 million due to higher percentage of passengers renting cars, continued above-average rental costs, and longer rental durations, and SEA-owned Clubs and Lounges of \$5 million with expanded hours and new international air service routes. Maritime Division operating revenues increased by \$1.2 million, or 1.3%, from 2023. The increase was mainly attributed to (1) Grain of \$2.6 million driven by strong demand for soybean exports, (2) Recreational Boating of \$1.1 million from higher moorage rates, and (3) Maritime Portfolio Management of \$0.8 million, largely from the completion of Terminal 106 development, a 700,000 square-foot, two-story light industrial warehouse in April 2024 triggering full ground lease rates. These increases were partially offset by a \$3.6 million decrease in Cruise operations with a 1.5% decline in passenger volume.

A summary of operating expenses is as follows (in thousands):

	2025	2024	2023 (Restated)
<b>Operating Expenses:</b>			
Operations and maintenance	\$ 496,116	\$ 484,186	\$ 409,792
Administration	129,479	123,227	102,260
Law enforcement	46,717	45,228	39,018
<b>Total operating expenses</b>	<b>\$ 672,312</b>	<b>\$ 652,641</b>	<b>\$ 551,070</b>

During 2025, operating expenses increased by \$19.7 million, or 3% from \$652.6 million in 2024 to \$672.3 million in 2025. In 2025, the Port experienced an increase in payroll and related benefit costs, primarily due to (1) pay rate adjustments with the continued implementation of the new Compensation Program for non-represented employees, and (2) payroll increases resulting from contractual increases tied to bargaining agreements for represented employees. This was largely offset by a decrease in operating expenses from the Central Services Division, especially lower legal costs concluded below prior year estimates. Aviation Division operating expenses before depreciation and amortization increased by \$7.2 million, mainly due to (1) \$18.4 million in higher payroll costs from pay adjustments due to the Compensation Program, (2) a \$11.9 million increase in Outside Services primarily due to \$11.2 million in capital projects recorded to operating expenses, and (3) a \$5.1 million increase in operating expenses from the International Place acquired in 2025. These increases were largely offset by lower than expected legal costs allocated from Central Services. Maritime Division operating expenses before depreciation and amortization increased by \$8.7 million, primarily due to (1) a \$4.6 million impairment loss from the closure of Salmon Bay Marina Docks A, B, and C, (2) a \$2.3 million increase in payroll from additional full-time employees hired for Cruise operations, (3) a \$1.2 million increase in Utilities from the completion and activation of Pier 66 shore power, and (4) a \$0.6 million increase in environmental remediation expenses related to the Terminal 91 Berths 6 and 8 Redevelopment and the Maritime Innovation Center at Fishermen's Terminal.

During 2024, operating expenses increased by \$101.6 million, or 18.4% from \$551.1 million in 2023 to \$652.6 million in 2024. In 2024, the Port experienced a notable increase in payroll and related benefit costs, primarily due to (1) pay rate adjustments following the implementation of a new Compensation Program for non-represented employees, incorporating a pay equity methodology, (2) payroll increases resulting from newly negotiated labor contracts for represented employees, and (3) a \$7 million increase in pension expenses in 2024 mostly due to reduction of pension credits from nonrecurring changes in actuarial methods related to certain retirement plans administered by the DRS. Additionally, Central Services and Law Enforcement expenses increased, largely due to unanticipated legal costs, and a \$5.5 million Trade, Business and Community Development expense to attract tourism and expand economic development to the Port facilities that were in close proximity to the Seattle Aquarium and the new Waterfront Park. Aviation Division operating expenses before depreciation and amortization increased by \$84 million, mainly due to (1) higher payroll costs of \$29.8 million resulting from pay adjustments and increases in headcount, (2) a \$15.9 million increase in Outside Services to support growing passenger volumes, (3) higher allocated costs of \$34 million from Central Services and Law Enforcement, and (4) a \$6.8 million settlement with Highline Water District related to the presence of per- and polyfluoroalkyl substances or PFAS exceeding established guidelines in the District's well on the Port's property near SEA. These increases were partially offset by a \$10.4 million reduction in environmental remediation expenses as the asbestos removal at aeronautical facilities did not recur in 2024. Maritime Division operating expenses before depreciation and amortization, which include Conference and Event Centers and commercial and industrial real estate properties reclassified from the Economic Development Division to reflect the 2025 organizational restructuring, increased by \$9 million from 2023, primarily due to (1) a \$6.1 million increase from payroll and Central Services allocations, (2) a \$1.3 million increase in spending on Equipment and Supplies to support ongoing maintenance needs, (3) a \$0.5 million increase in variable costs for Conference and Event Centers associated with higher reservation volumes, and (4) a \$0.9 million increase from Central Services allocations. These increases were partially offset by a \$3.3 million reduction in environmental remediation expenses as the remediation efforts related to the Terminal 91 Berths 6 and 8 Redevelopment and the Maritime Innovation Center at Fishermen's Terminal did not recur in 2024.

As a result, operating income before depreciation and amortization increased by \$80.9 million in 2025 and decreased by \$33.3 million in 2024. Depreciation and amortization expenses increased by \$20.4 million and \$21.2 million in 2025 and 2024, respectively.

A summary of nonoperating income (expense)—net, capital grants and contributions, and special items is as follows (in thousands):

	2025	2024	2023
<b>Nonoperating Income (Expense):</b>			
Ad valorem tax levy revenues	\$ 87,841	\$ 85,885	\$ 82,313
Passenger facility charge revenues	98,144	99,364	95,681
Customer facility charge revenues	24,821	24,896	24,657
Noncapital grants and contributions	3,052	3,491	19,192
Fuel hydrant facility revenues	6,561	6,389	6,681
Lease interest income	26,964	21,711	15,721
Investment income—net	117,805	81,374	94,541
Revenue and capital appreciation bonds interest expense	(174,153)	(150,434)	(146,686)
GO bonds interest expense	(15,184)	(14,365)	(10,162)
Public expense	(4,320)	(11,150)	(20,869)
Environmental credit (expense)—net	1,973	(3,072)	(10,056)
Other income (expense)—net	47,140	(13,425)	(944)
<b>Total nonoperating income—net</b>	<b>\$ 220,644</b>	<b>\$ 130,664</b>	<b>\$ 150,069</b>
<b>Capital Grants and Contributions</b>	<b>\$ 40,308</b>	<b>\$ 94,282</b>	<b>\$ 36,309</b>
<b>Special Items:</b>			
Terminal 25 cleanup costs	\$	\$ (91,107)	\$

During 2025, nonoperating income—net was \$220.6 million, resulting in a change of \$90 million net increase from 2024, largely driven by (1) \$47.9 million gain on sale of habitat restoration credit sales, recognized in other income—net, (2) an increase of \$36.4 million in investment income—net, including \$32.2 million increase in appreciation in the investments' mark-to-market adjustments, (3) a decrease in public expenses totaling \$6.8 million as the \$6 million final

contribution to the City of Seattle for the West Seattle Bridge improvement project completed in 2024 did not recur, (4) a \$5.3 million increase in lease interest income due to routine leasing activities, including new leases acquired through the purchase of the International Place, and (5) a decrease in environmental expenses of \$5 million compared to 2024. These increases in nonoperating income—net were offset by (1) a \$23.7 million increase in bond interest expense due to higher outstanding bond balances resulting from the Series 2025ABC Intermediate Lien Revenue Bond issuances, and (2) a \$22.1 million decrease in Harbor Maintenance Tax proceeds recognized in other income—net.

During 2024, nonoperating income—net was \$130.7 million, a \$19.4 million decrease from 2023. The decrease was largely driven by (1) a decrease of \$13.2 million in investment income—net, consisting of a \$22.9 million decline in the investments' mark-to-market adjustments, partially offset by a \$9.8 million increase in investment earnings due to higher average portfolio balances and interest rates, (2) a \$15.7 million decrease in noncapital grants and contributions, mainly due to the exhaustion of the \$13 million ARP Act grant that was specific to 2023, (3) a \$12.5 million increase in other expense—net, which mostly included a \$55 million increase in losses from demolition, retirement, and sale of capital assets as compared to 2023, partially offset by increases of \$22.3 million in Harbor Maintenance Tax and \$20.5 million in other nonoperating income as a result of a \$28 million settlement favorable to SEA related to the International Arrivals Facility project. The increase in capital assets retirement losses was primarily due to one-time retirements including \$30.7 million losses associated with the Checked Baggage Optimization program and \$19.1 million losses related to the C Concourse Expansion program. The decreases in nonoperating income—net were slightly offset by a \$9.7 million decrease in public expense driven by the first \$15 million contribution to the State Route 509 Completion Project, which was specific to 2023, and the final \$6 million contribution to the City of Seattle for the West Seattle Bridge infrastructure improvement project completed in 2024, improving freight mobility and access to cargo terminals, and a \$7 million decrease in environmental expense compared to 2023.

In 2025, capital grants and contributions decreased by \$54 million compared to 2024. The decrease was primarily driven by the non-recurrence of \$37.1 million in capital contributions from airport cargo buildings reverted to the Port's ownership upon expiration of ground leases in 2024. State capital grants declined by \$8.4 million due to the absence of grant activity in 2025 for the Maritime Innovation Center at Fishermen's Terminal and the Pier 66 shore power project, both of which have been completed. Federal Airport Improvement Program (AIP) funding also decreased by \$7.8 million between 2024 and 2025, reflecting the closeout or wind-down of several major AIP-supported projects, including the arrivals roadway widening, Taxilane Reconstruction, and Restroom Renovations. These reductions were partially offset by continued reimbursements for snow removal equipment acquisitions, noise mitigation activities, and design and preconstruction work associated with the S Concourse Evolution program.

In 2024, capital grants and contributions increased by \$58 million as compared to 2023. The increase was primarily driven by a \$37.1 million increase in capital contributions from airport cargo buildings reverted to the Port's ownership upon expiration of ground leases, along with \$36.1 million in federal funding for ongoing and newly initiated AIPs in 2024. Notable programs contributing to this increase included \$12.9 million for the design and construction of the Terminal Building Concourse S Rehabilitation, \$8 million for Taxilane Reconstruction, and \$13.8 million for the arrivals roadway widening project.

The change in net position for 2025 was \$412.7 million, an increase of \$187.6 million or 83.3% from \$225.1 million in 2024. The increase reflects a \$96.5 million improvement in income before special items, driven primarily by the Terminal 117 habitat restoration credit sales and investment portfolio appreciation described above, combined with the non-recurrence of the \$91.1 million Terminal 25 South cleanup cost special item recorded in 2024.

The change in net position for 2024 was \$225.1 million, a decrease of \$107 million or 32.2% from \$332.1 million in 2023, primarily driven by a special item related to cleanup costs at Terminal 25 South. Following additional sampling efforts conducted in 2024, the Port identified an expanded cleanup area larger than prior estimates, resulting in an additional \$91.1 million in remediation costs. The cleanup focuses on addressing polychlorinated biphenyls (PCB) contamination, originally discovered in 2019 in the upland portion of the site and in surrounding sediments. The Environmental Protection Agency considers the in-water portion of this cleanup as an "early action" cleanup under the East Waterway Interim Record of Decision issued in 2024.

## Warehousemen's Pension Trust Fund

The Fiduciary Fund accounts for the Warehousemen's Pension Trust Fund. The Warehousemen's Pension Trust Fund accounts for the assets of the employee benefit plan held by the Port in a trustee capacity. Effective May 25, 2004, the Port became the sole administrator of the Warehousemen's Pension Plan and Trust (the Plan). The Plan was originally established to provide pension benefits for the employees at the Port's warehousing operations at Terminal 106. In late 2002, the Port terminated all warehousing operations following the departure of the principal customer who operated the facility. The Plan provides that only service credited and compensation earned before April 1, 2004, shall be utilized to calculate benefits defined under the Plan, and the Port agrees to maintain the frozen Plan and to contribute funds to the Plan in such amounts that may be necessary to enable the Plan to pay vested accrued benefits as they become due and payable to participants and beneficiaries of the Plan. Additional information on the Port's Warehousemen's Pension Trust Fund can be found in Note 15 in the accompanying Notes to Financial Statements.

The following is a summary of the assets, liabilities, and fiduciary net position of the Warehousemen's Pension Trust Fund as of December 31, and changes in fiduciary net position for the years ended December 31 (in thousands):

	2025	2024	2023
Total assets	\$ 13,935	\$ 12,032	\$ 11,056
Total liabilities	15	11	11
Total fiduciary net position	\$ 13,920	\$ 12,021	\$ 11,045
Total additions	\$ 3,502	\$ 2,611	\$ 2,951
Total deductions	(1,603)	(1,635)	(1,685)
Increase in fiduciary net position	1,899	976	1,266
Fiduciary net position—beginning of year	12,021	11,045	9,779
Fiduciary net position—end of year	\$ 13,920	\$ 12,021	\$ 11,045

Total fiduciary net position increased by \$1.9 million in 2025 and by \$1 million in 2024, with both increases largely attributable to higher fair-value gains on investments in each respective year.

## Capital Assets

The Port's capital assets, net of accumulated depreciation and amortization, for its business activities as of December 31, 2025, amounted to \$8.8 billion. Capital assets include land, air rights, facilities and improvements, equipment, furniture and fixtures, intangible right-to-use lease and subscription assets, and construction in progress.

In 2025, the Port's expenditures for capital construction projects totaled \$982.5 million, of which \$864.4 million, and \$106.4 million related to the Aviation Division, and Maritime Division, respectively. Aviation construction accounted for 88.0% of total spending for capital projects at the Port in 2025. Major Aviation project spending included \$160 million for the C Concourse Expansion, \$135.7 million for the North Main Terminal Redevelopment program, \$114.9 million for the acquisition of International Place, \$62.7 million for Airline Realignment Activities, \$59.9 million for airfield-related improvements, including infrastructure and pavement on Taxiway A, \$50.5 million for the international S Concourse Expansion project, \$46 million for Checked Baggage Optimization program, \$35.9 million for Electrical Infrastructures projects throughout the terminals, \$28.2 million for Lounge Expansion programs in Concourse A, \$25.8 million to widen arrivals, \$15.4 million for SEA Underground Transit Controls Replacement project, \$13 million for construction of a new Fire Station, \$12.6 million for Residential Sound Insulation programs, and \$11.4 million for the Relocation of Security Checkpoint 1. Maritime construction accounted for 10.8% of total spending for capital projects in 2025, which included \$61.5 million for Terminal 91 Rehabilitation and Development programs, \$28.4 million for other Maritime improvements, and \$16.4 million for the restoration of the historic Ship Supply Building as the new Maritime Innovation Center located at Fisherman's Terminal.

During 2025, capital construction projects totaling \$563.9 million were completed and placed in service as capital assets, of which \$525.4 million, \$23.8 million, and \$13.8 million related to the Aviation Division, Maritime Division, and Central Services Division, respectively. Aviation Division projects accounted for 93.2% of total additions to new capital assets in 2025. Major Aviation projects included \$120.9 million capitalization of International Place properties, including a long-term ground lease, \$110.1 million for Lounge Expansion programs in Concourse A, \$61.7 million of Roadway Improvements to widen arrivals, \$34.1 million for the Relocation of Security Checkpoint 1 to the lower

baggage claim level, \$33.4 million of Airline Realignment activities, \$26.7 million for North Main Terminal Redevelopment, \$19.6 million for Restroom Renovations in Concourses B, C, and D, \$18.9 million for Airfield Improvements on Taxiway A, \$11.3 million for Checked Baggage Optimization systems, and \$10.3 million for upgrades to Airport Communications Infrastructure. Maritime Division projects accounted for 4.2% of total additions to new capital assets in 2025, including \$8.1 million in improvements to Cruise Terminals and Waterfront Properties.

During 2025, the Port collected \$87.8 million in property taxes through a King County ad valorem tax levy. The Port funds its capital assets from multiple sources, including but not limited to operating income, the ad valorem tax levy, PFCs, CFCs, federal and state grants, and bond proceeds. All capital assets are accounted for within the Enterprise Fund.

Additional information on the Port's capital assets can be found in Note 4 in the accompanying Notes to Financial Statements.

## Debt Administration

As of December 31, 2025, the Port had outstanding revenue bonds of \$4.8 billion, a \$662.5 million increase from 2024, due to the issuance of new bonds in 2025, partially offset by principal payments.

In August 2025, the Port issued \$747.2 million in Series 2025ABC Intermediate Lien Revenue Bonds to pay for or reimburse costs of capital improvements to Airport facilities. The bonds are also being used to pay a portion of the interest on the bonds during construction and to contribute to the Intermediate Lien Common Reserve Fund, and a portion of each bond series was also used to pay the costs of issuing the bonds.

In February 2025, the Port issued \$120 million in commercial paper to finance the acquisition of International Place, which remained outstanding at year-end.

As of December 31, 2025, the Port had outstanding General Obligation (GO) Bonds of \$419.6 million, a \$25.9 million decrease from 2024, due to principal payments.

As of December 31, 2025, the Port had outstanding Fuel Hydrant Special Facility Revenue Bonds of \$42.9 million, a \$4.9 million decrease from 2024, due to a principal payment.

Below are the underlying Port credit ratings as of December 31, 2025. Certain Port bonds include bank letters of credit, and as such, those bonds may assume the credit rating of the associated letter of credit provider.

	<b>Fitch</b>	<b>Moody's</b>	<b>S&amp;P</b>
GO bonds	AA-	Aaa	AA
First lien revenue bonds	AA	Aa2	AA
Intermediate lien revenue bonds	AA-	Aa3	AA-
Subordinate lien revenue bonds	AA-	A1	A+
Fuel hydrant special facility revenue bonds		A1	A+

Additional information on the Port's debt and conduit debt activities can be found in Note 5 and Note 6, respectively, in the accompanying Notes to Financial Statements.

## Request For Information

This financial report provides a general overview of the Port's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Accounting and Financial Reporting Department at:

Port of Seattle  
Pier 69  
P.O. Box 1209  
Seattle, WA 98111

## Port of Seattle — Enterprise Fund

### Statement of Net Position as of December 31, 2025 and 2024 (in thousands)

Assets and Deferred Outflows of Resources	2025	2024
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 641,593	\$ 378,051
Restricted cash and cash equivalents:		
Bond funds and other	536,872	354,505
Fuel hydrant assets held in trust	5,207	5,041
Short-term investments	225,846	199,856
Restricted short-term investments: bond funds and other	187,456	186,259
Accounts receivable, less allowance for doubtful accounts of \$3,853 and \$2,104	134,169	153,444
Current lease receivable	36,685	32,974
Related party receivable—joint venture	49,312	35,822
Grants-in-aid receivable	39,695	44,641
Taxes receivable	1,453	1,404
Materials and supplies	11,228	10,387
Prepayments and other current assets	18,696	10,226
Total current assets	1,888,212	1,412,610
<b>Noncurrent Assets:</b>		
Long-term investments	448,963	530,556
Restricted long-term investments:		
Bond funds and other	378,324	522,914
Fuel hydrant assets held in trust	4,483	6,022
Investment in joint venture	376,548	340,180
Restricted net pension asset	73,416	64,799
Lease receivable	679,758	564,943
Other long-term assets	7,538	2,337
<b>Capital Assets:</b>		
Land, air rights, and other	2,075,190	2,064,561
Facilities and improvements	7,589,804	7,210,152
Equipment, furniture, and fixtures	1,343,095	1,260,478
Intangible lease assets	182,996	2,990
Intangible subscription assets	52,371	42,858
Total capital assets	11,243,456	10,581,039
Less accumulated depreciation and amortization	(3,748,666)	(3,528,180)
Construction work in progress	1,266,925	848,356
Total capital assets—net	8,761,715	7,901,215
Total noncurrent assets	10,730,745	9,932,966
Total assets	12,618,957	11,345,576
<b>Deferred Outflows of Resources:</b>		
Deferred loss on refunding bonds	16,839	18,682
Deferred charges on net pension asset and liability	95,204	84,981
Deferred charges on total other postemployment benefits (OPEB) liability	771	1,276
Total deferred outflows of resources	112,814	104,939
<b>Total</b>	<b>\$ 12,731,771</b>	<b>\$ 11,450,515</b>

See Notes to Financial Statements.

(Continued)

## Port of Seattle — Enterprise Fund

### Statement of Net Position as of December 31, 2025 and 2024 (in thousands)

Liabilities, Deferred Inflows of Resources, and Net Position	2025	2024
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 243,770	\$ 266,303
Related party payable—joint venture	19,147	1,842
Payroll and taxes payable	83,261	86,975
Bonds interest payable	86,147	64,576
Customer advances and unearned revenues	36,996	58,046
Current maturities of long-term debt	347,720	222,268
Total current liabilities	817,041	700,010
<b>Noncurrent Liabilities:</b>		
<b>Long-Term Liabilities:</b>		
Net pension liability	11,961	18,961
Environmental remediation liability	217,482	227,289
Bonds interest payable	29,920	45,659
Total OPEB liability	16,154	16,736
Lease and subscription liabilities	195,552	17,958
Lease securities and other long-term liabilities	21,163	17,247
Total long-term liabilities	492,232	343,850
<b>Long-Term Debt:</b>		
Revenue and capital appreciation bonds	4,893,324	4,374,636
General obligation (GO) bonds	422,426	445,491
Fuel hydrant special facility revenue bonds	39,164	44,575
Total long-term debt	5,354,914	4,864,702
Total noncurrent liabilities	5,847,146	5,208,552
Total liabilities	6,664,187	5,908,562
<b>Deferred Inflows of Resources:</b>		
Deferred gain on refunding bonds	32,597	37,548
Deferred credits from leasing	716,443	597,917
Deferred credits on net pension asset and liability	28,782	29,663
Deferred credits on total OPEB liability	3,199	2,993
Total deferred inflows of resources	781,021	668,121
<b>Net Position:</b>		
Net investment in capital assets	3,601,080	3,595,160
Restricted for:		
Debt service reserves	392,344	344,503
Passenger facility charges	60,256	59,060
Customer facility charges	49,445	40,736
Net pension asset	73,416	64,799
Grants and other	41,987	40,936
Unrestricted	1,068,035	728,638
Total net position	5,286,563	4,873,832
<b>Total</b>	<b>\$ 12,731,771</b>	<b>\$ 11,450,515</b>

See Notes to Financial Statements.

(Concluded)

## Port of Seattle — Enterprise Fund

### Statement of Revenues, Expenses, and Changes in Net Position

for the Years Ended December 31, 2025, 2024, and 2023 (in thousands)

	2025	2024	2023 (Restated)
<b>Operating Revenues:</b>			
Services	\$ 403,040	\$ 395,720	\$ 353,114
Property rentals	591,069	544,484	527,348
Customer facility charge revenues	23,201	20,872	16,954
Operating grants	93	269	324
Joint venture income	105,043	60,493	55,820
Total operating revenues	1,122,446	1,021,838	953,560
<b>Operating Expenses:</b>			
Operations and maintenance	496,116	484,186	409,792
Administration	129,479	123,227	102,260
Law enforcement	46,717	45,228	39,018
Total operating expenses	672,312	652,641	551,070
Net Operating Income Before Depreciation and Amortization	450,134	369,197	402,490
Depreciation and amortization	298,355	277,917	256,740
Operating Income	151,779	91,280	145,750
<b>Nonoperating Income (Expense):</b>			
Ad valorem tax levy revenues	87,841	85,885	82,313
Passenger facility charge revenues	98,144	99,364	95,681
Customer facility charge revenues	24,821	24,896	24,657
Noncapital grants and contributions	3,052	3,491	19,192
Fuel hydrant facility revenues	6,561	6,389	6,681
Lease interest income	26,964	21,711	15,721
Investment income—net	117,805	81,374	94,541
Revenue and capital appreciation bonds interest expense	(174,153)	(150,434)	(146,686)
GO bonds interest expense	(15,184)	(14,365)	(10,162)
Public expense	(4,320)	(11,150)	(20,869)
Environmental credit (expense)—net	1,973	(3,072)	(10,056)
Other income (expense)—net	47,140	(13,425)	(944)
Total nonoperating income—net	220,644	130,664	150,069
Income Before Capital Contributions and Special Items	372,423	221,944	295,819
Capital Grants and Contributions	40,308	94,282	36,309
Income Before Special Items	412,731	316,226	332,128
<b>Special items:</b>			
Terminal 25 cleanup costs		(91,107)	
Increase in Net Position	412,731	225,119	332,128
<b>Total Net Position:</b>			
Beginning of year, as previously reported	4,873,832	4,653,220	4,320,921
Adoption of new accounting standard(s)		(4,507)	(4,336)
Beginning of year, as restated/adjusted (Note 1)	4,873,832	4,648,713	4,316,585
End of year	\$ 5,286,563	\$ 4,873,832	\$ 4,648,713

See Notes to Financial Statements.

**Port of Seattle — Enterprise Fund**  
**Statement of Cash Flows for the Years Ended**  
**December 31, 2025, 2024, and 2023** (in thousands)

	2025	2024	2023 (Restated)
<b>Operating Activities:</b>			
Cash received from customers	\$ 964,253	\$ 841,341	\$ 883,074
Cash received from joint venture for support services provided	12,490	10,401	10,051
Customer facility charge receipts	23,201	20,872	16,954
Cash paid to suppliers for goods and services	(331,179)	(196,850)	(222,247)
Cash paid to employees for salaries, wages, and benefits	(421,644)	(364,277)	(325,058)
Operating grants receipts	93	269	324
Other	2,060	(2,095)	3,126
<b>Net cash provided by operating activities</b>	<b>249,274</b>	<b>309,661</b>	<b>366,224</b>
<b>Noncapital and Related Financing Activities:</b>			
Principal payments on GO bonds	(7,180)	(7,000)	(6,655)
Interest payments on GO bonds	(8,768)	(9,003)	(9,267)
Cash paid for environmental remediation liability	(6,645)	(10,771)	(7,787)
Cash paid for public expenses	(4,515)	(26,430)	(4,273)
Ad valorem tax levy receipts	87,792	86,128	82,177
Noncapital grants and contributions receipts	5,922	28,508	17,152
Environmental recovery receipts	20,656	34,830	2,969
Proceeds from insurance or settlement	33,158		5,922
<b>Net cash provided by noncapital and related financing activities</b>	<b>120,420</b>	<b>96,262</b>	<b>80,238</b>
<b>Capital and Related Financing Activities:</b>			
Proceeds from issuance and sale of revenue bonds, GO bonds, fuel hydrant special facility revenue bonds, and commercial paper	896,999	1,153,036	
Proceeds used for refunding of revenue bonds, GO bonds, fuel hydrant special facility revenue bonds, and PFC bonds		(375,561)	
Principal payments on revenue bonds, GO bonds, fuel hydrant special facility revenue bonds, PFC bonds, and commercial paper	(228,288)	(227,720)	(215,440)
Interest payments on revenue bonds, GO bonds, PFC bonds, fuel hydrant special facility revenue bonds, and commercial paper	(223,632)	(187,689)	(194,394)
Acquisition and construction of capital assets	(996,546)	(781,397)	(503,953)
Payments for leases and subscriptions	(14,513)	(7,695)	(6,490)
Capital grants and contributions receipts	45,202	37,825	26,626
Deposits and proceeds from sale of capital assets	16,493	11,367	547
Receipts from leases	63,635	54,123	36,546
Passenger facility charge receipts	93,202	102,908	95,208
Customer facility charge receipts	26,965	22,369	24,456
Fuel hydrant facility revenues	6,561	6,389	6,681
<b>Net cash (used in) capital and related financing activities</b>	<b>\$ (313,922)</b>	<b>\$ (192,045)</b>	<b>\$ (730,213)</b>

See Notes to Financial Statements.

(Continued)

## Port of Seattle — Enterprise Fund

### Statement of Cash Flows for the Years Ended

#### December 31, 2025, 2024, and 2023 (in thousands)

	2025	2024	2023 (Restated)
<b>Investing Activities:</b>			
Purchases of investment securities	\$ (613,624)	\$ (612,392)	\$ (841,130)
Proceeds from sales and maturities of investments	853,324	878,408	787,740
Interest received on investments	80,994	63,997	44,152
Cash used to fund investment in joint venture	(29,375)	(28,796)	(28,219)
Cash distributions received from joint venture	101,340	42,007	65,475
Net cash provided by investing activities	392,659	343,224	28,018
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>			
(including \$4,453, \$2,097, and \$516 restricted cash and cash equivalents of fuel hydrant assets held in trust reported as restricted long-term investments, respectively)	448,431	557,102	(255,733)
<b>Cash and Cash Equivalents:</b>			
Beginning of year	739,694	182,592	438,325
End of year	\$ 1,188,125	\$ 739,694	\$ 182,592
<b>Reconciliation of Operating Income to Net Cash Flow from Operating Activities:</b>			
Operating income	\$ 151,779	\$ 91,280	\$ 145,750
Miscellaneous nonoperating Income (expense)	2,060	(2,095)	3,126
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>			
Depreciation and amortization	298,355	277,917	256,740
<b>(Increase) Decrease in assets:</b>			
Investment in joint venture	(106,990)	(62,399)	(57,685)
Accounts receivable	15,731	(59,825)	(3,594)
Materials and supplies, prepayments, and other	(9,236)	(22,775)	(39,125)
Net pension asset	(7,734)	12,478	(5,158)
(Increase) Decrease in deferred outflows of resources	(9,815)	(22,318)	(427)
<b>(Decrease) Increase in liabilities:</b>			
Accounts payable and accrued expenses	(57,005)	79,268	43,844
Payroll and taxes payable	(6,912)	18,181	2,263
Customer advances, unearned revenues, and lease securities	(6,224)	23,884	28,717
Net pension liability	(5,317)	(3,417)	(4,258)
Environmental remediation liability	(7,109)	(11,210)	13,220
Total OPEB liability	(582)	(221)	1,152
(Decrease) Increase in deferred inflows of resources	(1,727)	(9,087)	(18,341)
Net cash provided by operating activities	\$ 249,274	\$ 309,661	\$ 366,224
<b>Supplemental Schedule of Noncash Investing, Capital, and Financing Activities:</b>			
Net unrealized investment gain (loss)	\$ 37,208	\$ 4,975	\$ 27,916
Capital assets additions and other purchases financed with accounts payable	\$ 116,877	\$ 76,267	\$ 75,037

See Notes to Financial Statements.

(Concluded)

## Port of Seattle — Warehousemen’s Pension Trust Fund

### Statement of Fiduciary Net Position as of December 31, 2025 and 2024 (in thousands)

	2025	2024
<b>Assets:</b>		
Cash and cash equivalents	\$ 166	\$ 57
Investments in mutual funds—fair value:		
Fixed income	5,396	4,607
Domestic equities	4,763	4,444
International equities	3,492	2,801
Total investments	13,651	11,852
Other assets	118	123
Total assets	13,935	12,032
<b>Liabilities:</b>		
Accounts payable	15	11
Net position restricted for pensions	\$ 13,920	\$ 12,021

See Notes to Financial Statements.

**Port of Seattle — Warehousemen’s Pension Trust Fund**  
**Statement of Changes in Fiduciary Net Position for the Years Ended**  
**December 31, 2025, 2024, and 2023** (in thousands)

	2025	2024	2023
<b>Additions:</b>			
Employer contributions	\$ 1,500	\$ 1,500	\$ 1,500
Investment income:			
Net appreciation in fair value of investments	1,645	796	1,172
Dividends	404	362	326
Less investment expenses	(47)	(47)	(47)
Net investment income	2,002	1,111	1,451
Total additions	3,502	2,611	2,951
<b>Deductions:</b>			
Benefits	1,509	1,548	1,596
Administrative expenses	54	57	50
Professional fees	40	30	39
Total deductions	1,603	1,635	1,685
Net increase in net position	1,899	976	1,266
<b>Net position restricted for pensions</b>			
Beginning of year	12,021	11,045	9,779
End of year	\$ 13,920	\$ 12,021	\$ 11,045

See Notes to Financial Statements.

