



THE NORTHWEST
SEAPORT ALLIANCE

2022 Financial Results

As of December 31, 2022

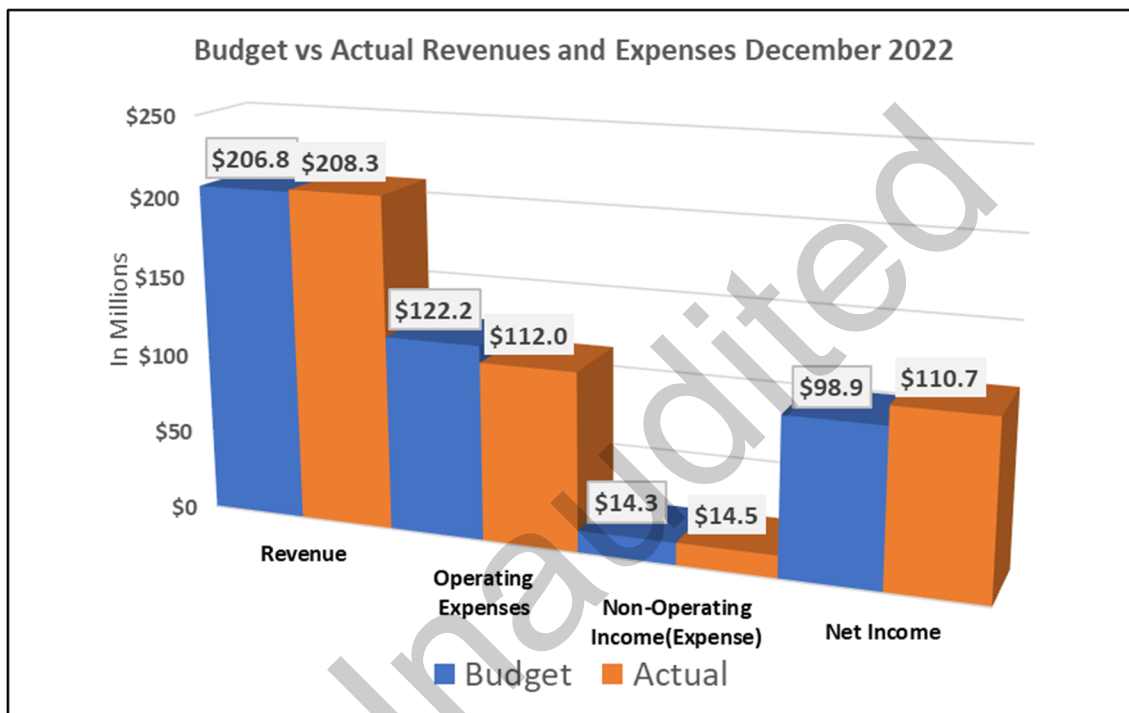
Unaudited

February 21, 2023

December 2022 Financial Summary - NWSA

Note: In 2021, the NWSA adopted the new lease accounting standard, GASB 87, which reduced operating revenues and increased interest for the same amount, resulting in no overall impact on net income. Therefore, beginning in 2021, our internal financial reports will exclude the impact of GASB 87.

Actuals vs. Budget



Revenue for the year of \$208.3 million was \$1.5 million, or 1%, above budget as increases in Non-container and Real Estate revenue of 43% and 5%, respectively, offset a 5% decrease in Container revenue. Non-container revenue was \$8.6 million, or 49%, above budget driven by breakbulk revenue that was \$9.4 million above budget (tonnage above budget by 49% and higher military cargo revenue), offset by lower auto revenue of \$0.8 million from 21% lower volume.

Container revenue of \$127.1 million was \$2.3 million below budget, TEUs were below the previous year by 9% driven by two issues. First, uncertainty due to the ongoing labor negotiations between PMA and the ILWU has caused shippers to move cargo from West Coast Ports to East Coast and Gulf ports. Second, congestion in Vancouver caused blank sailings (shipping lines skip the NWSA ports) so that the ships can get back on schedule. This drove down intermodal lift volumes in all port operated yards by 20% which resulted in revenue being \$5.6 million below budget, and drove Terminal 18 revenue below budget by \$6.2 million as budgeted MAG volume was not met. Terminal 5 revenue was below budget by \$2.2 million as the budget assumed 85 leased acres but current lease is for 65 acres. Offsetting revenue increases over budget were from T46 of \$3.3 million from the Pacific Crane

Maintenance lease that was not budgeted, Husky of \$1.7 million due to higher crane and straddler revenue and rent of \$1.2 million from new short-term leases and rent escalations.

Real Estate revenue of \$15.8 million was above budget by \$0.8 million, or 5%, from new leases and rent escalations.

Operating expense of \$112.0 million was \$10.2 million, or 8%, under budget and operating expense before depreciation was \$7.7 million below budget. The NWSA recorded unbudgeted reductions in PERS pension expense of \$0.7 million, medical benefit reserve of \$0.6 million and lower support service allocations from the Port of Tacoma of \$1.0 million due to their medical reserve adjustment.

Operating expense excluding the pension and medical adjustments were \$5.4 million below budget. Maintenance was below budget by \$9.7 million primarily due to lower spending on planned major maintenance projects (for T5 gate complex repairs, maintenance dredging at T18 and T30, T46 bulkhead repairs, W. Sitcum terminal repairs, SH terminal paving repairs and contingency placeholder).

Administrative expense was under budget by \$1.2 million from lower support services cost driven by lower IT costs and lower labor costs from open positions at SH. Environmental expense was below budget by \$1.1 million primarily due to permanent savings of \$0.4 million in legal fees for the W. Sitcum Soundkeepers lawsuit that was settled in 2021 and timing of air quality projects.

Operations costs increased \$6.6 million and offset the positive budget variances in maintenance, Admin and Environmental, primarily due to higher longshore and related operating costs of \$5.5 million to support the 49% tonnage volume and revenue; T5 shuttle costs incurred during West Seattle bridge closure of \$1.9 million; and were offset by lower auto drayage and intermodal operating costs due to lower auto imports and lower intermodal volume of \$2.2 million.

Depreciation of \$21.0 million was \$2.4 million under budget primarily due to timing of asset capitalizations at T5.

Operating income of \$96.3 million was \$11.6 million and 14% above budget.

