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Port of Seattle
WASHINGTON STATE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

As of December 31, 2022 and 2021, and for the years ended December 31, 2022, 2021, and 2020

Annual Comprehensive Financial Report

As of December 31, 2022 and 2021, and for the years ended December 31, 2022, 2021, and 2020

This report was prepared by
the Accounting and Financial Reporting Department

Port of Seattle

WASHINGTON STATE

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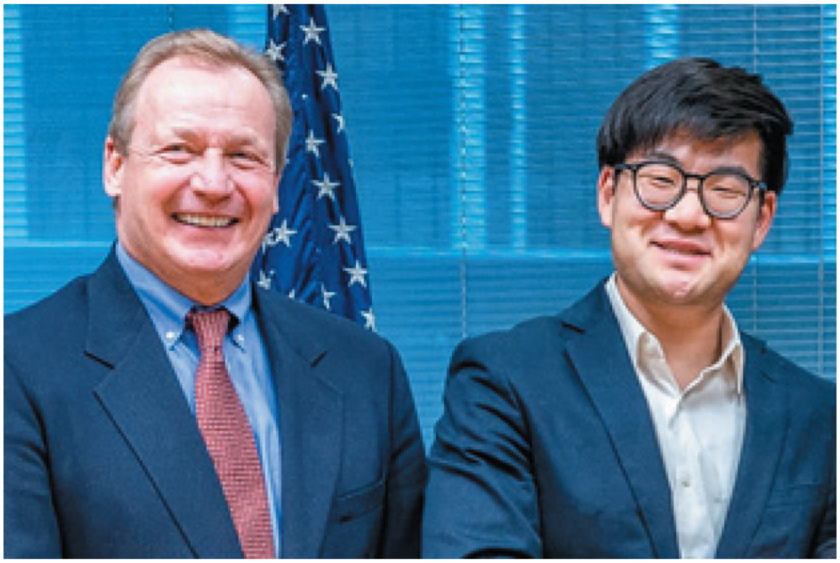
Port of Seattle / 2022 Annual Comprehensive Financial Report

Letter from the Leadership



Over the course of 111 years the Port of Seattle has grown from a small fishing and logging terminal to an economic powerhouse that manages a world-class seaport and international airport, supports the tourism and commercial fishing sectors, and has established itself as a global leader in environmental and sustainability initiatives.

Though we have grown tremendously, we remain committed to our core values: creating economic opportunity for all, safeguarding our environment, partnering with surrounding communities, conducting ourselves transparently, and holding ourselves accountable.

We are a world leader in the transportation of people and goods, domestically and internationally. We leverage real estate development and seek the highest and best use of the public assets in our portfolio (ranging in size from a half-acre park to one of the busiest container terminals and one of the largest airports on the West Coast) to enhance regional quality of life and create and support tens of thousands of jobs.

Our focus on the environment is highlighted by our investments in new habitat, further decreasing emissions, and contamination cleanup. Some of these environmental projects include advancing decarbonization through energy conservation, adopting carbon-free fuels, waterfront electrification, continuing to explore adoption of sustainable maritime and aviation fuels, and restoration of the Duwamish River shoreline.

We are committed to taking a leading role in regional and national efforts to achieve equity and social justice by identifying and dismantling structural barriers to ensure that historically oppressed communities, particularly communities of color, have access to the opportunities and resources they need to thrive.

We have invested in the future by approving a $725.8 million capital budget and increasing our five-year strategic Capital Improvement Program to $5.3 billion, the largest five-year capital plan in our history. These expenditures will ensure that the facilities of our Aviation, Maritime and Economic Development divisions will meet the operational and sustainability demands of today and for the next generation.

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Port of Seattle as of and for the fiscal year ending December 31, 2022.

Sam Cho

Commission President

Stephen P. Metruck

Executive Director

Port of Seattle

April 28, 2023

To the Port of Seattle Commission:

The Annual Comprehensive Financial Report of the Port of Seattle (the Port) as of and for the year ended December 31, 2022, is enclosed. All amounts are rounded to the nearest thousand dollars in the statements and tables for presentation purposes within this report.

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

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

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

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

Profile of the Port

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

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

The Port is composed of three operating divisions, namely, Aviation, Maritime, and Economic Development. The Aviation Division manages SEA. The Maritime Division manages industrial property connected with maritime business, recreational marinas, Fishermen's Terminal, cruise, grain, and maritime operations. The Economic Development Division focuses on managing the Port's industrial and commercial properties including conference and event centers, encouraging tourism, and developing minority and/or women-owned business opportunities in the aviation, maritime, and construction industries.

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

In August 2015, the ports of Seattle and Tacoma (the home ports) created the Northwest Seaport Alliance (NWSA) to unify management of marine cargo terminal investments, operations, planning, and marketing to strengthen the Puget Sound gateway and attract more business and jobs to the region. Combining the cargo terminal operations makes the region more competitive in the global economy and supports the retention and creation of jobs in Washington. It also allows the home ports to make more effective investments in container facilities and to speak with a stronger, unified voice on pressing regional and industry-related issues. The NWSA, a Port Development Authority, is a separate legal and governmental entity. As of January 1, 2016, the NWSA has been accounted for as a joint venture between the home ports. Operation of the Port's containerized cargo business and related industrial properties were exclusively licensed to NWSA, while the remaining business became part of the Maritime Division in 2016.

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

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

Economy and Outlook

In 2022, the United States (U.S.) economy continued to make impressive recovery since the first case of the novel coronavirus (COVID-19) was reported in early 2020. With the assistance from the Federal Government's stimulus programs and the travel restrictions removed, the U.S. economy had largely rebounded. However, amidst the recovery, 2022 was a tumultuous time with commodity prices soaring in response to high inflation and geopolitical tensions; interest rates rose at the fastest pace in decades; and the equity markets dropped precipitously. Oil prices fell in mid-2022 from concerns over the possibility of a recession, and economic growth is expected to slow in 2023. Real gross domestic product grew 2.6% in 2022 and is forecast to grow in the 1-2% range from 2023 through 2027. The unemployment rate declined to 3.5% in 2022 from 3.9% in 2021 as job growth continued to rebound following the unprecedented job decline in April 2020 due to the pandemic. However, employment growth is also expected to slow as the economy begins to cool. In 2023, U.S. exports are expected to remain strong but are slowing, while the manufacturing sector is weakening along with a drop in home prices due to increased interest rates. Inflation is expected to fall to 3.9% in 2023 after peaking at 6.3% in 2022, followed by a decline to 2.4% in 2024, and is expected to average 1.9% from 2025 through 2027. Although inflation is trending lower, there remains uncertainty in the 2023 U.S. economic outlook due to continued geopolitical tensions, challenges to contain inflation, unexpected shifts in monetary policy, and possible recession.

Washington State's economy continued to rebound in 2022. Statewide year-over-year job growth remained relatively unchanged while the Seattle metropolitan area added 78,800 jobs, a 4.5% increase, from the prior year with job gains in the construction, manufacturing, information, education and health services, and leisure and hospitality sectors. The average annual unemployment rate decreased from 5.2% in 2021 to 4.2% in 2022. The State economy mirrored the national level for much of the economic recovery with high inflation, a weakened housing market, and a decline in the export sector.

The continued economic recovery was reflected in the Port's 2022 performance. At SEA, 46 million passengers passed through in 2022, an increase of 27.1% from 2021 reflecting the reopening of businesses and the lifting of pandemic travel restrictions. International travel had a slower rate of recovery compared to domestic travel, and Europe saw robust growth while Asia (particularly China) lagged in 2022. For the Maritime Division, the 2022 cruise season achieved a new Port record of 295 vessel calls and 1.3 million passengers during the first full cruise season since the pandemic's outbreak. Grain volumes were 4.4 million metric tons, a 7% decrease from 2021 due to unusually high volumes in 2021 from pent-up demand and timing of supply chain issues. For the Economic Development Division, overall occupancy of commercial properties was 95% at the end of 2022.

Business Forecast

In 2012, the Commission adopted the Century Agenda, a strategic plan that set aspirational goals for the Port over the subsequent 25 years, starting with an overarching goal of generating 100,000 new jobs in the region by 2036. Steady growth in airline travel, air cargo services, cruise passengers, and high occupancy rates at the marinas and business properties through 2019 supported the Port in making progress towards its Century Agenda. The emergence of COVID-19 in 2020, however, set back the Port's progress towards these goals and reinforced the importance of remaining nimble and adapting quickly in rapidly changing circumstances. In the past few years, the Port proved that careful planning and prudent fiscal management made it possible to deliver essential services, economic opportunity, and sustainable results at a new level. The Port remains committed to the Century Agenda and continues to pursue its goals of creating regional economic prosperity; advancing equity, diversity and inclusion; expanding opportunities in the aviation and maritime industries; supporting workforce development; and protecting and improving the environment.

The Aviation Division does not anticipate SEA passenger traffic will return to the 2019 levels until 2024. In the near-term, aeronautical revenues, which are based on cost recovery, are expected to increase in 2023 by 25.4% compared to 2022, reflecting increases in both capital and operating costs. In 2023 international passenger volume is expected to be 5.6% below 2019 pre-pandemic levels, and total enplaned passengers are projected to increase by 6.4% over the prior year. Total passengers in 2023 are expected to return to within 6% of 2019 pre-pandemic levels. Non-aeronautical revenues, which are primarily passenger driven, are expected to increase by 15.4% in 2023 over 2022, reflecting the continuing recovery of enplaned passengers. In 2023, Cost Per Enplanement, which reflects the overall cost to the airlines for each passenger enplaned, is budgeted at $19.27, compared to $16.09 in 2022. Total Aviation Division operating expenses in 2023 are expected to increase by $77.9 million or 20.4% from 2022 as passenger traffic volumes and related operating costs at SEA increase.

In 2022, SEA applied for and received $129.8 million of federal grants from the American Rescue Plan Act to help lessen the pandemic impacts affecting the airport. Additionally, SEA provided $19.5 million of concession relief for rent and other minimum annual guarantee payments to in-terminal airport concessionaires. Currently there are no new pandemic relief related federal grant programs authorized in 2023.

The Maritime Division will continue its focus on managing the cruise business, four recreational marinas, Terminal 91, Fishermen's Terminal, and a variety of other maritime industrial facilities. With the success of the 2022 Alaskan cruise season, the cruise industry is ready to rebound with a demand exceeding pre-pandemic levels. In 2023, 289 sailings are scheduled with an estimated 1.4 million passengers. Cruise revenues are budgeted at $34.4 million in 2023, or 153.7% of 2019 pre-pandemic levels. Grain volume is expected to remain relatively stable at 4.3 million metric tons. For 2023, recreational marina occupancy rates are expected to average 96%, comparable to prior year. Overall Maritime operating revenues are budgeted at $75.9 million, a $4.3 million increase over 2022. Net operating income (NOI) before depreciation and amortization is expected to be $9.8 million in 2023.

The Economic Development Division focuses on developing and managing the Port's real estate portfolio, developing minority and/or women-owned business opportunities, creating quality jobs, and driving economic prosperity through Washington State. The 2023 budget projects commercial properties' occupancy rate to remain steady at 95%. 2023 operating revenues are budgeted at $22.2 million, an increase of $4.4 million from 2022 and 105% of 2019 pre-pandemic level.

The Port's share of NWSA joint venture income for 2023 is budgeted at $48.3 million, a 9.6% decrease from 2022. Both home ports share equally in NWSA capital expenditures as investments in the joint venture. The Port's share is forecast to be $74.7 million for 2023 and $208.1 million over the next four years, which are in addition to the Port's capital budget.

As the economy continues to recover, all key lines of business at the Port have either exceeded or are close to pre-pandemic levels. The 2023 budget reflects a larger investment in the workforce and programs than any budget in recent years to support employee recruitment and retention, to meet rising customer service needs, and to advance critical Port initiatives. For 2023, the Port budgeted total operating revenues of $953.7 million, a 17.7% increase from 2022. Budgeted total operating expenses are $573.4 million, a 20.8% increase from 2022. NOI before depreciation and amortization is budgeted at $380.3 million, a 13.4% increase from 2022. NOI after depreciation and amortization is budgeted at $172.3 million, a 69.8% increase from 2022. Total capital budget for 2023 is $725.8 million, and the five-year capital improvement program is $5.3 billion, which reflects the Port's commitment to make investments supporting the economic growth of the region.

Major Initiatives

The Port has emerged strongly from the pandemic. Passenger volume at SEA is now just 11% shy of record 2019 levels, while cruise ship passenger volume in 2022 exceeded record-breaking volumes in 2019. The successful rebound of the Port's businesses allows it to maximize investments in the community and in airport, maritime, and economic development projects. These investments will strengthen trade; improve customer experience; create new job opportunities; advance equity, diversity and inclusion within the Port and in the community; expand successful workforce development and youth-employment initiatives; and improve the environment. In April 2022, the new International Arrivals Facility at SEA welcomed the arrival of the first test flight and fully opened in May. The facility includes an iconic 85-foot-high, 780-foot-long aerial walkway across an active taxi lane that connects into the Grand Hall, a 450,000-square-foot baggage claim and customs processing area.

With a $4.6 billion budget, SEA continues to make capital investments which will meet safety, regulatory, accessibility, and sustainability goals while making the airport less congested and more efficient. Featured projects in 2023 include: (1) C Concourse Expansion – the project spans the C and D Concourses with additional dining and retail, sought-after amenities such as an interfaith prayer and meditation room and nursing suite, and an all-new, 20,000-square-foot Alaska Airlines lounge; (2) SEA Gateway Project – reconfigures the north end ticketing area, expands the security checkpoint, and creates an updated, light-filled open space, facilitating new technology and building standards to help passengers move quickly and easily through the terminal; (3) S Concourse Evolution – the S Concourse is the main hub for international passengers. This project will modernize the spaces and renovate the facility with enhanced structural and seismic systems; and (4) Ground Transportation Access Improvements – the widening of roadways that access the Arrivals drive and the Main Garage will help improve access to parking, ground transportation center, and curbside operations. The goal is to alleviate congestion and reduce queuing on the main roadway entrances and enhance safety. SEA once again was named "Best Airport in North America" by Skytrax. This is the second year SEA received the travel industry's prestigious 4-Star Airport Rating by international air transport rating agency, Skytrax. SEA is only the second large-hub U.S. airport (serving 40 million or more passengers) to be recognized at the 4-Star Rating level. Additionally, SEA welcomed new international service to Paris through French Polynesian airline, Air Tahiti Nui, which will launch service in June 2023.

In 2023, Maritime's featured projects include: (1) Terminal 91 Berth 6 and 8 Redevelopment – the project will redevelop berths 6 and 8 along the northeast side of Pier 90. Improvements include pile replacement, a new wharf structure, a new float system, bulkhead improvements, and office consolidation for operations, fishing, and industry customers. The new berths will be equipped with shore power for fishing and industrial vessels; (2) Terminal 91 Uplands Development – the two-phase project will construct flexible, light industrial building space to support maritime manufacturers and fishing industry suppliers in the Ballard Interbay Manufacturing Industrial Center. Phase I will develop 100,000 square feet of light industrial space with minimal site infrastructure improvements. Phase II will involve construction of approximately 300,000 square feet of additional industrial space along with extensive utility improvements; (3) Pier 66 Shore Power Project – demonstrating its commitment to the environment, the Port will collaborate with Seattle City Light to procure a proprietary shore power system to supply power to cruise ships berthed at Pier 66; and (4) completion of the Maritime Innovation Center at Fishermen's Terminal – due to open in 2024, the Center will help the region's maritime industry adopt advanced technologies and stimulate innovative entrepreneurship by promoting knowledge transfer, business incubation, and workforce development.

In 2023, the Port will further expand environmental sustainability investments to create new habitat, further reduce emissions, and clean up legacy contaminations from previous industrial activities. Efforts include advancing decarbonization through energy conservation; adopting carbon-free fuels via waterfront electrification; continuing to explore adoption of sustainable maritime and aviation fuels; restoration of the Duwamish River shoreline and underwater habitat in Elliott Bay; and planning to accelerate the removal of PFAS from fire-fighting foam used at SEA.

In 2022, Congress and the Biden-Harris Administration made the single largest national investment in clean air, clean energy, and environmental justice in history. New grants and tax incentives through the Inflation Reduction Act will help accelerate the Port's push to eliminate all carbon emissions from Port-owned and controlled sources by 2040, and to ensure that all businesses operating at our facilities will be either carbon neutral or better by 2050.

The Port also continues to invest in local communities. In 2023, the Port budgeted an additional $2.5 million to a total of $19.1 million in a variety of community-led programs focused on workforce development; support for near-airport communities; diversity in contracting programs; equity, diversity and inclusion initiatives; economic development grants; and tourism marketing support for Washington State's smaller destinations.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Port for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. This was the seventeenth consecutive year that the Port has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Dan Thomas

Chief Financial Officer

Rudy Caluza

Director, Accounting & Financial Reporting

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Port of Seattle
Washington

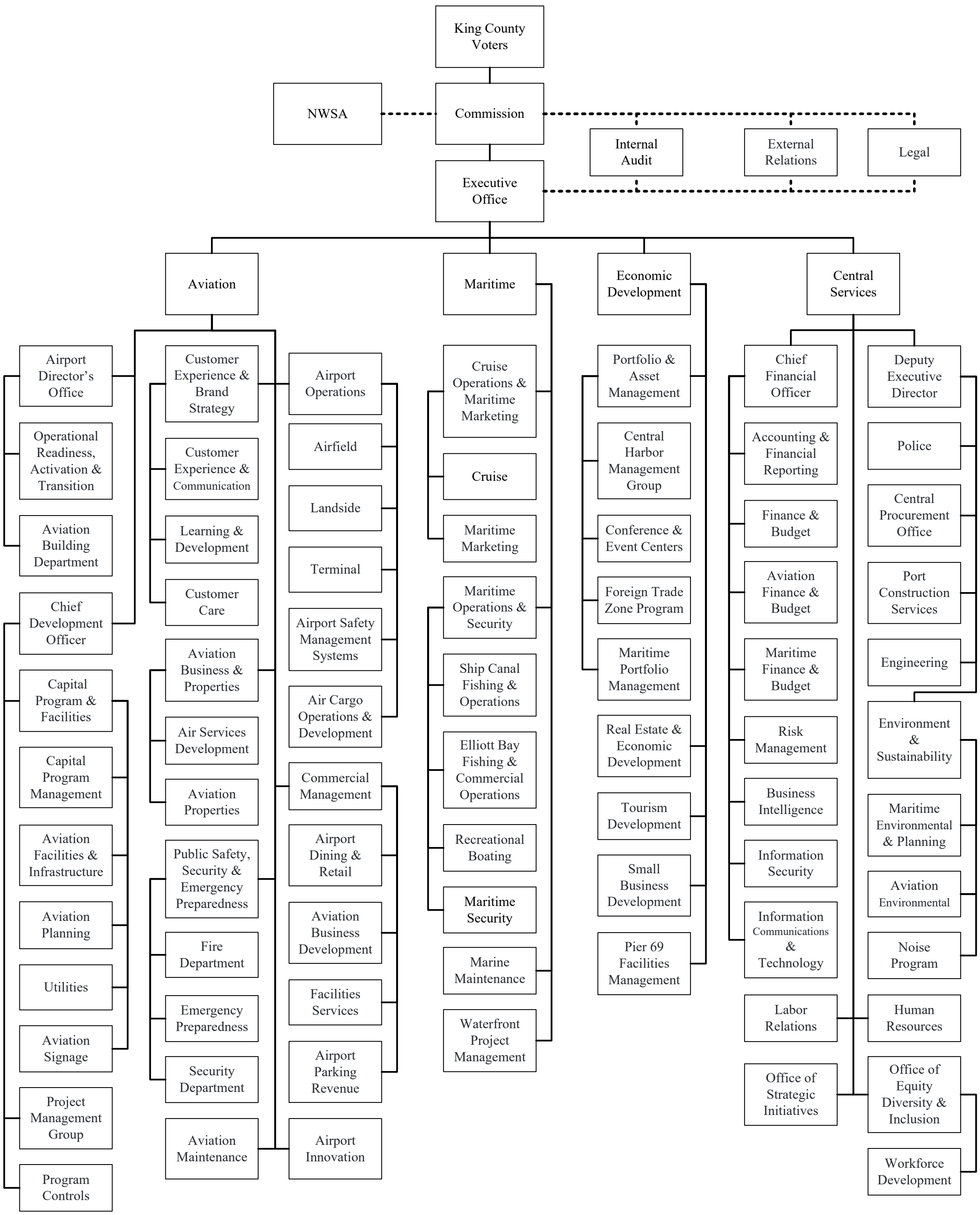
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO

Organizational Chart for 2023



List of Elected and Appointed Officials in 2023

Elected Board of Commissioners

Name	Office	Term Expires
Sam Cho	President	December 31, 2023
Toshiko Grace Hasegawa	Vice President	December 31, 2025
Fred Felleman	Secretary	December 31, 2023
Ryan Calkins	Commissioner at Large	December 31, 2025
Hamdi Mohamed	Commissioner at Large	December 31, 2025

Appointed Executive Officers

Name	Office
Stephen P. Metruck	Executive Director
Dave Soike	Deputy Executive Director
Dan Thomas	Chief Financial Officer
Pete Ramels	General Counsel/Chief Compliance Officer
Lance Lyttle	Managing Director, Aviation Division
David McFadden	Managing Director, Economic Development Division
Stephanie Jones Stebbins	Managing Director, Maritime Division
Bookda Gheisar	Senior Director, Office of Equity, Diversity, and Inclusion
Pearse Edwards	Senior Director, External Relations
Katie Gerard	Senior Director, Human Resources
Mikel Marie O'Brien	Senior Director, Labor Relations
Sandra Kilroy	Senior Director, Environment and Sustainability
Glenn Fernandes	Director, Internal Audit

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Financial Section

Port of Seattle / 2022 Annual Comprehensive Financial Report

MOSSADAMS

Report of Independent Auditors

The Port Commission
Port of Seattle
Seattle, Washington

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Port of Seattle Enterprise Fund and the Warehousemen's Pension Trust Fund (collectively the "Port") as of December 31, 2022 and 2021, and for the years ended December 31, 2022, 2021, and 2020, and the related notes to the financial statements, which collectively comprise the Port's financial statements as listed in the table of contents.

In our opinion, based on our audits, the accompanying financial statements present fairly, in all material respects, the respective net position of the Enterprise Fund and the fiduciary net position of the Warehousemen's Pension Trust Fund as of December 31, 2022 and 2021, and the changes in net position and cash flows for the Enterprise Fund, and the changes in fiduciary net position for the Warehousemen's Pension Trust Fund for the years ended December 31, 2022, 2021, and 2020 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Port and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Port adopted the provisions of GASB Statement No. 87, *Leases*, effective January 1, 2020. The financial statements of the Enterprise Fund have been retroactively restated in accordance with the requirements of the new accounting standard. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of these financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in these financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of these financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, Schedule of Port of Seattle's Proportionate Share of Net Pension Asset/Liability (NPA/NPL) - Enterprise Fund Pension Plans, Schedule of Port of Seattle's Contributions - Enterprise Fund Pension Plans, Schedule of Changes in Total OPEB Liability and Related Ratios - LEOFF Plan 1 Members' Medical Savings Plan, Schedule of Changes in Total OPEB Liability and Related Ratios - Retirees Life Insurance Plan, Schedule of Changes in Net Pension Liability and Related Ratios - Warehousemen's Pension Trust Fund, Schedule of Employer Contributions - Warehousemen's Pension Trust Fund, Schedule of Investment Returns - Warehousemen's Pension Trust Fund, and Notes to Required Supplementary Information - Warehousemen's Pension Trust Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Moss Adams LLP

Seattle, Washington
April 28, 2023

Port of Seattle

Management's Discussion and Analysis for the Year Ended December 31, 2022

Introduction

The following Management's Discussion and Analysis (MD&A) of the Port of Seattle's (the Port) activities and financial performance provides an introduction to the financial statements of the Port for the fiscal year ended December 31, 2022, including the Port operations within the Enterprise Fund and the Warehousemen's Pension Trust Fund reported as a Fiduciary Fund with selected comparative information for the years ended December 31, 2021 and 2020.

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

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

Overview of the Financial Statements

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

Local Economic Factors

Washington State's economy continued to recover in 2022 from the severe downturn caused by the novel coronavirus (COVID-19) pandemic in the first quarter of 2020. Statewide unemployment declined from a 2021 annual average of 5.2% to 4.2% in 2022. During 2022, private sector employment grew 3.8%, while public sector employment grew 2%. The Seattle metropolitan area gained 78,800 jobs with the construction, manufacturing, information, education and health services, and leisure and hospitality sectors contributing 50,000 of those positions.

The Port's 2022 performance reflected a continued recovery from the pandemic. At the Seattle-Tacoma International Airport (SEA), 46 million passengers passed through in 2022, an increase of 27.1% from 2021, or a 11.3% decline from the 2019 pre-pandemic level. Passenger volumes gradually returned from the lasting adverse impact from COVID-19. Major domestic markets like Seattle began recovering in 2021. In 2022, the Maritime Division set a new Port's record by hosting 295 cruise ship calls with 1,309,000 passengers during the first full cruise season since the outbreak of COVID-19. Grain volumes totaled 4.4 million metric tons, and decreased 7% from 2021. 2021 grain volume experienced an unusually high demand driven by the recovery from the pandemic and supply chain timing issues. 2022 grain volumes resumed to the pre-pandemic level. For the Economic Development Division, overall occupancy of commercial properties remained fairly unchanged at 95% at the end of 2022.

In response to the economic impacts of the COVID-19 crisis, the U.S. Government offered the following stimulus and relief programs to help the local economy:

- On March 27, 2020, the U.S. Congress passed the Coronavirus Aid, Relief and Economic Security (CARES) Act, which included $10 billion of funding to support U.S. airports that experienced severe economic disruption caused by the COVID-19 pandemic. The funds were distributed to eligible airports to prevent, prepare for, and respond to the impacts of this emergency. The funds were provided directly from the U.S. Treasury's General Fund, and the Federal Aviation Administration (FAA) Office of Airports administered the grant funds to these airports. SEA was awarded a $192.1 million federal grant to help lessen the significant economic stress affecting the airport. SEA applied for and received $45 million and $147.1 million of the awarded federal grant in 2021 and 2020, respectively.
- On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act was signed into law. It included nearly $2 billion of economic relief for eligible U.S. airports and airport concessionaires. The FAA established the Airport Coronavirus Response Grant Program (ACRGP) to distribute this relief. SEA was awarded a $37.4 million ACRGP grant to lessen the economic stress affecting the airport. SEA applied for and received all of the awarded federal grants during 2021 and 2022. SEA was also awarded $5.4 million of concession relief which provided tenant relief from rent and other minimum annual guarantee payments to on-airport car rental, on-airport parking, and in-terminal airport concessionaires. SEA provided $5.3 million concession relief to eligible tenants in 2021 and the remaining amount was provided in 2022.
- On March 11, 2021, the American Rescue Plan (ARP) Act was signed into law providing additional relief from the economic impacts of the pandemic. The ARP Act included $8 billion of funding for U.S. airports to cover costs of operations, personnel, cleaning, and also included additional rent relief and mitigation for other costs incurred by airport concessionaires. SEA was awarded a $154.4 million ARP grant to lessen the economic stress affecting the airport. SEA applied for and received $129.8 million and $12.7 million of the awarded federal grants in 2022 and 2021, respectively, and the remaining amount was allocated to 2023. SEA was also awarded $21.4 million of concession relief which would provide tenant relief from rent and other minimum annual guarantee payments to in-terminal airport concessionaires. SEA provided $19.5 million concession relief to eligible tenants in 2022 and the remaining amount was allocated to 2023.

The Northwest Seaport Alliance

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

Each home port remains a separate legal entity, independently governed by its own elected commissioners. Each home port has granted the NWSA a license for the NWSA's exclusive use, operation, and management of certain facilities, including the collection of revenues. Accounting for revenues and expenses associated with licensed properties became the responsibility of the NWSA. Ownership of the licensed facilities remains with the home ports, not with the NWSA. The NWSA is intended to support the credit profiles of both home ports, and its financial framework preserves both home ports' commitment to financial stewardship. The home ports are committed to ensuring existing bond pledges and covenants will not be negatively affected. Outstanding bonds remain the obligations of each individual home port. To maintain the rights of each home port's existing bondholders, the Charter prohibits the NWSA from issuing debt. The NWSA has its own annual operating budget and five-year capital investment plan.

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

On April 2, 2019, the Managing Members and the Port of Seattle Commission (the Commission) authorized the completion of a one-time Membership Interest Affirmation of 50/50 for each home port in satisfaction of the NWSA Charter. In lieu of completing the required reevaluation of Membership Interest, the Port agreed to pay up to $32 million additional contribution to the NWSA. This additional contribution was to recognize that certain forecasted revenue streams, not secured by long-term contractual agreements in the initial valuation, would not be achieved without the redevelopment of Terminal 5. This additional contribution is being made to the NWSA in three installments. The first and second installments of $11 million were made in March 2020 and 2021, respectively. The final installment will be made when construction is completed, and may be adjusted downward if the actual Terminal 5 redevelopment costs are less than the program authorization. The Managing Members also authorized the distribution of these affirmation payments to the home ports equally after the NWSA receives the funds from the Port.