# Port of Seattle

## Notes to Financial Statements

### Note 1. Summary of Significant Accounting Policies

#### Organization

The Port of Seattle (the Port) is a municipal corporation organized on September 5, 1911, through enabling legislation by consent of the voters within the Port district. In 1942, the local governments in King County selected the Port to operate the Seattle-Tacoma International Airport (SEA). The Port is considered a special purpose government with a separately elected commission of five members. The Port is legally separate and fiscally independent of other state or local governments. The Port has no stockholders or equity holders. All revenues or other receipts must be disbursed in accordance with provisions of various statutes, applicable grants, and agreements with the holders of the Port's bonds.

#### Reporting Entity

##### Enterprise Fund

The Enterprise Fund accounts for all activities and operations of the Port, except for the activities included as a Fiduciary Fund. The Enterprise Fund is used to account for operations and activities that are financed at least in part by fees or charges to external users.

The Port and its Enterprise Fund are composed of three operating divisions, namely, Aviation, Maritime, and Economic Development. The Aviation Division manages SEA serving the predominant air travel needs of a five-county area. SEA has 10 U.S.-flag passenger air carriers (including regional and commuter air carriers) and 27 foreign-flag passenger air carriers providing non-stop service from SEA to 126 cities, including 33 foreign cities. The Maritime Division manages portfolio asset management and industrial facilities connected with maritime businesses, recreational marinas, Fishermen's Terminal, cruise, grain, and maritime operations. The Economic Development Division focuses on planning and developing the Port's real estate assets, encouraging statewide tourism, and developing minority and/or women-owned business opportunities. Following a strategic reorganization in 2025, the Maritime Division absorbed most of the businesses and capital projects formerly housed in the Economic Development Division, including managing the Port's industrial and commercial properties as well as conference and event centers.

##### Joint Venture

The home ports of Seattle and Tacoma joined forces in August 2015, to unify management of marine cargo facilities and business to strengthen the Puget Sound gateway and attract more marine cargo and jobs to the region. On January 1, 2016, the Northwest Seaport Alliance (NWSA), a separate legal governmental entity, was formed. It is established as a Port Development Authority, similar to the Public Development Authorities formed by cities and counties. The commissions of each home port serve as the Managing Members of the NWSA. The NWSA is accounted for as a joint venture by the home ports.

Each home port remains a separate legal entity, independently governed by its own elected commissioners. The NWSA is governed by its Managing Members, with each Managing Member acting pursuant to the Charter through its elected commissioners. The Managing Members appoint a Chief Executive Officer who is responsible for hiring staff and entering into service contracts as needed. In addition, both home ports may provide services through shared service agreements with a portion of staff time allocated to and paid by the NWSA. The NWSA has its own annual operating budget and five-year capital investment plan. The home ports contribute to capital construction projects subject to the Managing Members' approval. Capital funding does not come from working capital.

Each home port has granted the NWSA a license for the NWSA's exclusive use, operation, and management of certain facilities, including the collection of revenues. Accounting for revenues and expenses associated with licensed properties becomes the responsibility of the NWSA. The NWSA was designed to support the credit profiles of both ports, and its financial framework preserves both home ports' commitment to financial stewardship. The home ports are committed to ensuring that existing bond pledges and covenants will not be negatively affected. As the Charter prohibits the NWSA from issuing debt and to maintain the rights of each home port's existing bondholders, the bonds outstanding will remain the obligations of each home port.

### **Fiduciary Fund**

The Fiduciary Fund accounts for the Warehousemen's Pension Trust Fund. The Warehousemen's Pension Trust Fund accounts for the assets of the employee benefit plan held by the Port in a trustee capacity, with the Port as the sole administrator of the Plan. This Plan was originally established to provide pension benefits for the employees at the Port's warehousing operations at Terminal 106. In late 2002, the Port terminated all warehousing operations following the departure of the principal customer who operated the facility. As of May 25, 2004, the Plan is a governmental plan maintained and operated solely by the Port.

### **Blended Component Unit**

For financial reporting purposes, component units are entities that are legally separate organizations for which the Port is financially accountable, and other organizations for which the nature and significance of their relationship with the Port are such that exclusion would cause the Port's financial statements to be misleading or incomplete. Based on these criteria, the following is considered a component unit of the Port's reporting entity.

The Industrial Development Corporation (IDC) is a blended component unit of the Port and is included within the accompanying financial statements. The IDC is a special purpose government with limited powers and is governed by a Board of Directors, which comprises the same members as the Commission. The Port's management has operational responsibility for the IDC. The IDC has issued tax-exempt nonrecourse revenue bonds to finance industrial development including acquiring, constructing, and renovating transshipment and manufacturing facilities within the corporate boundaries of the Port. These revenue bonds are solely payable and secured by revenues derived from the industrial development facilities funded by the revenue bonds and leased to the IDC. The Port has not recorded these obligations, or the related assets, in the accompanying financial statements of the Port, as the Port has no obligation for the outstanding bonds.

A copy of the separate financial statements for the IDC may be obtained at:

Port of Seattle  
Pier 69  
P.O. Box 1209  
Seattle, WA 98111

### **Basis of Accounting**

The Port is accounted for on a flow of economic resources measurement focus. The financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in the U.S. as applied to governmental units using the accrual basis of accounting. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant Port accounting policies are described below.

### **Use of Estimates**

The preparation of the Port's financial statements in conformity with GAAP in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are used to record environmental remediation liabilities, insurance recoveries, lease and subscription liabilities, litigated and non-litigated loss contingencies, allowances for doubtful accounts, grants-in-aid receivable, lease receivable, unearned revenues, lives of depreciable or amortizable assets, arbitrage rebate liabilities, healthcare benefit claims liabilities, compensated absences liabilities, net pension assets, net pension liabilities, and total OPEB liabilities. Actual results could differ from those estimates.

### **Significant Risks and Uncertainties**

The Port is subject to certain business and casualty risks that could have a material impact on future operations and financial performance. Business risks include economic conditions, collective bargaining disputes, cyber-attacks, security, litigation, federal, state, and local government regulations, changes in law, and unforeseen and unpredictable events. Casualty risks include natural or man-made events that may cause injury, disruption to operations, and/or other damage at Port facilities. The Port has a comprehensive risk management program that protects the Port against unforeseen loss from various adverse casualty events to its property, operations, third-party liabilities, and employees. The Port carries excess commercial insurance to provide financial means to recover from many of these potential

events or losses. The excess commercial insurance coverage is above a self-insured retention that the Port maintains and funds. The Port is a qualified workers' compensation self-insurer in the state and administers its own workers' compensation claims. Claims, litigation, and other settlements did not exceed the limits of available insurance coverage in 2023 and 2025 when insurance was applicable.

In 2024, the Port was the target of a cyber-attack that resulted in a disruption to its network and operations. The Port filed an insurance claim with its cyber insurer for first-party and third-party damages in early 2025. The Port received approval of a partial payout of \$3,252,000, excluding the deductible, on its first-party claims. Third-party class action claims alleging breach of private information were negotiated to settlement in 2025, with court approval anticipated in 2026. While the overall claim exceeded available cyber insurance coverage, the costs not covered by insurance did not have a significant impact to the Port's financial condition.

The Port is self-insured for the majority of its sponsored healthcare plans. Employees covered by these plans pay a portion of the premiums for their coverage. The Port purchased a stop-loss insurance policy for the self-insured healthcare plan to limit the Port's annual individual claims liability. The limit was \$350,000 for both the 2025 and 2024 plan year. The stop-loss coverage also provides aggregate coverage that was 200% of expected claims. The increase in stop-loss retention was based on claims analysis of past and projected future activities. Healthcare benefit claims liabilities are not discounted to present value as nearly all healthcare claims are current in nature. The estimated liability is based on actual claims that have been submitted and authorized for payment as well as actuarially determined claims incurred but not reported. The estimated liability is included in payroll and taxes payable in the Statement of Net Position.

The following table reflects the changes in the claim liabilities for the years ended December 31 (in thousands). Claim payments made during the current year include associated incremental costs such as administration expenses and stop-loss insurance policy premiums. Employees' cost-sharing portion of the healthcare plan made during the current year is included as "Other".

<b>Years ended December 31,</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 1,308	\$ 1,857	\$ 1,265
Current year claims and changes in estimates	24,586	21,676	20,206
Claim payments	(27,864)	(25,877)	(22,423)
Other	3,963	3,652	2,809
Ending balance	\$ 1,993	\$ 1,308	\$ 1,857

### Compensated Absences

Eligible Port employees accrue paid time off (PTO) and sick leave. PTO accrual rates increase based on the length of service. A stipulated maximum of paid time off may be accumulated by the employee, whereas there is no limit to the amount of sick leave that can be accrued. Terminated employees are entitled to be paid for unused PTO. Under certain conditions, terminated employees are also entitled to be paid for a portion of unused sick leave. Compensated absences liability, including related taxes, is recognized for both used but unpaid leave and leave that is more likely than not to be used based on historical usage trends. The current portion of the estimated liability, due within one year, is included in payroll and taxes payable in the Statement of Net Position. The long-term portion is included in accrued long-term liabilities in the Statement of Net Position.

### Employee Benefits

The Port offers its eligible represented and non-represented employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the 457 Plan). The Port also sponsors three 401(a) defined contribution plans. Employees in the 457 and 401(a) plans are able to direct their funds to any investment options available in the respective plans, and the Port places the plans' assets in separate trusts as required under the Small Business Job Protection Act of 1996. These plans do not meet the criteria as fiduciary activities. As such, the Port does not have fiduciary responsibility for these plans, and the related assets and liabilities are not included in the Port's financial statements.

The three 401(a) defined contribution plans are as follows:

- The Port offers a 401(a) Supplemental Savings Plan for non-represented employees. This plan establishes a 401(a) tax-deferred savings account for each eligible employee. The Port matches employee contributions to their deferred compensation plan under the 457 Plan with a dollar-for-dollar contribution to the 401(a) Plan up to a fixed maximum of \$2,200 per participant, per year. The amount of the matching contribution is based on employee tenure.
- The Port contributes to the 401(a) Police Retirement Plan in lieu of Social Security contributions for represented uniformed law enforcement officers. The Port also contributes to the 401(a) Police Retirement Plan in lieu of pension contributions for uniformed law enforcement officers who are precluded by state law from participating in the statewide public employee retirement plans administered by the Department of Retirement Systems (DRS).
- The Port contributes to the 401(a) Fire Fighters Retirement Plan in lieu of Social Security contributions for represented fire fighters. The Port also contributes \$1.15 per hour worked by each employee to the participant's 401(a) account as an additional payment.

By and large, all eligible Port employees participate in the statewide public employee retirement plans administered by the DRS. In addition, the Port is the sole administrator of the Warehousemen's Pension Plan and Trust for former eligible represented employees from the terminated warehousing operations at Terminal 106.

The following tables represent the aggregate pension amounts for all plans subject to the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for the years ended December 31 (in thousands):

	DRS	Warehousemen's Pension Trust	Total
<b>2025</b>			
Net pension asset	\$ 72,533	\$ 883	\$ 73,416
Net pension liability	11,961		11,961
Deferred outflows of resources	95,204		95,204
Deferred inflows of resources	27,732	1,050	28,782
Pension (credit) expense	(5,765)	82	(5,683)
<b>2024</b>			
Net pension asset	\$ 64,799	\$	\$ 64,799
Net pension liability	17,278	1,683	18,961
Deferred outflows of resources	84,884	97	84,981
Deferred inflows of resources	29,663		29,663
Pension (credit) expense	(1,502)	329	(1,173)

### Investments and Cash Equivalents

All short-term investments with a maturity of three months or less at the date of purchase are considered to be cash equivalents, except for the restricted portion of the fuel hydrant assets held in trust not used to pay the current maturities of Fuel Hydrant Special Revenue Bonds plus accrued interest which is reported as restricted long-term investments in the Statement of Net Position. Investments are carried at fair value plus accrued interest receivable. Investments are stated at fair value, which is the price that would be received in an orderly transaction between market participants at the measurement date. Unrealized gains or losses due to market valuation changes are recognized in investment income (loss)—net in the Statement of Revenues, Expenses, and Changes in Net Position.

### Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded for invoices issued to customers in accordance with the contractual arrangements. Unbilled receivables are recorded when revenues are recognized upon service delivery and invoicing occurs at a later date. Finance charges and late fees are recognized on accounts receivable in accordance with contractual arrangements. Interest income on finance charges and late fees is minimal. The Port's policy defines delinquent receivables as 90 days or more past due. The allowance for doubtful accounts is based on the specific identification of troubled accounts and delinquent receivables. Accruals of accounts receivable, related finance charges, and late fees are suspended once the accounts receivable is sent to a third-party collection agency, placed in dispute or litigation, or

the customer has filed for bankruptcy. Accounts receivable are written off against the allowance when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

### Grants-in-Aid Receivable

The Port receives federal and state grants-in-aid funds on a reimbursement basis for all divisions, mostly related to the construction of SEA and Maritime facilities and other capital activities, along with operating and nonoperating grants to perform enhancements in both SEA and Maritime security as well as environmental prevention/remediation programs.

### Materials and Supplies

Materials and supplies are recorded at cost. The Port's policy is to expense materials and supplies when used in operations and to capitalize amounts used in capital projects as construction work in progress.

### Investment in Joint Venture

The Port adopted joint venture accounting beginning January 1, 2016, to account for its 50% share in the NWSA. The Port's investment in the NWSA is presented in the Statement of Net Position as investment in joint venture, which is increased by the Port's share in the NWSA's change in net position and additional cash funding, and decreased by the receipt of cash distributions from the NWSA. The Port's share of joint venture income is presented in the Statement of Revenues, Expenses, and Changes in Net Position. Additional information about the investment in joint venture can be found in Note 13 in the accompanying Notes to Financial Statements.

### Capital Assets

Capital assets (excluding intangible lease and subscription assets) are stated at cost, less accumulated depreciation. Costs applicable to airport noise damage remedies, together with the cost of litigation, in exchange for air rights are generally recorded as intangible capital assets. Intangible lease assets are stated at the present value of payments expected to be made during the lease term plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs, less accumulated amortization. Intangible subscription assets are stated at the present value of payments expected to be made during the subscription term plus any subscription payments made before placing the intangible subscription assets into service and capitalizable implementation costs, less accumulated amortization.

Except for intangible lease and subscription assets, the Port's policy is to capitalize all asset additions equal to or greater than \$20,000 and with an estimated life of three years or more. The Port's policy is to capitalize (1) intangible lease assets with total payments over the lease term that are greater than \$50,000, and (2) intangible subscription assets with implementation costs and total payments over the subscription term that are greater than \$50,000.

Depreciation and amortization are computed on a straight-line basis. Buildings and improvements are assigned lives of 30 to 50 years, equipment of three to 20 years, and furniture and fixtures of five to 10 years. Intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset. Intangible subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying asset.

The Port periodically reviews its long-lived assets for impairment. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly.

### Leases and Subscription-Based Information Technology Arrangements (SBITAs)

#### Leases

The Port determines whether an arrangement is a lease at the inception of the agreement. A lease agreement is defined as a noncancellable contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) for more than 12 months in an exchange or exchange-like transaction.

The lease term includes the noncancellable period of the lease plus any additional periods covered by either a lessee or a lessor's option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the lessee and the lessor have a unilateral option to terminate are excluded from the lease term.

- Lessee arrangements, the Port as a lessee, are included in capital assets and lease liabilities (current and noncurrent liabilities) in the Statement of Net Position. Lease liabilities represent the Port's obligation to make lease payments arising from the lessee arrangement. For leases meeting the capitalization threshold, lease liabilities are recognized at the commencement date of a lease based on the present value of expected lease payments over the lease term, less any lease incentives. Lease interest expense is recognized ratably over the lease term.
- Lessor arrangements, the Port as a lessor, are included in lease receivable (current and noncurrent assets) and deferred inflows of resources in the Statement of Net Position. The Port's policy is to record lease receivable with total payments over the lease term that is greater than \$100,000. Lease receivable represents the Port's right to claim lease payments from the lessor arrangement. At the commencement date of a lease, lease receivable is recorded at the present value of payments expected to be received during the lease term, reduced by any incentives given, and provisions for estimated uncollectible amounts. Subsequently, lease receivable is reduced by the principal portion of lease payments received. The interest portion of lease payments is recognized as lease interest income. Deferred inflows of resources related to leases are initially measured at the amount of lease receivable, plus any payments received from the lessee at or before the commencement of the lease term relating to future periods, less any lease incentives given to the lessee at or before the commencement of the lease term. Subsequently, deferred inflows of resources related to leases are recognized as lease revenue using the effective interest method over the lease term.

### **SBITAs**

The Port determines whether an arrangement is a SBITA at the inception of the agreement. A SBITA is defined as a noncancellable contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, for more than 12 months in an exchange or exchange-like transaction.

The subscription term includes the noncancellable period of the SBITA plus any additional periods covered by either party's option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both parties have a unilateral option to terminate are excluded from the SBITA term.

The Port recognizes an intangible subscription asset and a corresponding subscription liability (current and noncurrent liabilities) in the Statement of Net Position when the intangible subscription asset is placed into service. Subscription liabilities represent the Port's obligation to make subscription payments arising from the SBITAs. For SBITAs meeting the capitalization threshold, subscription liabilities are recognized, at the commencement of the subscription term, which is when the intangible subscription asset is placed into service, based on the present value of expected subscription payments over the contract term, less any incentives. Subscription interest expense is recognized ratably over the contract term.

The Port's incremental borrowing rate is used as the discount rate to measure lease receivable, lease liability, and subscription liability. A discount rate of 4.5% was used for 2025 and 2024.

The Port monitors changes in circumstances that may require remeasurement of a lease receivable, lease liability, or subscription liability. When certain changes occur that are expected to significantly affect the amount of the lease or SBITA, the corresponding lease receivable, lease liability, or subscription liability is remeasured, and an adjustment is made to the associated deferred inflow of resources or capital assets.

For arrangements that do not meet the above-stated definition of a lease or SBITA, and for leases or SBITAs below the respective capitalization thresholds or leases or SBITAs with a maximum possible term of 12 months or less at commencement, the Port recognizes payments as expense when payments are made or revenue when payments are received.

### **Operating and Nonoperating Revenues**

Fees for services, rents, charges for the use of Port facilities, airport landing fees, operating grants, a portion of Customer Facility Charges (CFC) revenues, and other revenues generated from operations as well as joint venture income are reported as operating revenues. Ad valorem tax levy revenues, noncapital grants and contributions, Passenger Facility Charges (PFC) revenues, the remaining portion of CFC revenues for debt service payments, fuel hydrant facility revenues, lease interest income, and other income generated from nonoperating sources are classified as nonoperating revenues.

### Operating and Nonoperating Expenses

Expenditures related to the Port's principal ongoing operations are reported as operating expenses. Operating expenses include operations and maintenance expenses, administrative expenses, and law enforcement expenses. All other expenses not meeting this definition are reported as nonoperating expenses. Nonoperating expenses include interest, environmental, and public expenses.

### Nonexchange Transactions

GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, establishes uniform revenue and expense recognition criteria and financial reporting standards regarding when (i.e., in which fiscal year) to report the results of nonexchange transactions involving cash and other financial and capital resources. When the Port receives value without directly giving equal value in return, these transactions, which include taxes, intergovernmental grants, entitlements, other financial assistance, and nongovernmental contractual agreements are reported as revenues.

- For derived revenue transactions, such as PFC and CFC, the Port recognizes receivables in the period when the exchange transaction on which the fee/charge is imposed occurs or records cash when received, whichever occurs first. Revenue is recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the receivables are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as unearned revenues until the period of the exchange.
- For imposed nonexchange revenue transactions, such as ad valorem tax levy revenues, the Port recognizes receivables in the period in which an enforceable legal claim to the receivables arises (i.e. lien date), or records cash when received, whichever occurs first. Resources received in advance of the lien date are reported as deferred inflows of resources.
- For government-mandated nonexchange transactions and voluntary nonexchange transactions, such as grant programs, resources received before the eligibility requirements are met (excluding time requirements) are reported as unearned revenues. Resources received before time requirements are met, but after all other eligibility requirements have been met, are reported as deferred inflows of resources.

When the Port gives value without directly receiving equal value in return, these transactions, which include expenses and infrastructure improvements to the state and region in conjunction with other agencies, are reported as public expense.

### Passenger Facility Charges

As determined by applicable federal legislation, which is based upon passenger enplanements, PFC-generated revenues are expended by the Port for eligible capital projects and the payment of principal and interest on specific revenue bonds. PFC revenues received from the airlines at \$4.50 per passenger are recorded as nonoperating income in the Statement of Revenues, Expenses, and Changes in Net Position.

### Customer Facility Charges

CFC-generated revenues received from rental car companies, at \$7.75, \$7.50, and \$7.25 per transaction day in 2025, 2024, and 2023, respectively, are expended by the Port for eligible capital projects, the payment of principal and interest on specific revenue bonds funding the Rental Car Facility (RCF) at SEA, and certain related operating expenses. A portion of CFC revenues is recorded as operating revenues as it is associated with the operation of the RCF. The remaining portion of CFC revenues is recorded as nonoperating income in the Statement of Revenues, Expenses, and Changes in Net Position.

### Ad Valorem Tax Levy

Ad valorem taxes received by the Port are utilized for the acquisition and construction of facilities, payment of principal and interest on GO Bonds issued for the acquisition or construction of facilities, contributions to regional freight mobility improvement, environmental expenses, certain operating and nonoperating expenses, and public expenses. The Port includes ad valorem tax levy revenues as nonoperating income in the Statement of Revenues, Expenses, and Changes in Net Position.

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually on January 1, on property values listed as of the prior year. The lien date is January 1. Assessed values are established by the County Assessor at 100% of fair market value. A revaluation of all property is required every year and physically inspected at least once every six years. Taxes are due in two equal installments on April 30 and October 31. Collections are distributed daily to the Port by the County Treasurer.

### Lease Securities

Under the terms of certain lease agreements, the Port requires or allows its customers or tenants to provide security to satisfy contractual obligations. The Port classifies these amounts as lease securities that are included in noncurrent liabilities in the Statement of Net Position. The Port is allowed to draw from the lease securities in certain events as defined in these agreements, such as for defaults or delinquencies in rent payments. The balance is determined by the lease terms and is recalculated according to the provisions of the agreements.

### Environmental Remediation Liability

The Port's policy requires accrual of an environmental remediation liability when (a) one of the following specific obligating events is met, and (b) the amount can be reasonably estimated. Obligating events include imminent endangerment to the public, permit violation, being named as a party responsible for sharing costs, being named in a lawsuit to compel participation in pollution remediation, or commenced or legally obligated to commence pollution remediation. Potential cost recoveries such as insurance proceeds, if any, are evaluated separately from the Port's environmental remediation liability. Costs incurred for environmental remediation liability are typically recorded as nonoperating environmental expenses unless the expenditure relates to the Port's principal ongoing operations, in which case it is recorded as an operating expense. Costs incurred for environmental cleanups can be capitalized if they meet specific criteria. Capitalization criteria include: preparation of the property in anticipation of a sale, preparation of the property for use if the property was acquired with known or suspected pollution that was expected to be remediated, the performance of pollution remediation that restores a pollution-caused decline in service utility that was recognized as asset impairment, or acquisition of property, plant, and equipment that has a future alternative use not associated with pollution remediation efforts.

### Debt Discount and Premium

Debt discounts and premiums relating to the issuance of bonds are amortized over the lives of the related bonds using the effective interest method.

### Refunding and Defeasance of Debt

The Port has legally defeased certain bonds by placing proceeds, either in the form of new bond proceeds or existing Port cash, in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not recorded on the accompanying financial statements. As of December 31, 2025 and 2024, there were no defeased, but unredeemed, bonds outstanding.

For current refundings and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as deferred outflows of resources or deferred inflows of resources and recognized as a component of interest expense on a straight-line basis over the remaining life of the old debt or the life of the new debt, whichever is shorter.

### Special Items

In 2024, the Port recorded \$91,107,000 of additional cleanup costs for Terminal 25 South as a special item.

### Net Position

Net position represents the difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources. Net position is disclosed in the Statement of Net Position in the following categories:

- Net investment in capital assets: Capital assets, net of accumulated depreciation and amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

- Restricted: Net position subject to externally imposed stipulations on their use. The restricted net pension asset reported under the net position is equal to the net pension asset reported under noncurrent assets.
- Unrestricted: All remaining net position not meeting the definition of “net investment in capital assets” or “restricted.”

When both restricted and unrestricted resources are available for the same purpose, the restricted net position is considered to be used first over the unrestricted net position.

### Recently Adopted Accounting Standards

The Port adopted the following new accounting standards during 2024 and 2025.

- In June 2022, the GASB issued Statement No. 101 (GASB 101), *Compensated Absences*. The Statement updates the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used, and (2) leave that has been used but not yet paid, provided the services have occurred, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or noncash means. This Statement is effective for fiscal years beginning after December 15, 2023 and the Port adopted this standard in 2024. The ending balance of net position was restated as of December 31, 2023 by a reduction of \$4,507,000 to account for additional compensated absence liability. The added liability reflected the recognition of unvested sick leave that would be more likely than not to be used based on historical usage trends. The required disclosures for compensated absence liability can be found in Note 7 in the accompanying notes to the financial statements.
- In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow or outflow of resources, while a constraint is defined as a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. The Statement is effective for fiscal years beginning after June 15, 2024. The adoption of this standard did not have a material impact on the Port’s financial statements.

The following tables show the balances within the financial statements being restated (in thousands):

2023	As previously reported	Effect of GASB 101 restatement	As restated
<b>Statement of Revenues, Expenses, and Changes in Net Position</b>			
Operating Expenses:			
Operations and maintenance	\$ 409,743	\$ 49	\$ 409,792
Administration	102,310	(50)	102,260
Law enforcement	38,846	172	39,018
Total Net Position:			
Beginning of year	4,320,921	(4,336)	4,316,585
End of year	4,653,220	(4,507)	4,648,713

### Recently Issued Accounting Pronouncements

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. 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. The Statement focuses on improvements in several areas, including management’s discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, major component unit information, budgetary comparison information, and financial trends information in the statistical section. The Statement is effective for fiscal years beginning after June 15, 2025. The Port is currently evaluating the impact of the adoption of this standard on its financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires separate disclosure of (1) lease assets under Statement No. 87, *Leases*, (2) intangible right-to-use assets under Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, (3) subscription assets under Statement No. 96, *Subscription-Based Information Technology Arrangements*, and (4) intangible assets other than those three types to be disclosed separately by major class of underlying asset in the capital assets note disclosures. This Statement also requires additional disclosures for capital assets held for sale, including: (1) the historical cost and accumulated depreciation by major class of asset, (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset, and (3) capital assets held for sale to be evaluated each reporting period. The Statement is effective for fiscal years beginning after June 15, 2025. The adoption of this standard is not likely to have a material impact on the Port's financial statements.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby meeting the information needs of financial statement users. Subsequent events are defined as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. The Statement defines the types of subsequent events, establishes criteria for determining whether such events should be recognized in the financial statements or disclosed in the notes, and clarifies the period during which governments are required to evaluate subsequent events. The requirements of this Statement are effective for reporting periods beginning after June 15, 2026. The Port is currently evaluating the impact of this Statement on its financial statements, but does not expect its adoption to have a material effect.

### Reclassifications and Presentation

Certain reclassifications of prior years' balances have been made to conform with the current year's presentations. In addition, the 2024 presentation of restricted net position has been revised to reflect the restricted net pension asset consistent with the 2025 presentation. These reclassifications did not affect the total increase in net position or total current or long-term assets or liabilities.

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## Note 2. Deposits with Financial Institutions and Investments

### Deposits

All deposits are covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC), and deposits in excess of FDIC coverage are protected under the Public Deposit Protection Commission (PDPC) of the State of Washington collateral pool program. The PDPC is a statutory authority under Chapter 39.58 Revised Code of Washington (RCW). It constitutes a multiple financial institution collateral pool that can make pro rata assessments from all qualified public depositories within the state. Per State statute, all uninsured public deposits are collateralized at no less than 50%. Therefore, in accordance with GASB, *Codification of Governmental Accounting and Financial Reporting Standards*, Section 150.924, PDPC protection is of the nature of collateral, not of insurance. Pledged securities under the PDPC collateral pool are held under the control of the PDPC for the protection of the pool.

### Investments

Statutes authorize the Port to invest in savings or time accounts in designated qualified public depositories or certificates of deposit, notes, or bonds of the U.S. government. The Port is also authorized to invest in other obligations of the U.S. or its agencies or of any corporation wholly owned by the government of the U.S., or U.S. dollar denominated bonds, notes, or other obligations that are issued or guaranteed by supranational institutions, provided that, at the time of investment, the institution has the U.S. government as its largest shareholder. Statutes also authorize the Port to invest in bankers' acceptances purchased on the secondary market, in Federal Home Loan Bank notes and bonds, Federal Farm Credit Banks consolidated notes and bonds, Federal Home Loan Mortgage Corporation bonds and notes, and Federal National Mortgage Association notes, bonds, debentures, and guaranteed certificates of participation or the obligations of any other U.S. government-sponsored corporation whose obligations are or may become eligible as collateral for advances to member banks as determined by the board of governors of the Federal Reserve System. The Port can also invest in commercial paper and corporate notes, provided both adhere to the investment policies, procedures, and guidelines established by the Washington State Investment Board (WSIB),

certificates of deposit with qualified public depositories, local and state general obligations, and revenue bonds issued by Washington State governments that are rated at least "A" by a nationally recognized rating agency.

The Port's investment policy limits the maximum maturity of any investment security purchased to 10 years from the settlement date. The Port's investment policy allows for 100% of the portfolio to be invested in U.S. government Treasury bills, certificates, notes, and bonds. The Port's investment policy limits investments in U.S. government agency securities to 60%, agency mortgage-backed securities to 10%, certificates of deposit to 15% but no more than 5% per issuer, bankers' acceptances to 20% but no more than 5% per bank, commercial paper to 20% but no more than 3% per issuer, overnight repurchase agreements to 15%, term-only repurchase agreements to 25%, reverse repurchase agreements to 5%, agency discount notes to 20%, and municipal securities to 20% of the portfolio with no more than 5% per issuer. Bankers' acceptances can only be purchased on the secondary market and are limited to the largest 50 world banks listed each July in the American Banker. These banks must meet tier one and tier two capital standards. Commercial paper must be purchased on the secondary market, rated no lower than A1/P1, and meet WSIB guidelines. Additionally, the Port is allowed to purchase the following agency mortgage-backed securities: (1) collateralized mortgage pools having a stated final maturity not exceeding the maturity limits of the Port's investment policy, and (2) planned amortization and sequential pay classes of collateralized mortgage obligations collateralized by 15-year agency-issued pooled mortgage securities and having a stated final maturity not exceeding the maturity limits of the Port's investment policy.

The Port's investment policy allows for repurchase and reverse repurchase agreements with maturities of 60 days or less. The investment policy requires that securities collateralizing repurchase agreements must be marked to market daily and have a market value of at least 102% of the cost of the repurchase agreements having maturities less than 30 days and 105% for those having maturities that exceed 30 days. For reverse repurchase agreements, when used for yield enhancement rather than cash management purposes, only "matched book" transactions will be utilized. This means that the maturity date of the acquired security is identical to the end date of the reverse repurchase transaction. Reverse repurchase agreements will only be executed with Primary Government Bond Dealers.

In May 2018, the Port's investment policy was amended to add the Washington State Local Government Investment Pool (LGIP), an unrated 2a-7 like pool, to the list of authorized investments. The LGIP is an external investment pool operated by the Office of the State Treasurer (OST). The LGIP is managed in a manner generally consistent with Rule 2a-7 money market funds, as currently recognized by the Securities and Exchange Commission. Investments are stated at amortized cost, which approximates fair value. The State Treasurer establishes and reviews (at least annually) the LGIP's investment policy, and proposed changes to the policy are reviewed by the LGIP Advisory Committee. The terms of the policy are designed to ensure the safety and liquidity of the funds deposited in the LGIP.

