PORT OF SEATTLE

Q2 2026 FINANCIAL PERFORMANCE REPORT

AS OF JUNE 30, 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 second quarter of 2026 was 0.1% higher than the same period in 2025. Domestic passenger volume was down 0.4% while international passengers increased by 2.9%. Passenger growth for 2026 is expected to be 0.8% 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 $13.8M or 4.0% mainly due to projected higher revenues in Public Parking, Rental Cars, Flight Kitchens, and Airport Dining & Retail.

For the second quarter of the year, total operating revenues were $1.6M or 0.3% above revised budget and $29.0M or 5.6% increase compared to the same period in 2025 while total operating expenses were $14.6M or 3.9% lower than revised budget and $34.4M or 10.7% over the same period in 2025. Net operating income before depreciation was $16.2M or 9.1% above revised budget and $5.4M or 2.7% below 2025.

For the full year, we are projecting operating revenues to be $11.0M above revised budget and $25.1M or 2.2% higher than 2025. Operating expenses are expected to be $479K above revised budget and 86.7M or 12.9% over 2025. Excluding the $26.0M DRS pension credit and $21.8M in legal settlement credit in 2025, total operating expenses are projected to be $38.9M or 5.4% higher than 2025. The net income before depreciation is expected to be $10.5M 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	252,437	273,752	302,116	301,475	301,855	262	0.1%	28,364	10.4%
Airport Non-Aero Revenues	154,536	166,188	165,737	172,005	164,133	1,604	1.0%	(451)	-0.3%
Seaport Revenues	78,665	80,616	81,686	81,912	81,962	(276)	-0.3%	1,070	1.3%
Operating Revenues	**485,638**	**520,555**	**549,539**	**555,392**	**547,950**	**1,589**	**0.3%**	**28,984**	**5.6%**
GASB 87_96_103 Revenues	1,875	6,969	14,485	4,573	12,395	2,090	16.9%	7,516	107.9%
Total Operating Revenues GASB Comparable Basis	**487,513**	**527,524**	**564,024**	**559,966**	**560,345**	**3,679**	**0.7%**	**36,500**	**6.9%**
O&M Expenses	**289,103**	**321,204**	**355,574**	**360,470**	**370,138**	**14,563**	**3.9%**	**34,371**	**10.7%**
GASB 87_96_103 Expenses	2,499	(4,995)	4,523	13,922	4,251	(272)	-6.4%	9,518	-190.6%
Total Operating Expenses GASB Comparable Basis	**291,602**	**316,209**	**360,097**	**374,392**	**374,388**	**14,291**	**3.8%**	**43,888**	**13.9%**
NOI before Depreciation	**196,535**	**199,352**	**193,965**	**194,923**	**177,812**	**16,153**	**9.1%**	**(5,387)**	**-2.7%**
Depreciation	130,832	142,924	157,292	154,578	154,578	(2,715)	-1.8%	14,369	10.1%
NOI after Depreciation	**65,703**	**56,428**	**36,672**	**40,345**	**23,235**	**13,438**	**57.8%**	**(19,756)**	**-35.0%**

2026 YTD Actuals vs. 2026 YTD Revised Budget:

- Total Operating Revenues: $1.6M higher than revised budget due to higher revenues in Aeronautical Revenues, Public Parking, Airport Utilities, and Conference & Event Centers.
- Total Operating Expenses: $14.6M below revised budget mainly due to delay in Outside Services spending, less Equipment purchases, Travel & Othe Employee expenses, and B&O Taxes.
- NOI before Depreciation: $16.2M above revised budget.

2026 YTD Actuals vs. 2025 YTD Actuals:

- Total Operating Revenues were $29.0M higher compared to 2025 mainly due to higher revenues in all lines of businesses, except Rental Cars and NWSA Distributable Revenue.
- Total Operating Expenses were $34.4M higher compared to 2025 due to higher expenses in Payroll, Outside Services, and Other Expenses.

MAJOR OPERATING REVENUES 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	252,437	273,752	302,116	301,475	301,855	262	0.1%	28,364	10.4%
Public Parking	58,986	58,697	59,817	57,030	57,030	2,787	4.9%	1,120	1.9%
Rental Cars - Operations	15,832	17,557	18,264	17,226	17,226	1,038	6.0%	707	4.0%
Rental Cars - Operating CFC	6,916	8,145	-	8,378	-	-	0.0%	(8,145)	-100.0%
ADR & Terminal Leased Space	35,435	36,331	39,230	40,662	40,921	(1,692)	-4.1%	2,898	8.0%
Ground Transportation	11,853	11,784	11,392	12,179	12,179	(786)	-6.5%	(391)	-3.3%
Employee Parking	5,223	6,272	6,764	6,959	6,959	(195)	-2.8%	492	7.8%
Airport Commercial Properties	7,900	8,926	8,539	9,526	9,526	(987)	-10.4%	(387)	-4.3%
Airport Utilities	4,513	5,287	5,529	4,985	4,985	544	10.9%	242	4.6%
International Place	-	4,143	6,029	5,775	5,775	253	4.4%	1,886	45.5%
Clubs and Lounges	6,753	8,859	8,916	8,633	8,633	283	3.3%	56	0.6%
Cruise	18,415	15,716	19,232	19,820	19,820	(588)	-3.0%	3,515	22.4%
Recreational Boating	8,321	9,130	9,570	9,497	9,497	73	0.8%	440	4.8%
Fishing & Operations	5,471	6,115	5,849	5,657	5,657	192	3.4%	(266)	-4.4%
Grain	2,355	2,933	2,652	2,212	2,212	440	19.9%	(280)	-9.6%
Maritime Lease Portfolio	8,341	8,182	9,090	9,099	9,099	(10)	-0.1%	908	11.1%
Conference & Event Centers	3,687	3,867	4,619	4,069	4,069	549	13.5%	752	19.4%
NWSA Distributable Revenue	29,664	32,221	27,023	29,201	29,201	(2,177)	-7.5%	(5,198)	-16.1%
Other	3,535	2,638	4,910	3,008	3,306	1,604	48.5%	2,272	86.1%
Operating Revenues (w/o Aero)	**233,201**	**246,804**	**247,423**	**253,917**	**246,095**	**1,328**	**0.5%**	**619**	**0.3%**
Total Operating Revenues	**485,638**	**520,555**	**549,539**	**555,392**	**547,950**	**1,589**	**0.3%**	**28,984**	**5.6%**
GASB 87_96_103 Revenues	1,875	6,969	14,485	4,573	12,395	2,090	16.9%	7,516	107.9%
Total Operating Revenues GASB Comparable Basis	**487,513**	**527,524**	**564,024**	**559,966**	**560,345**	**3,679**	**0.7%**	**36,500**	**6.9%**

MAJOR OPERATING EXPENSES 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	$	%	$	%
Salaries & Benefits	103,497	118,613	122,618	121,288	121,288	(1,330)	-1.1%	4,005	3.4%
Wages & Benefits	88,341	98,903	103,307	102,669	102,669	(638)	-0.6%	4,404	4.5%
Payroll to Capital Projects	18,260	18,373	21,098	26,056	26,056	4,958	19.0%	2,725	14.8%
Outside Services	63,807	64,213	79,647	95,635	93,864	14,217	15.1%	15,434	24.0%
Utilities	17,162	18,235	16,909	17,508	17,508	599	3.4%	(1,326)	-7.3%
Equipment Expense	4,852	4,367	5,722	7,486	7,486	1,763	23.6%	1,355	31.0%
Supplies & Stock	5,686	6,204	5,994	5,688	5,688	(305)	-5.4%	(210)	-3.4%
Travel & Other Employee Expenses	2,827	3,129	2,802	5,342	5,342	2,541	47.6%	(328)	-10.5%
Third Party Mgmt Op Exp	6,110	9,669	11,808	11,177	11,177	(631)	-5.6%	2,139	22.1%
B&O Taxes	3,027	2,924	3,998	5,794	5,800	1,802	31.1%	1,074	36.7%
Other Expenses	13,261	14,149	26,893	13,051	24,483	(2,410)	-9.8%	12,745	90.1%
Charges to Capital Projects/Overhead Alloc	(37,726)	(37,576)	(45,222)	(51,225)	(51,225)	(6,003)	11.7%	(7,646)	20.3%
O&M Expenses	**289,103**	**321,204**	**355,574**	**360,470**	**370,138**	**14,563**	**3.9%**	**34,371**	**10.7%**
GASB 87_96_103 Expenses	2,499	(4,995)	4,523	13,922	4,251	(272)	-6.4%	9,518	-190.6%
Total Operating Expenses GASB Comparable Basis	**291,602**	**316,209**	**360,097**	**374,392**	**374,388**	**14,291**	**3.8%**	**43,888**	**13.9%**

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/26

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 $	Fcst vs. Revsd_Bud Variance %	Change from 2025 Incr (Decr) $	Change from 2025 Incr (Decr) %
Aeronautical Revenues	520,942	545,307	613,884	617,786	618,565	(4,681)	-0.8%	68,577	12.6%
Airport Non-Aero Revenues	340,360	363,215	357,877	367,381	344,087	13,790	4.0%	(5,338)	-1.5%
Seaport Revenues	160,537	213,924	175,747	173,728	173,827	1,920	1.1%	(38,177)	-17.8%
Operating Revenues	**1,021,838**	**1,122,446**	**1,147,508**	**1,158,895**	**1,136,479**	**11,029**	**1.0%**	**25,062**	**2.2%**
GASB 87_96_103 Revenues	29,671	12,567	24,791	1,596	24,791	-	0.0%	12,224	97.3%
Total Operating Revenues GASB Comparable Basis	**1,051,509**	**1,135,013**	**1,172,299**	**1,160,491**	**1,161,270**	**11,029**	**0.9%**	**37,285**	**3.3%**
O&M Expenses	**652,642**	**672,311**	**758,963**	**731,141**	**758,484**	**(479)**	**-0.1%**	**86,652**	**12.9%**
GASB 87_96_103 Expenses	6,731	4,698	8,521	35,864	8,521	-	0.0%	3,823	81.4%
Total Operating Expenses GASB Comparable Basis	**659,373**	**677,009**	**767,484**	**767,005**	**767,004**	**(479)**	**-0.1%**	**90,475**	**13.4%**
NOI before Depreciation	**369,196**	**450,135**	**388,545**	**427,754**	**377,995**	**10,550**	**2.8%**	**(61,590)**	**-13.7%**
Depreciation	277,917	298,355	308,165	308,165	308,165	-	0.0%	9,811	3.3%
NOI after Depreciation	**91,279**	**151,780**	**80,380**	**119,588**	**69,830**	**10,550**	**15.1%**	**(71,400)**	**-47.0%**

Year-End Forecast

- Total Operating Revenues are expected to be $11.0M above revised budget due to higher Airport Non-Aero Revenues and Maritime Revenue.
- Total Operating expenses are expected to be $479K below revised budget mainly due to higher Payroll and Outside Services.
- Net Operating Income before Depreciation is expected to be $10.5M above revised budget.