In 2019, both the Managing Members and the Commission approved an Interlocal Agreement between the Port and the NWSA to facilitate development by the Port of a new cruise terminal at Terminal 46 as part of a flexible marine transportation facility. The Port's cruise facility had planned to occupy the northern 29 acres of the overall 86.5 acre terminal. The remainder of the site will be maintained by the NWSA as a marine cargo facility and for administrative use. This new cruise terminal project was postponed in 2020 due to the pandemic's uncertain impact on the Alaskan cruise market and is no longer being planned. The Port agreed to pay the NWSA monthly for the use of Terminal 46, starting January 1, 2020, for 23 years with four options to extend for 5-year terms, and an annual increase of 2%. In 2022 and 2021, the Port's payment to the NWSA was $4 million and $3.9 million, respectively. The Port's 50% share of the NWSA's change in net position was reduced by $2 million in 2022 and 2021 (50% of the $4 million and $3.9 million, respectively), due to the elimination of profit on the intra-entity transaction.

In 2022, the Managing Members approved to amend and restate an Interlocal Agreement between the Port and the NWSA for three cranes located at Terminal 46 previously purchased by the Port in 2019 for the NWSA's permitted use of these cranes, including the right to lease, sublease, license and/or otherwise assign to the NWSA. The NWSA agreed to pay the Port a monthly use fee, beginning October 1, 2022, for 4 years. The Port's 50% share of the NWSA's change in net position was increased by $41,000 due to the elimination of profit on the intra-entity transaction.

In 2022, the Port's share of joint venture income before the elimination of profit on the intra-entity transactions was $55.4 million, a slight decrease of $0.6 million or 1.2% from 2021, primarily due to lower operating revenue and higher operating expense. Decreases in operating revenue were mostly due to a decrease in container volume, which was driven by (1) the uncertainty from ongoing labor negotiations that caused shippers to move cargo from West Coast Ports to East Coast and Gulf ports, and (2) congestion in Vancouver, Canada, causing the shipping lines to bypass the Pacific Northwest ports. Higher operating expense was largely from longshore labor and Terminal 5 shuttle costs incurred during the West Seattle bridge shutdown.

In 2021, the Port's share of joint venture income before the elimination of profit on the intra-entity transaction was $56 million, an increase of $17.2 million or 44.4% from 2020, primarily due to higher operating revenue, lower operating expense, and increase in nonoperating income. Operating revenue rebounded in 2021 as demand recovered from the pandemic, resulting in increased container and non-container cargo volumes to replenish inventories and satisfy growth in e-commerce orders. Lower operating expense was largely from non-recurring costs recorded in 2020 to modernize container terminals for ultra-large ships that require larger cranes and associated terminal infrastructure improvements. The increases in nonoperating income included a $5.5 million contributed stormwater improvement asset in the North Harbor.

In 2022 and 2021, the home ports made capital construction contributions of $58.8 million and $90.6 million, respectively, primarily for the modernization of container terminals for ultra-large ships and redevelopment of Terminal 5.

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

Enterprise Fund

Financial Position Summary

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

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

	2022	2021 (Restated)	2020 (Restated)
Assets:			
Current, long-term, and other assets	$ 2,958,394	$ 2,341,866	$ 1,850,463
Capital assets	7,155,159	7,095,634	6,889,826
Total assets	$ 10,113,553	$ 9,437,500	$ 8,740,289
Deferred Outflows of Resources	$ 88,655	$ 54,379	58,843
Liabilities:			
Current liabilities	$ 492,871	$ 476,973	$ 461,560
Noncurrent liabilities	4,866,915	4,411,915	$ 4,045,243
Total liabilities	$ 5,359,786	$ 4,888,888	$ 4,506,803
Deferred Inflows of Resources	$ 521,814	$ 505,053	$ 374,085
Net Position:			
Net investment in capital assets	$ 3,359,634	$ 3,348,501	$ 3,264,128
Restricted	488,682	365,621	$ 288,067
Unrestricted	472,292	383,816	$ 366,049
Total net position	$ 4,320,608	$ 4,097,938	$ 3,918,244

Assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $4.3 billion as of December 31, 2022, and $4.1 billion for 2021. Total net position increased $222.7 million from 2021 to 2022, and $179.7 million from 2020 to 2021, respectively.

Due to the adoption of Governmental Accounting Standard Board Statement No. 87 (GASB 87), *Leases*, the Port restated the financial statements for all periods presented retroactively. Restatement of the 2021 and 2020 Statement of Net Position resulted in (1) additions of $344.9 million and $348.2 million, respectively, to both lease receivable and deferred inflows of resources, (2) additions of $4.7 million and 6.4 million, respectively, to intangible lease assets–net, and (3) additions of $4.7 million and $6.3 million, respectively to lease liability.

While there were no significant changes in the net position, the Port's quarterly performance reports were presented without the application of GASB 87, as compared to the audited financial statements. The purpose of the quarterly performance report was to present the Port's results from its operation without adjustments as required by GASB 87 in the Statement of Revenues, Expenses, and Changes in Net Position.

For each year presented, the largest portion of the Enterprise Fund's net position represents its net investment in capital assets. The Port uses these capital assets to provide services to its tenants, passengers, and customers of the Aviation, Maritime, and Economic Development divisions; therefore, these assets are not available for future spending. Although the Port's net investment in capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations as the capital assets themselves cannot be used to liquidate liabilities. From 2021 to 2022, and from 2020 to 2021, there were increases of $11.1 million and $84.4

million, respectively, in net investment in capital assets. The respective increase in this category, net of accumulated depreciation and amortization, was primarily driven by new asset additions and construction activities in major Aviation programs, partially offset by related demolitions.

As of December 31, 2022 and 2021, the restricted net position of $488.7 million and $365.6 million, respectively, was composed mainly of bond proceeds restricted for debt service reserves in accordance with bond covenants, airport Passenger Facility Charges (PFC) subject to federal regulations, and rental car Customer Facility Charges (CFC) subject to state regulations. From 2021 to 2022, and from 2020 to 2021, there were increases of $123.1 million and $77.6 million, respectively, in the restricted net position. The increase in this category from 2021 to 2022 was largely due to a $75.1 million increase in restricted debt service reserves. The issuance of the 2022ABC Intermediate Lien Revenue and Refunding Bonds contributed $94.9 million increase in restricted debt service reserves. This increase was offset by $21.2 million debt service payments made from the capitalized interest funds associated with the 2019 Intermediate Lien Revenue Bonds and the 2021ACD Intermediate Lien Revenue and Refunding Bonds. In 2022, increases of deferred outflows of resources from changes in assumptions on the statewide public employee retirement plans administered by the Department of Retirement Systems (DRS) contributed a $22 million increase in restricted net position. In 2022, SEA passenger activity rebounded 27.1% compared to 2021, contributing to increases in PFC and CFC revenues and the restricted net position. The increase from 2020 to 2021 was largely due to a $36.2 million increase in restricted debt service reserves. The issuance of the 2021ABCD Intermediate Lien Revenue and Refunding Bonds contributed $62.5 million increase in restricted debt service reserves. This increase was offset by (1) the release of $8.3 million restricted debt service reserve required for the 2010A PFC Revenue Refunding Bonds as it was refunded by the 2021A Intermediate Lien Revenue and Refunding Bonds, and (2) $16.6 million debt service payments made from the capitalized interest funds associated with the 2019 Intermediate Lien Revenue Bonds. In 2021, investment returns on the statewide public employee retirement plans administered by the DRS experienced a strong investment performance, 28.7%, on all DRS administered retirement plans. This favorable investment performance contributed a $21.9 million increase in restricted net position. In 2021, SEA passenger activity rebounded 80.2% compared to 2020, contributing to increases in PFC and CFC revenues and the restricted net position.

As of December 31, 2022 and 2021, the unrestricted net position was $472.3 million and $383.8 million, respectively. From 2021 to 2022, and from 2020 to 2021, there were increases of $88.5 million and $17.8 million, respectively. In 2022, $149.4 million of federal relief grants, namely CRRSA Act grant, and ARP Act grant, were recorded as noncapital grants and donations which contributed to the majority of increases in the unrestricted net position. The Port received reimbursement of $105.3 million, $24.5 million, and $19.6 million for debt service payments, operating expenses, and non-aeronautical revenues associated with concession relief, respectively. In 2021, $100.4 million of federal relief grants, namely CARES Act grant, CRRSA Act grant, and ARP Act grant, were recorded as noncapital grants and donations which contributed to the majority of increases in the unrestricted net position. The Port received reimbursement of $91.7 million, $3.4 million, and $5.3 million for debt service payments, operating expenses, and non-aeronautical revenues associated with concession relief, respectively. This increase was offset by a $34.9 million special item recorded for additional construction costs of a habitat restoration project and related cleanup at Terminal 25 South.

Resources from the unrestricted net position may be used to satisfy the Port's ongoing obligations. However, due to federal regulations, resources from SEA operations must be used solely for the Aviation Division's operations. In 2022, cash and cash equivalents, and investment balances related to SEA operations increased $152.7 million from $341.4 million in 2021. The increase was largely due to (1) receiving various federal relief grants, (2) major capital project spending at SEA, and (3) higher operating revenues from rebounded airline activity and passenger volume to pre-pandemic level. In 2021, cash and cash equivalents, and investment balances related to SEA operations increased $46.8 million from $294.6 million in 2020. The increase was largely due to (1) receiving various federal relief grants, and (2) management's decision to increase working capital, i.e. cash level which approximated from ten months to twelve months of operations and maintenance (O&M) expenses. This higher cash level was achieved based on 2021 budgeted $340 million O&M expenses. The targeted level for SEA working capital is eighteen months of SEA related O&M expenses to be achieved by 2025.

Statement of Revenues, Expenses, and Changes in Net Position

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

	2022	2021 (Restated)	2020 (Restated)
Operating revenues	$ 797,918	$ 609,796	$ 499,616
Operating expenses	474,793	362,554	406,645
Operating income before depreciation and amortization	323,125	247,242	92,971
Depreciation and amortization	233,869	192,626	181,989
Operating income (loss)	89,256	54,616	(89,018)
Nonoperating income—net	95,298	112,353	152,985
Capital contributions	38,116	47,632	20,909
Special items:			
Habitat restoration costs		(34,907)	
Increase in net position	222,670	179,694	84,876
Net position—beginning of year, as restated (Note 1)	4,097,938	3,918,244	3,833,368
Net position—end of year	$ 4,320,608	$ 4,097,938	$ 3,918,244

Financial Operation Highlights

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

	2022	2021 (Restated)	2020 (Restated)
Operating Revenues:			
Services	$ 297,740	$ 222,699	$ 186,488
Property rentals	433,729	328,139	273,557
Customer facility charge revenues	12,171	2,018	
Operating grants	875	2,894	2,702
Joint venture income	53,403	54,046	36,869
Total operating revenues	$ 797,918	$ 609,796	$ 499,616

During 2022, operating revenues increased $188.1 million or 30.8% from $609.8 million in 2021 to $797.9 million, primarily due to the first full year of economic recovery from business reopening and removal of travel restrictions since the start of the COVID-19 pandemic. At SEA, passenger activity increased 27.1% compared to 2021, although still fell short by 11.3% from the 2019 pre-pandemic level. Aviation Division operating revenues rose by $157.7 million in 2022 with increases of $85 million in aeronautical revenues and $72.7 million in non-aeronautical revenues. Aeronautical revenues are based on cost recovery. The increase in aeronautical revenues was primarily due to (1) higher operating expenses of $56.7 million from the recovery of passenger activities without the significant reduction of pension expenses from favorable investment performance of the DRS retirement plans in 2021, (2) an increase of $33.6 million debt service, and (3) a decrease of $6.5 million in federal relief grants applied to offset aeronautical revenue requirements charged to airlines as compared to 2021. Non-aeronautical revenues experienced a favorable impact closely aligned with the recovery of passenger volumes, particularly in Public Parking of $24.8 million, Rental Car of $21.8 million, Airport Dining and Retail of $1.3 million, and Ground Transportation of $8.9 million. In addition, Public Parking and Rental Car rates also increased in 2022. Maritime Division operating revenues increased significantly by $23.4 million or 54.1% from 2021, of which $21.3 million was attributed to an increase in Cruise revenues. The return of a full Alaska cruise season in 2022 set a new Port's record of 295 sailings with over 1.3 million passengers. Grain revenues dropped slightly by $0.3 million due to lower volume compared to 2021. Economic Development Division operating revenues increased by $8.4 million or 96.7% from 2021. This increase was largely due to the returning of business volumes in Conference and Event Centers.

During 2021, operating revenues increased $110.2 million or 22.1% from $499.6 million in 2020 to $609.8 million. Despite a delayed recovery caused by the Delta and Omicron variants of COVID-19, the trend towards a gradual business reopening and relaxation of travel restrictions brought an uptick in operating revenues. At SEA, passenger activity increased 80.2% compared to 2020, although 30.2% lower than the 2019 pre-pandemic level. Aviation Division operating revenues rose by $86.5 million in 2021 with increases of $19.6 million in aeronautical revenues and $66.9 million in non-aeronautical revenues. Aeronautical revenues are based on cost recovery. The increase in aeronautical revenues was due to a decrease of $32.8 million in federal relief grants applied to offset aeronautical revenue requirements charged to airlines as compared to 2020, resulting in higher charges to the airlines in 2021. The increase in aeronautical revenues was partially offset by a reduction of pension expenses resulting from favorable investment performance of the DRS retirement plans in 2021. Non-aeronautical revenues experienced a favorable impact closely aligned with the rebound in passenger activity, particularly in Public Parking of $29.6 million, Rental Car of $18 million, Airport Dining and Retail of $10.3 million, and Ground Transportation of $5.4 million. Maritime Division operating revenues were also impacted by the pandemic with a moderate increase of $5.8 million from 2020. The return of the Alaska cruise season in July 2021 resulted in a $5.5 million increase in Cruise revenues. Grain revenues increased by $0.9 million due to increased volume compared to 2020. Economic Development Division operating revenues decreased slightly due to lower occupancy at Terminal 91 Uplands because of lower demand for car storage amid the pandemic. This unfavorable impact was partially offset by a moderate growth in volumes from Conference and Event Centers as Washington State lifted certain pandemic-related restrictions in 2021.

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

	2022	2021 (Restated)	2020 (Restated)
Operating Expenses:			
Operations and maintenance	$ 352,168	$ 255,031	$ 299,711
Administration	89,977	79,180	77,523
Law enforcement	32,648	28,343	29,411
Total operating expenses	$ 474,793	$ 362,554	$ 406,645

During 2022, as the economy continued to recover, the Port eased some of the aggressive cost-saving measures implemented during the pandemic. Operating expenses increased $112.2 million or 31% from $362.6 million in 2021 to $474.8 million in 2022. Aviation Division operating expenses before depreciation and amortization increased $89.3 million, primarily due to (1) a $35.2 million increase in pension expense as investment return from all DRS administered retirement plans dropped from 28.7% in 2021 to 5.4% in 2022, (2) a $15.1 million increase in Outside Services driven from increased passenger activities, and (3) higher payroll expenses from filling vacant positions due to the lifting of the hiring freeze. Maritime Division operating expenses before depreciation and amortization increased $16.8 million, primarily from (1) a $4.7 million increase in pension expenses, (2) a $2.1 million increase in Outside Services, mostly associated with cruise operation activities and write-off from previously capitalized costs for construction of light industrial and retail buildings at Fishermen's Terminal, (3) a $2 million increase in Utilities, especially in electricity, because of buildings and facilities activities along with occupancy volume increased, and (4) higher payroll expenses from filling vacant positions. Economic Development Division operating expenses before depreciation and amortization increased $5.4 million, mostly due to (1) a $3.4 million increase on variable costs associated with higher Conference and Event Centers volume, and (2) a $1.8 million increase in pension expenses.

In 2021, in response to the economic disruption caused by the pandemic, the Port continued its port-wide aggressive cost-saving measures. Operating expenses decreased $44.1 million or 10.8% from $406.6 million in 2020 to $362.6 million in 2021. Aviation Division operating expenses before depreciation and amortization decreased $35.4 million primarily due to (1) a $33.4 million decrease in pension expenses from the strong investment performances of DRS retirement plans, and (2) lower payroll expenses from vacant positions due to the continued hiring freeze and COVID-19 vaccination policy, adopted in October 2021, as a condition of employment. Maritime Division operating expenses before depreciation and amortization decreased $9.6 million primarily from (1) a $4.9 million decrease in pension expenses, (2) a $2.6 million non-recurring cost recorded in 2020 related to the write-off from previously capitalized costs for construction of a new cruise terminal at Terminal 46, which was postponed due to the pandemic's uncertain impact on the Alaska cruise market, and (3) lower payroll expenses due to vacant positions. Economic Development Division operating expenses before depreciation and amortization decreased $2.4 million, mostly due to

(1) a $1.6 million decrease in pension expenses compared to 2020, and (2) reduced variable costs associated with slow recovery in volumes from Conference and Event Centers due to the pandemic.

As a result, operating income before depreciation and amortization increased $75.9 million and $154.3 million in 2022 and 2021, respectively. Depreciation and amortization expense increased $41.2 million and $10.6 million in 2022 and 2021, respectively.

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

	2022	2021 (Restated)	2020 (Restated)
Nonoperating Income (Expense):			
Ad valorem tax levy revenues	$ 80,785	$ 78,311	$ 76,196
Passenger facility charge revenues	88,284	72,845	34,637
Customer facility charge revenues	24,461	24,271	15,429
Noncapital grants and donations	156,546	105,988	149,913
Fuel hydrant facility revenues	7,451	7,010	6,886
Lease interest income	12,212	11,901	11,073
Investment (loss) income—net	(50,735)	(5,386)	41,406
Revenue and capital appreciation bonds interest expense	(140,838)	(132,925)	(133,149)
Passenger facility charge revenue bonds interest expense		(1,041)	(2,670)
GO bonds interest expense	(11,877)	(11,004)	(11,850)
Public expense	(8,282)	(9,769)	(6,658)
Environmental expense—net	(1,296)	(7,495)	(5,971)
Other (expense) income—net	(61,413)	(20,353)	(22,257)
Total nonoperating income—net	$ 95,298	$ 112,353	$ 152,985
Capital Contributions	$ 38,116	$ 47,632	$ 20,909
Special Items:			
Habitat restoration costs		$ (34,907)	

During 2022, nonoperating income—net was $95.3 million, a $17.1 million decrease from 2021. The decrease was largely driven by (1) an increase of $45.3 million in investment loss—net, consisted of $62.7 million of unrealized loss on the fair value of the investments due to the Federal Reserve raising interest rates multiple times in 2022, offset by a $17.3 million increase in investment interest income from higher investment pool balances and interest rates, and (2) a $41.1 million increase in other expense—net, including an increase of $35.7 million losses from demolition, retirement, and sale of capital assets as compared to 2021. The most significant losses in 2022 were retirements related to the Baggage System from the Check Baggage Optimization programs at SEA resulting in a loss of $50.6 million and a $3.4 million loss from the demolition at SEA for the restroom renovation and refresh project. These increases of losses were offset by (1) a $49 million increase in federal relief grants received from the FAA, mostly from ARP Act grants, and (2) a $15.4 million increase in PFC revenues from returning of passenger volume as the economy continued to recovery compared to 2021.

During 2021, nonoperating income—net was $112.4 million, a $40.6 million decrease from 2020. The decrease was largely driven by a reduction of $46.8 million in federal relief grants received from the FAA as compared to 2020. Additionally, a net $46.8 million decrease in investment income consisted of (1) $31.9 million decrease in fair market value of investment portfolio, and (2) $14.9 million decrease in investment income resulting from lower investment pool balances and interest rates. These decreases were offset by (1) a $38.2 million increase in PFC revenues due to the lifting of travel restrictions. Although air travel had rebounded, international passenger traffic volume lagged significantly behind domestic traffic recovery in 2021, and (2) an $8.8 million increase in CFC revenues due to a rate change from $6 to $6.5 and increased volume that closely aligned with recovered passenger activities and higher demand for rental cars. While the balance of other (expense) income—net between 2021 and 2020 was relatively unchanged, the Port recorded, as nonoperating other income in 2020, $22.8 million of a $24.9 million settlement from

Great American Insurance Company (GAIC) for certain past environmental remediation costs associated with the Lower Duwamish Waterway, Harbor Island/East Waterway, and Terminal 91. This decrease was offset by a decline in losses from demolition, retirement, and sale of capital assets of $19 million as compared to 2020. The most significant losses in 2021 were retirements related to the Baggage System from the Checked Baggage Optimization programs at SEA resulting in a loss of $12.5 million.

In 2022, capital contributions decreased $9.5 million over 2021, mainly driven by a $10.6 million decrease in grant revenues received from the Airport Improvement Program (AIP) for noise mitigation in public buildings and residences within the noise contour, as most of these programs were closed in 2022. Additional program closures in 2022 attributed to a $10.1 million decrease in grant revenues for the rehabilitation of runway 16R/34L and a $6.5 million decrease for the reconstruction of South Satellite Taxilane. These grant revenue decreases were offset by grant receipts in 2022 for (1) a $10.5 million pavement and infrastructure grant for the North Satellite and Cargo Taxilanes plus Cargo Apron and Taxiway Joint Seal programs, and (2) a $6 million increase for restroom renovations in Concourse B, C, and D Terminals.

In 2021, capital contributions increased $26.7 million over 2020, mainly due to a $21.2 million increase in grant revenues received from the AIP related to noise mitigation measures for public buildings and residences within the noise contour, the rehabilitation of runway 16R/34L, the reconstruction of South Satellite Taxilane, and cargo aprons. Additionally, a $5.6 million increase in grant revenues was received from the TSA for the In-Line Baggage Screening Enhancements Project at SEA.

In 2021, the Port recorded, as a special item, $34.9 million of additional construction cost for a habitat restoration project and related cleanup at Terminal 25 South.

The increase in net position for 2022 was $222.7 million, an increase of $43 million or 23.9% from $179.7 million in 2021, reflecting strong operating revenues in almost all lines of business from the continued rebound of the economy and removal of travel restrictions. Federal relief grants also played a key role in maintaining the healthy financial position of the Port.

Increase in net position in 2021 was $179.7 million, an increase of $94.8 million or 111.7% from $84.9 million in 2020. The significant increase was primarily driven by higher operating revenues as the economy began to recover when business reopened and travel restrictions were relaxed. Operating revenues increased in 2021 as passenger traffic rebounded at SEA, the cruise season resumed, and conference activities returned. Federal relief grants also played a key role in maintaining the healthy financial position of the Port.

Warehousemen's Pension Trust Fund

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

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

	2022	2021	2020
Total assets	$ 9,789	$ 11,744	$ 10,890
Total liabilities	10	13	6
Total fiduciary net position	$ 9,779	$ 11,731	$ 10,884
Total additions	$ (215)	$ 2,603	$ 2,715
Total deductions	(1,737)	(1,756)	(1,841)
(Decrease) Increase in fiduciary net position	(1,952)	847	874
Fiduciary net position—beginning of year	11,731	10,884	10,010
Fiduciary net position—end of year	$ 9,779	$ 11,731	$ 10,884

Total fiduciary net position as of December 31, 2022 decreased by $2 million, primarily due to significant losses in fair value of investments resulting from interest rate increases in 2022. The fiduciary net position as of 2021 increased by $0.8 million, mostly due to an increase in realized gain on investments.

Capital Assets

The Port's capital assets, net of accumulated depreciation and amortization, for its business activities as of December 31, 2022, amounted to $7.2 billion. Capital assets include land, air rights, facilities and improvements, equipment, furniture and fixtures, intangible right-to-use lease assets, and construction in progress.

In 2022, the Port's expenditures for capital construction projects totaled $354.5 million, of which $329 million, $9.4 million, and $8.7 million related to the Aviation Division, Economic Development Division, and Maritime Division, respectively.

Aviation construction accounted for 92.8% of total spending for capital projects at the Port in 2022. Major Aviation project spending included $100.3 million for Checked Baggage Optimization programs; $37.9 million for North Main Terminal redevelopment; $28.4 million on airfield-related improvements for the taxiway and pavement; $18.8 million for interior improvements including restroom renovations and North Satellite expansions; $18.4 million for the Concourse C Expansion project; $16.4 million for security projects in the terminals; $16.3 million for utilities and mechanical infrastructure improvements; $15.5 million to expand airport lounges in Concourse A; and $14.9 million for construction of the new International Arrivals Facility. Maritime construction included $2.7 million to provide shore power to docked cruise ships at Pier 66.

During 2022, capital construction projects totaling $1.1 billion were completed and placed in service as capital assets, of which $1.07 billion, $18.6 million, and $6.1 million related to the Aviation Division, Maritime Division, and Economic Division, respectively. Aviation Division projects accounted for 97.3% of total additions to new capital assets in 2022. Major Aviation projects included $933.4 million for the new International Arrivals Facility which opened to the public in May of 2022; $34.9 million for Checked Baggage optimization systems; $22.9 million in airfield-related assets, including taxiway and pavement betterments; $20.6 million for security assets in the terminals; and $12.4 million for utility and mechanical infrastructure improvements. The Maritime Division completed a 13-acre habitat restoration project, with $16.6 million, at Terminal 117 supporting Chinook salmon recovery goals and improving public access to the shoreline.

During 2022, the Port collected $80.8 million in property taxes through a King County ad valorem tax levy. The Port funds its capital assets from multiple sources, including but not limited to operating income, ad valorem tax levy, PFCs, CFCs, federal and state grants, and bond proceeds. All capital assets are accounted for within the Enterprise Fund.

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

Debt Administration

As of December 31, 2022, the Port had outstanding revenue bonds of $4 billion, a $330.9 million increase from 2021, due to the issuance of new bonds, partially offset by principal payments and refunding of existing revenue bonds.

In August 2022, the Port issued $862.6 million in Series 2022ABC Intermediate Lien Revenue and Refunding Bonds to fully refund the Series 2012A and 2012B Intermediate Lien Revenue Refunding Bonds, to pay for or reimburse costs of capital improvements to Airport facilities, to pay a portion of the interest on the bonds during construction, to pay the costs of issuing the bonds, and to contribute to the Intermediate Lien Common Reserve Fund.

As of December 31, 2022, the Port had outstanding General Obligation (GO) Bonds of $336.9 million, a $55.5 million increase from 2021, due to the issuance of new bonds, partially offset by principal payments and refunding of existing GO bonds. In January 2022, the Port issued $109.5 million in Series 2022 Limited Tax GO and Refunding Bonds to finance eligible Port costs, including paying commercial paper issued to finance such costs, to fully refund the Port's outstanding Series 2011 Limited Tax GO and Refunding Bonds, and to pay the costs of issuing the bonds.

As of December 31, 2022, the Port had outstanding Fuel Hydrant Special Facility Revenue Bonds of $56.9 million, a $4.2 million decrease from 2021, due to a principal payment.

Below are the underlying Port credit ratings as of December 31, 2022. Certain Port bonds include bond insurance or bank letters of credit, and as such, those bonds may assume the credit rating of the associated bond insurer or letter of credit provider.

	Fitch	Moody's	S&P
GO bonds	AA-	Aaa	AA
First lien revenue bonds	AA	Aa2	AA
Intermediate lien revenue bonds	AA-	A1	AA-
Subordinate lien revenue bonds	AA-	A2	A+
Fuel hydrant special facility revenue bonds [a]		A1	A

[a] In March 2023, S&P raised its long-term rating to 'A+' from 'A' on the fuel hydrant facility revenue bonds. The upgrade reflects an improvement to the facility's financial metrics, which support a strong overall financial risk profile.

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

Port of Seattle — Enterprise Fund

Statement of Net Position as of December 31, 2022 and 2021 (in thousands)

Assets and Deferred Outflows of Resources	2022	2021 (Restated)
Current Assets:		
Cash and cash equivalents	$ 173,462	$ 327,863
Restricted cash and cash equivalents:		
Bond funds and other	259,405	380,715
Fuel hydrant assets held in trust	4,669	4,316
Short-term investments	243,444	20,623
Restricted short-term investments: bond funds and other	374,419	22,905
Accounts receivable, less allowance for doubtful accounts of $1,331 and $1,012	71,611	55,850
Current lease receivable	18,254	21,031
Related party receivable—joint venture	8,093	2,938
Grants-in-aid receivable	16,996	10,582
Taxes receivable	1,510	1,481
Materials and supplies	10,025	8,428
Prepayments and other	10,199	10,476
Total current assets	1,192,087	867,208
Noncurrent Assets:		
Long-term investments	375,063	316,026
Restricted long-term investments:		
Bond funds and other	590,661	373,184
Fuel hydrant assets held in trust	5,570	5,659
Investment in joint venture	300,366	279,325
Net pension asset	72,119	175,048
Lease receivable	422,208	323,862
Other long-term assets	320	1,554
Capital Assets:		
Land, air rights, and other	2,052,696	2,031,051
Facilities and improvements	6,789,876	6,124,007
Equipment, furniture, and fixtures	942,996	678,809
Intangible lease assets	7,755	8,536
Total capital assets	9,793,323	8,842,403
Less accumulated depreciation and amortization	(3,103,991)	(2,958,188)
Construction work in progress	465,827	1,211,419
Total capital assets—net	7,155,159	7,095,634
Total noncurrent assets	8,921,466	8,570,292
Total assets	10,113,553	9,437,500
Deferred Outflows of Resources:		
Deferred loss on refunding bonds	23,940	31,028
Deferred charges on net pension asset and liability	62,854	21,043
Deferred charges on total other postemployment benefits (OPEB) liability	1,861	2,308
Total deferred outflows of resources	88,655	54,379
Total	$ 10,202,208	$ 9,491,879

See Notes to Financial Statements.