To comply with RCW 53.36.010, Resolution No. 3476 appointed the Port's Chief Financial Officer as Port Treasurer, designated a specific individual to the role, and established a \$750,000 bond to protect the Port against loss. In December 2025, Resolution No. 3476 was amended to make the Treasurer appointment function-based rather than tied to an individual, permit the use of insurance in lieu of a bond, and increase coverage to \$1,000,000. Concurrently, Exhibit B to Resolution No. 3748, the Port's Investment Policy, was updated to replace a named "Authorized Individual" with a position title or delegate.

### Fair Value Measurement and Application

The Port categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

The Port used the following valuation techniques in its fair value measurement. Investment securities classified in Level 1 were valued using prices quoted in active markets for identical securities, and Level 2 were valued using quoted market prices for similar assets or liabilities in active markets.

The Port did not have any Level 3 investments. The Port's investments in the LGIP, and the Allspring Government Money Market Fund, Institutional Class (ticker GVIXX), are not subject to fair value application and were measured at amortized cost.

### Investment Portfolio

As of December 31, 2025 and 2024, restricted investments—bond funds and other totaled \$1,102,652,000 and \$1,063,678,000, respectively. These are primarily unspent bond proceeds designated for capital improvements to the Port's facilities and debt service reserve fund requirements. Others include cash receipts from PFCs and CFCs.

The following tables identify the types and concentration of investments by issuer, and maturities of the Port's investment pool (in thousands). As of December 31, 2025 and 2024, the LGIP investment was 49.0% and 34.0% of the Port's total investment pool, respectively.

Investment type	Fair value	Maturities (in Years)			Percentage of total portfolio
		Less than 1	1–3	More than 3	
<b>2025</b>					
Washington State Local Government Investment Pool *	\$ 1,178,464	\$ 1,178,464	\$	\$	49.0%
Level 1					
U.S. Treasury Notes	762,264	268,643	113,604	380,017	31.7
Level 2					
Federal agencies securities:					
Federal Farm Credit Banks	164,445	19,651	18,925	125,869	6.9
Federal Home Loan Bank	274,992	97,993	19,888	157,111	11.4
Federal Home Loan Mortgage Corporation	25,001			25,001	1.0
Total portfolio	\$ 2,405,166	\$ 1,564,751	\$ 152,417	\$ 687,998	100.0%
Accrued interest receivable	13,888				
Total cash, cash equivalents, and investments	\$ 2,419,054				
Percentage of total portfolio	100.0%	65.1%	6.3%	28.6%	
<b>2024</b>					
Washington State Local Government Investment Pool *	\$ 732,556	\$ 732,556	\$	\$	34.0%
Level 1					
U.S. Treasury Notes	765,695	203,500	356,168	206,027	35.5
Level 2					
Federal agencies securities:					
Federal Farm Credit Banks	211,399		18,907	192,492	9.8
Federal Home Loan Bank	377,197	116,533	114,266	146,398	17.5
Federal Home Loan Mortgage Corporation	69,489	44,887		24,602	3.2
Total portfolio	\$ 2,156,336	\$ 1,097,476	\$ 489,341	\$ 569,519	100.0%
Accrued interest receivable	15,805				
Total cash, cash equivalents, and investments	\$ 2,172,141				
Percentage of total portfolio	100.0%	50.9%	22.7%	26.4%	

\* Includes \$1,113,000 and \$12,770,000 of cash as of December 31, 2025 and 2024, respectively.

### Investment Authorized by Debt Agreements

Investment from Fuel Hydrant debt proceeds held by bond trustees is governed by provisions of the debt agreements and subject to compliance with state law. In May 2003, the Port issued Fuel Hydrant Special Facility Revenue Bonds of \$121,140,000 to pay for all or a portion of the costs of the acquisition, design, and construction by the Port of jet aircraft fuel storage and delivery facilities at SEA. These bonds were fully refunded by the Series 2013 Fuel Hydrant

Special Facility Revenue Refunding Bonds in June 2013. The fuel hydrant facility financing is administered by Computershare Corporate Trust (Trustee).

The following tables identify the types and concentration of investments by issuer and maturities of the Fuel Hydrant Investment Pool (in thousands). As of December 31, 2025 and 2024, 100% and 64.7%, respectively, of the Fuel Hydrant Investment Pool was invested in the GVIXX with security holdings having maturity limits no longer than 13 months. The GVIXX holds securities authorized by the statutes, which means at least 80% of the investments are in U.S. government obligations, including repurchase agreements collateralized by U.S. government obligations. The remainder of the GVIXX was invested in AAA rated high-quality, short-term money market instruments. Current credit ratings of the GVIXX are AAAM from S&P and Aaa-mf from Moody's. S&P rates the creditworthiness of money market funds from AAAM (highest) to Dm (lowest). Moody's rates the creditworthiness of money market funds from Aaa-mf (highest) to C-mf (lowest). A portion of the proceeds from the Fuel Hydrant bonds, along with monthly facilities rent, is held by the Trustee to satisfy the debt service reserve fund requirement, to make debt service payments, and to pay the Trustee and other bond-related fees.

Investment type	Fair value	Maturities (in Years)			Percentage of total portfolio
		Less than 1	1-3	More than 3	
<b>2025</b>					
Allspring Government Money Market Fund	\$ 9,660	\$ 9,660	\$	\$	100.0%
Total portfolio	\$ 9,660	\$ 9,660	\$	\$	100.0%
Accrued interest receivable	30				
Total cash, cash equivalents, and investments	\$ 9,690				
Percentage of total portfolio	100.0%	100.0%			
<b>2024</b>					
Allspring Government Money Market Fund	\$ 7,139	\$ 7,139	\$	\$	64.7%
Level 2					
Federal agencies securities:					
Federal National Mortgage Association	3,893	3,893			35.3
Total portfolio	\$ 11,032	\$ 11,032	\$	\$	100.0%
Accrued interest receivable	31				
Total cash, cash equivalents, and investments	\$ 11,063				
Percentage of total portfolio	100.0%	100.0%			

### Interest Rate Risk

Interest rate risk is the risk that an investment's fair value decreases as market interest rates rise. The Port manages its exposure to this risk by setting maturity limits and duration targets in its investment policy. The investment pool is managed similarly to a short-term fixed income fund. The modified duration of the portfolio, by policy, has a target of 2 plus or minus 50 basis points. A target of 2 is an approximate average life of 27 months. For 2025 and 2024, the modified duration of the portfolio was approximately 1.8 and 2, respectively. Securities in the portfolio cannot have a maturity longer than 10 years from the settlement date. The LGIP is limited to high-quality obligations with limited maximum (in general, final maturity will not exceed 397 days) and average maturities [weighted average maturity (WAM) will not exceed 60 days], the effect of which is to minimize both market and credit risk. High-quality, highly liquid securities with relatively short average maturities, reduce the LGIP's price sensitivity to market interest rate fluctuations. As of December 31, 2025 and 2024, the LGIP WAM was 43 days and 24 days, respectively.

As of December 31, 2025, the Fuel Hydrant Investment Pool was invested 100% in the Allspring money market fund, GVIXX. During 2025, agency bonds held in the Pool at the prior year-end matured, resulting in the Pool's full transition into GVIXX. As GVIXX does not have a stated maturity date, the modified duration of the Pool was 0 as of December 31, 2025 compared to approximately 0.7 as of December 31, 2024. As of December 31, 2025 and 2024, \$9,660,000 and

\$7,139,000, respectively, of the Fuel Hydrant Investment Pool was invested in the GVIXX. These investments were uninsured and registered in the name of the Trustee.

### Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Port will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To mitigate this risk, the Port's investment policy requires that all security transactions, including repurchase agreements, be settled on a delivery versus payment basis. This means that payment is made simultaneously with the receipt of the securities. The securities are delivered to the Port's safekeeping bank, except for the LGIP. The LGIP investment policy requires that both purchased and collateral securities be held by the master custodian, currently Northern Trust, acting as an independent third party, in its safekeeping or trust department. LGIP participants may contribute and withdraw funds on a daily basis. Participants must inform the OST of any contribution or withdrawal over \$1 million no later than 9 a.m. on the same day the transaction is made. Contributions or withdrawals for \$1 million or less can be requested at any time before 10 a.m. on the day of the transaction. However, participants may complete transactions greater than \$1 million when notification is made between 9 a.m. and 10 a.m., at the sole discretion of the OST. All participants are required to file with the OST documentation containing the names and titles of the officials authorized to contribute or withdraw funds.

## Note 3. Accounting for Leases

### Lessee Arrangements

The Port leases buildings and equipment under a variety of long-term and noncancellable lease agreements. These leases expire at various dates, and certain leases include renewal options. The Port records the intangible lease assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. Variable payments, other than those payments that depend on an index or rate or are fixed in substance, are excluded from the measurement of the lease liability. For the years ended December 31, 2025, and 2024, the Port's operating expenses from variable payments, excluded from the measurement of lease liability, were \$2,547,000 and \$2,292,000, respectively. The Port did not incur expenses related to residual value guarantees, termination penalties, or losses due to impairment. The Port does not have commitments for leases that have not commenced as of December 31, 2025. During 2025, the Port commenced four new long-term facility lease arrangements. Two ground leases for MasterPark parking lots adjacent to SEA began during the year, with lease terms of 30 years and 25 years, respectively. A sublease of a third MasterPark lot also commenced in 2025 with a term of approximately 26.8 years. Additionally, the Port entered into a ground lease with a term of approximately 39 years in connection with the acquisition of International Place.

Minimum future lease payments are as follows (in thousands):

<b>Years ended December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 913	\$ 8,063	\$ 8,976
2027	680	8,029	8,709
2028	615	7,999	8,614
2029	693	7,971	8,664
2030	920	7,935	8,855
2031–2035	9,405	38,681	48,086
2036–2040	19,674	35,491	55,165
2041–2045	33,789	29,584	63,373
2046–2050	52,916	19,971	72,887
2051–2055	54,683	6,735	61,418
2056–2060	2,716	920	3,636
2061–2064	2,657	251	2,908
<b>Total</b>	<b>\$ 179,661</b>	<b>\$ 171,630</b>	<b>\$ 351,291</b>

### Lessor Arrangements—Regulated Leases

The Port has a variety of long-term and noncancellable regulated leases of land; facilities and improvements; and equipment, furniture, and fixtures for aeronautical use, including but not limited to airfield, air cargo operations,

aircraft hangars, air terminal, fuel delivery system, hardstand operations, international arrival facility, and maintenance facilities for aircraft and ground equipment. These leases are subject to external laws, regulations, or legal rulings, such as the U.S. Department of Transportation, and the Federal Aviation Administration regulates aviation leases between airports and air carriers, and other aeronautical users. Most leases have fixed receipts or variable receipts that are fixed in substance. Regulated leases are excluded from the measurement of lease receivable and deferred inflows of resources. Revenues are recognized based on payment provisions of the respective regulated leases.

Below are the Port's two major leases, Signatory Lease and Operating Agreement (SLOA) V and Fuel System Lease Agreement, that contributed more than 95% of total revenues from regulated leases in 2023, 2024, and 2025.

### **SLOA V**

SLOA V is effective from January 1, 2025 to December 31, 2034. It uses a hybrid-compensatory rate setting methodology to recover both operating and capital costs by cost center for the use of landing, ramp tower, apron, terminal rent, and international arrival facilities. The 2024 and 2023 comparative data below reflect activity under SLOA IV, which used the same methodology and governed the period January 1, 2018 through December 31, 2024.

Key provisions carried forward from SLOA IV include: (1) capital recovery formulas that include cash-funded assets dating back to 1992, (2) no recovery of costs for vacant publicly accessible office space (all other airline-occupied space is fully cost-recovered), and (3) full recovery of annual airline-allocated debt service unless a higher charge is needed to maintain the Port's minimum 1.25 times SEA revenue bond coverage ratio. New provisions in SLOA V include: (1) support for a significant capital investment plan estimated at \$8 billion over the term, (2) enhanced airline engagement in the planning and delivery of projects with costs in excess of \$300 million, (3) updated gate management protocols to ensure operational flexibility during major construction, (4) strengthened collaboration with airlines through the Airline Airport Affairs Committee, (5) an option for airlines to reduce their leased space by up to 25% after January 1, 2030, and (6) a process for potential financial review and adjustments if both project costs and fiscal impacts exceed certain thresholds. Annual settlement calculations under SLOA V will continue to compare revenue requirements and invoices billed for each cost center and all airlines.

For the years ended December 31, 2025, 2024, and 2023, SEA had SLOA V (and SLOA IV for 2024 and 2023) with 41, 44, and 42 airlines, respectively. In 2025, 2024, and 2023, certain airlines had preferential use of the following capital assets: 67 gates and 60 passenger loading bridges each year; 65,000, 42,000, and 42,000 square feet of ticket counters; 98,000, 87,000, and 78,000 square feet of baggage make up devices; 312,000, 299,000, and 298,000 square feet of offices and storages, respectively. Five major airlines accounted for 97.7%, 94.9%, and 92.1%, of total revenues generated from preferential use of these capital assets in 2025, 2024, and 2023, respectively.

SLOA V settlement calculations are completed each year by comparing revenue requirements and invoices billed for each cost center and all airlines. Due to the variable nature of the annual settlement, expected SLOA V minimum future lease receipts are indeterminable.

### **Fuel System Lease Agreement**

In 2003, the Port leased its fuel facility to SeaTac Fuel Facilities LLC, a limited liability company formed by a consortium of airlines, to provide jet fuel storage and distribution to commercial air carriers at SEA. Receipts of the facility rent are made directly to a trustee, in the amounts and at the times required, to pay the principal and premium, if any, and interest on the Special Facility Revenue Bonds. The bonds were issued to pay for all or a portion of the costs of the acquisition, design, and construction by the Port for the jet aircraft fuel storage and delivery facilities at SEA. The lease, which represents an unconditional obligation of the lessee, extends until the later of July 31, 2033, or the repayment of the bonds. All special facility lease revenues are restricted and are to be used solely for debt service on the bonds and not for Port operations.

For the years ended December 31, 2025, 2024, and 2023, the Port recognized fuel hydrant facility revenues and operating revenues related to other regulated leases, which are either fixed receipts or variable receipts that are fixed in substance, of \$25,716,000, \$23,336,000, and \$20,198,000, respectively.

Minimum future lease receipts for fuel system lease and other regulated leases are as follows (in thousands):

<b>Years ended December 31,</b>	<b>Fuel System Lease</b>	<b>Other</b>	<b>Total</b>
2026	\$ 6,986	\$ 19,418	\$ 26,404
2027	6,986	18,916	25,902
2028	7,006	15,634	22,639
2029	7,017	9,950	16,967
2030	7,018	8,579	15,597
2031–2035	12,866	21,674	34,540
2036–2037		2,453	2,453
<b>Total</b>	<b>\$ 47,879</b>	<b>\$ 96,624</b>	<b>\$ 144,502</b>

Additionally, for the years ended December 31, 2025, 2024, and 2023, the Port's operating revenues for variable receipts not included in the minimum future lease receipts, including but not limited to SLOA V (and SLOA IV for 2024 and 2023), were \$509,093,000, \$490,133,000 and \$451,279,000, respectively.

### Lessor Arrangements—Non-Regulated Leases

The Port has a variety of long-term and noncancellable leases with tenants for the use of properties, primarily land, buildings, and infrastructure, including Aviation Division nonaeronautical land and facilities, such as airport dining and retail space, RCF, and commercial properties; and Maritime Division cruise terminals, grain terminal, and maritime industrial and commercial properties. These leases expire at various dates and certain leases include renewal options. The Port also has a variety of variable receipts clauses among its leases, which include rents dependent on indexes (such as the Consumer Price Index (CPI)), fair market value appraisal, concessions based on the tenant's future performance (such as revenues or volumes) and usage of the underlying asset or minimum annual guarantees determined by the preceding year's revenues. Only fixed receipts and components of variable receipts that are fixed in substance are included in the measurement of the lease receivable and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases.

For the years ended December 31, 2025, 2024, and 2023, the total amount of lease revenues and lease interest income recognized was \$63,634,000, \$54,123,000, and \$36,546,000, respectively.

Minimum future lease receipts for non-regulated leases are as follows (in thousands):

<b>Years ended December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 36,685	\$ 28,731	\$ 65,416
2027	34,212	27,277	61,489
2028	33,154	25,903	59,057
2029	31,946	24,564	56,510
2030	31,970	23,268	55,238
2031–2035	137,283	98,552	235,835
2036–2040	108,778	69,575	178,353
2041–2045	41,815	56,028	97,843
2046–2050	42,572	48,421	90,993
2051–2055	43,549	40,019	83,568
2056–2060	40,211	31,962	72,173
2061–2065	46,232	23,310	69,542
2066–2070	56,069	12,894	68,963
2071–2075	31,967	2,577	34,544
<b>Total</b>	<b>\$ 716,443</b>	<b>\$ 513,081</b>	<b>\$ 1,229,524</b>

Additionally, for the years ended December 31, 2025, 2024, and 2023, the Port's operating revenues from variable receipts, excluded from the measurement of lease receivable, were \$184,793,000, \$154,063,000, and \$159,179,000, respectively.

## Note 4. Capital Assets

Capital assets consist of the following at December 31 (in thousands):

<b>2025</b>	<b>Beginning balance</b>	<b>Additions/ transfers</b>	<b>Retirements/ transfers</b>	<b>Ending balance</b>
Capital assets, not being depreciated:				
Land and air rights	\$ 2,050,179	\$ 5,534	\$ (359)	\$ 2,055,354
Art collections and others	14,382	5,454		19,836
Total	2,064,561	10,988	(359)	2,075,190
Capital assets being depreciated:				
Facilities and improvements	7,210,152	448,125	(68,473)	7,589,804
Equipment, furniture, and fixtures	1,260,478	102,302	(19,685)	1,343,095
Total	8,470,630	550,427	(88,158)	8,932,899
Capital assets being amortized:				
Intangible lease land and facilities	739	179,543		180,282
Intangible lease equipment	2,251	1,197	(734)	2,714
Intangible subscription assets	42,858	11,280	(1,767)	52,371
Total	45,848	192,020	(2,501)	235,367
Total capital assets	10,581,039	753,435	(91,018)	11,243,456
Less accumulated depreciation for:				
Facilities and improvements	(3,016,559)	(201,243)	56,473	(3,161,329)
Equipment, furniture, and fixtures	(493,613)	(83,840)	19,001	(558,452)
Less accumulated amortization for:				
Intangible lease land and facilities	(95)	(4,460)		(4,555)
Intangible lease equipment	(1,230)	(901)	734	(1,397)
Intangible subscription assets	(16,683)	(7,912)	1,662	(22,933)
Total	(3,528,180)	(298,356)	77,870	(3,748,666)
Construction work in progress	848,356	982,481	(563,912)	1,266,925
Total capital assets—net	\$ 7,901,215	\$ 1,437,560	\$ (577,060)	\$ 8,761,715

(Continued)

<b>2024</b>	<b>Beginning balance</b>	<b>Additions/ transfers</b>	<b>Retirements/ transfers</b>	<b>Ending balance</b>
Capital assets, not being depreciated:				
Land and air rights	\$ 2,039,717	\$ 10,462	\$	\$ 2,050,179
Art collections and others	14,092	290		14,382
Total	2,053,809	10,752		2,064,561
Capital assets being depreciated:				
Facilities and improvements	6,874,730	449,898	(114,476)	7,210,152
Equipment, furniture, and fixtures	1,051,871	228,042	(19,435)	1,260,478
Total	7,926,601	677,940	(133,911)	8,470,630
Capital assets being amortized:				
Intangible lease land and facilities	3,930	739	(3,930)	739
Intangible lease equipment	3,785	1,059	(2,593)	2,251
Intangible subscription assets	30,696	13,442	(1,280)	42,858
Total	38,411	15,240	(7,803)	45,848
Total capital assets	10,018,821	703,932	(141,714)	10,581,039
Less accumulated depreciation for:				
Facilities and improvements	(2,872,887)	(195,642)	51,970	(3,016,559)
Equipment, furniture, and fixtures	(438,241)	(72,954)	17,582	(493,613)
Less accumulated amortization for:				
Intangible lease land and facilities	(3,371)	(654)	3,930	(95)
Intangible lease equipment	(2,446)	(875)	2,091	(1,230)
Intangible subscription assets	(10,036)	(7,792)	1,145	(16,683)
Total	(3,326,981)	(277,917)	76,718	(3,528,180)
Construction work in progress	720,694	780,451	(652,789)	848,356
Total capital assets—net	\$ 7,412,534	\$ 1,206,466	\$ (717,785)	\$ 7,901,215

(Concluded)

### SBITAs

The Port has a variety of long-term and noncancellable SBITAs for the right to use information technology software, alone or in combination with hardware. These SBITAs expire at various dates, and certain SBITAs include an option to renew. The Port records the intangible subscription assets and subscription liabilities based on the present value of expected payments over the subscription term of the respective SBITAs plus any subscription payments made before placing the intangible subscription assets into service and capitalizable implementation costs. Variable payments, other than those payments that depend on an index or rate or are fixed in substance, are excluded from the measurement of the subscription liability. The Port does not have any SBITAs with variable payments. The Port did not incur expenses related to termination penalties or losses due to impairment. The Port does not have commitments for SBITAs that have not commenced as of December 31, 2025.

Minimum future subscription payments are as follows (in thousands):

<b>Years ended December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 5,483	\$ 842	\$ 6,325
2027	6,035	577	6,612
2028	5,503	337	5,840
2029	2,836	160	2,996
2030	842	87	929
2031–2035	1,588	155	1,743
Total	\$ 22,287	\$ 2,158	\$ 24,445

## Note 5. Long-Term Debt

Long-term debt outstanding as of December 31, 2025, consists of the following (in thousands):

Bond type (by Bond issue)	Coupon rates (%)	Maturity dates	Beginning balance	Principal payments and refundings	Issuance	Ending balance
Revenue bonds:						
First lien:						
Series 2009 B-2	0*	2026–2031	\$ 22,000	\$ 4,603	\$	\$ 17,397
Series 2016 B	5	2026–2032	84,505	8,845		75,660
Series 2016 C	2.6–3.32	2026–2032	3,830	435		3,395
Series 2021	5	2026	18,625	9,085		9,540
<b>Total</b>			<b>128,960</b>	<b>22,968</b>		<b>105,992</b>
Intermediate lien:						
Series 2015 C	5	2026–2040	174,570	8,840		165,730
Series 2016	5	2026–2030	99,095	14,540		84,555
Series 2017 A	5	2027–2028	16,705			16,705
Series 2017 B	3.07–3.76	2026–2036	165,875	3,945		161,930
Series 2017 C	5–5.25	2026–2042	271,190	9,515		261,675
Series 2017 D	5	2026–2027	34,880	11,050		23,830
Series 2018 A	3.85–5	2026–2043	418,545	13,570		404,975
Series 2018 B	5	2026–2028	41,940	9,715		32,225
Series 2019	4–5	2026–2044	418,745	12,525		406,220
Series 2021 A	5	2026–2030	11,055	1,625		9,430
Series 2021 B	4–5	2026–2040	133,435	5,645		127,790
Series 2021 C	4–5	2026–2046	455,050	12,035		443,015
Series 2021 D	1.39–2.15	2026–2031	36,460	4,970		31,490
Series 2022 A	5	2026–2033	206,200	16,045		190,155
Series 2022 B	4–5.5	2026–2047	551,615	14,120		537,495
Series 2022 C	3.62–4.09	2026–2032	39,275	4,300		34,975
Series 2024 A	5	2026–2040	168,975	10,020		158,955
Series 2024 B	5–5.25	2026–2049	648,940	16,085		632,855
Series 2025 A	5–5.25	2033–2050			74,235	74,235
Series 2025 B	5–5.5	2028–2050			650,460	650,460
Series 2025 C	3.99–4.49	2028–2032			22,550	22,550
<b>Total</b>			<b>3,892,550</b>	<b>168,545</b>	<b>747,245</b>	<b>4,471,250</b>
Subordinate lien:						
Series 2008	2.5**	2033	123,535	13,200		110,335
Commercial Paper	4.04	2026			120,000	120,000
<b>Total</b>			<b>123,535</b>	<b>13,200</b>	<b>120,000</b>	<b>230,335</b>
<b>Revenue bond totals</b>			<b>\$ 4,145,045</b>	<b>\$ 204,713</b>	<b>\$ 867,245</b>	<b>\$ 4,807,577</b>

(Continued)

\* Capital Appreciation Bonds have a zero coupon rate. The approximate maximum yield to maturity is 7.4%.

\*\* Variable interest rate as of December 31, 2025.

Bond type (by Bond issue)	Coupon rates (%)	Maturity dates	Beginning balance	Principal payments and refundings	Issuance	Ending balance
GO bonds:						
Series 2013 B	2.77	2025	\$ 1,225	\$ 1,225	\$	\$
Series 2017	5	2026–2042	105,925	3,720		102,205
Series 2022 A	5	2026–2029	10,280	1,860		8,420
Series 2022 B	1.6–2.98	2026–2041	71,820	8,695		63,125
Series 2024 A	4–5	2026–2040	94,695	6,910		87,785
Series 2024 B	5	2043–2049	65,745			65,745
Series 2024 C	4.4–5.05	2026–2042	95,775	3,480		92,295
Total			445,465	25,890		419,575
Fuel hydrant special facility revenue bonds:						
Series 2013	3.6–5	2026–2033	47,725	4,865		42,860
Total			47,725	4,865		42,860
Bond totals			4,638,235	235,468	867,245	5,270,012
Unamortized bond premium—net			448,735	48,265	32,152	432,622
Total debt			5,086,970	283,733	899,397	5,702,634
Less current maturities of long-term debt:						
First lien revenue bonds			(22,968)			(23,560)
Intermediate lien revenue bonds			(168,545)			(178,875)
Subordinate lien revenue bonds						(120,000)
GO bonds			(25,890)			(20,240)
Fuel hydrant special facility revenue bonds			(4,865)			(5,045)
Total current maturities of long-term debt			(222,268)			(347,720)
Long-term debt			\$4,864,702			\$5,354,914

(Concluded)

Long-term debt outstanding as of December 31, 2024, consists of the following (in thousands):

Bond type (by Bond issue)	Coupon rates (%)	Maturity dates	Beginning balance	Principal payments and refundings	Issuance	Ending balance
Revenue bonds:						
First lien:						
Series 2009 B-2	0*	2025-2031	\$ 22,000	\$	\$	\$ 22,000
Series 2016 B	5	2025-2032	92,930	8,425		84,505
Series 2016 C	2.5-3.32	2025-2032	4,255	425		3,830
Series 2021	5	2025-2026	27,280	8,655		18,625
Total			146,465	17,505		128,960
Intermediate lien:						
Series 2013	4.5-5	2025-2029	99,785	99,785		
Series 2015 A	3-5	2025-2040	60,055	60,055		
Series 2015 B	5	2025-2035	138,155	138,155		
Series 2015 C	5	2025-2040	182,970	8,400		174,570
Series 2016	4-5	2025-2030	99,095			99,095
Series 2017 A	5	2027-2028	16,705			16,705
Series 2017 B	2.97-3.76	2025-2036	183,760	17,885		165,875
Series 2017 C	5-5.25	2025-2042	280,245	9,055		271,190
Series 2017 D	5	2025-2027	45,385	10,505		34,880
Series 2018 A	3.85-5	2025-2043	431,455	12,910		418,545
Series 2018 B	5	2025-2028	51,180	9,240		41,940
Series 2019	4-5	2025-2044	430,660	11,915		418,745
Series 2021 A	5	2025-2030	12,610	1,555		11,055
Series 2021 B	4-5	2025-2040	138,805	5,370		133,435
Series 2021 C	4-5	2025-2046	481,730	26,680		455,050
Series 2021 D	1.14-2.15	2025-2031	41,395	4,935		36,460
Series 2022 A	5	2025-2033	206,200			206,200
Series 2022 B	4-5.5	2025-2047	569,140	17,525		551,615
Series 2022 C	3.57-4.09	2025-2032	55,095	15,820		39,275
Series 2024 A	5	2025-2040			168,975	168,975
Series 2024 B	5-5.25	2025-2049			648,940	648,940
Total			3,524,425	449,790	817,915	3,892,550
Subordinate lien:						
Series 2008	3.65**	2033	136,395	12,860		123,535
Total			136,395	12,860		123,535
Revenue bond totals			\$ 3,807,285	\$ 480,155	\$ 817,915	\$ 4,145,045

(Continued)

\* Capital Appreciation Bonds have a zero coupon rate. The approximate maximum yield to maturity is 7.4%.

\*\* Variable interest rate as of December 31, 2024.

Bond type (by Bond issue)	Coupon rates (%)	Maturity dates	Beginning balance	Principal payments and refundings	Issuance	Ending balance
GO bonds:						
Series 2013 B	2.77	2025	\$ 1,225	\$	\$	\$ 1,225
Series 2015	4-5	2025-2040	111,030	111,030		
Series 2017	5	2025-2042	109,465	3,540		105,925
Series 2022 A	5	2025-2029	12,055	1,775		10,280
Series 2022 B	1.45-2.98	2025-2041	81,585	9,765		71,820
Series 2024 A	4-5	2025-2040			94,695	94,695
Series 2024 B	5	2043-2049			65,745	65,745
Series 2024 C	4.4-5.2	2025-2042			95,775	95,775
Total			315,360	126,110	256,215	445,465
Fuel hydrant special facility revenue bonds:						
Series 2013	3.45-5	2025-2033	52,400	4,675		47,725
Total			52,400	4,675		47,725
Bond totals			4,175,045	610,940	1,074,130	4,638,235
Unamortized bond premium—net			436,728	71,293	83,300	448,735
Total debt			4,611,773	682,233	1,157,430	5,086,970
Less current maturities of long-term debt:						
First lien revenue bonds			(17,505)			(22,968)
Intermediate lien revenue bonds			(177,450)			(168,545)
GO bonds			(22,230)			(25,890)
Fuel hydrant special facility revenue bonds			(4,675)			(4,865)
Total current maturities of long-term debt			(221,860)			(222,268)
Long-term debt			\$4,389,913			\$ 4,864,702

(Concluded)

### Revenue Bonds

Revenue Bonds are payable from and secured solely by a pledge of net revenues of the Port as defined in the Port's bond resolutions. The pledge of net revenues is broadly applied but certain revenues that are separately pledged or restricted from availability to pay revenue bond debt service are excluded; examples include PFCs, CFCs, SeaTac fuel facility rent, and Stormwater Utility revenue. The Port has established a lien upon net revenues, consisting of a First Lien, Intermediate Lien, and Subordinate Lien. By Washington State law, the Port cannot use its tax levy to pay debt service on Revenue Bonds but can use it to pay operating expenses, thereby increasing revenues available to pay revenue bond debt service.

In August 2025, the Port issued \$747,245,000 in Series 2025A (\$74,235,000), Series 2025B (\$650,460,000), and Series 2025C (\$22,550,000) Intermediate Lien Revenue Bonds to pay for or reimburse costs of capital improvements to Airport facilities. The bonds are also being used to pay a portion of the interest on the bonds during construction and to contribute to the Intermediate Lien Common Reserve Fund, and a portion of each bond series was also used to pay the costs of issuing the bonds. The bonds have coupon rates ranging from 3.99% to 5.50% with maturities ranging from 2028 to 2050. The interest on the Series 2025A Bonds and 2025B Bonds is payable on April 1 and October 1 of each year, commencing on October 1, 2025. The interest on the Series 2025C Bonds is payable on March 1 and September 1 of each year, commencing on March 1, 2026. Certain maturities of Series 2025A and 2025B Bonds are subject to optional redemption by the Port before their scheduled maturities and certain maturities of the Series 2025A and 2025B Bonds are also subject to mandatory sinking fund redemption.