KEY PERFORMANCE METRICS

	2025 YTD Actual	2026 YTD Actual	2025 Actual	2026 Forecast	2026 Budget	Fav (UnFav) Forecast vs. Budget Chg.	Fav (UnFav) Forecast vs. Budget %	Incr (Decr) 2026 Forecat vs. 2025 Actual Chg.	Incr (Decr) 2026 Forecat vs. 2025 Actual %
Total Passengers (in 000's)	24,899	24,912	52,641	53,122	53,474	(352)	-0.7%	481	0.9%
Landed Weight (lbs. in millions)	15,885	16,112	32,806	33,138	32,916	222	0.7%	332	1.0%
Passenger CPE (in $)	N/A	N/A	19.06	21.43	21.19	0.2	1.1%	2.4	12.4%
Grain Volume (metric tons in 000's)	2,952	3,009	5,157	4,120	3,210	910	28.3%	(1,037)	-20.1%
Cruise Passenger (in 000's)	747	776	1,898	2,027	2,027	-	0.0%	129	6.8%
Shilshole Bay Marina Occupancy	97.2%	96.5%	97.2%	97.0%	97.7%	-0.7%	-0.7%	-0.2%	-0.2%

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/26

KEY BUSINESS EVENTS

Earlier this year, the Port welcomed the 2026 Alaska cruise season with 330 vessel calls and 2.1 million revenue passengers, the highest in Port history. MSC Cruises and Virgin Voyages joined the lineup, expanding the number of homeport vessels to 16. Eleven Seattle-based ships will connect to shore power this year, with additional connections planned at Pier 91 in 2027. The Port also approved a long-term lease amendment with Norwegian Cruise Line Holdings (NCLH), extending their homeport partnership through 2035, with a possible extension to 2045 based on sustainability progress. This agreement supports stable passenger volumes, advances environmental initiatives, and strengthens community benefits. NCLH will homeport four ships at Pier 66 in 2026, reinforcing Seattle's role as a leading Alaska cruise gateway.

Seattle-Tacoma International Airport (SEA) celebrated Alaska Airlines' new nonstop flights to London and Reykjavik, further expanding its international network. Alaska also launched its first European route with summer-season service to Rome, strengthening Seattle's global connectivity. SEA now offers 62 international options to 36 destinations on 29 airlines, including new services from Cathay Pacific and Delta.

Eighteen community-led organizations will receive $850,000 to support environmental improvement projects in neighborhoods surrounding Seattle–Tacoma International Airport (SEA), including Beacon Hill, Rainier Valley, Kent Valley, and the Duwamish Valley. This marks the largest group funded to date through the South King and Port Communities Fund Environmental Improvements Program. These projects will expand access to green spaces, restore habitats, and enhance environmental education in historically underserved communities.

The Port also awarded more than $600,000 to 35 tourism-related projects through the 2026–27 Tourism Marketing Support Program, following a record number of applications. These grants will help nonprofit and civic organizations promote visitor spending, support local jobs, and strengthen communities across King County and Washington state. The program emphasizes equity by supporting under-resourced partners and elevating lesser-known destinations where tourism can drive meaningful economic growth.

Additionally, the Port released the draft EIS for its Sustainable Airport Master Plan and opened it for public comment. The analysis reviews 31 proposed projects, including a second terminal, an elevated busway, new cargo facilities, and $40 million in road improvements.

The Port celebrated Earth Month by announcing its Sustainable Century and Fly Quiet Award winners. These awards recognize partners for environmental leadership, innovation, education, equity, and noise reduction. The Sustainable Century Awards recognizes voluntary efforts that support the environment and equitable communities across four categories. Fly Quiet promotes airline noise-abatement by evaluating flight procedures and aircraft noise levels. It honors airlines with the strongest performance in these areas.

The Port launched a summer of global soccer events at SEA with surprise performances and themed activities, supported by extensive preparation to ensure smooth travel. SEA brought on hundreds of volunteers and installed temporary banners, decals, digital signage, and a Big Screen Spectator Zone throughout the airport. SEA also completed the C Concourse Expansion, adding 145,000 square feet of bright, nature-inspired space with new dining and retail options, SEA Sparks kiosks, the Tree at C, and the Grand Stairs. New traveler amenities include prayer, sensory, and nursing rooms, a performance area, and The Lookout at C. This project is the first to fully apply the Port's Sustainable Evaluation Framework.

CAPITAL SPENDING SUMMARY

$ in 000's	2026 YTD Actual	2026 Forecast	2026 Budget	2026 Plan of Finance	Budget Variance $	Budget Variance %
Aviation	365,909	658,616	658,954	835,887	338	0.1%
Maritime	55,611	98,488	93,384	80,958	(5,104)	-5.5%
Central Services & Other (note 1)	4,430	14,817	19,817	16,088	5,000	25.2%
TOTAL	**425,950**	**771,921**	**772,155**	**932,933**	**234**	**0.0%**

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 $771.9M, 100.0% of the budget for the year.

PORTWIDE INVESTMENT PORTFOLIO

During the second quarter of 2026, the investment portfolio earned 3.40% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 4.16%. Over the last twelve months, the portfolio and the benchmark have earned 3.50% and 3.78%, 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 2.11%, respectively.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/26

II. AVIATION DIVISION

FINANCIAL SUMMARY

Figures in ($ in 000's)	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs. Rvsd_Bud Variance $	Fcst vs. Rvsd_Bud Variance %	Change from 2025 Incr(Decr) $	Change from 2025 Incr(Decr) %
Operating Revenue									
Aeronautical Revenues	520,942	545,307	613,884	617,786	618,565	(4,681)	-1%	68,577	13%
Non-Aeronautical Revenues	340,360	363,215	357,877	367,381	344,087	13,790	4%	(5,338)	-1%
Total Operating Revenue	**861,301**	**908,522**	**971,761**	**985,167**	**962,652**	**9,109**	**1%**	**63,239**	**7%**
GASB 87_96_103 Revenues	15,948	(7,646)	9,872	(13,422)	9,872	-	0%	17,518	-229%
Total Operating Revenues GASB Comparable Basis	**877,249**	**900,876**	**981,633**	**971,745**	**972,524**	**9,109**	**1%**	**80,757**	**9%**
Total Operating Expenses[1]	**529,828**	**537,028**	**590,810**	**588,135**	**589,858**	**953**	**0%**	**53,783**	**10%**
GASB 87_96_103 Expenses	2,033	5,167	8,101	9,800	8,101				
Total Operating Expenses GASB Comparable Basis	**531,861**	**542,195**	**598,911**	**597,935**	**597,958**	**953**	**0%**	**56,716**	**10%**
Net Operating Income w/o GASB Comparable Basis	**331,473**	**371,495**	**380,951**	**397,032**	**372,795**	**8,157**	**2%**	**9,456**	**3%**
Net Operating Income GASB Comparable Basis	**345,388**	**358,681**	**382,722**	**373,810**	**374,566**	**8,157**	**2%**	**24,041**	**7%**
Debt Service Coverage	1.89	1.90	1.60	1.64	1.62	(0.02)	-1%	(0.30)	-16%
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	21.43	21.16	21.19	0	1%	0	12%
Non-Aeronautical NOI ($ in 000's)[2]	178,268	184,831	157,488	170,452	146,253	11,235	8%	(27,344)	-15%
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**	**658,616**	**658,954**	**658,954**	**(338)**	**0%**	**(181,843)**	**-22%**

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

[2] Unadjusted - not including CFC Surplus or GASB Comparable

2026 Forecast vs. 2026 Revised Budget

Total Operating Revenues are forecasted at $972M, an increase of $9M, 1%, above the Revised Budget, primarily driven by higher non-aeronautical revenues.

- Aeronautical Revenue is forecasted to be $4.7M below the Revised Budget, primarily due to a 3.2% ($5.8M) decrease in net debt service resulting from the delayed in-use date of Concourse A Expansion, partially offset by a $1.2M increase in expenses.
- Non-Aeronautical Revenue is forecasted to be $13.8M above the Revised Budget, reflecting higher revenues from Public Parking, Lounges, Rental Cars, Commercial Properties and Flight Kitchens. The South Concourse Lounge construction delay adds approximately three months of incremental operating revenue.

Operating Expenses are forecasted to be $953K above the Revised Budget.