(Continued)

Port of Seattle — Enterprise Fund
Statement of Net Position as of December 31, 2022 and 2021 (in thousands)

Liabilities, Deferred Inflows of Resources, and Net Position	2022	2021 (Restated)
Current Liabilities:		
Accounts payable and accrued expenses	$ 123,205	$ 98,971
Related party payable—joint venture	3,834	2,842
Payroll and taxes payable	65,252	60,136
Bonds interest payable	57,383	50,216
Customer advances and unearned revenues	33,182	28,573
Current maturities of long-term debt	210,015	236,235
Total current liabilities	492,871	476,973
Noncurrent Liabilities:		
Long-Term Liabilities:		
Net pension liability	30,196	14,774
Environmental remediation liability	100,735	100,441
Bonds interest payable	36,507	32,407
Total OPEB liability	15,805	20,772
Lease securities and other	10,638	11,738
Total long-term liabilities	193,881	180,132
Long-Term Debt:		
Revenue and capital appreciation bonds	4,277,908	3,884,396
General obligation (GO) bonds	340,158	287,484
Fuel hydrant special facility revenue bonds	54,968	59,903
Total long-term debt	4,673,034	4,231,783
Total noncurrent liabilities	4,866,915	4,411,915
Total liabilities	5,359,786	4,888,888
Deferred Inflows of Resources:		
Deferred gain on refunding bonds	21,269	8,665
Deferred credits from leasing	440,462	344,893
Deferred credits on net pension asset and liability	56,104	150,948
Deferred credits on total OPEB liability	3,979	547
Total deferred inflows of resources	521,814	505,053
Net Position:		
Net investment in capital assets	3,359,634	3,348,501
Restricted for:		
Debt service reserves	333,989	258,874
Passenger facility charges	50,301	30,034
Customer facility charges	24,362	19,741
Grants and other	80,030	56,972
Unrestricted	472,292	383,816
Total net position	4,320,608	4,097,938
Total	$ 10,202,208	$ 9,491,879

See Notes to Financial Statements.

(Concluded)

Port of Seattle — Enterprise Fund
Statement of Revenues, Expenses, and Changes in Net Position for the Years Ended December 31, 2022, 2021, and 2020 (in thousands)

	2022	2021 (Restated)	2020 (Restated)
Operating Revenues:			
Services	$ 297,740	$ 222,699	$ 186,488
Property rentals	433,729	328,139	273,557
Customer facility charge revenues	12,171	2,018	
Operating grants	875	2,894	2,702
Joint venture income	53,403	54,046	36,869
Total operating revenues	797,918	609,796	499,616
Operating Expenses:			
Operations and maintenance	352,168	255,031	299,711
Administration	89,977	79,180	77,523
Law enforcement	32,648	28,343	29,411
Total operating expenses	474,793	362,554	406,645
Net Operating Income Before Depreciation and Amortization	323,125	247,242	92,971
Depreciation and amortization	233,869	192,626	181,989
Operating Income (Loss)	89,256	54,616	(89,018)
Nonoperating Income (Expense):			
Ad valorem tax levy revenues	80,785	78,311	76,196
Passenger facility charge revenues	88,284	72,845	34,637
Customer facility charge revenues	24,461	24,271	15,429
Noncapital grants and donations	156,546	105,988	149,913
Fuel hydrant facility revenues	7,451	7,010	6,886
Lease interest income	12,212	11,901	11,073
Investment (loss) income—net	(50,735)	(5,386)	41,406
Revenue and capital appreciation bonds interest expense	(140,838)	(132,925)	(133,149)
Passenger facility charge revenue bonds interest expense		(1,041)	(2,670)
GO bonds interest expense	(11,877)	(11,004)	(11,850)
Public expense	(8,282)	(9,769)	(6,658)
Environmental expense—net	(1,296)	(7,495)	(5,971)
Other (expense) income—net	(61,413)	(20,353)	(22,257)
Total nonoperating income—net	95,298	112,353	152,985
Income Before Capital Contributions and Special Items	184,554	166,969	63,967
Capital Contributions	38,116	47,632	20,909
Income Before Special Items	222,670	214,601	84,876
Special Items:			
Habitat restoration costs		(34,907)	
Increase in Net Position	222,670	179,694	84,876
Total Net Position:			
Beginning of year, as restated (Note 1)	4,097,938	3,918,244	3,833,368
End of year	$ 4,320,608	$ 4,097,938	$ 3,918,244

See Notes to Financial Statements.

Port of Seattle — Enterprise Fund
Statement of Cash Flows for the Years Ended December 31, 2022, 2021, and 2020 (in thousands)

	2022	2021 (Restated)	2020 (Restated)
Operating Activities:			
Cash received from customers	$ 700,739	$ 540,008	$ 422,847
Cash received from joint venture for support services provided	7,779	7,882	8,069
Customer facility charge receipts	12,171	2,018	
Cash paid to suppliers for goods and services	(154,608)	(182,716)	(179,844)
Cash paid to employees for salaries, wages, and benefits	(283,799)	(261,698)	(273,089)
Operating grants receipts	875	2,894	2,702
Other	(1,225)	2,027	(3,180)
Net cash provided by (used in) operating activities	281,932	110,415	(22,495)
Noncapital and Related Financing Activities:			
Principal payments on GO bonds	(6,330)	(6,020)	(5,730)
Interest payments on GO bonds	(9,591)	(9,900)	(10,194)
Cash paid for environmental remediation liability	(8,647)	(7,935)	(5,730)
Cash paid for public expenses	(8,800)	(9,928)	(5,641)
Ad valorem tax levy receipts	80,756	78,321	75,819
Noncapital grants and donations receipts	158,417	106,034	149,913
Environmental recovery receipts	1,448	1,705	26,702
Net cash provided by noncapital and related financing activities	207,253	152,277	225,139
Capital and Related Financing Activities:			
Proceeds from issuance and sale of revenue bonds, GO bonds, fuel hydrant special facility revenue bonds, and commercial paper	1,070,450	968,016	30,815
Proceeds used for refunding of revenue bonds, GO bonds, fuel hydrant special facility revenue bonds, and PFC bonds	(328,440)	(337,075)	(27,455)
Principal payments on revenue bonds, GO bonds, fuel hydrant special facility revenue bonds, PFC bonds, and commercial paper	(255,100)	(227,345)	(190,635)
Interest payments on revenue bonds, GO bonds, PFC bonds, fuel hydrant special facility revenue bonds, and commercial paper	(177,535)	(160,867)	(173,189)
Acquisition and construction of capital assets	(385,824)	(397,441)	(541,896)
Deposits and proceeds from sale of capital assets	412	267	7,595
Receipts from capital contributions	31,702	52,877	14,436
Payments for leases	(1,777)	(2,054)	(1,994)
Receipts from leases	33,243	29,410	27,990
Passenger facility charge receipts	87,697	66,536	43,589
Customer facility charge receipts	24,443	23,001	16,770
Fuel hydrant facility revenues	7,451	7,010	6,886
Net cash provided by (used in) capital and related financing activities	$ 106,722	$ 22,335	$ (787,088)

See Notes to Financial Statements.

(Continued)

Port of Seattle — Enterprise Fund

Statement of Cash Flows for the Years Ended December 31, 2022, 2021, and 2020 (in thousands)

	2022	2021 (Restated)	2020 (Restated)
Investing Activities:			
Purchases of investment securities	$ (1,091,334)	$ (436,460)	$ (331,839)
Proceeds from sales and maturities of investments	170,749	383,143	975,532
Interest received on investments	19,877	13,690	28,812
Cash used to fund investment in joint venture	(28,671)	(61,465)	(76,509)
Cash distributions received from joint venture	58,903	66,521	65,043
Net cash (used in) provided by investing activities	(870,476)	(34,571)	661,039
Net (Decrease) Increase in Cash and Cash Equivalents			
(including $789, $0, and $3,290 restricted cash and cash equivalents of fuel hydrant assets held in trust reported as restricted long-term investments, respectively)	(274,569)	250,456	76,595
Cash and Cash Equivalents:			
Beginning of year	712,894	462,438	385,843
End of year	$ 438,325	$ 712,894	$ 462,438
Reconciliation of Operating Income to Net Cash Flow from Operating Activities:			
Operating income (loss)	$ 89,256	$ 54,616	$ (89,018)
Miscellaneous nonoperating (expense) income	(1,225)	2,027	(3,180)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	233,869	192,626	181,989
(Increase) Decrease in assets:			
Investment in joint venture	(55,353)	(55,998)	(38,782)
Accounts receivable	(13,175)	(25,511)	(14,911)
Materials and supplies, prepayments, and other	(10,557)	3,451	3,291
Net pension asset	102,929	(151,381)	2,723
(Increase) Decrease in deferred outflows of resources	(40,065)	1,653	(6,860)
Increase (Decrease) in liabilities:			
Accounts payable and accrued expenses	44,338	(24,220)	(17,876)
Payroll and taxes payable	3,720	7,206	2,168
Customer advances, unearned revenues, and lease securities	11,178	8,058	(19,602)
Net pension liability	13,834	(34,826)	2,367
Environmental remediation liability	(1,267)	225	(10,243)
Total OPEB liability	(4,967)	296	1,558
(Decrease) increase in deferred inflows of resources	(90,583)	132,193	(16,119)
Net cash provided by (used in) operating activities	$ 281,932	$ 110,415	$ (22,495)
Supplemental Schedule of Noncash Investing, Capital, and Financing Activities:			
Net unrealized investment (loss) gain	$ (79,845)	$ (17,162)	$ 14,728

See Notes to Financial Statements.

(Concluded)

Port of Seattle — Warehousemen's Pension Trust Fund
Statement of Fiduciary Net Position as of December 31, 2022 and 2021 (in thousands)

	2022	2021
Assets:		
Cash and cash equivalents	$ 4	$ 147
Investments in mutual funds—fair value:		
Fixed income	3,941	4,506
Domestic equities	3,288	3,639
International equities	2,417	3,327
Total investments	9,646	11,472
Other assets	139	125
Total assets	9,789	11,744
Liabilities:		
Accounts payable	10	13
Net position restricted for pensions	$ 9,779	$ 11,731

See Notes to Financial Statements.

Port of Seattle — Warehousemen's Pension Trust Fund
Statement of Changes in Fiduciary Net Position for the Years Ended December 31, 2022, 2021, and 2020 (in thousands)

	2022	2021	2020
Additions:			
Employer contributions	$ 1,500	$ 1,500	$ 1,500
Investment income:			
Net (depreciation) appreciation in fair value of investments	(1,980)	872	995
Dividends	304	268	255
Less investment expenses	(39)	(37)	(35)
Net investment (loss) income	(1,715)	1,103	1,215
Total additions	(215)	2,603	2,715
Deductions:			
Benefits	1,657	1,667	1,760
Administrative expenses	51	50	51
Professional fees	29	39	30
Total deductions	1,737	1,756	1,841
Net (decrease) increase in net position	(1,952)	847	874
Net position restricted for pensions			
Beginning of year	11,731	10,884	10,010
End of year	$ 9,779	$ 11,731	$ 10,884

See Notes to Financial Statements.

Port of Seattle
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Organization

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

Reporting Entity

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

The Port and its Enterprise Fund are composed of three operating divisions, namely, Aviation, Maritime, and Economic Development. The Aviation Division manages SEA serving the predominant air travel needs of a five-county area. SEA has 12 U.S.-flag passenger air carriers (including regional and commuter air carriers) and 22 foreign-flag passenger air carriers providing nonstop service from SEA to 120 cities, including 28 foreign cities. The Maritime Division manages industrial property connected with maritime businesses, recreational marinas, Fishermen's Terminal, cruise, grain, and maritime operations. The Economic Development Division focuses on managing the Port's industrial and commercial properties including conference and event centers, encouraging tourism, developing minority and/or women-owned business opportunities, and providing for workforce development in the aviation, maritime, and construction industries.

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

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

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

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

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

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

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

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

Basis of Accounting

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

Use of Estimates

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

Significant Risks and Uncertainties

The Port is subject to certain business and casualty risks that could have a material impact on future operations and financial performance. Business risks include economic conditions; collective bargaining disputes; cyber attacks; security; litigation; federal, state, and local government regulations; changes in law; and unforeseen and unpredictable events such as the novel coronavirus (COVID-19) pandemic. Casualty risks include natural or man-made events that may cause injury or other damage at Port facilities. The Port has a comprehensive risk management program that protects the Port against loss from various adverse casualty events to its property, operations, third-party liabilities, and employees. The Port carries excess commercial insurance to provide financial means to recover from many of these potential events or losses. The excess commercial insurance coverage is above a self-insured retention that the Port maintains. The Port is a qualified workers compensation self-insurer in the state and administers its own workers compensation claims. Claims, litigation, and other settlements have not exceeded the limits of available insurance coverage in any of the past three years, when insurance was applicable.

The Port is self-insured for the majority of its sponsored healthcare plans. Employees covered by these plans pay a portion of the premiums for their coverage. The Port purchased a stop-loss insurance policy for the self-insured healthcare plan to limit the Port's annual individual claims liability. The limit was $300,000 in 2022 and 2021. The stop-loss coverage also provides aggregate coverage that was raised in 2020 to 200% of expected claims. Previously, it had been 125%. The increase in the stop-loss retention was based on claims analysis of past and projected future activities. Healthcare benefit claims liabilities are not discounted to present value as nearly all healthcare claims are current in nature. The estimated liability is based on actual claims that have been submitted and authorized for payment as well as actuarially determined claims incurred but not reported. The estimated liability is included in payroll and taxes payable in the Statement of Net Position.

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

Years ended December 31,	**2022**	**2021**	**2020**
Beginning balance	$ 1,482	$ 994	$ 1,253
Current year claims and changes in estimates	16,427	15,703	15,320
Claim payments	(18,820)	(17,286)	(17,276)
Other	2,176	2,071	1,697
Ending balance	$ 1,265	$ 1,482	$ 994

Compensated Absences

Eligible Port employees accrue paid time off and sick leave. The paid time off accrual rates increase based on length of service. A stipulated maximum of paid time off may be accumulated by employees while there is no maximum limit to the amount of sick leave accrual that can be accumulated. Terminated employees are entitled to be paid for unused paid time off. Under certain conditions, terminated employees are also entitled to be paid for a portion of unused sick leave. The following table reflects the changes in accrued paid time off and sick leave liabilities for the years ended December 31 (in thousands). The estimated liability is included in payroll and taxes payable in the Statement of Net Position. Total liability for compensated absences is considered due within one year.

Years ended December 31,	**2022**	**2021**	**2020**
Beginning balance	$ 34,432	$ 33,536	$ 28,257
Earned	31,164	26,160	27,829
Used and forfeiture	(29,284)	(25,264)	(22,550)
Ending balance	$ 36,312	$ 34,432	$ 33,536

Employee Benefits

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

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

- The Port offers a 401(a) Supplemental Savings Plan for non-represented employees. This plan establishes a 401(a) tax-deferred savings account for each eligible employee. The Port matches employee contributions to their deferred compensation plan under the 457 Plan with a dollar-for-dollar contribution to the 401(a) Plan up to a fixed maximum of $2,200 per participant, per year. The amount of the matching contribution is based on employee tenure.

- The Port contributes to the 401(a) Police Retirement Plan in lieu of Social Security contributions for represented uniformed law enforcement officers. The Port also contributes to the 401(a) Police Retirement Plan in lieu of pension contributions for uniformed law enforcement officers who are precluded by state law from participating in the statewide public employee retirement plans administered by the Department of Retirement Systems (DRS).
- The Port contributes to the 401(a) Fire Fighters Retirement Plan in lieu of Social Security contributions for represented fire fighters. The Port also contributes $1.15 per hour worked by each employee to the participant's 401(a) account as an additional payment.

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

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

	DRS	Warehousemen's Pension Trust	Total
2022			
Net pension asset	$ 72,119	$	$ 72,119
Net pension liability	24,953	5,243	30,196
Deferred outflows of resources	61,554	1,300	62,854
Deferred inflows of resources	56,104		56,104
Pension expense	3,121	961	4,082
2021			
Net pension asset	$ 175,048	$	$ 175,048
Net pension liability	11,120	3,654	14,774
Deferred outflows of resources	21,043		21,043
Deferred inflows of resources	150,120	828	150,948
Pension expense	(40,911)	73	(40,838)

Investments and Cash Equivalents

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

Accounts Receivable and Allowance for Doubtful Accounts

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

Grants-in-Aid Receivable

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

Materials and Supplies

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

Investment in Joint Venture

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

Capital Assets

Capital assets (excluding intangible lease assets) are stated at cost, less accumulated depreciation. Costs applicable to airport noise damage remedies, together with the cost of litigation, in exchange for air rights are generally recorded as intangible capital assets. Intangible lease assets are stated at the present value of payments expected to be made during the lease term plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs, less accumulated amortization. Except for intangible lease assets, the Port's policy is to capitalize all asset additions equal to or greater than $20,000 and with an estimated life of three years or more. The Port's policy is to capitalize intangible lease assets with total payments over the lease term that is greater than $50,000. Depreciation and amortization are computed on a straight-line basis. Buildings and improvements are assigned lives of 30 to 50 years, equipment three to 20 years, and furniture and fixtures five to 10 years. Intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset. The Port periodically reviews its long-lived assets for impairment. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly.

Leases

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

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

- Lessee arrangements, the Port as a lessee, are included in capital assets and lease liabilities (current and noncurrent liabilities) in the Statement of Net Position. Lease liabilities represent the Port's obligation to make lease payments arising from the lessee arrangement. For leases meeting the capitalization threshold, lease liabilities are recognized, at the commencement date of a lease, based on the present value of expected lease payments over the lease term, less any lease incentives. Lease interest expense is recognized ratably over the lease term.
- Lessor arrangements, the Port as a lessor, are included in lease receivable (current and noncurrent assets) and deferred inflows of resources in the Statement of Net Position. The Port's policy is to record lease receivable with total payments over the lease term that is greater than $100,000. Lease receivable represents the Port's right to claim lease payments from the lessor arrangement. At the commencement date of a lease, lease receivable is recorded at the present value of payments expected to be received during the lease term, reduced by any

incentives given, and provisions for estimated uncollectible amounts. Subsequently, lease receivable is reduced by the principal portion of lease payments received. The interest portion of lease payments are recognized as lease interest income. Deferred inflows of resources related to leases are initially measured at the amount of lease receivable, plus any payments received from the lessee at or before the commencement of the lease term relating to future periods, less any lease incentives given to the lessee at or before the commencement of the lease term. Subsequently, deferred inflows of resources related to leases are recognized as lease revenue using the effective interest method over the lease term.

The Port's incremental borrowing rate is used as the discount rate to measure lease liability and lease receivable. A discount rate of 3.4% was used for 2020, 2021, and 2022.

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

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

Operating and Nonoperating Revenues

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

Operating and Nonoperating Expenses

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

Nonexchange Transactions

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

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

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

On March 27, 2020, the U.S. Congress passed the Coronavirus Aid, Relief and Economic Security (CARES) Act, which included $10 billion of funding to support U.S. airports that experienced severe economic disruption caused by the COVID-19 pandemic. The funds were distributed to eligible airports to prevent, prepare for, and respond to the impacts of this emergency. The funds were provided directly from the U.S. Treasury's General Fund, and the Federal Aviation Administration (FAA) Office of Airports administered the grant funds to these airports. SEA was awarded a $192,133,000 federal grant to help lessen the significant economic stress affecting the airport. SEA received $44,985,000 and $147,148,000 in 2021 and 2020, respectively, from the awarded federal grant.

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act was signed into law. It included nearly $2 billion of economic relief for eligible U.S. airports and airport concessionaires. The FAA established the Airport Coronavirus Response Grant Program (ACRGP) to distribute this relief. SEA received two grants under this legislation. The first grant of $37,401,000 was used to lessen the economic stress affecting the airport. SEA received $36,000 and $37,365,000 in 2022 and 2021, respectively, from the awarded federal grant. The second grant of $5,355,000 was used to provide tenant relief from rent and other minimum annual guarantee payments to on-airport car rental, and on-airport parking, and in-terminal airport concessionaires. SEA provided $47,000 and $5,308,000 of the concession relief federal grant in the form of rent credits to tenants in 2022 and 2021, respectively.

On March 11, 2021, the American Rescue Plan (ARP) Act was signed into law providing additional relief from the economic impacts of the pandemic. The ARP Act included $8 billion of funding for U.S. airports to cover costs of operations, personnel, cleaning, and also included additional rent relief and mitigation for other costs incurred by airport concessionaires. SEA received two grants under this legislation. The first grant of $154,374,000 was to be used to lessen the economic stress affecting the airport. SEA received $129,811,000 and $12,714,000 in 2022 and 2021, respectively, of the awarded federal grant with the remaining amount allocated to 2023. The second grant of $21,419,000 was to be used to provide financial relief to in-terminal concessionaires, tenant relief from rent, and other minimum annual guarantee payments. As of December 31, 2022, SEA provided $19,501,000 of the concession relief federal grant in the form of rent credits to tenants. SEA will continue to provide the remaining amount of rent relief to eligible tenants in 2023.

Passenger Facility Charges

As determined by applicable federal legislation, which is based upon passenger enplanements, PFC-generated revenues are expended by the Port for eligible capital projects and the payment of principal and interest on specific revenue bonds. PFC revenues received from the airlines at $4.5 per passenger are recorded as nonoperating income in the Statement of Revenues, Expenses, and Changes in Net Position.

Customer Facility Charges

CFC-generated revenues received from rental car companies, at $7, $6.5, and $6 per transaction day in 2022, 2021, and 2020, respectively, are expended by the Port for eligible capital projects, the payment of principal and interest on specific revenue bonds funding the Rental Car Facility (RCF) at SEA, and certain related operating expenses. A portion of CFC revenues is recorded as operating revenues as it is associated with the operation of the RCF. The remaining portion of CFC revenues is recorded as nonoperating income in the Statement of Revenues, Expenses, and Changes in Net Position.

Ad Valorem Tax Levy

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

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

Lease Securities

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

Environmental Remediation Liability

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

Debt Discount and Premium

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

Refunding and Defeasance of Debt

The Port has legally defeased certain bonds by placing proceeds, either in the form of new bond proceeds or existing Port cash, in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not recorded on the accompanying financial statements. As of December 31, 2022 and 2021, there were no defeased, but unredeemed, bonds outstanding.

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

Special Items

In 2021, the Port recorded, as a special item, $34,907,000 of additional cost to construct a habitat restoration project and related cleanup at Terminal 25 South.

Net Position

Net position represents all assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Net position is disclosed in the Statement of Net Position in the following categories:

- Net investment in capital assets: Capital assets, net of accumulated depreciation and amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted: Net position subject to externally imposed stipulations on their use.

- Unrestricted: All remaining net position not meeting the definition of "net investment in capital assets" or "restricted."

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

Recently Adopted Accounting Standards and Adjustments

In 2022 and 2021, the Port adopted the following new accounting standards.

- In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of a contractual right to use another entity's nonfinancial assets (the underlying asset) for a term exceeding 12 months in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Under this Statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources, except for certain regulated leases, and a lessee is required to recognize a lease liability and an intangible right-to-use lease assets, thereby enhancing the relevance and consistency of information about the government's leasing activities. The Statement is effective for periods beginning after June 15, 2021, as amended by GASB Statement No. 95. The Port has adopted this new standard retroactively by restating the financial statements for all periods presented. The beginning balance of the net position was restated as of January 1, 2020 by a reduction of $348,000 due to write-offs from the unamortized straight-lined rent. The required disclosures for leases and intangible lease assets can be found in Note 3 and Note 4, respectively, in the accompanying notes to the financial statements.

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

Statement of Net Position	As previously reported	Effect of restatement	As restated
2021			
Current Assets:			
Accounts receivable, less allowance for doubtful accounts	$ 55,882	$ (32)	$ 55,850
Current lease receivable		21,031	21,031
Noncurrent Assets:			
Lease receivable		323,862	323,862
Other long-term assets	1,806	(252)	1,554
Capital Assets:			
Intangible lease assets		8,536	8,536
Less accumulated depreciation and amortization	(2,954,342)	(3,846)	(2,958,188)
Construction work in progress	1,212,040	(621)	1,211,419
Current Liabilities:			
Accounts payable and accrued expenses	97,515	1,456	98,971
Noncurrent Liabilities:			
Lease securities and other	8,473	3,265	11,738
Deferred Inflows of Resources:			
Deferred credits from leasing		344,893	344,893
Net Position:			
Net investment in capital assets	3,352,765	(4,264)	3,348,501
Unrestricted	380,488	3,328	383,816

(Continued)

Statement of Revenues, Expenses, and Changes in Net Position	As previously reported	Effect of restatement	As restated
2021			
Operating Revenues:			
Property rentals	$ 340,363	$ (12,224)	$ 328,139
Operating Expenses:			
Operations and maintenance	256,269	(1,238)	255,031
Administration	80,044	(864)	79,180
Depreciation and amortization	190,683	1,943	192,626
Nonoperating Income (Expense):			
Lease interest income		11,901	11,901
Other (expense) income—net	(20,158)	(195)	(20,353)
Total Net Position:			
Beginning of year	3,918,821	(577)	3,918,244
2020			
Operating Revenues:			
Property rentals	$ 284,768	$ (11,211)	$ 273,557
Operating Expenses:			
Operations and maintenance	300,932	(1,221)	299,711
Administration	78,337	(814)	77,523
Depreciation and amortization	180,086	1,903	181,989
Nonoperating Income (Expense):			
Lease interest income		11,073	11,073
Other (expense) income—net	(22,034)	(223)	(22,257)
Total Net Position:			
Beginning of year	3,833,716	(348)	3,833,368

(Concluded)

- In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. This Statement provides guidance clarifying the existing definition of a conduit debt obligation, establishes that a conduit debt obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improves required note disclosures. The Statement is effective for periods beginning after December 15, 2021, as amended by GASB Statement No. 95. The adoption of this standard did not have a material impact on the Port's financial statements.
- In January 2020, the GASB issued Statement No. 92, Omnibus 2020. This Statement addresses a variety of topics, including specific provisions related to leases, certain intra-entity transfers between a primary government and a component unit's defined benefit pension plan or defined benefit OPEB plan, reporting of OPEB plan assets accumulated outside of a qualified trust, certain requirements related to fiduciary activities' postemployment benefit arrangements, measurement of asset retirement obligations resulting from a government acquisition, public entity risk pools, fair value measurements, and derivative instrument terminology. The Statement is effective for periods beginning after June 15, 2021, as amended by GASB Statement No. 95. The adoption of this standard did not have a material impact on the Port's financial statements.
- In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. This Statement addresses accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate. The removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for periods ending after December 31, 2022, as amended by GASB Statement No. 95. All other requirements of this Statement are effective for periods beginning after June 15, 2021, as amended by GASB Statement No. 95. The adoption of this standard did not have a material impact on the Port's financial statements.

- In October 2021, The GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. The Statement replaced the term comprehensive annual financial report with annual comprehensive financial report for fiscal years ended after December 15, 2021. The Port early adopted this standard for its fiscal year ended December 31, 2021.

Recently Issued Accounting Pronouncements

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement provides guidance to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). APAs are agreements in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The Statement is effective for periods beginning after June 15, 2022. The Port is currently evaluating the impact of the adoption of this standard on its financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). This Statement defines an SBITA, establishes that an SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments (including implementation costs of an SBITA), and requires note disclosures regarding an SBITA. The Statement is effective for periods beginning after June 15, 2022. The Port is currently evaluating the impact of the adoption of this standard on its financial statements.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement related to: the extension of the use of LIBOR; accounting for Supplemental Nutrition Assistance Program distributions; disclosures of nonmonetary transactions; pledges of future revenues by pledging governments; clarification of certain provisions in Statement No. 34, as amended; and terminology updates related to Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, are effective upon issuance. The Statement also provides guidance related to leases, PPPs, and SBITAs which are effective for fiscal years beginning after June 15, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023. The Port is currently evaluating the impact of the adoption of this standard on its financial statements.

In June 2022, the GASB issued Statement No. 100*, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. This Statement enhances accounting and financial reporting requirements for accounting changes and error corrections. It defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity. This Statement requires that (1) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (2) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (3) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The Statement is effective for fiscal years beginning after June 15, 2023. The Port is currently evaluating the impact of the adoption of this standard on its financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The Statement updates the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used, and (2) leave that has been used but not yet paid, provided the services have occurred, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or noncash means. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. The Statement amends the existing requirements to disclose only the net change in the liability instead of the gross additions and deductions to the liability. This Statement is effective for fiscal years beginning after December 15, 2023. The Port is currently evaluating the impact of the adoption of this standard on its financial statements.

Reclassifications and Presentation

Certain reclassifications of prior years' balances have been made to conform with the current year presentations. Such reclassifications did not affect the total increase in net position or total current or long-term assets or liabilities.

Note 2. Deposits with Financial Institutions and Investments

Deposits

All deposits are covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC), and deposits in excess of FDIC coverage are protected under the Public Deposit Protection Commission (PDPC) of the State of Washington collateral pool program. The PDPC is a statutory authority under Chapter 39.58 Revised Code of Washington (RCW). It constitutes a multiple financial institution collateral pool that can make pro rata assessments from all qualified public depositories within the state. Per State statute, all uninsured public deposits are collateralized at no less than 50%. Therefore, in accordance with GASB, *Codification of Governmental Accounting and Financial Reporting Standards*, Section 150.110, PDPC protection is of the nature of collateral, not of insurance. Pledged securities under the PDPC collateral pool are held under the control of the PDPC for the protection of the pool.