In August 2024, the Port issued \$817,915,000 in Series 2024A (\$168,975,000) and Series 2024B (\$648,940,000) Intermediate Lien Revenue and Refunding Bonds. Series 2024A fully refunded the outstanding Series 2015A Intermediate Lien Revenue Bonds and Series 2015B Revenue Refunding Bonds. Series 2024B was used to pay for or reimburse costs of capital improvements to Airport facilities and to fully refund the outstanding Series 2013 Intermediate Lien Revenue Refunding Bonds. Series 2024B was also used to pay a portion of the interest on the bonds during construction and to contribute to the Intermediate Lien Common Reserve Fund. A portion of each bond series was also used to pay the costs of issuing the bonds. The bonds have coupon rates ranging from 5.0% to 5.25% with maturities ranging from 2025 to 2049. The interest on the Series 2024A Bonds is payable on March 1 and September 1 of each year, commencing on March 1, 2025. The interest on the Series 2024B Bonds is payable on January 1 and July 1 of each year, commencing on January 1, 2025. Certain maturities of Series 2024A and 2024B Bonds are subject to optional redemption by the Port before their scheduled maturities and certain maturities of the Series 2024B Bonds are also subject to mandatory sinking fund redemption. The economic gain resulting from the 2024AB Bonds refunding transaction was \$23,802,000, while the Port also decreased its aggregate debt service payments by \$28,527,000 over the life of the refunding bonds.

### Capital Appreciation Revenue Bonds

In July 2009, the Port issued \$22,000,000 in Series 2009B-2 Taxable Capital Appreciation Revenue Bonds. Interest on the 2009B-2 Bonds is compounded semiannually and is payable upon maturity beginning in 2025. As of December 31, 2025 and 2024, the accreted value of the Series 2009B-2 Taxable Capital Appreciation Revenue Bonds was \$57,537,000 and \$67,659,000, respectively.

### Subordinate Lien Variable Rate Demand Bonds

Included in long-term debt is one series of Subordinate Lien Variable Rate Demand Bonds (VRDB), Series 2008. Series 2008 VRDB bears interest at a weekly rate determined through a remarketing process in which the remarketing agent, currently Morgan Stanley, resets the rate based on market supply and demand for the bonds. The bonds are subject to mandatory tender for purchase and optional redemption before their scheduled maturities. The bonds also contain a “put” feature that, in their current mode, gives bondholders the option to demand payment before the bonds mature, with seven days’ notice delivered to the Port’s remarketing and fiscal agents. These bonds are backed by a letter of credit (LOC).

In 2008, the Port issued \$200,715,000 in Series 2008 Subordinate Lien Revenue Refunding Bonds that have a final maturity date of July 1, 2033. The proceeds were used to fully refund Series 2003C Subordinate Lien Revenue Bonds and to pay the costs of issuing the Series 2008 Bonds. The Port made early principal payments on the bonds, including a payment of \$13,200,000 in 2025 and \$12,860,000 in 2024. As of December 31, 2025 and 2024, there were \$110,335,000 and \$123,535,000, respectively, of the Series 2008 Subordinate Lien Revenue Refunding Bonds outstanding.

On May 1, 2023, the Port entered into a LOC agreement with Bank of America, N.A. in the amount of \$151,111,000 and an expiration date of May 1, 2026. Subsequent to December 31, 2025, the Port amended the LOC agreement with Bank of America, N.A. in April 2026 to extend the expiration date through 2030.

If the remarketing agent is unable to resell any bonds that are “put” within six months of the “put” date, the Port has a reimbursement agreement with Bank of America, N.A. to convert the bonds to an installment loan payable in 10 equal semiannual installments bearing an interest rate no less than 8.5%.

There were no borrowings drawn against the LOC during 2025 and 2024; therefore, there were no outstanding obligations to the LOC provider at December 31, 2025 or 2024.

### Commercial Paper

In September 2020, the Commission approved amendments to the Port’s Subordinate Lien Revenue Notes (commercial paper) program authorizing resolution to extend the expiration until June 1, 2041, and to increase the aggregate authorized principal amount from \$250 million to \$400 million for financing and refinancing capital improvements within the Port, for working capital, and for paying maturing revenue notes of the same series and/or reimbursing the credit providers for advances made. Commercial paper is to have a maturity of no longer than 270 days; upon maturity, the notes are either paid down by the Port or remarketed by Barclays Capital, Inc.

The Port’s commercial paper program is backed by two direct pay LOCs.

- In 2015, the Port amended its LOC reimbursement agreement with Bank of America, N.A., which increased the amount from \$108,000,000 to \$130,000,000. In March 2024, the agreement was amended to extend the expiration date to May 28, 2027, and to modify other terms.

If the Port were to draw liquidity under the reimbursement agreement and the remarketing agent is unable to resell any notes within six months, and if the Port has not replaced the LOC or converted the bonds, the Port is able to convert the commercial paper to an installment loan payable to Bank of America, N.A. in 10 equal, semiannual installments bearing an interest rate of no less than 8.5%.

- In 2015, the Port entered into a LOC reimbursement agreement with Sumitomo Mitsui Banking Corporation (Sumitomo) of \$125,000,000. In September 2023, the agreement was amended to extend the expiration date to September 12, 2028, and to modify other terms.

If the Port were to draw liquidity under the reimbursement agreement and the remarketing agent is unable to resell any notes within six months, and if the Port has not replaced the LOC or converted the bonds, the Port is able to convert the commercial paper to an installment loan payable to Sumitomo in 10 equal, semiannual installments bearing an interest rate of no less than 9.5%.

There were no outstanding obligations to either LOC provider at December 31, 2025 and 2024.

In February 2025, the Port issued \$120,000,000 of commercial paper used to finance the purchase of International Place, a 17.7 acre, three-building office campus adjacent to SEA. The \$120,000,000 remained outstanding at December 31, 2025.

### GO Bonds

GO Bonds are limited tax general obligations of the Port. The Port has statutory authority to levy non-voted property taxes for general purposes and to pay debt service on its limited tax general obligation bonds. The Port has covenanted to make annual levies of ad valorem taxes in amounts sufficient, together with other legally available funds, to pay the principal of and interest on GO Bonds as they shall become due. GO Bondholders do not have a security interest in specific revenues or assets of the Port.

In July 2024, the Port issued \$256,215,000 in Series 2024A (\$94,695,000), Series 2024B (\$65,745,000), and Series 2024C (\$95,775,000) Limited Tax GO and Refunding Bonds. Series 2024A was used to fully refund the Port's outstanding Series 2015 Limited Tax GO and Refunding Bonds and to pay the costs of issuing the bonds. Series 2024B and Series 2024C were used to finance eligible Port costs and to pay the costs of issuing the bonds. The bonds have coupon rates ranging from 4.0% to 5.2% with maturities ranging from 2025 to 2049. The interest on the Series 2024A, Series 2024B, and Series 2024C Bonds is payable on June 1 and December 1 of each year, commencing on December 1, 2024. Certain maturities of Series 2024A and Series 2024B Bonds are subject to optional redemption before their scheduled maturities. The economic gain resulting from the 2024 ABC Bonds refunding transaction was \$4,867,000, while the Port also decreased its aggregate debt service payments by \$6,285,000 over the life of the refunding bonds.

### Fuel Hydrant Special Facility Revenue Bonds

In May 2003, the Port issued Fuel Hydrant Special Facility Revenue Bonds of \$121,140,000 to pay for all or a portion of the costs of the acquisition, design, and construction by the Port of jet aircraft fuel storage and delivery facilities at SEA. In June 2013, the Port issued \$88,660,000 in Series 2013 Fuel Hydrant Special Facility Revenue Refunding Bonds, which were used to fully refund the outstanding Series 2003 Fuel Hydrant Special Facility Revenue Bonds and to pay the costs of issuing the bonds.

The Port undertook the development of the fuel system to lower the cost of fuel service at SEA, improve SEA safety by reducing the need for fuel trucks to operate on the airfield, and address environmental concerns created by the original fuel system. This fuel hydrant facility was fully operational in 2006. The fuel facility is leased to a limited liability company formed by a consortium of airlines to provide jet fuel storage and distribution at SEA. The Port owns the system and the consortium will oversee day-to-day management. The consortium is obligated to collect the fuel system fees and to make monthly rent payments, including a base rent for the land, to the Port and facilities rent to the trustee. Facilities rent is established at an amount sufficient to pay semiannual debt service, replenish any deficiency in the debt service reserve fund, and pay other fees associated with the bonds, including the trustee fee.

In addition, the consortium has provided a guaranty and a security agreement to the trustee, securing the consortium's obligation to pay principal and interest on the bonds. Proceeds from the bonds are held by the trustee. At December 31, 2025 and 2024, there were \$9,660,000 and \$11,032,000, respectively, of Fuel Hydrant Special Facility Revenue Bonds proceeds and rent payments held for debt service reserve fund and debt service payments. The unspent bond proceeds were reported as current restricted cash and cash equivalents and restricted long-term investments. Additional information on the investment of the unspent bond proceeds of the Fuel Hydrant Special Facility Revenue Bonds can be found in Note 2 in the accompanying Notes to Financial Statements.

Fuel Hydrant Special Facility Revenue Bonds of \$42,860,000 and \$47,725,000 were outstanding as of December 31, 2025 and 2024, respectively.

### Events of Default, Termination, and Acceleration Clauses

In the event of a default, owners of Port bonds may pursue remedies available under the terms of respective bond resolutions but are limited to such actions that may be taken at law or in equity. No mortgage or security interest has been granted or lien created in any real property of the Port to secure the payment of any of the Port's bonds. Port bonds are not subject to acceleration upon an event of default.

### Arbitrage Rebate

The Port monitors the existence of any rebatable arbitrage interest income associated with its tax-exempt debt. The rebate is based on the differential between the interest earnings from the investment of the bond proceeds and the interest expense associated with the respective bonds. Each outstanding bond issue has potential arbitrage rebatable earnings; however, management estimates indicated that no arbitrage rebate liability existed as of December 31, 2025 and 2024.

### Schedule of Debt Service

Total debt service requirements to maturity for bonds are as follows (in thousands):

Years ended December 31,	Principal	Interest	Total
2026	\$ 347,720	\$ 255,853	\$ 603,573
2027	242,012	240,557	482,569
2028	257,177	230,032	487,209
2029	253,692	221,138	474,830
2030	260,446	209,331	469,777
2031–2035	1,290,515	808,470	2,098,985
2036–2040	1,124,980	527,371	1,652,351
2041–2045	954,130	266,114	1,220,244
2046–2050	539,340	71,028	610,368
<b>Total</b>	<b>\$ 5,270,012</b>	<b>\$ 2,829,894</b>	<b>\$ 8,099,906</b>

## Note 6. Conduit Debt

The Port has conduit debt obligations totaling \$66,025,000 at December 31, 2025 and 2024, which are not a liability or contingent liability of the Port. The Port has not recorded these obligations, or the related assets, on the accompanying financial statements, as the Port has no obligation for the outstanding bonds beyond what is provided in the leasing arrangements.

Since 1982, the Port, through its blended component unit, the IDC, has issued tax-exempt nonrecourse revenue bonds to finance industrial development of transshipment, manufacturing, airport, dock, and wharf facilities within the corporate boundaries of the Port. These revenue bonds are secured by revenues derived from the industrial development facilities funded by the revenue bonds and leased to the IDC. No ad valorem tax levy revenues or other revenues of the Port (other than the IDC lease revenues) are pledged to pay the debt service on the bonds, and no liens (other than the IDC properties) are pledged as collateral for the debt.

## Note 7. Long-Term Liabilities

The following is a summary of the long-term liabilities activity for the years ended December 31 (in thousands):

	Beginning balance	Additions	Reductions	Ending balance	Current portion	Long-term portion
<b>2025</b>						
Net pension liability	\$ 18,961	\$ 3,773	\$ (10,773)	\$ 11,961	\$	\$ 11,961
Environmental remediation liability <sup>(a)</sup>	241,432	31,947	(24,598)	248,781	31,299	217,482
Bonds interest payable	45,659	4,378	(9,897)	40,140	10,220	29,920
Total OPEB liability	16,736	1,433	(2,015)	16,154		16,154
Lease and subscription liabilities <sup>(a)</sup>	20,579	188,917	(7,548)	201,948	6,396	195,552
Compensated absences liability <sup>(b)</sup>	49,294	46,700	(41,700)	54,294	44,157	10,137
Lease securities and other	8,091	3,783	(848)	11,026		11,026
<b>Total</b>	<b>\$ 400,752</b>	<b>\$ 280,931</b>	<b>\$ (97,379)</b>	<b>\$ 584,304</b>	<b>\$ 92,072</b>	<b>\$ 492,232</b>
<b>2024</b>						
Net pension liability	\$ 24,001	\$ 4,786	\$ (9,826)	\$ 18,961	\$	\$ 18,961
Environmental remediation liability <sup>(a)</sup>	133,036	130,382	(21,986)	241,432	14,143	227,289
Bonds interest payable	40,917	4,742		45,659		45,659
Total OPEB liability	16,957	1,039	(1,260)	16,736		16,736
Lease and subscription liabilities <sup>(a)</sup>	16,502	13,806	(9,729)	20,579	2,621	17,958
Compensated absences liability <sup>(b)</sup>	43,972	41,408	(36,086)	49,294	40,138	9,156
Lease securities and other	8,384	416	(709)	8,091		8,091
<b>Total</b>	<b>\$ 283,769</b>	<b>\$ 196,579</b>	<b>\$ (79,596)</b>	<b>\$ 400,752</b>	<b>\$ 56,902</b>	<b>\$ 343,850</b>

<sup>(a)</sup> The current portion of the environmental remediation liability as well as lease and subscription liabilities are included in the accounts payable and accrued expenses in the Statement of Net Position.

<sup>(b)</sup> The current portion of the compensated absences liability is reported under payroll and taxes payable, while the long-term portion is classified within lease securities and other long-term liabilities in the Statement of Net Position.

## Note 8. Enterprise Fund Pension Plans

Substantially all of the Port's full-time and qualifying part-time employees participate in one of the following statewide public employee retirement plans administered by the DRS. The State Legislature establishes and amends laws pertaining to the creation and administration of all public employee retirement systems.

### Public Employees' Retirement System (PERS)

#### Plan Description

PERS retirement benefit provisions are contained in Chapters 41.34 and 41.40 RCW. PERS is a cost-sharing, multiple-employer retirement system composed of three separate pension plans for membership purposes. PERS Plan 1 and PERS Plan 2 are defined benefit plans. PERS Plan 3 is a defined benefit plan with a defined contribution component. Participants who joined PERS by September 30, 1977 are Plan 1 members. Plan 1 is closed to new entrants. Those joining thereafter are enrolled in Plan 2 or Plan 3.

PERS is composed of and reported as three separate plans for accounting purposes. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only belong to either Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as the terms of the plans define. Therefore, Plan 2/3 is considered a single plan for accounting purposes.

Retirement benefits are financed by employee and employer contributions and investment earnings. All plans provide retirement and disability benefits, annual cost-of-living adjustments (COLAs), and death benefits to plan members and beneficiaries. Under PERS plans, annual cost-of-living allowances are based on the CPI, capped at 3% annually.

### Vesting

Both PERS Plan 1 and Plan 2 members are vested after the completion of five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service, or after five years of service if 12 months of that service are earned after age 44.

### Benefits Provided

PERS Plan 1 retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service, capped at 60%. AFC is the average of the member's 24 consecutive highest-paid service credit months. Plan 1 members are eligible for retirement from active status at any age after 30 years of service, at age 55 with at least 25 years of service, or at age 60 with five years of service. Members retiring from inactive status before the age of 65 may receive actuarially-reduced benefits.

PERS Plan 2/3 retirement benefits are determined as 2% of the member's AFC times the member's years of service for Plan 2 and 1% of the member's AFC for Plan 3. AFC is the monthly average of the member's 60 consecutive highest-paid service credit months. PERS Plan 2/3 has no cap on years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by a factor that varies according to age for each year before age 65.

### Contributions

Each biennium, the Washington State Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS Plan 3 employer contribution rates. The PERS Plan 1 member contribution rate is established by statute. The PERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary (OSA) to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 unfunded actuarial accrued liability (UAAL). PERS Plan 3 members can choose their contribution from six contribution rate options ranging from 5% to 15%. Once an option has been selected, the employee contribution rate choice is irrevocable unless the employee changes employers. All employers are required to contribute at the level established by the legislature.

The PERS Plans required contribution rates (expressed as a percentage of covered payroll), excluding an administrative expense of 0.20%, from the employer contribution rate, for the years ended December 31, were as follows:

	Effective date	PERS Plan 1	PERS Plan 2	PERS Plan 3
<b>2025</b>				
Port	Jan 1 to Jun 30	8.91%	8.91%	8.91%
	Jul 1 to Dec 31	5.38	5.38	5.38
Plan member	Jan 1 to Jun 30	6.00	6.36	varies
	Jul 1 to Dec 31	6.00	5.38	varies
<b>2024</b>				
Port	Jan 1 to Jun 30	9.33%	9.33%	9.33%
	Jul 1 to Aug 31	8.83	8.83	8.83
	Sep 1 to Dec 31	8.91	8.91	8.91
Plan member	Jan 1 to Dec 31	6.00	6.36	varies

For the years ended December 31, the Port's employer contributions, excluding administrative expense, made to the PERS Plan 1 and PERS Plan 2/3 were as follows (in thousands):

	PERS Plan 1	PERS Plan 2/3
2025	\$ 29	\$ 16,872
2024	33	18,143
2023	33	17,327

**Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF)**

**Plan Description**

LEOFF’s retirement benefit provisions are contained in Chapters 41.26 and 41.45 RCW. LEOFF is a cost-sharing, multiple-employer retirement system comprising two separate defined benefit pension plans for both membership and accounting purposes. Participants who joined LEOFF by September 30, 1977 are Plan 1 members. LEOFF Plan 1 was closed to new entrants. Those joining thereafter are enrolled in LEOFF Plan 2. Membership includes all full-time local law enforcement officers and fire fighters.

Retirement benefits are financed from employee and employer contributions, investment earnings, and legislative appropriation. The legislature, by means of a special funding arrangement, appropriates money from the State General Fund to supplement the current service liability and fund the prior service costs of LEOFF Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the State constitution and could be changed by statute.

Both plans provide retirement and disability benefits, annual COLAs, and death benefits to plan members and beneficiaries. Under LEOFF Plan 2, annual cost-of-living allowances are based on the CPI, capped at 3% annually.

**Vesting**

Both LEOFF Plans’ members are vested after the completion of five years of eligible service.

**Benefits Provided**

LEOFF Plan 1 retirement benefits are determined per year of service and are calculated as a percentage of Final Average Salary (FAS) as follows:

<b>Terms of service</b>	<b>Percentage of FAS</b>
5 to 9 years	1.0%
10 to 19 years	1.5
20 or more years	2.0

FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the consecutive highest-paid 24 months’ salary within the last 10 years of service. Members are eligible for retirement with five years of service at age 50.

LEOFF Plan 2 retirement benefits are calculated using 2% of the member’s FAS times the member’s years of service. FAS is the monthly average of the member’s 60 consecutive highest-paid service credit months. Members are eligible for retirement with a full benefit at age 53 with at least five years of service credit. Members who retire before age 53 receive reduced benefits. If the member has at least 20 years of service and is age 50 to 52, the reduction is 3% for each year before age 53. Otherwise, the benefits are actuarially reduced for each year before age 53.

**Contributions**

LEOFF Plan 1 is fully funded, and no further employer or employee contributions have been required since June 2000. Each biennium, the LEOFF Plan 2 Retirement Board has a statutory duty to set the employer and employee contribution rates for LEOFF Plan 2, based on the recommendations by the OSA, to fully fund LEOFF Plan 2. All employers are required to contribute at the level established by the legislature.

The LEOFF Plans required contribution rates (expressed as a percentage of covered payroll), excluding an administrative expense of 0.20% from the employer contribution rate, for the years ended December 31, were as follows:

	Effective date	LEOFF Plan 2 (Fire fighters)	LEOFF Plan 2 (Police officers)
<b>2025</b>			
Port	Jan 1 to Dec 31	5.12%	8.53%
Plan member	Jan 1 to Dec 31	8.53	8.53
<b>2024</b>			
Port	Jan 1 to Dec 31	5.12%	8.53%
Plan member	Jan 1 to Dec 31	8.53	8.53

For the years ended December 31, 2025, 2024, and 2023, the Port's employer contributions, excluding administrative expenses, made to LEOFF Plan 2 were \$3,170,000, \$3,050,000, and \$2,821,000, respectively.

### Public Safety Employees' Retirement System (PSERS)

#### Plan Description

PSERS retirement benefit provisions are contained in Chapters 41.37 and 41.45 RCW. PSERS is a cost-sharing, multiple-employer retirement system composed of a single defined benefit plan, PSERS Plan 2, for both accounting and membership purposes. PSERS membership includes certain public employees whose jobs contain a high degree of physical or psychological risk to their own personal safety. House Bill 1055, passed in 2023, expanded the eligibility of the plan to certain public safety telecommunicators, effective June 1, 2024. The Port began enrolling employees in the PSERS starting in July 2024.

Retirement benefits are financed by employee and employer contributions and investment earnings. PSERS Plan 2 provides retirement and disability benefits, annual COLAs, and death benefits to plan members and beneficiaries. Under PSERS Plan 2, annual cost-of-living allowances are based on the CPI, capped at 3% annually.

#### Vesting

PSERS Plan 2 members are vested after the completion of five years of eligible service.

#### Benefits Provided

PSERS Plan 2 retirement benefits are determined as 2% of the member's AFC times the member's years of service. AFC is the monthly average of the member's 60 consecutive highest-paid service credit months. PSERS Plan 2 has no cap on years of service credit. Retirement before age 65 is considered early retirement under PSERS Plan 2. Members are eligible for full retirement benefits at age 65 with at least five years of service, or at age 60 with at least ten years of service. Members can also retire as early as age 53 with at least 20 years of service credit, but in that case, their benefit is reduced by 3% for each year their retirement age is under 60. If a survivor benefit is selected, the retirement benefit is actuarially reduced to account for the survivor option.

#### Contributions

Each biennium, the Washington State Pension Funding Council adopts PSERS Plan 2 employer and employee contribution rates. The PSERS Plan 2 employer and employee contribution rates are developed by the OSA to fully fund Plan 2. All employers are required to contribute at the level established by the legislature. The employer rate includes a component to address the PERS Plan 1 UAAL.

The PSERS Plan 2 required contribution rates (expressed as a percentage of covered payroll), excluding an administrative expense of 0.20% from the employer contribution rate, for the years ended December 31 were as follows:

	Effective date	PSERS Plan 2
<b>2025</b>		
Port	Jan 1 to Jun 30	9.31%
	Jul 1 to Dec 31	6.91
Plan member	Jan 1 to Jun 30	6.76
	Jul 1 to Dec 31	6.91
<b>2024</b>		
Port	Jan 1 to Jun 30	9.70%
	Jul 1 to Aug 31	9.20
	Sep 1 to Dec 31	9.31
Plan member	Jan 1 to Dec 31	6.73

For the years ended December 31, 2025 and 2024, the Port's employer contributions, excluding administrative expenses, made to PSERS Plan 2 were \$134,000 and \$60,000, respectively.

#### Pension Asset (Liability), Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At December 31, the amount recognized by the Port as its proportionate share of the net pension asset (liability), the related State support for LEOFF Plan 2 only, and the total portion of the net pension asset (liability) that was associated with the Port, were as follows (in thousands):

	PERS Plan 1	PERS Plan 2/3	LEOFF Plan 1	LEOFF Plan 2	PSERS Plan 2
<b>2025</b>					
Port's proportionate share of the net pension (liability) asset	\$(11,961)	\$ 48,805	\$ 2,144	\$ 21,541	\$ 43
State's proportionate share of the net pension asset associated with the Port				13,825	
<b>Total</b>	<b>\$(11,961)</b>	<b>\$ 48,805</b>	<b>\$ 2,144</b>	<b>\$ 35,366</b>	<b>\$ 43</b>
<b>2024</b>					
Port's proportionate share of the net pension (liability) asset	\$(17,278)	\$ 40,314	\$ 2,153	\$ 22,332	\$
State's proportionate share of the net pension asset associated with the Port				14,492	
<b>Total</b>	<b>\$(17,278)</b>	<b>\$ 40,314</b>	<b>\$ 2,153</b>	<b>\$ 36,824</b>	<b>\$</b>

For the years ended December 31, 2025 and 2024, the net pension asset (liability) was measured as of June 30, 2025 and 2024, respectively, and the total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation as of June 30, 2024 and 2023, respectively.

The Port's proportion of the net pension asset (liability) was based on a projection of the Port's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, and the state support for LEOFF Plan 2 only, actuarially determined.

The Port's proportionate shares of contributions were measured at June 30 as follows:

	PERS Plan 1	PERS Plan 2/3	LEOFF Plan 1	LEOFF Plan 2	PSERS Plan 2
2025	1.01%	1.28%	0.07 %	1.11 %	0.11%
2024	0.97	1.22	0.08	1.19	0.00
Change between years	0.04%	0.06%	(0.01)%	(0.08)%	0.11%

For the years ended December 31, 2025, 2024, and 2023, the Port included (contra) operating revenues of \$(666,000), \$(212,000), and \$(1,159,000), respectively, for the support provided by the State to the Port regarding LEOFF Plan 2.

For the years ended December 31, the Port recorded the following pension expense (credit) (in thousands):

	PERS Plan 1	PERS Plan 2/3	LEOFF Plan 1	LEOFF Plan 2	PSERS Plan 2
2025	\$ (284)	\$ (3,567)	\$ (31)	\$ (1,928)	\$ 45
2024	1,452	(1,977)	104	(1,081)	
2023	119	(5,121)	(235)	(3,291)	

At December 31, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	PERS Plan 1	PERS Plan 2/3	LEOFF Plan 1	LEOFF Plan 2	PSERS Plan 2
<b>2025</b>					
Deferred Outflows of Resources					
Differences between expected and actual experience	\$	\$ 35,684	\$	\$ 18,752	\$ 169
Changes of assumptions		18,862		7,636	44
Changes in proportion and differences between Port contributions and proportionate share of contributions		355		3,706	
Port contributions subsequent to the measurement date	727	7,325		1,879	65
Total deferred outflows of resources	\$ 727	\$ 62,226	\$	\$ 31,973	\$ 278
Deferred Inflows of Resources					
Differences between expected and actual experience	\$	\$	\$	\$ (98)	\$ (24)
Changes of assumptions		(1,348)		(1,310)	(15)
Net difference between projected and actual earnings on pension plan investments	(822)	(10,991)	(41)	(3,067)	(33)
Changes in proportion and differences between Port contributions and proportionate share of contributions		(5,055)		(4,788)	(139)
Total deferred inflows of resources	\$ (822)	\$ (17,394)	\$ (41)	\$ (9,263)	\$ (211)

(Continued)

	PERS Plan 1	PERS Plan 2/3	LEOFF Plan 1	LEOFF Plan 2	PSERS Plan 2
<b>2024</b>					
Deferred Outflows of Resources					
Differences between expected and actual experience	\$	\$ 22,907	\$	\$ 16,435	\$
Changes of assumptions		22,262		9,193	
Changes in proportion and differences between Port contributions and proportionate share of contributions		627		1,380	
Port contributions subsequent to the measurement date	3,025	7,270		1,741	44
Total deferred outflows of resources	\$ 3,025	\$ 53,066	\$	\$ 28,749	\$ 44
Deferred Inflows of Resources					
Differences between expected and actual experience	\$	\$ (93)	\$	\$ (170)	\$
Changes of assumptions		(2,554)		(1,877)	
Net difference between projected and actual earnings on pension plan investments	(1,383)	(11,553)	(82)	(3,674)	
Changes in proportion and differences between Port contributions and proportionate share of contributions		(2,738)		(5,539)	
Total deferred inflows of resources	\$ (1,383)	\$ (16,938)	\$ (82)	\$ (11,260)	\$

(Concluded)

Deferred outflows of resources related to Port contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability or an increase of the net pension asset in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized as pension expense as follows (in thousands):

Years ended December 31,	PERS Plan 1	PERS Plan 2/3	LEOFF Plan 1	LEOFF Plan 2	PSERS Plan 2
2026	\$ 786	\$ 16,426	\$ 41	\$ 4,581	\$ 12
2027	(572)	5,849	(29)	1,482	(9)
2028	(594)	5,662	(30)	1,630	(9)
2029	(442)	1,603	(23)	2,143	(5)
2030		5,803		3,502	(58)
Thereafter		2,164		7,493	71
Total	\$ (822)	\$ 37,507	\$ (41)	\$ 20,831	\$ 2

### Actuarial Assumptions and Methods

The total pension asset (liability) was determined by an actuarial valuation as of June 30, 2024, with the results rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of OSA's 2013–2018 Demographic Experience Study and the 2023 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2024 Actuarial Valuation Report (AVR). The AVR was prepared using the Entry Age Normal cost method.

- *Inflation* — A 2.75% total economic inflation and a 3.25% salary inflation were used.
- *Salary increases* — In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow through promotions and longevity.
- *Mortality* — Mortality rates were developed using the Society of Actuaries' Pub. H-2010 Mortality rates. OSA applied age offsets to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale also developed by the Society of Actuaries to project

mortality rates after the 2010 base table. To apply mortality rates on a generational basis, members are assumed to receive additional mortality improvements in each future year throughout their lifetime.

- *Investment rate of return* — The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best estimate of expected future rates of return (expected returns, net of pension plan investment expense, but including inflation) are developed for each major asset class by WSIB. Those expected returns make up one component of WSIB's Capital Market Assumptions (CMAs). The CMAs contain three pieces of information for each class of assets the WSIB currently invests in, (1) expected annual return, (2) standard deviation of the annual return, and (3) correlations between the annual returns of each asset class with every other asset class.
- WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons. The OSA selected a 7% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered CMAs and simulated expected returns the WSIB provided.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2025, are summarized in the following table:

<b>Asset class</b>	<b>Target allocation</b>	<b>Long-term expected real rate of return</b>
Fixed income	19%	2.1%
Tangible assets	8	4.5
Real estate	18	4.8
Global equity	30	5.6
Private equity	25	8.6
<b>Total</b>	<b>100%</b>	

The inflation component used to create the above table is 2.5% and represents WSIB's most recent long-term estimate of broad economic inflation.

- *Discount rate* — The discount rate used to measure the total pension asset (liability) was 7% for all plans. Contributions from plan members and employers are assumed to continue to be made at contractually required rates (including PERS Plan 2/3 and PSERS Plan 2 employers whose rates include a component for the PERS Plan 1 UAAL), and contributions from the State are made at current statutorily required rates. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of 7% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset (liability).

### Change in Assumptions and Methods

Actuarial results that OSA provided within the June 30, 2024 valuation reflect the following assumption changes and methods:

- *Assumption Changes* — Assumptions did not change from the prior contribution rate setting June 30, 2023 AVR.
- *Methods* — OSA improved their modeling of benefits paid to retirees and beneficiaries in their month of death to better match current administration.