- Payroll is forecasted to be $4.6M under budget, primarily due to vacancies and lower charges to capital on filled positions.
- Outside Services are forecasted to be $2.1M over budget, primarily due to a $6.1M capital-to-expense adjustment for the South Concourse Evolution (SCE) Cargo 7 Hardstand/Holdroom design work and $1.6M in on-site consultant costs related to the accelerated SCE project schedule, partially offset by $5.1M in projected savings in professional services, janitorial, and contract other equipment expenses.
- Other Expenses are forecasted to be $895K over budget, primarily due to $1.8M in maintenance materials, partially offset by savings in training and travel and lower charges to capital.
- Other Division Charges are forecasted to be $2.2M over budget, primarily from Central Services due to anticipated higher costs for Legal, External Relations, and Port Construction Services, partially offset by lower charges from Human Resources, Information & Communication Technology, Risk Management, and divisional allocations.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/26

A. BUSINESS EVENTS

- Cathay Pacific resumed non-stop service to Hong Kong
- Seattle Chocolate and Hudson closed temporarily and reopened
- C Concourse Expansion opened June 11, 2026

B. KEY PERFORMANCE METRICS

Passengers

	2024	2025	2026	YoY Change	YoY Change %
Domestic	21,469,999	21,516,077	21,430,851	-85,226	-0.40%
International	3,027,102	3,383,247	3,481,440	98,193	2.90%
Grand Total	24,497,101	24,899,324	24,912,291	12,967	0.05%

Landing Weight

All other	14,123,731	14,644,232	14,794,017	149,785	1.02%
Cargo only	1,395,113	1,240,949	1,317,973	77,024	6.21%
Grand Total	15,518,844	15,885,181	16,111,990	226,809	1.43%

Operations

Total	205,871	209,440	207,630	-1,810	-0.86%

Cargo

Domestic	174,322	146,307	153,274	6,968	4.76%
International	51,727	59,402	71,098	11,696	19.69%
Grand Total	226,048	205,709	224,372	18,664	9.07%

Key Performance Measures

	2024	2025	2026	2026	2026	Fcst vs Rsvd_Bud Variance		Change from 2025 Incr(Decr)	
	Actuals	Actuals	Forecast	Budget	Revsd_Bud	$	%	$	%
Key Performance Metrics									
Cost per Enplanement (CPE)	18.26	19.06	21.43	21.16	21.19	(0.24)	-1.1%	2.37	12.4%
Non-Aeronautical NOI ($ in 000's)[1]	178,268	184,831	157,488	170,452	146,253	11,235	7.7%	(27,344)	-14.8%
Other Performance Metrics[2]									
O&M Cost per Enplanement	20.15	20.41	22.30	21.76	21.82	(0.47)	-2.2%	1.89	9.3%
Non-Aero Revenue per Enplanement	12.94	13.80	13.50	13.59	12.73	0.77	6.0%	(0.30)	-2.2%
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	1.60	1.64	1.62	(0.02)	-1.2%	(0.30)	-15.8%
Days cash on hand (18 months = 547 days)	512.10	563.25	544.96	547.50	545.90	(0.94)	-0.2%	(18.29)	-3.2%
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	53,116	54,062	54,062	(947)	-1.8%	401	0.8%

[1]Unadjusted - not including CFC Surplus or GASB Comparable

[2]Includes DRS pension credit

Key Performance Metrics - 2026 Forecast vs. 2026 Revised Budget

- Non-Aeronautical NOI is forecasted to be $11.2M (7.7%) above the Revised Budget, driven by higher non-aeronautical revenues.
- Debt Service Coverage is forecasted to be 1.60.

- Non-Aeronautical Revenue is forecasted to be $13.8M above the Revised Budget, reflecting higher revenues from Public Parking, Lounges, Rental Cars, Commercial Properties and Flight Kitchens.
- Total passenger volume is forecasted to decrease by 1.8%, with a higher forecasted cost per enplanement at $21.43.

C. OPERATING RESULTS

Division Summary – YTD Actuals

Total Airport Expense Summary (Q2)	2024 YTD (Q2)	2025 YTD (Q2)	2026 YTD (Q2)	2026 YTD (Q2)	2026 YTD (Q2)	Actual vs. Rvsd_Bud Variance		Change from 2025 Incr(Decr)	
Figures in ($ in 000's)	Actual	Actual	Actual	Budget	Revsd_Bud	$	%	$	%
Operating Expenses									
Payroll	102,225	117,688	123,360	124,973	124,973	1,614	1%	5,672	5%
Outside Services	42,557	43,919	51,665	59,975	59,971	8,306	14%	7,747	18%
Utilities	13,220	13,570	12,512	12,472	12,472	(39)	0%	(1,058)	-8%
Other Expenses	5,593	11,573	8,022	10,508	10,538	2,517	24%	(3,551)	-31%
Total Airport Direct Charges	**163,596**	**186,748**	**195,557**	**207,929**	**207,955**	**12,398**	**6%**	**8,809**	**5%**
Environmental Remediation Liability	1,308	1,609	1,748	1,667	1,667	(81)	-5%	139	9%
Total Exceptions	**1,566**	**2,184**	**2,450**	**1,667**	**1,667**	**(783)**	**-47%**	**266**	**12%**
Total Airport Expenses	**164,904**	**188,358**	**197,306**	**209,596**	**209,622**	**12,316**	**6%**	**8,949**	**5%**
Corporate	48,404	52,966	56,664	56,075	56,907	243	0%	3,698	7%
Police	18,735	19,705	20,177	20,585	20,585	408	2%	472	2%
Maritime/Economic Development/Other	2,586	3,118	3,471	3,679	3,679	208	6%	353	11%
Total Charges from Other Divisions	**69,724**	**75,789**	**80,312**	**80,339**	**81,170**	**858**	**1%**	**4,523**	**6%**
Total Operating Expenses	**234,629**	**264,146**	**277,617**	**289,935**	**290,793**	**13,175**	**5%**	**13,472**	**5%**
Total Operating Expenses w/Pension True-Up	**234,629**	**264,146**	**277,617**	**289,935**	**290,793**	**13,175**	**5%**	**13,472**	**5%**
GASB 87_96_103 Expenses	1,024	1,799	4,189	4,908	4,059	(130)	-3%	2,390	133%
Total Operating Expenses GASB Comparable Basis	**235,653**	**265,945**	**281,806**	**294,843**	**294,851**	**13,045**	**4%**	**15,862**	**6%**

2026 YTD Actuals vs. 2026 YTD Revised Budget

Total Operating Expenses are $13M, 5%, under budget, primarily driven by the following:

- Payroll is $1.6M under budget, primarily due to vacancy savings.
- Outside Services are $8.3M under budget, including $8.2M in underspending for Professional Services due to timing differences between budget and actuals and missed accruals. This is partially offset by $1.3M in overspending for on-site consultants related to the South Concourse Evolution, Emergency Repair of an Electrical Feeder, C Concourse Expansion, and North Main Terminal projects, as well as support for the Flight Corridor Safety Program and tenant projects.
- Other Expenses are $2.5M under budget, primarily due to lower spending on equipment, training and travel, and general expenses, partially offset by higher spending on supplies and stock driven by maintenance materials and capital-to-expense transfers.
- Charges from Other Divisions are $858K under budget, primarily due to lower direct non-payroll and wage costs, partially offset by higher allocated costs.

2025 YTD Actuals vs. 2026 YTD Actuals

Total Operating Expenses were $13.4M, 5%, higher compared to the same time period in 2025, primarily driven by the following:

- Payroll increased by $5.7M due to salaries and benefits increase year over year.
- Non-payroll increased by $3.2M due to $7.7M in higher on-site consultant costs related to accelerated schedule and timing of capital projects, along with $2.4M higher in equipment and other expenses, partially offset by $5.7M in charges to capital projects.
- Charges from other divisions increased by 6% or $4.5M due to higher Central Services allocated costs.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/26

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	248,847	253,455	253,455	4,609	2%	5,667	2%
Outside Services	104,086	115,992	126,149	124,030	124,030	(2,120)	-2%	10,158	9%
Utilities	25,543	26,959	26,992	26,936	26,936	(56)	0%	33	0%
Other Expenses	22,150	24,957	20,612	19,657	19,717	(895)	-5%	(4,345)	-17%
Total Airport Direct Charges	**374,806**	**411,087**	**422,600**	**424,077**	**424,138**	**1,538**	**0%**	**11,513**	**3%**
Environmental Remediation Liability	2,600	2,693	2,587	2,267	2,267	(320)	-14%	(106)	-4%
Total Exceptions	**3,153**	**14,477**	**9,398**	**2,267**	**2,267**	**(7,131)**	**-315%**	**(5,079)**	**-35%**
Total Airport Expenses	**377,406**	**413,780**	**425,187**	**426,344**	**426,405**	**1,218**	**0%**	**11,407**	**3%**
Corporate	124,058	93,940	118,661	114,558	116,220	(2,441)	-2%	24,721	26%
Police	39,709	42,925	39,248	39,200	39,200	(49)	0%	(3,677)	-9%
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**	**165,623**	**161,790**	**163,453**	**(2,170)**	**-1%**	**21,265**	**15%**
Total Operating Expenses w/o Pension True-Up	**548,405**	**558,138**	**590,810**	**588,135**	**589,858**	**(953)**	**0%**	**32,672**	**6%**
DRS Pension True-up Exp	(18,577)	(21,111)	-	-	-	-		21,111	-100%
Total Operating Expenses w/Pension True-Up	**529,828**	**537,028**	**590,810**	**588,135**	**589,858**	**(953)**	**0%**	**53,783**	**10%**
GASB 87_96_103 Expenses	2,033	5,167	8,101	9,800	8,101	-	0%	2,933	57%
Total Operating Expenses GASB Comparable Basis	**531,861**	**542,195**	**598,911**	**597,935**	**597,958**	**(953)**	**0%**	**56,716**	**10%**

2026 Forecast vs. 2026 Revised Budget

Total Operating Expense is forecasted to be $953K over Revised Budget, driven by the following:

- Payroll under budget by $4.6M mostly due to vacancies and lower charges to capital on filled positions
- Outside Service over budget by $2.1M mostly due to $6.1M change of capital to expense for South Concourse Evolution (SCE) project Cargo 7 Hardstand/Holdroom and $1.6M onsite consultants mostly due to accelerated schedule for the SCE project, offset by projected under budget in professional, janitorial and contract other equipment expenses by $5.1M
- Other Expenses over budget by $895K due to maintenance material over by $1.8M, offset by savings in training and travels and lower charges to capital
- Other Division Charges are forecasted to be $2.2M over budget, primarily from Central Services due to anticipated higher costs for Legal, External Relations, and Port Construction Services, partially offset by lower charges from Human Resources, Information & Communication Technology, Risk Management, and divisional allocations.

