PORT OF SEATTLE

Q1 2026 FINANCIAL PERFORMANCE REPORT

AS OF MARCH 31, 2026

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I. PORTWIDE

EXECUTIVE SUMMARY

For 2026 financial reporting, the Port created the 2026 revised budget ledger in compliance with the new Governmental Accounting Standards Board (GASB)103 that redefined operating and non-operating revenues and expenses. Using the revised budget and forecast will help provide a better apple-to-apple comparison with the 2026 actuals. The implementation of this rule resulted in a $23.2M reduction in Operating Revenues and $27.3M increase in Operating Expenses (and $50.5M reduction in NOI) in the 2026 revised budget.

Airport passenger volume for the first quarter of 2026 was 0.6% higher than the same period in 2025. Domestic passenger volume was down 0.2% while international passengers increased by 5.3%. Passenger growth for 2026 is expected to be 0.7% higher compared to 2025 actual with approximately 53.1M passengers expected at Seattle-Tacoma International Airport (SEA) in 2026. Non-Aeronautical revenues are anticipated to be above the revised budget by $10.4M or 3.0% mainly due to projected higher revenues in Public Parking, Rental Cars, Flight Kitchens, and Airport Dining & Retail.

For the first quarter of the year, total operating revenues were $4.3M or 1.7% above revised budget while total operating expenses were $15.6M or 8.9% lower than revised budget. Net operating income before depreciation was $19.9M or 27.1% above revised budget.

For the full year, we are projecting operating revenues to be $10.4M above revised budget mainly due to higher revenues from Airport Non-Aero and Maritime Portfolio Management. Operating expenses are expected to be $2.3M above revised budget due to higher Payroll and Outside Services. The net operating income before depreciation is expected to be $8.1M above revised budget.

PORTWIDE FINANCIAL SUMMARY

	2024 YTD	2025 YTD	2026 YTD	2026 YTD	2026 YTD	Actual vs. Revsd_Bud Variance		Change from 2025 Incr (Decr)	
$ in 000's	Actual	Actual	Actual	Budget	Revsd_Bud	$	%	$	%
Aeronautical Revenues	121,398	131,580	145,625	144,915	145,097	528	0.4%	14,045	10.7%
Airport Non-Aero Revenues	72,024	72,389	75,233	76,805	74,861	372	0.5%	2,844	3.9%
Seaport Revenues	28,559	27,196	32,132	28,717	28,742	3,390	11.8%	4,936	18.1%
Operating Revenues	**221,981**	**231,165**	**252,990**	**250,437**	**248,700**	**4,290**	**1.7%**	**21,825**	**9.4%**
Lease Interest Income	4,144	5,903	7,226	6,198	6,198	1,028	16.6%	1,323	22.4%
Total Operating Rev plus Lease Interest Income	**226,125**	**237,068**	**260,216**	**256,634**	**254,898**	**5,318**	**2.1%**	**23,148**	**9.8%**
O&M Expenses	**138,683**	**142,829**	**159,570**	**174,052**	**175,188**	**15,617**	**8.9%**	**16,742**	**11.7%**
Lease Interest Expense	24	18	2,028	1,979	1,979	(49)	-2.5%	2,010	11049.3%
SBITA Interest Expense	137	213	215	130	130	(85)	-65.5%	1	0.7%
Total Operating Exp plus Lease/SBITA Interest Exp	**138,844**	**143,060**	**161,814**	**176,161**	**177,297**	**15,483**	**8.7%**	**18,754**	**13.1%**
NOI before Depreciation	**83,298**	**88,336**	**93,420**	**76,385**	**73,512**	**19,908**	**27.1%**	**5,083**	**5.8%**
Depreciation	65,010	70,924	77,257	77,344	77,344	87	0.1%	6,334	8.9%
NOI after Depreciation	**18,288**	**17,413**	**16,162**	**(959)**	**(3,832)**	**19,995**	**-521.8%**	**(1,250)**	**-7.2%**

2026 YTD Actuals vs. 2026 YTD Revised Budget:

- Total Operating Revenues: $4.3M higher than revised budget due to higher revenues in Aeronautical Revenues, Public Parking, Airport Utilities, Conference & Event Centers, and NWSA Distributable Revenue.
- Total Operating Expenses: $15.6M below revised budget mainly due to delay in Outside Services spending, less Equipment purchases, lower Promotional Expenses, Travel & Othe Employee expenses, and General Expenses.
- NOI before Depreciation: $19.9M above revised budget.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 03/31/26

2026 YTD Actuals vs. 2025 YTD Actuals:

- Total Operating Revenues were $21.8M higher compared to 2025 mainly due to higher revenues in all lines of businesses, except Rental Cars and Fishing & Operations.
- Total Operating Expenses were $16.7M higher compared to 2025 due to higher expenses in Payroll, Equipment Expense, Outside Services, and General Expenses.

MAJOR OPERATING REVENUES SUMMARY

$ in 000's	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	2026 YTD Revsd_Bud	Actual vs. Revsd_Bud Variance $	Actual vs. Revsd_Bud Variance %	Change from 2025 Incr (Decr) $	Change from 2025 Incr (Decr) %
Aeronautical Revenues	121,398	131,580	145,625	144,915	145,097	528	0.4%	14,045	10.7%
Public Parking	28,608	28,587	29,279	27,316	27,316	1,964	7.2%	692	2.4%
Rental Cars - Operations	9,122	6,579	6,784	6,655	6,655	130	1.9%	206	3.1%
Rental Cars - Operating CFC	1,601	2,178	-	2,197	-	-	0.0%	(2,178)	-100.0%
ADR & Terminal Leased Space	15,785	16,125	16,994	18,417	18,547	(1,553)	-8.4%	868	5.4%
Ground Transportation	5,283	5,195	5,187	5,440	5,440	(253)	-4.7%	(8)	-0.2%
Employee Parking	2,581	3,053	3,348	3,480	3,480	(132)	-3.8%	295	9.7%
Airport Commercial Properties	3,497	3,001	3,730	4,368	4,368	(638)	-14.6%	730	24.3%
Airport Utilities	2,146	2,520	2,788	1,703	1,703	1,085	63.7%	267	10.6%
International Place	-	1,248	2,878	2,887	2,887	(9)	-0.3%	1,630	130.6%
Clubs and Lounges	2,946	3,813	3,999	4,017	4,017	(18)	-0.4%	186	4.9%
Cruise	(603)	(2,466)	(1,922)	(2,390)	(2,390)	468	-19.6%	543	-22.0%
Recreational Boating	4,041	4,482	4,549	4,692	4,692	(143)	-3.0%	67	1.5%
Fishing & Operations	2,759	2,909	2,713	3,053	3,053	(340)	-11.1%	(196)	-6.7%
Grain	1,254	1,331	1,257	1,314	1,314	(56)	-4.3%	(73)	-5.5%
Maritime Lease Portfolio	3,582	3,604	4,329	4,526	4,526	(196)	-4.3%	725	20.1%
Conference & Event Centers	1,825	1,575	2,224	1,775	1,775	449	25.3%	649	41.2%
NWSA Distributable Revenue	14,520	14,583	17,642	14,600	14,600	3,042	20.8%	3,059	21.0%
Other	1,637	1,269	1,586	1,474	1,622	(37)	-2.3%	317	25.0%
Operating Revenues (w/o Aero)	**100,583**	**99,585**	**107,365**	**105,522**	**103,603**	**3,762**	**3.6%**	**7,780**	**7.8%**
Total Operating Revenues	**221,981**	**231,165**	**252,990**	**250,437**	**248,700**	**4,290**	**1.7%**	**21,825**	**9.4%**
Lease Interest Income	4,144	5,903	7,226	6,198	6,198	1,028	16.6%	1,323	22.4%
Total Operating Rev plus Lease Interest In	**226,125**	**237,068**	**260,216**	**256,634**	**254,898**	**5,318**	**2.1%**	**23,148**	**9.8%**

MAJOR OPERATING EXPENSES SUMMARY

$ in 000's	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	2026 YTD Revsd_Bud	Actual vs. Revsd_Bud Variance $	Actual vs. Revsd_Bud Variance %	Change from 2025 Incr (Decr) $	Change from 2025 Incr (Decr) %
Salaries & Benefits	52,676	59,420	61,034	59,706	59,706	(1,328)	-2.2%	1,614	2.7%
Wages & Benefits	43,311	41,500	50,995	51,143	51,143	148	0.3%	9,495	22.9%
Payroll to Capital Projects	9,052	9,174	10,278	12,791	12,791	2,513	19.6%	1,103	12.0%
Outside Services	28,114	24,117	37,595	45,300	45,417	7,822	17.2%	13,478	55.9%
Utilities	8,210	9,470	6,880	7,664	7,664	784	10.2%	(2,590)	-27.3%
Equipment Expense	2,078	1,831	2,137	3,463	3,463	1,326	38.3%	306	16.7%
Supplies & Stock	2,715	3,051	2,674	2,706	2,706	32	1.2%	(377)	-12.4%
Travel & Other Employee Expenses	800	1,223	1,269	2,684	2,684	1,415	52.7%	46	3.8%
Third Party Mgmt Op Exp	2,892	3,963	5,653	5,342	5,342	(311)	-5.8%	1,690	42.7%
B&O Taxes	1,429	907	1,876	2,649	2,652	775	29.2%	969	106.9%
Other Expenses	5,918	6,407	2,308	5,027	6,043	3,735	61.8%	(4,099)	-64.0%
Charges to Capital Projects/Overhead Alloc	(18,512)	(18,235)	(23,129)	(24,423)	(24,423)	(1,294)	5.3%	(4,895)	26.8%
O&M Expenses	**138,683**	**142,829**	**159,570**	**174,052**	**175,188**	**15,617**	**8.9%**	**16,742**	**11.7%**
Lease Interest Expense	24	18	2,028	1,979	1,979	(49)	-2.5%	2,010	11049.3%
SBITA Interest Expense	137	213	215	130	130	(85)	-65.5%	1	0.7%
Total Operating Exp plus Lease/SBITA Interest Exp	**138,844**	**143,060**	**161,814**	**176,161**	**177,297**	**15,483**	**8.7%**	**18,754**	**13.1%**

