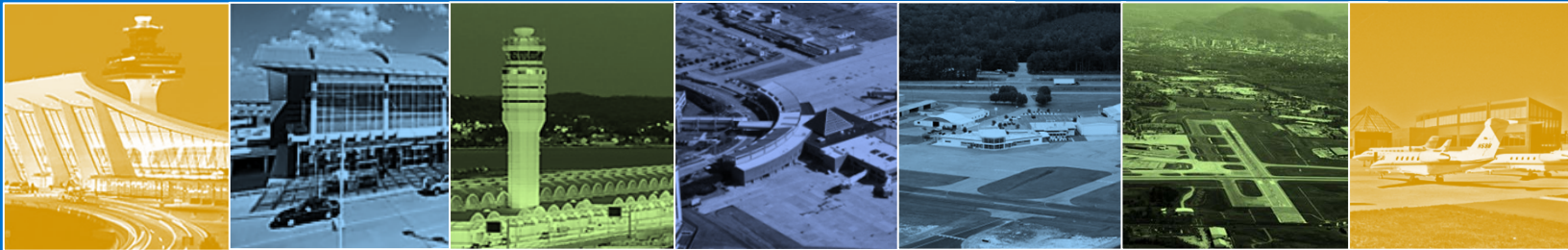


DEPARTMENT OF AVIATION REPORTS TO THE 2018 GENERAL ASSEMBLY



TRANSPARENCY AND ACCOUNTABILITY IN THE USE
OF COMMONWEALTH AIRPORT FUND REVENUES

EXTERNAL AUDIT OF AIRPORTS USE OF COMMONWEALTH
AIRPORT FUNDS - FISCAL YEARS 2014, 2015 AND 2016

Prepared for
Commonwealth of Virginia
Department of Aviation

December 1, 2017

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Introduction

During the 2017 session of the Virginia General Assembly, legislation was passed requiring the Virginia Aviation Board (VAB) and the Department of Aviation (DOAV) to undertake a review of fiscal year 2017 (FY 2017) funding supported by the 2.4 percent share of Transportation Trust Fund revenues dedicated to the department, referred to as the Commonwealth Airport Fund (CAF). The reporting requirements were included in the 2017 Session Budget Bill-HB 1500 (Chapter 836), Item 438 (F.1) and the amendment to the Code of Virginia, § 5.1-2.2:3, *Transparency and accountability in the use of Commonwealth Airport Fund revenues*. The specific reporting requirements are as follows:

- [Budget Bill - HB1500 \(Chapter 836\) Item 438 \(F.1\)](#) - By November 1 of each year, the Virginia Aviation Board shall report to the Governor and the General Assembly on the use of Commercial Airport Fund revenues allocated the previous fiscal year. The report shall include at a minimum the following: (i) the use of entitlement funds allocated by each air carrier airport, including the amount of funds that are unobligated; (ii) the award and use of discretionary funds allocated for air carrier and reliever airports by every such airport; and (iii) the award and use of discretionary funds allocated for general aviation airports by every such airport. Such report shall also include the status of ongoing projects funded in whole or in part by the Commonwealth Airport Fund pursuant to subdivision A 3 of § 58.1-638. Its first report shall also include the results of an audit of the use of all funds allocated pursuant to § 58.1-638 A. 3., Code of Virginia over the past three years to ensure that all funds have been used in accordance with the policies of the Virginia Aviation Board and the restrictions contained in paragraph G. of this item. The findings of such audit shall be presented to the Chairmen of the House Appropriations, Senate Finance and House and Senate Transportation Committees no later than November 1, 2017.
- [§ 5.1-2.2:3. Transparency and accountability in the use of Commonwealth Airport Fund revenues](#) - A. By November 1 of each year, the Board shall report to the Governor and the General Assembly on the use of Commercial Airport Fund revenues the previous fiscal year. The report shall include at a minimum the following:
 1. The use of entitlement funds allocated pursuant to subdivision A 3 a of § 58.1-638 by each air carrier airport, including the amount of funds that are unobligated;
 2. The award and use of discretionary funds allocated for air carrier and reliever airports pursuant to subdivision A 3 b of § 58.1-638 by every such airport; and
 3. The award and use of discretionary funds allocated for general aviation airports pursuant to subdivision A 3 c of § 58.1-638 by every such airport. Such report shall also include the status of ongoing projects funded in whole or in part by the Commonwealth Airport Fund pursuant to subdivision A 3 of § 58.1-638.

Status of On-going Projects Funded in Whole or Part by the Commonwealth Airport Fund, FY 2017

As required under Chapter 709 of the Code of Virginia, the Virginia Department of Aviation submits this report on the use of funds from the Commonwealth Airport Fund (CAF) in support of project grants at the Commonwealth’s public use airports.

In Fiscal Year 2017, the Virginia Aviation Board (VAB) allocated \$21.3 million in entitlement and discretionary grants from the CAF to public use airports. Table 1 summarizes the amount of grant funds allocated by the VAB by type of fund and airport.

Table 1: Summary of VAB Grant Approvals

Air Carrier Entitlement Funds	Air carrier / Reliever Discretionary Funds	General Aviation Discretionary Funds	Total Funds
\$ 13,249,999	\$ 4,314,748	\$ 3,717,015	\$ 21,281,763

Entitlement Funds Summary

The VAB allocated a total of \$13.2 million to air carrier airports in entitlement funds. **Appendix A** includes the FY-17 Entitlement Utilization Report & Plan (EURP) for each commercial service airport. Part 1- Section C. of the EURP reports funding expenditures for FY-17. Part 2- Section A. is the Entitlement Utilization Plan that shows how entitlement balances will be used in the future.

Table 2: Entitlement Funds Allocated to Air Carrier Airports, FY 2017

Airport	Entitlement
Charlottesville - Albemarle	\$ 2,000,000
Lynchburg Regional	\$ 1,164,973
Newport News - Williamsburg Internat	\$ 2,000,000
Norfolk International	\$ 2,000,000
Richmond International	\$ 2,000,000
Roanoke - Blacksburg Regional	\$ 2,000,000
Shenandoah Valley Regional	\$ 85,025
Washington Dulles International	\$ 2,000,000
Total	\$ 13,249,999

Discretionary Allocation for Air Carrier and Reliever Airports

In FY 2017, the VAB allocated over \$4.3 million in discretionary grants for projects at seven air carrier or reliever airports. These projects are summarized in Table 3.

Table 3: Discretionary Funds Allocated to Air Carrier and Reliever Airports

Airport Category	Airport	Summary Project Description	2017 Allocation	
Air Carrier	Richmond International	INTERIOR SERVICE ROAD (PORTUGEE) REHAB (D/C) (\$460,695.68 E)	178,480	
	Richmond International	INTERIOR SERVICE ROAD (WEST) & TWY 'V' REHAB	1,108,360	
	Richmond International	TERMINAL OVERPASS & CLARKSON RD IMPROVEMENTS	510,993	
Subtotal Air Carrier Airports			1,797,833	
Reliever	Chesapeake Regional	EASE ACQUIS SERVICES-OFF AIRPORT OBST REM-BL	76,000	
	Chesapeake Regional	EASEMENT ACQUIS-RWY 5 RPZ (DEAL PARCEL)	10,800	
	Chesapeake Regional	BOX HANGAR SITE PREPARATION	68,000	
	Hampton Roads	EA (SHORT FORM)-HANGAR & APRON DEVELOPMENT	9,200	
	Hampton Roads	REPLACEMENT BOX HANGAR SITE PREP	420,544	
	Hampton Roads	VAB INCR-REPLACEMENT RWY 10-28-PH 4	33,218	
	Hampton Roads	APRON & TAXIWAY REHAB	152,000	
	Hanover County	LAND ACQUISITION (FOLEY/LEADBETTER)	150,928	
	Hanover County	EASTSIDE DEVELOPMENT-TAXIWAY & APRON-PHASE 2	345,377	
	Hanover County	EASTSIDE DEVELOPMENT-TERMINAL AREA SEWER LINE	39,781	
	Hanover County	EASTSIDE DEVELOPMENT (NON-AIP)	30,749	
	Hanover County	VAB INCR-EASTSIDE TWY, APRON & ACCESS ROAD-PH 1	52,298	
	Manassas Regional	AIRPORT LOCATION SIGNS	44,492	
	Manassas Regional	RWY 34R MEDIUM INTENSITY APPROACH LIGHTING SYSTEM	633,301	
	Manassas Regional	VAB INCR-RWY 16L-34R TWY 'B' BRIDGE WIDEN	37,363	
	Manassas Regional	WEST APRON REHABILITATION-PH 1	16,582	
	Manassas Regional	ADMIN INCR-ENVIRON ASSESSMENT-WEST SIDE DEVELOPMENT	454	
	Manassas Regional	AIRFIELD REGULATORS REPLACEMENT	55,141	
	Manassas Regional	TERMINAL BUILDING HVAC UNITS REPLACEMENT	114,968	
	Manassas Regional	ADMIN INCREASE-LOCALIZER RELOCATION	5,242	
	Stafford County	SPCC PLAN UPDATE	9,200	
	Warrenton-Fauquier	SR 610 ALIGNMENT	140,000	
	Warrenton-Fauquier	ADMIN INCR-TERMINAL APRON AND TERMINAL ENTRANCE ROAD	1,600	
	Warrenton-Fauquier	ADMIN INCR-TERMINAL AREA SITE PREPARATION	1,020	
	Subtotal Reliever Airports			2,448,258

Discretionary Allocation to General Aviation Airports

In 2017, the VAB allocated over \$3.7 million in discretionary funds for projects at to 23 general aviation airports. These projects are summarized in Table 4.