### Sensitivity of the Port's Proportionate Share of the Net Pension Asset (Liability) to Changes in the Discount Rate

The following presents the Port's proportionate share of the net pension asset (liability) calculated using the discount rate of 7%, as well as what the Port's proportionate share of the net pension asset (liability) would be if it were calculated using plus or minus 1% of the current discount rate (in thousands):

	1% Decrease (6%)	Current discount rate (7%)	1% Increase (8%)
PERS Plan 1	\$ (20,183)	\$ (11,961)	\$ (4,750)
PERS Plans 2/3	(79,199)	48,805	153,933
LEOFF Plan 1	1,918	2,144	2,341
LEOFF Plan 2	(16,201)	21,541	52,412
PSERS Plan 2	(388)	43	385

### Payables to the PERS, LEOFF, and PSERS Plans

At December 31, the Port reported payables for the outstanding amount of the required contributions to PERS Plan 1, PERS Plan 2/3, LEOFF Plan 2, and PSERS Plan 2 under payroll and taxes payable in the Statement of Net Position as follows (in thousands):

	PERS Plan 1	PERS Plan 2/3	LEOFF Plan 2	PSERS Plan 2
2025	\$ 1	\$ 839	\$ 157	\$ 6
2024	247	631	130	6

### Pension Plan Fiduciary Net Position

The pension plans' fiduciary net positions are determined on the same basis used by the pension plans. DRS financial statements have been prepared in conformity with GAAP. The retirement plans are accounted for in pension trust funds using the flow of economic resources measurement focus and the accrual basis of accounting. Plan member contributions are recognized as revenues in the period in which contributions are earned. Employer contributions are recognized when they are due. Benefits and refunds are recognized when due and payable according to the terms of the plans. The WSIB has been authorized by statute (Chapter 43.33A RCW) as having the investment management responsibility for the pension funds. Investments are reported at fair value, and unrealized gains and losses are included as investment income in the Statement of Changes in Fiduciary Net Position of the DRS Annual Comprehensive Financial Report. Interest and dividend income are recognized when earned, and capital gains and losses are recognized on a trade-date basis. Purchases and sales of investments are also recorded on a trade-date basis.

Detailed information about PERS', PSERS', and LEOFF's fiduciary net position is available in the separately issued DRS financial report. A copy of this report may be obtained at:

Department of Retirement Systems  
P.O. Box 48380  
Olympia, WA 98504-8380  
[www.drs.wa.gov](http://www.drs.wa.gov)

## Note 9. Postemployment Benefits Other than Pensions

In addition to pension benefits, as described in Note 8, the Port provides OPEB.

### Plan Descriptions

The Port administers and contributes to two single-employer defined OPEB plans: (1) LEOFF Plan 1 Members' Medical Services Plan and (2) Retirees Life Insurance Plan. Under State statute RCW 41.26.150, the Port is required to pay for retired LEOFF Plan 1 members' medical services expenses. Under the Port's life insurance contract, eligible retired employees are provided with life insurance coverage for a death benefit of up to \$25,000. The Port can establish and

amend benefit provisions of the life insurance OPEB plan. There are no separate OPEB plan-related financial reports issued. Neither plan has assets accumulated in a trust or equivalent arrangement.

At December 31, 2025, the following employees were covered by the plans:

	<b>LEOFF Plan 1 Members' Medical Services Plan</b>	<b>Retirees Life Insurance Plan</b>
Inactive employees or beneficiaries currently receiving benefit payments	23	
Inactive employees entitled to but not yet receiving benefit payments		516
Active employees		1,216
<b>Total</b>	<b>23</b>	<b>1,732</b>

### Contributions

For the LEOFF Plan 1 Members' Medical Services Plan, the State establishes and may amend the contribution requirements of plan members and the Port. The LEOFF Plan 1 was closed on September 30, 1977, to new entrants. The contribution requirements of the Retirees Life Insurance Plan are established and may be amended by the Port. For both plans, the Port is required to contribute on a pay-as-you-go basis. The Port's contributions to the LEOFF Plan 1 Members' Medical Services Plan and Retirees Life Insurance Plan were \$661,000 and \$300,000, respectively, for the year ended December 31, 2025. The Port's contributions to the LEOFF Plan 1 Members' Medical Services Plan and Retirees Life Insurance Plan were \$700,000 and \$50,000, respectively, for the year ended December 31, 2024. Plan participants are not required to contribute to either plan.

### Total OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

Total OPEB liability for the LEOFF Plan 1 Members' Medical Services Plan was calculated as of December 31, 2025, using the Alternative Measurement Method. Total OPEB liability for the Retirees Life Insurance Plan was determined by an actuarial valuation as of January 1, 2024, and update procedures were used to roll forward the total OPEB liability to December 31, 2025. As of December 31, 2025 and 2024, the Port's total OPEB liability for the two plans was \$16,154,000 and \$16,736,000, respectively. For the years ended December 31, 2025 and 2024, the total OPEB expense for the two plans was \$1,089,000 and \$763,000, respectively.

No deferred outflows or inflows of resources were reported for the LEOFF Plan 1 Members' Medical Services Plan due to the Alternative Measurement Method being used for a closed plan.

At December 31, the Port reported deferred outflows of resources and deferred inflows of resources related to the Retirees Life Insurance Plan from the following sources (in thousands):

	<b>2025</b>	<b>2024</b>
<b>Deferred Outflows of Resources</b>		
Changes of assumptions	\$ 771	\$ 1,276
<b>Total deferred outflows of resources</b>	<b>\$ 771</b>	<b>\$ 1,276</b>
<b>Deferred Inflows of Resources</b>		
Differences between expected and actual experience	\$ 50	\$ 70
Changes of assumptions	3,149	2,923
<b>Total deferred inflows of resources</b>	<b>\$ 3,199</b>	<b>\$ 2,993</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Retirees Life Insurance Plan will be amortized as OPEB expense as follows (in thousands):

**Years ended December 31,**

2026	\$ (387)
2027	(563)
2028	(681)
2029	(319)
2030	(183)
Thereafter	(295)
<b>Total</b>	<b>\$ (2,428)</b>

**Actuarial Assumptions and Methods**

For the LEOFF Plan 1 Members' Medical Services Plan, the following simplified assumptions were made when the Alternative Measurement method was used:

- *Mortality* — Life expectancies were based on mortality tables from the National Vital Statistics Reports, Volume 72, No. 12, November 7, 2023. The Life Table for Males: U.S. 2022 was used.
- *Healthcare cost trend rate* — The expected rate of increase in healthcare expenditure was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services. The rate of increase is expected to average 6% over the next several years.
- *Health insurance premiums* — 2018 health insurance premiums for retirees, adjusted by the 2019–2025 rates from the National Health Expenditures Projections 2013–2033 Table 1, were used as the basis for the calculation of the present value of total benefits to be paid.
- *Discount rate* — An average index rate of 4.83% as of December 31, 2025, for 20-year GO Bonds with an average AA credit rating was used.
- *Inflation rate* — No explicit inflation rate assumption was used as this underlying assumption was already included in the healthcare cost trend rate.

For the Retirees Life Insurance Plan, an actuarial valuation was performed as of January 1, 2024, and update procedures were used to roll forward total OPEB liability to December 31, 2025, by using the Entry Age Normal cost method. The valuation is prepared on the projected benefit basis. The present value of each participant's expected benefit payable at retirement or termination is determined based on age, gender, compensation, and the interest rate assumed to be earned in the future. The calculations take into account the probability of a participant's death or termination of employment before becoming eligible for a benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants.

The employer contributions required to support the benefits of the Plan are determined following a level funding approach and consist of a normal cost contribution and an accrued liability contribution.

The following actuarial assumptions applied to all periods included in the measurement:

- *Pre-retirement mortality* — Pub 2010 Headcount Weighted General Employee Mortality Tables for males and females for all PERS plans and the Pub 2010 Headcount Weighted Safety Employee Mortality Tables for males and females for LEOFF Plan 2; projected using the Long-Term MP-2017 Scale.
- *Post-retirement mortality* — Pub 2010 Headcount Weighted General Healthy Annuitant Mortality Tables for males and females for all PERS plans and the Pub 2010 Headcount Weighted Safety Annuitant Mortality Tables for females and with a one-year setback for males for LEOFF Plan 2; projected using the Long-Term MP-2017 Scale.
- *Salary increases* — An estimated payroll growth of 3.25% per year was used.
- *Discount rate* — An average index rate of 4.83% as of December 31, 2025, for 20-year GO Bonds with an average AA credit rating was used.

### Change in Assumptions

For the LEOFF Plan 1 Members' Medical Services Plan and the Retirees Life Insurance Plan, changes in assumptions reflected a change in the discount rate from 4.08% in 2024 to 4.83% in 2025.

### Change in Total OPEB Liability

Changes in the total OPEB liability for both plans for the current year were as follows (in thousands):

	<b>LEOFF Plan 1 Members' Medical Services Plan</b>	<b>Retirees Life Insurance Plan</b>
Service cost	\$	\$ 254
Interest expense	232	449
Changes of assumptions	498	(1,054)
Employer contributions	(661)	(300)
Net changes	69	(651)
Total OPEB liability beginning of year	5,696	11,040
Total OPEB liability end of year	\$ 5,765	\$ 10,389

### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the plans, calculated using the discount rate of 4.83%, as well as what the total OPEB liability would be if it were calculated using plus or minus 1% of the current discount rate (in thousands):

	<b>1% Decrease (3.83%)</b>	<b>Current discount rate (4.83%)</b>	<b>1% Increase (5.83%)</b>
LEOFF Plan 1 Members' Medical Services Plan	\$ 6,078	\$ 5,765	\$ 5,477
Retirees Life Insurance Plan	11,834	10,389	9,221

### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the plans, calculated using the healthcare cost trend rates of 6%, as well as what the total OPEB liability would be if it were calculated using plus or minus 1% of the current cost trend (in thousands):

	<b>1% Decrease (5%)</b>	<b>Healthcare cost trend rate (6%)</b>	<b>1% Increase (7%)</b>
LEOFF Plan 1 Members' Medical Services Plan	\$ 5,528	\$ 5,765	\$ 6,016

## Note 10. Environmental Remediation Liability

The Port has identified a number of contaminated sites on Aviation, Maritime, and Economic Development properties and facilities that must be investigated for the presence of hazardous substances and remediated in compliance with federal and state environmental laws and regulations. Some Port facilities may require asbestos abatement, and some properties owned or operated by the Port may have unacceptable levels of contaminants in soil, sediments, and/or groundwater. In some cases, the Port has been designated by the federal government as a Potentially Responsible Party (PRP), and/or by the state government as a Potentially Liable Person (PLP) for the investigation and cleanup of properties owned by the Port or where the Port may have contributed to site contamination. Although the Port may not ultimately bear all liability for the contamination, under federal and state law, the Port is potentially liable as the property owner or as a party that contributed contamination to a site, and it is often practically and financially beneficial for the Port to take initial responsibility to manage and pay for the cleanup. In some cases, the Port may also be liable for natural resource damages (NRD) associated with contaminated properties. In each of these matters, the

Port is cooperating with the notifying agency and taking appropriate action with other parties to investigate and remediate environmental damage or contamination. Currently, it is not possible to determine the full extent of the Port's liability in these matters.

The Port has in place a procedure consistent with current accounting rules to recognize liability for environmental cleanups, to the extent that such liability can be reasonably estimated. As of December 31, 2025 and 2024, the Port's environmental remediation liability was \$248,781,000 and \$241,432,000, respectively, based on reasonable and supportable assumptions, measured at current value using the expected cash flow technique. The environmental remediation liability will change over time due to changes in costs of goods and services, remediation technologies, governing laws and regulations, and expected cost recoveries.

In many cases, the Port has successfully recovered Port-incurred investigation and cleanup costs from other responsible parties. The Port will continue to seek appropriate recoveries in the future. As of December 31, 2025 and 2024, the environmental remediation liability was adjusted by \$31,065,000 and \$11,699,000, respectively, for estimated unrealized recoveries.

The Port's environmental remediation liability does not include cost components that are not yet reasonably estimable. As of December 31, 2025 and 2024, there were two major sites where certain cost components of the associated environmental remediation liability could not be reasonably estimated.

#### Harbor Island Superfund Site/East Waterway Operable Unit (the East Waterway Site)

The Port is one of many PRPs at the East Waterway Site and collaborates with King County and the City of Seattle to lead the cleanup work. Among other remedial actions, the Port, King County, and the City of Seattle jointly funded the Supplemental Remedial Investigation and Feasibility Study (SRI/FS), which was finalized in 2019. The Port's share of SRI/FS accumulated costs through 2025 was \$12,073,000. In 2024, the EPA released an interim record of decision (IROD) that estimates the capital cost for the selected interim remedy, updated to 2023 dollars, at \$401 million (\$223 million in net present value at the start of construction). The Port's final share of that cost is unknown, and the estimate will be further refined following completion of an extensive sampling and design effort. In 2025, the Port, King County, and the City of Seattle entered into an agreement with EPA to complete the remedial design work for the East Waterway Site, which is estimated to cost \$30 million over five years, with costs shared equally among the Port, King County, and the City of Seattle and subject to reallocation at a later date. As of December 31, 2025 and 2024, the Port's outstanding environmental remediation liability recorded for the East Waterway Site was \$12,500,000 and \$1,120,000, respectively.

A portion of the East Waterway cleanup near Terminal 25 South is expected to be completed as an "early action" ahead of the broader East Waterway Site remediation. In 2024, the Port recorded an additional \$91,107,000 in cleanup costs for Terminal 25 South as a special item, following further sampling efforts conducted in 2024 that identified an expanded cleanup area beyond prior estimates. The cleanup will address PCB contamination discovered in 2019 in the upland portion of the site, estimated at approximately \$67 million, as well as contamination in the sediments that the EPA considers an "early action" cleanup under the East Waterway IROD estimated at approximately \$58 million. The Port anticipates recovering a portion of these costs, though the amount and timing of such recovery is unknown.

#### Lower Duwamish Waterway Superfund Site (the Duwamish Site)

The Port is one of many PRPs at the Duwamish Site and was historically a member of the Lower Duwamish Waterway Group (LDWG), a working group comprising of the Port, King County, the City of Seattle, and the Boeing Company, which funded the Remedial Investigation and Feasibility Study (RI/FS) and the initial design work (among other remedial actions) for the site. The RI/FS study was completed in 2014. In November 2014, the EPA released the Record of Decision (ROD) for the Duwamish Site cleanup remedy. Between 2014 and 2019, the LDWG conducted an Enhanced Natural Recovery Activated Carbon Pilot Study and a Fishers Community Survey. Design work began in 2019. The Port's share of costs, including RI/FS, additional studies, and design work, through 2025 was \$29,303,000. In 2024, the EPA issued unilateral orders to King County, the City of Seattle, and the Boeing Company, to continue remedial design work on the site while consent decree negotiations were underway. A consent decree obligating King County, the City of Seattle, and the Boeing Company to implement the selected cleanup remedy was lodged with the District Court for the Western District of Washington in March 2026. It is expected to be effective in mid-to-late 2026, at which point the Port's obligations under the RI/FS Administrative Order on Consent will terminate. As of December 31, 2025 and 2024, the Port's outstanding environmental remediation liability recorded for the Duwamish Site was \$4,927,000 and

\$6,100,000, respectively. In January 2025, the Port reached settlement agreements with most of the PRPs for the site, with the exception of King County, the City of Seattle, and the Boeing Company, and received payments totaling approximately \$3,445,000.

## Note 11. Contingencies

The Port is a defendant in various legal actions and claims. Although certain lawsuits and claims are significant in amount, the final dispositions are not determined, and in the opinion of management, the outcome of any litigation of these matters will not have a material effect on the financial position or results of operations of the Port. In some cases, the Port has provided adequate contingent liability.

In 2024, the Port received an adverse jury verdict in a King County Superior Court trial that exceeded the limits of the Port's available insurance coverage. In 2025, the Port resolved an insurance dispute to obtain an additional \$10 million in coverage and settled the underlying case, which together significantly reduced the legal expenses for the Port.

Amounts received or receivable under grants-in-aid programs are subject to audit and adjustment by the granting agency. Any disallowed claims, including amounts already received, may constitute a liability of the Port. The amount, if any, of expenditures that may be disallowed cannot be determined at this time, although the Port expects such amounts, if any, to be insignificant.

The Port is a plaintiff in *King County et al. v. Turner et al.*, Case No. 2:25-cv-00814 (W.D. Wash.), a federal lawsuit challenging the U.S. Department of Housing and Urban Development and Transportation's imposition of conditions on previously awarded federal grants. As of the date of these financial statements, the U.S. District issued a preliminary injunction that prevents the government defendants from imposing or enforcing the challenged grant conditions. The government defendants appealed the injunction to the U.S. Court of Appeals for the Ninth Circuit. A hearing was held on February 9, 2026. The timeline for a decision is not known. Approximately \$163 million in federal grant funding to the Port could be affected. The Port makes no representations about the outcome of litigation, and any such litigation carries the risk of final, unappealable outcomes that could materially adversely affect the Port. The Port makes no representation about the actions it might take in response if there is an adverse decision.

## Note 12. Commitments

The Port has made commitments for acquisition and construction as of December 31, as follows (in thousands):

	2025	2024
Funds committed:		
Aviation	\$ 956,922	\$ 625,517
Maritime	56,625	105,413
Stormwater Utility	136	677
Other	1,065	3,122
<b>Total</b>	<b>\$ 1,014,748</b>	<b>\$ 734,729</b>

As part of the 2025 strategic reorganization described in Note 1 that capital planning responsibilities were transferred from the Economic Development Division to the Maritime Division. Commitments previously reported under the Economic Development Division have been reclassified to the Maritime Division to align with the current year's presentation.

As of December 31, 2025 and 2024, the Port also made commitments of \$80,072,000 and \$11,484,000, respectively, for the acquisition and construction of the NWSA. However, this amount was not included in the schedule above as the Port expects to be reimbursed by the NWSA once the construction expenditure is incurred for the NWSA.

In addition, as of December 31, 2025 and 2024, funds authorized by the Port but not yet committed for all divisions amounted to \$1,386,741,000 and \$859,300,000, respectively.

## Note 13. Joint Venture

A summarized Statement of Net Position of the NWSA as of December 31, and its Statement of Revenues, Expenses, and Changes in Net Position for the years ended December 31, are as follows (in thousands):

	<b>2025</b>	<b>2024</b>	<b>2023</b>
Total assets	\$ 2,523,237	\$ 2,614,245	
Deferred outflows of resources	2,521	2,332	
Total liabilities	150,211	116,748	
Deferred inflows of resources	1,651,329	1,839,670	
Total net position	\$ 724,218	\$ 660,159	

	<b>2025</b>	<b>2024</b>	<b>2023</b>
Operating revenues	\$ 205,859	\$ 207,618	\$ 180,499
Operating expenses	129,625	126,072	106,637
Operating income before depreciation and amortization	76,234	81,546	73,862
Depreciation and amortization	27,215	24,832	21,277
Nonoperating income—net	164,962	68,084	62,785
Increase in net position	\$ 213,981	\$ 124,798	\$ 115,370

A copy of the NWSA financial report may be obtained at:

The Northwest Seaport Alliance  
P.O. Box 2985  
Tacoma, WA 98401-2985  
www.nwseaportalliance.com

In 2019, both the Managing Members and the Commission approved an Interlocal Agreement between the Port and the NWSA to facilitate development by the Port of a new cruise terminal at Terminal 46 as part of a flexible marine transportation facility. The Port's cruise facility was planned to occupy the northern 29 acres of the overall 86.5-acre terminal. The remainder of the site would be maintained by the NWSA as a marine cargo facility and for administrative use. This new cruise terminal project was postponed in 2020 due to the pandemic's uncertain impact on the Alaskan cruise market and is no longer being actively planned. The Port agreed to pay the NWSA monthly for the use of Terminal 46, starting January 1, 2020, for 23 years with four options to extend for 5-year terms and an annual increase of 2%. In 2025 and 2024, the Port's payments to the NWSA were \$4,225,000 and \$4,142,000, respectively. The Port's 50% share of the NWSA's change in net position was reduced by \$2,112,000 in 2025 and \$2,071,000 in 2024 (50% of the \$4,225,000 and \$4,142,000, respectively), due to the elimination of profit on the intra-entity transaction.

In 2022, the Managing Members approved an amendment and restatement of an Interlocal Agreement between the Port and the NWSA regarding three cranes located at Terminal 46. The Port purchased these cranes in 2019. The amendment allowed the NWSA's use of these cranes, such as the right to lease, sublease, and license, for future cargo operations. The NWSA agreed to pay the Port a monthly use fee, beginning October 1, 2022, for 4 years. In 2025 and 2024, the Port's 50% share of the NWSA's change in net position was increased by \$165,000 for both years, due to the elimination of profit on the intra-entity transaction.

The home ports share the NWSA's change in net position and distribution of operating cash equally. In 2025 and 2024, the Port's 50% share of the NWSA's change in net position before the elimination of profit on the intra-entity transactions was \$106,990,000 and \$62,399,000, respectively. The change in net position, after the intra-entity transaction elimination, was \$105,043,000 and \$60,493,000 in 2025 and 2024, respectively, presented in the Port's Statement of Revenues, Expenses, and Changes in Net Position as joint venture income.

Distribution of operating cash from the NWSA is generally received in the following month. The Port's receivable for cash distributions earned through December 31, 2025 and 2024, was \$49,312,000 and \$35,822,000, respectively. This amount is presented in the Port's Statement of Net Position as a related party receivable—joint venture.

In 2019, the Managing Members and the Commission authorized the completion of the one-time Membership Interest Affirmation of 50/50 for each home port in satisfaction of the NWSA Charter. In lieu of completing a required reevaluation of Membership Interest, the Port agreed to pay up to \$32,000,000 additional contribution to the NWSA.

This additional contribution was in recognition that certain forecast revenue streams, not secured by long-term contractual agreements in the initial valuation, would only be achieved with the redevelopment of Terminal 5. This additional contribution is being made to the NWSA in three installments. The first and second installments of \$11,000,000 were made in 2020 and 2021, respectively. The final installment of \$10,000,000 was included in the Port's Statement of Net Position as related party payable—joint venture as of December 31, 2025 and paid in February 2026. The Managing Members also authorized the distribution of these affirmation payments to the home ports equally after the NWSA received the funds from the Port.

The Port's investment in joint venture as of December 31 is as follows (in thousands):

	<b>2025</b>	<b>2024</b>
Working capital	\$ 25,500	\$ 25,500
Membership interest affirmation	32,000	22,000
Capital construction	379,282	345,074
Construction work in progress	7,887	7,887
50% share of the NWSA's changes in net position	597,687	490,698
Distribution of operating cash	(654,753)	(539,924)
Distribution of membership interest affirmation	(11,000)	(11,000)
Adjustment from NWSA's adoption of accounting principle	(55)	(55)
<b>Total investment in joint venture</b>	<b>\$ 376,548</b>	<b>\$ 340,180</b>

As of December 31, 2025 and 2024, land, facilities, and equipment—net of accumulated depreciation and amortization licensed to the NWSA by the Port were \$700,835,000 and \$711,792,000, with related depreciation and amortization expenses of \$10,652,000 and \$13,802,000, respectively. As of December 31, 2025 and 2024, the Port's total debt on licensed assets was \$118,260,000 and \$146,574,000, respectively.

During 2025 and 2024, the Port's 50% share of capital construction expenditures was \$34,208,000 and \$25,298,000 of which \$9,147,000 and \$1,842,000 were unpaid and included in the Port's Statement of Net Position as related party payable—joint venture as of December 31, 2025 and 2024, respectively.

A broad spectrum of support services such as maintenance, security, public affairs, project delivery, procurement, labor relations, environmental planning, information technology, finance, and accounting are provided by the service agreements between the NWSA and the home ports. Costs for these services are charged by the home ports to the NWSA based on agreed-upon methodologies including direct charge and allocation. In 2025 and 2024, support services provided by the Port to the NWSA were \$12,480,000 and \$10,429,000, respectively.

## Note 14. Business Information

The Enterprise Fund's major business activities and operations consist of SEA facilities, Maritime terminals, Seaport's real estate portfolio, and the Stormwater Utility serving Port-owned properties located within the City of Seattle. Indirect costs have been allocated to the operating divisions using various methods based on estimated hours of work, expenses, full-time equivalent positions, and other factors. The Port's operating revenues are generated from various sources. Aviation's operating revenues are derived primarily from its airline agreements, concession agreements, and other commercial arrangements. Maritime's operating revenues are mainly derived from cruise terminals, conference and event centers, and leasing of Maritime real estate portfolio, recreational marinas, and commercial fishing facilities. The Economic Development Division manages the Port's tourism program, small business initiatives, real estate development and planning, and workforce development in both the maritime and aviation sectors. This structure enables the Maritime and Aviation divisions to focus on their core business operations. The Stormwater Utility's operating revenues are primarily derived from collecting stormwater utility fees charged to tenants.

A summarized comparison of changes in Stormwater Utility operating revenues, operating expenses, and depreciation and amortization expenses for the years ended December 31, is as follows (in thousands):

	2025	2024	2023 (Restated)
Operating revenues	\$ 8,407	\$ 7,244	\$ 6,913
Operating expenses	8,220	7,562	6,446
Operating income (loss) before depreciation and amortization	187	(318)	467
Depreciation and amortization	1,369	1,332	1,264
Operating (loss)	\$ (1,182)	\$ (1,650)	\$ (797)

Internal stormwater utility charges on vacant properties owned by the Port's Maritime (and previously Economic Development) division included in operating revenues for the years ended December 31, 2025, 2024, and 2023 were \$1,882,000, \$1,608,000, and \$1,721,000, respectively. Operating revenues for the Stormwater Utility and the associated operating expenses from the Maritime division was eliminated in the Statement of Revenues, Expenses, and Changes in Net Position.

Operating revenues and lease interest income, excluding the Stormwater Utility's operating revenues, as reflected in the Statement of Revenues, Expenses, and Changes in Net Position, from the Port's major sources for the years ended December 31, are as follows (in thousands):

	2025	2024	2023
<b>Aviation Division:</b>			
Terminal	\$ 320,344	\$ 294,901	\$ 293,295
Airfield	187,304	193,786	156,411
Public parking	116,870	116,535	110,940
Airport dining and retail/Terminal leased space	82,361	79,794	72,494
Rental car	44,278	43,562	44,600
Ground transportation	24,376	23,946	24,878
Customer facility charges	23,201	20,872	16,954
Commercial properties	28,798	17,639	16,238
Utilities	10,837	9,578	8,666
Other	70,153	60,688	53,973
Total Aviation Division operating revenues	908,522	861,301	798,449
Lease interest income	11,132	7,853	7,841
Total Aviation Division operating revenues and lease interest income	\$ 919,654	\$ 869,154	\$ 806,290
<b>Maritime Division:</b>			
Cruise operations	\$ 40,359	\$ 36,723	\$ 40,372
Recreational boating	19,117	17,663	16,584
Maritime portfolio	16,596	16,021	15,817
Fishing and operations	11,379	10,567	10,451
Conference and event centers	8,654	7,490	6,738
Grain terminal	5,028	4,478	1,887
Other	(46)	18	(104)
Total Maritime Division operating revenues	101,087	92,960	91,745
Lease interest income	15,832	13,858	7,880
Total Maritime Division operating revenues and lease interest income	\$ 116,919	\$ 106,818	\$ 99,625

Operating revenues and lease interest income, excluding Stormwater Utility's operating revenues, as reflected in the Statement of Revenues, Expenses, and Changes in Net Position, from the major customers for the years ended December 31, are as follows (in thousands):

	2025	2024	2023
<b>Aviation Division:</b>			
Operating revenues and lease interest income	\$ 358,173	\$ 349,309	\$ 330,264
Number of major customers	2	2	2
<b>Maritime Division:</b>			
Operating revenues and lease interest income	\$ 49,958	\$ 43,138	\$ 42,041
Number of major customers	2	2	2
<b>Total:</b>			
Operating revenues and lease interest income	\$ 408,131	\$ 392,447	\$ 372,305
Number of major customers	4	4	4

Two major customers represented 31.2%, 33.5%, and 34.1% of total Port operating revenues and lease interest income in 2025, 2024, and 2023, respectively. For Aviation, revenues from two major customers accounted for 39%, 40.2%, and 41% of total Aviation operating revenues and lease interest income in 2025, 2024, and 2023, respectively. For Maritime, revenues from two major customers accounted for 42.7%, 40.4%, 42.2% of total Maritime operating revenues and lease interest income in 2025, 2024, and 2023, respectively.

Operating expenses, excluding the Stormwater Utility's operating expenses but including internal charges from the Stormwater Utility on vacant properties owned by the Port for the Maritime division, as reflected in the Statement of Revenues, Expenses, and Changes in Net Position, from the Port's major functions by Division for the years ended December 31, are as follows (in thousands):

	2025	2024	2023 (Restated)
<b>Aviation Division:</b>			
Operations and maintenance	\$ 398,201	\$ 402,925	\$ 334,194
Administration	98,130	88,134	78,654
Law enforcement	40,696	38,769	32,970
Operating expenses before depreciation and amortization	537,027	529,828	445,818
Depreciation and amortization	260,303	238,265	214,599
<b>Total Aviation Division operating expenses</b>	<b>\$ 797,330</b>	<b>\$ 768,093</b>	<b>\$ 660,417</b>
<b>Maritime Division:</b>			
Operations and maintenance	\$ 79,845	\$ 72,277	\$ 66,367
Administration	22,055	20,349	17,633
Law enforcement	5,651	6,220	5,866
Operating expenses before depreciation and amortization	107,551	98,846	89,866
Depreciation and amortization	25,010	23,850	22,421
<b>Total Maritime Division operating expenses</b>	<b>\$ 132,561</b>	<b>\$ 122,696</b>	<b>\$ 112,287</b>

As reflected in the Statement of Net Position, total assets and total debt, excluding (1) the Stormwater Utility related assets and debt, (2) assets and debt related to properties licensed to the NWSA, and (3) Series 2017 and Series 2024A refunding Series 2015 GO Bonds related to the State Route 99 Alaskan Way Viaduct Replacement Program payments, as of December 31, by Division are as follows (in thousands):

	2025	2024
<b>Aviation Division:</b>		
Current, long-term, and other assets	\$ 2,380,368	\$ 2,051,502
Total capital assets	8,880,334	8,243,900
Accumulated depreciation and amortization	(2,704,408)	(2,511,171)
Construction work in progress	1,110,993	772,063
<b>Total Aviation Division assets</b>	<b>\$ 9,667,287</b>	<b>\$ 8,556,294</b>
<b>Total Aviation Division debt</b>	<b>\$ 5,164,464</b>	<b>\$ 4,499,445</b>
<b>Maritime Division:</b>		
Current, long-term, and other assets	\$ 881,038	\$ 848,912
Total capital assets	1,043,001	1,022,355
Accumulated depreciation and amortization	(489,636)	(469,529)
Construction work in progress	149,321	66,748
<b>Total Maritime Division assets</b>	<b>\$ 1,583,724</b>	<b>\$ 1,468,486</b>
<b>Total Maritime Division debt</b>	<b>\$ 230,854</b>	<b>\$ 242,622</b>

## Note 15. Warehousemen's Pension Trust Fund

In late 2002, the Port terminated all warehousing operations at Terminal 106 following the departure of the principal customer who operated the facility. Prior to closing the warehouse, the Port had provided pension and health benefits to represented employees under a collective bargaining agreement with Local #9 of the International Longshore and Warehouse Union. The benefits were administered by two separate trusts, the Warehousemen's Pension Trust and the Local #9 Health and Welfare Trust. The Port made quarterly contributions to each trust in an amount sufficient to provide the required contractual benefits. The trusts were jointly administered by trustees appointed by both Local #9 and the Port.

Upon expiration of the contract with Local #9, the Port ceased making contributions to the Health and Welfare Trust and provided employees with the ability to maintain their health coverage by self-paying premiums through the Port's healthcare plan. The Port also ceased making contributions to the Warehousemen's Pension Trust.

On May 25, 2004, the Port became the sole administrator for the Plan and commenced contributions to the Plan. The Plan is a governmental plan maintained and operated solely by the Port as a single-employer defined benefit plan.

Since its closing in 2002, the Warehousemen's Pension Plan has been a frozen plan, where no new members are accepted. The only members of the Plan are retirees and beneficiaries receiving benefits, as well as terminated members who have a vested right to a future benefit under the Plan.

### Summary of Significant Accounting Policies

#### Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Port contributions are recognized in the period in which the contributions are made. Benefits are recognized when due and payable in accordance with the terms of the Plan.