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 03/31/26

PORTWIDE FINANCIAL YEAR-END FORECAST SUMMARY

$ in 000's	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs. Revsd_Bud Variance $	%	Change from 2025 Incr (Decr) $	%
Aeronautical Revenues	520,942	545,307	618,565	617,786	618,565	-	0.0%	73,258	13.4%
Airport Non-Aero Revenues	340,360	363,215	354,512	367,381	344,087	10,425	3.0%	(8,703)	-2.4%
Seaport Revenues	160,537	213,924	177,715	173,728	173,827	3,888	2.2%	(36,209)	-16.9%
Operating Revenues	**1,021,838**	**1,122,446**	**1,150,792**	**1,158,895**	**1,136,479**	**14,313**	**1.3%**	**28,346**	**2.5%**
Lease Interest Income	21,711	26,964	24,791	24,791	24,791	-	0.0%	(2,173)	-8.1%
Total Operating Rev plus Lease Interest Income	**1,043,549**	**1,149,410**	**1,175,583**	**1,183,686**	**1,161,270**	**14,313**	**1.2%**	**26,173**	**2.3%**
O&M Expenses	**652,642**	**672,311**	**761,203**	**731,141**	**758,484**	**(2,719)**	**-0.4%**	**88,891**	**13.2%**
Lease Interest Expense	74	5,074	7,915	7,915	7,915	-	0.0%	2,841	56.0%
SBITA Interest Expense	932	1,051	606	606	606	-	0.0%	(445)	-42.4%
Total Operating Exp plus Lease/SBITA Interest Exp	**653,648**	**678,436**	**769,724**	**739,662**	**767,004**	**(2,719)**	**-0.4%**	**91,287**	**13.5%**
NOI before Depreciation	**369,196**	**450,135**	**389,589**	**427,754**	**377,995**	**11,594**	**3.1%**	**(60,546)**	**-13.5%**
Depreciation	277,917	298,355	308,165	308,165	308,165	-	0.0%	9,811	3.3%
NOI after Depreciation	**91,279**	**151,780**	**81,424**	**119,588**	**69,830**	**11,594**	**16.6%**	**(70,356)**	**-46.4%**

Year-End Forecast

- Total Operating Revenues are expected to be $10.4M above revised budget due to higher Airport Non-Aero Revenues and Maritime Revenue.
- Total Operating expenses are expected to be $2.3M above revised budget mainly due to higher Payroll and Outside Services.
- Net Operating Income before Depreciation is expected to be $8.1M below revised budget.

KEY PERFORMANCE METRICS

	2025 YTD Actual	2026 YTD Actual	2025 Actual	2026 Forecast	2026 Budget	Fav (UnFav) Forecast vs. Budget Chg.	%	Incr (Decr) 2026 Forecast vs. 2025 Actual Chg.	%
Total Passengers (in 000's)	10,910	10,970	52,715	53,064	54,062	(998)	-1.8%	349	0.7%
Landed Weight (lbs. in millions)	7,226	7,324	33,264	33,138	32,916	222	0.7%	(126)	-0.4%
Passenger CPE (in $)	NA	NA	19.06	21.19	21.19	-	0.0%	2.1	11.2%
Grain Volume (metric tons in 000's)	1,349	1,432	5,157	3,540	3,540	-	0.0%	(1,617)	-31.4%
Cruise Passenger (in 000's)	-	-	1,898	1,924	1,924	-	0.0%	26	1.4%
Shilshole Bay Marina Occupancy	96.8%	94.9%	97.6%	97.7%	97.7%	0.0%	0.0%	0.1%	0.1%

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 03/31/26

KEY BUSINESS EVENTS

The 2026 State of the Port was held on March 12th at Pier 66. Port leaders provided an update on 2025 accomplishments and outlined 2026 priorities which include projects to enhance our facilities and gateways as well as investing on programs to keep freight moving, protect the environment, and support thousands of jobs. They also highlighted the Port's role as a regional connector and emphasized the importance of working together to meet the region's growing needs.

Another funding cycle of the South King and Port Communities Fund (formerly the South King County Community Impact Fund) Economic Opportunities for Communities (EOC) program was recently launched. Community-based organizations can apply for up to $115,000 for a single year and $100,000 to $275,000 for multi-year (up to three years) funding. The EOC program was initially launched in 2020 in response to the COVID-19 pandemic and was updated in 2025 following community listening sessions, partner feedback, and analysis using the Port's Equity Index to focus on programs supporting long-term economic opportunity and workforce development.

Commission recently adopted Order No. 2026-03 which reinforces the Port's commitment by advancing policies that protect civil rights, promote transparency, and uphold the values that make our region welcoming and inclusive. This action makes clear that nonpublic Port property will not be used for civil immigration detention or enforcement support, except as required by law. This order expands on Order No. 2026-02 which strengthened transparency and accountability in Port policing. That order removed naming conventions that could be mistaken for federal agencies, ensuring Port Police are clearly identified as part of the Port of Seattle team. Order No. 2026-02 requires advance notice for training and operations in high-visibility areas like SEA Airport, to prevent confusion, and annual reporting on use-of-force and complaint handling which reinforces transparency and policing that reflects the Port's values of equity, inclusion, and public service.

The Port, along with Alaska Airlines, celebrated the completion of major construction for the airport's SEA Gateway Project. This $546 million project adds Alaska Airlines' innovation technology with the first at-scale automated bag drops, efficiency upgrades, light-filled open spaces, Bridge Level check-in, upgraded baggage claim devices, digital monitors, new art displays throughout, a redesigned security checkpoint, upgraded restrooms, and new entry/exit doorways with safety bollards and accessibility ramp accommodations. SEA is also anticipating more project completions before the FIFA world cup this June; one of which is the Roadway Improvements project will add two more lanes and efficiencies into the airport garage and drives. Another is the C Concourse Expansion project which will add four new floors of amenities and services. These modernization projects aim to meet current and forecast traveler demand as well as elevate traveler's experience from curb to gate.

The Port welcomed Cathay Pacific's nonstop service to Hong Kong with their inaugural flight from SEA. This new year-round route operates five times per week and marks the last pre-pandemic carrier to return to SEA. The airport currently offers 58 service options to 36 international destinations on 30 different airlines. Including Cathay Pacific, six new services are scheduled to debut in 2026, pushing SEA over 60 international services. Six new international services also launched in 2025, and in 2024, SEA welcomed a record eight new international services to easily top pre-pandemic levels of 42 services to 26 destinations on 22 airlines.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 03/31/26

CAPITAL SPENDING SUMMARY

$ in 000's	2026 YTD Actual	2026 Forecast	2026 Budget	2026 Plan of Finance	Budget Variance $	%
Aviation	166,115	659,481	658,954	835,887	(527)	-0.1%
Maritime	32,731	94,921	93,384	80,958	(1,537)	-1.6%
Central Services & Other (note 1)	1,276	17,250	19,817	16,088	2,567	13.0%
TOTAL	**200,122**	**771,652**	**772,155**	**932,933**	**503**	**0.1%**

Note:
(1) "Other" includes 100% Port legacy projects in the North Harbor and Storm Water Utility Small Capital projects.

Total capital spending is projected to be $771.7M, 99.9% of the budget for the year.

PORTWIDE INVESTMENT PORTFOLIO

During the first quarter of 2026, the investment portfolio earned 3.44% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 3.82%. Over the last twelve months, the portfolio and the benchmark have earned 3.54% and 3.69%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.48% and 2.09%, respectively.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/26

II. AVIATION DIVISION

Figures in ($ in 000's)	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs. Rvsd_Bud Variance $	%	Change from 2025 Incr(Decr) $	%
Operating Revenue									
Aeronautical Revenues	520,942	545,307	618,565	617,786	618,565	-	0%	73,258	13%
Non-Aeronautical Revenues	315,463	338,394	354,512	342,054	344,087	10,425	3%	16,118	5%
Operating Revenue	**836,405**	**883,701**	**973,077**	**959,840**	**962,652**	**10,425**	**1%**	**89,376**	**10%**
Lease Interest Income[1]	7,853	11,132	9,872	9,872	9,872	-	0%	(1,260)	-11%
GASB 103 Impact[2]	24,896	24,821	24,307	25,327	24,307	-	0%	(514)	-2%
Total Operating Revenues plus Lease Interest Income/GASB Impact	**869,154**	**919,655**	**1,007,256**	**995,039**	**996,831**	**10,425**	**1%**	**87,601**	**10%**
Operating Expenses[3]	**529,828**	**537,028**	**588,461**	**588,135**	**589,858**	**(1,397)**	**0%**	**51,433**	**10%**
Lease Interest Expense	8	5,022	7,897	7,897	7,897	-	0%	2,875	57%
SBITA Interest Expense	352	326	203	203	203	-	0%	(123)	-38%
Total Operating Expenses plus SBITA and Lease Interest	**530,187**	**542,376**	**596,562**	**596,235**	**597,958**	**(1,397)**	**0%**	**54,186**	**10%**
Net Operating Income w/o Lease Interest Income/Expense	**306,577**	**346,674**	**384,616**	**371,706**	**372,795**	**11,821**	**3%**	**37,942**	**11%**
Net Operating Income with Lease Interest Income/Expense	**338,967**	**377,278**	**410,694**	**398,803**	**398,872**	**11,821**	**3%**	**33,415**	**9%**
Debt Service Coverage	1.89	1.90	1.66	1.64	1.62	0.04	2%	(0.24)	-13%
ADF Balance (in 000's)	743,355	828,716	882,596	882,204	882,204	392	0%	53,880	7%
CPE	18.26	19.06	21.19	21.16	21.19	-	0%	0	11%
Non-Aeronautical NOI ($ in 000's)	178,268	184,831	155,114	170,452	146,253	8,860	6%	(29,718)	-16%
Enplanned Passengers (in 000's)	26,295	26,317	26,514	27,031	27,031	(517)	-2%	197	1%
Capital Expenditures (in 000's)	**684,442**	**840,459**	**659,481**	**658,954**	**658,954**	**527**	**0%**	**(180,978)**	**-22%**

[1] Lease Interest Income actuals (under non-operating account)

[2] Actuals and 2026 Budget have been backed out of Non-Aeronautical Revenue to demostrate GASB 103 impact on Operating Revenue separately

[3] Payroll expenses include DRS pension credits in 2024 and 2025

2026 Forecast vs. 2026 Revised Budget

Total Operating Revenues are forecasted at $973M, above the revised budget $10.4M or 1.0% primarily due to higher non-aeronautical revenues.

