

# INTERNAL AUDIT REPORT

Limited Contract Compliance Audit  
SSP America SEA, LLC (Le Grand Comptoir)

July 2024 – December 2024

Issue Date: June 25, 2025  
Report No. 2025-14

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## Executive Summary

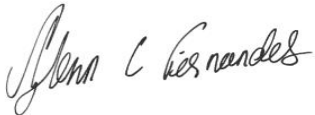
Internal Audit (IA) completed a limited scope audit of the Lease and Concession Agreement (Agreement) between SSP America SEA, LLC, and the Port of Seattle (Port). SSP America SEA, LLC operates four locations under this agreement: Ballard Brew Hall, Mi Casa Cantina, Le Grand Comptoir, and Camden Food Co. This audit report reflects the results of Le Grand Comptoir.

The period audited was July 1, 2024, through December 31, 2024.

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

***We concluded that SSP America SEA, LLC (Le Grand Comptoir) materially complied with the terms of the Agreement. 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 during the audit.



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

On August 1, 2017, the Port entered into a lease agreement (AIR002237) with SSP America SEA, LLC. Under this agreement, SSP America SEA, LLC operates Ballard Brew Hall, Mi Casa Cantina, Le Grand Comptoir, and Camden Food Co. Below is a description of Le Grand Comptoir.

Le Grand Comptoir is described as a multi-award winning, beautifully designed, full-service travel oasis. Travelers can sit and wind down over a glass of premium wine hand-picked from the region as well as the world's best vineyards, paired with bistro-inspired plates designed to match the delight and gratification of the drink choice. Travelers can choose from a range of small plates, a vast selection of local cheeses and charcuterie, large tartines and seasonal salads.

The Minimum Annual Guarantee (MAG) is 85% of the total paid by the concessionaire to the Port, for the previous calendar year. The annual MAG for SSP America SEA, LLC 2024 was \$1,271,408. At the end of the lease year, a reconciliation 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:

8% of annual gross sales less than \$10,000,000  
12% of annual gross sales between \$10,000,001 and \$15,000,000  
16% of annual gross sales greater than \$15,000,000

The table below reflects Le Grand Comptoir 2024 Gross Sales:

| Period               | Gross Sales |
|----------------------|-------------|
| 2024 January - June  | \$2,125,465 |
| 2024 July - December | 2,397,629   |
|                      | \$4,523,094 |

The table below reflects 2024's Gross Sales and Percentage Fees for all four locations operating under SSP America SEA, LLC:

| Period               | Gross Sales  | Percentage Fee |
|----------------------|--------------|----------------|
| 2024 January - June  | \$8,227,147  | \$658,172      |
| 2024 July - December | 10,266,899   | 1,300,876      |
|                      | \$18,494,046 | \$1,959,048    |

## **Audit Scope and Methodology**

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) and The Institute of Internal Auditors' Global Internal Audit Standards. Due to a 2024 cyber event at the Port of Seattle, the required GAGAS triennial peer review has been delayed; however, we believe this had no impact on the engagement or the assurance provided. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides such a basis.

In some instances, we used judgmental sampling methods to determine the samples selected for our audit test work. In those cases, the results of the work cannot be projected to the entire population.

The period audited was July 2024, through December 2024 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 Accounting & Financial Reporting 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
- Reviewed the Profit & Loss statements for variances
- Reviewed a random sample of invoices to determine if they were paid on time and for the full amount charged

## Appendix A: Risk Ratings

Findings identified during the audit are assigned a risk rating, as outlined in the table below. Only one of the criteria needs to be met for a finding to be rated High, Medium, or Low. Findings rated Low will be evaluated and may or may not be reflected in the final report.

| Rating        | Financial Stewardship | Internal Controls                               | Compliance   | Public   | Commission/ Management               |
|---------------|-----------------------|---|--|--|--------------------------------------|
| <b>High</b>   | Significant           | Missing or not followed                         | Non-compliance with Laws, Port Policies, Contracts       | High probability for external audit issues and / or negative public perception     | Requires immediate attention         |
| <b>Medium</b> | Moderate              | Partial controls<br>Not functioning effectively | Partial compliance with Laws, Port Policies<br>Contracts | Moderate probability for external audit issues and / or negative public perception | Requires attention                   |
| <b>Low</b>    | Minimal               | Functioning as intended but could be enhanced   | Mostly complies with Laws, Port Policies, Contracts      | Low probability for external audit issues and/or negative public perception        | Does not require immediate attention |