Aeronautical Business Unit Summary – YTD Actuals

Aeronautical NOI (Q2)	2024 YTD (Q2)	2025 YTD (Q2)	2026 YTD (Q2)	2026 YTD (Q2)	2026 YTD (Q2)	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	74,894	80,564	89,039	88,976	89,170	(130)	0%	8,476	11%
Airfield Apron Area	13,414	15,960	16,749	17,129	17,142	(393)	-2%	789	5%
Terminal Rents	134,447	140,124	156,944	156,639	156,797	147	0%	16,820	12%
Federal Inspection Services (FIS)	19,948	24,042	25,875	25,843	25,857	17	0%	1,832	8%
Total Rate Base Revenues	**242,702**	**260,690**	**288,607**	**288,587**	**288,966**	**(359)**	**0%**	**27,917**	**11%**
Airfield Commercial Area	9,735	13,062	13,509	12,888	12,888	621	5%	447	3%
Total Aeronautical Revenues	**252,437**	**273,752**	**302,116**	**301,475**	**301,855**	**262**	**0%**	**28,364**	**10%**
GASB 87_96_103 Revenues	4	293	-	-	-	-		(293)	-100%
Total Aeronautical Revenues GASB Comparable Basis	**252,441**	**274,045**	**302,116**	**301,475**	**301,855**	**262**	**0%**	**28,071**	**10%**
Total Aeronautical Expenses	**162,767**	**180,612**	**181,616**	**194,455**	**194,864**	**(13,248)**	**-7%**	**1,003**	**1%**
GASB 87_96_103 Expenses	150	146	144	88	88	56	64%	(2)	-1%
Total Aeronautical Expenses GASB Comparable Basis	**162,917**	**180,759**	**181,760**	**194,543**	**194,951**	**(13,192)**	**-7%**	**1,001**	**1%**
Aeronautical NOI GASB Comparable Basis	**89,524**	**93,286**	**120,356**	**106,932**	**106,903**	**13,453**	**13%**	**27,070**	**29%**

Aeronautical – 2026 YTD Actuals vs. 2026 YTD Revised Budget

Aeronautical operating expenses are $13.2M, or 7%, under budget due to lower year-to-date spending across total operating expenses. Aeronautical revenues are in line with the Revised Budget, coming in $262K above budget, resulting in Net Operating Income of $13.5M, or 13%, above budget for YTD Q2.

Aeronautical – 2026 YTD Actuals vs. 2025 YTD Actuals

Year-to-date Q2 2026 Aeronautical expenses were $1.0M, or 1%, higher compared to Q2 2025, primarily driven by higher payroll costs of $1.9M, increased Outside Services costs of $1.0M, higher General and Promotional Expenses of $1.0M, and Other Expenses of $2.0M, partially offset by lower allocation costs of $4.9M.

Aeronautical Net Operating Income increased by $27M, or 29%, compared to 2025, primarily due to higher revenues from terminal rent and Airfield Movement Area charges.

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	180,891	183,818	184,220	(3,328)	-2%	16,087	10%
Airfield Apron Area	32,270	33,404	34,892	35,416	35,443	(552)	-2%	1,487	4%
Terminal Rents	279,722	271,462	320,057	319,223	319,543	514	0%	48,595	18%
Federal Inspection Services (FIS)	15,206	48,849	52,257	53,542	53,571	(1,314)	-2%	3,407	7%
Total Rate Base Revenues	**498,019**	**518,520**	**588,097**	**591,999**	**592,777**	**(4,681)**	**-1%**	**69,577**	**13%**
Airfield Commercial Area	22,922	26,787	25,787	25,787	25,787	-	0%	(1,000)	-4%
Total Aeronautical Revenues	**520,942**	**545,307**	**613,884**	**617,786**	**618,565**	**(4,681)**	**-1%**	**68,577**	**13%**
GASB 87_96_103 Revenues	7	415	-	-	-	-		(415)	-100%
Total Aeronautical Revenues GASB Comparable Basis	**520,949**	**545,722**	**613,884**	**617,786**	**618,565**	**(4,681)**	**-1%**	**68,162**	**12%**
Total Aeronautical Expenses	**367,736**	**358,644**	**390,421**	**391,206**	**392,023**	**1,603**	**0%**	**(31,777)**	**-9%**
GASB 87_96_103 Expenses	250	315	163	163	163	-	0%	152	48%
Total Aeronautical Expenses GASB Comparable Basis	**367,986**	**358,959**	**390,584**	**391,369**	**392,186**	**1,603**	**0%**	**(31,625)**	**-9%**
Aeronautical NOI GASB Comparable Basis	**152,956**	**186,348**	**223,300**	**226,417**	**226,378**	**(3,078)**	**-1%**	**36,952**	**20%**
Debt Service	(157,518)	(176,250)	(201,468)	(202,992)	(202,992)	1,524	-1%	(25,217)	14%
Net Cash Flow	**(4,562)**	**10,098**	**21,833**	**23,426**	**23,387**	**(1,554)**	**-7%**	**11,735**	**116%**

Aeronautical – 2026 Forecast vs. 2026 Revised Budget

Aeronautical expenses are forecasted to be $1.6M lower compared to budget. Aeronautical revenues are forecasted to be $4.7M lower compared to budget.

Airline Rate Base Cost Drivers

Aeronautical Cost Drivers ($ in 000's)	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs. Rvsd_Bud Variance $	%
O&M [(1)]	379,617	377,634	378,417	1,199	0.3%
Debt Service Before Offsets	272,098	277,614	277,614	(5,516)	-2.0%
Debt Service PFC Offset	(92,793)	(92,468)	(92,468)	(325)	0.4%
Net Debt Service	179,306	185,146	185,146	(5,841)	-3.2%
Amortization	33,879	33,685	33,685	193	0.6%
Space Vacancy	(2,916)	(2,710)	(2,714)	(203)	7.5%
Cost of Incentives	(1,225)	(1,194)	(1,196)	(30)	2.5%
Grants and Other	(563)	(563)	(563)	-	0.0%
Rate Base Revenues	**588,097**	**591,999**	**592,777**	**(4,681)**	**-1%**
Commercial area	25,787	25,787	25,787	-	0%
Total Aero Revenues	**613,884**	**617,786**	**618,565**	**(4,681)**	**-1%**

(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

Total Aeronautical Revenue is forecasted to be $4.7M below the revised budget, driven primarily by higher operating costs, offset by lower net debt service. Operating and Maintenance (O&M) expenses are forecasted to be $1.2M above budget, mainly due to $6M of capital-to-expense transfers impacting the terminal area, partially offset by savings across other areas. Net Debt Service is forecasted to be $5.8M below the revised budget due to the postponed in-use date of the Concourse A Expansion and changes in capitalized interest across several airfield projects, while amortization increased slightly due to a higher aeronautical allocation for Terminal B following Q2 space updates.

Non-Aero Business Unit Summary – YTD Actuals

Non-Aeronautical NOI (Q2)	2024 YTD (Q2)	2025 YTD (Q2)	2026 YTD (Q2)	2026 YTD (Q2)	2026 YTD (Q2)	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	58,986	58,697	59,817	57,030	57,030	2,787	5%	1,120	2%
Rental Cars	22,748	25,702	18,264	25,604	17,226	1,038	6%	(7,438)	-29%
Ground Transportation	11,853	11,784	11,392	12,179	12,179	(786)	-6%	(391)	-3%
Airport Dining & Retail	31,931	32,319	34,955	36,378	36,637	(1,682)	-5%	2,636	8%
Other	29,018	37,686	41,310	40,814	41,062	248	1%	3,624	10%
Total Non-Aeronautical Revenues	**154,536**	**166,188**	**165,737**	**172,005**	**164,133**	**1,604**	**1%**	**(451)**	**0%**
GASB 87_96_103 Revenues	(2,855)	(3,286)	6,889	(3,183)	4,936	1,953	40%	10,175	-310%
Total Non-Aeronautical Revenues GASB Comparable Basis	**151,680**	**162,902**	**172,626**	**168,822**	**169,069**	**3,557**	**2%**	**9,724**	**6%**
Total Non-Aeronautical Expenses	**71,861**	**83,534**	**96,003**	**95,480**	**95,929**	**74**	**0%**	**12,469**	**15%**
GASB 87_96_103 Expenses	24	861	4,045	3,971	3,971	74	2%	3,184	370%
Total Non-Aeronautical Expenses GASB Comparable Basis	**71,886**	**84,395**	**100,047**	**99,451**	**99,900**	**148**	**0%**	**15,653**	**19%**
Non-Aeronautical NOI GASB Comparable Basis	**79,795**	**78,507**	**72,579**	**69,371**	**69,170**	**3,409**	**5%**	**(5,929)**	**-8%**

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

YTD Q2 2026 Non-Aeronautical Revenues are higher than budget by $1.6M, or 1%. The performance compared to budget is highlighted by the 2025 SeaTac Office Center (STOC) acquisition at the end of Feb 2025, which annualized in Q1 2026. In addition, Public Parking, Rental Cars, and Flight Kitchens all performed well against budget but were partially offset by Airport Dining and Retail (lower due to monthly seasonality, which will normalize by the end of the year).

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

YTD Q2 2026 Non-Aeronautical Revenues are lower than 2025 by ($0.5M), or (0%). The decline is due to the accounting change for GASB 103, which has reclassified CFC operating revenue (under Rental Cars) to non-operating income. Excluding $8.2M in 2025 CFC revenue, YTD Q2 2026 Non-Aeronautical Revenues are up $7.6M, or 5%. The growth is highlighted by the 2025 SeaTac Office Center (STOC) acquisition at the end of Feb 2025, which was annualized in Q1 2026. In addition, Public Parking, Rental Cars, Airport Dining and Retail, and Flight Kitchens all showed solid growth YTD vs. 2025.