Table 4: FY 2017 Discretionary Funds Allocated to General Aviation Airports

Airport	Project Summary Description	2017 Allocations
Accomack County	SECONDARY CONTROL STATION SURVEY MARKERS, PAVEMENT REHAB	2,387
Blue Ridge Regional	T-HANGAR TAXILANES REHAB	548,281
Culpeper Regional	TERMINAL BUILDING REPLACEMENT - ADMIN INCREASE	12,238
	VAB INCR-LAND ACQUIS (GYORY)	19,268
	T-HANGARS TAXILANES REHAB (AIP)	10,669
	T-HANGARS TAXILANES REHAB (NON-AIP)	35,272
	Subtotal	77,447
Danville Regional	TWY 'A' REHAB	246,168
	TWY 'A' FILLETS WIDENING	94,182
	Subtotal	340,350
Dinwiddie Regional	APRON & TWY REHAB	99,040
Emporia-Greenville Regional	PARTIAL PARALLEL TWY-PH 4	131,599
Franklin Municipal	PARTIAL PARALLEL TAXIWAY EXTENSION	10,000
Front Royal/Warren County	OBSTR REMOVAL AND LIGHTING	64,320
Lonesome Pine	AIRPORT LAYOUT PLAN UPDATE	14,800
	T-HANGAR TAXILANE	29,600
	Subtotal	44,400
Louisa County	PERIMETER FENCING & ACCESS CONTROLS	6,800
Luray Caverns	EA -TERMINAL AREA DEVELOPMENT	5,321
Mecklenburg-Brunswick Regional	RUNWAY 1-19 REHAB	367,338
Middle Peninsula Regional	ADMIN INCR-T-HANGAR SITE PREP	738
	VAB INCR-FUEL SYSTEM UPGRADE-SELF SERVICE CONSOLE SHELTER	333
	VAB INCR-EASTERN DEVELOPMENT ACCESS ROAD	31,500
	ENVIRONMENTAL COORDINATION-PAVEMENT REHABILITATION	20,800
	T-HANGAR SITE PREPARATION - RE-BIDDING	9,200
	Subtotal	62,571
Mountain Empire	RAMP FIRE EXTINGUISHERS (3)	4,920
	RUNWAY 8-26 REHABILITATION	265,184
	SPCC	1,400
	Subtotal	271,504
New Kent County	RWY LIGHTING REHAB	4,729
	ADMIN INCR-OBSTRUCTION REMOVAL-PHASE 1	4,123
	AIRCRAFT PARKING APRON REHAB	12,000
	Subtotal	20,852
Smith Mountain Lake	T-HANGAR TAXIWAY REHAB	35,000
	FUEL TANK (AVGAS) REPLACEMENT	52,737
	Subtotal	87,737

Table 4 (continued)

Airport	Project Summary Description	2017 Allocations
Suffolk Executive	TWY 'A' REHAB	511,520
	EA-EASE ACQUIS/OBST REMOVAL	14,000
	RWY 4-22 REHABILITATION	31,200
	ENVIRON COORD (CATEX)-PAVEMENT REHABILITATION	12,400
	Subtotal	569,120
Tangier Island	ADMIN INCR-TERMINAL BUILDING & TERMINAL AREA SITE PREP	871
Tappahannock - Essex County	ADMIN INCR-BOX HANGAR SITE PREP (NON-AIP)	7,417
	VAB INCR-BOX HANGAR SITE PREP (NON-AIP)	217
	RWY, TWY AND APRON REHAB	2,720
	Subtotal	10,354
Twin County	APRON REHAB & AIRFIELD MARKING	83,920
	VAB INCR-FUELING SYSTEM UPGRADES-PH 2	1,076
	Subtotal	84,996
Virginia Highlands	RWY 6-24 EXTEN-LAND ACQUIS SERV/FEE (JOHNSON/SNEAD)-MY-BL	342,831
	VAB INCR-RWY 24 OBSTR REMOVAL	10,794
	Subtotal	353,625
Virginia Tech/Montgomery	RWY 12-30 EXTENSION-PH 2	338,222
Winchester Regional	NORTHSIDE CONNECTOR TWY	219,880
	Subtotal	219,880
Total		3,717,015

Status of Airports' Use of Funds

FY2017 Funds. Of Virginia's public use airports, 28 received allocations of discretionary grant funds from the Commonwealth during FY 2017. Depending on the nature of the project (e.g., construction vs. design), airport sponsors may spend the entire balance of the funds relatively quickly or more slowly over time. Table 5 below shows the status of spending on these projects as of the end of FY2017.

Table 5: Status and Use of Allocations by Airport, End of FY2017

Airport Category	Airport	Summary Project Description	2017 Allocation	FY 2017 Expenditures	Allocation Balances End of FY	Project % complete	
Air Carrier	Richmond International	INTERIOR SERVICE ROAD (PORTUGEE) REHAB (D/C) (\$460,695.68 E)	178,480	0	178,480	0%	
	Richmond International	INTERIOR SERVICE ROAD (WEST) & TWY 'V' REHAB	1,108,360	0	1,108,360	0%	
	Richmond International	TERMINAL OVERPASS & CLARKSON RD IMPROVEMENTS	510,993	0	510,993	0%	
Subtotal Air Carrier Airports			1,797,833	0	1,797,833		
Reliever	Chesapeake Regional	EASE ACQUIS SERVICES-OFF AIRPORT OBST REM-BL	76,000	22,929	53,071	30%	
	Chesapeake Regional	EASEMENT ACQUIS-RWY 5 RPZ (DEAL PARCEL)	10,800	10,094	706	93%	
	Chesapeake Regional	BOX HANGAR SITE PREPARATION	68,000	0	68,000	0%	
	Hampton Roads	EA (SHORT FORM)-HANGAR & APRON DEVELOPMENT	9,200	4,758	4,442	52%	
	Hampton Roads	REPLACEMENT BOX HANGAR SITE PREP	420,544	237,490	183,054	56%	
	Hampton Roads	VAB INCR-REPLACEMENT RWY 10-28-PH 4	33,218	0	33,218	0%	
	Hampton Roads	APRON & TAXIWAY REHAB	152,000	40,014	111,986	26%	
	Hanover County	LAND ACQUISITION (FOLEY/LEADBETTER)	150,928	0	150,928	0%	
	Hanover County	EASTSIDE DEVELOPMENT-TAXIWAY & APRON-PHASE 2	345,377	0	345,377	0%	
	Hanover County	EASTSIDE DEVELOPMENT-TERMINAL AREA SEWER LINE	39,781	0	39,781	0%	
	Hanover County	EASTSIDE DEVELOPMENT (NON-AIP)	30,749	0	30,749	0%	
	Hanover County	VAB INCR-EASTSIDE TWY, APRON & ACCESS ROAD-PH 1	52,298	0	52,298	0%	
	Manassas Regional	AIRPORT LOCATION SIGNS	44,492	0	44,492	0%	
	Manassas Regional	RWY 34R MEDIUM INTENSITY APPROACH LIGHTING SYSTEM	633,301	427,625	205,676	68%	
	Manassas Regional	VAB INCR-RWY 16L-34R TWY 'B' BRIDGE WIDEN	37,363	0	37,363	0%	
	Manassas Regional	WEST APRON REHABILITATION-PH 1	16,582	15,436	1,146	93%	
	Manassas Regional	ADMIN INCR-ENVIRON ASSESSMENT-WEST SIDE DEVELOPMENT	454	0	454	0%	
	Manassas Regional	AIRFIELD REGULATORS REPLACEMENT	55,141	0	55,141	0%	
	Manassas Regional	TERMINAL BUILDING HVAC UNITS REPLACEMENT	114,968	0	114,968	0%	
	Manassas Regional	ADMIN INCREASE-LOCALIZER RELOCATION	5,242	0	5,242	0%	
	Stafford County	SPCC PLAN UPDATE	9,200	8,961	239	97%	
	Warrenton-Fauquier	SR 610 ALIGNMENT	140,000	0	140,000	0%	
	Warrenton-Fauquier	ADMIN INCR-TERMINAL APRON AND TERMINAL ENTRANCE ROAD	1,600	0	1,600	0%	
	Warrenton-Fauquier	ADMIN INCR-TERMINAL AREA SITE PREPARATION	1,020	0	1,020	0%	
	Subtotal Reliever Airports			2,448,258	767,305	1,680,953	

Table 5 (continued)

Airport Category	Airport	Summary Project Description	2017 Allocation	FY 2017 Expenditures	Allocation Balances End of FY	Project % complete
GA-Regional	Accomack	SECONDARY CONTROL STATION SURVEY MARKERS, PAVEMENT REHAB	2,387	2,769	930	75%
	Blue Ridge	T-HANGAR TAXILANES REHAB	548,281	0	548,281	0%
	Culpeper Regional	TERMINAL BUILDING REPLACEMENT - ADMIN INCREASE	12,238	0	12,238	0%
	Culpeper Regional	VAB INCR-LAND ACQUIS (GYORY)	19,268	0	19,268	0%
	Culpeper Regional	T-HANGARS TAXILANES REHAB (AIP)	10,669	2,829	7,839	27%
	Culpeper Regional	T-HANGARS TAXILANES REHAB (NON-AIP)	35,272	10,474	24,798	30%
	Danville Regional	TWY 'A' REHAB	246,168	0	246,168	0%
	Danville Regional	TWY 'A' FILLETS WIDENING	94,182	0	94,182	0%
	Dinwiddie County	APRON & TWY REHAB	99,040	3,920	95,120	4%
	Emporia-Greenville	PARTIAL PARALLEL TWY-PH 4	131,599	2,388	129,211	2%
	Lonesome Pine	AIRPORT LAYOUT PLAN UPDATE	14,800	0	14,800	0%
	Lonesome Pine	T-HANGAR TAXILANE	29,600	0	29,600	0%
	Louisa County	PERIMETER FENCING & ACCESS CONTROLS	6,800	4,036	2,764	59%
	Mecklenburg/Brunswick Regional	RUNWAY 1-19 REHAB	367,338	0	367,338	0%
	Middle Peninsula Regional	ADMIN INCR-T-HANGAR SITE PREP	738	0	738	0%
	Middle Peninsula Regional	VAB INCR-FUEL SYSTEM UPGRADE-SELF SERVICE CONSOLE SHELTER	333	0	333	0%
	Middle Peninsula Regional	VAB INCR-EASTERN DEVELOPMENT ACCESS ROAD	31,500	0	31,500	0%
	Middle Peninsula Regional	ENVIRONMENTAL COORDINATION-PAVEMENT REHABILITATION	20,800	0	20,800	0%
	Middle Peninsula Regional	T-HANGAR SITE PREPARATION - RE-BIDDING	9,200	0	9,200	0%
	Suffolk	TWY 'A' REHAB	511,520	12,859	498,661	3%
	Suffolk	EA-EASE ACQUIS/OBST REMOVAL	14,000	7,615	6,385	54%
	Suffolk	RWY 4-22 REHABILITATION	31,200	24,400	6,800	78%
	Suffolk	ENVIRON COORD (CATEX)-PAVEMENT REHABILITATION	12,400	2,270	10,130	18%
	Tappahannock - Essex County	ADMIN INCR-BOX HANGAR SITE PREP (NON-AIP)	7,417	0	7,417	0%
	Tappahannock - Essex County	VAB INCR-BOX HANGAR SITE PREP (NON-AIP)	217	0	217	0%
	Tappahannock - Essex County	RWY, TWY AND APRON REHAB	2,720	0	2,720	0%
	Virginia Highlands	RWY 6-24 EXTEN-LAND ACQUIS SERV/FEE (JOHNSON/SNEAD)-MY-BL	342,831	342,831	0	100%
	Virginia Highlands	VAB INCR-RWY 24 OBSTR REMOVAL	10,794	0	10,794	0%
	Virginia Tech / Montgomery Exec.	RWY 12-30 EXTENSION-PH 2	338,222	47,129	291,093	14%
	Winchester Regional	NORTHSIDE CONNECTOR TWY	219,880	49,386	219,880	0%
Subtotal GA-Regional Airports			3,171,414	512,905	2,709,207	
GA-Community	Franklin Municipal	PARTIAL PARALLEL TAXIWAY EXTENSION	10,000	6,057	3,943	61%
	Front Royal/Warren County	OBSTR REMOVAL AND LIGHTING	64,320	18,111	46,209	28%
	Luray Caverns	EA -TERMINAL AREA DEVELOPMENT	5,321	3,393	1,928	64%
	Mountain Empire	RAMP FIRE EXTINGUISHERS (3)	4,920	0	4,920	0%
	Mountain Empire	RUNWAY 8-26 REHABILITATION	265,184	13,296	251,888	5%
	Mountain Empire	SPCC	1,400	0	1,400	0%
	New Kent County	RWY LIGHTING REHAB	4,729	3,951	778	84%
	New Kent County	ADMIN INCR-OBSTRUCTION REMOVAL-PHASE 1	4,123	0	4,123	0%
	New Kent County	AIRCRAFT PARKING APRON REHAB	12,000	0	12,000	0%
	Smith Mountain Lake	T-HANGAR TAXIWAY REHAB	35,000	0	35,000	0%
	Smith Mountain Lake	FUEL TANK (AVGAS) REPLACEMENT	52,737	0	52,737	0%
	Tangier Island	ADMIN INCR-TERMINAL BUILDING & TERMINAL AREA SITE PREP	871	0	871	0%
	Twin County	APRON REHAB & AIRFIELD MARKING	83,920	0	83,920	0%
	Twin County	VAB INCR-FUELING SYSTEM UPGRADES-PH 2	1,076	0	1,076	0%
Subtotal GA-Community Airports			545,601	44,808	500,794	
TOTAL All Airports			6,165,273	1,325,017	4,890,954	

