

UNITED STATES DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION  
WASHINGTON, DC

IN THE MATTER OF COMPLIANCE  
WITH FEDERAL OBLIGATIONS BY THE  
  
PERRY COUNTY AIRPORT and  
INDUSTRIAL AUTHORITY



FAA Docket No. 16-21-09

**DIRECTOR'S DETERMINATION**

**I. INTRODUCTION AND SUMMARY**

This matter is before the Federal Aviation Administration (FAA) based on a Notice of Investigation (NOI) filed by the FAA on October 26, 2021, under the FAA *Rules of Practice for Federally-Assisted Airport Enforcement Proceedings* (Rules of Practice), 14 Code of Federal Regulation (CFR) Parts 16.101 and 16.103. The FAA filed the NOI against the Perry County Airport and Industrial Authority (Authority/Sponsor), owner and operator of Vaiden Field Airport (A08/Airport). Although the Authority has attempted to informally resolve the issues raised in the NOI, its proposed efforts did not provide sufficient corrective actions.

The FAA issued the NOI alleging improper financial transactions involving the sale/mortgage/transfer/assignment of federally-obligated airport property at A08 without the FAA's approval or knowledge. The Sponsor's actions resulted in prohibited encumbrances on federally-obligated Airport property transferred to it under the Surplus Property Act of 1944, as amended, by a quitclaim deed between the United States and the Authority on August 15, 1978. As outlined in the deed, property use requirements and other federal obligations are attached to the conveyed property and recorded with the register of deeds for the local land-use jurisdiction (FAA Exhibit 1, Item 1).

With respect to the allegations presented, under the specific circumstances at A08 discussed in this Determination and based on the evidence of record in this proceeding, the Director finds that the Authority currently is in violation of its federal obligations, related to Grant Assurance 3, *Sponsor Fund Availability*; Grant Assurance 4, *Good Title*; Grant Assurance 5, *Preserving Rights and Powers*; Grant Assurance 13, *Accounting System, Audit, and Record Keeping Requirements*; and its obligations under the Surplus Property Act of 1944, as amended.

The basis for the Director's conclusion is set forth herein.

## II. THE AIRPORT

Vaiden Field Airport is located near the city of Marion, Alabama. It is a general aviation airport with seven (7) based aircraft and over 10,000 annual operations (FAA Exhibit 1, Item 2). The Airport is owned and operated by the Perry County Airport and Industrial Authority.

The FAA records indicate that the planning and development of A08 has been financed, in part, with funds provided by the FAA under the Airport Improvement Program (AIP), authorized by the *Airport and Airway Improvement Act of 1982*, as amended, 49 U.S.C. § 47101 *et seq.* AIP grants totaling \$6,747,085.00 were issued between 2008 and 2022 (FAA Exhibit 1, Item 3). The Authority also received Coronavirus Aid, Relief, and Economic Security (CARES) Act and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funds in 2020 and 2021, respectively (FAA Exhibit 1, Item 3).

## III. BACKGROUND

- 1) The Airport property, comprising approximately 479 acres, was transferred from the federal government to the Authority on August 15, 1978, under the Surplus Property Act of 1944, Public Law 78-457<sup>1</sup> via *Deed and Agreement* (Deed). The property was conveyed for public airport use and the property is subject to specific rules and requirements outlined in the Deed (FAA Exhibit 1, Item 1). In addition, the Authority is also obligated under the 39 federal grant assurances pursuant to the acceptance of federal grants under 49 U.S.C. § 47101 (FAA Exhibit 1, Item 8).
- 2) In 2010, the Authority executed a loan through a local bank to construct t-hangars, a fuel farm, and to purchase airport maintenance equipment. In 2016, the Authority modified the loan agreement with the bank and added all the federally-obligated Airport property from the Deed as collateral without the FAA's knowledge or required approval (FAA Exhibit 1, Item 4).
- 3) On February 26, 2018, the FAA's Office of Airports, Southern Region, Jackson Airports District Office (JAN-ADO) notified the Authority that due to an AIP grant programmed to be issued for fiscal year 2019, the Authority would be required under the Single Audit Act<sup>2</sup> to submit financial/project documents to the Federal Audit Clearinghouse. The JAN-ADO discussed these requirements and provided instructions on how to submit the documentation to assist the Airport with this process. A single audit was necessary under the Act because the Authority was set to receive \$2.2 million dollars in supplemental discretionary AIP grants in 2019.<sup>3</sup>

---

<sup>1</sup> As amended and subsequently recodified at 49 U.S.C. §§ 47151-47153.