- Aeronautical Revenue forecast was increased due to GASB 103 adjustments.
- Non-aero revenue forecast is $10.4M above revised budget, reflecting higher revenues across Public Parking, Rental Cars, Flight Kitchens, and Airport Dining & Retail, partially offset by a $23M reclassification of Rental Car revenues to non-operating income. The delay in South Concourse Lounge construction also adds approximately three months of incremental operations revenues.

Operating Expense is forecasted to be $1.4M under revised budget

- Payroll underspend by $3.2M mostly due to vacancies and lower charges to capital
- Most non-payroll expense categories are in line with revised budget, with a slight overspend in other expenses due to additional third-party management costs for the South Concourse Lounge remaining open through the rest of the year, which is expected to generate an additional $3M in non-aeronautical revenue.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/26

A. BUSINESS EVENTS

- Cathay Pacific resumed non-stop service to Hong Kong
- Seattle Chocolate and Hudson closed temporarily and reopened

B. KEY PERFORMANCE METRICS

	YTD 2024	YTD 2025	YTD 2026	% Change from 2025
Total Passengers (000's)				
Domestic	9,336	9,409	9,390	-0.2%
International	1,348	1,501	1,580	5.3%
Total	**10,684**	**10,910**	**10,970**	**2.1%**
Operations	92,963	95,360	94,475	-0.9%
Landed Weight (In Millions of lbs.)				
Cargo	750	666	664	-0.3%
All other	6,341	6,560	6,660	1.5%
Total	**7,091**	**7,226**	**7,324**	**1.4%**
Cargo - Metric Tons				
Domestic freight	86,785	71,253	71,676	0.6%
International & Mail freight	24,591	27,144	30,683	13.0%
Total	**111,376**	**98,397**	**102,359**	**4.0%**

Key Performance Measures

	2024 Actuals	2025 Actuals	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs Rsvd_Bud Variance $	Fcst vs Rsvd_Bud Variance %	Change from 2025 Incr(Decr) $	Change from 2025 Incr(Decr) %
Key Performance Metrics									
Cost per Enplanement (CPE)	18.26	19.06	21.19	21.16	21.19	-	0.0%	2.13	11.2%
Non-Aeronautical NOI ($ in 000's)	178,268	184,831	155,114	170,452	146,253	8,860	6.1%	(29,718)	-16.1%
Other Performance Metrics[1]									
O&M Cost per Enplanement	20.15	20.41	22.19	21.76	21.82	(0.37)	-1.7%	1.79	8.8%
Non-Aero Revenue per Enplanement	12.94	13.80	13.37	13.59	12.73	0.64	5.0%	(0.43)	-3.1%
Debt per Enplanement (in $)	157.12	182.47	173.21	165.46	165.46	(7.75)	-4.7%	(9.25)	-5.1%
Debt Service Coverage	1.89	1.90	1.66	1.64	1.62	0.04	2.5%	(0.24)	-12.6%
Days cash on hand (18 months = 547 days)	512.10	563.25	547.44	547.50	545.90	1.54	0.3%	(15.81)	-2.8%
Airport Activity									
Total Enplanements (in 000's)	26,295	26,317	26,514	27,031	27,031	(517)	-1.9%	197	0.7%
Total Passengers	52,641	52,715	53,064	54,062	54,062	(998)	-1.8%	349	0.7%

[1] Includes DRS pension credit

Key Performance Metrics - 2026 Forecast vs. 2026 Revised Budget

- Non-Aero NOI is 8.9M or 6.1% above revised budget due to higher revenues.
- Debt Service Coverage is forecasted at 1.66
- Non-aero revenue forecast is $10.4M above revised budget, reflecting higher revenues across Public Parking, Rental Cars, Flight Kitchens, and Airport Dining & Retail. The delay in South Concourse Lounge construction also adds approximately three months of incremental operations revenues.
- Total passenger forecast decreased by -1.8%, with slightly higher cost per enplanement at $21.19.

C. OPERATING RESULTS

Division Summary – YTD Actuals

Total Airport Expense Summary (Q1)	2024 YTD (Q1)	2025 YTD (Q1)	2026 YTD (Q1)	2026 YTD (Q1)	2026 YTD (Q1)	Actual vs. Rvsd_Bud Variance		Change from 2025 Incr(Decr)	
Figures in ($ in 000's)	Actual	Actual	Actual	Budget	Revsd_Bud	$	%	$	%
Operating Expenses									
Payroll	32,774	50,870	60,912	61,778	61,778	865	1%	10,042	20%
Outside Services	13,168	17,009	25,867	28,805	28,805	2,938	10%	8,858	52%
Utilities	3,858	7,374	5,085	5,541	5,541	456	8%	(2,289)	-31%
Other Expenses	763	4,862	1,072	4,001	4,016	2,945	73%	(3,790)	-78%
Total Airport Direct Charges	**50,563**	**80,114**	**92,936**	**100,124**	**100,140**	**7,204**	**7%**	**12,821**	**16%**
Environmental Remediation Liability	-	-	264	-	-	(264)		264	
Capital to Expense	-	196	-	-	-	-		(196)	-100%
Total Exceptions	**-**	**196**	**264**	**-**	**-**	**(264)**		**68**	**35%**
Total Airport Expenses	**50,563**	**80,311**	**93,200**	**100,124**	**100,140**	**6,940**	**7%**	**12,889**	**16%**
Corporate	14,261	25,633	27,530	27,554	27,969	440	2%	1,897	7%
Police	5,943	9,370	9,686	10,223	10,223	537	5%	315	3%
Maritime/Economic Development/Other	690	1,341	1,560	1,511	1,511	(50)	-3%	220	16%
Total Charges from Other Divisions	**20,894**	**36,344**	**38,776**	**39,287**	**39,703**	**927**	**2%**	**2,432**	**7%**
Lease Interest Expense	**1**	**6**	**2,017**	**1,975**	**1,975**	**(42)**	**-2%**	**2,011**	**33001%**
SBITA Interest Expense	**59**	**72**	**84**	**56**	**56**	**(28)**	**-49%**	**12**	**17%**
Total Operating Expenses	**71,456**	**116,655**	**131,976**	**139,411**	**139,843**	**7,867**	**6%**	**15,321**	**13%**
Lease and SBITA Interest Expense	59	78	2,101	2,031	2,031	(69)	-3%	2,023	2606%
Total Operating Expenses w/Lease and SBITA Expenses	**71,516**	**116,732**	**134,077**	**141,443**	**141,874**	**7,797**	**5%**	**17,344**	**15%**

2026 YTD Actuals vs. 2026 YTD Revised Budget

Total Operating Expenses underspend by $7.8M, 5% under revised budget, primarily driven by the following:

- **Payroll underspent by $865K:** Primarily driven by lower charges to capital projects
- **Outside Services underspent by $3M:** Underspent in Contracted, Professional and Personal services by $4M partly due to timing between revised budget and actuals, accrual, and offset by overspent in On-site consultants by ($1.4M) due to timing for capital and expense projects such as South Concourse Evolution and Flight Corridor Safety Program projects
- **Underspent in Utilities and Other Expenses by $2.9M:** Underspent across the board besides Supplies and stock due to higher Maintenance material costs slightly overspent by $287K
- **Charges from other divisions underspent by $927K** mostly due to underspent in direct payroll, Outside Services and offset by over allocated costs.

2025 YTD Actuals vs. 2026 YTD Actuals

- Year-to-date Q1 2026 actuals were $17M, or 15%, higher than Q1 2025, primarily driven by higher payroll costs due to yearend 2024 retroactive wage and benefit adjustments, with the related accrual causing Q1 2025 actuals to be lower.
- Outside Services increased by $8.9M due to higher on-site consultants by $4.1M, Professional Services $1.3M, Contracted Janitorial Services $1.1M and Contract Other Equipment Maintenance $1.5M.
- Offset by lower utilities by -$2.3M and Other expenses by -$3.8M mostly due to lower Bad debt expenses -$1.1M and property rentals -$1.6M offset by higher general expense $2M due to higher third-party management fees $1.4M and Business and Occupation taxes $873K and higher charges to capital projects -4.5M.
- Charges from other divisions increased by 7% or $2.4M

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/26

Total Airport Expense Summary	2024	2025	2026	2026	2026	Fcst vs. Rvsd_Bud Variance		Change from 2025 Incr(Decr)	
Figures in ($ in 000's)	Actual	Actual	Forecast	Budget	Revsd_Bud	$	%	$	%
Operating Expenses									
Payroll	223,027	243,179	250,227	253,455	253,455	3,228	1%	7,048	3%
Outside Services	104,086	115,992	124,601	124,030	124,030	(571)	0%	8,609	7%
Utilities	25,543	26,959	26,936	26,936	26,936	-	0%	(23)	0%
Other Expenses	21,596	13,174	21,063	19,657	19,717	(1,346)	-7%	7,889	60%
Total Airport Direct Charges	**374,253**	**399,304**	**422,827**	**424,077**	**424,138**	**1,311**	**0%**	**23,523**	**6%**
Environmental Remediation Liability	2,600	2,693	2,267	2,267	2,267	-	0%	(426)	-16%
Capital to Expense	553	11,783	200	-	-	(200)		(11,583)	-98%
Total Exceptions	**3,153**	**14,477**	**2,467**	**2,267**	**2,267**	**(200)**	**-9%**	**(12,010)**	**-83%**
Total Airport Expenses	**377,406**	**413,780**	**425,294**	**426,344**	**426,405**	**1,111**	**0%**	**11,513**	**3%**
Corporate	124,058	93,940	116,170	114,558	116,220	50	0%	22,230	24%
Police	39,709	42,925	39,284	39,200	39,200	(84)	0%	(3,641)	-8%
Maritime/Economic Development/Other	7,232	7,493	7,714	8,033	8,033	319	4%	221	3%
Total Charges from Other Divisions	**170,999**	**144,358**	**163,168**	**161,790**	**163,453**	**285**	**0%**	**18,809**	**13%**
Lease Interest Expense	8	5,022	7,897	7,897	7,897	-	0%	2,875	57%
SBITA Interest Expense	352	326	203	203	203	-	0%	(123)	-38%
Total Operating Expenses w/o Pension True-Up	**548,405**	**558,138**	**588,461**	**588,135**	**589,858**	**1,397**	**0%**	**30,323**	**5%**
Lease and SBITA Interest Expense	359	5,348	8,101	8,101	8,101	-	0%	2,752	51%
Total Operating Expenses w/Lease and SBITA Expenses	**530,187**	**542,376**	**596,562**	**596,235**	**597,958**	**1,397**	**0%**	**54,186**	**10%**