FY2018 Funds. As of the date of this report, the VAB has also allocated discretionary grant funds for 44 projects at 23 airports during the first quarter of the current fiscal year. Table 6 below summarizes the status of those projects.

Table 6: Status and Use of Allocations by Airport Category and Airport, as of Oct 31, 2017

Airport Category	Airport	Project Description	Allocation	Expenditures thru Oct 31	Allocation balances	Project % complete
Reliever	Chesapeake Regional	TERMINAL BUILDING RENOVATIONS	42,601		42,601	0%
		BOX HANGAR SITE PREPARATION	68,000		68,000	0%
	Hampton Roads Executive	AMEND 1-REPLACEMENT BOX HANGAR SITE PREPARATION	66,704		66,704	0%
		AMEND 1-REPLACEMENT RWY 10-28-PH 4	33,217		33,217	0%
	Hanover County	EASTSIDE DEVELOPMENT-TAXIWAY & APRON-PHASE 2	246,527		246,527	0%
		EAST DEV-TERM PARK / FUEL FARM ROAD	91,386		91,386	0%
		LAND ACQUISITION (FOLEY/LEADBETTER)	150,928		150,928	0%
		RWY 16 OBSTRUCTION REMOVAL-AVIGATION EASEMENT ACQUISITION	42,317		42,317	0%
	Manassas Regional	AMEND 1-LOCALIZER RELOCATION	5,242		5,242	0%
		WEST APRON REHAB (MIDDLE)-PH 1 (AIP)	153,229		153,229	0%
		WEST APRON REHAB (MIDDLE)-PH 1 (NON-AIP)	6,264		6,264	0%
		PIPER LANE REHABILITATION	74,262		74,262	0%
	Warrenton-Fauquier	AMEND 1-AIRFIELD REGULATORS REPLACEMENT	2,080			0%
		TERMINAL APRON / ACCESS TWY / ACCESS ROAD *	342,574		342,574	0%
		TERMINAL SITE PREPARATION & SR 610 IMPROVEMENTS **	1,204,344		1,204,344	0%
		OBSTRUCTION REMOVAL - RWY 33 APPROACH	11,200		11,200	0%
			EASEMENT ACQUISITION-OBST REMOVAL	9,691		9,691
Subtotal Reliever Airports			2,550,566	0	2,548,486	0%
GA-Regional	Accomack County	RUNWAY & LIGHTING REHABILITATION	34,000		34,000	0%
	Blue Ridge Regional	RUNWAY 12-30 REHABILITATION	25,742		25,742	0%
	Danville Regional	TERMINAL APRON REHABILITATION (AIP)	10,742		10,742	0%
		TERMINAL APRON REHABILITATION (NON-AIP)	7,883		7,883	0%
	Farmville Municipal	APRON REHABILITATION (AIP)	116,532		116,532	0%
		APRON REHABILITATION (NON-AIP)	112,693		112,693	0%
	Ingalls Field	FUELING SYSTEM UPGRADE - JET A TANK REPLACE	22,104		22,104	0%
	Lonesome Pine	AIRPORT LAYOUT PLAN UPDATE	14,800		14,800	0%
		T-HANGAR TAXILANE	29,600		29,600	0%
	Mecklenburg/Brunswick Regional	APRON AND TAXILANES REHABILITATION (AIP)	236,991		236,991	0%
	Middle Peninsula Regional	ENVIRONMENTAL ASSESSMENT (5-YEAR DEVELOPMENT)	16,600		16,600	0%
	Suffolk Executive	AMEND 2-PARTIAL PARALLEL TWY & LOCALIZER RELOCATION	10,798		10,798	0%
		RUNWAY 4-22 REHAB	347,200		347,200	0%
		TERMINAL PARKING REHAB & EXPANSION	465,600		465,600	0%
	Virginia Highlands	RWY 6-24 EXTEN-LAND ACQUIS SERV/FEE (JOHNSON/SNEAD)-MY2-BL	342,831		342,831	0%
		RWY 6-24 EXTENSION-PH 2 (CON)	459,588		459,588	0%
		T-HGR TAXILANE REHAB & APRON SEAL COAT	210,345	36,951.17	173,394	18%
	Virginia Tech/Montgomery	RUNWAY 12-30 EXTENSION-PH 3	837,000		837,000	0%
	William M Tuck	RUNWAY 1-19 REHABILITATION	13,920		13,920	0%
Winchester Regional	LAND ACQUISITION (PARCELS 64-A-66, 64-A-70, 64-A-71)	24,946		24,946	0%	
Subtotal GA-Regional Airports			3,339,915	36,951.17	3,302,964	
GA-Community	Franklin Municipal	PARTIAL PARALLEL TAXIWAY EXTENSION	145,120	1,417	143,703	1%
	Monntain Empire	SPCC	1,400		1,400	0%
	New Kent County	AIRCRAFT PARKING APRON REHAB	12,000		12,000	0%
		RUNWAY LIGHTING REHABILITATION	24,730		24,730	0%
	Smith Mountain Lake	FUEL TANK (AVGAS) REPLACEMENT	52,737		52,737	0%
		T-HANGAR TAXIWAY REHAB	35,000		35,000	0%
	Williamsburg-Jamestown	SPCC	8,700		8,700	0%
Subtotal GA-Community Airports			279,687	1,417	278,270	
Grand Total			\$6,170,168	\$38,368	\$6,129,719	

Performance Audit Results of Projects Funded by the Commonwealth Airport Fund, Fiscal Years 2014, 2015 and 2016

During its 2017 session, the Virginia General Assembly passed Budget Bill - HB1500 (Chapter 836) Item 438 (F.1.) which required the Department of Aviation (department) to conduct an audit of the use of all funds allocated pursuant to § 58.1-638 A. 3., *Code of Virginia* over the past three years to ensure that all funds have been used in accordance with the policies of the Virginia Aviation Board. To this end, the department contracted through the Virginia Department of Transportation's on-call services a third party audit firm, Cotton & Company, to complete the statewide audits. Appendix B contains the complete audit findings and recommendations.

Below is a summary of the seven findings and resulting recommendations of the audit. The actions the department and airport sponsors have taken to address the audit recommendations are provided in bold at the end of each finding summary:

1. Sponsors did not accurately report interest earned and Passenger Facility Charges (PFC) used

- a. Two of eight air carrier airport sponsors did not accurately report all interest and passenger facility charges (PFC) earned on entitlement funds, thus understating reported entitlement funds available by \$1,169,490. The audit recommended the airport sponsors be required to revise their Entitlement Utilization Reports (EUR) for Fiscal Years 2014, 2015, and 2016 to properly report interest earnings and PFCs used to reimburse state entitlement funds and to correct the carryover balances of state entitlement funds available. **Completed. The two airport sponsors complied with the audit recommendations in October 2017.**
- b. Revise the Airport Program Manual (APM) to include guidance to assist sponsors in developing a proper methodology for calculating interest earned on entitlement funds that are not maintained in separate interest-bearing accounts. **Completed. The Virginia Aviation Board (VAB) November 2017 approved a revision to the Master Agreement to require air carrier airports to have a separate interest bearing account for entitlement funds.**
- c. Implement a process to compare PFCs reported on each EUR with the sponsor's quarterly FAA reports for the period and follow up with the sponsor on any differences identified to assess whether the sponsor did not report any PFCs used to reimburse state entitlement funded projects. **Completed. The department has developed new EUR forms that will assist department staff track PFCs and provided additional training to staff.**

2. Sponsors did not properly report all project expenditures and reported ineligible expenditures

- a. Two of eight air carrier airport sponsors understated reported entitlement fund expenditures for completed projects by \$7,194,596, and three of eight air carrier airport sponsors included ineligible entitlement expenditures of \$4,975,563 (this includes \$4,908,087 ineligible expenditures reported by the Peninsula Airport Commission (PAC) which had been previously

identified in a Virginia Department of Transportation (VDOT) audit and/or in the department's review of the sponsor's EURs). The audit recommended the department work with the sponsors to obtain revised FY 2015 EURs that only include eligible entitlement expenditures for completed projects. **Completed. The department revised the APM and EUR form so to better monitor and report entitlement expenditures and future entitlement expenditures.**

- b. The audit recommended the department implement a process to compare each EUR with the EUR for the previous year and to follow up on anomalies or inconsistencies in reported project expenditures and commitments. **Completed. The revised EUR form will enhance the department's ability to compare previous year expenditures with current year expenditures. In addition, the department provided staff additional training.**
- c. The audit recommended the department consider a revision to the APM to include more comprehensive guidance on the eligibility of various types of equipment. **Completed. The department addressed this recommendation in the revision of the APM.**

3. Sponsor Overstated Commitments for ongoing and future projects

- a. One of eight air carrier airport sponsors overstated entitlement commitments for ongoing and future projects. The auditor recommend that the department consider revising the EUR form and instructions for Section IV to clarify that sponsors should report amounts obligated for ongoing projects, rather than using the term "commitments." **Completed. In May 2017, as a result of legislation passed by the General Assembly, a reporting requirement has been added to the EUR that requires sponsors to list planned projects and provide a project narrative.**

4. Sponsor included ineligible Commitments for ongoing projects

- a. One air carrier airport sponsor included an ineligible entitlement project on their EUR. The auditors recommend that the department work with the air carrier airport sponsor to ensure that entitlement funds are used in accordance with VAB policy. **The department has communicated with the air carrier airport sponsor informing them of the ineligible entitlement project. The department will continue review EURs to ensure entitlement funds are only used for eligible projects.**