Total net non-operating income of \$14.4 million was \$0.2 million above budget. Interest income was below budget by \$1.2 million due to the non-cash loss on the market value of investments of \$1.9 million offset by higher interest income of \$0.7 million. Net non-operating income was \$9.5 million compared to budgeted expense of \$3.1 million. Significant items were:

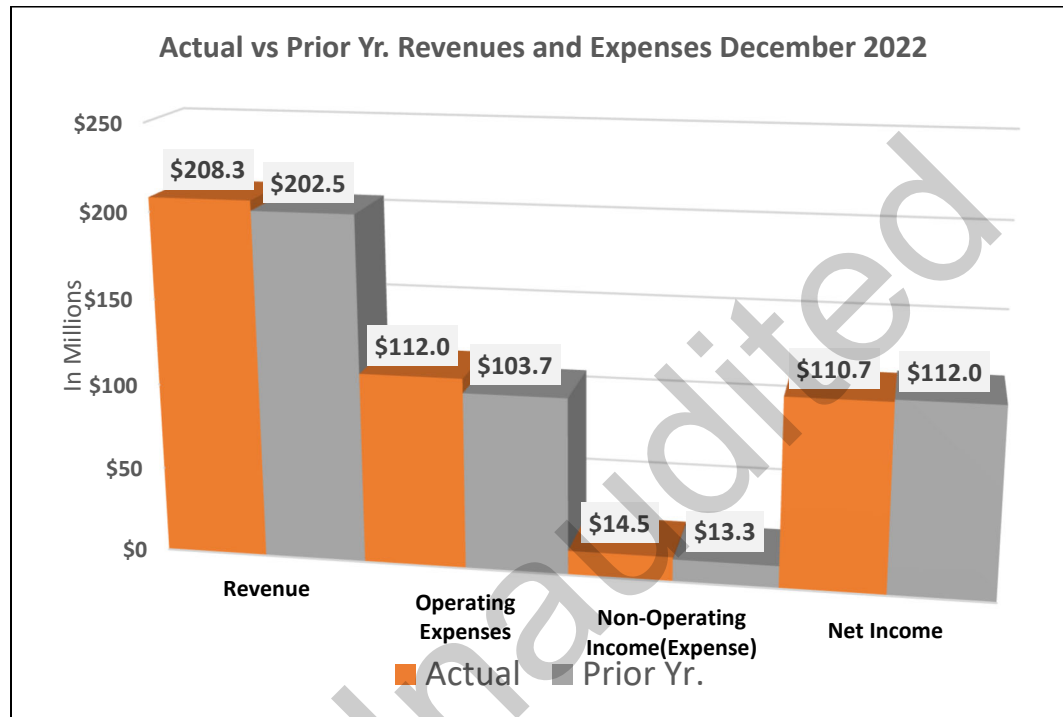
- \$3.0 million settlement proceeds for the T30 substation
- \$2.6 million of storm water assets contributed by the T18 tenant
- \$1.7 million settlement from former W. Sitcum tenant
- \$1.8 million reduction in T5 public expenses (primarily contribution to City Light)
- \$0.4 million contribution for SH SIM charging station infrastructure

Grant income of \$5.9 million was below budget by \$11.1 million primarily due to timing of \$7.9 million of T5 projects for stormwater, intermodal yard improvements, reefers, shore power, \$2.8 million for Husky shore power and \$0.4 million on T18 shore power projects.

As a result, net income of \$110.7 million was \$11.8 million, or 12%, above budget.

Current Year Actuals (YTD) vs. Prior Year Actuals (YTD)

Year to date revenue of \$208.3 million was \$5.8 million or 3%, above the prior year. Non-Container revenue increased by \$7.3 million, or 35% over the prior year due to a 43% increase in tonnage that pushed breakbulk revenue up \$7.1 million, and auto revenue increased by \$0.2 million due to tariff rate increases in 2022 (units down 1%). Real estate revenue increased over the prior year by \$2.2 million, or 16%, from 6 new leases, 3 holdover leases replaced by new long-term leases with existing tenants and rent escalations.



Offsetting the increases in the Non-Container and Real Estate businesses, was a decrease in Container revenue of \$3.6 million compared to the prior year. Container volume decreased by 9% compared to the previous year driven by two issues. First, uncertainty due to the ongoing labor negotiations between PMA and the ILWU has caused shippers to move cargo from West Coast Ports to East Coast and Gulf ports. Second, congestion in Vancouver caused blank sailings (shipping lines skip the NWSA ports) so that the ships can get back on schedule. The lower volume negatively impacted volume related revenue by \$5.4 million; Husky Terminal crane and straddler revenue was down \$2.9 million, Terminal 18 revenue volume related lift MAG revenue was below the prior year by \$2.2 million, and intermodal lift revenue decreased by \$0.3 million with overall lift volume down 1%. The unfavorable impact of the lower volumes was offset by revenue increases of \$0.5 million which were comprised of increases from the opening of Terminal 5 of \$10.5 million, from new leases at Terminal 46 of \$3.6 million leases (Pacific Crane Maintenance, US Coast Guard and PNW Pacific Maritime), lease escalations of \$1.1 million, and were offset by a decrease of \$14.7 million from CMA/APL lease termination payment received in the prior year.

Operating expense of \$112.0 million was \$8.4 million above the prior year; operating expense before depreciation was \$2.4 million, or 3% above the prior year and depreciation was above the prior by \$6.0 million from new asset additions at T5. The increase in operating expense before depreciation was

driven by revenue related longshore labor and operating costs of \$4.4 million that supported the 43% increase in breakbulk revenue, T5 longshore shuttle costs of \$1.9 million and BNSF domestic terminal improvements of \$0.4 million. In addition, West Sitcum maintenance expense increased by \$1.1 million for the crane rail repair, air quality spending increased by \$0.2 million and security increased by \$0.3 million due to changes in allocations and higher breakbulk activity, resulting in a total increase over the prior year of \$8.3 million. Offsetting lower expenses of \$5.9 million were due to lower intermodal and auto operating expenses of \$1.2 million due to lower volumes, lower admin support services costs of \$0.6 million and prior year expenses not incurred this year: rail incentives of \$2.0 million, T5 gate and intermodal yard improvements of \$1.3 million and T30 generator rentals of \$0.8 million.

Operating income of \$96.4 million was \$2.5 million, or 3%, below the prior year.

Net non-operating income of \$14.4 million was \$1.3 million above the prior year. Net Interest expense was above the prior year by \$1.4 million due to a higher non-cash loss on the market value of investments of \$1.5 million, offset by higher interest income of \$0.1 million in current year.

Non-operating income was \$9.5 million this year compared to \$7.4 million in prior year. Significant current year items were:

- \$3.0 million settlement proceeds for the T30 substation
- \$2.6 million of storm water assets contributed by the T18 tenant
- \$1.7 million settlement from former W. Sitcum tenant
- \$1.8 million reduction in T5 public expenses (primarily contribution to City Light)
- \$0.4 million contribution for SH SIM charging station infrastructure

Significant prior year items were:

- \$5.5 million of storm water assets contributed by the T18 tenant
- \$4.2 million from the CMA/APL termination agreement
- \$0.5 million recovery of prior year over assessment of stormwater fees in the SH
- -\$2.8 million for public expenses: T5 public expense (\$1.5 million contribution to City of power supply), SIM UP charging stations, CBP facility costs and Husky design costs.