<sup>2</sup> The Single Audit Act of 1984, Public Law 98-502 (as amended in 1996, Public Law 104-156, as amended and recodified at 31 USC § 7501 *et seq.*) and 2 CFR § 200.333- 200.337.

<sup>3</sup> Single audits are required for sponsors that expend federal grants totaling over \$750,000 in a fiscal year.

- 4) In 2019, the JAN-ADO issued the Authority an entitlement grant, AIP grant number 3-01-0104-010-2019, for \$583,531 to reimburse the Authority for the eligible costs of the hangars and fuel farm, as well as remarking the runway.
- 5) On September 1, 2020, the Authority notified the JAN-ADO that the Airport Deed had been surrendered to a local bank as collateral for a \$1.2 million dollar interest-only loan, which the Authority indicated it could no longer pay due to accruing interest charges and was nearing default. Due to its inability to pay, the Authority rolled the payments into refinancing, which increased the size of the loan over the years. The balance of the loan was \$838,000 as of September 14, 2020. Upon notification, the JAN-ADO requested the Authority provide copies of all loan documents, a narrative explaining the loan's intended use, and a balance sheet of Airport finances, which were provided on September 10, 2020 (Exhibit 1, Item 4).
- 6) On September 14, 2020, the JAN-ADO sent a letter to the Authority notifying them of pending noncompliance with the Authority's federal obligations (FAA Exhibit 1, Item 5). The letter informed the Authority that by entering into the loan agreement it appears that the Authority has violated the terms of the Deed and may be in violation of Grant Assurance 4, *Good Title*, and Grant Assurance 5, *Preserving Rights and Powers*. The letter states "The loan agreement the Authority entered into encumbers Airport property and relinquishes the Authority's good title to the property, thus not preserving the Authority's rights and powers over Airport property listed on the FAA-approved Airport Layout Plan (ALP)." (FAA Exhibit 1, Item 4).
- 7) On October 22, 2020, the bank placed the loan in default and issued the Authority a demand letter for the entire balance. However, the bank was unable to foreclose on the property due to pre-existing Deed restrictions (FAA Exhibit 1, Item 4).
- 8) On October 26, 2021, the Director issued a Notice of Investigation (NOI) under 14 CFR 16.101 and 16.103 (FAA Exhibit 1, Item 6) to investigate whether the transactions carried out by the Airport sponsor violate: 1) Grant Assurance 3, *Sponsor Fund Availability*, by not having sufficient operating capital to maintain runways, taxiways, and other areas for which AIP grant funding was provided; 2) Grant Assurance 4, *Good Title* and Grant Assurance 5, *Preserving Rights and Powers*, when it used Airport property as collateral for a loan without FAA approval; and 3) Grant Assurance 13, *Accounting System, Audit, and Record Keeping Requirements* by failing to comply with FAA audit programs, the Single Audit Act of 1984, and Deed restrictions related to audits by failing to provide required financial audit statements for 2019. The Authority was given until November 15, 2021, to respond to the NOI and to make good faith efforts to resolve the matter informally.
- 9) On November 15, 2021, the Director issued a second notification for a response to the NOI (FAA Exhibit 1, Item 7). The Authority responded with a letter and a proposed Corrective Action Plan (CAP). However, the CAP did not provide a plan or any new

information regarding the NOI. No other correspondence was received from the Authority<sup>4</sup>.

#### **IV. APPLICABLE LAW AND POLICY**

##### **A. Airport Sponsor Grant Assurances**

As a condition precedent to providing airport development assistance under the AIP, the FAA must receive certain assurances from the airport sponsor. Title 49 U.S.C. § 47107(a) sets forth certain sponsorship requirements to which an airport sponsor receiving federal financial assistance must agree. The FAA has a statutory mandate to ensure that airport owners comply with these sponsor assurances (FAA Exhibit 1, Item 8).