5. Sponsors Reported Ineligible Discretionary Grant Expenditure

- a. Of the 31 airport sponsors that received discretionary funds, one general aviation airport sponsor reported an ineligible discretionary grant expenditure of \$8,150. The audit recommended the department recover \$8,150 ineligible expenditure from the airport sponsor. **The department will recover the overpayment from the general aviation airport sponsor.**

- b. One air carrier airport sponsor was under-reimbursed by \$3,550 due to a department administrative error. The audit recommended the department reimburse the airport sponsor the amount inaccurately withheld from the final payment of a project grant. **The department will reimburse the air carrier airport sponsor for the underpayment.**

6. Sponsors billed engineering fees on unallowable cost-plus-percentage-of-cost basis

- a. Of the 31 airports that received discretionary funds, two claimed engineering fees for construction services that were compensated on a cost-plus-percentage-of-cost basis, which is prohibited by the VPPA. The audit recommended the two airport sponsors determine whether the amount of profit included in the claimed multiplier fees exceeded the amount of profit negotiated in each engineering agreement. The audit also recommended the airports remit to the department the Commonwealth's share of any billed amounts exceeding the negotiated profit. **The department will require the sponsors to perform an analysis to determine if the Commonwealth is owed any reimbursement. In addition, to better monitor contractor profit, the department will develop a standardized form to be used by airport sponsors to demonstrate how profit was calculated when submitting reimbursement requests.**
- b. The audit recommended the department provide training to department staff and guidance to airport sponsors regarding the prohibition on cost-plus-percentage-of-cost contracts. **The department provided training to staff in October 2017.**

7. Engineering Contracts were incorrectly identified as Cost-Plus-Fixed-Fee contracts

- a. The audit differed with the practice by the airport sponsor community, the FAA, and state procurement office, using the term "cost plus fixed fee" to describe the method they contract for engineering fees for construction administration and resident inspection services. The audit recommend that the department provide guidance to airport sponsors and to its staff regarding the differences between a Cost-Plus-Fixed-Fee (CPFF) contract and a Unit-Price-Fixed-Fee (UPFF) contract to ensure that engineering contracts are correctly identified and invoiced properly. **The department will adopt the terminology of Unit-Price-Fixed-Fee (UPFF)/Not-to-Exceed-Contract (NTEC) in describing the appropriate method airport sponsors should use to acquire contractor services involving federal and state projects. It is important to note, the Department of General Services, Division of Purchase & Supply confirmed UPFF/NTEC complies with procurement guidelines and requirements of the VPPA and is the preferred "low risk" option of consultant solicitation for the Commonwealth.**

Appendix A: Entitlement Utilization Report & Plan for Air Carrier Airports

Commonwealth of Virginia **Airport Fund**
Entitlement Utilization Report and Plan

Sponsor: Charlottesville Airport Authority

Airport: Charlottesville-Albemarle Airport

Part 1 - Entitlement Utilization Report: FY2017

A. Entitlement Funds Available for Expenditure and Commitment

Unexpended Funds Available for Commitment from FY2016	\$7,153,206.93
Entitlement Funds Received in FY2017	\$2,000,000.00
Interest Earned in FY2017	\$20,046.00
Subtotal Entitlement Resources Available FY2017	\$9,173,252.93

B. Passenger Facility Charge (PFC) Funds Used to Reimburse State Entitlement Funds: FY2017

Project Description	AIP Project Number	DOAV Project Number	Funding Sources with Final Costs					Total Project Cost	State Funding Percentage	PFC Reimbursement
			Federal	State Entitlement	State Discretionary	PFC	Local			
RW Ext 21 Phase 1B	AIP-40	Ent	\$3,808,118.00	\$120,256.00		\$80,171.00		\$ 4,008,545.00	3%	\$33,394.00
								\$ -		
								\$ -		
								\$ -		

Subtotal PFCs Used to Reimburse State Entitlement Funds \$33,394.00

Total Funds Available \$9,206,646.93 (Entitlement Resources Available FY2017 + PFCs Used to Reimburse State Entitlement Funds)

C. Funding Expenditures for Projects Closed: FY2017

Project Description	AIP Project Number	DOAV Project Number	Funding Sources with Final Costs					Total Project Cost	State Funding Percentage	Estimated PFCs to Reimburse Entitlements
			Federal	State Entitlement	State Discretionary	PFC	Local			
FY16 R/W Taxiway Marking (Did NOT use FY16 Main. Program for these eligible costs)	N/A	N/A		\$62,748.00			\$15,687.00	\$ 78,435.00	80.0%	\$ 62,748.00
Airfield Friction Testing Equipment	N/A	N/A		\$47,478.00			\$11,869.00	\$ 59,347.00	80.0%	\$ 47,478.00
Airfield Painting Equipment	N/A	N/A		\$14,187.00			\$3,547.00	\$ 17,734.00	80.0%	\$ 14,187.00
Baggage Claim Drainage Improvement (50/50, then 80% of that 50)	N/A	N/A		\$6,946.22			\$10,419.32	\$ 17,365.54	40.0%	\$ 6,946.22
Security System Upgrade Phase 1	N/A	N/A		\$44,392.00			\$11,098.00	\$ 55,490.00	80.0%	\$ 44,392.00
Repayment of Bridge Loans 37 and 41	N/A	N/A		\$171,189.00			\$42,797.00	\$ 213,986.00	80.0%	\$ 171,189.00
800 MHz Radio Replacements	N/A	N/A		\$20,012.00			\$5,003.00	\$ 25,015.00	80.0%	\$ 20,012.00
Loader	N/A	N/A		\$67,546.00			\$16,886.00	\$ 84,432.00	80.0%	\$ 67,546.00
Bush Hog	N/A	N/A		\$12,632.00			\$3,158.00	\$ 15,790.00	80.0%	\$ 12,632.00
ARFF All Terrain	N/A	N/A		\$26,740.00			\$6,685.00	\$ 33,425.00	80.0%	\$ 26,740.00
ARFF Firelite System	N/A	N/A		\$8,664.00			\$2,166.00	\$ 10,830.00	80.0%	\$ 8,664.00
State Entitlement Terminal Debt Service *	N/A	N/A		\$285,000.00			\$317,531.16	\$ 602,531.16	47.3%	\$ 285,000.00
Heating & Cooling Upgrade - HVAC Cooling Tower Replacement	N/A	N/A		\$82,051.63			\$49,441.36	\$ 131,492.99	62.4%	\$ 82,051.63
Music School Acquisition (Closed)	N/A	N/A		\$6,793.43			\$1,698.35	\$ 8,491.78	80.0%	\$ 6,793.43
FY16 Eligible Main/Repair Contracts	N/A	N/A		\$132,722.28			\$33,180.57	\$ 165,902.85	80.0%	\$ 132,722.28
FY17 Eligible Main/Repair Contracts	N/A	N/A		\$144,719.70			\$36,179.92	\$ 180,899.62	80.0%	\$ 144,719.70
FY17 Crack seal sealcoat, TW markings - reflects airfield expenses	N/A	N/A		\$99,467.20			\$24,866.80	\$ 124,334.00	80.0%	\$ 99,467.20
Business center -Phase 1	N/A	N/A		\$149,857.32			\$37,464.32	\$ 187,321.64	80.0%	\$ 149,857.32
				\$1,383,145.78	\$0.00	\$0.00	\$629,677.80	\$ 2,012,823.58		

* Total Debt Service is calculated that 79% is terminal and 21% is parking. Of the 79% that is terminal it was determined that 60% of that was for public use.

Subtotal Expenditures for Projects Completed: FY2017 \$1,383,145.78 (State Entitlement Funds)

Unexpended Funds Available for Commitment \$7,823,501.15 (Total Funds Available - Expenditures for Completed Projects)

D. Funding Commitments for Ongoing Projects

Project Description	Estimated	AIP	DOAV	Funding Sources with Estimated Costs	Estimated	Estimated	Estimated PFCs
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Commonwealth Airport Fund
Entitlement Utilization Report and Plan

	Fiscal Year of Completion	Project Number	Project Number	Federal	State Entitlement	State Discretionary	PFC	Local	Total Project Cost	State Funding Percentage	to Reimburse Entitlements
Terminal Expansion Project (project complete, need financial closeout)	2017	N/A	CS-45		\$1,172,205.00	\$2,697,582.00	\$73,504.00	\$380,493.00	\$ 4,323,784.00	89.5%	\$1,172,205.00
Terminal Expansion Project costs overrun awaiting approval	2017	N/A	CS-45		\$652,112.00			\$76,505.00	\$ 728,617.00	89.5%	\$652,112.00
RW 3-21 Overlay Design	2018	44	N/A	\$1,024,650.00	\$113,850.00				\$ 1,138,500.00	10.0%	\$113,850.00
RW 3-21 Overlay Construction	2018	46	N/A	\$11,872,035.00	\$1,319,116.00				\$ 13,191,151.00	10.0%	\$1,319,116.00
AAAE IET (Badging/SIDA Security Program)	2018	N/A	N/A		\$52,000.00			\$13,000.00	\$ 65,000.00	80.0%	\$52,000.00
Airfield Electoral Vault Upgrade	2018	N/A	N/A		\$32,000.00			\$8,000.00	\$ 40,000.00	80.0%	\$32,000.00
Veeder Root System	2018	N/A	N/A		\$7,488.00			\$4,512.00	\$ 12,000.00	62.4%	\$7,488.00
Radio update - CHO's portion of Region-wide project	2018	N/A	N/A		\$16,000.00			\$4,000.00	\$ 20,000.00	80.0%	\$16,000.00
Business Center (Upper level Phase II)	2018	N/A	N/A		\$160,000.00			\$40,000.00	\$ 200,000.00	80.0%	\$160,000.00
Flight Information Display System Upgrade and expansion	2018	N/A	N/A		\$160,000.00			\$40,000.00	\$ 200,000.00	80.0%	\$160,000.00
Public Announcement (PA) System Upgrade and Expansion	2018	N/A	N/A		\$120,000.00			\$30,000.00	\$ 150,000.00	80.0%	\$120,000.00
Charging Stations at Gate 5 Seating Area	2018	N/A	N/A		\$80,000.00			\$20,000.00	\$ 100,000.00	80.0%	\$80,000.00
Air Carrier Ramp-North Expand & Lighting Upgrade Design	2018	TBA	N/A	\$405,000.00	\$45,000.00				\$ 450,000.00	10.0%	\$45,000.00
				\$13,301,685.00	\$3,929,771.00	\$2,697,582.00	\$73,504.00	\$616,510.00	\$20,619,052.00		(See NOTE)

Subtotal Funding Commitments for Ongoing Projects \$3,929,771.00 (State Entitlement Funds)

Funds Available \$3,893,730.15 (Unexpended Funds Available for Commitment - Funding Commitments for Ongoing Projects)

NOTE: We may seek reimbursement, but not sure what year we will be doing that.