Grant income was \$0.5 million above prior year, with current grant income of \$5.9 million from the T5 stormwater system of \$4.8 million and T5 shore power infrastructure of \$1.1 million. Prior year grant income of \$5.4 million was from the following projects: T5 shore power of \$2.5 million, Pierce County Flood District for the Wapato Creek culvert project \$0.9 million, T46 TIGER grant of \$1.1 million, T5 stormwater project - Ecology of \$0.8 million and truck scrap bonus program of \$0.1 million.

This resulted in net income of \$110.8 million, which was \$1.2 million and 1% below the prior year.

Balance Sheet and Cashflow: Cash and investments totaled \$63.8 million at the end of December of the current year, compared to \$53.7 million at the beginning of the year. The increase of \$10.1 million is primarily attributable to the receipt of Harbor Maintenance Tax funds in the amount of \$5.5 million and changes in other payables and receivables balances. Cash earned from operations is distributed back to the homeports and any increase/decrease in total cash is generally due to the timing of payments and collections of cash and the receipt of interest and grants.

Cash distributions to homeports were \$117.8 million compared to \$133.0 million in the prior year, the decrease of \$15.2 million is primarily due to the distribution of affirmation payment and investment income in the prior year. Homeport capital contributions throughout the year were \$58.9 million whereas in prior year was \$91.0 million.

Unaudited



**THE NORTHWEST
SEAPORT ALLIANCE**

	2022				2021		
	BUDGET	ACTUAL	VARIANCE		ACTUAL	VARIANCE	
			FAV/(UNFAV)	%		FAV/(UNFAV)	%
Operating Revenue	\$ 206,842	\$ 208,308	\$ 1,466	1%	\$ 202,466	\$ 5,842	3%
Operating Expenses	98,817	91,102	7,715	8%	88,692	(2,410)	-3%
Depreciation	23,370	20,941	2,429	10%	14,969	(5,972)	-40%
Total Operating Expenses	122,187	112,043	10,144	8%	103,661	(8,382)	-8%
Operating Income	84,655	96,265	11,610	14%	98,805	(2,540)	-3%
Non-Operating Income(Expense)							
Interest Income (expense)	170	(1,031)	(1,201)	-706%	372	(1,403)	-377%
Non-Operating Income(Expense)	(3,034)	9,531	12,565	414%	7,361	2,170	29%
Grant income	17,087	5,941	(11,146)	-65%	5,457	484	9%
Total Non-Operating Income(Expense)	14,223	14,441	218	2%	13,190	1,251	9%
Net Income	\$ 98,879	\$ 110,705	\$ 11,826	12%	\$ 111,995	\$ (1,290)	-1%

NOTE: Operating revenue and non-operating expenses excludes G87 lease interest.

DESCRIPTION	(Dollars in Thousands)		2022		2021		
	BUDGET	ACTUAL	FAV/(UNFAV)		ACTUAL	FAV/(UNFAV)	
			\$	%		\$	%
Container							
Operating Revenue	\$172,067	\$164,215	(\$7,852)	-5%	\$167,813	(\$3,598)	-2%
Operations	22,484	24,537	(2,053)	-9%	28,615	4,078	14%
Maintenance	20,189	12,782	7,407	37%	12,301	(481)	-4%
Depreciation	21,591	19,277	2,314	11%	13,296	(5,981)	-45%
Total Operating Expense	64,264	56,596	7,668	12%	54,212	(2,384)	-4%
Operating Income - Container	107,803	107,619	(184)	0%	113,601	(5,982)	-5%
Non- Container							
Operating Revenue	19,709	28,277	8,568	43%	20,995	7,282	35%
Operations	11,105	14,504	(3,399)	-31%	9,862	(4,642)	-47%
Maintenance	2,232	2,345	(113)	-5%	1,788	(557)	-31%
Depreciation	1,009	997	12	1%	976	(21)	-2%
Total Operating Expense	14,346	17,846	(3,500)	-24%	12,626	(5,220)	-41%
Operating Income - Non-Container	5,363	10,431	5,068	94%	8,369	2,062	25%
Real Estate							
Operating Revenue	15,066	15,816	750	5%	13,659	2,157	16%
Operations	312	348	(36)	-12%	287	(61)	-21%
Maintenance	619	602	17	3%	969	367	38%
Depreciation	112	101	11	10%	101	0	0%
Total Operating Expense	1,043	1,051	(8)	-1%	1,357	306	23%
Operating Income - Real Estate	14,023	14,765	742	5%	12,302	2,463	20%
Other Expenses							
Commercial Administration	13,335	11,661	1,674	13%	10,951	(710)	-6%
Infrastructure and Administration Expense	29,198	24,890	4,308	15%	24,516	(374)	-2%
Total Operating Income	\$84,655	\$96,264	\$11,609	14%	\$98,806	(\$2,542)	-3%

* This table excludes lease interest.

Operating Income by Line of Business

Actual vs Budget

Container Business (Container Terminals and Intermodal)

Container business (containers and intermodal) revenues of \$164.2 million were below budget by \$7.9 million, 5%. Operating expenses of \$56.5 million were below budget by \$7.7 million, 12%. This resulted in container business operating income of \$107.7 million that was in line with budget.

Operating revenues of \$164.2 million were below budget \$7.9 million.

- Husky crane revenue was above budget \$1.0 million (crane hours up 8%) and strad rent was above budget by \$0.5 million (strad hours up 36%) Husky TEUs down 19% over prior year.
- T46 revenue was above budget by \$3.3 million due to unbudgeted US Coast Guard lease (17 acres of wharf/yard started in July 2022) and a new Pacific Crane Maintenance lease.
- East Sitcum revenue was above budget \$0.5 million for Husky and Military short-term leases (Husky Terminal and Stevedoring, one started in 2022 and terminated in March 2022. A new one commenced from April 2022).
- PCT rent above budget \$0.4 million from rent escalations.
- T5 revenue was below budget by \$2.2 million as the budget assumed 85 lease acres but current lease is for 65 acres.
- T18 was below budget by \$6.2 million as budget assumed collection of incremental over MAG revenue.
- Total intermodal revenue was below budget by \$5.6 million, lift volume under budget by 20%:
 - NIM lift revenue was below budget by \$2.0 million (lift revenue down \$3.0 million (volume -23%, offset by lift minimum guarantee above budget by \$0.9 million).
 - SIM Domestic (UP/BNSF) revenue below budget by \$1.9 million (lift revenue down \$1.3 million (volume -10%) and BNSF rent down \$0.6 million (budgeted for full year).
 - HIM lift revenue was below budget by \$1.0 million (volumes -24%).
 - PIM revenue above budget by \$0.1 million (lift revenue down \$0.1 million (volumes -5%) and were offset by lift minimum guarantee up \$0.2 million.
 - T5 intermodal lift revenue was below budget \$0.8 million (volume -32%).