##### **B. Surplus Property Act Obligations**

Surplus property instruments of disposal are issued under the Surplus Property Act of 1944 as amended. The Act authorizes the conveyance of property surplus to the needs of the federal government. Surplus property instruments of transfer are one of the means by which the federal government provides airport development assistance to public airport sponsors. The conveyance of surplus federal land to public agencies for airport purposes is administered by the FAA, in conjunction with the U.S. Department of Defense (DOD) and the General Services Administration and pursuant to 49 U.S.C. §§ 47151, 47152, and 47153.

All surplus airport property instruments of disposal, except those conveying only personal property, provided that the covenants assumed by the grantee regarding the use, operation, and maintenance of the airport and the property transferred shall be deemed to be covenants running with the land. Accordingly, such covenants continue in full force and effect until released under Public Law 81-311 or other applicable federal law. In addition, the law permits the FAA to provide additional conditions, reservations, or restrictions on any release that it deems necessary to support civil aviation.

##### **C. FAA Enforcement Responsibilities**

The Federal Aviation Act of 1958, as amended, 49 U.S.C. § 40101, assigns the FAA Administrator broad responsibilities for the regulation of air commerce in the interests of safety, security, and development of civil aeronautics. Commitments assumed by airport owners or sponsors in property conveyance or grant agreements are important factors in maintaining a high degree of safety and efficiency in airport design, construction, operation and maintenance, as well as ensuring the public reasonable access to the airport. Pursuant to 49 U.S.C. § 47122, the FAA must ensure that airport owners comply with their federal grant assurances.

##### **D. The Complaint and Investigative Process**

Subpart D of *FAA Rules of Practice for Federally Assisted Airport Enforcement Proceedings* make clear the FAA's continuing authority to initiate its own investigation without having received a complaint, as authorized by the FAA Act and the Airport and Airway Improvement

---

<sup>4</sup> Letter from the Authority is summarized in Issue 1.

Act of 1982 (AAIA). Specifically, pursuant to 14 CFR § 16.101 “The FAA may initiate its own investigation of any matter within the applicability of this part without having received a complaint. The investigation may include, without limitation, any of the actions described in § 16.29(b).”

Per 14 CFR § 16.103, the FAA may issue a NOI to the sponsor outlining the areas of concern under investigation and request a response from the sponsor. Further, the FAA may invite good faith efforts to resolve the issues informally throughout the investigation. Pursuant to § 16.105 “If the matters addressed in the FAA notices are not resolved informally, the FAA may issue a Director's Determination under § 16.31.”

In accordance with 14 CFR § 16.33(b) and (e), “a party adversely affected by the Director’s Determination may file an appeal with the Associate Administrator for Airports within 30 days after the date of service of the initial determination.” If no appeal is filed within the time period specified in paragraph (b) of this section, the Director's Determination becomes the final decision and order of the FAA without further action.

## V. ISSUES

The NOI identified the following issues of concern:

**Issue 1 - Whether the Authority is currently in violation of Grant Assurance 3, *Sponsor Fund Availability*, by not having sufficient operating capital to maintain runways, taxiways, and other areas for which AIP grant funding was provided.**

**Issue 2 - Whether the Authority is currently in violation of Grant Assurance 4, *Good Title*, and Grant Assurance 5, *Preserving Rights and Powers*, by modifying a loan to add the Airport property as collateral.**

**Issue 3 - Whether the Authority is currently in violation of Grant Assurance 13, *Accounting System, Audit, and Record Keeping Requirements* when it failed to comply with FAA audit programs (the Single Audit Act of 1984 and Surplus Property deed restrictions related to audits).**

## VI. ANALYSIS AND DISCUSSION

The Director’s investigation is predicated on the above-stated issues and the Authority’s federal obligations. A list of the 39 federal grant assurances is available in the Index of the Administrative Record of this proceeding (FAA Exhibit 1, Item 8). Further, the Authority’s Deed, which also includes certain federal obligations, is provided in the record (FAA Exhibit 1, Item 1).

**Issue 1 - Whether the Authority is currently in violation of Grant Assurance 3, *Sponsor Fund Availability*, by not having sufficient operating capital to maintain runways, taxiways, and other areas for which AIP grant funding was provided.**

Grant Assurance 3, states:

[The sponsor] has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this Grant Agreement which it will own or control.