YTD Q2 2026 Non-Aero Expenses are higher due to allocations and annualization of STOC operating expenses (offset by revenue).

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	118,419	114,531	114,531	3,889	3%	1,549	1%
Rental Cars	64,434	67,479	45,624	67,862	43,555	2,069	5%	(21,854)	-32%
Ground Transportation	23,946	24,376	23,758	24,896	24,896	(1,138)	-5%	(618)	-3%
Employee Parking[1]	10,462	12,532	14,092	14,138	14,138	(46)	0%	1,560	12%
Landside Total	**215,376**	**221,256**	**202,610**	**222,144**	**197,837**	**4,773**	**2%**	**(18,646)**	**-8%**
Airport Dining & Retail[1]	72,234	73,777	77,948	77,078	77,596	352	0%	4,170	6%
Tenant Marketing	902	1	1,919	503	503	1,416	281%	1,918	279778%
AOB Conference Center	252	205	200	228	228	(28)	-12%	(5)	-3%
Commercial Management Total	**73,388**	**73,983**	**80,067**	**77,809**	**78,327**	**1,740**	**2%**	**6,084**	**8%**
Non-Aero Commercial Properties	17,639	18,625	22,786	20,475	20,475	2,311	11%	4,161	22%
International Place (STOC)	-	10,174	12,214	11,712	11,712	503	4%	2,041	20%
Clubs and Lounges	16,709	19,528	19,292	16,153	16,153	3,139	19%	(236)	-1%
Non-AirlineTerminal Leased Spc	7,559	8,584	9,481	8,157	8,157	1,324	16%	897	10%
AV Business & Properties Total	**41,907**	**56,911**	**63,773**	**56,497**	**56,497**	**7,276**	**13%**	**6,862**	**12%**
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**	**357,877**	**367,381**	**344,087**	**13,790**	**4%**	**(5,338)**	**-1%**
GASB 87_96_103 Revenues	(12,757)	(10,962)	9,872	(13,917)	9,872	-	0%	20,834	-190%
Total Non-Aeronautical Revenues GASB Comparable Basis	**327,603**	**352,253**	**367,749**	**353,464**	**353,959**	**13,790**	**4%**	**15,496**	**4%**
Total Non-Aeronautical Expenses	**162,092**	**178,384**	**200,390**	**196,929**	**197,834**	**(2,555)**	**-1%**	**22,006**	**12%**
GASB 87_96_103 Expenses	79	5,084	7,938	7,938	7,938	-	0%	2,854	56%
Total Non-Aeronautical Expenses GASB Comparable Basis	**162,170**	**183,468**	**208,327**	**204,867**	**205,772**	**(2,555)**	**-1%**	**24,859**	**14%**
Non-Aeronautical NOI	**178,268**	**184,831**	**157,488**	**170,452**	**146,253**	**11,235**	**8%**	**(27,344)**	**-15%**
Less: CFC Surplus[2]	(10,174)	(9,385)	-	(11,702)	-	-		9,385	-100%
Adjusted Non-Aeronautical NOI	**168,094**	**175,446**	**157,488**	**158,750**	**146,253**	**11,235**	**8%**	**(17,958)**	**-10%**
Non-Aeronautical NOI GASB Comparable Basis	**165,433**	**168,785**	**159,422**	**148,597**	**148,187**	**11,235**	**8%**	**(9,364)**	**-6%**
Debt Service	(43,887)	(33,957)	(57,802)	(57,369)	(57,369)	(433)	1%	(23,845)	70%
Net Cash Flow	**124,206**	**141,489**	**99,686**	**101,381**	**88,884**	**10,801**	**12%**	**(41,803)**	**-30%**

[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

Note: Lease payments from tenants treated as non-operating interest income and lease interest expenses

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/26

Non-Aeronautical Revenue – 2026 Forecast vs. 2026 Budget

- Non-aero revenue forecast is $13.8M above revised budget, reflecting higher revenues across Public Parking, Rental Cars, and Flight Kitchens. The South Concourse Lounge construction delay also adds approximately three months of incremental operations revenues.
- Non-Aero Expenses are forecasted to be higher than budget by ($2.6M), with NOI higher than budget by $11.2M or 8%. Expenses are driven by higher allocations and additional operating expenses from the South Concourse Lounge remaining open for an additional three months.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/26

D. CAPITAL RESULTS

$ in 000's	2026 YTD Actual	2026 Year-End Forecast	2026 Budget	2026 POF	Bud vs. Fcst $	Bud vs. Fcst %
SEA Gateway (1)	43,778	72,633	96,994	96,470	24,360	25.1%
S Concourse Evolution (2)	41,918	82,829	69,256	137,762	(13,573)	-19.6%
C Concourse Expansion (3)	83,689	115,689	108,970	119,813	(6,719)	-6.2%
Post IAF Airline Realignment (4)	22,147	41,579	35,377	39,040	(6,202)	-17.5%
2026-2030 AFLD PVMNTS (5)	13,770	34,012	38,287	71,507	4,275	11.2%
Checked Bag Recap/Optimization (6)	52,253	106,891	110,207	120,752	3,316	3.0%
Upgrades STS Train Control (7)	3,308	9,092	11,499	12,412	2,407	20.9%
Perimeter Intrusion Detect Sys (8)	196	2,796	5,081	6,472	2,285	45.0%
Airfield Snow Equipment (9)	5,230	6,615	4,558	915	(2,057)	-45.1%
Biffy Facility Improvement (10)	203	644	2,382	2,867	1,737	72.9%
All Other	99,417	235,835	252,696	394,832	16,861	6.7%
Subtotal	365,909	708,616	735,307	1,002,842	26,691	3.6%
CIP Cashflow Mgmt Reserve	-	(50,000)	(76,353)	(166,955)	(26,353)	34.5%
Total Spending	**365,909**	**658,616**	**658,954**	**835,887**	**338**	**0.1%**

1. Actuals lower due to increase in projected savings.
2. Design services effort heavier/front loaded than forecasted as the scheduled accelerated. And, $4M airfield 2026 contract work transferred to SCE.
3. The 2026 Q2 actual costs brought the project costs aligned with planned cost. Nearly $6M in unanticipated change orders for NSS spent in 2026 utilizing transferred program contingency caused overspending for the year.
4. Increased construction spending to support turnovers ahead of FIFA and unforeseen conditions and abatement work increased cost. United Airlines lounge project updated estimates show higher costs. This increase is projecting more spending in 2026 than anticipated.
5. $4M of SCE part of bid originally captured in this project was transferred to SCE.
6. Anticipate spending 98% of 2026 Baseline Forecast. Returning some savings from Phase 2.
7. Testing was delayed, including delays in static and dynamic testing, resulting in lower than projected invoiced amounts than planned.
8. Schedule delay because of delayed testing due to faulty equipment.
9. During budget, estimated 80% of the invoice 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.
10. Delays to the design periods - Construction costs pushed out along with final design costs.

III. MARITIME DIVISION

A. 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**	**126,589**	**125,344**	**1,245**	**-1%**	**9,672**	**8%**
Total Operating Expenses	**93,596**	**101,991**	**111,643**	**120,474**	**124,728**	**4,254**	**3%**	**8,831**	**9%**
Net Operating Income	**6,142**	**4,818**	**5,274**	**6,115**	**616**	**5,499**	**892%**	**842**	**14%**
NOI Incl. GASB/Pension	***(12,519)***	***(15,905)***	***(31,534)***	***(51,053)***	***(57,272)***	***6,219***	***11%***	***(19,520)***	***156%***
Capital Expenditures	**26,246**	**84,842**	**93,859**	**98,488**	**93,384**	**5,104**	**5%**	**4,629**	**18%**

2026 Forecast vs. 2026 Revised Budget

- Operating Revenues forecasted at $1.2M above $125.3M from increased Cruise and Grain forecast.
- Operating Expenses forecasted $4.3M lower than revised budget from deferred T91 demolition costs.
- Net Operating Income forecasted $5.5M above revised budget.
- Capital Spending forecasted 105% of $93.4M revised budget.

2026 Forecast vs. 2025 Actuals

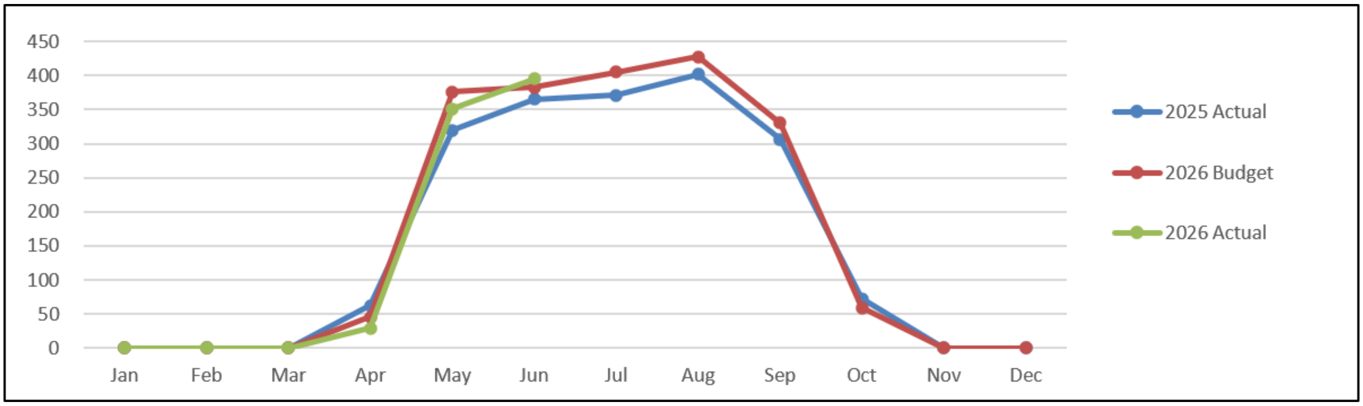
- Operating Revenues forecasted $9.6M higher than in 2025 from higher Cruise rates and volumes.
- Operating Expenses forecasted $8.8M higher than 2025 actual from higher payroll and increased ERL projects.
- Net Operating Income forecasted $0.8M higher than 2025 actual.