2026 Forecast vs. 2026 Revised Budget

Total Operating Expense is forecasted to be $1.4M under revised budget, driven by the following:

• **Payroll underspent by $3.2M:** Forecast to achieve vacancy factor by year end.
• **Outside Services overspent by ($571K):** Mostly due to higher software licenses and Maintenance agreements.
• **Other Expenses overspent by ($1.3M):** Other expenses higher than revised budget due to additional third-party management costs for the South Concourse Lounge remaining open through the rest of the year, which is expected to generate an additional $3M in non-aeronautical revenue.

Aeronautical Business Unit Summary – YTD Actuals

Aeronautical NOI (Q1)	2024 YTD (Q1)	2025 YTD (Q1)	2026 YTD (Q1)	2026 YTD (Q1)	2026 YTD (Q1)	Actual vs. Revsd_Bud Variance		Change from 2025 Incr(Decr)	
Figures $ in 000's	Actual	Actual	Actual	Budget	Revsd_Bud	$	%	$	%
Rate Base Revenues									
Airfield Movement Area	23,140	38,535	42,404	42,013	42,105	299	1%	3,869	10%
Airfield Apron Area	3,350	7,399	7,853	8,193	8,199	(346)	-4%	454	6%
Terminal Rents	42,992	68,202	76,689	76,580	76,658	30	0%	8,486	12%
Federal Inspection Services (FIS)	5,751	10,855	11,688	11,668	11,675	13	0%	833	8%
Total Rate Base Revenues	**75,233**	**124,991**	**138,634**	**138,454**	**138,637**	**(3)**	**0%**	**13,642**	**11%**
Airfield Commercial Area	3,344	6,589	6,992	6,460	6,460	531	8%	403	6%
Total Aeronautical Revenues	**78,577**	**131,580**	**145,625**	**144,915**	**145,097**	**528**	**0%**	**14,045**	**11%**
Total Aeronautical Expenses	**50,883**	**78,524**	**89,129**	**94,577**	**94,781**	**(5,652)**	**-6%**	**10,604**	**14%**
Aeronautical NOI	**27,694**	**53,056**	**56,497**	**50,338**	**50,316**	**6,181**	**12%**	**3,441**	**6%**

Aeronautical – 2026 YTD Actuals vs. 2026 YTD Revised Budget

Aeronautical operating expenses underspent by $5.7M or 6% due to lower year-to-date spending across total operating expenses. Aeronautical revenues were in line with Revised Budget, $528K higher, resulting in Net Operating Income of $6.2M or 12% above revised budget.

Aeronautical – 2026 YTD Actuals vs. 2025 YTD Actuals

Year-to-date Q1 2026 Aeronautical expenses were $10.6M or 14% higher than Q1 2025, due to higher wages and higher benefits by $5.1M partly driven by higher payroll costs due to year end 2024 retroactive wage and benefit adjustments, with the related accrual causing Q1 2025 actuals to be lower. Higher Outside Services by

$3.7M due to higher contracted services, charges from other divisions increased by $3.2M. Aeronautical revenues increased by $14M or 11%, driven by higher expenses. Aeronautical Net Operating Income was $3.4M or 6% higher compared to 2025.

Aeronautical Business Unit Summary - YE Forecast

Aeronautical NOI	2024	2025	2026	2026	2026	Fcst vs. Rvsd_Bud Variance		Change from 2025 Incr(Decr)	
Figures in ($ in 000's)	Actual	Actual	Forecast	Budget	Revsd_Bud	$	%	$	%
Rate Base Revenues									
Airfield Movement Area	170,821	164,804	184,220	183,818	184,220	-	0%	19,415	12%
Airfield Apron Area	32,270	33,404	35,443	35,416	35,443	-	0%	2,039	6%
Terminal Rents	279,722	271,462	319,543	319,223	319,543	-	0%	48,082	18%
Federal Inspection Services (FIS)	15,206	48,849	53,571	53,542	53,571	-	0%	4,722	10%
Total Rate Base Revenues	**498,019**	**518,520**	**592,777**	**591,999**	**592,777**	**-**	**0%**	**74,258**	**14%**
Airfield Commercial Area	22,922	26,787	25,787	25,787	25,787	-	0%	(1,000)	-4%
Total Aeronautical Revenues	**520,942**	**545,307**	**618,565**	**617,786**	**618,565**	**-**	**0%**	**73,258**	**13%**
Total Aeronautical Expenses	**367,736**	**358,644**	**389,063**	**391,206**	**392,023**	**2,961**	**1%**	**(30,419)**	**-8%**
SBITA Interest Expense	281	252	165	165	165	-	0%	88	35%
Aeronautical NOI	**152,925**	**186,411**	**229,337**	**226,416**	**226,377**	**2,961**	**1%**	**42,926**	**23%**
Debt Service	(157,518)	(176,250)	(202,992)	(202,992)	(202,992)	-	0%	(26,741)	15%
Net Cash Flow	**(4,593)**	**10,161**	**26,346**	**23,424**	**23,385**	**2,961**	**13%**	**16,185**	**159%**

Aeronautical – 2026 Forecast vs. 2026 Revised Budget

Aeronautical expenses are forecasted to be $2.9M lower compared to revised budget. Year-end Aeronautical revenues remain unchanged at this time.

Airline Rate Base Cost Drivers

Aeronautical Cost Drivers	2025	2026	2026	2026 Revised	Fcst vs. Rvsd_Bud Variance	
($ in 000's)	**Budget**	**Forecast**	**Budget**	**Budget**	**$**	**%**
O&M [(1)]	360,905	378,417	377,634	378,417	-	0.0%
Debt Service Before Offsets	236,757	277,614	277,614	277,614	-	0.0%
Debt Service PFC Offset	(93,230)	(92,468)	(92,468)	(92,468)	-	0.0%
Net Debt Service	143,527	185,146	185,146	185,146	-	0.0%
Amortization	36,712	33,685	33,685	33,685	-	0.0%
Space Vacancy	(672)	(2,714)	(2,710)	(2,714)	-	0.0%
Cost of Incentives	-	(1,196)	(1,194)	(1,196)	-	0.0%
Grants and Other	(2,773)	(563)	(563)	(563)	-	0.0%
Rate Base Revenues	**537,699**	**592,777**	**591,999**	**592,777**	**-**	**0%**
Commercial area	26,137	25,787	25,787	25,787	-	0%
Total Aero Revenues	**563,836**	**618,565**	**617,786**	**618,565**	**-**	**0%**

(1) O&M, Debt Service Gross, and Amortization do not include commercial area costs or the international incentive expenses

2026 Forecast vs. 2026 Revised Budget

Aeronautical Revenues: Q1 forecast was held at revised budget amount and not updated due to materiality and certainty of change from budget at this time.

Non-Aero Business Unit Summary – YTD Actuals

Non-Aeronautical NOI (Q1)	2024 YTD (Q1)	2025 YTD (Q1)	2026 YTD (Q1)	2026 YTD (Q1)	2026 YTD (Q1)	Actual vs. Rvsd_Bud Variance		Change from 2025 Incr(Decr)	
Figures ($ in 000's)	**Actual**	**Actual**	**Actual**	**Budget**	**Revsd_Bud**	**$**	**%**	**$**	**%**
Non-Aeronautical Revenues									
Public Parking	18,045	28,587	29,279	27,316	27,316	1,964	7%	692	2%
Rental Cars	6,840	8,757	6,784	8,852	6,655	130	2%	(1,972)	-23%
Ground Transportation	3,365	5,195	5,187	5,440	5,440	(253)	-5%	(8)	0%
Airport Dining & Retail	8,967	14,228	14,762	16,239	16,368	(1,607)	-10%	533	4%
Other	8,231	15,621	19,220	18,958	19,082	139	1%	3,599	23%
Total Non-Aeronautical Revenues	**45,448**	**72,389**	**75,233**	**76,805**	**74,861**	**372**	**0%**	**2,844**	**4%**
Total Non-Aeronautical Expenses	**20,574**	**38,131**	**42,847**	**44,835**	**45,061**	**2,214**	**5%**	**4,717**	**12%**
Non-Aeronautical NOI	**24,874**	**34,258**	**32,385**	**31,970**	**29,799**	**2,586**	**9%**	**(1,873)**	**-5%**

Non-Aeronautical Revenue – 2026 YTD Actuals vs. 2026 YTD Revised Budget

YTD Q1 Non-Aeronautical Revenues are above revised budget by $372K due to strength in Public Parking, Flight Kitchens, and Rental Cars. These strong performances are partially offset by budget seasonality Airport Dining & Retail revenue (full year 2026 forecast is above revised budget).

Non-Aeronautical Revenue – 2026 YTD Actuals vs. 2025 YTD Actuals

YTD Q1 2026 Non-Aeronautical Revenues are higher than 2025 by $2,844K, or 4%. The growth is highlighted by the 2025 SeaTac Office Center (STOC) acquisition at the end of Feb 2025, which annualizes through Q1 2026. Rental Cars shows as declining as CFC revenue is reclassed to non-operating income starting in 2026.