To analyze, the Director reviewed the terms and conditions of the loan agreement, the Deed, and the Authority's response to the NOI. The 2010 initial/original loan documentation was for a \$1.2 million interest-only loan to construct t-hangars, add a fuel farm, and purchase maintenance equipment for the Airport. The bank, at the time, did not require any collateral from the Authority. However, when the loan was modified in 2016, the bank assessed an accrued interest rate and required the Authority to put forth collateral. In response, the Authority collateralized the Airport land conveyed by the Deed comprising all property at A08 without FAA knowledge or approval. The Deed specifically states, "that no property transferred by this instrument shall be used, leased, sold, salvaged or disposed of by the grantee for other than airport purposes without the written consent of the Administrator of the FAA." (FAA Exhibit 1, Item 8).

Upon learning of this, the FAA sent a letter on September 14, 2020, notifying the Authority of its pending non-compliance status with its federal obligations based on the Authority entering into the now-defaulted loan agreement, and the fact that the FAA issued a 2019 AIP grant number 3-01-0104-010-2019 for \$583,531 to reimburse the Authority for the eligible costs of the t-hangars and fuel farm (FAA Exhibit 1, Item 3). The FAA letter stated, "it appears that the airport authority has violated the terms of the AIP Grant Assurances as well as the obligating quitclaim transfer agreement under the Surplus Property Act of 1944, as amended."

The Authority did not respond to the September 14, 2020 letter. As a result, the Director issued a Part 16 NOI and an additional notice to compel a response, to which the Authority responded, expressing regret for the delayed response and also submitting a proposed corrective action plan (CAP) stating its intent to resolve the grant assurance violations. This was the only response received from the Authority. The CAP included the following, as summarized:

The Authority retained an attorney to resolve the encumbrance ("good title") issue as it relates to Vaiden Field. The Authority admits that it and the bank entered into a loan agreement that included the property at Vaiden Field as collateral, despite having a legal opinion against this action, without the full Authority board's knowledge or approval. The Chairman of the Authority board stated he signed the loan agreement without full knowledge and understanding that it violated the AIP grant agreement. The Chairman who signed the loan agreement resigned from his position on November 9, 2020, and is no longer on the Perry County Airport and Industrial Authority Board (FAA Exhibit 1, Item 9).

In addition, the Authority states they are maintaining Abbreviated Financial Statements based on the books and records at Vaiden Field (A08), to fairly present in all material respects, the revenues, cost of goods sold, and direct expenses of the Authority for the

periods November 9, 2020, to present specified therein, all in accordance with the FAA Grant Assurances 13, *Accounting System, Audit, and Recordkeeping Requirements* as applied by the Airport Authority. The Authority claims it will retain an accountant to maintain the financial records since the new leadership took control of the board in November 2020 (FAA Exhibit 1, Item 9).

Finally, the Authority claims to have implemented a new governing structure that is focused on creating and sustaining a sufficient revenue stream to maintain the Vaiden Field Airport operations. The Authority also claims that “Once our legal issues are resolved, we will be able to devote all our revenue generating capabilities toward the operations of the airport.” (FAA Exhibit 1, Item 9).

The Director commends the Authority for taking initial steps to achieve compliance with its federal obligations. However, the FAA must decide in all cases as to whether a sponsor is reasonably and currently meeting its federal commitments. A sponsor meets its commitments when: 1) the federal obligations are fully understood; 2) a program is in place that the FAA deems adequate to carry out the sponsor’s commitments; 3) the sponsor satisfactorily demonstrates that such a program is being carried out; and 4) past compliance issues have been addressed (*see* FAA Order 5190.6B, Change 3, *Chapter 2, Compliance Program*).

The Director cannot make a finding of current compliance so long as federally-obligated airport property remains as collateral for a bank loan, which is now in default and subject to bank foreclosure in violation of its Deed. The Authority’s proposed corrective action to increase future revenues to ensure financial self-sustainability does not itself cure the improper land-as-collateral condition that currently exists by contract with the bank. There is no evidence that the Authority has the revenue to secure the property deeds currently in default, nor the sufficient funds to cover their portion of AIP project costs and operation and maintenance of the Airport.

Grant Assurance 3 is in place to protect taxpayer investment in airport facilities by ensuring the investments are operated and maintained with adequate funds from the sponsor over the useful life of the facilities. Here, the FAA reimbursed the Authority for eligible airport improvements, which was intended to offset the Authority’s financial exposure for such improvements. Additional grants were issued for parallel taxiway construction, presumably under the assumption that the Authority was financially capable of funding operation and maintenance of the improved facility. However, even with the reimbursement and additional grants for eligible projects, the bank foreclosure action demonstrates that the Authority has insufficient funds to maintain its grant-funded facilities.