Part 2 - Entitlement Utilization Plan: FY2018

A. Project Listing

EUP #	Project Description	6-Year Plan Y / N	Estimated Fiscal Year of Completion	AIP Project Number	DOAV Project Number	Funding Sources with Estimated Costs					Estimated Total Project Cost	Estimated State Funding Percentage	Estimated PFCs to Reimburse Entitlements
						Federal	State Entitlement	State Discretionary	PFC	Local			
1	AIP Air Carrier Ramp - North & Ramp Lighting Upgrade Const	y	2019	Future		\$2,000,000.00	\$222,222.00			\$0.00	\$2,222,222.00	10%	\$222,222.00
1	Non-AIP Air Carrier Rmp - Nrth & Ramp Lght Upgrade Const	y	2019	N/A			\$1,422,222.00			\$355,556.00	\$1,777,778.00	80%	\$1,422,222.00
2	AIP Air Carrier Rmp - Expnd to the South - Des & Const	y	2018	N/A			\$320,000.00			\$80,000.00	\$400,000.00	80%	\$320,000.00
3	Escalators Replacement at Gate 5	y	2018	N/A			\$400,000.00			\$100,000.00	\$500,000.00	80%	\$400,000.00
4	Gutter Replacement ARFF building	y	2018	N/A			\$12,800.00			\$3,200.00	\$16,000.00	80%	\$12,800.00
5	Charging Station for Passengers' Devices Gates 1-4	y	2018	N/A			\$160,000.00			\$40,000.00	\$200,000.00	80%	\$160,000.00
6	FY18 Eligible Main/Repair Contracts & airfield mark/repair	y	2018	N/A			\$240,000.00			\$60,000.00	\$300,000.00	80%	\$240,000.00
7	Escalators Replacement at Gate 1A	y	2018	N/A			\$400,000.00			\$100,000.00	\$500,000.00	80%	\$400,000.00
8	Terminal & Landside Wayfinding & passenger amenities	y	2018	N/A			\$160,000.00			\$40,000.00	\$200,000.00	80%	\$160,000.00
9	Green Initiative - Window energy tinting/modifications	y	2018	N/A			\$80,000.00			\$20,000.00	\$100,000.00	80%	\$80,000.00
10	Security System Update Phase 2	y	2018	N/A			\$80,000.00			\$20,000.00	\$100,000.00	80%	\$80,000.00
11	Air Carrier Ramp Passenger Walkways	y	2018	N/A			\$400,000.00			\$100,000.00	\$500,000.00	80%	\$400,000.00
12	State Entitlement Terminal Debt Service *	y	2018	N/A			\$285,000.00			\$317,531.16	\$602,531.16	47%	\$285,000.00
13	Emergency Radio Upgrade	y	2018	N/A			\$24,000.00			\$6,000.00	\$30,000.00	80%	\$24,000.00
14	Lift replacement	y	2018	N/A			\$52,000.00			\$13,000.00	\$65,000.00	80%	\$52,000.00
15	Self Contained Breathing Apparatus Replacement (NFPA)	y	2018	N/A			\$72,000.00			\$18,000.00	\$90,000.00	80%	\$72,000.00
16	LEO Equipment	y	2018	N/A			\$90,000.00			\$22,500.00	\$112,500.00	80%	\$90,000.00
17	Emergency Generator Phase 1	y	2018	N/A			\$300,000.00			\$75,000.00	\$375,000.00	80%	\$300,000.00
18	Lower Level Business Center and Modify Gate 1 Security Exit	y	2019	N/A			\$260,000.00			\$65,000.00	\$325,000.00	80%	\$260,000.00
19	Skid Steer Loader Roadways	y	2020	N/A			\$48,000.00			\$12,000.00	\$60,000.00	80%	\$48,000.00
20	Terminal Technology upgrade	y	2018	N/A			\$64,000.00			\$16,000.00	\$80,000.00	80%	\$64,000.00
21	GA Ramp Improvements	y	2019	N/A				\$1,200,000.00		\$300,000.00	\$1,500,000.00	80%	\$0.00
22	Inbound Bag Belt Replacement (Baggage Claim)	y	2019	N/A			\$320,000.00			\$80,000.00	\$400,000.00	80%	\$320,000.00
23	Emergency Generator Phase 2	y	2019	N/A			\$480,000.00			\$120,000.00	\$600,000.00	80%	\$480,000.00
24	Two Lighted X's	y	2018	N/A			\$40,000.00			\$10,000.00	\$50,000.00	80%	\$40,000.00

\$2,000,000.00 \$5,932,244.00 \$1,200,000.00 \$0.00 \$1,973,787.16 \$11,106,031.16

* Total Debt Service is calculated that 79% is terminal and 21% is parking. Of the 79% that is terminal it was determined that 60% of that was for public use.

Total Planned Commitments for Future Projects \$5,932,244.00 (State Entitlement Funds)

Commonwealth Airport Fund
Entitlement Utilization Report and Plan

B. Project Narratives

EUP #	Narrative
1	<u>Air Carrier Ramp - North & Ramp Lighting Upgrade Const</u> - The Airport has experienced significant growth in air carrier activity over the past several years which has caused space constraints on the air carrier apron, and we have also seen utilization by larger aircraft. The number of Remaining Over Night (RONs) aircraft has increased, and we have reached our maximum capacity for overnight aircraft which has created a competitive disadvantage when seeking additional service from the airlines. This capacity constraint is intensified when our airlines incur mechanical issues. This project will expand the air carrier ramp to the north to accommodate four or five additional aircraft parking spaces.
2	<u>Air Carrier Ramp - Expand to the South - Design & Const</u> - The Airport has experienced significant growth in air carrier activity over the past several years which has caused space constraints on the air carrier apron, and we have also seen utilization by larger aircraft. The number of Remaining Over Night (RONs) aircraft has increased, and we have reached our maximum capacity for overnight aircraft which has created a competitive disadvantage when seeking additional service from the airlines. This capacity constraint is intensified when our airlines incur mechanical issues. This project will strengthen the pavement adjacent to the south side of the air carrier ramp to accommodate one additional aircraft parking space.
3	<u>Escalators Replacement at Gate 5</u> - The existing escalator system that allows passengers to access the aircraft ramp malfunctions on a routine basis. Due to the age of the system, some replacement parts are no longer available. This project will replace the existing up and down escalators in place and upgrade the units to incorporate current safety equipment.
4	<u>Gutter Replacement ARFF building</u> - The existing gutter system has failed on the Aircraft Rescue Firefighting Facility. This project will replace the system.
5	<u>Charging Station for Passengers' Devices Gates 1-4</u> - This project will providing passengers utilizing the lower level gate areas of United and Delta with a mechanism with which to charge their personal cell phones and other electronic items.
6	<u>FY18 Eligible Main/Repair Contracts & airfield mark/repair</u> - This project will fund a portion of eligible maintenance and repair service contracts and eligible repairs and maintenance to the airfield and terminal area.
7	<u>Escalators Replacement at Gate 1A</u> - The escalators at Gate 1A allows passengers to access the upper level American Airlines' gate area. The escalators are older and require routine repair, but the age of the units makes it difficult to secure replacement parts. This project will replace both the up and down units in place and upgrade the units to incorporate current safety equipment.
8	<u>Terminal & Landside Wayfinding & passenger amenities</u> - This project will update wayfinding signage in the terminal, terminal curbside area, and along the airport access roadway system. Passenger seating, trash cans, bicycle storage, and covered areas/emergency signal system (to protect passengers along the sidewalk) will be included in this project.
9	<u>Green Initiative - Window energy tinting/modifications</u> - This project will allow window tinting to be applied to the windows within the terminal. This window tinting will not only reduce the amount of heat that enters the building through the older windows, but it will also provided extra strength to the window and reduces the probability of the window shattering from high winds or impact.
10	<u>Security System Update Phase 2</u> - This project will update the access control and CCTV system to ensure continued compliance with security requirements
11	<u>Air Carrier Ramp Passenger Walkway</u> - The configuration of the air carrier ramp dose not allow for the installation of fixed passenger loading bridges. This project will allow for the purchase of a passenger walkway system that will provide navigational direction and protection from the weather for passengers that are moving to and from the terminal to the aircrafts parked on the ramp.
12	<u>State Entitlement Debt Service</u> - This project will allow for the reimbursement of eligible debt service expenses.
13	<u>Emergency Radios Upgrade</u> - The region is updating the 800 MHz system and the Airport's existing phones will not be supported on the new system. This project will upgrade the radios.
14	<u>Lift replacement</u> - The Airport's existing scissor lift was purchased in the 90's and is reaching the end of its useful life. This project will purchase a replacement for this piece of equipment which is used for maintenance activity throughout the terminal and airport-wide.
15	<u>Self Contained Breathing Apparatus Replacement (NFPA)</u> - This project will provide for the purchase of replacement equipment that supports the Part 139 Aircraft Rescue Firefighting requirement of this airport.
16	<u>LEO Equipment</u> - This project will provide for purchase of replacement weapons and equipment that supports the Law Enforcement Officers requirements of this airport.
17	<u>Emergency Generator Phase 1</u> - Portions of the terminal building and key heating/cooling systems are not connected to the emergency generator system. This project will begin the process of ensuring that the entire terminal is able to continue operations in the event of power disruption.
18	<u>Lower Level Business Center and Modify Gate 1 Security Exit</u> - This project will allow for the development of a work/desk area in the lower level and it will also allow for the construction of wall at Gate 1 that will prevent unauthorized access to the restricted air craft ramp. area.
19	<u>Skid Steer Loader</u> - This project allows for the purchase of a skid steer loader that will be used for the maintenance of the landside and roadway areas.
20	<u>Terminal Technology upgrade</u> - This project allows for improvements to the wiring, cabling and equipment within the terminal that are used for communications, internet connects, and wi-fi access. A portion of the project will also improve the Airport's emergency notification processes.
21	<u>GA Ramp Improvements</u> - This project will remove t-hangars from the General Aviation Ramp. These hangars were built in the 1970s-1980s time period and have reached the end of their useful life. The ramp area on which these hangars are located will be rehabbed for non-exclusive GA tie-down activity.

Commonwealth Airport Fund
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22	<u>Inbound Bag Belt Replacement</u> - This project will replace the original bag belt in the baggage claim area. Due to it's age, this item needs to be replaced.
23	<u>Emergency Generator Phase 2</u> - This project will continue from Phase 1 and will pick up any areas not covered on that phase.
24	<u>Two Lighted X's</u> - The Airport's existing lighted X's have reached the end of their useful life and are starting to fail and require extensive repairs and light replacements. These are needed for our current and future projects.

Part 3 - Certification

As the Executive Director on behalf of the sponsor, I certify that the information provided above is accurate and complete to the best of my knowledge.

Melinda Crawford
Signature

Melinda Crawford
Printed Name

8/10/17
Date

As the Chief Financial Officer on behalf of the sponsor, I certify that the information provided above is accurate and complete to the best of my knowledge.