#### Investments

Investments held 100% in mutual funds are reported at fair value and classified as Level 1, using inputs from quoted prices in active markets for identical assets. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at the current exchange rates.

## Plan Description

### Plan Administration

The administration and operation of the Plan are vested in a three-member Board of Trustees from the Port. The Board of Trustees has the authority to amend this Plan as they may determine. However, an amendment may not decrease a Plan member's accrued benefit.

The Plan provides that only service credited and compensation earned before April 1, 2004, shall be utilized to calculate benefits under the Plan. No separate financial statements are issued for the Plan.

Membership in the Plan consisted of the following at December 31:

	2025	2024
Retirees and beneficiaries receiving benefits	116	116
Terminated plan members entitled to but not yet receiving benefits	29	29
<b>Total</b>	<b>145</b>	<b>145</b>

### Vesting and Benefits Provided

The Plan provides normal, early, and disability retirement benefits, as well as a preretirement death benefit or survivor annuity for a surviving spouse. The Plan provides a single life annuity and a 50% or 75% joint and survivor benefit for married participants. Retirement benefit amounts are calculated based on the number of years of credited service multiplied by a tiered monthly benefit rate established in the Plan document within a range of \$20 to \$100. For Plan members who terminated employment before January 1, 1992, the normal retirement age with full benefit is 65 with at least five years of credited service. Effective January 1, 1992, the normal retirement age with full benefit is 62 after completing five years or more of credited service. Plan members who are age 55 and have completed 10 years of credited service may elect early retirement, with benefits reduced by a quarter of one percentage for each month the early retirement date precedes the normal retirement date. However, a Plan member with 30 years of credited service may retire at age 55 without a reduction in benefits. A Plan member who is disabled with 15 years of credited service is eligible for disability retirement. If the disabled Plan member is age 55, the disability retirement benefit shall be the normal retirement benefit, or the benefit shall be the normal retirement benefit earned to the disability retirement date, reduced by 5/12 of one percentage for each month the disability retirement date precedes the month the Plan member attains the age of 55.

### Contributions

The Port agrees to maintain and contribute funds to the Plan in an amount sufficient to pay the vested accrued benefits of participating members and the beneficiaries when the benefits become due. Members do not make contributions. The Board of Trustees establishes the employer's contribution amount based on an actuarially determined contribution recommended by an independent actuary.

## Investments

### Investment Policy

The Plan's investment policy regarding the allocation of the invested assets is established and may be amended by the Board of Trustees. The policy allows the Plan to invest in contracts with insurance companies that are rated no lower than A by at least two major rating agencies. The Plan is allowed to invest in commercial paper with an A1/P1 rating. Certificates of deposit or banker's acceptances can only be purchased from domestic banks with net worth in excess of \$2 billion and that satisfy tier 1 and tier 2 capital requirements. Bank deposits or short-term investment accounts must be maintained by the Plan's custodian. Repurchase agreements can only be entered with Federal Reserve reporting dealers and maintained in accordance with Federal Reserve guidelines. Only U.S. registered mutual funds or Employee Retirement Income Security Act (ERISA)-qualified commingled funds whose investment strategies and governing documents have been reviewed and approved by the Board of Trustees can be purchased. The Plan's investment policy allows for 35% plus or minus 5% of the portfolio to be invested in domestic equities securities, 25% plus or minus 5% of the portfolio to be invested in international equities securities, and 40% plus or minus 5% of the portfolio to be invested in fixed income securities.

### Interest Rate Risk

Interest rate risk is the risk that an investment's fair value decreases as market interest rate increases. In general, the longer the duration of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Through its investment policy, the Plan manages its exposure to fair value losses from increasing interest rates by investing in a diversified portfolio of index funds and professionally managed mutual funds. For the fixed income mutual funds, the Plan manages its exposure to changes in interest rates by investing in intermediate-term bonds. As of December 31, 2025 and 2024, the average duration for PIMCO Income Fund was 5.4 years and 3.3 years, respectively. As of December 31, 2025 and 2024, the average duration for Dodge and Cox Fixed Income Fund was 6.1 years and 6.3 years, respectively. As of December 31, 2025 and 2024, the average duration for Vanguard Total Bond Market Index Fund was 5.7 years and 5.9 years, respectively.

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured by the assignment of ratings by nationally recognized statistical rating organizations. As of December 31, 2025 and 2024, the Plan's investment in the PIMCO Income Fund carried an average credit quality rating of BBB, the Dodge & Cox Fixed Income Fund carried an average credit quality rating of A, and the Vanguard Total Bond Market Index Fund carried an average credit quality rating of AA, for both years.

### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan had \$3,492,000 and \$2,801,000 in international equity mutual funds that were invested in foreign securities as of December 31, 2025 and 2024, respectively.

### Rate of Return

For the year ended December 31, 2025 and 2024, the annual money-weighted rate of return on the Plan investments, net of investment expense, was 16.7% and 10.1%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

### Net Pension Asset (Liability), Pension Expense, and Deferred Outflows/Inflows of Resources

The Port's net pension asset (liability) related to the Warehousemen's Pension Trust was measured as of December 31, 2025. The total pension liability used to calculate the net pension asset (liability) was determined by an actuarial valuation as of December 31, 2024. As of December 31, 2025, the Port reported a net pension asset of \$883,000 compared to a net pension liability of \$1,683,000 as of December 31, 2024. For the year ended December 31, 2025, 2024, and 2023, the Port recognized pension expense of \$82,000, \$329,000, and \$315,000, respectively. As of December 31, 2025 and 2024, the total deferred outflows and (inflows) of resources resulting from the net difference between projected and actual earnings on pension plan investments was \$(1,051,000) and \$97,000, respectively. The Plan will recognize \$6,000 for 2026, \$(488,000) for 2027, \$(324,000) for 2028, and \$(245,000) for 2029, as future pension expenses.

The components of the net pension asset (liability) at December 31, were as follows (in thousands):

	2025	2024
Total pension asset (liability)	\$ (13,037)	\$ (13,704)
Plan fiduciary net position	13,920	12,021
Net pension asset (liability)	\$ 883	\$ (1,683)
Plan fiduciary net position as a percentage of total pension liability	106.8%	87.7%

### Changes in Net Pension Asset (Liability)

The following table identifies changes in the Port's net pension asset (liability) for the current year (in thousands):

	Total pension asset (liability)	Plan fiduciary net position	Net pension asset (liability)
Interest expense	\$ (842)	\$	\$ (842)
Employer contributions		(1,500)	1,500
Net investment income		(2,002)	2,002
Benefit payments	1,509	1,509	
Administrative expenses		54	(54)
Professional fees		40	(40)
Net changes	667	(1,899)	2,566
Balances at beginning of year	(13,704)	(12,021)	(1,683)
Balances at end of year	\$ (13,037)	\$ (13,920)	\$ 883

### Actuarial Assumptions and Methods

The total pension liability was determined by an actuarial valuation as of December 31, 2024, using the Entry Age Normal cost method and the following actuarial assumptions, applied to all periods included in the measurement:

- *Mortality* — Life expectancies were based on the RP-2014 Combined Mortality Table for Males and Females with blue-collar adjustment. Margin for future mortality improvement is accounted for by projecting mortality rates using Scale MP-2016.
- *Investment rate of return* — A rate of 6.5% was used, which is the long-term expected rate of return on the Plan's investment, net of plan investment expenses, including inflation. This rate was determined using a building-block method in which best-estimate ranges of expected future real rates of return 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 real rates of return were adopted by the Plan's Board of Trustees after considering input from the Plan's investment consultant and actuary.

For each major asset class that is included in the Plan's target asset allocation as of December 31, 2025, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Domestic equities mutual fund	35%	6.96%
International equities mutual fund	25	7.71
Domestic fixed income mutual fund	40	4.47
Total	100%	

- *Discount rate* — A single discount rate of 6.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on the Plan's investments at 6.5% and the tax-exempt municipal bond rate on an index of 20-year GO Bonds with an average AA credit rating of 4.83%. The projection of cash flows used to determine this single discount rate assumed the employer contributions will be made at the actuarially determined contribution rates in accordance with the Port's long-term funding policy. Based on these assumptions, the 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 the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension asset (liability) of the Plan, calculated using the discount rate of 6.5%, as well as what the net pension asset (liability) would be if it were calculated using plus or minus 1% of the current discount rate (in thousands):

	<b>1% Decrease (5.5%)</b>	<b>Current discount rate (6.5%)</b>	<b>1% Increase (7.5%)</b>
Net pension asset (liability)	\$ (97)	\$ 883	\$ 1,736

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# Required Supplementary Information

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Port of Seattle / 2025 Annual Comprehensive Financial Report

## Schedule of Port of Seattle's Proportionate Share of Net Pension Asset/Liability (NPA/NPL) Enterprise Fund Pension Plans

Last Ten Fiscal Years (in thousands)

	2025	2024	2023	2022	2021
<b>PERS Plan 1</b>					
Port's proportion of the NPL	1.01%	0.97%	0.91%	0.90%	0.91%
Port's proportionate share of the (NPL)	\$ (11,961)	\$ (17,278)	\$ (20,695)	\$ (24,953)	\$ (11,120)
Port's covered payroll	\$ 371	\$ 350	\$ 321	\$ 757	\$ 852
Port's proportionate share of the (NPL) as a percentage of its covered payroll	(3,223.99)%	(4,936.57)%	(6,447.04)%	(3,296.30)%	(1,305.16)%
Plan fiduciary net position as a percentage of the total pension liability	89.07%	84.05%	80.16%	76.56%	88.74%
<b>PERS Plan 2/3</b>					
Port's proportion of the NPA or NPL	1.28%	1.22%	1.17%	1.15%	1.15%
Port's proportionate share of the NPA (NPL)	\$ 48,805	\$ 40,314	\$ 47,790	\$ 42,530	\$ 114,829
Port's covered payroll	\$ 213,295	\$ 189,130	\$ 161,174	\$ 140,945	\$ 137,887
Port's proportionate share of the NPA (NPL) as a percentage of its covered payroll	22.88%	21.32%	29.65%	30.17%	83.28%
Plan fiduciary net position as a percentage of the total pension liability	105.53%	105.17%	107.02%	106.73%	120.29%
<b>LEOFF Plan 1</b>					
Port's proportion of the NPA	0.07%	0.08%	0.08%	0.08%	0.08%
Port's proportionate share of the NPA	\$ 2,144	\$ 2,153	\$ 2,330	\$ 2,217	\$ 2,700
Port's covered payroll <sup>(a)</sup>	n/a	n/a	n/a	n/a	n/a
Port's proportionate share of the NPA as a percentage of its covered payroll <sup>(a)</sup>	n/a	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability	178.02%	168.48%	175.99%	169.62%	187.45%
<b>LEOFF Plan 2</b>					
Port's proportion of the NPA	1.11%	1.19%	1.13%	1.01%	0.99%
Port's proportionate share of the NPA	\$ 21,541	\$ 22,332	\$ 27,157	\$ 27,372	\$ 57,519
State's proportionate share of the NPA associated with the Port	13,825	14,492	17,342	17,731	37,106
Total	\$ 35,366	\$ 36,824	\$ 44,499	\$ 45,103	\$ 94,625
Port's covered payroll	\$ 42,503	\$ 40,919	\$ 36,141	\$ 30,121	\$ 28,084
Port's proportionate share of the NPA as a percentage of its covered payroll	83.21%	89.99%	123.13%	149.74%	336.94%
Plan fiduciary net position as a percentage of the total pension liability	108.79%	109.27%	113.17%	116.09%	142.00%
<b>PSERS Plan 2<sup>(b)</sup></b>					
Port's proportion of the NPA	0.11%	0.00%	n/a	n/a	n/a
Port's proportionate share of the NPA	\$ 43	\$	n/a	n/a	n/a
Port's covered payroll	\$ 1,333	\$	n/a	n/a	n/a
Port's proportionate share of the NPA as a percentage of its covered payroll	3.23%	0.00%	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability	101.95%	102.61%	n/a	n/a	n/a

(Continued)

<sup>(a)</sup> Annual covered payroll was not applicable as LEOFF Plan 1 has no active employees.<sup>(b)</sup> The Port began enrolling employees in the PSERS Plan 2 starting in July 2024.

## Schedule of Port of Seattle's Proportionate Share of Net Pension Asset/Liability (NPA/NPL) Enterprise Fund Pension Plans

Last Ten Fiscal Years (in thousands)

	2020	2019	2018	2017	2016
<b>PERS Plan 1</b>					
Port's proportion of the NPL	0.89%	0.86%	0.87%	0.86%	0.83%
Port's proportionate share of the (NPL)	\$ (31,506)	\$ (33,048)	\$ (38,752)	\$ (40,683)	\$ (44,426)
Port's covered payroll	\$ 1,067	\$ 1,141	\$ 1,450	\$ 1,451	\$ 1,440
Port's proportionate share of the (NPL) as a percentage of its covered payroll	(2,952.76)%	(2,896.41)%	(2,672.55)%	(2,803.79)%	(3,085.14)%
Plan fiduciary net position as a percentage of the total pension liability	68.64%	67.12%	63.22%	61.24%	57.03%
<b>PERS Plan 2/3</b>					
Port's proportion of the NPA or NPL	1.13%	1.08%	1.08%	1.07%	1.02%
Port's proportionate share of the NPA (NPL)	\$ (14,440)	\$ (10,531)	\$ (18,467)	\$ (37,149)	\$ (51,569)
Port's covered payroll	\$ 131,998	\$ 117,866	\$ 111,910	\$ 104,804	\$ 95,817
Port's proportionate share of the NPA (NPL) as a percentage of its covered payroll	(10.94)%	(8.93)%	(16.50)%	(35.45)%	(53.82)%
Plan fiduciary net position as a percentage of the total pension liability	97.22%	97.77%	95.77%	90.97%	85.82%
<b>LEOFF Plan 1</b>					
Port's proportion of the NPA	0.08%	0.08%	0.08%	0.08%	0.07%
Port's proportionate share of the NPA	\$ 1,464	\$ 1,529	\$ 1,382	\$ 1,144	\$ 761
Port's covered payroll <sup>(a)</sup>	n/a	n/a	n/a	n/a	n/a
Port's proportionate share of the NPA as a percentage of its covered payroll <sup>(a)</sup>	n/a	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability	146.88%	148.78%	144.42%	135.96%	123.74%
<b>LEOFF Plan 2</b>					
Port's proportion of the NPA	1.09%	1.07%	1.03%	1.08%	1.03%
Port's proportionate share of the NPA	\$ 22,203	\$ 24,861	\$ 20,851	\$ 15,053	\$ 5,967
State's proportionate share of the NPA associated with the Port	14,197	16,281	13,501	9,765	3,890
Total	\$ 36,400	\$ 41,142	\$ 34,352	\$ 24,818	\$ 9,857
Port's covered payroll	\$ 29,767	\$ 27,404	\$ 24,512	\$ 24,778	\$ 22,343
Port's proportionate share of the NPA as a percentage of its covered payroll	122.28%	150.13%	140.14%	100.16%	44.12%
Plan fiduciary net position as a percentage of the total pension liability	115.83%	119.43%	118.50%	113.36%	106.04%
<b>PSERS Plan 2<sup>(b)</sup></b>					
Port's proportion of the NPA	n/a	n/a	n/a	n/a	n/a
Port's proportionate share of the NPA	n/a	n/a	n/a	n/a	n/a
Port's covered payroll	n/a	n/a	n/a	n/a	n/a
Port's proportionate share of the NPA as a percentage of its covered payroll	n/a	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability	n/a	n/a	n/a	n/a	n/a

(Concluded)

## Schedule of Port of Seattle's Contributions Enterprise Fund Pension Plans<sup>(a)</sup>

Last Ten Fiscal Years (in thousands)

	2025	2024	2023	2022	2021
<b>PERS Plan 1</b>					
Contractually required contribution	\$ 29	\$ 33	\$ 33	\$ 53	\$ 88
Contributions in relation to the contractually required contribution	(29)	(33)	(33)	(53)	(88)
Contribution deficiency (excess)	\$	\$	\$	\$	\$
Port's covered payroll	\$ 380	\$ 364	\$ 334	\$ 521	\$ 758
Contributions as a percentage of covered payroll	7.63%	9.07%	9.88%	10.17%	11.61%
<b>PERS Plan 2/3</b>					
Contractually required contribution	\$ 16,872	\$ 18,143	\$ 17,327	\$ 16,313	\$ 14,813
Contributions in relation to the contractually required contribution	(16,872)	(18,143)	(17,327)	(16,313)	(14,813)
Contribution deficiency (excess)	\$	\$	\$	\$	\$
Port's covered payroll	\$ 230,151	\$ 198,447	\$ 177,292	\$ 161,113	\$ 127,209
Contributions as a percentage of covered payroll	7.33%	9.14%	9.77%	10.13%	11.64%
<b>LEOFF Plan 2</b>					
Contractually required contribution	\$ 3,170	\$ 3,050	\$ 2,821	\$ 2,393	\$ 1,904
Contributions in relation to the contractually required contribution	(3,170)	(3,050)	(2,821)	(2,393)	(1,904)
Contribution deficiency (excess)	\$	\$	\$	\$	\$
Port's covered payroll	\$ 44,575	\$ 42,708	\$ 39,962	\$ 34,010	\$ 27,216
Contributions as a percentage of covered payroll	7.11%	7.14%	7.06%	7.04%	7.00%
<b>PSERS Plan 2<sup>(b)</sup></b>					
Contractually required contribution	\$ 134	\$ 60	n/a	n/a	n/a
Contributions in relation to the contractually required contribution	(134)	(60)	n/a	n/a	n/a
Contribution deficiency (excess)	\$	\$	\$	\$	\$
Port's covered payroll	\$ 1,632	\$ 647	n/a	n/a	n/a
Contributions as a percentage of covered payroll	8.21%	9.27%	n/a	n/a	n/a

(Continued)

<sup>(a)</sup> LEOFF Plan 1 is fully funded and no further employer or employee contributions have been required since June 2000.<sup>(b)</sup> The Port began enrolling employees in the PSERS Plan 2 starting in July 2024.

## Schedule of Port of Seattle's Contributions Enterprise Fund Pension Plans<sup>(a)</sup>

Last Ten Fiscal Years (in thousands)

	2020	2019	2018	2017	2016
<b>PERS Plan 1</b>					
Contractually required contribution	\$ 127	\$ 149	\$ 173	\$ 151	\$ 164
Contributions in relation to the contractually required contribution	(127)	(149)	(173)	(151)	(164)
Contribution deficiency (excess)	\$	\$	\$	\$	\$
Port's covered payroll	\$ 1,000	\$ 1,174	\$ 1,398	\$ 1,289	\$ 1,490
Contributions as a percentage of covered payroll	12.70%	12.69%	12.37%	11.71%	11.01%
<b>PERS Plan 2/3</b>					
Contractually required contribution	\$ 18,653	\$ 15,993	\$ 13,920	\$ 12,882	\$ 10,979
Contributions in relation to the contractually required contribution	(18,653)	(15,993)	(13,920)	(12,882)	(10,979)
Contribution deficiency (excess)	\$	\$	\$	\$	\$
Port's covered payroll	\$ 146,750	\$ 126,312	\$ 110,897	\$ 109,605	\$ 99,808
Contributions as a percentage of covered payroll	12.71%	12.66%	12.55%	11.75%	11.00%
<b>LEOFF Plan 2</b>					
Contractually required contribution	\$ 2,170	\$ 2,107	\$ 1,837	\$ 1,723	\$ 1,663
Contributions in relation to the contractually required contribution	(2,170)	(2,107)	(1,837)	(1,723)	(1,663)
Contribution deficiency (excess)	\$	\$	\$	\$	\$
Port's covered payroll	\$ 30,638	\$ 29,274	\$ 25,389	\$ 24,355	\$ 23,911
Contributions as a percentage of covered payroll	7.08%	7.20%	7.24%	7.07%	6.95%
<b>PSERS Plan 2<sup>(b)</sup></b>					
Contractually required contribution	n/a	n/a	n/a	n/a	n/a
Contributions in relation to the contractually required contribution	n/a	n/a	n/a	n/a	n/a
Contribution deficiency (excess)	\$	\$	\$	\$	\$
Port's covered payroll	n/a	n/a	n/a	n/a	n/a
Contributions as a percentage of covered payroll	n/a	n/a	n/a	n/a	n/a

(Concluded)

## Schedule of Changes in Total OPEB Liability and Related Ratios LEOFF Plan 1 Members' Medical Services Plan

Last Eight Fiscal Years<sup>(a)</sup> (in thousands)

	2025	2024	2023	2022	2021
Interest expense	\$ 232	\$ 228	\$ 224	\$ 126	\$ 146
Changes of assumptions	498	126	870	(893)	(41)
Contributions	(661)	(700)	(593)	(577)	(492)
Net change in total OPEB liability	69	(346)	501	(1,344)	(387)
Total OPEB liability—beginning	5,696	6,042	5,541	6,885	7,272
Total OPEB liability—ending <sup>(b)</sup>	\$ 5,765	\$ 5,696	\$ 6,042	\$ 5,541	\$ 6,885
Covered-employee payroll <sup>(c)</sup>	n/a	n/a	n/a	n/a	n/a
Total OPEB liability as a percentage of covered-employee payroll	n/a	n/a	n/a	n/a	n/a

	2020	2019	2018
Interest expense	\$ 200	\$ 262	\$ 240
Changes of assumptions	476	772	107
Contributions	(668)	(824)	(525)
Net change in total OPEB liability	8	210	(178)
Total OPEB liability—beginning	7,264	7,054	7,232
Total OPEB liability—ending <sup>(b)</sup>	\$ 7,272	\$ 7,264	\$ 7,054
Covered-employee payroll <sup>(c)</sup>	n/a	n/a	n/a
Total OPEB liability as a percentage of covered-employee payroll	n/a	n/a	n/a

<sup>(a)</sup> This schedule is presented prospectively starting in 2018 resulting from the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*.

<sup>(b)</sup> The plan has no assets accumulated in a trust or equivalent arrangement.

<sup>(c)</sup> Annual covered-employee payroll was not applicable as LEOFF Plan 1 has no active employees.

## Schedule of Changes in Total OPEB Liability and Related Ratios Retirees Life Insurance Plan

Last Eight Fiscal Years<sup>(a)</sup> (in thousands)

	2025	2024	2023	2022	2021
Service cost	\$ 254	\$ 269	\$ 224	\$ 416	\$ 464
Interest expense	449	416	412	258	264
Difference between expected and actual experience		(28)		(16)	
Changes of assumptions	(1,054)	(482)	425	(4,131)	361
Benefit payments	(300)	(50)	(410)	(150)	(366)
Net change in total OPEB liability	(651)	125	651	(3,623)	723
Total OPEB liability—beginning	11,040	10,915	10,264	13,887	13,164
Total OPEB liability—ending <sup>(b)</sup>	\$ 10,389	\$ 11,040	\$ 10,915	\$ 10,264	\$ 13,887
Covered-employee payroll	\$ 164,478	\$ 174,257	\$ 153,143	\$ 121,668	\$ 120,237
Total OPEB liability as a percentage of covered-employee payroll	6.3%	6.3%	7.1%	8.4%	11.5%

	2020	2019	2018
Service cost	\$ 349	\$ 250	\$ 286
Interest expense	316	357	343
Difference between expected and actual experience	(107)		
Changes of assumptions	1,348	1,667	(1,003)
Benefit payments	(356)	(345)	(336)
Net change in total OPEB liability	1,550	1,929	(710)
Total OPEB liability—beginning	11,614	9,685	10,395
Total OPEB liability—ending <sup>(b)</sup>	\$ 13,164	\$ 11,614	\$ 9,685
Covered-employee payroll	\$ 121,647	\$ 103,868	\$ 100,356
Total OPEB liability as a percentage of covered-employee payroll	10.8%	11.2%	9.7%

<sup>(a)</sup> This schedule is presented prospectively starting in 2018 resulting from the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*.

<sup>(b)</sup> The plan has no assets accumulated in a trust or equivalent arrangement.

## Schedule of Changes in Net Pension Asset/Liability and Related Ratios Warehousemen's Pension Trust Fund

Last Ten Fiscal Years (in thousands)

	2025	2024	2023	2022	2021
<b>Total pension asset (liability)</b>					
Interest expense	\$ (842)	\$ (882)	\$ (925)	\$ (946)	\$ (990)
Difference between expected and actual experience		(19)		(348)	
Changes of assumptions					
Benefit payments	1,509	1,548	1,596	1,657	1,667
Net change in total pension asset (liability)	667	647	671	363	677
Total pension asset (liability)—beginning	(13,704)	(14,351)	(15,022)	(15,385)	(16,062)
Total pension asset (liability)—ending	\$ (13,037)	\$ (13,704)	\$ (14,351)	\$ (15,022)	\$ (15,385)
<b>Plan fiduciary net position</b>					
Employer contributions	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Net investment income (loss)	2,002	1,111	1,451	(1,715)	1,103
Benefit payments	(1,509)	(1,548)	(1,596)	(1,657)	(1,667)
Administrative expenses	(54)	(57)	(50)	(51)	(50)
Professional fees	(40)	(30)	(39)	(29)	(39)
Net change in plan fiduciary net position	1,899	976	1,266	(1,952)	847
Plan fiduciary net position—beginning	12,021	11,045	9,779	11,731	10,884
Plan fiduciary net position—ending	\$ 13,920	\$ 12,021	\$ 11,045	\$ 9,779	\$ 11,731
<b>Net pension asset (liability)</b>					
Total pension asset (liability)—ending	\$ (13,037)	\$ (13,704)	\$ (14,351)	\$ (15,022)	\$ (15,385)
Plan fiduciary net position—ending	13,920	12,021	11,045	9,779	11,731
Net pension asset (liability)—ending	\$ 883	\$ (1,683)	\$ (3,306)	\$ (5,243)	\$ (3,654)
Plan fiduciary net position as a percentage of total pension liability	106.8%	87.7%	77.0%	65.1%	76.2%
Covered payroll <sup>(a)</sup>	n/a	n/a	n/a	n/a	n/a

(Continued)

<sup>(a)</sup> Annual covered payroll was not applicable as the operation was terminated in 2002.

## Schedule of Changes in Net Pension Asset/Liability and Related Ratios Warehousemen's Pension Trust Fund

Last Ten Fiscal Years (in thousands)

	2020	2019	2018	2017	2016
<b>Total pension asset (liability)</b>					
Interest expense	\$ (1,055)	\$ (1,092)	\$ (1,239)	\$ (1,280)	\$ (1,255)
Difference between expected and actual experience	290		1,616		(105)
Changes of assumptions					(1,044)
Benefit payments	1,760	1,791	1,863	1,946	2,093
Net change in total pension asset (liability)	995	699	2,240	666	(311)
Total pension asset (liability)—beginning	(17,057)	(17,756)	(19,996)	(20,662)	(20,351)
Total pension asset (liability)—ending	\$ (16,062)	\$ (17,057)	\$ (17,756)	\$ (19,996)	\$ (20,662)
<b>Plan fiduciary net position</b>					
Employer contributions	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Net investment income (loss)	1,215	1,575	(611)	1,352	554
Benefit payments	(1,760)	(1,791)	(1,863)	(1,946)	(2,093)
Administrative expenses	(51)	(49)	(49)	(46)	(45)
Professional fees	(30)	(48)	(28)	(47)	(41)
Net change in plan fiduciary net position	874	1,187	(1,051)	813	(125)
Plan fiduciary net position—beginning	10,010	8,823	9,874	9,061	9,186
Plan fiduciary net position—ending	\$ 10,884	\$ 10,010	\$ 8,823	\$ 9,874	\$ 9,061
<b>Net pension asset (liability)</b>					
Total pension asset (liability)—ending	\$ (16,062)	\$ (17,057)	\$ (17,756)	\$ (19,996)	\$ (20,662)
Plan fiduciary net position—ending	10,884	10,010	8,823	9,874	9,061
Net pension asset (liability)—ending	\$ (5,178)	\$ (7,047)	\$ (8,933)	\$ (10,122)	\$ (11,601)
Plan fiduciary net position as a percentage of total pension liability	67.8%	58.7%	49.7%	49.4%	43.9%
Covered payroll <sup>(a)</sup>	n/a	n/a	n/a	n/a	n/a

(Concluded)

## Schedule of Employer Contributions Warehousemen's Pension Trust Fund<sup>(a)</sup>

Last Ten Fiscal Years (in thousands)

Years ended December 31,	Actuarially determined contribution	Actual contribution	Contribution deficiency (excess)
2025	\$ 341	\$ 1,500	\$ (1,159)
2024	536	1,500	(964)
2023	749	1,500	(751)
2022	531	1,500	(969)
2021	681	1,500	(819)
2020	856	1,500	(644)
2019	1,021	1,500	(479)
2018	1,108	1,500	(392)
2017	1,218	1,500	(282)
2016	1,147	1,500	(353)

<sup>(a)</sup> Annual covered payroll was not applicable as the operation was terminated in 2002.

## Schedule of Investment Returns Warehousemen's Pension Trust Fund

Last Ten Fiscal Years

Years ended December 31,	Annual money-weighted rate of return, net of investment expense
2025	16.7%
2024	10.1
2023	15.1
2022	(14.8)
2021	10.3
2020	12.4
2019	18.3
2018	(6.4)
2017	15.4
2016	6.3

## Notes to Required Supplementary Information

### Warehousemen's Pension Trust Fund for the Year Ended December 31, 2025

#### Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule are calculated as of December 31, 2025, for the year of 2025. Valuations of the accrued liability are performed bi-annually (odd years), and a roll-forward liability calculation is made in the off (even) years. Actual assets are valued each year to determine a new actuarially determined contribution.

The following actuarial methods and assumptions were used to determine contribution rates reported in this schedule:

Valuation Date	January 1, 2025
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	10 years as of January 1, 2025
Asset valuation method	Fair value
Investment rate of return	6.5%
Discount rate	6.5%
Retirement age	100% assumed retirement at the earliest eligibility age—age 55 for members with at least 10 years of service and age 62 for members with less than 10 years of service.
Mortality	RP-2014 Blue Collar Combined Healthy Mortality Table with blue-collar adjustment projected with Scale MP-2016.
Other information	There were no benefit changes during the year. Employer contributions are determined such that contributions will fund the projected benefits over a closed, 10-year funding period as of January 1, 2025.

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# Statistical Section

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**Port of Seattle / 2025 Annual Comprehensive Financial Report**



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# Port of Seattle

## Statistical Section Narrative and Schedules

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This section of the Port's Annual Comprehensive Financial Report contains detailed information as context for understanding the financial statements, note disclosures, and required supplementary information about the Port's overall financial health.