Operating expenses of \$56.5 million were \$7.7 million, or 12%, below budget.

- Maintenance was under budget \$7.4 million due to T5 maintenance below budget by \$1.7 million for the gate complex repair and operational readiness projects; W. Sitcum maintenance below budget by \$1.2 million due to timing of pier repairs and crane rail rehab; T18 maintenance below budget by \$1.4 million for dredging and electrical assessments; PCT maintenance below budget \$0.5 million for timing of paving and dredging; T30 down \$0.5 million for maintenance dredging; Husky maintenance below budget by \$1.2 million due to less planned crane maintenance and repairs and dredging; and WUT maintenance below budget \$0.4 million for timing of cap repairs.

- Operations expense was \$2.1 million above budget, driven primarily by T5 operational costs of \$2.5 million (\$1.9 million for shuttle costs and \$0.6 million for utility costs).
- Depreciation was below budget by \$2.4 million primarily due to timing of asset additions of \$2.0 million at T5 and \$0.2 million at T46.

Operating Income of \$107.7 million was in line with budget.

Non-Container Business (Autos and Breakbulk)

Non-Container (autos and breakbulk) revenues of \$28.3 million were above budget \$8.6 million as the increase in breakbulk revenue of \$9.4 million was offset by the negative auto variance of \$0.8 million. Operating expenses were above budget \$3.5 million due to increased revenue related longshore labor. This resulted in non-container operating income of \$10.4 million which was \$5.1 million higher than budget.

Operating Revenues of \$28.3 million were above budget \$8.6 million.

- Breakbulk revenues of \$20.4 million were above budget by \$9.4 million due to 49% higher tonnage volume. (There were 18 military vessel calls compared to a budget of 6, resulting in a \$2.9 million increase in revenue.)
- Auto revenues of \$7.9 million were below budget by \$0.8 million due to 21% lower unit volume, offset by higher dockage and security revenues from the increased number of vessels, with longer vessel discharge periods due to lower availability of longshore labor.

Operating Expenses of \$17.8 million were above budget \$3.5 million.

- Breakbulk expenses of \$14.7 million were \$5.7 million above budget from higher longshore labor of \$4.2 million and higher operating expenses of \$1.1 million to support the higher volume and additional rent for additional acres on tribal land. The higher volumes also resulted in increased security costs of \$0.2 million.
- Auto expenses of \$3.1 million were below budget \$2.2 million mainly driven by lower longshore costs of \$0.2 million for the E. Sitcum yard that is not in use, lower drayage costs of \$2.0 million as units were discharged off vessels and moved directly to retailers, as well as units down 18% versus budget.

Operating Income of \$10.4 million was \$5.1 million above budget.

Real Estate

Operating revenues of \$15.8 million were \$0.8 million, or 5%, above budget.

- New leases and escalations contributed \$1.0 million, offset by \$0.5 million for existing lease with reduced footprint.

Operating expenses of \$1.1 million were flat to budget and operating income of \$14.8 million was \$0.7 million above budget.

Other (not LOB-specific) Operating Expenses

Commercial Administrative expenses (Commercial and Operations teams costs) of \$11.7 million were below budget by \$1.2 million, primarily due to lower headcount, and lower maintenance contingency spending in the NH of \$0.5 million.

Infrastructure and Other Administration expenses of \$24.9 million were below budget by \$4.3 million as administration costs were below plan \$1.9 million due to lower homeport support service agreement allocations (driven by IT spending below plan). Environmental costs were below budget by \$1.1 million primarily due to permanent savings in legal fees for the W. Sitcum Soundkeepers lawsuit that was settled in 2021 for \$0.4 million and lower spending on air quality projects of \$0.6 million and operating costs of \$0.1 million. In addition, the PERS pension expense reduction of \$0.6 million was not budgeted, the maintenance budget contingency of \$0.4 million was not spent and security was below plan by \$0.2 million.

Total Operating Income was \$96.4 million and \$11.7 million (14%) above budget.

Year to Date vs. Prior Year

Container Business (Container Terminals and Intermodal)

Container business (containers and intermodal) revenue of \$164.2 million decreased by \$3.6 million, 2% from the prior year. Operating expenses of \$56.5 million increased by \$2.4 million over the prior year. This resulted in container business operating income of \$107.6 million which was \$6.0 million, or 5%, lower than the prior year.

Operating Revenues of \$164.2 million decreased \$3.6 million, or 2%, versus the prior year, TEUs decreased by 9% over the prior year.

- T5 revenue decreased by \$4.8 million. Revenue from new SSA lease, commenced January 2022 (\$10.8 million, was offset primarily by APL termination payment in the prior year \$15.3 million.
- Husky revenue decreased \$2.3 million as crane revenue decreased \$2.3 million (hours down 22%) and strad revenue decreased \$0.6 million which was offset by an increase in rent revenue of \$0.7 million.
- T18 revenue decreased \$1.6 million as SSA did not meet their minimum annual guarantee this year, offset by APL/CMA lift short fall of \$0.6 million.
- T46 revenue increased \$3.6 million due to Pacific Crane Maintenance, US Coast Guard and PNW Pacific Maritime leases and T30 increased by \$0.2 from rent escalations.
- Lease escalations increased revenue by \$1.3 million at PCT, West Sitcum and T30.
- Total intermodal lift revenue of \$37.3 million decreased by \$0.2 million.

- NIM revenue decreased by \$5.2 million (volumes down 44%).
- HIM revenue decreased by \$0.5 million (volumes down 26%)
- SIM UP revenue increased by \$1.5 million (volumes up 17%).
- SIM BNSF revenue of \$1.4 million was above the prior year as lease commenced August 2022.
- T5 IM revenue increased \$1.8 million due to the new SSA lease.
- PIM revenue increased \$0.8 million due to an increase in the lift minimum of \$0.6 million and higher lift revenue, volume up 22%.

Operating expenses of \$56.5 million increased \$2.4 million, or 4%, from the prior year.