Penny Shifflett
Signature

Penny Shifflett
Printed Name

8/10/17
Date

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

Sponsor: City of Lynchburg

Airport: Lynchburg Regional

Part 1 - Entitlement Utilization Report: FY2017

A. Entitlement Funds Available for Expenditure and Commitment

Unexpended Funds Available for Commitment from FY2016	\$3,672,971.98
Entitlement Funds Received in FY2017	\$1,164,944.59
Interest Earned in FY2017	\$9,812.53
Adjustment to FY2015 EUR	\$5,756.00
 Subtotal Entitlement Resources Available FY2017	 \$4,853,485.10

B. Passenger Facility Charge (PFC) Funds Used to Reimburse State Entitlement Funds: FY2017

Project Description	AIP Project Number	DOAV Project Number	Funding Sources with Final Costs				Total Project Cost	State Funding Percentage	PFC Reimbursement	
			Federal	State Entitlement	State Discretionary	PFC				Local
GA Terminal Building, Auto Parking, and Access	N/A	CS0029-07		\$929,528.00	141,352.00		\$216,334.00	\$ 1,287,214.00	80% & 84%	\$188,587.00
							\$ -			
							\$ -			
							\$ -			

Subtotal PFCs Used to Reimburse State Entitlement Funds \$188,587.00

Total Funds Available \$5,042,072.10 (Entitlement Resources Available FY2017 + PFCs Used to Reimburse State Entitlement Funds)

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

C. Funding Expenditures for Projects Closed: FY2017

Project Description	AIP Project Number	DOAV Project Number	Funding Sources with Final Costs					Total Project Cost	State Funding Percentage	Estimated PFCs to Reimburse Entitlements
			Federal	State Entitlement	State Discretionary	PFC	Local			
Airfield Pavement Phase 2	3-51-0029-036	N/A	\$4,453,741.00	\$494,860.23				\$ 4,948,601.23	10%	
Airfield Pavement Phase 2 (non-AIP portion)				\$70,201.94				\$ 17,550.49	80%	
Hangar Road emergency repairs - drainage pipe failure				\$33,979.50				\$ 42,477.37	80%	
Crack sealing Runway 4/22, Taxiway B, ramps & aprons				\$41,570.24				\$ 51,962.80	80%	
Milling & Paving Taxiway "C", inlet drain repair				\$27,200.00				\$ 34,000.00	80%	
Asphalt repairs - Vault driveway & spoils area entrance				\$8,848.00				\$ 11,060.00	80%	
Milling & paving of Taxiway "C" corporate taxi lane				\$39,112.00				\$ 48,890.00	80%	
Airport mobile radios, 12 new				\$36,648.26				\$ 45,810.33	80%	
Terminal terrazzo floors rehabilitation				\$10,240.00				\$ 12,800.00	80%	
Furnish and install tie-down anchors, 12 sets				\$12,545.60				\$ 15,682.00	80%	
Snow multipurpose unit #S264 hydraulic pump				\$6,736.78				\$ 8,420.97	80%	
Wildlife Hazard Management training				\$1,111.20				\$ 1,389.00	80%	
Water leak patching and underdrain installation				\$20,560.00				\$ 25,700.00	80%	
Escalator / elevator service agreement				\$3,168.00				\$ 3,960.00	80%	
HVAC annual service agreement (55% public space)				\$4,803.90				\$ 6,004.88	55%	

Subtotal Expenditures for Projects Completed: FY2017 \$811,585.65 (State Entitlement Funds)

Unexpended Funds Available for Commitment \$4,230,486.45 (Total Funds Available - Expenditures for Completed Projects)

D. Funding Commitments for Ongoing Projects

Project Description	Estimated Fiscal Year of Completion	AIP Project Number	DOAV Project Number	Funding Sources with Estimated Costs					Estimated Total Project Cost	Estimated State Funding Percentage	Estimated PFCs to Reimburse Entitlements
				Federal	State Entitlement	State Discretionary	PFC	Local			
Air Traffic Control Tower (new), Site Study	FY18				\$42,000.00			\$10,500.00	\$ 52,500.00	80%	
Air Traffic Control Tower (new), EA short form	FY18				\$44,000.00			\$11,000.00	\$ 55,000.00	80%	
Air Traffic Control Tower (new), Design thru Bid	FY18				\$264,000.00			\$66,000.00	\$ 330,000.00	80%	
Air Traffic Control Tower (new), Construction & Equip AIP portion	FY18	3-51-0029-037		\$1,132,176.00	\$125,757.00				\$ 1,257,933.00	10%	
Air Traffic Control Tower (new), Construction & Equip non-AIP portion	FY18				\$1,131,807.00		\$950,000.00		\$ 2,081,807.00	54%	
Air Traffic Control Tower (new), Construction Admin non-AIP	FY18				\$200,000.00		\$50,000.00		\$ 250,000.00	80%	
Air Traffic Control Tower (new), Reimbursable Agreements AIP	FY18	3-51-0029-038		\$597,250.00	\$66,362.00				\$ 663,612.00	10%	
Multi-purpose Snow Removal Equip w/blower, plow, & broom	FY18				\$400,000.00		\$400,000.00		\$ 800,000.00	50%	
Airfield Lighting Rehab (LED)	FY18	pending		\$880,000.00	\$120,000.00		\$200,000.00		\$ 1,200,000.00	10%	
Midfield Corporate Hangar (site work only)	FY18				\$264,000.00			\$66,000.00	\$ 330,000.00	80%	
								\$			

Subtotal Funding Commitments for Ongoing Projects \$2,657,926.00 (State Entitlement Funds)

Funds Available \$1,572,560.45 (Unexpended Funds Available for Commitment - Funding Commitments for Ongoing Projects)

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

Part 2 - Entitlement Utilization Plan: FY2018

A. Project Listing

EUP #	Project Description	6-Year Plan Y / N	Estimated Fiscal Year of Completion	AIP Project Number	DOAV Project Number	Funding Sources with Estimated Costs					Estimated Total Project Cost	Estimated State Funding Percentage	Estimated PFCs to Reimburse Entitlements
						Federal	State Entitlement	State Discretionary	PFC	Local			
1	Runway 35 Bypass Taxiway	Y	FY19	N/A	N/A		\$120,000.00			\$30,000.00	\$150,000.00	80%	
2	Security Enhancement (Police Vehicle) DELETED												
3	South General Aviation (GA) Development Area (AIP)	Y	FY19	pending	N/A	\$1,080,000.00	\$120,000.00				\$1,200,000.00	10%	
4	South General Aviation (GA) Development Area (non-AIP)	Y	FY19	N/A	N/A		\$160,000.00			\$40,000.00	\$200,000.00	80%	
5	John Deere 2038R Compact Utility Tractor & Mower	N	FY18	N/A	N/A		\$20,800.00			\$5,200.00	\$26,000.00	80%	
6	Terminal roof & overhang painting (55% public space)	N	FY18	N/A	N/A		\$22,000.00			\$18,000.00	\$40,000.00	55%	
7	Acquire Two (2) Runway Closure "X" markers	N	FY18	N/A	N/A		\$28,000.00			\$7,000.00	\$35,000.00	80%	
8	Rehabilitate Perimeter Road	N	FY18	N/A	N/A		\$64,000.00			\$16,000.00	\$80,000.00	80%	
9	Rehabilitate T-Hangar Taxiway	N	FY18	N/A	N/A		\$32,000.00			\$8,000.00	\$40,000.00	80%	
10	Airfield Storm Drainage Projects	N	FY18	N/A	N/A		\$36,000.00			\$9,000.00	\$45,000.00	80%	
11	Elevators / Escalators service agreement	N	FY18	N/A	N/A		\$5,760.00			\$1,440.00	\$7,200.00	80%	
12	HVAC service agreement (55% public space)	N	FY18	N/A	N/A		\$6,050.00			\$4,950.00	\$11,000.00	55%	
13	North General Aviation (GA) Development Area	Y	FY19	N/A	N/A		\$1,440,000.00			\$360,000.00	\$1,800,000.00	80%	
	Amendment - November 2017 Meeting												
14	Pavement Marking and Repairs (Crack Seal/Coat)	N	FY19	N/A	N/A		\$160,000.00			\$40,000.00	\$200,000.00	80%	
15	Airfield Maintenance Storage Shelter	N	FY18	N/A	N/A		\$16,000.00			\$4,000.00	\$20,000.00	80%	
16	ARFF Facility HVAC Upgrade	N	FY18	N/A	N/A		\$10,920.00			\$2,730.00	\$13,650.00	80%	
17	ARFF Electrical Generator Upgrade	N	FY18	N/A	N/A		\$2,400.00			\$600.00	\$3,000.00	80%	
18	Microwave Security System Repair	N	FY18	N/A	N/A		\$720.00			\$180.00	\$900.00	80%	
19	Hangar 6 Apron Concrete Slab Rehabilitation	N	FY18	N/A	N/A		\$7,200.00			\$1,800.00	\$9,000.00	80%	
20	Passenger Terminal Roadway Lighting Rehabilitation (LED)	N	FY18	N/A	N/A		\$25,280.00			\$6,320.00	\$31,600.00	80%	
21	Midfield Security Gate Replacement	N	FY18	N/A	N/A		\$6,400.00			\$1,600.00	\$8,000.00	80%	

Total Planned Commitments for Future Projects

\$2,283,530.00 (State Entitlement Funds)