YTD Q1 2026 Non-Aero Expenses are higher due to increased payroll costs due to the Compensation project and contractual increases tied to bargaining agreement implemented across the Port.

Non-Aero Business Unit Summary - YE Forecast

Non-Aeronautical NOI	2024	2025	2026	2026	2026	Fcst vs. Rvsd_Bud Variance		Change from 2025 Incr(Decr)	
Figures in ($ in 000's)	Actual	Actual	Forecast	Budget	Revsd_Bud	$	%	$	%
Non-Aeronautical Revenues									
Transportation Mgmt Association	-	-	717	717	717	-	0%	717	
Public Parking	116,535	116,870	117,061	114,531	114,531	2,530	2%	190	0%
Rental Cars	64,434	67,479	44,613	67,862	43,555	1,058	2%	(22,866)	-34%
Ground Transportation	23,946	24,376	24,246	24,896	24,896	(649)	-3%	(130)	-1%
Employee Parking[1]	10,462	12,532	13,964	14,138	14,138	(175)	-1%	1,432	11%
Landside Total	**215,376**	**221,256**	**200,601**	**222,144**	**197,837**	**2,764**	**1%**	**(20,656)**	**-9%**
Airport Dining & Retail[1]	72,234	73,777	79,358	77,078	77,596	1,762	2%	5,580	8%
Tenant Marketing	902	1	1,629	503	503	1,125	224%	1,628	237409%
AOB Conference Center	252	205	200	228	228	(28)	-12%	(5)	-3%
Commercial Management Total	**73,388**	**73,983**	**81,186**	**77,809**	**78,327**	**2,859**	**4%**	**7,203**	**10%**
Non-Aero Commercial Properties	17,639	18,625	21,791	20,475	20,475	1,315	6%	3,166	17%
International Place (STOC)	-	10,174	12,214	11,712	11,712	503	4%	2,041	20%
Clubs and Lounges	16,709	19,528	18,995	16,153	16,153	2,842	18%	(534)	-3%
Non-AirlineTerminal Leased Spc	7,559	8,584	8,299	8,157	8,157	142	2%	(285)	-3%
AV Business & Properties Total	**41,907**	**56,911**	**61,298**	**56,497**	**56,497**	**4,802**	**8%**	**4,387**	**8%**
Utilities	9,578	10,837	10,551	10,551	10,551	0	0%	(286)	-3%
Other	110	228	876	381	876	0	0%	648	284%
Total Non-Aeronautical Revenues	**340,360**	**363,215**	**354,512**	**367,381**	**344,087**	**10,425**	**3%**	**(8,703)**	**-2%**
Total Non-Aeronautical Expenses	**162,092**	**178,384**	**199,399**	**196,929**	**197,834**	**(1,564)**	**-1%**	**21,015**	**12%**
Non-Aeronautical NOI	**178,268**	**184,831**	**155,114**	**170,452**	**146,253**	**8,860**	**6%**	**(29,718)**	**-16%**
Less: CFC Surplus[2]	(10,174)	(9,385)	-	(11,702)	-	-		9,385	-100%
Lease Interest Income[3]	7,853	11,132	9,872	9,872	9,872	-	0%	(1,260)	-11%
Lease Interest Expense/SBITA	(7,774)	(6,048)	(1,934)	(1,934)	(1,934)	-	0%	4,114	-68%
Adjusted Non-Aeronautical NOI	**168,172**	**180,530**	**163,051**	**166,688**	**154,191**	**8,860**	**6%**	**(17,478)**	**-10%**
Debt Service	(43,887)	(33,957)	(57,369)	(57,369)	(57,369)	-	0%	(23,412)	69%
Net Cash Flow	**124,285**	**146,573**	**105,683**	**109,319**	**96,822**	**8,860**	**9%**	**(40,890)**	**-28%**

1. Includes lease payments from tenants as non-operating interest income instead of operating revenues
2. The implementation of GASB 103 has reclassified CFC revenue from operating to non-operating, which is reflected in 2026 Forecast and Revised Budget
3. Lease payments from tenants treated as non-operating interest income and lease interest expenses

Non-Aeronautical Revenue – 2026 Forecast vs. 2026 Revised Budget

- Non-aero revenue forecast is $10.4M above revised budget, reflecting higher revenues across Public Parking, Rental Cars, Flight Kitchens, and Airport Dining & Retail. The delay in South Concourse Lounge construction also adds approximately three months of incremental operations revenues.
- Non-Aero Expenses are forecasted to be higher than revised budget by ($1.6M), with NOI higher than revised budget by $8.9M or 6%.

D. CAPITAL RESULTS

$ in 000's	2026 YTD Actual	2026 Year-End Forecast	2026 Budget	2026 POF	Bud vs. Fcst $	Bud vs. Fcst %
IWTP Enhancements [1]	1,665	14,514	9,760	6,697	(4,754)	-48.7%
Post IAF Airline Realignment [2]	10,888	39,065	35,377	39,040	(3,688)	-10.4%
2026-2030 AFLD PVMNTS [3]	1,776	35,283	38,287	71,507	3,005	7.8%
Perimeter Intrusion Detect Sys [4]	131	2,196	5,081	6,472	2,885	56.8%
C Concourse Expansion [5]	41,796	106,537	108,970	119,813	2,434	2.2%
2021-25 AFLD Pvmnt&Spprt Infr [6]	4,953	11,842	9,476	23,892	(2,366)	-25.0%
Airfield Snow Equipment [7]	4,546	6,612	4,558	915	(2,054)	-45.1%
Biffy Facility Improvement [8]	44	808	2,382	2,867	1,574	66.1%
S Concourse Evolution [9]	14,967	70,123	69,256	137,762	(866)	-1.3%
Water Reservoir Rehabilitation [10]	46	1,189	2,030	2,115	840	41.4%
All Other	85,303	446,971	450,131	591,762	3,160	0.7%
Subtotal	166,115	735,138	735,307	1,002,842	169	0.0%
CIP Cashflow Mgmt Reserve	-	(75,658)	(76,353)	(166,955)	(695)	0.9%
Total Spending	**166,115**	**659,481**	**658,954**	**835,887**	**(527)**	**-0.1%**

1. $4.2M was added for 30% design refinement and overall schedule was shortened.
2. Unforeseen conditions increased costs. UA Lounge updated estimates show higher costs.
3. 2026 Contract 2 bid is split with the South Concourse Evolution project.
4. Schedule delay because of delayed testing due to faulty equipment.
5. Lower than budget because production rates are lower than planned.
6. Replaced more pavement panels with rapid set concrete adjacent to work areas.
7. During budget, 80% of the invoice was estimated to be spent in 2026 until the vendor completed the work to meet the requirements. Vendor is now on track to complete it in 2026.
8. Construction is starting later than budget. 60% of the design was delayed and 2 months due to an elevation adjustment request.
9. Very minor change. Variance is 1.1% of $68M total forecasted in 2026.
10. 3 months schedule delay for field fabrication of shell.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/26

III. MARITIME DIVISION

FINANCIAL SUMMARY (Excludes Pension Adjustments)

$ in 000's	2023 Actual	2024 Actual	2025 Actual	2026 Forecast	2026 Revised Budget	Actual vs. Revised Budget Variance $	%	Change from 2025 $	%
Total Revenues	**99,738**	**106,809**	**116,917**	**125,344**	**125,344**	**0**	**0%**	**8,427**	**7%**
Total Operating Expenses	**93,596**	**101,991**	**111,643**	**124,007**	**124,728**	**721**	**1%**	**12,364**	**13%**
Net Operating Income	**6,142**	**4,818**	**5,274**	**1,337**	**616**	**721**	**117%**	**(3,936)**	**-64%**
NOI Incl. GASB/Pension	***9,902***	***7,945***	***(6,807)***	***(28,798)***	***(30,239)***	***1,441***	***5%***	***(21,992)***	***-222%***
Capital Expenditures	**26,246**	**84,842**	**93,859**	**94,921**	**93,384**	**1,537**	**2%**	**1,062**	**4%**

2026 Forecast vs. 2026 Revised Budget

- Operating Revenues forecasted at $125.3M.
- Operating Expenses forecasted $721K lower than revised budget from payroll from RNG billing change and central services open positions.
- Net Operating Income forecasted $721K above revised budget.
- Capital Spending forecasted 102% of $93.4M revised budget.

2026 Forecast vs. 2025 Actuals

- Operating Revenues forecasted $8.4M higher than 2025 from higher Cruise rates and volumes.
- Operating Expenses forecasted $12.4M higher than 2025 actual from addition of T91 demolition of 3 buildings.
- Net Operating Income forecasted $4M lower than 2025 actual.

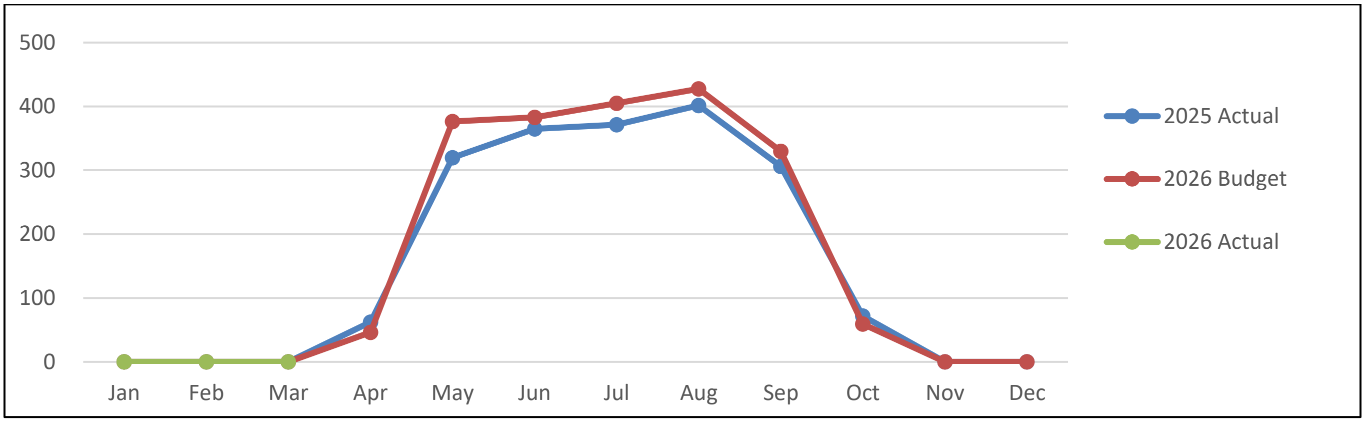
Net Operating Income before Depreciation by Business