In summary, the Director finds the Authority in violation of Grant Assurance 3, *Sponsor Funds Availability*. The Authority has insufficient funds available to operate and maintain grant-funded facilities. These actions are deemed inconsistent with Grant Assurance 3 and the Surplus Property Act and obligations in the Deed. A CAP that does not adequately outline how the Authority intends to immediately rectify this financial situation or provide an explanation or documentation to prove the solvency of the Airport is insufficient.

**Issue 2 - Whether the Authority is currently in violation of Grant Assurance 4, *Good Title*, and Grant Assurance 5, *Preserving Rights and Powers*, by modifying the loan to add the Airport property as collateral.**

**Grant Assurance 4, *Good Title***

Grant Assurance 4 states in part the following:

“[An airport sponsor], a public agency or the federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.”

**Grant Assurance 5, *Preserving Rights and Powers***

Grant Assurance 5 states in part the following regarding the airport sponsor:

(a) It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Grant Agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

(b) Subject to the FAA Act of 2018, Public Law 115-254, Section 163, it will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this Grant Agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor’s interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this Grant Agreement.

As previously noted, the Deed specifically states in section 7A that “no property transferred under this instrument shall be used, leased, sold, salvaged or disposed of by the grantee for other than the airport purposes without the written consent of the Administrator of the FAA.” (FAA Exhibit 1, Item 1).

By modifying the bank loan in 2016 to confer the (now-foreclosed) Airport property as loan collateral, the Authority inappropriately encumbered its title and other interests in the property (as shown on the FAA-required Exhibit A property map) without the FAA’s knowledge or approval. Consequently, the Authority no longer holds good title to any of the Airport property depicted on the Exhibit A in violation of Grant Assurance 4 and has surrendered its rights and powers over the property in violation of Grant Assurance 5.

In this analysis, the Director incorporates by reference facts and findings outlined in the *Background* and *Issue 1* sections above and adds that any encumbered title must not deprive the airport sponsor of possession or control necessary to carry out all federal obligations. The FAA will normally consider subordination of the sponsor's fee interest in airport property by mortgage, easement, or other encumbrance as a transaction that would deprive the sponsor of the rights and powers necessary to fulfill its federal obligations (*See* FAA Order 5190.6B, Change 3, Chapter 6, *Rights and Powers and Good Title*). When the Authority modified the loan to add the Airport property as collateral and failed to make adequate loan payments leading to default, the Sponsor relinquished its title to the property to the bank. Upon doing so, the Authority surrendered its rights and powers to perform any or all of the terms, conditions, and assurances outlined in their grant agreements, without written approval from the FAA.<sup>5</sup> Notably, the proposed CAP does not adequately substantiate how the Authority intends to rectify this noncompliance beyond claims of a new governing structure and assertions of future financial solvency. Accordingly, the Director finds the Authority in violation of Grant Assurance 4, *Good Title* and Grant Assurance 5, *Preserving Rights and Powers*. Further, the Director finds the Authority violated Section 7A of the Deed prohibiting disposal of the property without the FAA approval.

**Issue 3 - Whether the Authority is currently in violation of Grant Assurance 13, *Accounting System, Audit, and Record Keeping Requirements* when it failed to comply with FAA audit programs (the Single Audit Act of 1984 and Surplus Property deed restrictions related to audits), by failing to provide required financial audit statements for 2019.**

Grant Assurance 13 provides the following regarding the sponsor:

(a) It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this Grant, the total cost of the project in connection with which this Grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

(b) It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this Grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this Grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

---

<sup>5</sup> See 14 CFR Part 155, *Release of Airport Property from Surplus Property Disposal Restrictions*.

To analyze, the Director reviewed the February 26, 2018, letter from the JAN-ADO to the Authority, evaluated the Deed Paragraph 7(J), and performed a review of the Federal Audit Clearinghouse.

Paragraph 7(J) of the Deed specifically states in part:

The Grantee will: (1) furnish the FAA with annual or special airport financial and operational reports as may be reasonably requested using either forms furnished by the FAA or in such manner as it elects so long as the essential data are furnished... (FAA Exhibit 1, Item 1).