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

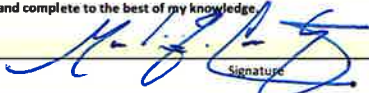
B. Project Narratives

EUP #	Narrative
1	The growth in the number of General Aviation aircraft operations in recent years due to Liberty University's flight training programs has resulted in an increase need for the use of runway 17-35 in order to augment airfield capacity. Since this runway lacks a parallel taxiway, the addition of a bypass taxiway is necessary in order to provide greater air traffic control flexibility and operational safety.
2	PROJECT "SECURITY ENHANCEMENT (POLICE VEHICLE)" HAS BEEN DELETED PENDING FURTHER CONSIDERATION OF FUTURE PROGRAM MANUAL ELIGIBILITY.
3	The site was identified in the 2010 Master Plan Update as a prime area for development for General Aviation (GA) use. Development will include site work and construction of initial apron areas for future construction of T-hangars and other aeronautical facilities. The AIP portion is based on anticipated limitations on AIP funding availability which will result in a separate portion being designated as non-AIP.
4	This project is the excess portion of Project EUP #3 listed above that exceeds the estimated available federal entitlements.
5	Grounds Maintenance has a need for a new small tractor and mower attachment to replace equipment that is 12 years old and has reached the end of its useful life cycle. This purchase will be made under the Maintenance Program eligibility guidelines that allow air carrier entitlement funds to be used in lieu of maintenance grant funds.
6	The passenger terminal roof and overhang was last painted approximately 8 years ago and is showing signs of fading and random areas of chipping and peeling. The total estimated cost of \$40,000 has been allocated based on the percentage of public/non-public areas to equate to our standard 55% public space percentage. This purchase will be made under the Maintenance Program eligibility guidelines that allow air carrier entitlement funds to be used in lieu of maintenance grant funds.
7	The airport's existing pair of Runway Closure "X" Markers have exceeded their useful life and are in need of replacement.
8	The airfield's vehicle service road that connects the air carrier ramp with the FBO is approximately 17 years old and certain sections are in need of rehabilitation. This project is expected to increase the useful life of the service road in order to delay the need for a full service road rehabilitation.
9	The existing T-hangar complex, completed in August 2006, included as part of the site work the requisite taxiway/apron section surrounding the facility. Since that time, portions of the taxiway on the north side of the complex has experienced alligator cracking and other indications of pavement failure. This project is to rehabilitate those sections that require rehabilitation, up to and including in some cases reconstruction.
10	Several infield areas of the airfield have experience failures of the existing storm water structures due to age. The Airport has received an estimate of approximately \$45,000 to address drainage issues at seven sites described in the attached estimate as shown on the attached Airfield Drainage Repairs exhibit to rehabilitate inlets and drainage culverts.
11	The Airport is estimating \$7,200 for a service agreement to maintain the passenger terminal's escalators and elevators for FY18. Both the elevator and escalators are located in the public portion of the terminal facility. This purchase will be made under the Maintenance Program eligibility guidelines when air carrier entitlement funds are used in lieu of a maintenance grant.
12	The Airport is estimating \$11,000 for a service agreement on our Passenger Terminal HVAC units for FY18. We have allocated our standard 55% public-space percentage to this cost.
13	The airport's 2010 Master Plan Update identified an approximately 15-acre site located on the northwest corner of the airport for future aeronautical development. While the site's convenient access to both Runway 17-35 and Runway 4-22 would be ideal for any number of aeronautical uses, with the passage of state legislation in 2017 which eliminates the sales tax on aircraft maintenance parts and services starting in July 2018, this location has become a prime site to recruit a Maintenance/Repair/Overhaul (MRO) facility at LYH. Phase I of the project will involve design through construction for as much of the general site development as feasible based on available funds.
	As Amended for November 2017 VAB Meeting
14	In 2016, LYH had over 106,000 aircraft operations. As a result, a number of areas around the airfield has experienced wear and tear. This project will extend the useful life of the airfield by applying crack seal and seal coat on select aprons. Additionally, Runway 4/22 edge lines are in need of re-painting, as well as Taxiway B2 centerline and the T-Hangar taxiway centerline.
15	Earlier this year, the Lynchburg Regional Airport acquired additional snow removal equipment to accommodate aircraft operations during inclement weather. As a result, additional storage is needed to accommodate airfield maintenance vehicles that no longer can be housed in the airfield maintenance building. This project will erect a 28ft X 31ft storage shelter with a paved driveway to be located directly adjacent to the existing facility. In accordance with the Airport Program Manual, Section A.14, Maintenance Equipment Storage Buildings, the facility is eligible for 80% funding up to 1,250 square feet. This proposed storage building will have a total of 868 square feet, qualifying for 80% funding eligibility for the entire building.
16	The ARFF facility has been experiencing high humidity levels inside the facility due to an ineffective air duct configuration and HVAC work load. In an effort to improve air circulation and extend the life of the HVAC units for the ARFF facility, this project will provide for air duct work and thermostat controls that will increase system efficiency and improve the warm weather comfort level for ARFF personnel.
17	The electrical generator currently serving the airport ARFF facility only provides for minimal lighting in the facility. This project will connect further essential resources to the back-up generator in the case of power loss to the ARFF facility.
18	The Lynchburg Regional Airport employs a microwave security access system for aircraft entering and exiting the air carrier apron to meet TSR 1542 security requirements. This project will provide for new cabling and re-wiring to make needed replacement of various components of the microwave security system.
19	A concrete portion of the apron adjacent to Hangar 6, approximately 50ft X 20ft, has begun to show signs of deterioration due, in part, to poor drainage flow and age. This project will rehabilitate the area by removing the concrete slabs, adding fill, adjusting elevation, and repaving the area with asphalt.
20	The Lynchburg Regional Airport terminal roadway contains thirty-three (33) light poles that illuminate the roadway for customers entering and exiting the airline terminal area. Due to over 25 years of use, the lighting fixtures on the poles are in need of replacement. This project will replace all thirty-three (33) fixtures with new LED lights, providing for continued vehicular safety upon entering and exiting the airport.
21	The airfield access vehicle gate located adjacent to the old ARFF facility has surpassed its useful life and is in need of replacement. This project will replace the existing vehicular gate with a new, manually operated, gate.

Commonwealth Airport Fund
Entitlement Utilization Report and Plan

Part 3 - Certification

As the Executive Director on behalf of the sponsor, I certify that the information provided above is accurate and complete to the best of my knowledge.



Signature

Mark F. Courtney, A.A.E., Airport Director
Printed Name

October 17, 2017 (revised report)
Date

As the Chief Financial Officer on behalf of the sponsor, I certify that the information provided above is accurate and complete to the best of my knowledge.



Signature

Wesley D. Campbell, Airport Finance Manager
Printed Name

October 17, 2017 (revised report)
Date

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

Sponsor: Peninsula Airport Commission

Airport: Newport News-Williamsburg International

Part 1 - Entitlement Utilization Report: FY2017

A. Entitlement Funds Available for Expenditure and Commitment

Unexpended Funds Available for Commitment from FY2016	\$3,034,289.45
Entitlement Funds Received in FY2017	\$1,333,333.34
Interest Earned in FY2017	\$582.54
 Subtotal Entitlement Resources Available FY2017	 \$4,368,205.33

B. Passenger Facility Charge (PFC) Funds Used to Reimburse State Entitlement Funds: FY2017

Project Description	AIP Project Number	DOAV Project Number	Funding Sources with Final Costs					Total Project Cost	State Funding Percentage	PFC Reimbursement
			Federal	State Entitlement	State Discretionary	PFC	Local			
								\$ -		
								\$ -		
								\$ -		
								\$ -		

Subtotal PFCs Used to Reimburse State Entitlement Funds \$0.00

Total Funds Available \$4,368,205.33 (Entitlement Resources Available FY2017 + PFCs Used to Reimburse State Entitlement Funds)

C. Funding Expenditures for Projects Closed: FY2017

Project Description	AIP Project Number	DOAV Project Number	Funding Sources with Final Costs					Total Project Cost	State Funding Percentage	Estimated PFCs to Reimburse Entitlements
			Federal	State Entitlement	State Discretionary	PFC	Local			
Bond Debt South Corporate				\$154,287.60				\$ 154,287.60	100%	\$0.00
Taxiway A, B, C Rehab Construction	3-51-0035-046		\$9,636,908.89	\$503,276.76		\$567,525.99	\$5,324.90	\$ 10,713,036.54	5%	\$0.00
Ground Handling Equipment				\$189,777.00			\$47,444.25	\$ 237,221.25	80%	\$0.00
								\$ -		

Subtotal Expenditures for Projects Completed: FY2017 \$847,341.36 (State Entitlement Funds)

Unexpended Funds Available for Commitment \$3,520,863.97 (Total Funds Available - Expenditures for Completed Projects)

D. Funding Commitments for Ongoing Projects

Project Description	Estimated Fiscal Year	AIP Project	DOAV Project	Funding Sources with Estimated Costs					Estimated Total	Estimated State Funding	Estimated PFCs to Reimburse
				Federal	State	State	PFC	Local			

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

	of Completion	Number	Number		Entitlement	Discretionary			Project Cost	Percentage	Entitlements
Consolidated Security Checkpoint	2018	-51-0035-048/049		\$10,508,309.00	\$2,048,098.00		\$1,714,041.00	\$1,042,896.00	\$ 15,313,344.00	13%	\$0.00
Bond Debt South Corporate	2018				\$154,398.60				\$ 154,398.60	100%	\$0.00
Waterworks Wetland Bank Research (Mitigation)	2018				\$24,124.40			\$6,031.10	\$ 30,155.50	80%	\$0.00
Infield Wetland Delineation	2018				\$64,553.20			\$16,138.30	\$ 80,691.50	80%	\$0.00
Baggage Claim Planning	2019				\$257,289.60			\$64,322.40	\$ 321,612.00	80%	\$0.00
									\$ -		
									\$ -		

Subtotal Funding Commitments for Ongoing Projects \$2,548,463.80 (State Entitlement Funds)

Funds Available \$972,400.17 (Unexpended Funds Available for Commitment - Funding Commitments for Ongoing Projects)

Part 2 - Entitlement Utilization Plan: FY2018

A. Project Listing

EUP #	Project Description	6-Year Plan Y / N	Estimated Fiscal Year of Completion	AIP Project Number	DOAV Project Number	Funding Sources with Estimated Costs					Estimated Total Project Cost	Estimated State Funding Percentage	Estimated PFCs to Reimburse Entitlements
						Federal	State Entitlement	State Discretionary	PFC	Local			
1	10K Loader	Y	2018				\$85,000.00			\$85,000.00	\$ 170,000.00	50%	\$0.00
2	John Deere 1545 (or similar) Blower & Plow	Y	2018				\$18,000.00			\$18,000.00	\$ 36,000.00	50%	\$0.00
3	Obstruction Survey	Y	2018				\$8,000.00			\$2,000.00	\$ 10,000.00	80%	\$0.00
4	Paint Sprayer	Y	2018				\$11,000.00			\$11,000.00	\$ 22,000.00	50%	\$0.00
5	Repave Main Terminal Roads	Y	2018				\$61,200.00			\$15,300.00	\$ 76,500.00	80%	\$0.00
6	Small Snow Plow	Y	2018				\$3,000.00			\$3,000.00	\$ 6,000.00	50%	\$0.00
7	Main Terminal Roof Study	Y	2018				\$14,400.00			\$3,600.00	\$ 18,000.00	80%	\$0.00
8	Main Terminal Roof Repair	Y	2018				\$120,000.00			\$30,000.00	\$ 150,000.00	80%	\$0.00
9	Airport Beacon Replacement	Y	2018				\$120,000.00			\$30,000.00	\$ 150,000.00	80%	\$0.00
10	Perimeter Road 7-2 Runway Design	Y	2018	TBD		\$234,000.00	\$26,000.00				\$ 260,000.00	10%	\$0.00
11	Perimeter Road 7-2 Runway Construction	Y	2019	TBD		\$2,834,100.00	\$314,900.00				\$ 3,149,000.00	10%	\$0.00
12	Bond Debt South Corporate	Y	2018				\$155,000.00				\$ 155,000.00	100%	\$0.00
13	Design Taxiway A Lighting, Shoulders & Realignment of Taxiways B & C	Y	2019	TBD		\$297,000.00	\$33,000.00				\$ 330,000.00	10%	\$0.00
14	Bond Debt South Corporate	Y	2019				\$155,000.00				\$ 155,000.00	100%	\$0.00
15	Design Baggage Claim Rehabilitation	Y	2020	TBD		\$148,500.00	\$16,500.00				\$ 165,000.00	10%	\$0.00
16	Design Runway 2/20 Reduction	Y	2020	TBD		\$225,000.00	\$25,000.00				\$ 250,000.00	10%	\$0.00
17	Bond Debt South Corporate	Y	2020				\$155,000.00				\$ 155,000.00	100%	\$0.00
18	Bond Debt South Corporate	Y	2021				\$155,000.00				\$ 155,000.00	100%	\$0.00
19	Construction - Baggage Claim Rehabilitation	Y	2021	TBD		\$2,700,000.00	\$300,000.00				\$ 3,000,000.00	10%	\$0.00