Net Operating Income before Depreciation by Business

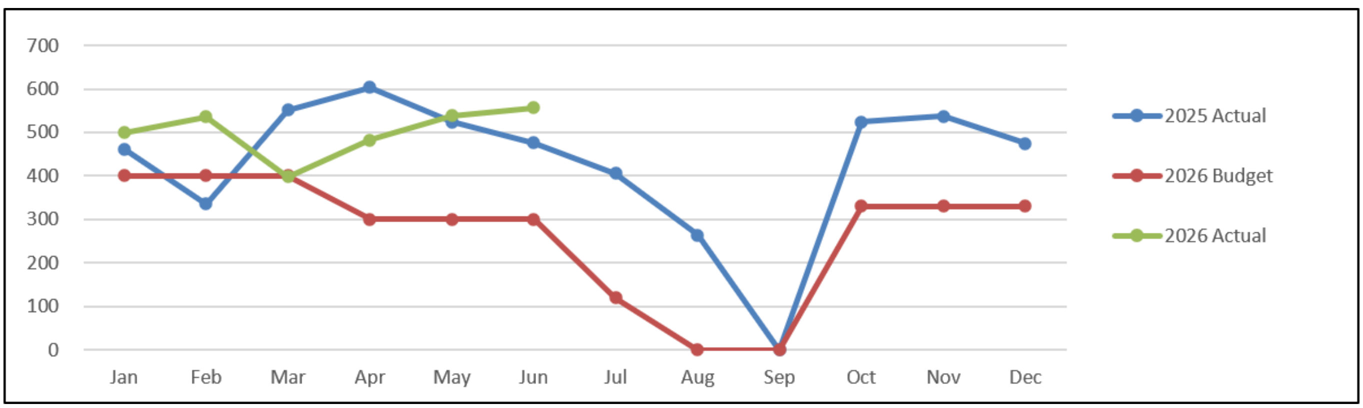
$ in 000's	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	Actual vs. Revised Budget Variance $	%	Change from 2025 $	%
Ship Canal Fishing & Operations	(1,948)	(5,041)	(3,440)	(1,601)	-47%	(3,093)	-159%
Elliott Bay Fishing & Commercial Operations	(1,310)	(597)	(1,219)	623	51%	713	54%
Recreational Boating	710	(52)	(291)	238	82%	(762)	-107%
Cruise	9,144	10,686	9,428	1,258	13%	1,542	17%
Grain	2,672	2,535	1,981	554	28%	(137)	-5%
Maritime Portfolio	(4,697)	(4,014)	(6,426)	2,412	38%	683	15%
All Other	(664)	(949)	212	(1,161)	-547%	(285)	-43%
Total Maritime	**3,907**	**2,567**	**246**	**2,322**	**946%**	**(1,339)**	**-34%**

B. KEY PERFORMANCE METRICS

Cruise Passengers in 000's



Grain Volumes in 000's



C. OPERATING RESULTS

$ in 000's	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	2,651	2,650	3,027	2,443	2,513	(69)	-3%	(584)	-19%
Elliott Bay Fishing & Commercial Operations	2,829	2,872	3,132	3,397	3,167	230	7%	265	8%
Recreational Boating	7,751	8,321	9,130	9,547	9,497	51	1%	418	5%
Cruise	15,437	19,027	19,994	23,236	23,787	(551)	-2%	3,242	16%
Grain	1,964	3,079	3,643	3,342	2,905	437	15%	(301)	-8%
Conference & Event Centers	3,377	3,687	3,867	4,619	4,069	549	13%	752	19%
Leasing Portfolio	10,180	11,272	11,122	11,897	11,876	20	0%	775	7%
Other	19	6	(10)	(6)	0	(6)		4	37%
Total Revenue	**44,209**	**50,915**	**53,905**	**58,474**	**57,814**	**660**	**1%**	**4,569**	**8%**
<u>Expenses</u>									
Total Direct	**16,176**	**18,074**	**19,987**	**22,298**	**21,222**	**(1,076)**	**-5%**	**2,311**	**12%**
Total Support Services	**13,082**	**14,006**	**15,454**	**18,009**	**20,830**	**2,821**	**14%**	**2,555**	**17%**
Total Central Services / Other	**12,092**	**13,588**	**14,557**	**15,600**	**15,517**	**(83)**	**-1%**	**1,043**	**7%**
Total Expense	**41,350**	**45,668**	**49,998**	**55,907**	**57,568**	**1,662**	**3%**	**5,909**	**12%**
NOI Before Depreciation	**2,859**	**5,247**	**3,907**	**2,567**	**246**	**2,322**	**946%**	**(1,339)**	**-34%**
Depreciation	11,183	11,132	11,897	13,498	13,539	41	0%	1,601	13%
NOI After Depreciation	**(8,324)**	**(5,885)**	**(7,990)**	**(10,931)**	**(13,294)**	**2,363**	**18%**	**(2,941)**	**-37%**
<u>GASB/Pension/ Legacy ERL Impacts</u>									
Total Revenue			**(7,973)**	**(7,469)**	**(7,414)**	**55**	**1%**	**504**	**6%**
Total Operating Expenses*			**(52)**	**5,801**	**7,950**	**2,149**	**27%**	**5,854**	**11167%**
Total Depreciation			**136**	**171**	**77**	**(93)**	**-121%**	**35**	**25%**
NOI After Depreciation with GASB	**(8,324)**	**(5,885)**	**(16,047)**	**(24,372)**	**(28,735)**	**(4,363)**	**-15%**	**(8,325)**	**-52%**

2026 YTD Actuals vs. 2026 YTD Revised Budget

- Operating Revenues were $660K higher than revised budget:
  - Ship Canal $69K lower due to unexpected customer vacancy at Fishermen's Terminal.
  - Elliott Bay Fishing $244K higher due to increased activity at T91, as well as P28 and P34 dolphins.
  - Recreational Boating $73K higher than budget due to utility sales revenue timing at Shilshole Bay Marina.
  - Cruise $555K lower due to early season, lower occupancies. Occupancies will increase in Q3.
  - Grain $437K higher due to soybean volumes rebounding.
  - Leasing Portfolio $20K higher due to higher rates from subtenant to direct lease conversions.
  - Conference and Event Centers are $549K higher due to returning customers/programs, higher short-term booking rates, and upselling activity.
- Operating Expenses were $1.7M below revised budget:
  - Direct Expenses were $1.1M higher than revised budget due to environmental remediation expenses.
  - Support Services $2.8M below revised budget from timing of Maintenance and small works projects. Projects to be completed Q2-Q4.
  - Central Services/Other $83K above revised budget.
- Net Operating Income after Depreciation was $2.4M higher than revised budget.

2026 YTD Actuals vs. 2025 YTD Actuals

- Operating Revenues were $4.6M higher than 2025 due to returning customers to Conference & Event Centers, returning demand for soybeans for Grain, and increased Elliott Bay Fishing & Commercial activity.
- Operating Expenses were $5.9M higher than 2025 from increased ERL, utilities, and derelict vessels as well as higher central services costs.
- Net Operating Income after Depreciation was $2.9M lower than 2025 actual from higher depreciation and one time ERL and Derelict Vessel expenses.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/26

$ in 000's	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Forecast	2026 Revised Budget	Forecast vs. Budget Variance $	Forecast vs. Budget Variance %	Change from 2025 $	Change from 2025 %
Ship Canal Fishing & Operations	4,592	5,076	5,169	5,562	4,503	4,503	0	0%	(1,059)	-19%
Elliott Bay Fishing & Commercial Operations	5,975	6,564	6,602	6,963	6,148	6,148	0	0%	(815)	-12%
Recreational Boating	13,978	15,505	16,555	18,058	20,000	20,000	0	0%	1,942	11%
Cruise	30,469	41,726	43,145	48,853	63,821	63,821	0	0%	14,968	31%
Grain	5,792	3,356	5,920	6,442	5,136	5,136	0	0%	(1,306)	-20%
Conference & Event Centers	8,914	6,738	7,490	8,654	9,430	11,285	(1,855)	-16%	776	9%
Leasing Portfolio	19,367	20,764	21,920	22,432	23,123	23,123	0	0%	691	3%
Other	10	10	8	(47)	0	0	0		47	100%
Total Revenue	**89,095**	**99,738**	**106,809**	**116,917**	**132,160**	**134,015**	**(1,855)**	**-1%**	**15,243**	**13%**
Expenses										
Total Direct	**33,680**	**37,061**	**36,595**	**47,675**	**44,619**	**43,119**	**(1,500)**	**-3%**	**(3,056)**	**-6%**
Total Support Services	**24,948**	**29,939**	**33,193**	**36,354**	**45,264**	**50,564**	**5,300**	**10%**	**8,910**	**25%**
Total Central Services / Other	**22,972**	**26,596**	**32,202**	**27,614**	**30,591**	**31,045**	**454**	**1%**	**2,977**	**11%**
Total Expense	**81,600**	**93,596**	**101,991**	**111,643**	**120,474**	**124,728**	**4,254**	**3%**	**8,831**	**8%**
NOI Before Depreciation	**7,495**	**6,142**	**4,818**	**5,274**	**11,686**	**9,287**	**2,399**	**26%**	**6,413**	**122%**
Depreciation	21,974	22,421	23,850	24,727	27,033	27,033	0	0%	2,306	9%
NOI After Depreciation	**(14,479)**	**(16,279)**	**(19,032)**	**(19,453)**	**(15,346)**	**(17,745)**	**2,399**	**14%**	**4,106**	**21%**
GASB/Pension Credit Impacts										
Total Revenue	**170**	**(90)**	**(18)**	**(15,889)**	**(14,828)**	**(14,828)**	**0**	**0%**	**1,061**	**7%**
Total Op Expenses, Pension Adj	**(2,561)**	**(3,850)**	**(3,145)**	**(4,092)**	**15,180**	**15,900**	**720**	**5%**	**19,272**	**471%**
Total Depreciation				**284**	**128**	**128**	**0**	**0%**	**(156)**	**-55%**
NOI After Depreciation with GASB	**(11,748)**	**(12,519)**	**(15,905)**	**(31,533)**	**(45,482)**	**(48,601)**	**(3,119)**	**-6%**	**(13,949)**	**44%**

2026 Forecast vs. 2026 Revised Budget

- Operating Revenues forecasted at $1.2M above $125.3M from increased Cruise and Grain forecast.
- Operating Expenses forecasted $4.3M lower than revised budget from deferred T91 demolition costs.
- Net Operating Income forecasted $5.5M above revised budget.
- Capital Spending forecasted 105% of $93.4M revised budget.