On February 26, 2018, the JAN-ADO notified the Authority board chairman of the Single Audit Act requirements and instructions on how to submit the audit to the Federal Audit Clearinghouse. This submission was necessary due to the Authority receiving a \$2.2 million dollar supplemental discretionary grant in 2019 to extend a parallel taxiway (FAA Exhibit 1, Item 3).

In its CAP, the Authority expressed that it had requested all of the financial files from the Treasurer and Secretary of the Authority (FAA Exhibit 1, Item 9). While the Authority has sought to locate – and perhaps audit – the financial data necessary to comply with FAA record and audit requirements, the Authority has not, to date, provided any evidence that it has submitted the required Single Audit Act documents to the Federal Audit Clearinghouse, nor has the FAA been provided any further financial documentation from the Authority.

Consequently, the Director finds the Authority in violation of Grant Assurance 13, *Accounting System, Audit, and Record Keeping Requirements* by failing to provide the requested documentation, failing to comply with FAA audit programs and the Single Audit Act of 1984, and paragraph 7(J) of the Deed for A08.

## VII. FINDING AND CONCLUSIONS

Under the particular circumstances existing at Vaiden Field Airport and the entire record herein, and upon consideration of the submissions and responses by the Authority and the applicable law and policy, the Director concludes for the reasons stated above the following:

- 1) The Authority is in violation of Grant Assurance 3, *Sponsor Funds Availability*, and its Deed obligations by not having sufficient funds available to assure operation and maintenance of facilities, in which it owns or controls and that were funded under AIP development grants.
- 2) The Authority's actions to collateralize Airport property conveyed by a federal Deed in order to secure a loan (now in default) deprives the Authority of good title to the property in violation of Grant Assurance 4, *Good Title*. Additionally, by collateralizing federally-obligated Airport property, the Authority has deprived itself of all the rights and powers necessary to perform all terms, conditions, and assurances in the AIP grant agreements in violation of Grant Assurance 5, *Rights and Powers*; and

- 3) The Authority is in violation of Grant Assurance 13, *Accounting System, Audit, and Recording Keeping Requirements*, as well as its Surplus Property Act obligations, by failing to provide the requested documentation, failing to comply with FAA audit programs, the Single Audit Act of 1984, and paragraph 7(J) of the Deed.

### **ORDER**

ACCORDINGLY, it is ordered that:

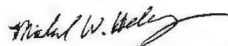
1. The Authority will provide within 30 days of the date of this Determination a proposed corrective action plan that will 1) correct the aforementioned grant assurance violations, 2) address the following, and 3) and propose an implementation date for each step in the corrective action plan:
  - a) Submit all financial documentation required to fulfill the Single Audit Requirement;
  - b) Provide a plan with supporting documentation that demonstrates how the Authority will regain the financial solvency of the Airport and re-establish the financial resources necessary to maintain the airfield facilities; and
  - c) Provide a plan with supporting documentation on how the Authority intends to de-collateralize federally-obligated Airport property and regain good title and rights and powers to the Airport property conveyed by a Federal Deed.

Pending the FAA's approval and sponsor's implementation of the CAP, the FAA Director of the Office of Airports Compliance and Management Analysis will recommend to the FAA Director of the Office of Airports Planning and Programming to withhold approval of any applications submitted by the Sponsor for Airport Improvement Program (AIP) pursuant to the Airport and Airway Improvement Act of 1982 (AAIA), funding discretionary projects authorized under 49 U.S.C. § 47101.

2. All Motions not expressly granted in this Determination are denied.

## RIGHT OF APPEAL

This Director's Determination under FAA Docket No. 16-21-09 is an initial agency determination and does not constitute final agency decision and order subject to judicial review under 49 U.S.C. § 46110. [14 CFR § 16.247(b)(2).] A party to this proceeding adversely affected by the Director's Determination may file an appeal with the Associate Administrator within 30 days after the date of service of the initial determination. If no appeal is filed within the time period specified, the Director's Determination becomes the final decision and order of the FAA without further action. A Director's Determination that becomes final because there is no administrative appeal is not judicially reviewable. [14 CFR § 16.33.]



Digitally signed by MICHAEL W HELVEY  
Date: 2024.07.17 09:02:00 -04'00'

7/17/24

---

Michael Helvey  
Director, Office of Airport Compliance  
and Management Analysis

---

Date