- Depreciation expense increased \$5.9 million primarily due to terminal improvements at T5.
- Maintenance expense increased \$0.5 million due to increased PCT maintenance that was \$0.3 million above the prior year for culvert assessment/repairs and West Sitcum was \$1.1 million above the prior year (the lease amendment allows for reimbursement of up to \$1.0 million to SSA for repair of crane rails joints). T-30 maintenance down \$0.3 million due to 2021 substation repairs and Husky maintenance down \$0.8 million due to lower crane repairs.
- Operations expense decreased \$4.1 million over the prior year mostly due to a decrease of intermodal operations expense of \$3.0 million due to 2021 rail incentives and decreased labor expense. T30 operations expense down \$1.1 million for 2021 rental of generators and related equipment. T5 operations expense of \$4.1 million for shuttle costs of \$1.9 million which was offset by prior year costs for generator rentals and rail switch repairs of \$1.9 million.

Non-Container Business (Autos and Breakbulk)

Non-container business (autos and breakbulk) revenue of \$28.3 million increased by \$7.3 million over the prior year from increases in breakbulk revenue of \$7.1 million and auto revenue increased by \$0.2 million. Operating expenses of \$17.9 million increased by \$5.2 million over the previous year. This resulted in non-container business operating income of \$10.4 million, which was \$2.1 million higher than the prior year.

Operating revenues of \$28.3 million were \$7.3 million more than the prior year.

- Breakbulk revenues of \$20.4 million increased by \$7.1 million as volumes increased by 43%, bolstered by military vessel calls that increased from 13 in the prior year to 18 this year, which resulted in revenue from military operations increasing by \$2.2 million to \$4.0 million.
- Auto revenues of \$7.9 million increased by \$0.2 million compared to the prior year as tariff revenue increases offset a decline in auto units of 1%.

Operating expenses of \$17.9 million increased \$5.2 million over the prior year.

- Breakbulk Longshore labor and vessel related operating expenses were up \$3.8 million due to higher breakbulk and military volume.
- Security expense increased by \$0.4 million due to vessels staying at port longer to discharge the higher military and breakbulk volumes.

- Equipment and land rental costs increased \$0.5 million for additional truck loading/unloading equipment and additional acreage leased from the tribe.
- Maintenance increased due to paving repairs of \$0.5 million due to paving repairs at T7 and Marshall Ave.

Operating Income of \$10.4 million was \$2.1 million and 25% above the prior year.

Real Estate

Operating revenues of \$15.8 million increased \$2.2 million, or 16%, compared to the prior year.

- Revenue increased by \$1.6 million for 6 new leases, 3 holdover leases replaced by new long-term leases with existing tenants and rent escalations.
- Revenue at T115 increased by \$0.3 million from a rent abatement agreement that ended.
- Revenue at the T18 bulk facilities for petroleum and molasses were \$0.3 million higher than prior year with petroleum volume increasing 49% and molasses volume decreasing by 4%.

Operating Expenses of \$1.1 million increased \$0.3 million over the prior year due to higher maintenance costs.

Operating Income of \$14.8 million was \$2.5 million and 20% above the prior year.

Other (not LOB-specific) Operating Expenses

Commercial Administration increased by \$0.7 million, primarily due to higher NH facilities maintenance, overhead allocations and SH customs improvements (first full year) and higher operations department costs.

Infrastructure and Other Administration expenses increased by \$0.3 million due to lower PERS pension adjustment of \$1.2 million compared to the prior year and higher environmental spending of \$0.2 million, offset by revisions to the support services agreements that decreased administrative and security overhead allocations by \$1.0 million.

Total Operating Income was \$96.4 million and \$2.5 million (3%) below the prior year.

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

NW Seaport Alliance Scorecard 2022 vs 2021



CARGO VOLUME

	2022 YTD Total	2021 Total	2022 Budget
<u>Containers (TEUs)</u>			
International	2.6M	3.0M	3.3M
Domestic	734k	744k	700k
Break Bulk (Metric Tons)	478k	366K	370k
Autos (Units) ^{NWSA/POT}	173k	162k	206k



JOB CREATION

	2022 YTD Actuals	2021 YTD Actuals	2022 Budget
ILWU Hours	4.6M	4.5M	4.7M



MARKET SHARE

	2022 YTD Actuals (Nov. 2022)*	2021 YTD
Trans-Pacific Trade	6.2%	7.1%
West Coast Ports	11.2%	12.0%



FINANCIAL RETURNS

<i>\$ in millions</i>	2022 YTD Actuals	2021 Total Actuals	2022 Total Budget
Distributable Cash	\$128.0	\$128.6	\$122.1
Return on Revenue	47%	46%	41%



ENVIRONMENTAL STEWARDSHIP

	2022 YTD Actuals	2021 Results	2022 Budget
Water Quality (Acres of Improve Source Control)	162.3 acres	114 acres	150 acres
Air Quality (Diesel Particulate Matter - reduced)	0.6 Ton	0.34 Ton	1.1 Tons
Greenhouse Gas Emissions - (reduced)	260 Tons	0 Ton	660 Tons



OPERATIONS

	2022 Q3 Actuals	2021 Q3 Actuals	2021 Results	2022 Target
Avg Crane Production Net moves per hour (mph)	28.3	28.5	28.0	28.5
Truck Turn Time Avg total experience in minutes	80.0	81.4	77.5	< 90 Minute Turn Time

*West coast port and Trans-Pacific Trade volumes through December were not available by the time of the distribution of this report; therefore, presented data through November 2022



NORTHWEST SEAPORT ALLIANCE
Statement of Revenue and Expense
North & South Harbor
December 31, 2022