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### Contents

#### Financial Trends

These schedules are presented from the Enterprise Fund perspective and contain trend information to help readers understand the Port's financial performance and well-being over time. Schedules included are:

Schedule 1 – Net Position by Component, Last Ten Fiscal Years

Schedule 2 – Changes in Net Position, Last Ten Fiscal Years

#### Revenue Capacity

These schedules provide information about the Aviation Division's operating revenues, principal customers, landed weight, and landing fees, which are the Port's major revenue source. Schedules included are:

Schedule 3 – Aviation Division Operating Revenues by Source and Lease Interest Income, Last Ten Fiscal Years

Schedule 4 – Aviation Division Principal Customers, Current Year and Nine Years Ago

Schedule 5 – Aviation Division Landed Weight and Landing Fees, Last Ten Fiscal Years

#### Debt Capacity

These schedules provide information to help readers evaluate the Port's ability to issue additional debt in the future and assess the affordability of the Port's current levels of outstanding debt. Details regarding outstanding debt can be found in the Notes to Financial Statements. Schedules included are:

Schedule 6 – Ratios of Outstanding Debt by Type, Last Ten Fiscal Years

Schedule 7 – Ratios of GO Bonds, Last Ten Fiscal Years

Schedule 8 – Computation of Direct and Overlapping GO Debt, as of December 31, 2025

Schedule 9 – Revenue Bonds Coverage by Type, Last Ten Fiscal Years

Schedule 10 – Legal Debt Margin Information, Last Ten Fiscal Years

### Demographic and Economic Information

These schedules offer demographic and economic indicators to help readers understand the environment within which the Port's financial activities take place. Schedules included are:

- Schedule 11 – Demographic Statistics, Last Ten Fiscal Years
- Schedule 12 – Principal Employers of Seattle, Current Year and Nine Years Ago
- Schedule 13 – Assessed Value and Estimated Actual Value of Taxable Property and Direct and Overlapping Property Tax Rates Per \$1,000 of Assessed Value, Last Ten Fiscal Years
- Schedule 14 – Port of Seattle's Property Tax Levies and Collections, Last Ten Fiscal Years
- Schedule 15 – King County Principal Property Taxpayers, Current Year and Nine Years Ago

### Operating Information

These schedules contain information about the Port's operations and resources to help readers understand how the Port's financial information relates to the services it provides and the activities it performs. Schedules included are:

- Schedule 16 – Seattle-Tacoma International Airport Passengers Level, Last Ten Fiscal Years
- Schedule 17 – Seattle-Tacoma International Airport Aircraft Operations Level, Last Ten Fiscal Years
- Schedule 18 – Seattle-Tacoma International Airport Air Cargo Level, Last Ten Fiscal Years
- Schedule 19 – Containerized Volume, Last Ten Fiscal Years
- Schedule 20 – Cargo Volume, Last Ten Fiscal Years
- Schedule 21 – Port of Seattle Grain Volume, Last Ten Fiscal Years
- Schedule 22 – Port of Seattle Cruise Traffic, Last Ten Fiscal Years
- Schedule 23 – Number of Port of Seattle Employees by Division, Last Ten Fiscal Years
- Schedule 24 – Capital Assets Information—Maritime and Economic Development Facilities, Last Ten Fiscal Years
- Schedule 25 – Capital Assets Information—Seattle-Tacoma International Airport, Last Ten Fiscal Years

## Schedule 1 Net Position by Component

Last Ten Fiscal Years (accrual basis of accounting) (in thousands)

<b>Fiscal year</b>	<b>Net investment in capital assets</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total net position</b>
2025	\$ 3,601,080	\$ 617,448	\$ 1,068,035	\$ 5,286,563
2024	3,595,160	550,034	728,638	4,873,832
2023 <sup>(a)</sup>	3,504,319	475,269	669,125	4,648,713
2022 <sup>(a)(b)</sup>	3,352,145	482,477	481,963	4,316,585
2021 <sup>(b)(c)</sup>	3,345,398	365,621	387,056	4,098,075
2020 <sup>(c)</sup>	3,264,128	288,067	366,049	3,918,244
2019	3,212,698	340,262	280,756	3,833,716
2018 <sup>(d)</sup>	3,107,766	377,800	81,143	3,566,709
2017	2,716,718	403,685	227,780	3,348,183
2016	2,591,049	343,175	214,123	3,148,347

<sup>(a)</sup> In 2024, the Port adopted GASB Statement No. 101, *Compensated Absences*, retroactively by restating the financial statements for 2023 and 2022. The restatement included recognizing the short-term and long-term compensated absence liability.

<sup>(b)</sup> In 2023, the Port adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, retroactively by restating the financial statements for 2022 and 2021. The restatement included recognizing the subscription liability and the intangible subscription assets.

<sup>(c)</sup> In 2022, the Port adopted GASB Statement No. 87, *Leases*, retroactively by restating the financial statements for 2021 and 2020. The restatement included recognizing, as a lessor, the lease receivable and the deferred inflows of resources, and as a lessee, the lease liability and the intangible lease assets.

<sup>(d)</sup> In 2018, the Port adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, and GASB Statement No. 86, *Certain Debt Extinguishment Issues*, by adjusting the beginning balance of the total net position as of January 1, 2018. The adjustments included recording the OPEB liability and the related deferred outflows and deferred inflows from the OPEB liability, as well as the refunding gain/loss on extinguished debt.

## Schedule 2 Changes in Net Position

Last Ten Fiscal Years (accrual basis of accounting) (in thousands)

	2025	2024	2023 <sup>(a)</sup>	2022 <sup>(a)(b)</sup>	2021 <sup>(b)(c)</sup>
<b>Operating Revenues:</b>					
Services	\$ 403,040	\$ 395,720	\$ 353,114	\$ 297,740	\$ 222,699
Property rentals	591,069	544,484	527,348	433,729	328,139
Customer facility charge revenues	23,201	20,872	16,954	12,171	2,018
Operating grants	93	269	324	875	2,894
Joint venture income <sup>(e)</sup>	105,043	60,493	55,820	53,403	54,046
Total operating revenues	1,122,446	1,021,838	953,560	797,918	609,796
<b>Operating Expenses:</b>					
Operations and maintenance	496,116	484,186	409,792	352,333	253,348
Administration	129,479	123,227	102,260	89,033	77,635
Law enforcement	46,717	45,228	39,018	33,201	28,331
Total operating expenses	672,312	652,641	551,070	474,567	359,314
<b>Net Operating Income Before</b>					
Depreciation and Amortization	450,134	369,197	402,490	323,351	250,482
Depreciation and amortization	298,355	277,917	256,740	237,649	195,303
Operating Income (loss)	151,779	91,280	145,750	85,702	55,179
<b>Nonoperating Income (Expense):</b>					
Ad valorem tax levy revenues	87,841	85,885	82,313	80,785	78,311
Passenger facility charge revenues	98,144	99,364	95,681	88,284	72,845
Customer facility charge revenues	24,821	24,896	24,657	24,461	24,271
Noncapital grants and contributions	3,052	3,491	19,192	153,764	103,206
Fuel hydrant facility revenues	6,561	6,389	6,681	7,451	7,010
Lease interest income	26,964	21,711	15,721	12,212	11,901
Investment income (loss)—net	117,805	81,374	94,541	(50,735)	(5,386)
Revenue and capital appreciation					
bonds interest expense	(174,153)	(150,434)	(146,686)	(140,838)	(132,925)
Passenger facility charge revenue					
bonds interest expense					(1,041)
GO bonds interest expense	(15,184)	(14,365)	(10,162)	(11,877)	(11,004)
Public expense	(4,320)	(11,150)	(20,869)	(8,282)	(9,769)
Environmental credit (expense)—net	1,973	(3,072)	(10,056)	(1,296)	(7,495)
Other income (expense)—net	47,140	(13,425)	(944)	(59,237)	(17,997)
Total nonoperating income (expense)—net	220,644	130,664	150,069	94,692	111,927
<b>Income Before Capital</b>					
Contributions and Special Items	372,423	221,944	295,819	180,394	167,106
Capital Grants and Contributions	40,308	94,282	36,309	38,116	47,632
Income Before Special Items	412,731	316,226	332,128	218,510	214,738
<b>Special Items:</b>					
SR 99 Viaduct expense <sup>(f)</sup>					
Habitat restoration costs <sup>(g)</sup>					(34,907)
Terminal 25 cleanup costs <sup>(h)</sup>		(91,107)			
Increase in Net Position	412,731	225,119	332,128	218,510	179,831
<b>Total Net Position:</b>					
Beginning of year, as previously reported	4,873,832	4,653,220	4,320,921	4,097,938	3,918,821
Adoption of new accounting standard(s)		(4,507)	(4,336)	137	(577)
Beginning of year, as restated/adjusted	4,873,832	4,648,713	4,316,585	4,098,075	3,918,244
End of year	\$ 5,286,563	\$ 4,873,832	\$ 4,648,713	\$ 4,316,585	\$ 4,098,075

See notes on page 107.

(Continued)

## Schedule 2 Changes in Net Position

Last Ten Fiscal Years (accrual basis of accounting) (in thousands)

	2020 <sup>(c)</sup>	2019	2018 <sup>(d)</sup>	2017	2016
<b>Operating Revenues:</b>					
Services	\$ 186,488	\$ 296,326	\$ 274,174	\$ 260,322	\$ 231,326
Property rentals	273,557	400,235	339,304	304,416	291,874
Customer facility charge revenues		15,773	16,263	10,641	12,121
Operating grants	2,702	3,860	3,657	1,727	1,562
Joint venture income <sup>(e)</sup>	36,869	47,979	55,992	54,925	61,584
Total operating revenues	499,616	764,173	689,390	632,031	598,467
<b>Operating Expenses:</b>					
Operations and maintenance	299,711	335,532	297,321	282,657	237,964
Administration	77,523	76,413	72,568	65,722	63,456
Law enforcement	29,411	31,143	27,749	24,603	23,865
Total operating expenses	406,645	443,088	397,638	372,982	325,285
<b>Net Operating Income Before Depreciation and Amortization</b>					
Depreciation and amortization	181,989	174,971	164,362	165,021	164,336
Operating Income (loss)	(89,018)	146,114	127,390	94,028	108,846
<b>Nonoperating Income (Expense):</b>					
Ad valorem tax levy revenues	76,196	73,801	71,771	71,702	71,678
Passenger facility charge revenues	34,637	100,004	94,070	88,389	85,570
Customer facility charge revenues	15,429	22,355	21,802	25,790	24,715
Noncapital grants and contributions	149,913	2,880	1,573	6,704	6,284
Fuel hydrant facility revenues	6,886	6,742	6,942	7,000	6,992
Lease interest income	11,073				
Investment income (loss)—net	41,406	54,078	26,287	12,174	8,448
Revenue and capital appreciation bonds interest expense	(133,149)	(105,601)	(100,432)	(97,748)	(105,567)
Passenger facility charge revenue bonds interest expense	(2,670)	(3,547)	(4,368)	(4,931)	(5,251)
GO bonds interest expense	(11,850)	(12,492)	(13,414)	(13,891)	(9,765)
Public expense	(6,658)	(12,986)	(5,269)	(4,588)	(8,560)
Environmental credit (expense)—net	(5,971)	(118)	(10,600)	(4,464)	(280)
Other income (expense)—net	(22,257)	(21,959)	(3,217)	(10,441)	(12,087)
Total nonoperating income (expense)—net	152,985	103,157	85,145	75,696	62,177
<b>Income Before Capital Contributions and Special Items</b>					
Contributions and Special Items	63,967	249,271	212,535	169,724	171,023
Capital Grants and Contributions	20,909	17,736	43,650	30,112	18,108
Income Before Special Items	84,876	267,007	256,185	199,836	189,131
<b>Special Items:</b>					
SR 99 Viaduct expense <sup>(f)</sup>					(147,700)
Habitat restoration costs <sup>(g)</sup>			(34,923)		
Terminal 25 cleanup costs <sup>(h)</sup>					
Increase in Net Position	84,876	267,007	221,262	199,836	41,431
<b>Total Net Position:</b>					
Beginning of year, as previously reported	3,833,716	3,566,709	3,348,183	3,148,347	3,106,916
Adoption of new accounting standard(s)	(348)		(2,736)		
Beginning of year, as restated/adjusted	3,833,368	3,566,709	3,345,447	3,148,347	3,106,916
End of year	\$ 3,918,244	\$ 3,833,716	\$ 3,566,709	\$ 3,348,183	\$ 3,148,347

See notes on page 107.

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## Schedule 2 Changes in Net Position

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- <sup>(a)</sup> In 2024, the Port adopted GASB Statement No. 101, *Compensated Absences*, retroactively by restating the financial statements for 2023 and 2022. The restatement included recognizing the short-term and long-term compensated absence liability. The restatement also included recognizing expenses related to unvested sick leave that would be more likely than not to be used based on historical usage trends.
- <sup>(b)</sup> In 2023, the Port adopted GASB Statement No. 96, *SBITAs*, retroactively by restating the financial statements for 2022 and 2021. The restatement included recognizing the subscription liability and the intangible subscription assets. The restatement also included recognizing related subscription interest expense and the amortization of intangible subscription assets.
- <sup>(c)</sup> In 2022, the Port adopted GASB Statement No. 87, *Leases*, retroactively by restating the financial statements for 2021 and 2020. The restatement included recognizing, as a lessor, the lease receivable and the deferred inflows of resources, and as a lessee, the lease liability and the intangible lease assets. The restatement also included recognizing related lease interest income, lease interest expense, and the amortization of intangible lease assets.
- <sup>(d)</sup> In 2018, the Port adopted GASB Statement No. 75, *Accounting and Financial Reporting for OPEB*, and GASB Statement No. 86, *Certain Debt Extinguishment Issues*, by adjusting the beginning balance of the total net position as of January 1, 2018. The adjustments included recording the OPEB liability and the related deferred outflows and deferred inflows from the OPEB liability, as well as the refunding gain/loss on extinguished debt.
- <sup>(e)</sup> In 2016, the Port began applying joint venture accounting to account for its 50% share of the NWSA's changes in net position.
- <sup>(f)</sup> In 2016, the Port made \$147.7 million payments as a special item, to the Washington State Department of Transportation (WSDOT) for the State Route (SR) 99 Alaskan Way Viaduct Replacement Program.
- <sup>(g)</sup> The Port recorded, as a special item, \$34.9 million, in both 2021 and 2018, of construction cost for a habitat restoration project and related cleanup at Terminal 25 South.
- <sup>(h)</sup> In 2024, the Port recorded, as a special item, \$91.1 million construction cost for cleanup at Terminal 25 South.

## Schedule 3 Aviation Division Operating Revenues by Source and Lease Interest Income

Last Ten Fiscal Years<sup>(a)</sup> (accrual basis of accounting) (in thousands)

	2025	2024	2023	2022	2021 <sup>(b)</sup>
<b>Aeronautical Revenues:</b>					
Terminal	\$ 320,344	\$ 294,901	\$ 293,295	\$ 249,281	\$ 195,575
Airfield	187,304	193,786	156,411	121,679	95,270
Other	37,659	32,254	29,991	31,580	26,667
Total aeronautical revenues	545,307	520,941	479,697	402,540	317,512
<b>Non-Aeronautical Revenues:</b>					
Public parking	116,870	116,535	110,940	88,899	64,104
Airport dining and retail/ Terminal leased space	82,361	79,794	72,494	42,501	41,219
Rental cars	44,278	43,562	44,600	42,330	30,687
Customer facility charges <sup>(c)</sup>	23,201	20,872	16,954	12,171	2,018
Utilities	10,837	9,578	8,666	7,943	6,350
Commercial properties	28,798	17,639	16,238	12,565	8,297
Ground transportation	24,376	23,946	24,878	20,804	11,947
Other	32,494	28,434	23,982	22,620	12,552
Total non-aeronautical revenues	363,215	340,360	318,752	249,833	177,174
Total Aviation Division operating revenues	908,522	861,301	798,449	652,373	494,686
Lease interest income	11,132	7,853	7,841	6,780	6,646
Total Aviation Division operating revenues and lease interest income	\$ 919,654	\$ 869,154	\$ 806,290	\$ 659,153	\$ 501,332
	2020 <sup>(b)</sup>	2019	2018	2017	2016
<b>Aeronautical Revenues:</b>					
Terminal	\$ 179,249	\$ 206,958	\$ 163,758	\$ 146,817	\$ 141,549
Airfield	88,537	129,157	109,749	100,716	88,311
Other	30,123	21,483	17,761	16,580	14,374
Total aeronautical revenues	297,909	357,598	291,268	264,113	244,234
<b>Non-Aeronautical Revenues:</b>					
Public parking	34,502	82,125	80,212	75,106	69,540
Airport dining and retail/ Terminal leased space	30,916	68,013	64,323	58,980	57,253
Rental cars	14,720	36,793	37,306	35,051	37,082
Customer facility charges <sup>(c)</sup>		15,773	16,263	10,641	12,122
Utilities	5,672	7,431	7,206	7,018	7,233
Commercial properties	6,853	15,773	15,435	18,042	9,992
Ground transportation	6,557	20,765	18,772	15,684	12,803
Other	11,105	22,364	18,189	16,281	14,997
Total non-aeronautical revenues	110,325	269,037	257,706	236,803	221,022
Total Aviation Division operating revenues	408,234	626,635	548,974	500,916	465,256
Lease interest income	6,148				
Total Aviation Division operating revenues and lease interest income	\$ 414,382	\$ 626,635	\$ 548,974	\$ 500,916	\$ 465,256

See notes on page 109.

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## Schedule 3 Aviation Division Operating Revenues by Source and Lease Interest Income

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- <sup>(a)</sup> A significant amount of the aeronautical revenue followed the terms of the signatory airline lease and operating agreements SLOA III (years 2016–2017), SLOA IV (years 2018–2024), and SLOA V (2025).
- <sup>(b)</sup> In 2022, the Port adopted GASB Statement No. 87, *Leases*, retroactively by restating the financial statements for 2021 and 2020. The restatement included separately recognizing the related lease revenue and lease interest income.
- <sup>(c)</sup> CFCs associated with the operation of the Rental Car Facility are recorded as operating revenues. The remaining portion of CFCs, nonoperating income, used to pay debt service, is not included in this table.

## Schedule 4 Aviation Division Principal Customers

Current Year and Nine Years Ago (in thousands)

Customer	2025			2016		
	Revenues billed	Rank	Percentage of Aviation Division operating revenues <sup>(a)</sup>	Revenues billed	Rank	Percentage of Aviation Division operating revenues
Alaska Airlines	\$ 226,844	1	24.7%	\$ 104,206	1	22.4%
Delta Airlines	131,329	2	14.3	68,948	2	14.8
United Airlines	25,731	3	2.8	20,197	3	4.3
American Airlines	18,863	4	2.1	17,347	5	3.7
Southwest Airlines	18,323	5	2.0	18,657	4	4.0
Airport Management Services, LLC	17,887	6	1.9	11,845	8	2.5
EAN Holdings, LLC	16,186	7	1.8	12,880	7	2.8
Avis Budget Car Rental	12,926	8	1.4	8,508	10	1.8
Rasier LLC	11,348	9	1.2			
Hawaiian Air	8,842	10	1.0			
Horizon Airlines <sup>(b)</sup>				15,533	6	3.3
Host International, Inc.				10,563	9	2.3
<b>Total</b>	<b>\$ 488,279</b>		<b>53.2%</b>	<b>\$ 288,684</b>		<b>61.9%</b>

<sup>(a)</sup> In 2022, the Port adopted GASB Statement No. 87, *Leases*. Total Aviation Division operating revenues included lease interest income.

<sup>(b)</sup> In 2025, an affiliate agreement was signed that requires charges incurred by Horizon Air to be billed to Alaska Airlines.

## Schedule 5 Aviation Division Landed Weight and Landing Fees

Last Ten Fiscal Years<sup>(a)</sup> (in thousands, except for landing fee)

Fiscal year	Landed weight (in pounds)	Landing fees (per 1,000 pounds) <sup>(b)</sup>	
		Signatory airlines	Non-signatory airlines/aircrafts <sup>(c)</sup>
2025	33,263,033	\$ 4.83	\$ 6.04
2024	32,805,571	5.13	6.41
2023	32,063,674	4.35	5.44
2022	29,078,689	3.98	4.98
2021	26,584,189	3.23	4.04
2020	20,261,962	4.07	5.09
2019	31,562,353	3.84	4.81
2018	30,349,825	3.77	4.71
2017	28,430,527	3.75	4.69
2016	27,275,525	3.40	4.25

<sup>(a)</sup> Aeronautical revenues followed the terms of SLOA III (years 2016–2017), SLOA IV (years 2018–2024), and SLOA V (2025).

<sup>(b)</sup> Landing fee rates were based on settlement calculations following the terms of SLOA III (years 2016–2017), SLOA IV (years 2018–2024), and SLOA V (2025).

<sup>(c)</sup> Under the terms of SLOA III, SLOA IV, and SLOA V, rates for non-signatory airlines/aircrafts were 25% higher than the same rates for signatory airlines.

## Schedule 6 Ratios of Outstanding Debt by Type

Last Ten Fiscal Years (in thousands, except for total debt per capita)

Fiscal year	GO bonds <sup>(a)</sup>	Revenue and capital appreciation bonds <sup>(a)</sup>	Commercial paper	Passenger facility charge revenue bonds <sup>(a)</sup>	Fuel hydrant special facility revenue bonds <sup>(a)</sup>	Total debt
2025	\$ 442,665	\$ 5,095,760	\$ 120,000	\$	\$ 44,209	\$ 5,702,634
2024	471,381	4,566,148			49,441	5,086,970
2023	337,210	4,220,040			54,523	4,611,773
2022	361,688	4,461,938			59,423	4,883,049
2021	307,544	4,068,666	27,665		64,143	4,468,018
2020	341,068	3,603,033	48,470	52,048	68,697	4,113,316
2019	369,073	3,816,881	17,655	68,102	73,089	4,344,800
2018	399,899	3,444,709	118,655	84,632	77,331	4,125,226
2017	429,969	2,977,879	19,655	100,345	81,428	3,609,276
2016	308,138	2,638,707	29,655	114,296	85,388	3,176,184

Fiscal year	Lease liability <sup>(b)</sup>	Subscription liability <sup>(c)</sup>	Total debt, lease and subscription liabilities	Ratio of total debt, lease and subscription liabilities to personal income <sup>(d)</sup>	Total debt, lease and subscription liabilities per capita <sup>(e)</sup>
2025	\$ 179,661	\$ 22,287	\$ 5,904,582	2.0%	\$ 2,448
2024	1,658	18,921	5,107,549	1.8	2,148
2023	2,040	14,462	4,628,275	1.8	1,971
2022	3,265	16,083	4,902,397	1.9	2,115
2021	4,906	17,436	4,490,360	1.8	1,963
2020	6,489		4,119,805	1.9	1,815
2019			4,344,800	2.0	1,952
2018			4,125,226	2.0	1,884
2017			3,609,276	2.0	1,676
2016			3,176,184	1.9	1,509

<sup>(a)</sup> Presented net of unamortized bond premiums and discounts.

<sup>(b)</sup> In 2022, the Port adopted GASB Statement No. 87, *Leases*, retroactively by restating the financial statements for 2021 and 2020. The restatement included recognizing, as a lessor, the lease receivable and the deferred inflows of resources, and as a lessee, the lease liability and the intangible lease assets.

<sup>(c)</sup> In 2023, the Port adopted GASB Statement No. 96, *SBITAs*, retroactively by restating the financial statements for 2022 and 2021. The restatement included recognizing the subscription liability and the intangible subscription assets.

<sup>(d)</sup> See Schedule 11 for the Personal Income of King County data used in this calculation. The 2025 ratio is calculated using 2024 Personal Income figure.

<sup>(e)</sup> See Schedule 11 for the Population of King County data used in this calculation (all figures are estimated, except for 2020 figures are actual census data).

## Schedule 7 Ratios of GO Bonds

Last Ten Fiscal Years (in thousands, except for GO bonds per capita)

<b>Fiscal year</b>	<b>GO bonds<sup>(a)</sup></b>	<b>Percentage of GO bonds to the assessed value of taxable property<sup>(b)</sup></b>	<b>GO bonds per capita<sup>(c)</sup></b>
2025	\$ 442,665	0.1%	\$ 184
2024	471,381	0.1	198
2023	337,210	0.0	144
2022	361,688	0.1	156
2021	307,544	0.0	134
2020	341,068	0.1	150
2019	369,073	0.1	166
2018	399,899	0.1	183
2017	429,969	0.1	200
2016	308,138	0.1	146

<sup>(a)</sup> Presented net of unamortized bond premiums and discounts.

<sup>(b)</sup> See Schedule 13 for the assessed value of taxable property data.

<sup>(c)</sup> See Schedule 11 for the Population of King County data used in this calculation (all figures are estimated, except for 2020 figures are actual census data).

## Schedule 8 Computation of Direct and Overlapping GO Debt

As of December 31, 2025 (in thousands)

<b>Governmental unit</b>	<b>Outstanding</b>	<b>Estimated percentage applicable<sup>(b)</sup></b>	<b>Estimated share of direct and overlapping debt</b>
Port of Seattle <sup>(a)</sup>	\$ 419,575	100.0%	\$ 419,575
Estimated Overlapping GO Debt:			
King County	1,487,413	100.0	1,487,413
Cities and Towns	2,184,476	98.4	2,150,507
School Districts	4,896,283	94.5	4,628,302
Other	107,054	100.0	107,054
Total estimated overlapping debt			8,373,276
Total direct and estimated overlapping debt			\$ 8,792,851

<sup>(a)</sup> Presented at par value, excluding unamortized bond premiums and discounts.

<sup>(b)</sup> As GO debt is repaid with property taxes, the percentage of overlapping GO debt applicable to the Port is estimated using taxable assessed property values. Applicable percentages were estimated by the ratio of the assessed valuation of property in overlapping units subject to taxation in the reporting unit to the total valuation of property subject to taxation in the reporting unit.

Source: King County Financial Management Section

## Schedule 9 Revenue Bonds Coverage by Type

Last Ten Fiscal Years (in thousands, except for revenue coverage ratios)

	2025	2024	2023 <sup>(a)</sup>	2022 <sup>(a)(b)</sup>	2021 <sup>(b)(c)</sup>
Operating revenues	\$ 1,122,446	\$ 1,021,838	\$ 953,560	\$ 797,918	\$ 609,796
Less: CFC revenues not available to pay revenue bond debt service	(23,201)	(20,872)	(16,954)	(12,171)	(2,018)
Less: SWU revenues not available to pay revenue bond debt service	(8,407)	(7,244)	(6,913)	(6,840)	(6,260)
Add/Less: NWSA adjustments <sup>(d)</sup>	7,253	12,784	10,880	7,605	3,289
Add: Nonoperating income (expense)—net <sup>(e)</sup>	116,255	60,182	66,198	165,513	116,102
Gross revenue <sup>(f)</sup>	1,214,346	1,066,688	1,006,771	952,025	720,909
Operating expenses	\$ 672,312	\$ 652,641	\$ 551,070	\$ 474,567	\$ 359,314
Less: Operating expenses paid from sources other than gross revenue (CFC)	(14,123)	(11,101)	(9,540)	(7,874)	(7,406)
Less: Operating expenses paid from sources other than gross revenue (SWU)	(8,220)	(7,562)	(6,446)	(5,670)	(4,544)
Less: Port general purpose tax levy <sup>(g)</sup>	(41,715)	(47,513)	(47,165)	(41,602)	(39,523)
Operating expenses <sup>(h)</sup>	608,254	586,465	487,919	419,421	307,841
Net revenues available for first lien debt service	\$ 606,092	\$ 480,223	\$ 518,852	\$ 532,604	\$ 413,068
Debt service on first lien bonds	\$ 38,135	\$ 23,639	\$ 23,641	\$ 23,630	\$ 38,000
Coverage on first lien bonds	15.89	20.31	21.95	22.54	10.87
Net revenues available for intermediate lien debt service	\$ 567,957	\$ 456,584	\$ 495,211	\$ 508,974	\$ 375,068
Add: Prior lien debt service offset paid by PFC revenues <sup>(i)</sup>					5,887
Add: Prior lien debt service offset paid by CFC revenues <sup>(j)</sup>	14,175				
Available intermediate lien revenues as first adjusted	\$ 582,132	\$ 456,584	\$ 495,211	\$ 508,974	\$ 380,955
Debt service on intermediate lien bonds	\$ 355,630	\$ 344,003	\$ 340,695	\$ 325,039	\$ 271,549
Less: Debt service offsets paid from PFC revenues <sup>(i)</sup>	(95,840)	(100,000)	(91,427)	(69,681)	(48,189)
CFC revenues <sup>(j)</sup>	(10,638)	(24,890)	(24,645)	(18,696)	(14,153)
Capitalized interest funds	(46,993)	(30,933)	(43,114)	(21,636)	(18,689)
Intermediate lien debt service —net of debt service offsets	\$ 202,159	\$ 188,180	\$ 181,509	\$ 215,026	\$ 190,518
Coverage on intermediate lien bonds	2.88	2.43	2.73	2.37	2.00
Net revenues available for subordinate lien debt service	\$ 379,973	\$ 268,404	\$ 313,702	\$ 293,948	\$ 190,437
Debt service on subordinate lien bonds <sup>(k)</sup>	\$ 10,993	\$ 4,546	\$ 4,944	\$ 1,645	\$ 1,643
Coverage on subordinate lien bonds	34.56	59.04	63.45	178.69	115.91

See notes on page 115.

(Continued)

## Schedule 9 Revenue Bonds Coverage by Type

Last Ten Fiscal Years (in thousands, except for revenue coverage ratios)

	2020 <sup>(c)</sup>	2019	2018	2017	2016
Operating revenues	\$ 499,616	\$ 764,173	\$ 689,390	\$ 632,031	\$ 598,467
Less: CFC revenues not available to pay revenue bond debt service	(15,773)	(15,773)	(16,263)	(10,641)	(12,122)
Less: SWU revenues not available to pay revenue bond debt service	(6,374)	(5,839)	(5,285)	(4,985)	(4,751)
Add/Less: NWSA adjustments <sup>(d)</sup>	7,688	5,655	(591)	928	266
Add: Nonoperating income (expense)—net <sup>(e)</sup>	192,636	14,030	12,174	7,381	5,567
Gross revenue <sup>(f)</sup>	693,566	762,246	679,425	624,714	587,427
Operating expenses	\$ 406,645	\$ 443,088	\$ 397,638	\$ 372,982	\$ 325,285
Less: Operating expenses paid from sources other than gross revenue (CFC)	(8,003)	(8,591)	(8,787)	(8,643)	(7,309)
Less: Operating expenses paid from sources other than gross revenue (SWU)	(4,742)	(4,567)	(4,660)	(3,795)	(1,710)
Less: Port general purpose tax levy <sup>(g)</sup>	(35,835)	(30,050)	(28,134)	(34,941)	(36,894)
Operating expenses <sup>(h)</sup>	358,065	399,880	356,057	325,603	279,372
Net revenues available for first lien debt service	\$ 335,501	\$ 362,366	\$ 323,368	\$ 299,111	\$ 308,055
Debt service on first lien bonds	\$ 27,544	\$ 44,752	\$ 32,798	\$ 48,787	\$ 52,320
Coverage on first lien bonds	12.18	8.10	9.86	6.13	5.89
Net revenues available for intermediate lien debt service	\$ 307,957	\$ 317,614	\$ 290,570	\$ 250,324	\$ 255,735
Add: Prior lien debt service offset paid by PFC revenues <sup>(i)</sup>	5,887				
Add: Prior lien debt service offset paid by CFC revenues <sup>(j)</sup>	6,227	6,227	5,869	19,142	21,431
Available intermediate lien revenues as first adjusted	\$ 313,844	\$ 323,841	\$ 296,439	\$ 269,466	\$ 277,166
Debt service on intermediate lien bonds	\$ 254,381	\$ 210,560	\$ 192,022	\$ 152,749	\$ 158,816
Less: Debt service offsets paid from					
PFC revenues <sup>(i)</sup>	(26,571)	(33,800)	(33,800)	(33,800)	(25,583)
CFC revenues <sup>(j)</sup>	(13,601)	(16,111)	(15,930)	(3,563)	
Capitalized interest funds	(31,683)	(39,202)	(34,132)	(12,445)	(12,298)
Intermediate lien debt service —net of debt service offsets	\$ 182,526	\$ 121,447	\$ 108,160	\$ 102,941	\$ 120,935
Coverage on intermediate lien bonds	1.72	2.67	2.74	2.62	2.29
Net revenues available for subordinate lien debt service	\$ 131,318	\$ 202,394	\$ 188,279	\$ 166,525	\$ 156,231
Debt service on subordinate lien bonds <sup>(k)</sup>	\$ 19,160	\$ 19,243	\$ 25,246	\$ 18,295	\$ 8,949
Coverage on subordinate lien bonds	6.85	10.52	7.46	9.10	17.46

See notes on page 115.

