Limited Contract Compliance Audit
Marmot Mountain, LLC DBA ExOfficio

January 2025 – December 2025

Issue Date: August 24, 2026
Report No. 2026-05

Executive Summary

Internal Audit (IA) completed a limited scope compliance audit of the Lease and Concession Agreement (Agreement) between Marmot Mountain, LLC DBA ExOfficio and the Port of Seattle (Port).

The period reviewed was January 1, 2025, through December 31, 2025.

The audit was performed to determine whether concession fees were complete, properly calculated, and remitted to the Port.

No exceptions were identified.

We extend our appreciation to management and staff of Aviation Commercial Management and the Accounting & Financial Reporting Departments for their assistance and cooperation.

Glenn Fernandes, CPA
Director, Internal Audit

Responsible Management Team
Lisa Lam, Director, Accounting and Financial Reporting
Khalia Moore, Assistant Director, Aviation Commercial Management
Jeff Wolf, Director, Aviation Commercial Management

Background

In June of 2018, the Port entered into a lease agreement (AIR002364) with Marmot Mountain, LLC DBA ExOfficio. Under this agreement, Marmot Mountain, LLC operates a retail store called ExOfficio, which sells various Marmot Mountain, Coleman, and ExOfficio related products.

The Minimum Annual Guarantee (MAG) is 85% of the total paid by the concessionaire to the Port, for the previous calendar year. The MAG for 2025 was $179,657.62. At the end of the lease year, a reconcilation is performed comparing the Percentage Fees due to the Port to the Agreement Year's MAG. Any amount of the Percentage Fees that fall below the MAG is due to the Port.

Percentage Fees:

Annual Gross Sales	Percentage of Gross Sales
Less than or equal to $4,500,000	13.5%
Greater than $4,500,000 and less than $5,000,000	14.0%
Greater than $5,000,000	14.5%

The table below reflects Marmot Mountain LLC DBA ExOfficio's Gross Sales:

Period	Gross Sales
2025 January - June	$806,705
2025 July - December	1,029,961
	$1,836,666

Approach

The period assessed was January 2025, through December 2025 and included the following procedures:

- Validated that the percentage fees were calculated correctly and in accordance with the lease revenue thresholds
- Agreed Concessionaire's monthly general ledger sales data to what was provided to the AFR Department
- Agreed point-of-sale summary reports to the general ledger
- Obtained the Annual Gross Sales Report and compared the report to year-end gross sales data reported to AFR
- Obtained and reviewed the Profit & Loss statements for variances