Investments

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

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

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

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

Fair Value Measurement and Application

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

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

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

Investment Portfolio

As of December 31, 2022 and 2021, restricted investments—bond funds and other totaled $1,224,485,000 and $776,804,000, respectively. These are primarily unspent bond proceeds designated for capital improvements to the Port's facilities and for debt service reserve fund requirements. Others include cash receipts from PFCs and CFCs.

The following tables identify the types and concentration of investments by issuer, and maturities of the Port's investment pool (in thousands). As of December 31, 2022 and 2021, the LGIP investment was 21.6% and 49.2% of the Port's total investment pool, respectively.

		Maturities (in Years)			
Investment type	**Fair value**	**Less than 1**	**1–3**	**More than 3**	**Percentage of total portfolio**
2022					
Washington State Local Government Investment Pool *	$ 432,867	$ 432,867	$	$	21.6%
Level 1					
U.S. Treasury Notes	591,719	202,375	349,414	39,930	29.4
Level 2					
Federal agencies securities:					
Federal Farm Credit Banks	119,738		17,651	102,087	6.0
Federal Home Loan Bank	761,606	375,845	268,888	116,873	37.9
Federal Home Loan Mortgage Corporation	101,603	32,481	69,122		5.1
Total portfolio	$ 2,007,533	$ 1,043,568	$ 705,075	$ 258,890	100.0%
Accrued interest receivable	8,921				
Total cash, cash equivalents, and investments	$ 2,016,454				
Percentage of total portfolio	100.0%	52.0%	35.1%	12.9%	

(Continued)

Investment type	Fair value	Maturities (in Years) Less than 1	1–3	More than 3	Percentage of total portfolio
2021					
Washington State Local Government Investment Pool *	$ 708,578	$ 708,578	$	$	49.2%
Level 1					
U.S. Treasury Notes	278,519		104,840	173,679	19.4
Level 2					
Federal agencies securities:					
Federal Farm Credit Banks	159,544	20,291		139,253	11.1
Federal Home Loan Bank	226,263			226,263	15.7
Federal Home Loan Mortgage Corporation	61,127	14,167	46,960		4.2
Federal National Mortgage Association	4,768	4,768			0.4
Total portfolio	$ 1,438,799	$ 747,804	$ 151,800	$ 539,195	100.0%
Accrued interest receivable	2,517				
Total cash, cash equivalents, and investments	$ 1,441,316				
Percentage of total portfolio	100.0%	52.0%	10.6%	37.4%	

* Includes $6,785,000 and $3,877,000 of cash as of December 31, 2022 and 2021, respectively.

(Concluded)

Investment Authorized by Debt Agreements

Investment from Fuel Hydrant debt proceeds held by bond trustees are governed by provisions of the debt agreements and subject to compliance with state law. In May 2003, the Port issued Fuel Hydrant Special Facility Revenue Bonds in the amount of $121,140,000 to pay for all or a portion of the costs of the acquisition, design, and construction by the Port of jet aircraft fuel storage and delivery facilities at SEA. These bonds were fully refunded by the Series 2013 Fuel Hydrant Special Facility Revenue Refunding Bonds in June 2013. The fuel hydrant facility financing is administered by Computershare Corporate Trust (Trustee).

The following tables identify the types and concentration of investments by issuer and maturities of the Fuel Hydrant Investment Pool (in thousands). As of December 31, 2022 and 2021, 53.4% and 43.3%, respectively, of the Fuel Hydrant Investment Pool were invested in the GVIXX with security holdings having maturity limits no longer than 13 months. The GVIXX holds securities authorized by the statutes, which means at least 80% of the investments are invested in U.S. government obligations, including repurchase agreements collateralized by U.S. government obligations. The remainder of the GVIXX was invested in AAA rated high-quality, short-term money market instruments. Current credit ratings of the GVIXX are AAAm from S&P and Aaa-mf from Moody's. S&P rates the creditworthiness of money market funds from AAAm (highest) to Dm (lowest). Moody's rates the creditworthiness of money market funds from Aaa-mf (highest) to C-mf (lowest). The balance of the Fuel Hydrant Investment Pool was invested in U.S. Treasury Notes and AAA and AA+ rated U.S. government agency securities. A portion of the proceeds from the Fuel Hydrant bonds, along with monthly facilities rent, are held by the Trustee to satisfy the debt service reserve fund requirement, to make debt service payments, and to pay Trustee and other bond-related fees.

Investment type		Fair value		Maturities (in Years) Less than 1		1–3		More than 3	Percentage of total portfolio
2022									
Allspring Government Money Market Fund	$	5,458	$	5,458	$		$		53.4%
Level 2									
Federal agencies securities:									
Federal National Mortgage Association		4,757				4,757			46.6
Total portfolio	$	10,215	$	5,458	$	4,757	$		100.0%
Accrued interest receivable		24							
Total cash, cash equivalents, and investments	$	10,239							
Percentage of total portfolio		100.0%		53.4%		46.6%			
2021									
Allspring Government Money Market Fund	$	4,316	$	4,316	$		$		43.3%
Level 1									
U.S. Treasury Notes		500		500					5.0
Level 2									
Federal agencies securities:									
Federal National Mortgage Association		5,147				1,234		3,913	51.7
Total portfolio	$	9,963	$	4,816	$	1,234	$	3,913	100.0%
Accrued interest receivable		12							
Total cash, cash equivalents, and investments	$	9,975							
Percentage of total portfolio		100.0%		48.3%		12.4%		39.3%	

Interest Rate Risk

Interest rate risk is the risk that an investment's fair value decreases as market interest rates rise. The Port manages its exposure to this risk by setting maturity limits and duration targets in its investment policy. The investment pool is managed similarly to a short-term fixed income fund. The modified duration of the portfolio, by policy, has a target of 2 plus or minus 50 basis points. A target of 2 is an approximate average life of 27 months. For 2022 and 2021, the modified duration of the portfolio was approximately 1.7 and 2.3, respectively. Securities in the portfolio cannot have a maturity longer than 10 years from the settlement date. The LGIP is limited to high-quality obligations with limited maximum (in general, final maturity will not exceed 397 days) and average maturities [weighted average maturity (WAM) will not exceed 60 days], the effect of which is to minimize both market and credit risk. High-quality, highly liquid securities, with relatively short average maturities reduce the LGIP's price sensitivity to market interest rate fluctuations. As of December 31, 2022 and 2021, the LGIP WAM was 19 days and 34 days, respectively.

As of December 31, 2022 and 2021, the modified duration of the Fuel Hydrant Investment Pool was approximately 2.3 and 3.1, respectively. As of December 31, 2022 and 2021, $5,458,000 and $4,316,000, respectively, of the Fuel Hydrant Investment Pool was invested in the GVIXX, was uninsured, and was registered in the name of the Trustee.

Custodial Credit Risk

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

Note 3. Accounting for Leases

Lessee Arrangements

The Port leases buildings and equipment under a variety of long-term and noncancellable lease agreements. These leases expire at various dates, and certain leases include renewal options. The Port records the intangible lease assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. Variable payments, other than those payments that depend on an index or rate or are fixed in substance, are excluded from the measurement of the lease liability. The Port does not have any leases with variable payments. The Port did not incur expenses related to residual value guarantees, termination penalties or losses due to impairment. The Port does not have commitments for leases that have not commenced as of December 31, 2022.

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

Years ended December 31,	Principal	Interest	Total
2023	$ 1,572	$ 86	$ 1,658
2024	1,177	36	1,213
2025	411	11	422
2026	105		105
Total	$ 3,265	$ 133	$ 3,398

Lessor Arrangements—Regulated Leases

The Port has a variety of long-term and noncancellable regulated leases of land; facilities and improvements; and equipment, furniture, and fixtures for aeronautical use, including but not limited to airfield, air cargo operations, aircraft hangars, air terminal, fuel delivery system, hardstand operations, international arrival facility, and maintenance facilities for aircraft and ground equipment. These leases are subject to external laws, regulations, or legal rulings, such as the U.S. Department of Transportation, and the FAA regulates aviation leases between airports and air carriers and other aeronautical users. Most leases have fixed receipts or variable receipts that are fixed in substance. Regulated leases are excluded from the measurement of lease receivable and deferred inflows of resources. Revenues are recognized based on payment provisions of the respective regulated leases.

Below are the Port's two major leases which contributed more than 95% of total revenues from regulated leases between 2020 and 2022.

Signatory Lease and Operating Agreement (SLOA IV)
SLOA IV was effective from January 1, 2018 to December 31, 2022. Under SLOA IV, aeronautical rates are set to recover both operating and capital costs by cost center for the use of landing, ramp tower, apron, terminal rent, and international arrival facility. On September 13, 2022, the Commission approved a two-year extension of SLOA IV. SLOA IV is a hybrid-compensatory rate setting methodology for cost recovery.

Key provisions were maintained include: (1) cash-funded assets included in capital recovery formulas extending back to 1992, (2) SEA does not recover costs relating to vacant publicly accessible office space (costs associated with all other airline space are fully recovered), (3) cost recovery formulas permit the Port to charge the airlines 100% of annual debt service allocated to the airlines (unless the Port determines in its sole discretion that a charge above 100% of annual airline debt service is necessary to maintain the total SEA revenue bond coverage at 1.25 times the sum of the annual debt service), and (4) revenue sharing of the cash flow available for debt service above 125% of annual debt service is credited to the signatory airlines as follows: 40% for 2018, 20% for 2019, and no revenue sharing for 2020–2022. Key provisions of the extension include: (1) lease term extended to December 31, 2024, (2) common-use gate caps for 2023 (22 gates) and 2024 (22 gates), (3) pro rata increase of management reserve from $150 million to $210 million, (4) pro rata increase of discretionary projects from $30 million to $42 million, (5) no revenue sharing for 2023 and 2024, and (6) agreement for 67 preferential-use-gates for 2023 and 2024.

For the years ended December 31, 2022, 2021, and 2020, SEA had SLOA IV with 42, 40, and 39 airlines, respectively. In 2022, 2021, and 2020, certain airlines had preferential use of the following capital assets: 67, 61, and 61 gates; 60, 54, and 54 passenger loading bridges; 43,000, 45,000, and 45,000 square feet of ticket counters; 79,000, 71,000, and 63,000 square feet of baggage make up devices; 281,000, 279,000, and 280,000 square feet of offices and storages, respectively. Five major airlines accounted for 91.9%, 91.5%, and 89.8% of total revenues generated from preferential use of these capital assets in 2022, 2021, and 2020, respectively.

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

Fuel System Lease Agreement

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

For the years ended December 31, 2022, 2021, and 2020, the Port recognized fuel hydrant facility revenues and operating revenues related to other regulated leases, which are fixed receipts or variable receipts fixed in substance, of $20,376,000, $19,124,000, and $18,669,000, respectively.

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

Years ended December 31,	Fuel System Lease	Other	Total
2023	$ 7,023	$ 12,747	$ 19,770
2024	6,996	10,741	17,737
2025	6,985	8,752	15,737
2026	6,986	8,742	15,728
2027	6,986	8,637	15,623
2028–2032	32,686	21,807	54,493
2033–2037	1,221	3,146	4,367
Total	$ 68,883	$ 74,572	$ 143,455

Additionally, for the years ended December 31, 2022, 2021, and 2020, the Port's operating revenues for variable receipts not included in the minimum future lease receipts, including but not limited to SLOA IV, was $372,788,000, $292,405,000, and $269,442,000, respectively.

Lessor Arrangements—Non-Regulated Leases

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

For the years ended December 31, 2022, 2021, and 2020, the total amount of lease revenues and lease interest income recognized was $33,243,000, $29,410,000, and $27,990,000, respectively.

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

Years ended December 31,	Principal	Interest	Total
2023	$ 18,254	$ 14,759	$ 33,013
2024	16,773	14,152	30,925
2025	18,028	13,577	31,605
2026	17,715	12,959	30,674
2027	13,791	12,418	26,209
2028–2032	53,957	55,642	109,599
2033–2037	42,951	47,791	90,742
2038–2042	46,667	40,034	86,701
2043–2047	33,897	33,343	67,240
2048–2052	37,745	27,190	64,935
2053–2057	33,946	20,888	54,834
2058–2062	32,320	15,454	47,774
2063–2067	36,795	9,664	46,459
2068–2072	37,215	3,029	40,244
2073–2077	408	3	411
Total	$ 440,462	$ 320,903	$ 761,365

Additionally, for the years ended December 31, 2022, 2021, and 2020, the Port's operating revenues from variable receipts, excluded from the measurement of lease receivable, was $115,876,000, $79,663,000, and $39,744,000, respectively.

Deferral Payment Program

In 2020, the Commission authorized short-term economic relief to customers, airlines, concessionaires, and tenants located at various Port properties to address the impacts of the economic crisis from the COVID-19 pandemic. The Port established a Deferral Payment Program with its customers for the financial sustainability of the Port's operations, given the public health measures imposed on the Port and its customers. For the years ended December 31, 2021 and 2020, the amount of operating revenues, mainly related to property rentals and the related taxes, included in the Deferral Payment Program was $2,897,000 and $60,017,000, respectively. As of December 31, 2022 and 2021, the outstanding amount included in current accounts receivable was $797,000 and $1,332,000, respectively. As of December 31, 2022 and 2021, the outstanding amount included in noncurrent accounts receivable, as other long-term assets, was $0 and $857,000, respectively. Most of the repayment periods for the outstanding balances range from six months to thirty months.

Note 4. Capital Assets

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

	Beginning balance	Additions/ transfers	Retirements/ transfers	Ending balance
2022				
Capital assets, not being depreciated:				
Land and air rights	$ 2,017,729	$ 21,186	$	$ 2,038,915
Art collections and others	13,322	459		13,781
Total	2,031,051	21,645		2,052,696
Capital assets being depreciated:				
Facilities and improvements	6,124,007	799,742	(133,873)	6,789,876
Equipment, furniture, and fixtures	678,809	278,695	(14,508)	942,996
Total	6,802,816	1,078,437	(148,381)	7,732,872
Capital assets being amortized:				
Intangible lease facilities	4,649		(719)	3,930
Intangible lease equipment	3,887		(62)	3,825
Total	8,536		(781)	7,755
Total capital assets	8,842,403	1,100,082	(149,162)	9,793,323
Less accumulated depreciation and amortization for:				
Facilities and improvements	(2,604,131)	(178,646)	73,445	(2,709,332)
Equipment, furniture, and fixtures	(350,211)	(53,590)	13,845	(389,956)
Intangible lease assets	(3,846)	(1,633)	776	(4,703)
Total	(2,958,188)	(233,869)	88,066	(3,103,991)
Construction work in progress	1,211,419	354,490	(1,100,082)	465,827
Total capital assets—net	$ 7,095,634	$ 1,220,703	$ (1,161,178)	$ 7,155,159
2021 (Restated)				
Capital assets, not being depreciated:				
Land and air rights	$ 1,987,185	$ 30,544	$	$ 2,017,729
Art collections and others	9,017	4,305		13,322
Total	1,996,202	34,849		2,031,051
Capital assets being depreciated:				
Facilities and improvements	5,755,448	414,147	(45,588)	6,124,007
Equipment, furniture, and fixtures	583,005	110,404	(14,600)	678,809
Total	6,338,453	524,551	(60,188)	6,802,816
Capital assets being amortized:				
Intangible lease facilities	4,373	276		4,649
Intangible lease equipment	3,887			3,887
Total	8,260	276		8,536
Total capital assets	8,342,915	559,676	(60,188)	8,842,403
Less accumulated depreciation and amortization for:				
Facilities and improvements	(2,471,689)	(152,879)	20,437	(2,604,131)
Equipment, furniture, and fixtures	(326,638)	(37,804)	14,231	(350,211)
Intangible lease assets	(1,903)	(1,943)		(3,846)
Total	(2,800,230)	(192,626)	34,668	(2,958,188)
Construction work in progress	1,347,141	423,482	(559,204)	1,211,419
Total capital assets—net	$ 6,889,826	$ 790,532	$ (584,724)	$ 7,095,634

Note 5. Long-Term Debt

The Port's long-term debt outstanding as of December 31, 2022, consists of the following (in thousands):

Bond type (by Bond issue)	Coupon rates (%)	Maturity dates	Beginning balance	Principal payments and refundings	Issuance	Ending balance
Revenue bonds:						
First lien:						
Series 2009 B-2	0*	2025–2031	$ 22,000	$	$	$ 22,000
Series 2016 B	5	2023–2032	108,605	7,645		100,960
Series 2016 C	2.15–3.32	2023–2032	5,075	405		4,670
Series 2021	5	2023–2026	43,015	7,495		35,520
Total			178,695	15,545		163,150
Intermediate lien:						
Series 2012 A	3–5	2022	288,705	288,705		
Series 2012 B	5	2022	52,375	52,375		
Series 2013	4.5–5	2023–2029	127,155	13,350		113,805
Series 2015 A	3–5	2023–2040	64,380	2,120		62,260
Series 2015 B	5	2023–2035	164,155	17,805		146,350
Series 2015 C	5	2023–2040	198,585	7,615		190,970
Series 2016	4–5	2025–2030	99,095			99,095
Series 2017 A	5	2027–2028	16,705			16,705
Series 2017 B	2.64–3.76	2023–2036	217,405	16,485		200,920
Series 2017 C	5–5.25	2023–2042	297,045	8,190		288,855
Series 2017 D	5	2023–2027	64,900	9,515		55,385
Series 2018 A	3.85–5	2023–2043	455,410	11,675		443,735
Series 2018 B	5	2023–2028	68,340	8,365		59,975
Series 2019	4–5	2023–2044	452,775	10,780		441,995
Series 2021 A	5	2023–2030	36,295	11,555		24,740
Series 2021 B	4–5	2023–2040	148,765	4,855		143,910
Series 2021 C	4–5	2023–2046	514,390	15,280		499,110
Series 2021 D	0.77–2.15	2024–2031	41,395			41,395
Series 2022 A	5	2025–2033			206,200	206,200
Series 2022 B	4–5.5	2023–2047			585,930	585,930
Series 2022 C	3.33–4.09	2023–2032			70,435	70,435
Total			3,307,875	478,670	862,565	3,691,770
Subordinate lien:						
Series 2008	3.9**	2033	158,300	9,825		148,475
Commercial Paper [a]		2022	27,665	27,665		
Total			185,965	37,490		148,475
Revenue bond totals			$ 3,672,535	$ 531,705	$ 862,565	$ 4,003,395

(Continued)

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

** Variable interest rate as of December 31, 2022.

[a] Variable interest rate was unavailable as there was no commercial paper outstanding at December 31, 2022.

Bond type (by Bond issue)	Coupon rates (%)	Maturity dates	Beginning balance	Principal payments and refundings	Issuance	Ending balance
GO bonds:						
Series 2011	5.5–5.75	2022	$ 18,495	$ 18,495	$	$
Series 2013 A	4–5	2022	21,305	21,305		
Series 2013 B	2.77	2025	1,225			1,225
Series 2015	4–5	2023–2040	124,300	6,470		117,830
Series 2017	5	2023–2042	116,030	3,200		112,830
Series 2022 A	5	2023–2029		1,370	15,115	13,745
Series 2022 B	0.95–2.98	2023–2041		3,085	94,345	91,260
Total			281,355	53,925	109,460	336,890
Fuel Hydrant special facility revenue bonds:						
Series 2013	3.45–5	2023–2033	61,095	4,240		56,855
Total			61,095	4,240		56,855
Bond totals			4,014,985	589,870	972,025	4,397,140
Unamortized bond premium—net			453,033			485,909
Total debt			4,468,018			4,883,049
Less current maturities of long-term debt:						
First lien revenue bonds			(15,545)			(16,685)
Intermediate lien revenue bonds			(168,725)			(167,345)
Subordinate lien revenue bonds			(27,665)			
GO bonds			(20,060)			(21,530)
Fuel Hydrant special facility revenue bonds			(4,240)			(4,455)
Total current maturities of long-term debt			(236,235)			(210,015)
Long-term debt			$ 4,231,783			$ 4,673,034

(Concluded)

The Port's long-term debt outstanding as of December 31, 2021, consists of the following (in thousands):

Bond type (by Bond issue)	Coupon rates (%)	Maturity dates	Beginning balance	Principal payments and refundings	Issuance	Ending balance
Revenue bonds:						
First lien:						
Series 2003 A	5.25	2021	$ 12,830	$ 12,830	$	$
Series 2009 B-2	0*	2025–2031	22,000			22,000
Series 2011 B	5	2021–2026	57,790	57,790		
Series 2016 B	5	2022–2032	115,885	7,280		108,605
Series 2016 C	1.88–3.32	2022–2032	5,475	400		5,075
Series 2021	5	2022–2026			43,015	43,015
Total			213,980	78,300	43,015	178,695
Intermediate lien:						
Series 2010 B	4.25–5	2022–2040	184,995	184,995		
Series 2010 C	5	2022–2024	48,400	48,400		
Series 2012 A	3–5	2022–2033	302,555	13,850		288,705
Series 2012 B	5	2022–2024	68,215	15,840		52,375
Series 2013	4.5–5	2022–2029	127,155			127,155
Series 2015 A	3–5	2022–2040	66,420	2,040		64,380
Series 2015 B	5	2022–2035	188,650	24,495		164,155
Series 2015 C	5	2022–2040	205,810	7,225		198,585
Series 2016	4–5	2025–2030	99,095			99,095
Series 2017 A	5	2027–2028	16,705			16,705
Series 2017 B	2.43–3.76	2022–2036	233,270	15,865		217,405
Series 2017 C	5–5.25	2022–2042	304,835	7,790		297,045
Series 2017 D	5	2022–2027	73,935	9,035		64,900
Series 2018 A	3.85–5	2022–2043	466,520	11,110		455,410
Series 2018 B	5	2022–2028	76,295	7,955		68,340
Series 2019	4–5	2022–2044	457,390	4,615		452,775
Series 2021 A	5	2021–2030		10,730	47,025	36,295
Series 2021 B	4–5	2022–2040			148,765	148,765
Series 2021 C	4–5	2022–2046			514,390	514,390
Series 2021 D	0.77–2.15	2024–2031			41,395	41,395
Total			2,920,245	363,945	751,575	3,307,875
Subordinate lien:						
Series 1997		2021	19,235	19,235		
Series 2008	0.11**	2033	158,300			158,300
Commercial paper	0.13	2022	48,470	20,805		27,665
Total			226,005	40,040		185,965
Revenue bond totals			$ 3,360,230	$ 482,285	$ 794,590	$ 3,672,535

(Continued)

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

** Variable interest rate as of December 31, 2021.

Bond type (by Bond issue)	Coupon rates (%)	Maturity dates	Beginning balance	Principal payments and refundings	Issuance	Ending balance
GO bonds:						
Series 2011	5.5–5.75	2023–2025	$ 29,965	$ 11,470	$	$ 18,495
Series 2013 A	4–5	2022–2023	27,630	6,325		21,305
Series 2013 B	2.77	2025	4,055	2,830		1,225
Series 2015	4–5	2022–2040	130,450	6,150		124,300
Series 2017	5	2022–2042	119,075	3,045		116,030
Total			311,175	29,820		281,355
Passenger facility charge revenue bonds:						
Series 2010 A	5	2021–2023	51,110	51,110		
Total			51,110	51,110		
Fuel Hydrant special facility revenue bonds:						
Series 2013	3.45–5	2022–2033	65,135	4,040		61,095
Total			65,135	4,040		61,095
Bond totals			3,787,650	567,255	794,590	4,014,985
Unamortized bond premium—net			325,666			453,033
Total debt			4,113,316			4,468,018
Less current maturities of long-term debt:						
First lien revenue bonds			(28,915)			(15,545)
Intermediate lien revenue bonds			(119,820)			(168,725)
Subordinate lien revenue bonds			(48,470)			(27,665)
GO bonds			(23,940)			(20,060)
Passenger facility charge revenue bonds			(16,210)			
Fuel Hydrant special facility revenue bonds			(4,040)			(4,240)
Total current maturities of long-term debt			(241,395)			(236,235)
Long-term debt			$ 3,871,921			$ 4,231,783

(Concluded)

Revenue Bonds

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

In August 2022, the Port issued $862,565,000 in Series 2022ABC Intermediate Lien Revenue and Refunding Bonds. Series 2022A, $206,200,000, partially refunded the outstanding Series 2012A Intermediate Lien Revenue Refunding Bonds. Series 2022B, $585,930,000, is being used to pay for or reimburse costs of capital improvements to Airport facilities and to fully refund the outstanding Series 2012B Intermediate Lien Revenue Refunding Bonds. Series 2022C, $70,435,000, is being used to pay for or reimburse costs of capital improvements to Airport facilities and to partially refund the outstanding Series 2012A Intermediate Lien Revenue Refunding Bonds. Series 2022B and 2022C are also being used to pay a portion of the interest on the bonds during construction and to contribute to the Intermediate Lien Common Reserve Fund. A portion of each bond series was also used to pay the costs of issuing the bonds. The bonds have coupon rates ranging from 3.33% to 5.5% with maturities ranging from 2023 to 2047. The interest on the Series 2022ABC Bonds is payable on February 1 and August 1 of each year, commencing on February 1, 2023. Certain maturities of Series 2022ABC Bonds are subject to optional redemption by the Port prior to their scheduled maturities and certain maturities of the Series 2022B Bonds are also subject to mandatory sinking fund redemption. The economic gain resulting from the 2022ABC Bonds refunding transaction was $43,100,000, while the Port also decreased its aggregate debt service payments by $52,529,000 over the life of the refunding bonds.

In June 2021, the Port issued $751,575,000 in Series 2021ABCD Intermediate Lien Revenue and Refunding Bonds. Series 2021A, $47,025,000, is being used to pay for or reimburse costs of capital improvements to Airport facilities and to fully refund the outstanding Series 2010A PFC Revenue Refunding Bonds. Series 2021B, $148,765,000, was used to fully refund the outstanding Series 2010B Intermediate Lien Revenue and Refunding Bonds. Series 2021C, $514,390,000, is being used to pay for or reimburse costs of capital improvements to Airport facilities and to fully refund the outstanding Series 2010C Intermediate Lien Revenue Refunding Bonds. Series 2021D, $41,395,000 is being used to pay for or reimburse costs of capital improvements to Airport facilities. Series 2021A, 2021C, and 2021D are also being used to pay a portion of the interest on the bonds during construction. A portion of each bond series was also used to pay the costs of issuing the bonds and to contribute to the Intermediate Lien Common Reserve Fund. The bonds have coupon rates ranging from 0.77% to 5% with maturities ranging from 2021 to 2046. The interest on the Series 2021A and Series 2021B Bonds is payable on June 1 and December 1 of each year, commencing on December 1, 2021. The interest on the Series 2021C and Series 2021D Bonds is payable on February 1 and August 1 of each year, commencing on August 1, 2021. Series 2021A Bonds are not subject to redemption prior to their scheduled maturities. Certain maturities of Series 2021BCD Bonds are subject to optional redemption by the Port prior to their scheduled maturities and certain maturities of the Series 2021C Bonds are also subject to mandatory sinking fund redemption. The economic gain resulting from the 2021ABC Bonds refunding transaction was $65,241,000, while the Port also decreased its aggregate debt service payments by $73,294,000 over the life of the refunding bonds.

In June 2021, the Port also issued $43,015,000 in Series 2021 First Lien Revenue Refunding Bonds, which were used to partially refund the outstanding Series 2011B Revenue Refunding Bonds and to pay the costs of issuing the bonds. The bonds have a coupon rate of 5% with maturities ranging from 2022 to 2026. The interest on the Series 2021 First Lien Bonds is payable on March 1 and September 1, commencing on March 1, 2022. The 2021 First Lien Bonds are not subject to redemption prior to their scheduled maturities. The economic gain resulting from the 2021 Bonds refunding transaction was $6,615,000, while the Port also decreased its aggregate debt service payments by $6,680,000 over the life of the refunding bonds.

Capital Appreciation Revenue Bonds

During July 2009, the Port issued $22,000,000 in Series 2009B-2 Taxable Capital Appreciation Revenue Bonds. Interest on the 2009B-2 Bonds is compounded semiannually but is payable only upon maturity. As of December 31, 2022 and 2021, the accreted value of the Series 2009B-2 Taxable Capital Appreciation Revenue Bonds was $58,507,000 and $54,407,000 respectively, and the ultimate accreted value of $83,600,000 will be reached at final maturity in 2031.

Subordinate Lien Variable Rate Demand Bonds

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

- Series 2008 VRDB — In 2008, the Port issued $200,715,000 in Series 2008 Subordinate Lien Revenue Refunding Bonds that have a final maturity date of July 1, 2033. The proceeds were used to fully refund Series 2003C Subordinate Lien Revenue Bonds and to pay the costs of issuing the Series 2008 Bonds.