$ in 000's	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	Actual vs. Revised Budget Variance $	%	Change from 2025 $	%
Ship Canal Fishing & Operations	(829)	3,032	(1,557)	4,589	295%	3,861	466%
Elliott Bay Fishing & Commercial Operations	(266)	(538)	(483)	(55)	-11%	(272)	NA
Recreational Boating	340	(84)	(180)	96	-54%	(423)	-125%
Cruise	(5,341)	(5,473)	(6,503)	1,030	16%	(132)	-2%
Grain	1,222	1,204	1,215	(11)	-1%	(18)	-1%
Maritime Portfolio	(2,704)	(1,899)	(3,354)	1,455	43%	804	30%
All Other	(245)	(352)	155	(508)	-327%	(107)	44%
Total Maritime	**(7,823)**	**(4,110)**	**(10,707)**	**6,597**	**62%**	**3,713**	**47%**

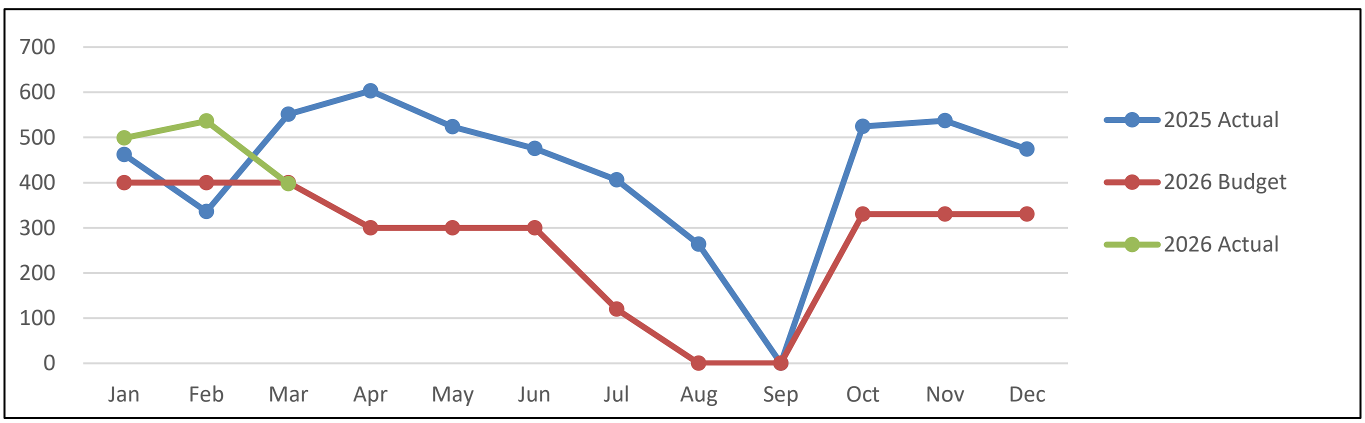
Note: No Cruise sailing as of Q1 2026

A. KEY PERFORMANCE METRICS

Cruise Passengers in 000's



Grain Volumes in 000's



III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/26

A. OPERATING RESULTS

$ in 000's	2022 YTD Actual	2023 YTD Actual	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Revised Budget	Actual vs. Budget Variance $	Actual vs. Budget Variance %	Change from 2025 $	Change from 2025 %
Ship Canal Fishing & Operations	1,180	1,250	1,324	1,535	1,235	1,401	(167)	-12%	(301)	-20%
Elliott Bay Fishing & Commercial Operations	1,308	1,501	1,462	1,396	1,478	1,663	(185)	-11%	81	6%
Recreational Boating	3,443	3,827	4,041	4,482	4,535	4,692	(156)	-3%	54	1%
Cruise	(66)	(302)	(299)	(339)	70	(407)	477	117%	409	121%
Grain	1,874	1,081	1,617	1,687	1,600	1,660	(60)	-4%	(87)	-5%
Conference & Event Centers	618	1,380	1,825	1,575	2,224	1,775	449	25%	649	41%
Leasing Portfolio	4,728	4,777	5,042	5,079	5,737	5,914	(177)	-3%	658	13%
Other	6	8	1	12	(11)	0	(11)		(24)	-194%
Total Revenue	**13,092**	**13,522**	**15,013**	**15,427**	**16,868**	**16,698**	**169**	**1%**	**1,440**	**9%**
Expenses										
Total Direct	**7,453**	**7,753**	**8,254**	**9,298**	**5,136**	**9,590**	**4,454**	**46%**	**(4,162)**	**-45%**
Total Support Services	**4,666**	**5,775**	**6,882**	**6,852**	**8,211**	**10,111**	**1,899**	**19%**	**1,360**	**20%**
Total Central Services / Other	**5,175**	**5,756**	**6,687**	**7,100**	**7,630**	**7,705**	**75**	**1%**	**529**	**7%**
Total Expense	**17,294**	**19,284**	**21,823**	**23,250**	**20,977**	**27,405**	**6,428**	**23%**	**(2,273)**	**-10%**
NOI Before Depreciation	**(4,202)**	**(5,762)**	**(6,810)**	**(7,823)**	**(4,110)**	**(10,707)**	**6,597**	**62%**	**3,713**	**47%**
Depreciation	5,400	5,585	5,571	5,863	6,449	6,774	325	5%	585	10%
NOI After Depreciation	**(9,602)**	**(11,347)**	**(12,381)**	**(13,686)**	**(10,558)**	**(17,481)**	**6,922**	**-40%**	**3,128**	**-23%**
GASB/Pension Credit Impacts										
Total Revenue				**(3,981)**	**(3,728)**	**(3,707)**	**21**	**1%**	**253**	**6%**
Total Operating Expenses				**(18)**	**(45)**	**375**	**420**	**112%**	**(27)**	**-148%**
Total Depreciation				**100**	**65**	**39**	**(26)**	**-68%**	**(35)**	**-35%**
NOI After Depreciation with GASB	**(9,602)**	**(11,347)**	**(12,381)**	**(17,748)**	**(14,306)**	**(21,601)**	**(7,295)**	**-34%**	**3,442**	**19%**

2026 YTD Actuals vs. 2026 YTD Revised Budget

- Operating Revenues were $169K higher than revised budget:
  - Ship Canal $167K lower due to Salmon Bay Marina closure.
  - Elliott Bay Fishing greater by $185K lower due to billing timing.
  - Recreational Boating is $156 lower than budget from open slips for Salmon Bay Marina Customers.
  - Cruise $477K higher due to timing of lease payment to NCL.
  - Grain $60K lower due to rate-mix. Will catch up by year-end.
  - Leasing Portfolio $177K lower due to lower parking garage activity.
  - Conference and Event Centers are $449K higher due to returning customers.
- Operating Expenses were $6.4M below revised budget:
  - Direct Expenses were $4.5M below revised budget from reversal of accrual for Salmon Bay Marina Docs A, B, and C impairment.
  - Support Services $1.9M below revised budget from timing of Maintenance and small works projects. Projects to be completed Q2-Q4.
  - Central Services/Other $75K below revised budget.
- Net Operating Income after Depreciation was $6.9M favorable to revised budget.

2026 YTD Actuals vs. 2025 YTD Actuals

- Operating Revenues were $1.4M higher than 2025 due to timing of NCL lease payment, returning customers to Conference & Event Centers, and general CPI lease increase.
- Operating Expenses were $2.3M lower than 2025 with SaBM impairment reversal offset by payroll increases.
- Net Operating Income after Depreciation was $2.3M higher than 2025 actual from SaBM impairment reversal, otherwise would be $2.2M lower.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/26

$ in 000's	2022 YTD Actual	2023 YTD Actual	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Revised Budget	Forecast vs. Budget Variance $	%	Change from 2025 $	%
Ship Canal Fishing & Operations	1,180	1,250	1,324	1,535	1,235	1,401	(167)	-12%	(301)	-20%
Elliott Bay Fishing & Commercial Operation	1,308	1,501	1,462	1,396	1,478	1,663	(185)	-11%	81	6%
Recreational Boating	3,443	3,827	4,041	4,482	4,535	4,692	(156)	-3%	54	1%
Cruise	(66)	(302)	(299)	(339)	70	(407)	477	117%	409	121%
Grain	1,874	1,081	1,617	1,687	1,600	1,660	(60)	-4%	(87)	-5%
Conference & Event Centers	618	1,380	1,825	1,575	2,224	1,775	449	25%	649	41%
Leasing Portfolio	4,728	4,777	5,042	5,079	5,737	5,914	(177)	-3%	658	13%
Other	6	8	1	12	(11)	0	(11)		(24)	-194%
Total Revenue	**13,092**	**13,522**	**15,013**	**15,427**	**16,868**	**16,698**	**169**	**1%**	**1,440**	**9%**
Expenses										
Total Direct	**7,453**	**7,753**	**8,254**	**9,298**	**5,136**	**9,590**	**4,454**	**46%**	**(4,162)**	**-45%**
Total Support Services	**4,666**	**5,775**	**6,882**	**6,852**	**8,211**	**10,111**	**1,899**	**19%**	**1,360**	**20%**
Total Central Services / Other	**5,175**	**5,756**	**6,687**	**7,100**	**7,630**	**7,705**	**75**	**1%**	**529**	**7%**
Total Expense	**17,294**	**19,284**	**21,823**	**23,250**	**20,977**	**27,405**	**6,428**	**23%**	**(2,273)**	**-10%**
NOI Before Depreciation	**(4,202)**	**(5,762)**	**(6,810)**	**(7,823)**	**(4,110)**	**(10,707)**	**6,597**	**62%**	**3,713**	**47%**
Depreciation	5,400	5,585	5,571	5,863	6,449	6,774	325	5%	585	10%
NOI After Depreciation	**(9,602)**	**(11,347)**	**(12,381)**	**(13,686)**	**(10,558)**	**(17,481)**	**6,922**	**-40%**	**3,128**	**-23%**
GASB/Pension Credit Impacts										
Total Revenue				**(3,981)**	**(3,728)**	**(3,707)**	**21**	**1%**	**253**	**6%**
Total Operating Expenses				**(18)**	**(45)**	**375**	**420**	**112%**	**(27)**	**-148%**
Total Depreciation				**100**	**65**	**39**	**(26)**	**-68%**	**(35)**	**-35%**
NOI After Depreciation with GASB	**(9,602)**	**(11,347)**	**(12,381)**	**(17,748)**	**(14,306)**	**(21,601)**	**(7,295)**	**-34%**	**3,442**	**19%**