CURRENT MONTH				YEAR TO DATE					
BUDGET	ACTUAL	VARIANCE	%	DESCRIPTION	BUDGET	ACTUAL	VARIANCE	%	PRIOR YEAR
18,228,491	17,596,831	(631,660)	-3.5%	Operating Revenues	206,842,162	208,307,664	1,465,502	0.7%	202,466,441
18,228,491	17,596,831	(631,660)	-3.5%	Total Revenue	206,842,162	208,307,664	1,465,502	0.7%	202,466,441
3,447,834	4,098,627	(650,793)	-18.9%	Operations	41,790,330	47,357,969	(5,567,639)	-13.3%	45,450,250
3,565,835	1,594,531	1,971,304	55.3%	Maintenance	30,327,820	20,126,893	10,200,927	33.6%	19,652,092
1,717,750	867,309	850,441	49.5%	Administration	19,529,679	17,565,380	1,964,299	10.1%	18,106,345
348,859	375,467	(26,608)	-7.6%	Security	4,313,708	4,283,431	30,277	0.7%	3,992,652
2,006,449	1,783,477	222,972	11.1%	Depreciation	23,180,126	20,633,087	2,547,039	11.0%	14,841,728
16,261	30,815	(14,554)	-89.5%	Amortization of Lease Asset	190,317	359,003	(168,686)	-88.6%	127,761
628,843	133,861	494,982	78.7%	Environmental	2,854,729	1,717,630	1,137,099	39.8%	1,489,797
11,731,831	8,884,087	2,847,744	24.3%	Total Operating Expense	122,186,709	112,043,393	10,143,316	8.3%	103,660,625
6,496,660	8,712,744	2,216,084	34.1%	Operating Income	84,655,453	96,264,271	11,608,818	13.7%	98,805,816
19,941	189,821	169,880	851.9%	Interest Income	239,292	977,746	738,454	308.6%	832,099
-	(39,992)	(39,992)	0.0%	Market Value Adjustment	-	(1,936,630)	(1,936,630)	0.0%	(398,118)
(5,434)	(5,543)	(109)	-2.0%	Lease Interest Expense	(68,538)	(72,497)	(3,959)	-5.8%	(61,846)
4,266,000	858,795	(3,407,205)	-79.9%	Grant Income	17,087,323	5,940,728	(11,146,595)	-65.2%	5,456,649
(2,444,000)	5,880,730	8,324,730	340.6%	Misc. Non Op Income(Expense)	(3,010,000)	9,554,024	12,564,024	417.4%	7,383,512
(1,724)	(1,556)	168	9.7%	Other Non Operating	(23,641)	(22,555)	1,086	4.6%	(22,762)
1,834,783	6,882,255	5,047,472	275.1%	Non-Operating Revenue (Expense)	14,224,436	14,440,816	216,380	1.5%	13,189,534
8,331,443	15,594,999	7,263,556	87.2%	Income Before Levy & Expense	98,879,889	110,705,087	11,825,198	12.0%	111,995,350
8,331,443	15,594,999	7,263,556	87.2%	Net Income/(Loss)	98,879,889	110,705,087	11,825,198	12.0%	111,995,350

NORTHWEST SEAPORT ALLIANCE
North & South Harbor
Trended Statement of Revenue and Expense
December 31, 2022
(Dollars in Thousands)

	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>Jul-22</u>	<u>Aug-22</u>	<u>Sep-22</u>	<u>Oct-22</u>	<u>Nov-22</u>	<u>Dec-22</u>
Operating Revenue	13,727	18,865	17,273	16,911	16,366	15,422	16,285	15,816	19,284	18,458	18,065	17,965	17,597
Total Operating Revenue	13,727	18,865	17,273	16,911	16,366	15,422	16,285	15,816	19,284	18,458	18,065	17,965	17,597
Operations	4,383	3,375	4,224	4,123	4,311	3,228	4,240	3,645	3,888	4,083	4,440	3,704	4,099
Maintenance	3,773	1,219	1,223	1,332	1,377	1,559	1,379	1,716	3,585	1,240	2,085	1,818	1,595
Administration	1,345	1,227	1,399	1,664	1,523	1,442	1,589	1,546	1,500	1,687	1,564	1,558	867
Security	374	339	296	342	373	389	371	351	352	377	360	358	375
Depreciation	1,399	1,700	1,699	1,696	1,697	1,717	1,716	1,716	1,732	1,725	1,729	1,723	1,783
Amortization of Lease Asset	15	15	15	15	16	16	16	16	127	30	31	30	31
Environmental	22	96	109	147	118	136	110	141	146	174	224	183	134
Total Operating Expense	11,310	7,972	8,965	9,319	9,414	8,485	9,421	9,131	11,330	9,317	10,430	9,374	8,884
Operating Income	2,417	10,893	8,308	7,592	6,952	6,937	6,864	6,685	7,954	9,141	7,635	8,591	8,713
Interest Income	21	21	22	27	35	47	54	80	107	114	123	156	190
Market Value Adjustment	(40)	(291)	(174)	(558)	(327)	68	(221)	263	(440)	(462)	(124)	371	(40)
Lease Interest Expense	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(9)	(6)	(6)	(6)	(6)
Grant Income	3,347	(179)	180	519	1,058	-	-	1,587	3	582	1,328	5	859
Misc. Non Op Income/(Expense)	3,589	1,711	41	(33)	(257)	(221)	23	(21)	(169)	2,606	15	(43)	5,879
Non-Operating Revenue (Expense)	6,910	1,255	62	(50)	503	(111)	(150)	1,904	(507)	2,834	1,336	483	6,882
Net Income/(Loss)	9,327	12,148	8,370	7,542	7,455	6,825	6,714	8,589	7,447	11,975	8,971	9,074	15,595

NORTHWEST SEAPORT ALLIANCE
North & South Harbor
Commercial Team
Statement of Revenue - Operating Income
Year to Date December 31, 2022 Actual to Budget
(Dollars in Thousands)

Description	Containers			Non-Containers			Real Estate	Other Admin	Total Commercial Team
	Container Terminals	Intermodal	Total Containers	Autos	Breakbulk	Total Non-Containers			
ACTUAL									
Operating Revenues	\$127,057	\$37,157	\$164,214	\$7,942	\$20,335	\$28,277	\$15,816	-	\$208,308
Operating Expenses	10,544	14,162	24,705	1,362	13,195	14,557	348	-	39,610
Maintenance	11,661	1,121	12,782	1,037	1,308	2,345	602	-	15,730
Depreciation	18,570	538	19,109	719	225	944	101	-	20,153
Environmental	-	-	-	-	-	-	-	-	-
Total Expenses	40,775	15,821	56,596	3,118	14,728	17,846	1,051	-	75,493
Contribution Margin	86,282	21,336	107,618	4,824	5,607	10,431	14,765	-	132,815
Commercial Administration	4,010	812	4,822	-	2,728	2,728	1,239	2,872	11,661
Commercial Operating Income	82,272	20,524	102,796	4,824	2,879	7,703	13,527	(2,872)	121,154
Infrastructure and Other Administration	-	-	-	-	-	-	-	24,890	24,890
Operating Income	82,272	20,524	102,796	4,824	2,879	7,703	13,527	(27,762)	96,264
BUDGET									
Operating Revenues	\$129,319	\$42,748	\$172,066	\$8,817	\$10,892	\$19,709	\$15,066	-	\$206,842
Operating Expenses	7,590	14,894	22,484	3,611	7,547	11,158	312	-	33,954
Maintenance	18,766	1,424	20,189	941	1,290	2,232	619	-	23,040
Depreciation	21,082	509	21,591	732	225	957	112	-	22,660
Environmental	-	-	-	-	-	-	-	-	-
Total Expenses	47,437	16,827	64,265	5,284	9,062	14,346	1,044	-	79,654
Contribution Margin	81,881	25,920	107,802	3,533	1,830	5,363	14,023	-	127,188
Commercial Administration	4,230	988	5,218	-	2,595	2,595	1,339	4,183	13,335
Commercial Operating Income	77,651	24,932	102,583	3,533	(765)	2,768	12,684	(4,183)	113,853
Infrastructure and Other Administration	-	-	-	-	-	-	-	29,198	29,198
Operating Income	77,651	24,932	102,583	3,533	(765)	2,768	12,684	(33,381)	84,655
VARIANCE									
Operating Revenues	(\$2,262)	(\$5,591)	(\$7,852)	(\$874)	\$9,442	\$8,568	\$750	-	\$1,466
Operating Expenses	(2,954)	732	(2,221)	2,249	(5,648)	(3,399)	(36)	-	(5,656)
Maintenance	7,104	303	7,407	(96)	(18)	(114)	17	-	7,311
Depreciation	2,511	(29)	2,483	12	0	13	11	-	2,507
Environmental	-	-	-	-	-	-	-	-	-
Total Expenses	6,662	1,006	7,668	2,166	(5,666)	(3,500)	(7)	-	4,161
Contribution Margin	4,401	(4,585)	(184)	1,291	3,777	5,068	743	-	5,627
Commercial Administration	220	176	396	-	(133)	(133)	100	1,311	1,674
Commercial Operating Income	4,621	(4,408)	213	1,291	3,644	4,935	843	1,311	7,301
Infrastructure and Other Administration	-	-	-	-	-	-	-	4,308	4,308
Operating Income	4,621	(4,408)	213	1,291	3,644	4,935	843	5,619	11,609