  On June 1, 2013, the Port entered into a LOC agreement with MUFG Bank, Ltd., f/k/a The Bank of Tokyo- Mitsubishi UFJ, Ltd in the amount of $204,212,000. In May 2021, the Port and MUFG Bank, Ltd. entered into a third amendment to the agreement, which extended the scheduled expiration date to May 31, 2024 and modified other terms. As of December 31, 2022, the stated amount on the LOC was $151,062,000. If the remarketing agent is unable to resell any bonds that are "put" within six months of the "put" date, the Port has a reimbursement agreement with MUFG Bank, Ltd. to convert the bonds to an installment loan payable in equal quarterly installments over a five-year period bearing an interest rate no less than 8.5%. The Port made an early principal payment of $9,825,000 in 2022. No principal payment was made in 2021. The Port is currently negotiating a three-year agreement with a new LOC provider.

There were no borrowings drawn against the LOC during 2022 and 2021; therefore, there were no outstanding obligations to the LOC provider at December 31, 2022 or 2021.

Commercial Paper

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

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

- On October 29, 2010, the Port entered into a LOC reimbursement agreement with Bank of America in the amount of $108,000,000, amended in 2015 to $130,000,000. In May 2021, the LOC expiration date was amended again to May 31, 2024.

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

- On November 20, 2015, the Port entered into a LOC reimbursement agreement with Sumitomo Mitsui Banking Corporation (Sumitomo) in the amount of $125,000,000, with an expiration date of November 19, 2020. In October 2020, the Port and Sumitomo entered into a first amendment to the agreement to extend the expiration date to October 27, 2023 and to modify other terms.

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

There were no outstanding obligations to either LOC provider at December 31, 2022 and 2021.

In January 2022, the Port paid down $17,655,000 of existing commercial paper with proceeds of the Series 2022A Limited Tax GO Bonds.

In December 2022, the Port paid down $10,010,000 of taxable commercial paper that was issued in 2020 to defease a portion of the outstanding 2016B First Lien Revenue Refunding Bonds due on October 1, 2020.

There was no commercial paper outstanding at December 31, 2022. Commercial paper outstanding totaled $27,665,000 at December 31, 2021. Commercial paper, if applicable, is included in current maturities of long-term debt on the Statement of Net Position.

GO Bonds

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

In January 2022, the Port issued $109,460,000 in Series 2022 Limited Tax GO and Refunding Bonds. Series 2022A, $15,115,000 , were used to finance eligible Port costs, including paying commercial paper issued to finance such costs and to pay the costs of issuing the bonds. Series 2022B, $94,345,000 was used to finance eligible Port costs, to fully refund the Port's outstanding Series 2011 Limited Tax GO Refunding Bonds, and to pay the costs of issuing the bonds. The bonds have coupon rates ranging from 0.5% to 5% with maturities ranging from 2022 to 2041. The interest on the Series 2022AB GO and Refunding Bonds is payable on June 1 and December 1 of each year, commencing on June 1, 2022. Series 2022A GO Bonds are not subject to redemption prior to their scheduled maturities. Certain maturities of Series 2022B GO Bonds are subject to optional redemption prior to their scheduled maturities. The economic gain resulting from the refunding was $2,097,000, while the Port also decreased its aggregate debt service payments by $2,158,000 over the life of the Refunding Bonds.

In November 2022, the Port made an early principal payment of $10,915,000 to Series 2013A GO Bonds. A gain of $160,100 was recognized and reported as nonoperating other income (expense)—net in the Statement of Revenues, Expenses, and Changes in Net Position.

On April 28, 2020, the Commission provided approval for the Port to obtain a bank facility in the form of a line of credit or a term loan. In June 2020 the Port entered into an agreement with JP Morgan Chase Bank, National Association to obtain a revolving credit facility up to a maximum amount of $150,000,000 for a term of three years, for the purpose of providing liquidity in response to the global pandemic. The facility is a general obligation of the Port, backed by the full faith and credit of the Port including revenues and tax receipts, and the variable rate of interest is based on LIBOR plus a spread based on the Port's GO bond ratings. In November 2021, the Port and JP Morgan Chase Bank National Association amended the agreement to extend the scheduled expiration date to June 4, 2024, to reduce the maximum amount from $150,000,000 to $75,000,000, and to modify other terms. As of December 31, 2022 and 2021, no borrowing on this facility has occurred.

PFC Revenue Bonds

PFC Bonds are special fund obligations of the Port payable solely from, and secured by, a pledge of PFC revenues imposed by SEA. The Port, as authorized by the FAA, has the authority to use PFC revenues to: pay PFC issued debt; pay eligible projects costs (definitions, terms, and conditions are set by the FAA); and pay revenue bond debt service related to PFC eligible projects at SEA. Neither the full faith and credit of the Port nor the taxing power of the Port is pledged for the payment of the principal of or interest on PFC Bonds. PFC Bonds are not secured by a lien on properties or improvements at SEA, nor by a pledge of other revenues derived by the Port.

There were no PFC Revenue Bonds outstanding as of December 31, 2022 and 2021.

Fuel Hydrant Special Facility Revenue Bonds

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

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

In addition, the consortium has provided a guaranty and a security agreement to the trustee, securing the consortium's obligation to pay principal and interest on the bonds. Proceeds from the bonds are held by the trustee. At December 31, 2022 and 2021, there were $10,215,000 and $9,963,000, respectively, of Fuel Hydrant Special Facility Revenue Bonds proceeds and rent payments held for debt service reserve fund and debt service payments. The unspent bond proceeds were reported as current restricted cash and cash equivalents and restricted long-term investments.

Additional information on the investment of the unspent bond proceeds of the Fuel Hydrant Special Facility Revenue Bonds can be found in Note 2 in the accompanying Notes to Financial Statements.

Fuel Hydrant Special Facility Revenue Bonds in the amount of $56,855,000 and $61,095,000 were outstanding as of December 31, 2022 and 2021, respectively.

Events of Default, Termination, and Acceleration Clauses

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

Arbitrage Rebate

The Port monitors the existence of any rebatable arbitrage interest income associated with its tax-exempt debt. The rebate is based on the differential between the interest earnings from the investment of the bond proceeds and the interest expense associated with the respective bonds. Each outstanding bond issue has potential arbitrage rebatable earnings; however, management estimates indicated that no arbitrage rebate liability existed as of December 31, 2022 and 2021.

Schedule of Debt Service

Aggregate annual payments on Revenue Bonds, GO Bonds, and Fuel Hydrant Special Facility Revenue Bonds at December 31, 2022, are as follows (in thousands):

	Principal	Interest	Total
2023	$ 210,015	$ 201,558	$ 411,573
2024	221,860	193,224	415,084
2025	220,223	193,017	413,240
2026	223,720	183,188	406,908
2027	227,737	169,394	397,131
2028–2032	1,086,125	688,915	1,775,040
2033–2037	1,017,355	393,077	1,410,432
2038–2042	801,030	193,965	994,995
2043–2047	389,075	45,110	434,185
Total	$ 4,397,140	$ 2,261,448	$ 6,658,588

Note 6. Conduit Debt

The Port has conduit debt obligations totaling $66,025,000 at December 31, 2022 and 2021, which are not a liability or contingent liability of the Port. The Port has not recorded these obligations, or the related assets, on the accompanying financial statements, as the Port has no obligation for the outstanding bonds beyond what is provided in the leasing arrangements.

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

Note 7. Long-Term Liabilities

The following is a summary of the net pension liability, environmental remediation liability, bonds interest payable, total OPEB liability, as well as lease securities and other activities that make up the Port's long-term liabilities for the years ended December 31 (in thousands):

	Beginning balance	Additions	Reductions	Ending balance	Current portion	Long-term portion
2022						
Net pension liability	$ 14,774	$ 19,864	$ (4,442)	$ 30,196	$	$ 30,196
Environmental remediation liability [a]	120,813	2,978	(9,387)	114,404	13,669	100,735
Bonds interest payable	32,407	4,100		36,507		36,507
Total OPEB liability	20,772	800	(5,767)	15,805		15,805
Lease securities and other [a]	13,379	1,341	(2,510)	12,210	1,572	10,638
Total	$ 202,145	$ 29,083	$ (22,106)	$ 209,122		
2021 (Restated)						
Net pension liability	$ 51,124	$ 11,249	$ (47,599)	$ 14,774	$	$ 14,774
Environmental remediation liability [a]	83,954	46,360	(9,501)	120,813	20,372	100,441
Bonds interest payable	28,593	3,814		32,407		32,407
Total OPEB liability	20,436	1,235	(899)	20,772		20,772
Lease securities and other [a]	13,719	1,991	(2,331)	13,379	1,641	11,738
Total	$ 197,826	$ 64,649	$ (60,330)	$ 202,145		

[a] The current portion of the environmental remediation liability, lease securities and other are included in the accounts payable and accrued expenses in the Statement of Net Position.

Note 8. Enterprise Fund Pension Plans

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

Public Employees' Retirement System (PERS)

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

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

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

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

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

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

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

The PERS Plans required contribution rates (expressed as a percentage of covered payroll), excluding an administrative expense of 0.18% from the employer contribution rate, for the years ended December, were as follows:

	Effective date	PERS Plan 1	PERS Plan 2	PERS Plan 3
2022				
Port	Jan 1 to Aug 31	10.07%	10.07%	10.07%
	Sep 1 to Dec 31	10.21	10.21	10.21
Plan member	Jan 1 to Dec 31	6.00	6.36	varies
2021				
Port	Jan 1 to Jun 30	12.79%	12.79%	12.79%
	Jul 1 to Dec 31	10.07	10.07	10.07
Plan member	Jan 1 to Jun 30	6.00	7.90	varies
	Jul 1 to Dec 31	6.00	6.36	varies

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

	PERS Plan 1	PERS Plan 2/3
2022	$ 53	$ 16,313
2021	88	14,813
2020	127	18,653

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

Plan Description

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

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

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

Vesting

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

Benefits Provided

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

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

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

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

Contributions

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

The LEOFF Plans required contribution rates (expressed as a percentage of covered payroll), excluding an administrative expense of 0.18% from the employer contribution rate, for the years ended December 31, were as follows:

	Effective date	LEOFF Plan 2 (Fire fighters)	LEOFF Plan 2 (Police officers)
2022			
Port	Jan 1 to Dec 31	5.12%	8.53%
Plan member	Jan 1 to Dec 31	8.53	8.53
2021			
Port	Jan 1 to Jun 30	5.15%	8.59%
	Jul 1 to Dec 31	5.12	8.53
Plan member	Jan 1 to Jun 30	8.59	8.59
	Jul 1 to Dec 31	8.53	8.53

For the years ended December 31, 2022, 2021, and 2020, the Port's employer contributions, excluding administrative expenses, made to LEOFF Plan 2 were $2,393,000, $1,904,000, and $2,170,000, respectively.

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

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

	PERS Plan 1	PERS Plan 2/3	LEOFF Plan 1	LEOFF Plan 2
2022				
Port's proportionate share of the net pension (liability) asset	$ (24,953)	$ 42,530	$ 2,217	$ 27,372
State's proportionate share of the net pension asset associated with the Port				17,731
Total	$ (24,953)	$ 42,530	$ 2,217	$ 45,103
2021				
Port's proportionate share of the net pension (liability) asset	$ (11,120)	$ 114,829	$ 2,700	$ 57,519
State's proportionate share of the net pension asset associated with the Port				37,106
Total	$ (11,120)	$ 114,829	$ 2,700	$ 94,625

For the years ended December 31, 2022 and 2021, the net pension asset (liability) was measured as of June 30, 2022, and June 30, 2021, respectively, and the total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation as of June 30, 2021, and June 30, 2020, respectively.

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

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

	PERS Plan 1	PERS Plan 2/3	LEOFF Plan 1	LEOFF Plan 2
2022	0.90 %	1.15%	0.08%	1.01%
2021	0.91 %	1.15%	0.08%	0.99
Change between years	(0.01)%	%	%	0.02%

For the years ended December 31, 2022, 2021, and 2020, the Port's total operating revenues included an increase (reduction) of $2,126,000, $(5,417,000), and $(323,000), respectively, for support provided by the State to the Port regarding LEOFF Plan 2.

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

	PERS Plan 1	PERS Plan 2/3	LEOFF Plan 1	LEOFF Plan 2
2022	$ 11,123	$ (13,393)	$ (65)	$ 5,456
2021	(1,440)	(25,463)	(427)	(13,581)
2020	2,893	1,797	(78)	(885)

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

	PERS Plan 1	PERS Plan 2/3	LEOFF Plan 1	LEOFF Plan 2
2022				
Deferred Outflows of Resources				
Differences between expected and actual experience	$	$ 10,538	$	$ 6,504
Changes of assumptions		23,705		6,934
Changes in proportion and differences between Port contributions and proportionate share of contributions		1,625		1,872
Port contributions subsequent to the measurement date	3,379	5,650		1,347
Total deferred outflows of resources	$ 3,379	$ 41,518	$	$ 16,657
Deferred Inflows of Resources				
Differences between expected and actual experience	$	$ (963)	$	$ (254)
Changes of assumptions		(6,207)		(2,383)
Net difference between projected and actual earnings on pension plan investments	(4,135)	(31,442)	(277)	(9,165)
Changes in proportion and differences between Port contributions and proportionate share of contributions				(1,278)
Total deferred inflows of resources	$ (4,135)	$ (38,612)	$ (277)	$ (13,080)
2021				
Deferred Outflows of Resources				
Differences between expected and actual experience	$	$ 5,577	$	$ 2,609
Changes of assumptions		168		25
Changes in proportion and differences between Port contributions and proportionate share of contributions		2,138		2,117
Port contributions subsequent to the measurement date	2,767	4,602		1,040
Total deferred outflows of resources	$ 2,767	$ 12,485	$	$ 5,791
Deferred Inflows of Resources				
Differences between expected and actual experience	$	$ (1,408)	$	$ (304)
Changes of assumptions		(8,155)		(2,736)
Net difference between projected and actual earnings on pension plan investments	(12,339)	(95,968)	(825)	(27,426)
Changes in proportion and differences between Port contributions and proportionate share of contributions				(959)
Total deferred inflows of resources	$ (12,339)	$ (105,531)	$ (825)	$ (31,425)

Deferred outflows of resources related to Port contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability or an increase of the net pension asset in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized as pension expense as follows (in thousands):

Years ended December 31,	PERS Plan 1	PERS Plan 2/3	LEOFF Plan 1	LEOFF Plan 2
2023	$ (1,750)	$ (9,097)	$ (117)	$ (2,821)
2024	(1,589)	(8,222)	(106)	(2,437)
2025	(1,994)	(10,208)	(133)	(3,263)
2026	1,198	14,647	79	4,011
2027		5,148		1,205
Thereafter		4,988		5,535
Total	$ (4,135)	$ (2,744)	$ (277)	$ 2,230

Actuarial Assumptions

The total pension asset (liability) was determined by an actuarial valuation as of June 30, 2021 with the results rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of OSA's 2013–2018 Demographic Experience Study and the 2021 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report.

- *Inflation* — A 2.75% total economic inflation and a 3.25% salary inflation were used.
- *Salary increases* — In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- *Mortality* — Mortality rates were developed using the Society of Actuaries' Pub. H-2010 Mortality rates. OSA applied age offsets to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale also developed by the Society of Actuaries to project mortality rates after the 2010 base table. To apply mortality rates on a generational basis, members are assumed to receive additional mortality improvements in each future year throughout their lifetime.
- *Investment rate of return* — The long-term expected rate of return on pension plan investments was determined using a building-block method in which a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, but including inflation) are developed for each major asset class by WSIB. Those expected returns make up one component of WSIB's Capital Market Assumptions (CMAs). The CMAs contain three pieces of information for each class of assets the WSIB currently invests in: (1) expected annual return, (2) standard deviation of the annual return, and (3) correlations between the annual returns of each asset class with every other asset class.
- WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons. The OSA selected a 7% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered CMAs and simulated expected returns the WSIB provided.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2021, are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Fixed income	20%	1.5%
Tangible assets	7	4.7
Real estate	18	5.4
Global equity	32	5.9
Private equity	23	8.9
Total	100%	

The inflation component used to create the above table is 2.2% and represents WSIB's most recent long-term estimate of broad economic inflation.

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

Change in Assumptions and Methods

- *Assumption Changes* — Actuarial results that OSA provided within the June 30, 2021 valuation reflect the following assumption changes and methods:

  OSA updated the Joint-and -Survivor Factors and Early Retirement Factors in its model. These factors are used to value benefits for early retirement and survivors of members that are deceased prior to retirement. These factors match the administrative factors OSA recently provided DRS for future implementation that reflect current demographic and economic assumptions.

  OSA updated its economic assumptions based on the 2021 action of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. The investment return assumption was reduced from 7.4% to 7%, and the salary growth assumption was lowered from 3.5% to 3.25%. This action was a result of recommendations from OSA's biennial economic experience study.

- *Methods* — The methods did not change from the prior contribution rate setting June 30, 2019 Actuarial Valuation Report (AVR). OSA introduced a temporary method change to produce asset and liability measures for the June 30, 2020 AVR.

For more information, please see the Actuarial Assumptions and Methods section of the 2020 OSA AVR.

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

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

	1% Decrease (6%)	Current discount rate (7%)	1% Increase (8%)
PERS Plan 1	$ (33,337)	$ (24,953)	$ (17,636)
PERS Plans 2/3	(50,085)	42,530	118,619
LEOFF Plan 1	1,943	2,217	2,454
LEOFF Plan 2	1,260	27,372	48,742

Payables to the PERS and LEOFF Plans

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

	PERS Plan 1	PERS Plan 2/3	LEOFF Plan 2
2022	$ 232	$ 393	$ 97
2021	589	1,030	234

Pension Plan Fiduciary Net Position

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

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

Department of Retirement Systems
P.O. Box 48380
Olympia, WA 98504-8380
www.drs.wa.gov

Note 9. Postemployment Benefits Other than Pensions

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

Plan Descriptions

The Port administers and contributes to two single-employer defined OPEB plans: (1) LEOFF Plan 1 Members' Medical Services Plan and (2) Retirees Life Insurance Plan. Under State statute RCW 41.26.150, the Port is required to pay for retired LEOFF Plan 1 members' medical services expenses. Under the Port's life insurance contract, eligible retired employees are provided with life insurance coverage for a death benefit up to $25,000. The Port can establish and amend benefit provisions of the life insurance OPEB plan. There are no separate OPEB plan-related financial reports issued. Neither plan has assets accumulated in a trust or equivalent arrangement.

At December 31, 2022, the following employees were covered by the plans:

	LEOFF Plan 1 Members' Medical Services Plan	Retirees Life Insurance Plan
Inactive employees or beneficiaries currently receiving benefit payments	27	
Inactive employees entitled to but not yet receiving benefit payments		489
Active employees		995
Total	27	1,484

Contributions

For the LEOFF Plan 1 Members' Medical Services Plan, the State establishes and may amend the contribution requirements of plan members and the Port. The LEOFF Plan 1 was closed on September 30, 1977, to new entrants. The contribution requirements of the Retirees Life Insurance Plan are established and may be amended by the Port. For both plans, the Port is required to contribute on a pay-as-you-go basis. The Port's contributions to the LEOFF Plan 1 Members' Medical Services Plan and Retirees Life Insurance Plan were $577,000 and $150,000, respectively, for the year ended December 31, 2022. The Port's contributions to the LEOFF Plan 1 Members' Medical Services Plan and Retirees Life Insurance Plan were $492,000 and $366,000, respectively, for the year ended December 31, 2021. Plan participants are not required to contribute to either plan.

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

Total OPEB liability for the LEOFF Plan 1 Members' Medical Services Plan was calculated as of December 31, 2022, using the Alternative Measurement Method. Total OPEB liability for the Retirees Life Insurance Plan was determined by an actuarial valuation as of January 1, 2022, and update procedures were used to roll forward the total OPEB liability to December 31, 2022. As of December 31, 2022 and 2021, the Port's total OPEB liability for the two plans was $15,805,000 and $20,772,000, respectively. For the years ended December 31, 2022 and 2021, total OPEB (credit) expense for the two plans was ($361,000) and $1,132,000, respectively.

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

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

	2022	2021
Deferred Outflows of Resources		
Changes of assumptions	$ 1,861	$ 2,308
Total deferred outflows of resources	$ 1,861	$ 2,308
Deferred Inflows of Resources		
Differences between expected and actual experience	$ 78	$ 79
Changes of assumptions	3,901	468
Total deferred inflows of resources	$ 3,979	$ 547

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

Years ended December 31,	
2023	$ (268)
2024	(268)
2025	(202)
2026	(245)
2027	(421)
Thereafter	(714)
Total	$ (2,118)

Actuarial Assumptions and Methods

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

- *Mortality* — Life expectancies were based on mortality tables from the National Vital Statistics Reports, Volume 69, No. 12, November 17, 2020. The Life Table for Males: U.S. 2020 was used.
- *Healthcare cost trend rate* — The expected rate of increase in healthcare expenditure was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services. The rate of increase is expected to average 5% over the next several years.
- *Health insurance premiums* — 2018 health insurance premiums for retirees, adjusted by the 2019–2023 rates from the National Health Expenditures Projections 2013–2030 Table 1, were used as the basis for calculation of the present value of total benefits to be paid.
- *Discount rate* — An average index rate of 4.05% as of December 31, 2022, for 20-year general obligation municipal bonds with an average rating of AA was used.
- *Inflation rate* — No explicit inflation rate assumption was used as this underlying assumption was already included in the healthcare cost trend rate.

For the Retirees Life Insurance Plan, an actuarial valuation was performed as of January 1, 2022, and update procedures were used to roll forward total OPEB liability to December 31, 2022, by using the Entry Age Normal Cost Method. The valuation is prepared on the projected benefit basis. The present value of each participant's expected benefit payable at retirement or termination is determined based on age, gender, compensation, and the interest rate assumed to be earned in the future. The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants.

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

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

- *Pre-retirement mortality* — Pub 2010 Headcount Weighted General Employee Mortality Tables for males and females for all PERS plans and the Pub 2010 Headcount Weighted Safety Employee Mortality Tables for males and females for LEOFF Plan 2; projected using the Long-Term MP-2017 Scale.
- *Post-retirement mortality* — Pub 2010 Headcount Weighted General Healthy Annuitant Mortality Tables for males and females for all PERS plans and the Pub 2010 Headcount Weighted Safety Annuitant Mortality Tables for females and with a one year setback for males for LEOFF Plan 2; projected using the Long-Term MP-2017 Scale.
- *Salary increases* — An estimated payroll growth of 3.25% per year was used.
- *Discount rate* — An average index rate of 4.05% as of December 31, 2022, for 20-year general obligation municipal bonds with an average rating of AA was used.

Change in Assumptions

For the LEOFF Plan 1 Members' Medical Services Plan and the Retirees Life Insurance Plan, changes in assumptions reflected a change in the discount rate from 1.8% in 2021 to 4.05% in 2022. Retirees Life Insurance Plan also included an updated salary growth assumption from 3.5% in 2021 to $3.25% in 2022, as adopted by the Washington State Retirement Systems from the 2021 Economic Experience Study.

Change in Total OPEB Liability

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

	LEOFF Plan 1 Members' Medical Services Plan	Retirees Life Insurance Plan
Service cost	$	$ 416
Interest expense	126	258
Difference between expected and actual experience		(16)
Changes of assumptions	(893)	(4,131)
Employer contributions	(577)	(150)
Net changes	(1,344)	(3,623)
Total OPEB liability beginning of year	6,885	13,887
Total OPEB liability end of year	$ 5,541	$ 10,264

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

The following presents the total OPEB liability of the plans, calculated using the discount rate of 4.05%, as well as what the total OPEB liability would be if it were calculated using plus or minus 1% of the current discount rate (in thousands):

	1% Decrease (3.05%)	Current discount rate (4.05%)	1% Increase (5.05%)
LEOFF Plan 1 Members' Medical Services Plan	$ 5,869	$ 5,541	$ 5,241
Retirees Life Insurance Plan	11,893	10,264	8,959

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

The following presents the total OPEB liability of the plans, calculated using the healthcare cost trend rates of 5%, as well as what the total OPEB liability would be if it were calculated using plus or minus 1% of the current cost trend (in thousands):

	1% Decrease (4%)	Healthcare cost trend rate (5%)	1% Increase (6%)
LEOFF Plan 1 Members' Medical Services Plan	$ 5,292	$ 5,541	$ 5,807

Note 10. Environmental Remediation Liability

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

East Waterway Superfund Site (the East Waterway Site)

The Port is one of many PRPs at the East Waterway Site and is a member of the East Waterway Group, along with King County and the City of Seattle. Among other remedial actions, the East Waterway Group funded the Supplemental Remedial Investigation and Feasibility Study (SRI/FS), which was finalized in 2019. The Port's share of SRI/FS accumulated costs through 2022 was $10,251,000. The Environmental Protection Agency (EPA) has not yet released a Record of Decision (ROD) for the East Waterway Site cleanup remedy. The Feasibility Study bracketed range of cost estimates, excluding the no action alternative, was between $256 million and $411 million (based on current value in 2016 dollars); the study was completed in 2019. The EPA acknowledged there is significant uncertainty as to the accuracy of this estimate. A more accurate estimate will not be available until after selection of a remedy, completion of an extensive sampling and design effort, and allocation of costs between PRPs. As of December 31, 2022 and 2021, the Port's outstanding environmental remediation liability recorded was $1,351,000 and $1,591,000, respectively.

Lower Duwamish Waterway Superfund Site (the Duwamish Site)

The Port is one of many PRPs at the Duwamish Site and was a member of the Lower Duwamish Waterway Group, along with King County, the City of Seattle, and the Boeing Company, that among other remedial actions, funded the Remedial Investigation and Feasibility Study (RI/FS). The RI/FS study was completed and the Port's share of RI/FS costs through 2022 was $23,541,000. In November 2014, the EPA released a ROD for the Duwamish Site cleanup remedy. The ROD included a cleanup cost estimate of $342 million (present value discounted at 2.3% based on a study completed in 2012); the undiscounted cost estimate calculated at the time was $395 million. The EPA initially estimated the range of potential remedy costs from $277 million to $593 million. The EPA updated its estimate in January 2023 to $668 million. The EPA acknowledged there is significant uncertainty as to the accuracy of its cost estimates. A more accurate estimate will likely be available after completion of an extensive sampling and design effort, which is currently underway for portions of the site.

In November 2012, the EPA issued general notice letters to over 200 parties informing them of their potential liability for the Lower Duwamish Waterway cleanup. The Lower Duwamish Waterway Group, who were the parties to the RI/FS Administrative Order on Consent, invited some of those parties to participate in a confidential alternative dispute resolution process led by a neutral allocator (the allocation process) to resolve their respective shares of past and future costs. The allocation process was not successful and in July 2022, the Port filed a lawsuit against the Boeing Company for recovery of past costs. The estimated recoveries to reduce the amount of liability are unknown at this time. As of December 31, 2022 and 2021, the Port's outstanding environmental remediation liability recorded for the Duwamish Site was $10,405,000 and $11,610,000, respectively. In January 2023, the EPA issued special notice letters to the Port, King County, the City of Seattle, the Boeing Company, and two federal agencies, commencing the negotiation process to reach a settlement agreement to fund or implement the Duwamish Site remedy. This negotiation process will likely not be complete until late 2023 or 2024.

The Port has in place a procedure consistent with current accounting rules to recognize liability for environmental cleanups, to the extent that such liability can be reasonably estimated. As of December 31, 2022 and 2021, the Port's environmental remediation liability was $114,404,000 and $120,813,000, respectively, based on reasonable and supportable assumptions, measured at current value using the expected cash flow technique. The Port is in ongoing settlement negotiations regarding NRD. In 2021, the Port recorded, as a special item, $34,907,000 additional construction cost for a habitat restoration project and related cleanup at Terminal 25 South. The Port anticipates recovering some or all of this cost from other PRPs following its settlement, though the timing of such recovery is unknown. The Port's environmental remediation liability does not include cost components that are not yet reasonably measurable, and the liability will change over time due to changes in costs of goods and services, changes in remediation technology, and changes in governing laws and regulations.

In many cases, the Port has successfully recovered Port-incurred investigation and cleanup costs from other responsible parties. The Port will continue to seek appropriate recoveries in the future. As of December 31, 2022 and 2021, the environmental remediation liability was reduced by $33,543,000 and $35,977,000, respectively, for estimated unrealized recoveries. During 1964—1985, the Port had primary insurance coverage through predecessors of Great American Insurance Company (GAIC), which provides defense and indemnity coverage to the Port for environmental investigation and cleanup costs associated with the Lower Duwamish Waterway, Harbor Island/East Waterway, and Terminal 91 (Contaminated Sites). In August 2020, the Port and GAIC entered into a Settlement Agreement and Release (Settlement). As a result, the Port received a payment of $24,939,000 from GAIC for certain past and future costs associated with the Contaminated Sites. The Port recorded $22,819,000 related to past costs in nonoperating other (expense) income—net in the Statement of Revenues, Expenses, and Changes in Net Position. The remaining amount of $2,120,000 related to future costs was included in environmental remediation liability in the Statement of Net Position. The Settlement requires the Port to reimburse GAIC for certain costs that are recovered from other responsible parties on an annual basis.

Note 11. Contingencies

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

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

Note 12. Commitments

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

	2022	2021
Funds committed:		
Aviation	$ 436,349	$ 386,043
Maritime	14,222	11,077
Economic Development	4,295	5,738
Stormwater Utility	192	229
Total	$ 455,058	$ 403,087

As of December 31, 2022 and 2021, the Port also made commitments of $19,877,224 and $43,307,000, respectively, for acquisition and construction for the NWSA. However, this amount was not included in the schedule above as the Port expects to be reimbursed by the NWSA once the construction expenditure is incurred for the NWSA.