B. CAPITAL RESULTS

$ in 000's	2026 Actual	2026 YE Forecast	2026 Budget	2026 POF	Budget vs Actual $	Budget vs Actual %
T91 Berth 6 & 8 Redev	11,775	25,353	26,207	13,654	(854)	-3%
P66/P91 Shore Power Extension	2,869	17,849	17,100	9,540	749	4%
T91 Uplands Dev Phase I	730	11,042	11,000	16,524	42	0%
MIC Electrical Replacements	1,898	10,759	10,759	9,683	0	0%
P66 Grand Staircase Replc	2,428	4,866	4,872	5,560	(6)	0%
FT Maritime Innovation Center	2,668	4,451	4,058	2,700	393	10%
Technology Project	663	2,668	4,250	4,250	(1,582)	-37%
T91 Shore Power System Purchas	3,600	3,600	3,600	0	0	0%
T91 New Cruise Gangway	413	2,063	2,300	2,446	(237)	-10%
Fleet	753	6,929	6,928	6,648	1	0%
All Other Projects	4,934	28,297	24,840	41,890	3,457	14%
Subtotal	32,731	117,877	115,914	112,895	1,963	2%
CIP CashFlow Mgt	0	(22,956)	(22,530)	(31,937)	(426)	1.9%
Total Maritime	**32,731**	**94,921**	**93,384**	**80,958**	**1,537**	**2%**
% of Capital Budget w/out CF Mgt	28%					
% of Capital Budget including CF Mgt	35%					

Note: POF (Plan of Finance) is the total estimated during the budget process.

Comments on Key Projects with Significant Variances

- **T91 Berth 6&8 –** Decrease reflects drop of risk after settlement with contractor.
- **Shore Power Ext –** Overall increase of $6M. About half of that is transfer from T91 Dock Rehab. PDB refinement and SC bid higher.
- **Technology–** Video Camera project pause to consider procurement and construction options. Overall, no increase.
- **Elliott Bay Connections–** Requests for reimbursement from EBC have been slower than anticipated.

Other Projects:

- **Waterfront Fleet EV -** $1.3 increase in 2026 due to accelerated timeline. Overall $400k decrease.
- **T91 P90/91 Dock Rehab -** $954 increase in 2026 due to shifting design effort to 2026 to evaluate alternatives. Overall $3M reduction scope moved to Shore Power Extension.
- **MIC Fire Alarm & T91 Electric -** $1.7M new projects added.

IV. ECONOMIC DEVELOPMENT DIVISION

FINANCIAL SUMMARY

$ in 000's	2023 Actual	2024 Actual	2025 Actual	2026 Forecast	2026 Revised Budget	Forecast vs. Revised Budget Variance $	%	Change from 2025 $	%
Total Revenues	**24**	**(8)**	**21**	**16**	**16**	**0**	**0%**	**(5)**	**-25%**
Total Operating Expenses	**3,351**	**2,951**	**2,663**	**3,390**	**3,390**	**0**	**0%**	**727**	**22%**
Net Operating Income	**(3,328)**	**(2,959)**	**(2,643)**	**(3,374)**	**(3,374)**	**0**	**0%**	**(732)**	**-22%**
NOI Incl. GASB/Pension	***432***	***168***	***(1,873)***	***(3,374)***	***(3,374)***	***0***	***0%***	***(1,501)***	***-347%***

OPERATING RESULTS

$ in 000's	2023 YTD Actual	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Revised Budget	Actual vs. Budget Budget Variance $	%	Change from 2025 $	%
Total Revenue	**3**	**4**	**3**	**4**	**4**	**0**	**1%**	**1,440**	**9%**
Expenses									
Total Direct	**470**	**326**	**229**	**258**	**398**	**140**	**35%**	**29**	**12%**
Total Support Services	**9**	**4**	**12**	**6**	**7**	**1**	**12%**	**(6)**	**-53%**
Total Central Services / Other	**5**	**7**	**7**	**15**	**18**	**3**	**15%**	**9**	**132%**
Total Expense	**484**	**337**	**248**	**279**	**423**	**144**	**34%**	**31**	**12%**
NOI Before Depreciation	**(481)**	**(333)**	**(245)**	**(274)**	**(419)**	**144**	**-34%**	**(30)**	**-12%**
Depreciation	3	3	4	6	5	(1)	-13%	2	66%
NOI After Depreciation	**(483)**	**(336)**	**(248)**	**(281)**	**(424)**	**143**	**-34%**	**(32)**	**-13%**
GASB/Pension Credit Impacts									
Total Revenue						**0**		**0**	
Total Operating Expenses						**0**		**0**	
Total Depreciation						**0**		**0**	
NOI After Depreciation with GASB	**(483)**	**(336)**	**(248)**	**(281)**	**(424)**	**(143)**	**-34%**	**(32)**	**-13%**

2026 YTD Actuals vs. 2026 YTD Revised Budget

- Operating Revenues on budget from rental income at the Duwamish Hub.
- Operating Expenses were $140K below revised budget from timing of outside services. Economic Development Grants and Tourism spending.

V. CENTRAL SERVICES DIVISION

FINANCIAL SUMMARY

$ in 000's	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	2026 YTD Revsd_Bud	Actual vs. Revsd_Bud Variance $	%	Change from 2025 Incr (Decr) $	%
Operating Revenues	**66**	**25**	**(4)**	**8**	**8**	**(12)**	**-156.6%**	**(29)**	**-116.9%**
Core Central Support Services	29,564	29,331	31,614	32,913	33,659	2,045	6.1%	2,284	7.8%
Police	10,727	11,067	11,878	12,574	12,574	697	5.5%	810	7.3%
Engineering/PCS	3,135	4,106	4,508	5,369	5,369	861	16.0%	402	9.8%
Operating Expenses	**43,426**	**44,504**	**48,000**	**50,857**	**51,602**	**3,602**	**7.0%**	**3,496**	**7.9%**
Lease Interest Expense	23	10	7	4	4	(2)	-55.1%	(4)	-34.2%
SBITA Interest Expense	60	147	154	79	79	(75)	-94.5%	7	4.8%
Total Operating Exp plus Lease/SBITA Interest Exp	**43,509**	**44,661**	**48,161**	**50,940**	**51,686**	**3,525**	**6.8%**	**3,500**	**7.8%**

2026 YTD Actuals vs. 2026 YTD Revised Budget

- Operating Revenues unfavorable by ($12K) primarily due to a Legal Revenue adjustment.
- Operating Expenses favorable by $3.6M primarily due to lower Outside Services, Equipment Expense, Travel & Employee Expenses, and Promotional Expenses; partially offset by lower charges to Capital Projects, higher Payroll, and General Expenses.

2026 YTD Actuals vs. 2025 YTD Actuals

- Operating Revenues ($29K) lower than 2025 mainly due to a Legal Revenue adjustment.
- Operating Expenses $3.5M higher than 2025 mainly due to higher Payroll, Outside Services, General Expenses, Travel & Other Employee Expenses, Promotional Expenses, and Equipment Expense; partially offset by lower in Property Rentals and Worker's Compensations Expense.

B. BUSINESS EVENTS

- The Women's Outstanding Achievement Awards and the Pat Davis Legacy of Leadership Awards were held on March 20, with two retired employees recognized.
- The Port is also transitioning its learning management system from SumTotal to Cornerstone, with implementation meetings underway.
- The Port rolled out Windows Hello facial recognition for computer logins in March. Sprinklr went live in late Q1, replacing Salesforce for SEA Customer Care Voice, with Parking and Parking One Support Voice scheduled to transition in Q2.
- There have been multiple meetings with POS Legal, InfoSec, ICT, and Risk Management, along with the Port's cybersecurity insurer, Beazley, regarding claims related to the 2024 cyber-attack. The Port is seeking reimbursement of up to $5 million.
- External Relations hosted several Workforce Development programs, including high school mock interviews, career exploration activities, technical workshops, and youth internship preparation sessions.
- The CPI Office launched a new Lean Belt Improvement Program, with the first Yellow Belt and Green Belt cohorts—totaling 40 employees—now underway, and introduced White Belt training for all employees, beginning with new-hire orientations.
- The Port earned the prestigious Certificate of Achievement for Excellence in Financial Reporting from GFOA for the 20th consecutive year.