(Concluded)

## Schedule 9 Revenue Bonds Coverage by Type

- <sup>(a)</sup> In 2024, the Port adopted the requirements of GASB Statement No. 101, *Compensated Absences*, retroactively by restating the financial statements for 2023 and 2022, in operating expenses to recognize additional expenses related to unvested sick leave that would be more likely than not to be used based on historical usage trends.
- <sup>(b)</sup> In 2023, the Port adopted the requirements of GASB Statement No. 96 (GASB 96), *SBITAs*, retroactively by restating the financial statements for 2022 and 2021, operating expenses and nonoperating income—net. The implementation and restatement required a portion of subscription expense to be reclassified to amortization, which is excluded from this calculation per the bond resolutions. \$3.8 million and \$2.7 million were reclassified from subscription expense to amortization in 2022 and 2021, respectively, resulting in an increase in debt service coverage in 2022 and 2021.
- <sup>(c)</sup> In 2022, the Port adopted the requirements of GASB Statement No. 87 (GASB 87), *Leases*, retroactively by restating the financial statements for 2021 and 2020, in operating revenues, operating expenses, and nonoperating income—net. The implementation and restatement required a portion of lease expense to be reclassified to amortization, which is excluded from this calculation per the bond resolutions. \$1.9 million was reclassified from lease expense to amortization in 2021 and 2020, resulting in an increase in debt service coverage in 2021 and 2020.
- <sup>(d)</sup> NWSA adjustments include noncash adjustments for depreciation and amortization of NWSA assets netted from operating revenues and public expense, as well as the exclusion of capital grants, contributions for capital purposes from the NWSA, and other revenues and expenses.
- <sup>(e)</sup> Nonoperating income (expense)—net is adjusted for the following: interest expense, income that is not legally available to be pledged for revenue bonds debt service, such as PFCs, CFCs, tax levy, fuel hydrant facility revenues, contributions for capital purposes, grants for capital projects, monies received and used for capital projects owned by other government entities (public expense projects), and other nonoperating SWU revenues and expenses. Certain noncash items, such as depreciation and amortization, are excluded, while other nonoperating revenues and expenses, such as environmental expense, are adjusted to a cash basis. The Port may also include certain proceeds from the sale of capital and non-capital assets in the year the proceeds are received. The Port recorded, as a special item, \$91.1 million in 2024 for construction cost for cleanup at Terminal 25 South, and \$34.9 million, in both 2021 and 2018, of construction cost for a habitat restoration project and related cleanup at Terminal 25 South, in the Port's Statement of Revenues, Expenses, and Changes in Net Position. These special items and related payments are excluded from this schedule. Nonoperating expense includes GASB 87 lease interest expense and GASB 96 SBITA interest expense. 2025 Nonoperating income (expense)—net included certain material, one-time transactions that were converted to cash. This included non-operating revenues of \$28.0 million of cash received for a legal settlement related to the International Arrivals Facility at SEA. This also included \$25.0 million of cash received for the sale of habitat credits and excluded \$22.9 million that had not yet been received in cash as of December 31, 2025.
- <sup>(f)</sup> Gross Revenue reflects annual Port operating revenues, as presented in the Port's audited financial statements (see Statement of Revenues, Expenses, and Changes in Net Position), less certain operating revenues that are not legally available to pay debt service on all revenue bonds.
- <sup>(g)</sup> Port general purpose tax levy represents annual tax levy collections less the payment of GO bond debt service. The Port is permitted, but not obligated, to pay operating expenses with such general purpose tax levy dollars. In 2016 and 2015, the Port made its contractual payment of \$147.7 million and \$120 million, respectively to the WSDOT for the SR 99 Alaskan Way Viaduct Replacement Program. This payment was accounted for as a special item in the Port's 2016 and 2015 Statement of Revenues, Expenses, and Changes in Net Position, and was funded by the issuance of 2017 Limited Tax GO (LTGO) bonds and 2015 LTGO bonds, respectively. The debt service associated with the 2015 LTGO bonds is included in the calculation of the Port's general purpose tax levy, beginning in 2015, but the actual payment to WSDOT is excluded from the schedule as the funds were used for capital projects owned by other governmental entities. The Port issued 2024 LTGO bonds to refund the 2015 LTGO bonds.
- <sup>(h)</sup> Operating Expenses reflect annual Port operating expenses before depreciation and amortization, as presented in the Port's audited financial statements (see Statement of Revenues, Expenses, and Changes in Net Position), less certain operating expenses paid with revenues derived from sources other than Gross Revenue, as well as the Port's general purpose tax levy.
- <sup>(i)</sup> In 2008, the Port began using PFC revenues toward other specific revenue bonds debt service related to eligible projects. The Port, as authorized by the FAA, has the authority to use PFCs to pay: (1) debt service on bonds secured solely with PFCs; (2) eligible capital project costs (definitions, terms, and conditions are set by the FAA); and (3) revenue bonds debt service related to eligible PFC projects.
- <sup>(j)</sup> Washington State law provides for the Port's authority to impose CFCs on rental car transactions at Seattle-Tacoma International Airport. CFCs may only be used to pay costs associated with the consolidated rental car facility including the payment of debt service on bonds issued to fund the facility. In 2009, the Port began using CFCs to pay debt service on related bonds. In 2017, the 2009AB First Lien bonds were partially refunded onto the Intermediate Lien, and as such, CFCs were applied to both First and Intermediate Lien debt service.
- <sup>(k)</sup> From 2009 to 2016 and in 2025, the Port used PFCs to pay eligible subordinate lien debt service and associated debt fees. However, such amounts are not permitted offsets in the legal coverage calculation on subordinate lien bonds.

Source: *Port of Seattle's Schedule of Net Revenue Available for Revenue Bond Debt Service*

## Schedule 10 Legal Debt Margin Information

Last Ten Fiscal Years (in thousands)

### Legal Debt Limitation Calculation for Fiscal Year 2025 (Statutory Debt Limitation)

Assessed value of taxable property for 2025 <sup>(a)</sup>	\$ 873,376,862
Debt limit (non-voted debt, including LTGO bonds) 0.25% of assessed value of taxable property <sup>(b)</sup>	\$ 2,183,442
Less: Outstanding LTGO bonds	(419,575)
Non-voted GO debt margin	\$ 1,763,867
Debt limit, total GO debt 0.75% of assessed value of taxable property <sup>(b)</sup>	\$ 6,550,326
Less: Total LTGO bonds	(419,575)
Voted GO debt margin	\$ 6,130,751

### Non-Voted GO:

Fiscal year	Debt limit	Less: Total debt applicable to the debt limit	Debt margin	Debt margin as a percentage of the debt limit
2025	\$ 2,183,442	\$ (419,575)	\$ 1,763,867	80.8%
2024	2,082,591	(445,465)	1,637,126	78.6
2023	2,199,739	(315,360)	1,884,379	85.7
2022	1,806,320	(336,890)	1,469,430	81.3
2021	1,648,837	(281,355)	1,367,482	82.9
2020	1,606,226	(311,175)	1,295,051	80.6
2019	1,516,559	(335,470)	1,181,089	77.9
2018	1,336,656	(362,390)	974,266	72.9
2017	1,178,641	(388,360)	790,281	67.1
2016	1,065,839	(283,620)	782,219	73.4

### Voted GO:

Fiscal year	Debt limit	Less: Total debt applicable to the debt limit	Debt margin	Debt margin as a percentage of the debt limit
2025	\$ 6,550,326	\$ (419,575)	\$ 6,130,751	93.6%
2024	6,247,772	(445,465)	5,802,307	92.9
2023	6,599,216	(315,360)	6,283,856	95.2
2022	5,418,959	(336,890)	5,082,069	93.8
2021	4,946,512	(281,355)	4,665,157	94.3
2020	4,818,679	(311,175)	4,507,504	93.5
2019	4,549,678	(335,470)	4,214,208	92.6
2018	4,009,968	(362,390)	3,647,578	91.0
2017	3,535,922	(388,360)	3,147,562	89.0
2016	3,197,517	(283,620)	2,913,897	91.1

<sup>(a)</sup> See Schedule 13 for the assessed value of taxable property data.

<sup>(b)</sup> Under Washington law, the Port may incur GO indebtedness payable from ad valorem taxes in an amount not exceeding one-fourth of one percent of the value of the taxable property in the Port district without a vote of the electors. With the assent of three-fifths of the electors voting thereon, subject to a validation requirement, the Port may incur additional GO indebtedness, provided the total indebtedness of the Port at any time does not exceed three-fourths of one percent of the value of the taxable property in the Port district.

## Schedule 11 Demographic Statistics

Last Ten Fiscal Years (in thousands)

### King County:

Fiscal year	Population <sup>(a)</sup>	Personal income <sup>(b)</sup>	Per capita personal income <sup>(b)</sup>	Unemployment rate <sup>(c)</sup>
2025	2,412	n/a	n/a	4.4%
2024	2,378	\$ 301,147,697	\$ 128.7	4.0
2023	2,348	277,642,267	122.2	3.3
2022	2,318	258,004,537	113.8	2.9
2021	2,287	243,727,550	108.2	4.3
2020	2,270	219,805,809	96.8	7.5
2019	2,226	213,956,690	95.0	3.0
2018	2,190	201,962,200	90.4	3.5
2017	2,154	182,495,475	83.4	3.7
2016	2,105	166,006,277	77.2	3.9

### State of Washington:

Fiscal year	Population <sup>(a)</sup>	Personal income <sup>(b)</sup>	Per capita personal income <sup>(b)</sup>	Unemployment rate <sup>(c)</sup>
2025	8,115	\$ 715,263,100	\$ 89.4	4.6%
2024	8,036	667,990,600	83.9	4.5
2023	7,951	622,365,400	79.7	4.1
2022	7,864	589,368,100	75.7	4.2
2021	7,767	556,326,700	71.9	5.2
2020	7,705	516,441,100	67.0	8.4
2019	7,546	494,189,000	64.9	4.3
2018	7,428	467,399,039	62.0	4.5
2017	7,310	428,765,189	57.9	4.7
2016	7,184	397,772,297	54.6	5.4

<sup>(a)</sup> State of Washington, Office of Financial Management (all figures are estimated, except for 2020 figures which are actual census data).

<sup>(b)</sup> Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce.

<sup>(c)</sup> Rates were average unemployment rates for the year obtained from Washington State, Employment Security Department, Labor Market, and Economic Analysis Branch.

## Schedule 12 Principal Employers of Seattle<sup>(a)</sup>

Current Year and Nine Years Ago

Type of employer	2025			2016		
	Employees	Rank	Percentage of total employment	Employees	Rank	Percentage of total employment
Government — <i>Local</i>	152,600	1	8.4%	131,700	2	7.9%
Professional and Business Services — <i>Professional, Scientific, and Technical Services</i>	147,600	2	8.1	133,200	1	8.0
Leisure and Hospitality — <i>Food Services and Drinking Places</i>	123,900	3	6.8	120,700	3	7.3
Professional and Business Services — <i>Administrative and Support and Waste Management and Remediation</i>	92,400	4	5.1	85,500	6	5.1
Educational and Health Services — <i>Ambulatory Health Care Services</i>	87,000	5	4.8	70,000	8	4.2
Professional and Business Services — <i>Management of Companies and Enterprises</i>	86,600	6	4.8			
Transportation, Warehousing, and Utilities	85,300	7	4.7			
Wholesale Trade	71,700	8	3.9	72,900	7	4.4
Retail — <i>Unspecified</i>	69,100	9	3.8	98,900	4	5.9
Government — <i>Total State Government</i>	67,800	10	3.7	68,200	9	4.1
Manufacturing — <i>Transportation Equipment Manufacturing</i>				87,800	5	5.3
Construction — <i>Specialty Trade Contractors</i>				60,100	10	3.6
<b>Total</b>	<b>984,000</b>		<b>54.02%</b>	<b>929,000</b>		<b>55.7%</b>

<sup>(a)</sup> Total nonfarm, seasonally adjusted, as of December of each fiscal year in Seattle metropolitan area.

Source: Washington State Employment Security Department Labor Market and Economic Analysis

## Schedule 13 Assessed Value and Estimated Actual Value of Taxable Property and Direct and Overlapping Property Tax Rates per \$1,000 of Assessed Value

Last Ten Fiscal Years (in thousands, except for tax rates)

Fiscal year	Port district assessed value <sup>(a)</sup>	Port of Seattle property tax rates	Overlapping property tax rates					Total direct and overlapping property tax <sup>(d)</sup>
			Washington State	King County	Cities and towns <sup>(b)</sup>	School districts <sup>(b)</sup>	Other <sup>(c)</sup>	
2025	\$ 873,376,862	\$ 0.10	\$ 2.25	\$ 1.35	\$ 1.63	\$ 2.43	\$ 1.08	\$ 8.84
2024	833,036,264	0.10	2.52	1.33	1.57	2.49	1.12	9.13
2023	879,895,419	0.09	2.31	1.08	1.35	2.35	1.04	8.22
2022	722,527,904	0.11	2.82	1.23	1.54	2.57	1.14	9.41
2021	659,534,881	0.12	3.09	1.25	1.65	2.69	1.22	10.02
2020	642,490,492	0.12	3.03	1.24	1.63	2.65	1.22	9.89
2019	606,623,698	0.12	2.63	1.21	1.66	2.38	1.21	9.21
2018	534,662,435	0.14	2.92	1.32	1.77	3.07	1.32	10.54
2017	471,456,288	0.15	2.03	1.37	1.95	3.30	1.46	10.26
2016	426,335,606	0.17	2.17	1.33	2.02	3.40	1.41	10.50

<sup>(a)</sup> Ratio of total assessed to total estimated value is 100%. Assessed value is shown net of exempt property and it is the same assessed value for King County.

<sup>(b)</sup> This is an average rate based on the total assessed value of cities and towns and all school districts. Each city and district has its own rate.

<sup>(c)</sup> These are average rates based on the total King County rates less cities and towns, school districts, Port, County, and Washington State rates. Each district within this group has its own assessed property value and rates.

<sup>(d)</sup> This is an average rate based on total tax levies for King County and total assessed property value in King County.

Source: King County Department of Assessments Annual Reports

## Schedule 14 Port of Seattle's Property Tax Levies and Collections

Last Ten Fiscal Years (in thousands)

Fiscal years ended Dec 31,	Taxes levied for the fiscal year <sup>(a)</sup>	Collected within the fiscal year of the levy		Collections in subsequent years	Total collections to date	
		Amount	Percentage of levy		Amount	Percentage of levy
2025	\$ 88,386	\$ 87,386	98.9%	\$	\$ 87,386	98.9%
2024	86,658	85,710	98.9	661	86,371	99.7
2023	82,645	81,459	98.6	1,062	82,521	99.8
2022	80,981	79,888	98.6	1,051	80,939	99.9
2021	78,669	77,585	98.6	1,071	78,656	100.0
2020	76,396	75,252	98.5	1,123	76,375	100.0
2019	74,162	73,353	98.9	762	74,115	99.9
2018	72,012	71,150	98.8	889	72,039	100.0
2017	72,011	71,143	98.8	881	72,024	100.0
2016	72,015	71,114	98.7	927	72,041	100.0

<sup>(a)</sup> Includes cancellations and supplements and generally differs from the totals reported by King County by an immaterial amount.

Source: Port of Seattle, from King County Tax Receivables Summary

## Schedule 15 King County Principal Property Taxpayers

Current Year and Nine Years Ago (in thousands)

Taxpayer	2025			2016		
	Taxable assessed value	Rank	Percentage of taxable assessed value	Taxable assessed value	Rank	Percentage of taxable assessed value
Microsoft	\$ 5,820,259	1	0.7 %	\$ 3,621,281	1	0.8 %
Boeing	2,806,887	2	0.3	2,702,506	2	0.6
Amazon	2,747,327	3	0.3			
C/O Prologis - Re Tax	2,632,671	4	0.3			
Puget Sound Energy/ Gas/Electric	2,588,968	5	0.3	2,514,642	3	0.6
Essex Property Trust Inc.	2,147,747	6	0.2			
AMLI Residential Properties LP	917,853	7	0.1			
Smith Kendra	886,068	8	0.1			
AvalonBay Communities Inc.	809,224	9	0.1			
BRE Properties	807,272	10	0.1	677,539	5	0.2
Alaska Airlines				963,559	4	0.2
Union Square LLC				666,082	6	0.2
Kemper Development				630,212	7	0.1
Qwest Corporation Inc.				598,441	8	0.1
GC Columbia LLC (Columbia Center Property LLC)				531,505	9	0.1
AT&T Mobility LLC				531,062	10	0.1
<b>Total</b>	<b>\$ 22,164,276</b>		<b>2.5 %</b>	<b>\$ 13,436,829</b>		<b>3.0 %</b>

Source: King County Department of Assessments

## Schedule 16 Seattle-Tacoma International Airport Passengers Level

Last Ten Fiscal Years (in thousands)

Fiscal year	Domestic			International			Grand total
	Deplaned	Enplaned	Total	Deplaned	Enplaned	Total	
2025	22,821	22,789	45,610	3,577	3,528	7,105	52,715
2024	23,063	22,989	46,052	3,313	3,276	6,589	52,641
2023	22,587	22,502	45,089	2,927	2,869	5,796	50,885
2022	20,801	20,781	41,582	2,197	2,185	4,382	45,964
2021	17,233	17,252	34,485	848	821	1,669	36,154
2020	9,317	9,373	18,690	701	670	1,371	20,061
2019	23,085	23,016	46,101	2,870	2,858	5,728	51,829
2018	22,222	22,200	44,422	2,734	2,694	5,428	49,850
2017	20,942	20,862	41,804	2,576	2,553	5,129	46,933
2016	20,486	20,385	40,871	2,455	2,411	4,866	45,737

Source: Seattle-Tacoma International Airport Activity Reports

## Schedule 17 Seattle-Tacoma International Airport Aircraft Operations Level

Last Ten Fiscal Years (in number of flights)

Fiscal year	Air carrier	Air taxi	General aviation	Military/ Training	Grand total
2025	430,644	4,077	1,143	32	435,896
2024	428,915	4,078	1,280	48	434,321
2023	417,346	3,795	1,308	59	422,508
2022	395,997	3,926	1,373	55	401,351
2021	368,872	4,254	1,328	56	374,510
2020	290,130	3,899	1,848	171	296,048
2019	443,817	4,456	2,135	79	450,487
2018	427,170	8,509	2,625	87	438,391
2017	405,049	8,651	2,338	86	416,124
2016	399,742	9,513	2,822	93	412,170

Source: Seattle-Tacoma International Airport Activity Reports

## Schedule 18 Seattle-Tacoma International Airport Air Cargo Level

Last Ten Fiscal Years (in metric tons)

Fiscal year	Air Freight		Grand total
	Domestic	International	
2025	301,592	126,380	427,972
2024	345,183	114,881	460,064
2023	305,141	111,983	417,124
2022	335,512	120,777	456,289
2021	366,312	132,428	498,740
2020	351,339	101,157	452,496
2019	306,670	146,879	453,549
2018	296,004	136,311	432,315
2017	299,559	126,297	425,856
2016	250,219	116,210	366,429

Source: Seattle-Tacoma International Airport Activity Reports

## Schedule 19 Containerized Volume

Last Ten Fiscal Years [in twenty-foot equivalent units (TEU), a measure of container volume]

Fiscal year	International Containers				Domestic containers	Grand total <sup>(a)</sup>
	Import full	Export full	Empty	Total		
2025	1,157,002	605,126	656,406	2,418,534	738,064	3,156,598
2024	1,289,198	636,507	684,540	2,610,245	730,488	3,340,733
2023	1,078,005	588,744	570,018	2,236,767	737,649	2,974,416
2022	1,249,746	561,244	838,552	2,649,542	734,477	3,384,019
2021	1,464,662	691,446	836,012	2,992,120	744,086	3,736,206
2020	1,253,818	790,620	591,197	2,635,635	684,744	3,320,379
2019	1,369,251	913,332	775,763	3,058,346	716,957	3,775,303
2018	1,452,623	953,495	705,114	3,111,232	686,394	3,797,626
2017	1,380,785	964,067	650,459	2,995,311	706,863	3,702,174
2016	1,391,590	984,274	482,951	2,858,815	756,938	3,615,753

<sup>(a)</sup> As of January 1, 2016, the Port's cargo operations were licensed to the NWSA, and the volume reported represents the total activities of the joint venture.

Source: Northwest Seaport Alliance Records

## Schedule 20 Cargo Volume

Last Ten Fiscal Years (in metric tons)

<b>Fiscal year</b>	<b>Container cargo</b>	<b>Non-containerized break bulk</b>	<b>Petroleum</b>	<b>Molasses</b>	<b>Autos</b>	<b>Logs</b>	<b>Total<sup>(a)</sup></b>
2025	22,540,331	327,574	839,978	13,803	470,906		24,192,592
2024	23,716,198	402,681	879,791	15,482	578,106		25,592,258
2023	21,961,111	453,249	784,932	39,362	566,629		23,805,283
2022	23,043,960	478,455	708,619	31,769	288,365		24,551,168
2021	26,177,940	366,184	524,332	32,729	262,289		27,363,474
2020	25,508,550	291,623	677,469	42,400	244,612		26,764,654
2019	28,671,813	246,412	636,150	46,661	305,816	75,757	29,982,609
2018	28,868,125	249,055	665,670	45,686	228,295	116,790	30,173,621
2017	26,107,522	210,725	715,546	35,980	225,109	278,078	27,572,960
2016	26,766,258	181,372	612,224	43,666	246,421	176,928	28,026,869

<sup>(a)</sup> As of January 1, 2016, the Port's cargo operations were licensed to the NWSA, and the volume reported represents the total activities of the joint venture.

Source: Northwest Seaport Alliance Records

## Schedule 21 Port of Seattle Grain Volume

Last Ten Fiscal Years (in metric tons)

<b>Fiscal year</b>	<b>Grain</b>
2025	5,157,450
2024	4,417,694
2023	2,678,895
2022	4,390,611
2021	4,720,156
2020	4,239,804
2019	3,403,661
2018	4,378,796
2017	4,362,603
2016	4,389,089

Source: Port of Seattle Records

## Schedule 22 Port of Seattle Cruise Traffic

Last Ten Fiscal Years

<b>Fiscal year</b>	<b>Cruise vessel calls</b>	<b>Cruise passengers</b>
2025	298	1,898,049
2024	275	1,751,892
2023	291	1,777,984
2022	295	1,309,306
2021	82	229,060
2020 <sup>(a)</sup>		
2019	211	1,210,722
2018	216	1,114,888
2017	218	1,071,594
2016	203	983,539

<sup>(a)</sup> In 2020, due to the COVID-19 pandemic, the Centers for Disease Control issued a No-Sail order for the U.S. cruise operations. Therefore, there were no cruise vessel calls and passengers.

Source: Port of Seattle Records

## Schedule 23 Number of Port of Seattle Employees by Division<sup>(a)</sup>

Last Ten Fiscal Years

<b>Fiscal year</b>	<b>Aviation</b>	<b>Maritime<sup>(c)</sup></b>	<b>Economic Development<sup>(c)</sup></b>	<b>Central Services</b>	<b>Total</b>
2025	1,320	315	21	886	2,542
2024	1,258	298	28	842	2,426
2023	1,216	286	33	844	2,379
2022	1,139	258	32	759	2,188
2021	1,070	233	30	737	2,070
2020	1,136	242	28	730	2,136
2019 <sup>(b)</sup>	1,126	215	30	826	2,197
2018	1,030	194	30	858	2,112
2017	976	194	31	826	2,027
2016	832	175	31	771	1,809

<sup>(a)</sup> The number of employees includes active regular and temporary (both full-time and part-time) employees, Interns, Veteran Fellows, Emergency Hires and Commissioners (excluding contractors and consultants) as of the last day of each fiscal year.

<sup>(b)</sup> In July 2019, capital project delivery functions were moved from the Central Services Division to the respective Aviation and Maritime operating divisions.

<sup>(c)</sup> In 2025, portfolio management and facility management functions were moved from the Economic Development Division to the Maritime Division.

Source: Port of Seattle Human Resources Database

## Schedule 24 Capital Assets Information—Maritime and Economic Development Facilities

### Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Total Property (in acres)	1,340	1,340	1,340	1,340	1,340
No. of Container Terminals (Terminal 5, 18, 30, 46) <sup>(a)(b)</sup>	4	4	4	4	4
Size (in acres)	521	521	521	521	521
Number of berths (1,200–4,450 feet)	11	11	11	11	11
Number of container cranes <sup>(c)</sup>	3	3	3	3	3
Storage facilities (in square feet)	177,000	177,000	177,000	177,000	177,000
Maintenance facilities (in square feet)	112,000	112,000	112,000	112,000	112,000
On-Dock intermodal yard					
Maximum capacity—in full train	14	14	14	14	14
Refrigerated capacity (in reefer plugs)	2,845	2,845	2,845	2,845	2,845
No. of Barge Terminal (Terminal 115) <sup>(a)</sup>	1	1	1	1	1
Size (in acres)	70	70	70	70	70
Number of berths (1,600 feet)	4	4	4	4	4
Warehouse capacity (in square feet)	35,000	35,000	35,000	35,000	35,000
Refrigerated capacity (in reefer plugs)	780	780	780	780	780
No. of Multi-Use Terminal (Terminal 91)	1	1	1	1	1
Size (in acres)	212	212	212	212	212
Linear feet of berths (8,502 feet)	17	17	17	17	17
Storage facilities:					
Cold storage (in square feet) <sup>(d)</sup>	74,000	74,000	74,000	74,000	181,178
Dry warehouse (in square feet)	366,270	310,544	310,544	310,544	310,544
No. of Grain Terminal (Terminal 86)	1	1	1	1	1
Size (in acres)	40	40	40	40	40
Number of berths (1,400 feet)	1	1	1	1	1
Storage capacity (in million metric tons)	4	4	4	4	4
No. of Cruise Terminals	2	2	2	2	2
Bell Street Cruise Terminal (Terminal 66)					
Size (in acres)	4	4	4	4	4
Number of berths (1,545–1,600 feet)	1	1	1	1	1
Smith Cove Cruise Terminal (Terminal 91) <sup>(e)</sup>					
Size (in acres)	23	23	23	23	23
Number of berths (2,400 feet)	2	2	2	2	2

(Continued)

<sup>(a)</sup> Starting January 2016, Container Terminals and Barge Terminal were licensed to the NWSA.

<sup>(b)</sup> Container Terminal 5 had been vacant since August 2014, undergoing a modernization program in which the initial phases of this program are nearly complete. By the end of 2024, Terminal 5 was fully operational. Additional improvements, totaling approximately \$100 million, are ongoing and expected to be completed by 2028.

<sup>(c)</sup> In 2022, the three cranes at Terminal 46 were licensed to the NWSA. In 2020, the Port sold six cranes at Terminal 5. In 2019, three container cranes were removed from Terminal 18 and one container crane was removed from Terminal 46; the Port purchased three container cranes at Terminal 46 from its terminal operator. In 2017, three container cranes were sold to its terminal operator at Terminal 18.

<sup>(d)</sup> Cold storage capacity was reduced in October 2022 after the decommissioning of Building W-39, which had remained vacant following the expiration of its ground lease. This building is scheduled for demolition between 2026 and 2027 as part of the Terminal 91 Uplands Development project.

<sup>(e)</sup> Smith Cove Cruise Terminal is used only half of the year as a cruise terminal. Smith Cove Cruise Terminal specifications are included in Terminal 91 multi-use terminal specifications.

Source: Port of Seattle Records

## Schedule 24 Capital Assets Information—Maritime and Economic Development Facilities

### Last Ten Fiscal Years

	2020	2019	2018	2017	2016
Total Property (in acres)	1,340	1,340	1,340	1,335	1,335
No. of Container Terminals (Terminal 5, 18, 30, 46) <sup>(a)(b)</sup>	4	4	4	4	4
Size (in acres)	521	521	521	526	526
Number of berths (1,200–4,450 feet)	11	11	11	11	11
Number of container cranes <sup>(c)</sup>	3	9	10	10	13
Storage facilities (in square feet)	177,000	177,000	177,000	177,000	177,000
Maintenance facilities (in square feet)	112,000	112,000	112,000	112,000	112,000
On-Dock intermodal yard					
Maximum capacity—in full train	14	14	14	14	14
Refrigerated capacity (in reefer plugs)	2,845	2,845	2,845	2,816	2,816
No. of Barge Terminal (Terminal 115) <sup>(a)</sup>	1	1	1	1	1
Size (in acres)	70	70	70	70	70
Number of berths (1,600 feet)	4	4	4	4	4
Warehouse capacity (in square feet)	35,000	35,000	35,000	35,000	35,000
Refrigerated capacity (in reefer plugs)	780	780	780	400	400
No. of Multi-Use Terminal (Terminal 91)	1	1	1	1	1
Size (in acres)	212	212	212	212	212
Linear feet of berths (8,502 feet)	17	17	17	17	17
Storage facilities:					
Cold storage (in square feet) <sup>(d)</sup>	181,178	181,178	181,178	181,178	181,178
Dry warehouse (in square feet)	310,544	100,000	100,000	100,000	100,000
No. of Grain Terminal (Terminal 86)	1	1	1	1	1
Size (in acres)	40	40	40	40	40
Number of berths (1,400 feet)	1	1	1	1	1
Storage capacity (in million metric tons)	4	4	4	4	4
No. of Cruise Terminals	2	2	2	2	2
Bell Street Cruise Terminal (Terminal 66)					
Size (in acres)	4	4	4	4	4
Number of berths (1,545–1,600 feet)	1	1	1	1	1
Smith Cove Cruise Terminal (Terminal 91) <sup>(e)</sup>					
Size (in acres)	23	23	23	23	23
Number of berths (2,400 feet)	2	2	2	2	2

(Concluded)

## Schedule 25 Capital Assets Information—Seattle-Tacoma International Airport

### Last Ten Fiscal Years

	Fiscal year	Size / Length
Airport area (in acres)	2025	2,500
Apron (in square feet)—commercial airlines	2025	3,061,300
Runways (in feet)		
16L/34R	2025	11,901
16C/34C	2025	9,426
16R/34L	2025	8,500
Rental Car Facility (in square feet)	2025	2,100,000

	2025	2024	2023	2022	2021
Terminal (in square feet)					
Airlines	1,286,285	1,210,878	1,226,965	1,286,213	1,219,262
Tenants	338,251	342,889	379,130	396,181	385,411
Port-occupied	197,842	196,390	200,065	213,657	218,115
Public/Common	1,274,702	1,223,786	1,236,788	1,263,715	967,305
Mechanical	660,741	650,982	637,125	633,741	581,949
Total	3,757,821	3,624,925	3,680,073	3,793,507	3,372,042
Number of passenger gates	84	82	83	84	76
Number of Port-owned loading bridges	77	75	76	77	69
Parking (spaces assigned)					
Short-term, long-term, and employees	11,492	11,684	11,729	11,744	12,025
Other offsite parking (spaces assigned)					
Economy	1,455	1,455	1,455	1,455	1,455
Employees	4,367	4,367	4,122	4,122	4,122

	2020	2019	2018	2017	2016
Terminal (in square feet)					
Airlines	1,106,432	1,104,944	1,124,073	1,106,262	1,143,386
Tenants	314,830	313,506	327,145	327,596	334,717
Port-occupied	216,364	221,044	225,688	228,282	234,472
Public/Common	929,979	922,856	931,725	917,515	919,906
Mechanical	540,221	545,511	520,655	514,343	511,469
Total	3,107,826	3,107,861	3,129,286	3,093,998	3,143,950
Number of passenger gates	73	73	76	74	78
Number of Port-owned loading bridges	66	58	58	56	58
Parking (spaces assigned)					
Short-term, long-term, and employees	12,025	12,100	12,100	12,180	12,180
Other offsite parking (spaces assigned)					
Economy	1,455	1,465	1,465	1,465	1,465
Employees	4,141	4,141	4,141	4,122	4,122

Source: Port of Seattle Records





**Port of Seattle**  
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Annual Comprehensive  
Financial Report

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