In addition, as of December 31, 2022 and 2021, funds authorized by the Port but not yet committed for all divisions amounted to $947,899,000 and $747,630,000, respectively.

Note 13. Joint Venture

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

	2022	2021
Total assets	$ 2,132,563	$ 1,853,434
Deferred outflows of resources	2,207	1,085
Total liabilities	58,094	50,101
Deferred inflows of resources	1,497,928	1,266,788
Total net position	$ 578,748	$ 537,630

	2022	2021	2020 (Restated)
Operating revenues	$ 149,380	$ 150,320	$ 133,003
Operating expenses	91,051	88,691	93,795
Operating income before depreciation and amortization	58,329	61,629	39,208
Depreciation and amortization	20,992	14,970	13,810
Nonoperating income—net	73,368	65,337	52,166
Increase in net position	$ 110,705	$ 111,996	$ 77,564

In 2021, the NWSA adopted GASB Statement No. 87, *Leases*, and restated 2020 financial statements which included a reduction of the 2020 beginning balance of net position by $110,000. The Port incorporated the 50% share of the NWSA's change in 2020's beginning balance of net position in the investment in joint venture in 2021. The impact to 2020 was an increase in lease receivable and deferred inflows of resources of $1.3 billion and increased nonoperating interest income by $51.3 million with an offsetting decrease in operating revenue of $51.3 million.

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

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

In 2019, both the Managing Members and the Commission approved an Interlocal Agreement between the Port and the NWSA to facilitate development by the Port of a new cruise terminal at Terminal 46 as part of a flexible marine transportation facility. The Port's cruise facility had planned to occupy the northern 29 acres of the overall 86.5 acre terminal. The remainder of the site will be maintained by the NWSA as a marine cargo facility and for administrative use. This new cruise terminal project was postponed in 2020 due to the pandemic's uncertain impact on the Alaskan cruise market and is no longer being planned. The Port agreed to pay the NWSA monthly for the use of Terminal 46, starting January 1, 2020, for 23 years with four options to extend for 5-year terms, and an annual increase of 2%. In 2022 and 2021, the Port's payment to the NWSA was $3,981,000 and $3,903,000, respectively. The Port's 50% share of the NWSA's change in net position was reduced by $1,991,000 in 2022 and $1,952,000 in 2021 (50% of the $3,981,000 and $3,903,000, respectively), due to the elimination of profit on the intra-entity transaction.

In 2022, the Managing Members approved to amend and restate an Interlocal Agreement between the Port and the NWSA for three cranes located at Terminal 46 previously purchased by the Port in 2019 for the NWSA's permitted use of these cranes, including right to lease, sublease, license and/or otherwise assigned to the NWSA. The NWSA agreed to pay the Port a monthly use fee, beginning October 1, 2022, for 4 years. In 2022, the Port's 50% share of the NWSA's change in net position was increased by $41,000 due to the elimination of profit on the intra-entity transaction.

The home ports share the NWSA's change in net position and distribution of operating cash equally. In 2022 and 2021, the Port's 50% share of the NWSA's change in net position before the elimination of profit on the intra-entity transactions was $55,353,000 and $55,998,000, respectively. The change in net position, after the intra-entity transaction elimination, was $53,403,000 and $54,046,000 in 2022 and 2021, respectively, presented in the Port's Statement of Revenues, Expenses, and Changes in Net Position as joint venture income.

Distribution of operating cash from the NWSA is generally received in the following month. The Port's receivable for cash distributions earned through December 31, 2022 and 2021, was $8,010,000 and $2,938,000, respectively. Additionally, $83,000 of use fee for the three cranes incurred in 2022 were unpaid as of December 31, 2022. These amounts are presented in the Port's Statement of Net Position as related party receivable—joint venture.

On April 2, 2019, the Managing Members and the Commission authorized the completion of the one-time Membership Interest Affirmation of 50/50 for each home port in satisfaction of the NWSA Charter. In lieu of completing a required reevaluation of Membership Interest, the Port agreed to pay up to $32,000,000 additional contribution to the NWSA. This additional contribution was in recognition that certain forecast revenue streams, not secured by long-term contractual agreements in the initial valuation, would not have been achieved without the redevelopment of Terminal 5. This additional contribution is being made to the NWSA in three installments. The first and second installments of $11,000,000 were made in March 2020 and 2021, respectively. The final installment will be made when construction is completed, and may be adjusted downward if the actual Terminal 5 redevelopment costs are less than the program authorization. The Managing Members also authorized the distribution of these affirmation payments to the home ports equally after the NWSA receives the funds from the Port.

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

	2022	2021
Working capital	$ 25,500	$ 25,500
Membership interest affirmation	22,000	22,000
Capital construction	290,050	260,387
Construction work in progress	7,887	7,887
50% share of the NWSA's changes in net position	370,614	315,261
Distribution of operating cash	(404,630)	(340,655)
Distribution of membership interest affirmation	(11,000)	(11,000)
Adjustment from NWSA's adoption of GASB No. 87	(55)	(55)
Total investment in joint venture	$ 300,366	$ 279,325

As of December 31, 2022 and 2021, land, facilities, and equipment—net of accumulated depreciation and amortization licensed to the NWSA by the Port were $740,232,000 and $754,861,000, with related depreciation and amortization expenses of $14,347,000 and $14,545,000, respectively. As of December 31, 2022 and 2021, the Port's total debt on licensed assets was $188,094,000 and $232,572,000, respectively.

During 2022 and 2021, the Port's 50% share of capital construction expenditures was $26,419,000 and $44,197,000 of which $3,834,000 and $2,842,000 were unpaid and included in the Port's Statement of Net Position as related party payable—joint venture as of December 31, 2022 and 2021, respectively.

A broad spectrum of support services such as maintenance, security, public affairs, project delivery, procurement, labor relations, environmental planning, information technology, finance, and accounting are provided by service agreements between the NWSA and the home ports. Costs for these services are charged by the home ports to the NWSA based on agreed-upon methodologies including direct charge and allocation. In 2022 and 2021, support services provided by the Port to the NWSA were $7,787,000 and $7,900,000, respectively.

Note 14. Business Information

The Enterprise Fund's major business activities and operations consist of SEA facilities, Maritime terminals, Economic Development properties, and the Stormwater Utility established and effective on January 1, 2015, for Port-owned properties located within the City of Seattle. Indirect costs have been allocated to SEA facilities, Maritime terminals, and Economic Development properties using various methods based on estimated hours of work, expenses, full-time equivalent positions, and other factors. The Port's operating revenues are derived from various sources. Aviation's operating revenues are derived primarily from its airline agreements, concession agreements, and other business arrangements. Maritime's operating revenues are principally derived from cruise terminals along with the leasing of Maritime terminal facilities, recreational marinas, and industrial fishing terminals. Economic Development's operating revenues are primarily derived from the conference and event centers as well as the leasing of commercial and industrial real estate. The Stormwater Utility's operating revenues are primarily derived from collecting stormwater utility fees from tenants.

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

	2022	2021	2020
Operating revenues	$ 6,840	$ 6,260	$ 6,374
Operating expenses	5,658	4,544	4,742
Operating income before depreciation and amortization	1,182	1,716	1,632
Depreciation and amortization	1,272	1,285	1,240
Operating (loss) income	$ (90)	$ 431	$ 392

Internal stormwater utility charges on vacant properties owned by the Port's Maritime and Economic Development divisions included in operating revenues for the years ended December 31, are as follows (in thousands):

	2022	2021	2020
Maritime Division	$ 1,249	$ 1,080	$ 1,177
Economic Development Division	441	359	604
Total operating revenues from internal charges	$ 1,690	$ 1,439	$ 1,781

Operating revenues for the Stormwater Utility and the associated operating expenses from the Maritime and Economic Development divisions were eliminated in the Statement of Revenues, Expenses, and Changes in Net Position.

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

	2022	2021 (Restated)	2020 (Restated)
Aviation Division:			
Terminal	$ 249,281	$ 195,575	$ 179,249
Airfield	121,679	95,270	88,537
Public parking	88,899	64,104	34,502
Airport dining and retail/Terminal leased space	42,501	41,219	30,916
Rental car	42,330	30,687	14,720
Ground transportation	20,804	11,947	6,557
Customer facility charges	12,171	2,018	
Commercial properties	12,565	8,297	6,853
Utilities	7,943	6,350	5,672
Other	54,200	39,219	41,228
Total Aviation Division operating revenues	652,373	494,686	408,234
Lease interest income	6,780	6,646	6,148
Total Aviation Division operating revenues and lease interest income	$ 659,153	$ 501,332	$ 414,382
Maritime Division:			
Cruise operations	$ 29,197	$ 7,872	$ 2,402
Recreational boating	14,957	13,764	13,483
Maritime portfolio	8,608	8,613	8,401
Fishing and operations	9,524	8,893	9,552
Grain terminal	4,297	4,593	3,728
Other	179	(400)	4
Total Maritime Division operating revenues	66,762	43,335	37,570
Lease interest income	4,772	4,673	4,402
Total Maritime Division operating revenues and lease interest income	$ 71,534	$ 48,008	$ 41,972
Economic Development Division:			
Conference and event centers	$ 8,914	$ 1,910	$ 1,662
Other	8,225	6,802	7,285
Total Economic Develpoment Division operating revenues	17,139	8,712	8,947
Lease interest income	661	582	523
Total Economic Development Division operating revenues and lease interest income	$ 17,800	$ 9,294	$ 9,470

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

	2022	2021	2020
Aviation Division:			
Operating revenues and lease interest income	$ 253,500	$ 210,097	$ 194,958
Number of major customers	2	2	2
Maritime Division:			
Operating revenues and lease interest income	$ 30,665	$ 6,198	$ 5,032
Number of major customers	2	1	1
Economic Development Division:			
Operating revenues and lease interest income	$	$	$ 1,054
Number of major customers			1
Total:			
Operating revenues and lease interest income	$ 284,165	$ 216,295	$ 201,044
Number of major customers	4	3	4

Two major customers represented 31.5%, 33.8%, and 38.2% of total Port operating revenues and lease interest income in 2022, 2021, and 2020, respectively. For Aviation, revenues from its two major customers accounted for 38.5%, 41.9%, and 47% of total Aviation operating revenues and lease interest income in 2022, 2021, and 2020, respectively. For Maritime, revenues from two major customers accounted for 42.9% of total Maritime operating revenues and lease interest income in 2022. Revenues from one major customer accounted for 12.8% and 12% of total Maritime operating revenues and lease interest income in 2021 and 2020, respectively. No single major customer represented more than 10% of total Economic Development operating revenues and lease interest income in 2022 and 2021. Revenues from one major customer accounted for 11.1% of total Economic Development operating revenues and lease interest income in 2020.

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

	2022	2021 (Restated)	2020 (Restated)
Aviation Division:			
Operations and maintenance	$ 286,135	$ 209,349	$ 243,098
Administration	68,370	59,752	60,548
Law enforcement	28,158	24,263	25,159
Operating expenses before depreciation and amortization	382,663	293,364	328,805
Depreciation and amortization	194,346	153,972	143,542
Total Aviation Division operating expenses	$ 577,009	$ 447,336	$ 472,347

(Continued)

	2022	2021 (Restated)	2020 (Restated)
Maritime Division:			
Operations and maintenance	$ 42,140	$ 27,864	$ 37,469
Administration	11,176	9,308	9,168
Law enforcement	3,791	3,157	3,244
Operating expenses before depreciation and amortization	57,107	40,329	49,881
Depreciation and amortization	18,031	17,739	17,624
Total Maritime Division operating expenses	$ 75,138	$ 58,068	$ 67,505
Economic Development Division:			
Operations and maintenance	$ 18,620	$ 13,715	$ 15,815
Administration	4,701	4,237	4,573
Law enforcement	249	212	223
Operating expenses before depreciation and amortization	23,570	18,164	20,611
Depreciation and amortization	3,954	3,841	3,611
Total Economic Development Division operating expenses	$ 27,524	$ 22,005	$ 24,222

(Concluded)

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

	2022	2021 (Restated)
Aviation Division:		
Current, long-term, and other assets	$ 1,988,740	$ 1,550,946
Land, facilities, and equipment—net	5,374,638	4,556,977
Construction work in progress	437,652	1,178,661
Total Aviation Division assets	$ 7,801,030	$ 7,286,584
Total Aviation Division debt	$ 4,364,842	$ 3,956,880
Maritime Division:		
Current, long-term, and other assets	$ 455,129	$ 316,496
Land, facilities, and equipment—net	413,490	411,771
Construction work in progress	15,566	24,741
Total Maritime Division assets	$ 884,185	$ 753,008
Total Maritime Division debt	$ 107,721	$ 38,640
Economic Development Division:		
Current, long-term, and other assets	$ 86,917	$ 73,296
Land, facilities, and equipment—net	114,212	112,540
Construction work in progress	9,352	6,647
Total Economic Development Division assets	$ 210,481	$ 192,483
Total Economic Development Division debt	$	$ 9,296

Note 15. Warehousemen's Pension Trust Fund

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

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

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

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

Summary of Significant Accounting Policies

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

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

Plan Description

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

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

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

	2022	2021
Retirees and beneficiaries receiving benefits	120	124
Terminated plan members entitled to but not yet receiving benefits	31	31
Total	151	155

Vesting and Benefits Provided
The Plan provides normal, early, and disability retirement benefits, as well as a preretirement death benefit or survivor annuity for a surviving spouse. The Plan provides a single life annuity and a 50% or 75% joint and survivor benefit for married participants. Retirement benefit amounts are calculated based on the number of years of credited service multiplied by a tiered monthly benefit rate established in the Plan document within a range of $20 to $100. For Plan members who terminated employment prior to January 1, 1992, normal retirement age with full benefit is 65 with at least five years of credited service. Effective January 1, 1992, normal retirement age with full benefit is 62 after

completing five years or more of credited service. Plan members who are age 55 and have completed 10 years of credited service may elect an early retirement, with benefits reduced by a quarter of one percentage for each month the early retirement date precedes the normal retirement date. However, a Plan member with 30 years of credited service may retire at age 55 without a reduction in benefits. A Plan member who is disabled with 15 years of credited service is eligible for disability retirement. If the disabled Plan member is age 55, the disability retirement benefit shall be the normal retirement benefit, or the benefit shall be the normal retirement benefit earned to the disability retirement date, reduced by 5/12 of one percentage for each month the disability retirement date precedes the month the Plan member attains the age of 55.

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

Investments

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

Interest Rate Risk
Interest rate risk is the risk that an investment's fair value decreases as market interest rate increases. In general, the longer the duration of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Through its investment policy, the Plan manages its exposure to fair value losses from increasing interest rates by investing in a diversified portfolio of index fund and professionally managed mutual funds. For the fixed income mutual funds, the Plan manages its exposure to change in interest rates by investing in intermediate-term bonds. As of December 31, 2022 and 2021, the average duration for PIMCO Income Fund was 3.2 and 1.7 years, respectively. As of December 31, 2022 and 2021, the average duration for Dodge and Cox Fixed Income Fund was 5.5 and 4.7 years, respectively.

Credit Risk
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The risk is measured by the assignment of ratings by nationally recognized rating agencies. As of December 31, 2022 and 2021, the Plan's investment in the PIMCO Income Fund had an average credit quality rating of BB and BBB+, respectively, and Dodge and Cox Fixed Income Fund had an average credit quality rating of BBB and A as of December 31, 2022 and 2021, respectively.

Foreign Currency Risk
Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan had $2,417,000 and $3,327,000 in international equity mutual funds that were invested in foreign securities as of December 31, 2022 and 2021, respectively.

Rate of Return
For the year ended December 31, 2022 and 2021, the annual money-weighted rate of return on the Plan investments, net of investment expense, was (14.8%) and 10.3%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources

The Port's net pension liability related to the Warehousemen's Pension Trust was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. As of December 31, 2022 and 2021, the Port's net pension liability for this Plan was $5,243,000 and $3,654,000, respectively. For the year ended December 31, 2022, 2021, and 2020, the Port recognized pension expense (credit) of $961,000, $73,000, and $(19,000), respectively. As of December 31, 2022 and 2021, the total deferred outflows and (inflows) of resources resulting from the net difference between projected and actual earnings on pension plan investments was $1,300,000 and $(828,000), respectively. The Plan will recognize $95,000 for 2023, $298,000 for 2024, $413,000 for 2025 and $494,000 for 2026, as future pension expense.

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

	2022	2021
Total pension liability	$ 15,022	$ 15,385
Plan fiduciary net position	(9,779)	(11,731)
Net pension liability	$ 5,243	$ 3,654
Plan fiduciary net position as a percentage of total pension liability	65.1%	76.2%

Changes in Net Pension Liability

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

	Total pension liability	Plan fiduciary net position	Net pension liability
Interest expense	$ 946	$	$ 946
Employer contributions		1,500	(1,500)
Net investment loss		(1,715)	1,715
Difference between expected and actual experience	348		348
Benefit payments	(1,657)	(1,657)	
Administrative expenses		(51)	51
Professional fees		(29)	29
Net changes	(363)	(1,952)	1,589
Balances at beginning of year	15,385	11,731	3,654
Balances at end of year	$ 15,022	$ 9,779	$ 5,243

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the Entry Age Normal Cost Method and the following actuarial assumptions, applied to all periods included in the measurement:

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

For each major asset class that is included in the Plan's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Domestic equities mutual fund	35%	5.95%
International equities mutual fund	25	6.53
Domestic fixed income mutual fund	40	1.78
Total	100%	

- *Discount rate* — A single discount rate of 6.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on the Plan's investments at 6.5% and the tax-exempt municipal bond rate on an index of 20-year GO Bonds with an average AA credit rating at 4.05%. The projection of cash flows used to determine this single discount rate assumed the employer contributions will be made at the actuarially determined contribution rates in accordance with the Port's long-term funding policy. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (5.5%)	Current discount rate (6.5%)	1% Increase (7.5%)
Net pension liability	$ 6,435	$ 5,243	$ 4,210

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Required Supplementary Information

Port of Seattle / 2022 Annual Comprehensive Financial Report

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

Last Nine Fiscal Years[a] (in thousands)	2022	2021	2020	2019
PERS Plan 1				
Port's proportion of the NPL	0.90%	0.91%	0.89%	0.86%
Port's proportionate share of the NPL	$ 24,953	$ 11,120	$ 31,506	$ 33,048
Port's covered payroll	$ 757	$ 852	$ 1,067	$ 1,141
Port's proportionate share of the NPL as a percentage of its covered payroll	3,296.30%	1,305.16%	2,952.76%	2,896.41%
Plan fiduciary net position as a percentage of the total pension liability	76.56%	88.74%	68.64%	67.12%
PERS Plan 2/3				
Port's proportion of the (NPA) NPL	(1.15)%	(1.15)%	1.13%	1.08%
Port's proportionate share of the (NPA) NPL	$ (42,530)	$ (114,829)	$ 14,440	$ 10,531
Port's covered payroll	$ 140,945	$ 137,887	$ 131,998	$ 117,866
Port's proportionate share of the (NPA) NPL as a percentage of its covered payroll	(30.17)%	(83.28)%	10.94%	8.93%
Plan fiduciary net position as a percentage of the total pension liability	106.73%	120.29%	97.22%	97.77%
LEOFF Plan 1				
Port's proportion of the NPA	0.08%	0.08%	0.08%	0.08%
Port's proportionate share of the NPA	$ 2,217	$ 2,700	$ 1,464	$ 1,529
Port's covered payroll	n/a	n/a	n/a	n/a
Port's proportionate share of the NPA as a percentage of its covered payroll	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	169.62%	187.45%	146.88%	148.78%
LEOFF Plan 2				
Port's proportion of the NPA	1.01%	0.99%	1.09%	1.07%
Port's proportionate share of the NPA	$ 27,372	$ 57,519	$ 22,203	$ 24,861
State's proportionate share of the NPA associated with the Port	17,731	37,106	14,197	16,281
Total	$ 45,103	$ 94,625	$ 36,400	$ 41,142
Port's covered payroll	$ 30,121	$ 28,084	$ 29,767	$ 27,404
Port's proportionate share of the NPA as a percentage of its covered payroll	149.74%	336.94%	122.28%	150.13%
Plan fiduciary net position as a percentage of the total pension asset	116.09%	142.00%	115.83%	119.43%

(Continued)

[a] This schedule is presented prospectively starting fiscal year ended 2014, coinciding with the implementation and restatement of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27.*

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

Last Nine Fiscal Years[(a)] (in thousands)	2018	2017	2016	2015	2014
PERS Plan 1					
Port's proportion of the NPL	0.87%	0.86%	0.83%	0.87%	0.84%
Port's proportionate share of the NPL	$ 38,752	$ 40,683	$ 44,426	$ 45,557	$ 42,385
Port's covered payroll	$ 1,450	$ 1,451	$ 1,440	$ 1,504	$ 1,606
Port's proportionate share of the NPL as a percentage of its covered payroll	2,672.55%	2,803.79%	3,085.14%	3,029.06%	2,639.17%
Plan fiduciary net position as a percentage of the total pension liability	63.22%	61.24%	57.03%	59.10%	61.19%
PERS Plan 2/3					
Port's proportion of the (NPA) NPL	1.08%	1.07%	1.02%	1.09%	1.04%
Port's proportionate share of the (NPA) NPL	$ 18,467	$ 37,149	$ 51,569	$ 38,826	$ 21,060
Port's covered payroll	$111,910	$104,804	$ 95,817	$ 96,416	$ 89,966
Port's proportionate share of the (NPA) NPL as a percentage of its covered payroll	16.50%	35.45%	53.82%	40.27%	23.41%
Plan fiduciary net position as a percentage of the total pension liability	95.77%	90.97%	85.82%	89.20%	93.29%
LEOFF Plan 1					
Port's proportion of the NPA	0.08%	0.08%	0.07%	0.07%	0.07%
Port's proportionate share of the NPA	$ 1,382	$ 1,144	$ 761	$ 883	$ 881
Port's covered payroll	n/a	n/a	n/a	n/a	n/a
Port's proportionate share of the NPA as a percentage of its covered payroll	n/a	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	144.42%	135.96%	123.74%	127.36%	126.91%
LEOFF Plan 2					
Port's proportion of the NPA	1.03%	1.08%	1.03%	1.07%	1.04%
Port's proportionate share of the NPA	$ 20,851	$ 15,053	$ 5,967	$ 11,018	$ 13,815
State's proportionate share of the NPA associated with the Port	13,501	9,765	3,890	7,285	9,026
Total	$ 34,352	$ 24,818	$ 9,857	$ 18,303	$ 22,841
Port's covered payroll	$ 24,512	$ 24,778	$ 22,343	$ 22,322	$ 20,753
Port's proportionate share of the NPA as a percentage of its covered payroll	140.14%	100.16%	44.12%	82.00%	110.06%
Plan fiduciary net position as a percentage of the total pension asset	118.50%	113.36%	106.04%	111.67%	116.75%

(Concluded)

Schedule of Port of Seattle's Contributions Enterprise Fund Pension Plans [a]

Last Nine Fiscal Years[b] (in thousands)	2022	2021	2020	2019
PERS Plan 1				
Contractually required contribution	$ 53	$ 88	$ 127	$ 149
Contributions in relation to the contractually required contribution	(53)	(88)	(127)	(149)
Contribution deficiency (excess)	$	$	$	$
Port's covered payroll	$ 521	$ 758	$ 1,000	$ 1,174
Contributions as a percentage of covered payroll	10.17%	11.61%	12.70%	12.69%
PERS Plan 2/3				
Contractually required contribution	$ 16,313	$ 14,813	$ 18,653	$ 15,993
Contributions in relation to the contractually required contribution	(16,313)	(14,813)	(18,653)	(15,993)
Contribution deficiency (excess)	$	$	$	$
Port's covered payroll	$ 161,113	$ 127,209	$ 146,750	$ 126,312
Contributions as a percentage of covered payroll	10.13%	11.64%	12.71%	12.66%
LEOFF Plan 2				
Contractually required contribution	$ 2,393	$ 1,904	$ 2,170	$ 2,107
Contributions in relation to the contractually required contribution	(2,393)	(1,904)	(2,170)	(2,107)
Contribution deficiency (excess)	$	$	$	$
Port's covered payroll	$ 34,010	$ 27,216	$ 30,638	$ 29,274
Contributions as a percentage of covered payroll	7.04%	7.00%	7.08%	7.20%

(Continued)

[a] LEOFF Plan 1 is fully funded and no further employer or employee contributions have been required since June 2000.

[b] This schedule is presented prospectively starting fiscal year ended 2014, coinciding with the implementation and restatement of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*.

Schedule of Port of Seattle's Contributions Enterprise Fund Pension Plans [a]

Last Nine Fiscal Years[b] (in thousands)	2018	2017	2016	2015	2014
PERS Plan 1					
Contractually required contribution	$ 173	$ 151	$ 164	$ 146	$ 137
Contributions in relation to the contractually required contribution	(173)	(151)	(164)	(146)	(137)
Contribution deficiency (excess)	$	$	$	$	$
Port's covered payroll	$ 1,398	$ 1,289	$ 1,490	$ 1,474	$ 1,515
Contributions as a percentage of covered payroll	12.37%	11.71%	11.01%	9.91%	9.04%
PERS Plan 2/3					
Contractually required contribution	$ 13,920	$ 12,882	$ 10,979	$ 9,761	$ 8,243
Contributions in relation to the contractually required contribution	(13,920)	(12,882)	(10,979)	(9,761)	(8,243)
Contribution deficiency (excess)	$	$	$	$	$
Port's covered payroll	$ 110,897	$ 109,605	$ 99,808	$ 98,556	$ 91,306
Contributions as a percentage of covered payroll	12.55%	11.75%	11.00%	9.90%	9.03%
LEOFF Plan 2					
Contractually required contribution	$ 1,837	$ 1,723	$ 1,663	$ 1,596	$ 1,478
Contributions in relation to the contractually required contribution	(1,837)	(1,723)	(1,663)	(1,596)	(1,478)
Contribution deficiency (excess)	$	$	$	$	$
Port's covered payroll	$ 25,389	$ 24,355	$ 23,911	$ 22,624	$ 21,022
Contributions as a percentage of covered payroll	7.24%	7.07%	6.95%	7.05%	7.03%

(Concluded)

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

Last Five Fiscal Years[a] (in thousands)	2022	2021	2020	2019	2018
Interest expense	$ 126	$ 146	$ 200	$ 262	$ 240
Changes of assumptions	(893)	(41)	476	772	107
Contributions	(577)	(492)	(668)	(824)	(525)
Net change in total OPEB liability	(1,344)	(387)	8	210	(178)
Total OPEB liability — beginning	6,885	7,272	7,264	7,054	7,232
Total OPEB liability — ending [b]	$ 5,541	$ 6,885	$ 7,272	$ 7,264	$ 7,054
Covered payroll[c]	n/a	n/a	n/a	n/a	n/a
Total OPEB liability as a percentage of covered payroll	n/a	n/a	n/a	n/a	n/a

[a] This schedule is presented prospectively starting fiscal year ended 2018, coinciding with the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, in fiscal year 2018.

[b] The plan has no assets accumulated in a trust or equivalent arrangement.

[c] Annual covered payroll was not applicable as LEOFF Plan 1 has no active employees.

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

Last Five Fiscal Years[a] (in thousands)	2022	2021	2020	2019	2018
Service cost	$ 416	$ 464	$ 349	$ 250	$ 286
Interest expense	258	264	316	357	343
Difference between expected and actual experience	(16)		(107)		
Changes of assumptions	(4,131)	361	1,348	1,667	(1,003)
Benefit payments	(150)	(366)	(356)	(345)	(336)
Net change in total OPEB liability	(3,623)	723	1,550	1,929	(710)
Total OPEB liability — beginning	13,887	13,164	11,614	9,685	10,395
Total OPEB liability — ending [b]	$ 10,264	$ 13,887	$ 13,164	$ 11,614	$ 9,685
Covered payroll	$ 121,668	$ 120,237	$ 121,647	$ 103,868	$ 100,356
Total OPEB liability as a percentage of covered payroll	8.4%	11.5%	10.8%	11.2%	9.7%

[a] This schedule is presented prospectively starting fiscal year ended 2018, coinciding with the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, in fiscal year 2018.

[b] The plan has no assets accumulated in a trust or equivalent arrangement.

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

Last Nine Fiscal Years[a] (in thousands)	2022	2021	2020	2019
Total pension liability				
Interest expense	$ 946	$ 990	$ 1,055	$ 1,092
Difference between expected and actual experience	348		(290)	
Changes of assumptions				
Benefit payments	(1,657)	(1,667)	(1,760)	(1,791)
Net change in total pension liability	(363)	(677)	(995)	(699)
Total pension liability—beginning	15,385	16,062	17,057	17,756
Total pension liability—ending	$ 15,022	$ 15,385	$ 16,062	$ 17,057
Plan fiduciary net position				
Employer contributions	$ 1,500	$ 1,500	$ 1,500	$ 1,500
Net investment (loss) income	(1,715)	1,103	1,215	1,575
Benefit payments	(1,657)	(1,667)	(1,760)	(1,791)
Administrative expenses	(51)	(50)	(51)	(49)
Professional fees	(29)	(39)	(30)	(48)
Net change in plan fiduciary net position	(1,952)	847	874	1,187
Plan fiduciary net position—beginning	11,731	10,884	10,010	8,823
Plan fiduciary net position—ending	$ 9,779	$ 11,731	$ 10,884	$ 10,010
Net pension liability				
Total pension liability—ending	$ 15,022	$ 15,385	$ 16,062	$ 17,057
Plan fiduciary net position—ending	(9,779)	(11,731)	(10,884)	(10,010)
Net pension liability—ending	$ 5,243	$ 3,654	$ 5,178	$ 7,047
Plan fiduciary net position as a percentage of total pension liability	65.1%	76.2%	67.8%	58.7%
Covered payroll[b]	n/a	n/a	n/a	n/a

(Continued)

[a] This schedule is presented prospectively starting fiscal year ended 2014, coinciding with the implementation of GASB Statement No. 67, *Financial Reporting for Pension Plans*, in fiscal year 2014.