2026 Forecast vs. 2025 Actuals

- Operating Revenues forecasted $9.6M higher than in 2025 from higher Cruise rates and volumes.
- Operating Expenses forecasted $8.8M higher than 2025 actual from higher payroll and increased ERL projects.
- Net Operating Income forecasted $0.8M higher than 2025 actual.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/26

D. 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	19,289	25,931	26,207	13,654	(276)	-1%
P66/P91 Shore Power Extension	6,941	19,121	17,100	9,540	2,021	12%
T91 Uplands Dev Phase I	1,277	5,518	11,000	16,524	(5,482)	-50%
MIC Electrical Replacements	5,150	9,308	10,759	9,683	(1,451)	-13%
P66 Grand Staircase Replc	4,147	4,856	4,872	5,560	(16)	0%
FT Maritime Innovation Center	3,162	4,450	4,058	2,700	392	10%
Technology Project	928	2,148	4,250	4,250	(2,102)	-49%
T91 Shore Power System Purchas	3,600	3,600	3,600	0	0	0%
T91 New Cruise Gangway	1,609	2,086	2,300	2,446	(214)	-9%
Fleet	1,247	6,929	6,928	6,648	1	0%
All Other Projects	8,261	27,202	24,840	41,890	2,362	10%
Subtotal	55,611	111,149	115,914	112,895	(4,765)	-4%
CIP CashFlow Mgt	0	(12,661)	(22,530)	(31,937)	9,869	-43.8%
Total Maritime	**55,611**	**98,488**	**93,384**	**80,958**	**5,104**	**5%**
% of Capital Budget w/out CF Mgt	48%	96%				
% of Capital Budget including CF Mgt	60%	105%				

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 $58M. DU2902 and structural slab. Further refinement of means and method.
- **T91 Uplands –** No change overall. Delayed billing and procurement pushed out to 2027.
- **MIC Electrical–** Substantial completion date pushed out, delayed billings.
- **Technology–** Video Camera pushing out contingencies.
- **Elliott Bay Connections–** Requests for reimbursement from EBC have been slower than anticipated.

IV. ECONOMIC DEVELOPMENT DIVISION

A. 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%***

B. 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	**8**	**9**	**11**	**6**	**8**	**(2)**	**1%**	**1,440**	**9%**
Expenses									
Division Admin	184	66	36	185	77	(108)	-139%	149	414%
Re Dev & Planning	0	0	(0)	25	(0)	(25)		25	
Small Business	0	0	0	0	25	25	100%	0	3%
Workforce Development	0	0	34	2	0	(2)		(32)	-95%
Tourism	524	558	757	733	902	169	19%	(24)	-3%
Total EDD	**707**	**624**	**827**	**945**	**1,004**	**59**	**6%**	**118**	**14%**
Maritime / Maintenance	10	11	22	13	13	(0)	0%	(9)	-42%
Central Services / IT	14	14	14	31	37	6	16%	17	120%
Total Support Services	**24**	**25**	**37**	**44**	**50**	**6**	**12%**	**7**	**20%**
Total Expense	**731**	**648**	**864**	**989**	**1,054**	**65**	**6%**	**125**	**15%**
NOI Before Depreciation	**(723)**	**(640)**	**(853)**	**(983)**	**(1,046)**	**63**	**6%**	**(130)**	**-15%**
Depreciation	6	5	7	14	11	(3)	-30%	7	91%
NOI After Depreciation	**(729)**	**(645)**	**(861)**	**(997)**	**(1,057)**	**59**	**6%**	**(137)**	**-16%**

2026 YTD Actuals vs. 2026 YTD Revised Budget

- Operating Revenues on budget from rental income at the Duwamish Hub.
- Operating Expenses were $65K 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 $	Actual vs. Revsd_Bud Variance %	Change from 2025 Incr (Decr) $	Change from 2025 Incr (Decr) %
Operating Revenues	145	119	735	72	72	663	918.7%	616	516.4%
Pension Contra Revenue	-	-	-	-	-	-	0.0%	-	0.0%
Operating Revenues	**145**	**119**	**735**	**72**	**72**	**663**	**918.7%**	**616**	**516.4%**
GASB 87_96_103 Revenues	252	421	-	297	-	-	0.0%	(421)	-100.0%
Total Operating Revenues GASB Comparable Basis	**397**	**541**	**735**	**369**	**72**	**663**	**918.7%**	**195**	**36.0%**
Core Central Support Services	57,866	60,674	65,648	64,607	66,099	451	0.7%	4,974	8.2%
Police	22,275	23,145	24,640	25,318	25,318	678	2.7%	1,495	6.5%
Engineering/PCS	6,607	8,687	11,050	10,755	10,755	(294)	-2.7%	2,363	27.2%
Operating Expenses	**86,747**	**92,506**	**101,338**	**100,681**	**102,172**	**835**	**0.8%**	**8,832**	**9.5%**
GASB 87_96_103 Expenses	1,251	1,631	355	2,474	204	(151)	-74.2%	(1,276)	-78.2%
Total Operating Expenses GASB Comparable Basis	**87,998**	**94,136**	**101,693**	**103,155**	**102,376**	**683**	**0.7%**	**7,556**	**8.0%**

2026 YTD Actuals vs. 2026 YTD Revised Budget

- Operating Revenues favorable by $663K, primarily due to a cybersecurity insurance adjustment.
- Operating Expenses favorable by $835K, mainly due to lower Outside Services, Equipment Expense, Travel & Employee Expenses, and Other Expenses, partially offset by lower charges to Capital Projects, higher Payroll, and Litigated Injuries & Damages.

2026 YTD Actuals vs. 2025 YTD Actuals

- Operating Revenues $616K higher than 2025 mainly due to a cybersecurity insurance adjustment.
- Operating Expenses $8.8M higher than 2025 mainly due to higher Payroll, Equipment Expense, Outside Services, Insurance Expense, Litigated Injuries & Damages, and Other Expenses; partially offset by higher charges to Capital Project.

A. BUSINESS EVENTS

- Launched on site contract monitoring in June, with the Urban League of Metropolitan Seattle receiving the first visit. This new practice was developed in partnership with the Economic Opportunities program for SKPCF.
- Hosted and sponsored annual events including the Duwamish Alive Community Cleanup at Haapoos Park, the Multi Lingual Boat Tour of the Duwamish River, the Terminal 5 Bus Tour with NWSA, and the Maritime Industry Breakfast and Awards Ceremony.
- Produced career awareness tours, programming, and presentations for Highline Schools District 7th grade classes, Aeronautical Science Pathways, Chief Sealth High School, Rainier Beach High School, Duwamish Valley youth, and the Aviation High School Environmental Challenge. Also held the Port Pathways Hiring Fair with WFD, which drew more than 250 attendees.
- Executed two CFO Roadshow Breakfasts to share the Port's economic and financial outlook with Eastside and South King County elected officials, city staff, and Chamber of Commerce executives.
- Supported SAMP SEPA outreach through presentations to StART, ECOSS, Front & Centered, World Relief, and the Congolese Integration Network.
- Held the South King and Port Communities Partner Meeting for 18 newly contracted organizations through the Environmental Improvements Program.
- Collaborated with staff from the National Caucus of Environmental Legislators to host 20 state legislators from across the country for a briefing on the Port of Seattle, focusing on the Port's energy and environmental programs and sustainable economic development initiatives.
- Organized FIFA related events with international dignitaries, including officials from Belgium, Australia, Egypt, and Bosnia & Herzegovina. Supported a K pop group visit for a South Korean Consulate watch party, hosted Team Belgium in Seattle, conducted a day of business engagements with Australian representatives, and represented the Port at Bosnia & Herzegovina community events.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/26

B. 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	503	230	344
B. Number of SEA Airport tenants supported in finding employees	84	88	155
C. Employment Center training completions	267	220	126
D. K-12 Career Connected Learning: WFD engagement with teachers/faculty	10	11	12
E. Community members entering employment in construction, maritime and environmental sustainability	48	32	27
F. Number of Job Openings Posted	111	20	54
G. Job applications received	5,937	11,583	15,397
H. Number of job interviews conducted	659	1,271	1,373
I. Number of new employees hired	157	181	187
J. Number of interns	109	108	106
K. Number of Veteran Fellows	1	5	0
L. Number of employees participating in Tuition Reimbursement	17	11	15
Become a Model for Equity, Diversity and Inclusion			
A. Employee participation in OEDI programming (Caucuses, Book Clubs, Town Halls, etc.)	2,907	3,368	5,990
Be a Highly Effective Public Agency			
A. Central Services costs as a % of Total Operating Expenses	29.4%	28.1%	27.8%
B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)	3.82%/ 4.37%	3.53%/ 3.51%	3.40%/ 4.16%
C. Comply with Public Disclosure Act and respond in a timely manner	381	827	863
D. Employee Development Class Attendees/Structured Learning	1,655	4,496	18,045
E. Total Recordable Incident Rate (previous Occupational Injury Rate)	4.09	3.92	4.29
F. Lost Work Day Rate (previously Days Away Severity Rate)	16.73	73.37	40.75
G. Customer Survey for Police Service Excellent or Above Average	TBD	TBD	TBD