NORTHWEST SEAPORT ALLIANCE
North & South Harbor
Commercial Team
Statement of Revenue - Operating Income
Year to Date December 31, 2022 Actual to Prior Year
(Dollars in Thousands)

Description	Containers			Non-Containers			Real Estate	Other Admin	Total Commercial Team
	Container Terminals	Intermodal	Total Containers	Autos	Breakbulk	Total Non-Containers			
ACTUAL									
Operating Revenues	\$127,057	\$37,157	\$164,214	\$7,942	\$20,335	\$28,277	\$15,816	-	\$208,308
Operating Expenses	10,544	14,162	24,705	1,362	13,195	14,557	348	-	39,610
Maintenance	11,661	1,121	12,782	1,037	1,308	2,345	602	-	15,730
Depreciation	18,570	538	19,109	719	225	944	101	-	20,153
Environmental	-	-	-	-	-	-	-	-	-
Total Expenses	40,775	15,821	56,596	3,118	14,728	17,846	1,051	-	75,493
Contribution Margin	86,282	21,336	107,618	4,824	5,607	10,431	14,765	-	132,815
Commercial Administration	4,010	812	4,822	-	2,728	2,728	1,239	2,872	11,661
Commercial Operating Income	82,272	20,524	102,796	4,824	2,879	7,703	13,527	(2,872)	121,154
Infrastructure and Other Administration	-	-	-	-	-	-	-	24,890	24,890
Operating Income	82,272	20,524	102,796	4,824	2,879	7,703	13,527	(27,762)	96,264
PRIOR YEAR									
Operating Revenues	\$130,501	\$37,311	\$167,812	\$7,756	\$13,239	\$20,995	\$13,659	-	\$202,466
Operating Expenses	11,458	17,157	28,615	1,343	8,552	9,895	287	-	38,797
Maintenance	11,735	566	12,301	679	1,109	1,788	969	-	15,058
Depreciation	12,806	490	13,296	727	215	942	101	-	14,339
Environmental	-	-	-	-	-	-	-	-	-
Total Expenses	35,998	18,214	54,212	2,749	9,876	12,625	1,357	-	68,194
Contribution Margin	94,503	19,097	113,600	5,007	3,363	8,370	12,303	-	134,272
Commercial Administration	3,299	858	4,157	-	2,470	2,470	1,250	3,074	10,951
Commercial Operating Income	91,204	18,239	109,443	5,007	893	5,900	11,053	(3,074)	123,322
Infrastructure and Other Administration	-	-	-	-	-	-	-	25,674	25,674
Operating Income	91,204	18,239	109,443	5,007	893	5,900	11,053	(28,748)	97,648
VARIANCE									
Operating Revenues	(\$3,444)	(\$154)	(\$3,598)	\$187	\$7,096	\$7,282	\$2,157	-	\$5,841
Operating Expenses	914	2,996	3,910	(18)	(4,643)	(4,661)	(61)	-	(813)
Maintenance	74	(555)	(481)	(359)	(199)	(557)	367	-	(671)
Depreciation	(5,765)	(48)	(5,813)	8	(10)	(2)	0	-	(5,815)
Environmental	-	-	-	-	-	-	-	-	-
Total Expenses	(4,777)	2,393	(2,384)	(369)	(4,852)	(5,221)	306	-	(7,299)
Contribution Margin	(8,221)	2,239	(5,982)	(183)	2,244	2,062	2,463	-	(1,457)
Commercial Administration	(711)	46	(665)	-	(258)	(258)	11	202	(710)
Commercial Operating Income	(8,932)	2,285	(6,647)	(183)	1,986	1,803	2,474	202	(2,168)
Infrastructure and Other Administration	-	-	-	-	-	-	-	784	784
Operating Income	(8,932)	2,285	(6,647)	(183)	1,986	1,803	2,474	986	(1,383)

NORTHWEST SEAPORT ALLIANCE
Statement of Net Position
North & South Harbor
December 31, 2022
(Dollars in Thousands)

	Current Year	12/31/2021
ASSETS		
CURRENT ASSETS		
Cash	\$5,937	\$7,140
Investments, at fair value	57,866	46,589
Net Trade A/R	12,057	8,551
Grants Receivable	296	3,347
Lease Receivable - Current	61,062	54,736
Prepayments and other current assets	2,532	1,410
Related Party Receivable - JV	7,586	5,683
Total Current Assets	147,336	127,455
NON-CURRENT ASSETS		
Capital Assets	478,849	457,119
Construction in Process	139,173	105,033
Total cost	618,021	562,152
Less: Accumulated Depreciation	68,533	47,540
Capital Assets, Net	549,488	514,611
Other Deferred Assets	82	92
Lease Receivable - GASB 87	1,434,819	1,206,296
Pension Asset	838	4,978
Total Non-Current Assets	1,435,739	1,211,367
Total Assets	\$2,132,562	\$1,853,433
Deferred Outflows of Resources		
Pension Deferred Outflow	2,207	1,085
Total Assets and Deferred Outflows	\$2,134,770	\$1,854,518
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts Payable and accrued liabilities	\$26,195	\$30,022
Related Party Payable - JV	18,360	9,158
Payroll and Benefits Liabilities	1,609	1,626
Lease Liability - Current	261	190
Total Current Liabilities	46,425	40,995
NON-CURRENT LIABILITIES		
Rent Deposits	8,260	5,096
Other Noncurrent Liabilities	3,410	4,009
Total Non-Current Liabilities	11,669	9,105
Total Liabilities	58,095	50,101
Deferred Inflows of Resources		
Lease Deferred Inflows - GASB 87	1,495,881	1,261,033
Pension Deferred Inflow	2,047	5,755
Total Equity	578,748	537,629
Total Liabilities, Deferred Inflows & Equity	\$2,134,770	\$1,854,518