[b] Annual covered payroll was not applicable as the operation was terminated in 2002.

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

Last Nine Fiscal Years[a] (in thousands)	2018	2017	2016	2015	2014
Total pension liability					
Interest expense	$ 1,239	$ 1,280	$ 1,255	$ 1,306	$ 1,384
Difference between expected and actual experience	(1,616)		105		(512)
Changes of assumptions			1,044		
Benefit payments	(1,863)	(1,946)	(2,093)	(2,079)	(2,091)
Net change in total pension liability	(2,240)	(666)	311	(773)	(1,219)
Total pension liability—beginning	19,996	20,662	20,351	21,124	22,343
Total pension liability—ending	$ 17,756	$ 19,996	$ 20,662	$ 20,351	$ 21,124
Plan fiduciary net position					
Employer contributions	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500
Net investment (loss) income	(611)	1,352	554	(116)	408
Benefit payments	(1,863)	(1,946)	(2,093)	(2,079)	(2,091)
Administrative expenses	(49)	(46)	(45)	(46)	(45)
Professional fees	(28)	(47)	(41)	(57)	(66)
Net change in plan fiduciary net position	(1,051)	813	(125)	(798)	(294)
Plan fiduciary net position—beginning	9,874	9,061	9,186	9,984	10,278
Plan fiduciary net position—ending	$ 8,823	$ 9,874	$ 9,061	$ 9,186	$ 9,984
Net pension liability					
Total pension liability—ending	$ 17,756	$ 19,996	$ 20,662	$ 20,351	$ 21,124
Plan fiduciary net position—ending	(8,823)	(9,874)	(9,061)	(9,186)	(9,984)
Net pension liability—ending	$ 8,933	$ 10,122	$ 11,601	$ 11,165	$ 11,140
Plan fiduciary net position as a percentage of total pension liability	49.7%	49.4%	43.9%	45.1%	47.3%
Covered payroll[b]	n/a	n/a	n/a	n/a	n/a

(Concluded)

Schedule of Employer Contributions Warehousemen's Pension Trust Fund [a]

Last Ten Fiscal Years (in thousands)

Years ended December 31,	Actuarially determined contribution [b]	Actual contribution	Contribution (excess)
2022	$ 531	$ 1,500	$ (969)
2021	681	1,500	(819)
2020	856	1,500	(644)
2019	1,021	1,500	(479)
2018	1,108	1,500	(392)
2017	1,218	1,500	(282)
2016	1,147	1,500	(353)
2015	1,118	1,500	(382)
2014	1,201	1,500	(299)
2013	1,304	1,500	(196)

[a] Annual covered payroll was not applicable as the operation was terminated in 2002.

[b] Prior to 2014, the Annual Required Contribution amounts are presented for the Actuarially Determined Contributions.

Schedule of Investment Returns Warehousemen's Pension Trust Fund

Last Nine Fiscal Years[a]

Years ended December 31,	Annual money-weighted rate of return, net of investment expense
2022	(14.8)%
2021	10.3
2020	12.4
2019	18.3
2018	(6.4)
2017	15.4
2016	6.3
2015	(1.2)
2014	4.1

[a] This schedule is presented prospectively starting fiscal year ended 2014, coinciding with the implementation of GASB Statement No. 67, *Financial Reporting for Pension Plans*, in fiscal year 2014.

Notes to Required Supplementary Information Warehousemen's Pension Trust Fund for the Year Ended December 31, 2022

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions
The actuarially determined contribution rates in the schedule are calculated as of December 31, 2022, for the year of 2022. Valuations of the accrued liability are performed bi-annually (odd years), and a roll-forward liability calculation is made in the off (even) years. Actual assets are valued each year to determine a new actuarially determined contribution.

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

Valuation Date:	January 1, 2021
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	13 years as of January 1, 2022
Asset valuation method	Market value
Investment rate of return	6.5%
Discount rate	6.5%
Retirement age	100% assumed retirement at earliest eligibility age—age 55 for members with at least 10 years of service and age 62 for members with less than 10 years of service.
Mortality	RP-2014 Blue Collar Combined Healthy Mortality Table with blue collar adjustments projected with Scale MP-2016.
Other information	There were no benefit changes during the year. Employer contributions are determined such that contributions will fund the projected benefits over a closed, 12-year funding period as of January 1, 2023.

Statistical Section

Port of Seattle / 2022 Annual Comprehensive Financial Report

Port of Seattle

Statistical Section Narrative and Schedules

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

Contents

Financial Trends

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

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

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

Revenue Capacity

These schedules contain information to help the reader assess the Port's major revenue source, the Aviation Division, its operating revenues, principal customers, landed weight, and landing fees. Schedules included are:

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

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

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

Debt Capacity

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

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

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

Schedule 8 – Computation of Direct and Overlapping GO Debt, as of December 31, 2022

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

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

Demographic and Economic Information

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

Schedule 11 – Demographic Statistics, Last Ten Fiscal Years

Schedule 12 – Principal Employers of Seattle, Current Year and Nine Years Ago

Schedule 13 – Assessed Value and Estimated Actual Value of Taxable Property and Direct and Overlapping Property Tax Rates Per $1,000 of Assessed Value, Last Ten Fiscal Years

Schedule 14 – Port of Seattle's Property Tax Levies and Collections, Last Ten Fiscal Years

Schedule 15 – King County Principal Property Taxpayers, Current Year and Nine Years Ago

Operating Information

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

Schedule 16 – Seattle-Tacoma International Airport Passengers Level, Last Ten Fiscal Years

Schedule 17 – Seattle-Tacoma International Airport Aircraft Operations Level, Last Ten Fiscal Years

Schedule 18 – Seattle-Tacoma International Airport Air Cargo Level, Last Ten Fiscal Years

Schedule 19 – Containerized Volume, Last Ten Fiscal Years

Schedule 20 – Cargo Volume, Last Ten Fiscal Years

Schedule 21 – Port of Seattle Grain Volume, Last Ten Fiscal Years

Schedule 22 – Port of Seattle Cruise Traffic, Last Ten Fiscal Years

Schedule 23 – Number of Port of Seattle Employees by Division, Last Ten Fiscal Years

Schedule 24 – Capital Assets Information—Maritime and Economic Development Facilities, Last Ten Fiscal Years

Schedule 25 – Capital Assets Information—Seattle-Tacoma International Airport, Last Ten Fiscal Years

Schedule 1 Net Position by Component

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

Fiscal year	Net investment in capital assets	Restricted	Unrestricted	Total net position
2022	$ 3,359,634	$ 488,682	$ 472,292	$ 4,320,608
2021[a]	3,348,501	365,621	383,816	4,097,938
2020[a]	3,264,128	288,067	366,049	3,918,244
2019	3,212,698	340,262	280,756	3,833,716
2018[b]	3,107,766	377,800	81,143	3,566,709
2017	2,716,718	403,685	227,780	3,348,183
2016	2,591,049	343,175	214,123	3,148,347
2015	2,474,130	318,691	314,095	3,106,916
2014[c]	2,424,133	252,005	410,786	3,086,924
2013[c]	2,299,824	241,967	413,924	2,955,715

[a] In 2022, the Port adopted GASB Statement No. 87, *Leases,* by restating the financial statements for 2021 and 2020. The restatement included recognizing, as a lessor, the lease receivable and the deferred inflows of resources, and as a lessee, the lease liability and the intangible lease assets.

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

[c] In 2015, the Port adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions–an amendment of GASB Statement No. 27*, by restating the financial statements for 2014 and 2013. The restatement included recognizing the long-term obligations for pension benefits as a liability and to more comprehensively and comparably measure the annual costs of pension benefits.

Schedule 2 Changes in Net Position

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

	2022	2021 [a]	2020 [a]	2019	2018 [b]
Operating Revenues:					
Services	$ 297,740	$ 222,699	$ 186,488	$ 296,326	$ 274,174
Property rentals	433,729	328,139	273,557	400,235	339,304
Customer facility charge revenues	12,171	2,018		15,773	16,263
Operating grants	875	2,894	2,702	3,860	3,657
Joint venture income [d]	53,403	54,046	36,869	47,979	55,992
Total operating revenues	797,918	609,796	499,616	764,173	689,390
Operating Expenses:					
Operations and maintenance	352,168	255,031	299,711	335,532	297,321
Administration	89,977	79,180	77,523	76,413	72,568
Law enforcement	32,648	28,343	29,411	31,143	27,749
Total operating expenses	474,793	362,554	406,645	443,088	397,638
Net Operating Income Before Depreciation and Amortization	323,125	247,242	92,971	321,085	291,752
Depreciation and amortization	233,869	192,626	181,989	174,971	164,362
Operating Income (Loss)	89,256	54,616	(89,018)	146,114	127,390
Nonoperating Income (Expense):					
Ad valorem tax levy revenues	80,785	78,311	76,196	73,801	71,771
Passenger facility charge revenues	88,284	72,845	34,637	100,004	94,070
Customer facility charge revenues	24,461	24,271	15,429	22,355	21,802
Noncapital grants and donations	156,546	105,988	149,913	2,880	1,573
Fuel hydrant facility revenues	7,451	7,010	6,886	6,742	6,942
Lease interest income	12,212	11,901	11,073		
Investment (loss) income—net	(50,735)	(5,386)	41,406	54,078	26,287
Revenue and capital appreciation bonds interest expense	(140,838)	(132,925)	(133,149)	(105,601)	(100,432)
Passenger facility charge revenue bonds interest expense		(1,041)	(2,670)	(3,547)	(4,368)
GO bonds interest expense	(11,877)	(11,004)	(11,850)	(12,492)	(13,414)
Public expense	(8,282)	(9,769)	(6,658)	(12,986)	(5,269)
Environmental expense—net	(1,296)	(7,495)	(5,971)	(118)	(10,600)
Other (expense) income—net	(61,413)	(20,353)	(22,257)	(21,959)	(3,217)
Total nonoperating income (expense)—net	95,298	112,353	152,985	103,157	85,145
Income Before Capital Contributions and Special Items	184,554	166,969	63,967	249,271	212,535
Capital Contributions	38,116	47,632	20,909	17,736	43,650
Income Before Special Items	222,670	214,601	84,876	267,007	256,185
Special Items:					
SR 99 Viaduct expense [e]					
Habitat restoration costs [f]		(34,907)			(34,923)
Increase in Net Position	222,670	179,694	84,876	267,007	221,262
Total Net Position:					
Beginning of year	4,097,938	3,918,244	3,833,716	3,566,709	3,348,183
Restatement/adjustment			(348)		(2,736)
End of year	$ 4,320,608	$ 4,097,938	$ 3,918,244	$ 3,833,716	$ 3,566,709

See notes on page 108.

(Continued)

Schedule 2 Changes in Net Position

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

	2017	2016	2015	2014 [c]	2013 [c]
Operating Revenues:					
Services	$ 260,322	$ 231,326	$ 212,612	$ 195,364	$ 190,662
Property rentals	304,416	291,874	332,696	325,219	342,093
Customer facility charge revenues	10,641	12,121	12,663	13,608	11,367
Operating grants	1,727	1,562	962	298	856
Joint venture income [d]	54,925	61,584			
Total operating revenues	632,031	598,467	558,933	534,489	544,978
Operating Expenses:					
Operations and maintenance	282,657	237,964	234,017	228,292	227,611
Administration	65,722	63,456	60,225	56,711	55,962
Law enforcement	24,603	23,865	23,564	21,297	23,416
Total operating expenses	372,982	325,285	317,806	306,300	306,989
Net Operating Income Before Depreciation and Amortization	259,049	273,182	241,127	228,189	237,989
Depreciation and amortization	165,021	164,336	163,338	166,337	171,374
Operating Income (Loss)	94,028	108,846	77,789	61,852	66,615
Nonoperating Income (Expense):					
Ad valorem tax levy revenues	71,702	71,678	72,819	72,801	72,738
Passenger facility charge revenues	88,389	85,570	79,209	69,803	64,661
Customer facility charge revenues	25,790	24,715	23,540	19,889	20,389
Noncapital grants and donations	6,704	6,284	5,358	10,159	3,771
Fuel hydrant facility revenues	7,000	6,992	6,957	6,935	7,417
Lease interest income					
Investment (loss) income—net	12,174	8,448	9,122	11,202	(1,107)
Revenue and capital appreciation bonds interest expense	(97,748)	(105,567)	(110,128)	(108,910)	(115,340)
Passenger facility charge revenue bonds interest expense	(4,931)	(5,251)	(5,584)	(5,906)	(6,212)
GO bonds interest expense	(13,891)	(9,765)	(10,490)	(9,475)	(11,479)
Public expense	(4,588)	(8,560)	(5,023)	(6,854)	(6,226)
Environmental expense—net	(4,464)	(280)	(2,888)	(9,142)	(4,765)
Other (expense) income—net	(10,441)	(12,087)	(23,493)	2,109	(411)
Total nonoperating income (expense)—net	75,696	62,177	39,399	52,611	23,436
Income Before Capital Contributions and Special Items	169,724	171,023	117,188	114,463	90,051
Capital Contributions	30,112	18,108	22,804	16,746	21,381
Income Before Special Items	199,836	189,131	139,992	131,209	111,432
Special Items:					
SR 99 Viaduct expense [e]		(147,700)	(120,000)		
Habitat restoration costs [f]					
Increase in Net Position	199,836	41,431	19,992	131,209	111,432
Total Net Position:					
Beginning of year	3,148,347	3,106,916	3,086,924	2,955,715	2,937,103
Restatement/adjustment					(92,820)
End of year	$ 3,348,183	$ 3,148,347	$ 3,106,916	$ 3,086,924	$ 2,955,715

See notes on page 108.

(Concluded)

Schedule 2 Changes in Net Position

[a] In 2022, the Port adopted GASB Statement No. 87, *Leases*, by restating the financial statements for 2021 and 2020. The restatement included recognizing, as a lessor, the lease receivable and the deferred inflows of resources, and as a lessee, the lease liability and the intangible lease assets. The restatement also included recognizing related lease interest income, lease interest expense, and the amortization of intangible lease assets.

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

[c] In 2015, the Port adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions–an amendment of GASB Statement No. 27*, by restating the financial statements for 2014 and 2013. The restatement included recognizing the long-term obligations for pension benefits as a liability and to more comprehensively and comparably measure the annual costs of pension benefits.

[d] In 2016, the Port adopted joint venture accounting as of January 1, 2016, to account for its 50% share of the NWSA's changes in net position.

[e] In 2016 and 2015, the Port made $147.7 million and $120 million payments, respectively, as a special item, to WSDOT for the State Route (SR) 99 Alaskan Way Viaduct Replacement Program.

[f] The Port recorded, as a special item, $34.9 million, in both 2021 and 2018, of construction cost for a habitat restoration project and related cleanup at Terminal 25 South.

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

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

	2022	2021 [(b)]	2020 [(b)]	2019	2018
Aeronautical Revenues:					
Terminal	$ 249,281	$ 195,575	$ 179,249	$ 206,958	$ 163,758
Airfield	121,679	95,270	88,537	129,157	109,749
Other	31,580	26,667	30,123	21,483	17,761
Total aeronautical revenues	402,540	317,512	297,909	357,598	291,268
Non-Aeronautical Revenues:					
Public parking	88,899	64,104	34,502	82,125	80,212
Airport dining and retail/ Terminal leased space	42,501	41,219	30,916	68,013	64,323
Rental cars	42,330	30,687	14,720	36,793	37,306
Customer facility charges [(c)]	12,171	2,018		15,773	16,263
Utilities	7,943	6,350	5,672	7,431	7,206
Commercial properties	12,565	8,297	6,853	15,773	15,435
Ground transportation	20,804	11,947	6,557	20,765	18,772
Other	22,620	12,552	11,105	22,364	18,189
Total non-aeronautical revenues	249,833	177,174	110,325	269,037	257,706
Total Aviation Division operating revenues	652,373	494,686	408,234	626,635	548,974
Lease interest income	6,780	6,646	6,148		
Total Aviation Division operating revenues and lease interest income	$ 659,153	$ 501,332	$ 414,382	$ 626,635	$ 548,974

	2017	2016	2015	2014	2013
Aeronautical Revenues:					
Terminal [(d)]	$ 146,817	$ 141,549	$ 138,836	$ 137,435	$ 158,173
Airfield [(d)]	100,716	88,311	73,386	77,014	84,141
Other	16,580	14,374	13,826	10,839	10,623
Total aeronautical revenues	264,113	244,234	226,048	225,288	252,937
Non-Aeronautical Revenues:					
Public parking	75,106	69,540	63,059	57,127	52,225
Airport dining and retail/ Terminal leased space	58,980	57,253	51,351	46,078	40,688
Rental cars	35,051	37,082	33,851	32,496	28,472
Customer facility charges [(c)]	10,641	12,122	12,663	13,608	11,367
Utilities	7,018	7,233	7,000	6,736	6,332
Commercial properties	18,042	9,992	7,922	6,638	6,089
Ground transportation	15,684	12,803	8,809	8,333	7,958
Other	16,281	14,997	12,189	9,400	7,943
Total non-aeronautical revenues	236,803	221,022	196,844	180,416	161,074
Total Aviation Division operating revenues	500,916	465,256	422,892	405,704	414,011
Lease interest income					
Total Aviation Division operating revenues and lease interest income	$ 500,916	$ 465,256	$ 422,892	$ 405,704	$ 414,011

See notes on page 110.

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

[a] A significant amount of the aeronautical revenue followed the terms of the signatory airline lease and operating agreements SLOA III (years 2013–2017) and SLOA IV (years 2018–2022).

[b] In 2022, the Port adopted GASB Statement No. 87, *Leases*, by restating the financial statements for 2021 and 2020. The restatement included separately recognizing the related lease revenue and lease interest income.

[c] CFCs associated with the operation of the Rental Car Facility are recorded as operating revenues. The remaining portion of CFCs, nonoperating income, used to pay debt service, is not included in the table above.

[d] For 2013, terminal and airfield revenues included a one-time recognition of $17.9 million from the removal of the security fund liability when SLOA II expired and $14.3 million of straight-line rent adjustments for the lease incentive provided under SLOA III.

Schedule 4 Aviation Division Principal Customers

Current Year and Nine Years Ago (in thousands)

	2022			2013		
Customer	**Revenues billed**	**Rank**	**Percentage of Aviation Division operating revenues [a]**	**Revenues billed**	**Rank**	**Percentage of Aviation Division operating revenues**
Alaska Airlines	$ 153,640	1	23.3%	$ 81,830	1	19.8%
Delta Airlines	99,860	2	15.2	32,359	2	7.8
Horizon Airlines	23,180	3	3.5	15,066	5	3.6
United Airlines	19,533	4	3.0	25,293	3	6.1
Southwest Airlines	16,708	5	2.5	15,805	4	3.8
American Airlines [b]	16,061	6	2.4	8,835	7	2.1
EAN Holdings, LLC	14,277	7	2.2	8,853	6	2.1
Avis Budget Car Rental	13,296	8	2.0	7,060	10	1.7
Airport Management Services, LLC	9,828	9	1.5	8,730	8	2.1
Hertz Corporation	9,734	10	1.5			
Host International, Inc				7,164	9	1.7
Total	$ 376,117		57.1%	$ 210,995		50.8%

[a] In 2022, the Port adopted GASB Statement No. 87, *Leases*. Total Aviation Division operating revenues included lease interest income.

[b] US Airways and American Airlines merged in 2013. The integration was completed in 2015.

Schedule 5 Aviation Division Landed Weight and Landing Fees

Last Ten Fiscal Years [a] (in thousands, except for landing fee)

		Landing fees (per 1,000 pounds) [b]	
Fiscal year	**Landed weight (in pounds)**	**Signatory airlines**	**Non-signatory airlines/aircrafts [c]**
2022	29,078,689	$ 3.98	$ 4.98
2021	26,584,189	3.23	4.04
2020	20,261,962	4.07	5.09
2019	31,562,353	3.84	4.81
2018	30,349,825	3.77	4.71
2017	28,430,527	3.75	4.69
2016	27,275,525	3.40	4.25
2015	24,757,318	3.11	3.89
2014	22,504,515	3.33	4.16
2013	20,949,155	3.38	4.22

[a] Aeronautical revenues followed the terms of SLOA III (years 2013–2017) and SLOA IV (years 2018–2022).

[b] Landing fee rates were based on settlement calculations following the terms of SLOA III (years 2013–2017) and SLOA IV (years 2018–2022).

[c] Under the terms of SLOA III and SLOA IV, rates for non-signatory airlines/aircrafts were 25% higher than the same rates for signatory airlines.

Schedule 6 Ratios of Outstanding Debt by Type

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

Fiscal year	GO bonds [a]	Revenue and capital appreciation bonds [a]	Commercial paper	Passenger facility charge revenue bonds [a]	Fuel hydrant special facility revenue bonds [a]	Total debt
2022	$ 361,688	$ 4,461,938	$	$	$ 59,423	$ 4,883,049
2021	307,544	4,068,666	27,665		64,143	4,468,018
2020	341,068	3,603,033	48,470	52,048	68,697	4,113,316
2019	369,073	3,816,881	17,655	68,102	73,089	4,344,800
2018	399,899	3,444,709	118,655	84,632	77,331	4,125,226
2017	429,969	2,977,879	19,655	100,345	81,428	3,609,276
2016	308,138	2,638,707	29,655	114,296	85,388	3,176,184
2015	333,110	2,772,752	38,655	127,734	89,230	3,361,481
2014	235,159	2,600,350	42,655	140,840	92,977	3,111,981
2013	295,175	2,712,465	42,655	153,626	96,650	3,300,571

Fiscal year	Ratio of total debt to personal income [b]	Total debt per capita [c]
2022	2.0%	$ 2,107
2021	1.8	1,954
2020	1.9	1,812
2019	2.0	1,952
2018	2.0	1,884
2017	2.0	1,676
2016	1.9	1,509
2015	2.2	1,637
2014	2.2	1,543
2013	2.6	1,665

[a] Presented net of unamortized bond premiums and discounts.

[b] See Schedule 11 for Personal Income of King County data used in this calculation. The 2022 ratio is calculated using 2021 Personal Income figure.

[c] See Schedule 11 for Population of King County data used in this calculation (all figures are estimated, except for 2020 figures are actual census data).

Schedule 7 Ratios of GO Bonds

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

Fiscal year	GO bonds [a]	Percentage of GO bonds to the assessed value of taxable property [b]	GO bonds per capita [c]
2022	$ 361,688	0.1%	$ 156
2021	307,544	0.0	134
2020	341,068	0.1	150
2019	369,073	0.1	166
2018	399,899	0.1	183
2017	429,969	0.1	200
2016	308,138	0.1	146
2015	333,110	0.1	162
2014	235,159	0.1	117
2013	295,175	0.1	149

[a] Presented net of unamortized bond premiums and discounts.

[b] See Schedule 13 for assessed value of taxable property data.

[c] See Schedule 11 for Population of King County data used in this calculation (all figures are estimated, except for 2020 figures are actual census data).

Schedule 8 Computation of Direct and Overlapping GO Debt

As of December 31, 2022 (in thousands)

Governmental unit	Outstanding	Estimated percentage applicable [b]	Estimated share of direct and overlapping debt
Port of Seattle [a]	$ 336,890	100.0%	$ 336,890
Estimated Overlapping GO Debt:			
King County	1,041,782	100.0	1,041,782
Cities and Towns	1,888,090	97.7	1,843,654
School Districts	5,187,913	95.0	4,930,585
Other	136,132	99.6	135,610
Total estimated overlapping debt			7,951,631
Total direct and estimated overlapping debt			$ 8,288,521

[a] Presented at par value, excluding unamortized bond premiums and discounts.

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

Source: King County Financial Management Section

Schedule 9 Revenue Bonds Coverage by Type

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

	2022	2021 [a]	2020 [a]	2019	2018
Operating revenues	$ 797,918	$ 609,796	$ 499,616	$ 764,173	$ 689,390
Less: CFC revenues not available to pay revenue bond debt service	(12,171)	(2,018)		(15,773)	(16,263)
Less: SWU revenues not available to pay revenue bond debt service	(6,840)	(6,260)	(6,374)	(5,839)	(5,285)
Add/Less: NWSA adjustments [b]	7,605	3,289	7,688	5,655	(591)
Add: Nonoperating income (expense)—net [c]	166,119	116,528	192,636	14,030	12,174
Gross revenue [d]	952,631	721,335	693,566	762,246	679,425
Operating expenses	$ 474,793	$ 362,554	$ 406,645	$ 443,088	$ 397,638
Less: Operating expenses paid from sources other than gross revenue (CFC)	(7,874)	(7,406)	(8,003)	(8,591)	(8,787)
Less: Operating expenses paid from sources other than gross revenue (SWU)	(5,658)	(4,544)	(4,742)	(4,567)	(4,660)
Less: Operating expenses paid from sources other than gross revenue (Other)					
Less: Port general purpose tax levy [e]	(41,602)	(39,523)	(35,835)	(30,050)	(28,134)
Operating expenses [f]	419,659	311,081	358,065	399,880	356,057
Net revenues available for first lien debt service	$ 532,972	$ 410,254	$ 335,501	$ 362,366	$ 323,368
Debt service on first lien bonds	$ 23,630	$ 38,000	$ 27,544	$ 44,752	$ 32,798
Coverage on first lien bonds	22.55	10.80	12.18	8.10	9.86
Net revenues available for intermediate lien debt service	$ 509,342	$ 372,254	$ 307,957	$ 317,614	$ 290,570
Add: Prior lien debt service offset paid by PFC revenues [g]		5,887	5,887		
Add: Prior lien debt service offset paid by CFC revenues [h]				6,227	5,869
Available intermediate lien revenues as first adjusted	$ 509,342	$ 378,141	$ 313,844	$ 323,841	$ 296,439
Debt service on intermediate lien bonds	$ 325,039	$ 271,549	$ 254,381	$ 210,560	$ 192,022
Less: Debt service offsets paid from					
PFC revenues [g]	(69,681)	(48,189)	(26,571)	(33,800)	(33,800)
CFC revenues [h]	(18,696)	(14,153)	(13,601)	(16,111)	(15,930)
Capitalized interest funds	(21,636)	(18,689)	(31,683)	(39,202)	(34,132)
Intermediate lien debt service—net of debt service offsets	$ 215,026	$ 190,518	$ 182,526	$ 121,447	$ 108,160
Coverage on intermediate lien bonds	2.37	1.98	1.72	2.67	2.74
Net revenues available for subordinate lien debt service	$ 294,316	$ 187,623	$ 131,318	$ 202,394	$ 188,279
Debt service on subordinate lien bonds [i]	$ 1,645	$ 1,643	$ 19,160	$ 19,243	$ 25,246
Coverage on subordinate lien bonds	178.92	114.20	6.85	10.52	7.46

See notes on page 116.

(Continued)

Schedule 9 Revenue Bonds Coverage by Type

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

	2017	2016	2015	2014 [j]	2013 [j]
Operating revenues	$ 632,031	$ 598,467	$ 558,933	$ 534,489	$ 544,978
Less: CFC revenues not available to pay revenue bond debt service	(10,641)	(12,122)	(12,663)	(13,608)	(11,367)
Less: SWU revenues not available to pay revenue bond debt service	(4,985)	(4,751)	(4,403)		
Add/Less: NWSA adjustments [b]	928	266			
Add: Nonoperating income (expense)—net [c]	7,381	5,567	(143)	16,417	13,539
Gross revenue [d]	624,714	587,427	541,724	537,298	547,150
Operating expenses	$ 372,982	$ 325,285	$ 317,806	$ 306,300	$ 306,989
Less: Operating expenses paid from sources other than gross revenue (CFC)	(8,643)	(7,309)	(7,536)	(7,178)	(6,327)
Less: Operating expenses paid from sources other than gross revenue (SWU)	(3,795)	(1,710)	(4,035)		
Less: Operating expenses paid from sources other than gross revenue (Other)					(4)
Less: Port general purpose tax levy [e]	(34,941)	(36,894)	(41,808)	(19,083)	(33,265)
Operating expenses [f]	325,603	279,372	264,427	280,039	267,393
Net revenues available for first lien debt service	$ 299,111	$ 308,055	$ 277,297	$ 257,259	$ 279,757
Debt service on first lien bonds	$ 48,787	$ 52,320	$ 60,740	$ 61,214	$ 80,673
Coverage on first lien bonds	6.13	5.89	4.57	4.20	3.47
Net revenues available for intermediate lien debt service	$ 250,324	$ 255,735	$ 216,557	$ 196,045	$ 199,084
Add: Prior lien debt service offset paid by PFC revenues [g]			419	1,893	3,971
Add: Prior lien debt service offset paid by CFC revenues [h]	19,142	21,431	20,217	19,632	19,667
Available intermediate lien revenues as first adjusted	$ 269,466	$ 277,166	$ 237,193	$ 217,570	$ 222,722
Debt service on intermediate lien bonds	$ 152,749	$ 158,816	$ 133,487	$ 145,522	$ 127,029
Less: Debt service offsets paid from					
PFC revenues [g]	(33,800)	(25,583)	(28,406)	(29,730)	(28,640)
CFC revenues [h]	(3,563)				
Capitalized interest funds	(12,445)	(12,298)			
Intermediate lien debt service—net of debt service offsets	$ 102,941	$ 120,935	$ 105,081	$ 115,792	$ 98,389
Coverage on intermediate lien bonds	2.62	2.29	2.26	1.88	2.26
Net revenues available for subordinate lien debt service	$ 166,525	$ 156,231	$ 132,112	$ 101,778	$ 124,333
Debt service on subordinate lien bonds [i]	$ 18,295	$ 8,949	$ 5,515	$ 5,836	$ 6,234
Coverage on subordinate lien bonds	9.10	17.46	23.96	17.44	19.94

See notes on page 116.