C. OPERATING RESULTS

Financial Summary (Year-End Forecast)

$ in 000's	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs. Revsd_Bud Variance $	Fcst vs. Revsd_Bud Variance %	Change from 2025 Incr (Decr) $	Change from 2025 Incr (Decr) %
Operating Revenues	**403**	**14**	**934**	**259**	**259**	**675**	**260.9%**	**920**	**6809.7%**
GASB 87_96_103 Revenues	281	1,435	-	594	0	-	0.0%	(1,435)	-100.0%
Total Operating Revenues GASB Comparable Basis	**684**	**1,449**	**934**	**853**	**259**	**675**	**260.9%**	**(515)**	**-35.6%**
Executive	6,025	2,771	3,502	3,407	3,407	(95)	-2.8%	731	26.4%
Commission	3,042	3,137	5,334	3,671	5,516	182	3.3%	2,197	70.0%
Legal	10,312	8,395	8,457	6,863	7,328	(1,129)	-15.4%	62	0.7%
External Relations	14,379	14,365	16,254	15,858	15,858	(397)	-2.5%	1,889	13.1%
Equity Diversity and Inclusion	1,922	1,975	2,488	2,540	2,540	52	2.1%	513	26.0%
Human Resources	16,099	16,506	17,960	19,160	19,160	1,200	6.3%	1,453	8.8%
Labor Relations	1,541	1,598	1,932	1,923	1,923	(9)	-0.5%	334	20.9%
Internal Audit	1,935	2,066	2,415	2,448	2,448	33	1.3%	349	16.9%
Accounting & Financial Reporting Services	10,003	11,173	12,789	12,807	12,807	19	0.1%	1,616	14.5%
Information & Communication Technology	30,410	31,476	33,507	34,080	34,080	573	1.7%	2,031	6.5%
Information Security	2,613	3,633	4,506	4,612	4,612	107	2.3%	872	24.0%
Finance & Budget	3,075	3,076	3,541	3,371	3,527	(14)	-0.4%	465	15.1%
Business Intelligence	1,888	2,235	2,559	2,633	2,633	74	2.8%	324	14.5%
Risk Services	7,395	7,144	8,206	8,642	8,642	436	5.0%	1,062	14.9%
Office of Strategic Initiatives	1,125	1,353	1,684	1,731	1,731	47	2.7%	332	24.5%
Central Procurement Office	7,079	7,588	9,588	9,756	9,756	168	1.7%	2,000	26.4%
Contingency	21,534	(22,019)	(2,340)	(6,184)	(5,666)	(3,326)	58.7%	19,679	-89.4%
Environment & Sustainability	1,479	1,968	2,373	2,306	2,306	(67)	-2.9%	405	20.6%
Core Central Support Services	**141,854**	**98,441**	**134,755**	**129,624**	**132,607**	**(2,148)**	**-1.6%**	**36,314**	**36.9%**
Police	43,591	46,327	48,296	48,213	48,213	(83)	-0.2%	1,970	4.3%
Total Before Cap Dev & Environment	**185,445**	**144,768**	**183,051**	**177,837**	**180,821**	**(2,231)**	**-1.2%**	**38,283**	**26.4%**
Capital Development									
Engineering	8,581	9,407	13,789	13,764	13,764	(25)	-0.2%	4,381	46.6%
Port Construction Services	7,063	8,849	8,451	8,123	8,123	(328)	-4.0%	(398)	-4.5%
Sub-Total	15,644	18,256	22,240	21,887	21,887	(352)	-1.6%	3,984	21.8%
Industrial Development Corporation	-	1	-	-	-	-	0.0%	(1)	-100.0%
Capital to Expense	499	-	-	-	-	-	0.0%	-	0.0%
O&M Expenses	**201,593**	**163,025**	**205,291**	**199,724**	**202,708**	**(2,583)**	**-1.3%**	**42,266**	**25.9%**
GASB 87_96_103 Expenses	3,227	1,131	443	4,983	443	-	0.0%	(688)	-60.9%
Total Operating Expenses GASB Comparable Basis	**204,820**	**164,156**	**205,734**	**204,707**	**203,151**	**(2,583)**	**-1.3%**	**41,578**	**25.3%**

- Total Operating Expenses are projected to be $2.6M or 1.3% over revised budget and $41.6M or 25.3% over 2025.
- Excluding the $13.2M DRS pension credit and $21.8M in legal settlement credit in 2025, total operating expenses are projected to be $6.6M or 3.3% increase from 2025.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/26

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 ($95K) primarily due to higher Travel & Other Employee Expenses ($90K), Promotional Expenses ($58K), and Payroll ($33K); partially offset by lower Outside Services $89K.
- **Commission** – favorable variance of $182K primarily due to lower Payroll $157K and Travel & Other Employee Expenses $25K; partially offset by higher General Expenses ($22K).
- **Legal** – unfavorable variance of ($1.1M) primarily due to higher Outside Legal Services ($1.2M); partially offset by lower Payroll $92K.
- **External Relations** – unfavorable variance of ($397K) primarily due to higher Outside Services ($328K) and Payroll ($246K); partially offset by lower Promotional Expenses $76K, General Expenses $64K, and Travel & Other Employee Expenses $34K.
- **Equity, Diversity, and Inclusion** – favorable variance of $52K primarily due to lower Payroll $61K and Travel & Other Employee Expenses $17K; partially offset by higher Outside Services ($31K).
- **Human Resources** – favorable variance of $1.2M primarily due to lower Payroll $793K, Outside Services $260K and Travel & Other Employee Expenses $104K.
- **Labor Relations** – unfavorable variance of ($9K) primarily due to higher Payroll ($39K); partially offset by lower Travel & Other Employee Expenses $26K.
- **Internal Audit** – favorable variance of $33K primarily due to lower Payroll $33K.
- **Accounting and Financial Reporting Services** – favorable variance of $19K primarily due to lower Outside Services $65K, Travel & Other Employee Expenses $58K, and higher charges to Capital Projects $30K; partially offset by higher Payroll ($136K).
- **Information & Communication Technology** – favorable $573K due to by lower Outside Services $881K, Equipment Expense $220K, and Payroll $92K; partially offset by lower charges to Capital Projects ($649K).
- **Information Security** – favorable variance of $107K primarily due to lower Payroll $70K and Outside Services $29K; partially offset by higher General Expenses ($7K).
- **Corporate Finance & Budget** – unfavorable variance of ($14K) primarily due to higher Payroll ($77K): partially offset by lower General Expenses $39K and Travel & Other Employee Expenses $51K.
- **Business Intelligence** – favorable variance of $74K primarily due to lower Outside Services 63K and Travel & Other Employee Expenses $15K; partially offset by higher Equipment Expense ($7K).
- **Risk Services** – favorable variance of $436K primarily due to lower General Expenses $513K; partially offset by higher Outside Services ($73K).
- **Office of Strategic Initiative –** favorable variance of $47K primarily due to lower Payroll $47K and Travel & Other Employee Expenses $44K; partially offset by higher Outside Services ($61K).
- **Central Procurement Office** – favorable variance of $168K primarily due to lower Payroll of $658K; partially offset by lower charges to Capital Projects ($467K) and higher General Expenses ($28K).
- **Environment & Sustainability Admin** – unfavorable variance of ($67K) primarily due to higher Payroll ($67K).
- **Police** – unfavorable variance of ($83K) primarily due to higher Supplies & Stock ($196K) and Outside Services ($87K); partially offset by lower Travel & Other Employee Expenses $148K and Worker's Compensation Expense $89K.
- **Engineering** – unfavorable variance of ($25K) primarily due to lower charges to Capital project ($2.9M) and higher General Expenses ($111K); partially offset by lower Payroll $1.0M, Equipment Expense $83K and Outside Services $1.8M.
- **Port Construction Services** – unfavorable variance of ($328K) primarily due to higher General Expenses ($1.1M), Payroll ($48K), Outside Services ($23K), and Equipment Expense ($20K); partially offset by higher charges to Capital project $602K, lower Worker's Compensation Expense $180K, and Travel & Other Employee Expenses $39K.
- **Contingency** – unfavorable variance of ($3.6M) due to vacancy factor.

2026 Forecast vs. 2025 Actuals

Operating Expenses for 2026 are forecasted to be $41.6M 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** – $2.0M 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** – $4.0M higher than 2025 primarily due to higher payroll and addition of new positions as well as contractual increases to support the capital program.

D. 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	1,344	3,205	4,503	1,144	1,298	28.8%
Engineering Fleet Replacement	247	1,316	1,331	560	15	1.1%
Police Small Cap and Axon Contract	178	2,360	2,371	2,211	11	0.5%
Police IT System Upgrades	185	835	1,687	827	852	50.5%
Services Tech - Small Cap	458	854	1,500	1,388	646	43.1%
Infrastructure - Small Cap	417	2,060	1,500	1,500	(560)	-37.3%
PeopleSoft Financial System Upgrade	453	1,153	1,530	1,474	377	24.6%
Physical Access Control System Refresh	49	319	1,473	979	1,154	78.3%
Radio Microwave Redund. Loop	5	1,350	1,350	953	0	0.0%
Private Cellular Network (LTE)	0	0	1,250	2,000	1,250	100.0%
Maximo Software System Upgrade	195	645	1,200	600	555	46.3%
Other (note 1)	581	2,910	3,945	6,956	1,035	26.2%
Subtotal	4,112	17,007	23,640	20,592	6,633	28.1%
CIP Cashflow Adjustment	-	(4,900)	(6,800)	(6,400)	(1,900)	27.9%
TOTAL	**4,112**	**12,107**	**16,840**	**14,192**	**4,733**	**28.1%**

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