NORTHWEST SEAPORT ALLIANCE
Summary of Cash Activities
December 31, 2022
(Dollars in Thousands)

	2022	2021
Operating Income	\$ 96,316	\$ 98,281
Less: Non-cash income/expense items		
Depreciation	20,509	14,969
Cash earned in the current year	<u>116,825</u>	<u>113,250</u>
Adjustments		
Increases/decreases in payables and receivables	5,872	1,213
Net cash provided by operating activities	<u>122,697</u>	<u>114,463</u>
Membership interest affirmation payment rec'd from Port of Seattle	-	11,000
Distribution of membership interest affirmation payment	-	(11,000)
Current year distributable cash	(127,950)	(117,578)
Timing on current year distributions	16,020	5,876
Prior Year distributable cash paid in current year	(5,876)	(10,340)
Net cash provided by non-capital & related financing activities	<u>(117,806)</u>	<u>(122,042)</u>
Cash received from Homeports for Capital Construction Fund	50,852	95,365
Cash received from federal grants	8,991	5,951
Acquisition and construction of capital assets (net)	(59,227)	(91,603)
Cash received from Capital HMT Funds	5,526	5,526
Net cash provided/(used) from Capital & Financing Activities	<u>6,142</u>	<u>15,239</u>
Cash from/(to) investments	(12,236)	(5,815)
Net cash from/(to) investments	<u>(12,236)</u>	<u>(5,815)</u>
Total Increase(Decrease) in Cash	(1,202)	1,845
Plus: Beginning Cash Balance	7,140	5,295
Ending Cash	<u><u>\$ 5,937</u></u>	<u><u>\$ 7,140</u></u>



Northwest Seaport Alliance
Managing Members Cash Distribution Report
 December 31, 2022

The cash distributions per Article IV of the Charter are shared 50/50 by each homeport. Homeports will receive 50% of the \$16,020,000 or \$8,010,000 each.

<u>Distribution Date*</u>	<u>Fiscal Month/Yr.</u>	<u>Amount</u>	<u>YTD Distributions</u>
2/28/23	December 2022	\$16,020,000	\$127,950,000

Unaudited

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

Note:

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



**THE NORTHWEST
SEAPORT ALLIANCE**

The Northwest Seaport Alliance 5-Year Cargo Volume History:

CONTAINERIZED VOLUME (TEUs)								
	2017	2018	2019	2020	2021	2022	% Change Y-O-Y (2020 vs 2022)	% Change Y-O-Y (2021 vs 2022)
Int'l Import full TEUs	1,380,785	1,452,623	1,369,251	1,253,818	1,464,662	1,258,631	0.4%	-14.1%
Int'l Export full TEUs	964,067	953,495	913,332	790,620	691,446	555,556	-29.7%	-19.7%
Int'l Empty TEUs	650,459	705,114	775,763	591,197	836,012	835,355	41.3%	-0.1%
Total International TEUs	2,995,311	3,111,232	3,058,346	2,635,635	2,992,120	2,649,542	0.5%	-11.4%
Total Domestic TEUs	706,863	686,394	716,957	684,744	744,086	734,477	7.3%	-1.3%
Grand Total TEUs	3,702,174	3,797,626	3,775,303	3,320,379	3,736,206	3,384,018	1.9%	-9.4%
CARGO VOLUME (METRIC TONS)								
Container Cargo	26,105,730	28,868,125	28,671,813	25,508,550	26,177,940	23,043,966	-9.7%	-12.0%
Breakbulk	210,725	249,055	246,412	291,623	366,184	478,455	64.1%	30.7%
Autos	224,864	228,295	305,816	244,612	262,289	286,148	17.0%	9.1%
Grain	9,027,128	9,000,753	6,460,563	9,197,211	10,106,512	8,971,124	-2.5%	-11.2%
Gypsum	229,084	221,054	251,342	153,858	220,172	201,421	30.9%	-8.5%
Logs	278,078	116,790	75,757	0	0	0	0.0%	0.0%
Petroleum	715,546	665,670	636,150	677,469	524,332	708,619	4.6%	35.1%
Molasses	35,980	45,686	46,661	42,400	32,729	31,769	-25.1%	-2.9%
Grand Total (Metric Tons)	36,827,135	39,395,428	36,694,513	36,115,724	37,690,159	33,721,501	-6.6%	-10.5%
Autos (Units)	146,885	141,143	155,930	156,205	162,484	171,544	9.8%	5.6%
YTD Market Share Nov (most recent data available for competing ports)*	13.6%	13.4%	13.6%	11.95%	12.11%	11.44%	-0.51%	-0.67%

*Los Angeles, Long Beach, Oakland, Vancouver, Prince Rupert, NWSA, Portland

Auto unit count includes units handled at Port of Tacoma (POT)

Includes volume from a privately-operated domestic container facility

Northwest Seaport Alliance
Intermodal Lifts, Crane & Strad Hours
December 31, 2022

Volume Activity	Year to Date				Prior Year		
	Budget	Actual	Fav/ (Unfav)	%	Prior Yr.	Fav/ (Unfav)	%
CRANE HOURS							
Husky	9,511	10,294	783	8%	13,202	(2,909)	-22%
East Sitcum	-	-	-	0%	-	-	0%
Total Crane Hours	9,511	10,294	783	8%	13,202	(2,909)	-22%
STRAD HOURS							
Husky	6,470	8,791	2,321	36%	12,213	(3,422)	-28%
East Sitcum	-	-	-	0%	-	-	0%
NIM	9,706	8,270	(1,436)	-15%	12,315	(4,045)	-33%
Total Strad Hours	16,176	17,060	884	5%	24,528	(7,468)	-30%
INTERMODAL LIFTS							
NIM	118,383	91,621	(26,762)	-23%	159,023	(67,402)	-42%
SIM/SIM-UP/BNSF	134,407	120,167	(14,240)	-11%	102,168	17,999	18%
HIM	133,090	101,828	(31,262)	-23%	125,228	(23,400)	-19%
PIM	35,640	33,926	(1,714)	-5%	27,856	6,070	22%
T5 IM	90,000	61,610	(28,390)	-32%	-	61,610	0%
Total Intermodal Lifts	511,520	409,152	(102,368)	-20%	414,275	(5,123)	-1%