C. KEY PERFORMANCE METRICS

Century Agenda Strategic Objectives	YTD 2024	YTD 2025	YTD 2026
Responsibly Invest in the Economic Growth of the Region and all its Communities			
A. Job seekers placed in jobs at SEA Airport through the Employment Center	87	230	214
B. Number of SEA Airport tenants supported in finding employees	21	17	8
C. Employment Center training completions	96	74	5
D. K-12 Career Connected Learning: WFD engagement with teachers/faculty	64	99	95
E. Community members entering employment in construction, maritime and environmental sustainability	3,547	6,935	11,007
F. Number of Job Openings Posted	374	612	793
G. Job applications received	100	99	62
H. Number of job interviews conducted	20	23	24
I. Number of new employees hired	1	3	0
J. Number of interns	15	8	14
K. Number of Veteran Fellows	87	230	214
L. Number of employees participating in Tuition Reimbursement	21	17	8
Become a Model for Equity, Diversity and Inclusion			
A. Employee participation in OEDI programming (Caucuses, Book Clubs, Town Halls, etc.)	3,368	3,138	2,177
Be a Highly Effective Public Agency			
A. Central Services costs as a % of Total Operating Expenses	30.7%	30.4%	29.2%
B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)	3.67%/ 4.71%	3.63%/ 3.94%	3.44%/ 3.82%
C. Comply with Public Disclosure Act and respond in a timely manner	348	380	414
D. Employee Development Class Attendees/Structured Learning	814	2,818	937
E. Total Recordable Incident Rate (previous Occupational Injury Rate)	3.11	3.68	4.86
F. Lost Work Day Rate (previously Days Away Severity Rate)	57.45	37.15	23.63
G. Customer Survey for Police Service Excellent or Above Average	TBD	TBD	TBD

D. OPERATING RESULTS

Financial Summary (Year-End Forecast)

	2024	2025	2026	2026	2026	Fcst vs. Revsd_Bud Variance		Change from 2025 Incr (Decr)	
$ in 000's	Actual	Actual	Forecast	Budget	Revsd_Bud	$	%	$	%
Operating Revenues	**403**	**14**	**247**	**259**	**259**	**(12)**	**-4.5%**	**233**	**1727.9%**
Executive	6,025	2,771	3,593	3,407	3,407	(186)	-5.5%	822	29.7%
Commission	3,042	3,137	5,533	3,671	5,516	(17)	-0.3%	2,396	76.4%
Legal	10,312	8,395	7,287	6,863	7,328	41	0.6%	(1,108)	-13.2%
External Relations	14,379	14,365	16,559	15,858	15,858	(701)	-4.4%	2,193	15.3%
Equity Diversity and Inclusion	1,922	1,975	2,456	2,540	2,540	85	3.3%	481	24.3%
Human Resources	16,099	16,506	18,406	19,160	19,160	754	3.9%	1,899	11.5%
Labor Relations	1,541	1,598	1,917	1,923	1,923	7	0.4%	319	19.9%
Internal Audit	1,935	2,066	2,433	2,448	2,448	15	0.6%	366	17.7%
Accounting & Financial Reporting Services	10,003	11,173	12,758	12,807	12,807	49	0.4%	1,585	14.2%
Information & Communication Technology	30,410	31,476	34,259	34,080	34,080	(179)	-0.5%	2,783	8.8%
Information Security	2,613	3,633	4,906	4,612	4,612	(294)	-6.4%	1,273	35.0%
Finance & Budget	3,075	3,076	3,572	3,371	3,527	(45)	-1.3%	495	16.1%
Business Intelligence	1,888	2,235	2,606	2,633	2,633	27	1.0%	370	16.6%
Risk Services	7,395	7,144	8,729	8,642	8,642	(88)	-1.0%	1,586	22.2%
Office of Strategic Initiatives	1,125	1,353	1,699	1,731	1,731	32	1.9%	346	25.6%
Central Procurement Office	7,079	7,588	9,827	9,756	9,756	(71)	-0.7%	2,239	29.5%
Contingency	21,534	(22,019)	(4,174)	(6,184)	(5,666)	(1,492)	26.3%	17,845	-81.0%
Environment & Sustainability	1,479	1,968	2,343	2,306	2,306	(38)	-1.6%	375	19.1%
Core Central Support Services	**141,854**	**98,441**	**134,708**	**129,624**	**132,607**	**(2,101)**	**-1.6%**	**36,267**	**36.8%**
Police	43,591	46,327	48,167	48,213	48,213	46	0.1%	1,840	4.0%
Total Before Cap Dev & Environment	**185,445**	**144,768**	**182,875**	**177,837**	**180,821**	**(2,055)**	**-1.1%**	**38,107**	**26.3%**
Capital Development									
Engineering	8,581	9,407	13,155	13,764	13,764	609	4.4%	3,748	39.8%
Port Construction Services	7,063	8,849	7,678	8,123	8,123	445	5.5%	(1,171)	-13.2%
Sub-Total	15,644	18,256	20,833	21,887	21,887	1,054	4.8%	2,577	14.1%
Industrial Development Corporation	-	1	-	-	-	-	0.0%	(1)	-100.0%
Capital to Expense	499	-	-	-	-	-	0.0%	-	0.0%
O&M Expenses	**201,593**	**163,025**	**203,708**	**199,724**	**202,708**	**(1,000)**	**-0.5%**	**40,683**	**25.0%**
Lease Interest Expense	63	41	18	18	18	-	0.0%	(23)	-56.0%
SBITA Interest Expense	603	762	425	425	425	-	0.0%	(337)	-44.2%
Total Operating Exp plus Lease/SBITA Interest Exp	**202,259**	**163,827**	**204,151**	**200,167**	**203,151**	**(1,000)**	**-0.5%**	**40,324**	**24.6%**

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/26

2026 Forecast vs. 2026 Revised Budget

Operating Expenses for 2026 are forecasted to be $1.0M over revised budget due primarily to:

- **Executive –** unfavorable variance of ($186K) primarily due to higher Travel & Other Employee Expenses ($105K) and Promotional Expenses ($63K).
- **Commission** – unfavorable variance of ($17K) primarily due to higher Outside Services ($69K); partially offset by lower Payroll $30K.
- **Legal** – favorable variance of $41K due to lower Outside Services $26K.
- **External Relations** – unfavorable variance of ($701K) primarily due to higher Outside Services ($570K) and Payroll ($136K).
- **Equity, Diversity, and Inclusion** – favorable variance of $85K primarily due to lower Outside Services $42K and Payroll $35K.
- **Human Resources** – favorable variance of $754K primarily due to lower Payroll $417K, Outside Services $224K and Travel & Other Employee Expenses $88K.
- **Labor Relations** – favorable variance of $7K primarily due to lower Travel & Other Employee Expenses $26K; partially offset by higher Payroll ($19K).
- **Internal Audit** – favorable variance of $15K primarily due to lower Payroll $15K.
- **Accounting and Financial Reporting Services** – favorable variance of $49K primarily due to lower Outside Services $87K and Travel & Other Employee Expenses $29K; partially offset by higher Payroll ($65K).
- **Information & Communication Technology** – unfavorable ($179K) due to by lower charges to Capital Projects ($487K) and higher Equipment Expense ($210K); partially offset by lower Outside Services $503K.
- **Information Security** – unfavorable variance of ($294K) primarily due to higher Outside Services ($412K); partially offset by lower Payroll $85K and Travel & Other Employee Expenses $35K.
- **Corporate Finance & Budget** – unfavorable variance of ($45K) primarily due to higher Outside Services ($76K); partially offset by lower General Expenses $24K.
- **Business Intelligence** – favorable variance of $28K primarily due to lower Travel & Other Employee Expenses $24K.
- **Risk Services** – unfavorable variance of ($88K) primarily due to higher Outside Services ($62K) and General Expenses ($31K).
- **Office of Strategic Initiative –** favorable variance of $32K primarily due to lower Payroll $23K and Travel & Other Employee Expenses $49K; partially offset by higher Outside Services ($49K).
- **Central Procurement Office** – unfavorable variance of ($71K) primarily due to lower charges to Capital Projects ($263K) and higher Outside Services ($28K); partially offset by lower Payroll of $226K.
- **Environment & Sustainability Admin** – unfavorable variance of ($38K) primarily due to higher Payroll ($61K); partially offset by lower Travel & Other Employee Expenses $17K.
- **Police** – favorable variance of $46K primarily due to lower Payroll $201K and Worker's Compensation Expense $40K; partially offset by higher Outside Services (127K) and Supplies & Stock $111K.
- **Engineering** – favorable variance of $609K primarily due to lower Outside Services $908K and Payroll $364K; partially offset by lower charges to Capital project ($666K) and higher General Expenses ($50K).
- **Port Construction Services** – favorable variance of $445K primarily due to lower Outside Services $315K, Payroll $109K, and higher charges to Capital project $257K; partially offset by higher General Expenses ($293K) and Supplies & Stock ($92K).

- **Contingency** – unfavorable variance of ($1.5M) due to vacancy factor.

2026 Forecast vs. 2025 Actuals

- Operating Expenses for 2026 are forecasted to be $40.7M higher than 2025 actuals, mainly due to:
  - **Core Central Support Services** – $36.3M higher than 2025 actuals primarily due to an actual credit adjustment in legal settlement for FY25 that is reflected a higher increase for 2026.
  - **Police** – $1.8M higher than 2025 actuals due to increase in salary and benefits for represented groups based on new contracts, new positions, and vacant positions in 2025.
  - **Capital Development** – $2.6M higher than 2025 primarily due to higher payroll and addition of new positions as well as contractual increases to support the capital program.

E. CAPITAL RESULTS

$ in 000's	2026 YTD Actual	2026 Year-End Forecast	2026 Budget	2026 Plan of Finance	Budget Variance $	Budget Variance %
Corporate Fleet Replacement	260	4,354	4,503	1,144	149	3.3%
Engineering Fleet Replacement	162	1,343	1,331	560	(12)	-0.9%
Police Small Cap and Axon Contract	150	2,122	2,371	2,211	249	10.5%
Police IT System Upgrades	15	1,561	1,687	827	126	7.5%
Services Tech - Small Cap	195	1,445	1,500	1,388	55	3.7%
Infrastructure - Small Cap	58	1,503	1,500	1,500	(3)	-0.2%
PeopleSoft Financial System Upgrade	171	1,321	1,530	1,474	209	13.7%
Physical Access Control System Refresh	27	677	1,473	979	796	54.0%
Radio Microwave Redund. Loop	4	1,351	1,350	953	(1)	-0.1%
Private Cellular Network (LTE)	0	250	1,250	2,000	1,000	80.0%
Maximo Software System Upgrade	21	751	1,200	600	449	37.4%
Other (note 1)	99	3,488	3,945	6,956	457	11.6%
Subtotal	1,162	20,166	23,640	20,592	3,474	14.7%
CIP Cashflow Adjustment	-	(5,700)	(6,800)	(6,400)	(1,100)	16.2%
TOTAL	**1,162**	**14,466**	**16,840**	**14,192**	**2,374**	**14.1%**

Note:
(1) "Other" includes remaining ICT projects and small capital projects/acquisitions.