(Concluded)

Schedule 9 Revenue Bonds Coverage by Type

(a) In 2022, the Port adopted the requirements of GASB Statement No. 87, *Leases*, by restating the financial statements for 2021 and 2020, in operating revenues, operating expenses, and nonoperating income–net. The implementation and restatement required a portion of lease expense to be reclassified to amortization, which is excluded from this calculation per the bond resolutions. $1.9 million was reclassified from lease expense to amortization in 2021 and 2020, resulting in an increase to debt service coverage in 2021 and 2020.

(b) NWSA adjustments include noncash adjustments for depreciation and amortization of NWSA assets netted from operating revenues and public expense, as well as the exclusion of capital grants and donations for capital purposes from the NWSA.

(c) Nonoperating income (expense)—net is adjusted for the following: Interest expense, income that is not legally available to be pledged for revenue bonds debt service, such as PFCs, CFCs, tax levy, fuel hydrant facility revenues, donations for capital purposes, grants for capital projects, monies received and used for capital projects owned by other government entities (public expense projects), and other nonoperating SWU revenues and expenses. Certain noncash items, such as depreciation and amortization, are excluded, while other nonoperating revenues and expenses, such as environmental expense, are adjusted to a cash basis. The Port may also include certain proceeds from the sale of capital and non-capital assets in the year the proceeds are received. The Port recorded, as a special item, $34.9 million, in both 2021 and 2018, of construction cost for a habitat restoration project and related cleanup at Terminal 25 South in the Port's Statement of Revenues, Expenses, and Changes in Net Position. These special items and related payments are excluded from this schedule.

(d) Gross Revenue reflects annual Port operating revenues, as presented in the Port's audited financial statements (see Statement of Revenues, Expenses, and Changes in Net Position), less certain operating revenues that are not legally available to pay debt service on all revenue bonds. For 2013, Gross Revenue included (1) a one-time recognition of revenue, $17.9 million, from the removal of security fund liability upon the expiration of SLOA II, and (2) $14.3 million straight-line rent adjustments for the lease incentive provided under SLOA III.

(e) Port general purpose tax levy represents annual tax levy collections less the payment of GO bond debt service. The Port is permitted, but not obligated, to pay operating expenses with such general purpose tax levy dollars. In 2016 and 2015, the Port made its contractual payment in the amount of $147.7 million and $120 million, respectively, to the WSDOT for the SR 99 Alaskan Way Viaduct Replacement Program. These payments were accounted for as a special item in the Port's 2016 and 2015 Statement of Revenues, Expenses, and Changes in Net Position, and were funded by the issuances of 2017 Limited Tax GO (LTGO) bonds and 2015 LTGO bonds, respectively. The debt service associated with the 2015 LTGO bonds is included in the calculation of the Port's general purpose tax levy, beginning in 2015, but the actual payment to WSDOT is excluded from the schedule as the funds were used for capital projects owned by other governmental entities.

(f) Operating Expenses reflect annual Port operating expenses before depreciation and amortization, as presented in the Port's audited financial statements (see Statement of Revenues, Expenses, and Changes in Net Position), less certain operating expenses paid with revenues derived from sources other than Gross Revenue, as well as the Port's general purpose tax levy.

(g) During 2008, the Port implemented using PFC revenues toward other specific revenue bonds debt service related to eligible projects. The Port, as authorized by the FAA, has the authority to use PFCs to pay: (1) debt service on bonds secured solely with PFCs; (2) eligible projects costs (definitions, terms, and conditions are set by the FAA); and (3) revenue bonds debt service related to eligible PFC projects.

(h) Washington State law provides for the Port's authority to impose CFCs on rental car transactions at Seattle-Tacoma International Airport. CFCs may only be used to pay costs associated with the consolidated rental car facility including the payment of debt service on bonds issued to fund the facility. During 2009, the Port began using CFCs to pay debt service on related bonds. In 2017, the 2009AB First Lien bonds were partially refunded onto the Intermediate Lien, and as such, CFCs were applied to both First and Intermediate Lien debt service.

(i) From 2009 to 2016, the Port used PFCs to pay eligible subordinate lien debt service and associated debt fees. However, such amounts are not permitted offsets in the legal coverage calculation on subordinate lien bonds.

(j) During 2015, the Port adopted the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*—an amendment of GASB Statement No. 68, by restating the financial statements for 2014 and 2013, in operating revenues, operating expenses, and nonoperating income—net.

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

Schedule 10 Legal Debt Margin Information

Last Ten Fiscal Years (in thousands)

Legal Debt Limitation Calculation for Fiscal Year 2022 (Statutory Debt Limitation)	
Assessed value of taxable property for 2022 [a]	$ 722,527,904
Debt limit (non-voted debt, including LTGO bonds)	
0.25% of assessed value of taxable property [b]	$ 1,806,320
Less: Outstanding LTGO bonds	(336,890)
Non-voted GO debt margin [c]	$ 1,469,430
Debt limit, total GO debt	
0.75% of assessed value of taxable property [b]	$ 5,418,959
Less: Total LTGO bonds	(336,890)
Voted GO debt margin [c]	$ 5,082,069

Non-Voted GO:

Fiscal year	Debt limit	Less: Total debt applicable to the debt limit	Debt margin	Debt margin as a percentage of the debt limit
2022	$ 1,806,320	$ (336,890)	$ 1,469,430	81.3%
2021	1,648,837	(281,355)	1,367,482	82.9
2020	1,606,226	(311,175)	1,295,051	80.6
2019	1,516,559	(335,470)	1,181,089	77.9
2018	1,336,656	(362,390)	974,266	72.9
2017	1,178,641	(388,360)	790,281	67.1
2016	1,065,839	(283,620)	782,219	73.4
2015	970,297	(305,535)	664,762	68.5
2014	851,609	(225,420)	626,189	73.5
2013	786,866	(283,815)	503,051	63.9

Voted GO:

Fiscal year	Debt limit	Less: Total debt applicable to the debt limit	Debt margin	Debt margin as a percentage of the debt limit
2022	$ 5,418,959	$ (336,890)	$ 5,082,069	93.8%
2021	4,946,512	(281,355)	4,665,157	94.3
2020	4,818,679	(311,175)	4,507,504	93.5
2019	4,549,678	(335,470)	4,214,208	92.6
2018	4,009,968	(362,390)	3,647,578	91.0
2017	3,535,922	(388,360)	3,147,562	89.0
2016	3,197,517	(283,620)	2,913,897	91.1
2015	2,910,891	(305,535)	2,605,356	89.5
2014	2,554,827	(225,420)	2,329,407	91.2
2013	2,360,597	(283,815)	2,076,782	88.0

[a] See Schedule 13 for assessed value of taxable property data.

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

[c] Excludes the line of credit with JP Morgan Chase Bank, National Association, up to $75 million with a final repayment date of June 4, 2024. The Port has not drawn on the line as of December 31, 2022.

Schedule 11 Demographic Statistics

Last Ten Fiscal Years (in thousands)

King County:

Fiscal year	Population [a]	Personal income [b]	Per capita personal income [b]	Unemployment rate [c]
2022	2,318	n/a	n/a	2.8%
2021	2,287	$ 243,727,550	$ 108.2	4.3
2020	2,270	219,805,809	96.8	7.5
2019	2,226	213,956,690	95.0	3.0
2018	2,190	201,962,200	90.4	3.5
2017	2,154	182,495,475	83.4	3.7
2016	2,105	166,006,277	77.2	3.9
2015	2,053	153,554,091	72.5	4.4
2014	2,017	143,260,986	68.9	4.6
2013	1,982	128,330,859	62.7	5.2

State of Washington:

Fiscal year	Population [a]	Personal income [b]	Per capita personal income [b]	Unemployment rate [c]
2022	7,864	$ 589,368,100	$ 75.7	4.2%
2021	7,767	556,326,700	71.9	5.2
2020	7,705	516,441,100	67.0	8.4
2019	7,546	494,189,000	64.9	4.3
2018	7,428	467,399,039	62.0	4.5
2017	7,310	428,765,189	57.9	4.7
2016	7,184	397,772,297	54.6	5.4
2015	7,061	372,125,338	51.9	5.7
2014	6,968	350,321,729	50.3	6.1
2013	6,882	327,870,951	47.6	7.0

[a] State of Washington, Office of Financial Management (all figures are estimated, except for 2020 figures which are actual census data).

[b] Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce.

[c] Rates were average unemployment rates for the year obtained from Washington State, Employment Security Department, Labor Market, and Economic Analysis Branch.

Schedule 12 Principal Employers of Seattle [a]

Current Year and Nine Years Ago

	2022			2013		
Type of employer	**Employees**	**Rank**	**Percentage of total employment**	**Employees**	**Rank**	**Percentage of total employment**
Professional and Business Services — *Professional, Scientific, and Technical Services*	171,500	1	9.5%	119,100	2	7.8%
Retail — *Unspecified*	138,600	2	7.6	86,000	5	5.6
Government — *Local*	137,400	3	7.6	121,700	1	8.0
Leisure and Hospitality — *Food Services and Drinking Places*	119,100	4	6.6	105,100	3	6.9
Professional and Business Services — *Administrative and Support and Waste Management and Remediation*	93,000	5	5.1	79,800	6	5.2
Information — *Software Publishers*	81,100	6	4.5			
Educational and Health Services — *Ambulatory Health Care Services*	77,200	7	4.3	62,900	9	4.1
Construction — *Specialty Trade Contractors*	75,600	8	4.2			
Wholesale Trade	75,100	9	4.1	70,000	7	4.6
Manufacturing — *Transportation Equipment Manufacturing*	72,600	10	4.0	94,600	4	6.2
Information — *Unspecified*						
Government — *State*				63,200	8	4.1
Financial Activities — *Finance and Insurance*				53,700	10	3.5
Total	1,041,200		57.5%	856,100		56.0%

[a] Total nonfarm, seasonally adjusted, as of December of each fiscal year in Seattle metropolitan area.

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

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

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

Fiscal year	Port district assessed value [(a)]	Port of Seattle property tax rates	Overlapping property tax rates: Washington State	King County	Cities and towns [(b)]	School districts [(b)]	Other [(c)]	Total direct and overlapping property tax [(d)]
2022	$ 722,527,904	$ 0.11	$ 2.82	$ 1.23	$ 1.54	$ 2.57	$ 1.14	$ 9.41
2021	659,534,881	0.12	3.09	1.25	1.65	2.69	1.22	10.02
2020	642,490,492	0.12	3.03	1.24	1.63	2.65	1.22	9.89
2019	606,623,698	0.12	2.63	1.21	1.66	2.38	1.21	9.21
2018	534,662,435	0.14	2.92	1.32	1.77	3.07	1.32	10.54
2017	471,456,288	0.15	2.03	1.37	1.95	3.30	1.46	10.26
2016	426,335,606	0.17	2.17	1.33	2.02	3.40	1.41	10.50
2015	388,118,856	0.19	2.29	1.34	1.99	3.50	1.24	10.55
2014	340,643,616	0.22	2.47	1.52	2.26	3.76	1.32	11.55
2013	314,746,207	0.23	2.57	1.54	2.39	3.83	1.27	11.83

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

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

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

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

Source: King County Department of Assessments Annual Reports

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

Last Ten Fiscal Years (in thousands)

Fiscal years ended Dec 31,	Taxes levied for the fiscal year [(a)]	Collected within the fiscal year of the levy: Amount	Percentage of levy	Collections in subsequent years	Total collections to date: Amount	Percentage of levy
2022	$ 80,981	$ 79,888	98.7%	$	$ 79,888	98.7%
2021	78,669	77,585	98.6	831	78,416	99.7
2020	76,396	75,252	98.5	1,007	76,259	99.8
2019	74,162	73,353	98.9	778	74,131	100.0
2018	72,012	71,150	98.8	865	72,015	100.0
2017	72,011	71,143	98.8	870	72,013	100.0
2016	72,015	71,114	98.7	891	72,005	100.0
2015	73,004	72,082	98.7	914	72,996	100.0
2014	73,019	72,009	98.6	1,010	73,019	100.0
2013	73,021	71,932	98.5	1,094	73,026	100.0

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

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

Schedule 15 King County Principal Property Taxpayers

Current Year and Nine Years Ago (in thousands)

	2022			2013		
Taxpayer	Taxable assessed value	Rank	Percentage of taxable assessed value	Taxable assessed value	Rank	Percentage of taxable assessed value
Microsoft	$ 3,693,625	1	0.5 %	$ 2,826,189	2	0.9 %
Amazon	3,399,726	2	0.5			
Boeing	2,144,489	3	0.3	2,946,451	1	0.9
Essex Property Trust Inc.	2,012,747	4	0.3			
C/O Prologis - Re Tax	1,154,420	5	0.2			
Union Square LLC	1,113,715	6	0.2	487,184	9	0.2
Acorn Development LLC	887,266	7	0.1			
Ponte Gadea Seattle LLC	872,244	8	0.1			
Kemper Development (formerly Bellevue Square Managers Inc.)	846,486	9	0.1	558,829	7	0.2
BRE Properties	833,710	10	0.1			
Puget Sound Energy/ Gas/Electric				1,793,515	3	0.6
Alaska Airlines				813,750	4	0.3
AT&T Mobility LLC				771,005	5	0.2
Qwest Corporation Inc.				695,292	6	0.2
T-Mobile				506,575	8	0.2
W2007 Seattle (formerly Archon Group LP)				392,475	10	0.1
Total	$ 16,958,428		2.4 %	$ 11,791,265		3.8 %

Source: King County Department of Assessments

Schedule 16 Seattle-Tacoma International Airport Passengers Level

Last Ten Fiscal Years (in thousands)

Fiscal year	Domestic			International			Grand total
	Deplaned	Enplaned	Total	Deplaned	Enplaned	Total	
2022	20,801	20,781	41,582	2,197	2,185	4,382	45,964
2021	17,233	17,252	34,485	848	821	1,669	36,154
2020	9,317	9,373	18,690	701	670	1,371	20,061
2019	23,085	23,016	46,101	2,870	2,858	5,728	51,829
2018	22,222	22,200	44,422	2,734	2,694	5,428	49,850
2017	20,942	20,862	41,804	2,576	2,553	5,129	46,933
2016	20,486	20,385	40,871	2,455	2,411	4,866	45,737
2015	19,016	18,944	37,960	2,216	2,165	4,381	42,341
2014	16,851	16,824	33,675	1,930	1,892	3,822	37,497
2013	15,643	15,604	31,247	1,807	1,772	3,579	34,826

Source: Seattle-Tacoma International Airport Activity Reports

Schedule 17 Seattle-Tacoma International Airport Aircraft Operations Level

Last Ten Fiscal Years (in number of flights)

Fiscal year	Air carrier	Air taxi	General aviation	Military/ Training	Grand total
2022	395,997	3,926	1,373	55	401,351
2021	368,872	4,254	1,328	56	374,510
2020	290,130	3,899	1,848	171	296,048
2019	443,817	4,456	2,135	79	450,487
2018	427,170	8,509	2,625	87	438,391
2017	405,049	8,651	2,338	86	416,124
2016	399,742	9,513	2,822	93	412,170
2015	368,722	8,401	4,160	125	381,408
2014	325,425	10,813	4,113	127	340,478
2013	299,156	14,440	3,510	80	317,186

Source: Seattle-Tacoma International Airport Activity Reports

Schedule 18 Seattle-Tacoma International Airport Air Cargo Level

Last Ten Fiscal Years (in metric tons)

Fiscal year	Air Freight		Grand total
	Domestic	International	
2022	335,512	120,777	456,289
2021	366,312	132,428	498,740
2020	351,339	101,157	452,496
2019	306,670	146,879	453,549
2018	296,004	136,311	432,315
2017	299,559	126,297	425,856
2016	250,219	116,210	366,429
2015	215,705	116,931	332,636
2014	218,410	108,829	327,239
2013	203,537	89,173	292,710

Source: Seattle-Tacoma International Airport Activity Reports

Schedule 19 Containerized Volume

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

Fiscal year [(a)]	International Containers				Domestic containers	Grand total
	Import full	Export full	Empty	Total		
2022	1,258,631	555,556	835,355	2,649,542	734,477	3,384,019
2021	1,464,662	691,446	836,012	2,992,120	744,086	3,736,206
2020	1,253,818	790,620	591,197	2,635,635	684,744	3,320,379
2019	1,369,251	913,332	775,763	3,058,346	716,957	3,775,303
2018	1,452,623	953,495	705,114	3,111,232	686,394	3,797,626
2017	1,380,785	964,067	650,459	2,995,311	706,863	3,702,174
2016	1,391,590	984,274	482,951	2,858,815	756,938	3,615,753
2015	469,807	352,180	240,155	1,062,142	342,260	1,404,402
2014	432,128	376,320	165,564	974,012	379,488	1,353,500
2013	543,146	454,615	192,820	1,190,581	373,878	1,564,459

[(a)] As of January 1, 2016, the Port's container operation was licensed to the NWSA; hence, starting in 2016, the volume reported represents total activities in the joint venture.

Source: Port of Seattle (2013–2015) and Northwest Seaport Alliance (2016–2022) Records

Schedule 20 Cargo Volume

Last Ten Fiscal Years (in metric tons)

Fiscal year [a]	Container cargo	Non-containerized break bulk	Petroleum	Molasses	Autos	Logs	Total
2022	23,043,966	478,455	708,619	31,769	286,148		24,548,957
2021	26,141,258	366,184	524,332	32,729	262,289		27,326,792
2020	25,508,550	291,623	677,469	42,400	244,612		26,764,654
2019	28,671,813	246,412	636,150	46,661	305,816	75,757	29,982,609
2018	28,868,125	249,055	665,670	45,686	228,295	116,790	30,173,621
2017	26,107,522	210,725	715,546	35,980	225,109	278,078	27,572,960
2016	26,766,258	181,372	612,224	43,666	246,421	176,928	28,026,869
2015	11,225,499	31,876	815,380	43,731			12,116,486
2014	11,462,069	56,031	997,977	49,913			12,565,990
2013	13,578,052	64,040	788,419	48,240			14,478,751

[a] As of January 1, 2016, the Port's cargo operation was licensed to the NWSA; hence, starting in 2016, the volume reported represents total activities in the joint venture.

Source: Port of Seattle (2013–2015) and Northwest Seaport Alliance (2016–2022) Records

Schedule 21 Port of Seattle Grain Volume

Last Ten Fiscal Years (in metric tons)

Fiscal year	Grain
2022	4,390,611
2021	4,720,156
2020	4,239,804
2019	3,403,661
2018	4,378,796
2017	4,362,603
2016	4,389,089
2015	3,778,476
2014	3,618,489
2013	1,351,417

Source: Port of Seattle Records

Schedule 22 Port of Seattle Cruise Traffic

Last Ten Fiscal Years

Fiscal year	Cruise vessel calls	Cruise passengers
2022	295	1,309,306
2021	82	229,060
2020 [(a)]		
2019	211	1,210,722
2018	216	1,114,888
2017	218	1,071,594
2016	203	983,539
2015	192	898,032
2014	179	823,780
2013	187	870,994

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

Source: Port of Seattle Record

Schedule 23 Number of Port of Seattle Employees by Division [(a)]

Last Ten Fiscal Years

Fiscal year	Aviation [(e)]	Seaport [(b)]	Real Estate [(b)]	Maritime [(c)(e)]	Economic Development [(c)(e)]	Central Services [(d)(e)]	Total
2022	1,139			258	32	759	2,188
2021	1,070			233	30	737	2,070
2020	1,136			242	28	730	2,136
2019	1,126			215	30	826	2,197
2018	1,030			194	30	858	2,112
2017	976			194	31	826	2,027
2016	832			175	31	771	1,809
2015	858	51	171			699	1,779
2014	856	55	174			695	1,780
2013	836	58	176			693	1,763

[(a)] The number of employees includes regular and temporary (both full-time and part-time employees), interns, veterans, and commissioners (excluding contractors and consultants) as of the last day of each fiscal year.

[(b)] The Real Estate Division was formed in 2008, to allow the Seaport Division to concentrate on its core business. The Real Estate Division incorporated some employees from the Seaport Division, Corporate, and former Economic Development Division. The Seaport Division and the Real Estate Division became inactive upon reorganization in 2016.

[(c)] As a result of a series of reorganizations in 2016, the Maritime Division was formed, and the Economic Development Division was reestablished.

[(d)] In 2017, the Corporate Division was renamed Central Services Division, which includes employees in the Capital Development department (CDD) serving capital project delivery functions. The CDD, which was established in 2008, houses existing engineering, project management, and construction functions.

[(e)] In July 2019, capital project delivery functions were moved from the CDD within the Central Services Division to the operating divisions. The Aviation Project Management department moved to the Aviation Division. The Seaport Project Management department moved to the Maritime Division. Engineering and Port Construction Services departments remain in the Central Services Division. The CDD was inactivated.

Source: Port of Seattle Human Resources Database

Schedule 24 Capital Assets Information—Maritime and Economic Development Facilities

Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Total Property (in acres)	1,340	1,340	1,340	1,340	1,340
No. of Container Terminals (Terminal 5, 18, 30, 46) [(a)(b)]	4	4	4	4	4
Size (in acres)	521	521	521	521	521
Number of berths (1,200–4,450 feet)	11	11	11	11	11
Number of container cranes [(c)]	3	3	3	9	10
Storage facilities (in square feet)	177,000	177,000	177,000	177,000	177,000
Maintenance facilities (in square feet)	112,000	112,000	112,000	112,000	112,000
On-Dock intermodal yard					
Maximum capacity—in full train	14	14	14	14	14
Refrigerated capacity (in reefer plugs)	2,845	2,845	2,845	2,845	2,845
No. of Barge Terminal (Terminal 115) [(a)]	1	1	1	1	1
Size (in acres)	70	70	70	70	70
Number of berths (1,600 feet)	4	4	4	4	4
Warehouse capacity (in square feet)	35,000	35,000	35,000	35,000	35,000
Refrigerated capacity (in reefer plugs)	780	780	780	780	780
No. of Multi-Use Terminal (Terminal 91)	1	1	1	1	1
Size (in acres)	212	212	212	212	212
Linear feet of berths (8,502 feet)	17	17	17	17	17
Storage facilities:					
Cold storage (in million cubic feet) [(d)]	2	2	2	5	5
Dry warehouse (in square feet) [(d)]	310,544	310,544	310,544	100,000	100,000
No. of Grain Terminal (Terminal 86)	1	1	1	1	1
Size (in acres)	40	40	40	40	40
Number of berths (1,400 feet)	1	1	1	1	1
Storage capacity (in million bushels)	4	4	4	4	4
No. of Cruise Terminals	2	2	2	2	2
Bell Street Cruise Terminal (Terminal 66)					
Size (in acres)	4	4	4	4	4
Number of berths (1,545–1,600 feet)	1	1	1	1	1
Smith Cove Cruise Terminal (Terminal 91) [(e)]					
Size (in acres)	23	23	23	23	23
Number of berths (2,400 feet)	2	2	2	2	2

(Continued)

[(a)] Starting January 2016, Container Terminals and Barge Terminal were licensed to the NWSA.

[(b)] Container Terminal 5 was vacant starting in August 2014, while the design and permitting phase of the multi-year Terminal 5 Modernization project is underway. The terminal will be leased for interim use during the duration of the project.

[(c)] In 2022, the three cranes at Terminal 46 were licensed to the NWSA. In 2020, the Port sold six cranes at Terminal 5. In 2019, three container cranes were removed from Terminal 18 and one container crane was removed from Terminal 46; the Port purchased three container cranes at Terminal 46 from its terminal operator. In 2017, three container cranes were sold to its terminal operator at Terminal 18. In 2013, five of the container cranes were sold to its terminal operator at Terminal 46.

[(d)] Cold Storage and Warehouse space at Terminal 91 buildings were being evaluated as of December 31, 2022.

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

Source: Port of Seattle Records

Schedule 24 Capital Assets Information—Maritime and Economic Development Facilities

Last Ten Fiscal Years

	2017	2016	2015	2014	2013
Total Property (in acres)	1,335	1,335	1,335	1,335	1,335
No. of Container Terminals (Terminal 5, 18, 30, 46) [(a)(b)]	4	4	4	4	4
Size (in acres)	526	526	526	526	526
Number of berths (1,200–4,450 feet)	11	11	11	11	11
Number of container cranes [(c)]	10	13	13	13	13
Storage facilities (in square feet)	177,000	177,000	177,000	177,000	177,000
Maintenance facilities (in square feet)	112,000	112,000	112,000	112,000	112,000
On-Dock intermodal yard					
Maximum capacity—in full train	14	14	14	14	14
Refrigerated capacity (in reefer plugs)	2,816	2,816	2,816	2,816	2,816
No. of Barge Terminal (Terminal 115) [(a)]	1	1	1	1	1
Size (in acres)	70	70	70	70	70
Number of berths (1,600 feet)	4	4	4	4	4
Warehouse capacity (in square feet)	35,000	35,000	35,000	35,000	35,000
Refrigerated capacity (in reefer plugs)	400	400	400	400	400
No. of Multi-Use Terminal (Terminal 91)	1	1	1	1	1
Size (in acres)	212	212	212	212	212
Linear feet of berths (8,502 feet)	17	17	17	17	17
Storage facilities:					
Cold storage (in million cubic feet) [(d)]	5	5	5	5	5
Dry warehouse (in square feet) [(d)]	100,000	100,000	100,000	100,000	100,000
No. of Grain Terminal (Terminal 86)	1	1	1	1	1
Size (in acres)	40	40	40	40	40
Number of berths (1,400 feet)	1	1	1	1	1
Storage capacity (in million bushels)	4	4	4	4	4
No. of Cruise Terminals	2	2	2	2	2
Bell Street Cruise Terminal (Terminal 66)					
Size (in acres)	4	4	4	4	4
Number of berths (1,545–1,600 feet)	1	1	1	1	1
Smith Cove Cruise Terminal (Terminal 91) [(e)]					
Size (in acres)	23	23	23	23	23
Number of berths (2,400 feet)	2	2	2	2	2

(Concluded)

Schedule 25 Capital Assets Information—Seattle-Tacoma International Airport

Last Ten Fiscal Years

	Fiscal year	Size / Length
Airport area (in acres)	2022	2,500
Apron (in square feet)—commercial airlines	2022	3,061,300
Runways (in feet)		
16L/34R	2022	11,901
16C/34C	2022	9,426
16R/34L	2022	8,500
Rental Car Facility (in square feet)	2022	2,100,000

	2022	2021	2020	2019	2018
Terminal (in square feet)					
Airlines	1,286,213	1,219,262	1,106,432	1,104,944	1,124,073
Tenants	396,181	385,411	314,830	313,506	327,145
Port-occupied	213,657	218,115	216,364	221,044	225,688
Public/Common	1,263,715	967,305	929,979	922,856	931,725
Mechanical	633,741	581,949	540,221	545,511	520,655
Total	3,793,507	3,372,042	3,107,826	3,107,861	3,129,286
Number of passenger gates	84	76	73	73	76
Number of Port-owned loading bridges	77	69	66	58	58
Parking (spaces assigned)					
Short-term, long-term, and employees	11,744	12,025	12,025	12,100	12,100
Other offsite parking (spaces assigned)					
Economy	1,455	1,455	1,455	1,465	1,465
Employees	4,122	4,122	4,141	4,141	4,141

	2017	2016	2015	2014	2013
Terminal (in square feet)					
Airlines	1,106,262	1,143,386	1,136,322	1,126,510	1,107,166
Tenants	327,596	334,717	331,073	332,364	331,433
Port-occupied	228,282	234,472	228,136	239,069	236,390
Public/Common	917,515	919,906	920,752	930,209	926,927
Mechanical	514,343	511,469	510,182	497,941	517,805
Total	3,093,998	3,143,950	3,126,465	3,126,093	3,119,721
Number of passenger gates	74	78	80	79	78
Number of Port-owned loading bridges	56	58	57	54	59
Parking (spaces assigned)					
Short-term, long-term, and employees	12,180	12,180	11,952	11,952	11,952
Other offsite parking (spaces assigned)					
Economy	1,465	1,465	1,620	1,620	1,620
Employees	4,122	4,122	4,091	4,091	4,091

Source: Port of Seattle Records

Port of Seattle

portseattle.org

Annual Comprehensive Financial Report

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