Total Planned Commitments for Future Projects \$1,776,000.00 (State Entitlement Funds)


B. Project Narratives


**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

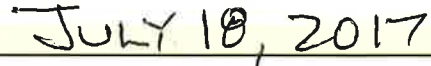
EUP #	Narrative
1	This piece of equipment is critical for the removal of snow on the airfield's Priority 1 locations. The airport has had to rent this piece of equipment in the past to remove plowed snow from the runways and taxiways in order to keep snow bank heights and safety areas clear and in compliance with the airport's snow and ice plan and Part 139 standards.
2	This small but critical piece of equipment is used in snow removal on the airfield. It completes the critical task of blowing snow from around the airfield lights, allowing the airport to stay in compliance with Part 139 standards. Without this
3	The Master Plan was completed in 2014. This included obstruction surveys. Additional obstruction surveys need to be regularly completed to ensure all approach surfaces are clear and in compliance.
4	The airfield maintenance team maintains airfield markings. The existing paint machine has exceeded its useful life and needs to be replaced.
5	The main airport terminal road is in need of significant repair. Patching has been done, but the age of the road now requires repaving.
6	A small snow plow attachment is needed. This equipment is part of the snow and ice removal plan.
7	The terminal building is over 20 years old. The roof has numerous leaks and simply patching the roof is no longer effective. A professional study needs to be completed to determine the appropriate course of action to repair and extend the overall life of the terminal building roof.
8	Once the terminal roof study is completed, those recommendations will be put into action to complete the needed repairs to the aging terminal roof.
9	The Airport Beacon is over 20 years old and has exceeded its useful life. Maintenance has difficulty accessing the tower for critical inspections due to its age. Additionally the speed of rotation and brightness of the beacon are not sufficient.
10	The perimeter road in this area is gravel. With the addition of operations on the east side of the airfield, the airport and the RSAT have determined the need for a paved road. This paved road is approximately one mile in length and would improve safety and dramatically reduce the number of runway crossings to the east side.
11	Construction of the perimeter road around the approach ends of Runways 2 and 7. See project narrative for the design of this project.
12	Annual principal and interest expense for VRA bond for South Corporate. The original amount of the bond is \$2,500,000 with an interest rate of 2.75%. The Original term is 25 years and the balance at 6/30/17 was \$1,314,687.78. The maturity date is 5/1/2027.
13	The Taxiway A circuit has exceeded its useful life and needs to be replaced. In addition, shoulders need to be added to this taxiway to meet design standards compliance. Also the apron needs modifications adjacent to Taxiway B and C to prevent direct access to Runway 2/20.
14	Annual principal and interest expense for VRA bond for South Corporate. The original amount of the bond is \$2,500,000 with an interest rate of 2.75%. The Original term is 25 years and the maturity date is 5/1/2027.
15	The existing bag claim area is original with the terminal building and has exceed its useful life and needs to be replaced. Design detailing the current and future needs of this area, with current bag belt technology, needs to be completed.
16	The intersection of runways 2 and 7 has been identified by the RSAT as a hot spot. The master plan has identified alternatives to decoupling this intersection. Additional discussion with the FAA, DOAV, and the airport will occur and based off the discussion a design for either the decoupling and shortening of Runway 2/20 or decoupling and extending of Runway 2/20 will be designed.
17	Annual principal and interest expense for VRA bond for South Corporate. The original amount of the bond is \$2,500,000 with an interest rate of 2.75%. The Original term is 25 years and the maturity date is 5/1/2027.
18	Annual principal and interest expense for VRA bond for South Corporate. The original amount of the bond is \$2,500,000 with an interest rate of 2.75%. The Original term is 25 years and the maturity date is 5/1/2027.
19	Construction of the baggage claim project is described in project 15.

Part 3 - Certification

As the Executive Director on behalf of the sponsor, I certify that the information provided above is accurate and complete to the best of my knowledge.

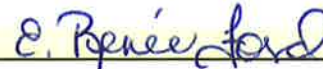



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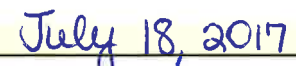
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 Date

As the Chief Financial Officer on behalf of the sponsor, I certify that the information provided above is accurate and complete to the best of my knowledge.



 Signature


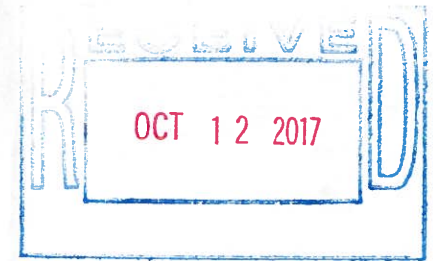
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**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

Sponsor: Norfolk Airport Authority

Airport: Norfolk International



Part 1 - Entitlement Utilization Report: FY2017

A. Entitlement Funds Available for Expenditure and Commitment

Unexpended Funds Available for Commitment from FY2016	\$21,423,796.88
Entitlement Funds Received in FY2017	\$2,000,000.00
Interest Earned in FY2017	\$173,032.65
Subtotal Entitlement Resources Available FY2017	\$23,596,829.53

B. Passenger Facility Charge (PFC) Funds Used to Reimburse State Entitlement Funds: FY2017

Project Description	AIP Project Number	DOAV Project Number	Funding Sources with Final Costs					Total Project Cost	State Funding Percentage	PFC Reimbursement
			Federal	State Entitlement	State Discretionary	PFC	Local			
Apron Rehab Airfield Concrete Pavement				\$332,647.00			\$83,162.00	\$415,809.00	80%	\$332,647.00
Obstruction Removal & Replanting RW 14				\$34,208.00			\$8,552.00	\$42,760.00	80%	\$34,208.00
Replace TWY 'C' Fixtures				\$78,700.00			\$19,675.00	\$98,375.00	80%	\$78,700.00
Runway 14 Obstruction Clearing (Trees)				\$77,035.00			\$19,259.00	\$96,294.00	80%	\$77,035.00
Robin Hood Road Overlay				\$242,731.00			\$60,683.00	\$303,414.00	80%	\$242,731.00
Upgrade Lighting in Passenger Terminal				\$667,343.00			\$166,836.00	\$834,179.00	80%	\$384,556.00
ARFF Truck (Emergency One) - AIP @ 95%	3-51-0036-59		\$637,129.53	\$33,533.13			\$0.00	\$670,662.66	5%	\$33,533.13
ARFF Truck (Emergency One) - Non-AIP				\$15,845.43			\$3,961.36	\$19,806.79	80%	\$19,806.79
Snow Plows and Spreaders - Two Each - AIP	3-51-0036-61		\$684,896.00	\$76,100.00			\$0.00	\$760,996.00	10%	\$76,100.00
Snow Plows and Spreaders - Two Each - Non-AIP				\$13,743.05			\$3,435.76	\$17,178.81	80%	\$0.00
Architectural Design/Public Restrooms				\$737,871.00			\$184,467.00	\$922,338.00	80%	\$737,871.00
Architectural Design/Const. FIS Facilities				\$2,634,316.77			\$658,549.19	\$3,292,865.96	80%	\$2,634,316.77
Rehab RW 14/32 & Taxiways A & G				\$244,264.00			\$61,066.00	\$305,330.00	80%	\$244,264.00
Concourse A and B Renovation - AIP @ 90% (Inadvertantly not shown in FY16 Report)	3-51-0036-47		\$6,182,640.00	\$686,960.00				\$6,869,600.00	10%	\$686,960.00
Concourse A and B Renovation Non-AIP							\$33,085.24	\$33,085.24	0%	
Add. Concourse A and B Renov. - AIP @ 75% (Inadvertantly not shown in FY16 Report)	3-51-0036-48		\$671,964.00	\$223,988.00				\$895,952.00	25%	\$223,988.00
Add. Concourse A and B Renov. - Non-AIP							\$113,909.89	\$113,909.89	0%	
Airfield Signange Rehabilitation - 75% AIP (Inadvertantly not shown in FY16 Report)	3-51-0036-51		\$384,760.00	\$128,253.33				\$513,013.33	25%	\$128,253.33
Airfield Signange Rehabilitation -Non-AIP (Inadvertantly not shown in FY16 Report)							\$48,546.58	\$48,546.58	0%	

\$5,934,970.02

Subtotal PFCs Used to Reimburse State Entitlement Funds \$5,934,970.02

Airport Revenues used to Reimburse Projects

Project Description	AIP Project Number	DOAV Project Number	Funding Sources with Final Costs - Reimbursements					Total Project Cost	State Funding Percentage	Reimbursement
			Federal	State Entitlement	State Discretionary	PFC	Local			
Parking Garage Site Design and Development							\$623,665.44	\$ -		\$623,665.44

Total Funds Available \$30,155,464.99 (Entitlement Resources Available FY2017 + PFCs Used to Reimburse State Entitlement Funds)

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

C. Funding Expenditures for Projects Closed: FY2017

Project Description	AIP Project Number	DOAV Project Number	Funding Sources with Final Costs					Total Project Cost	State Funding Percentage	Estimated PFCs to Reimburse Entitlements
			Federal	State Entitlement	State Discretionary	PFC	Local			
Airside Pavement Repairs				\$588,789.31		\$147,197.33		\$ 735,986.64	80%	
Replace Field Maintenance Tractor				\$119,192.00			\$29,798.00	\$ 148,990.00	80%	
Surface Cleaning Vehicle				\$156,797.60			\$39,199.40	\$ 195,997.00	80%	
Landside Utility Plow				\$24,672.62			\$6,168.15	\$ 30,840.77	80%	
Replace Field Maintenance Tractor				\$47,884.19			\$11,971.05	\$ 59,855.24	80%	
Concourse Charging Stations				\$41,489.60			\$10,372.40	\$ 51,862.00	80%	
Part 77 Obstruction Analysis				\$76,084.80			\$19,021.20	\$ 95,106.00	80%	
Remove Trees Within Aircraft Operating Area				\$190,671.94			\$47,667.98	\$ 238,339.92	80%	
General Aviation Apron and Employee Lot Rehab				\$268,243.55			\$680,555.74	\$ 948,799.29	28%	
Pavement Management Plan Update 2016	3-51-0036-65		\$149,476.00	\$16,609.00			\$0.00	\$ 166,085.00	10%	
Replace Runway Light Carts				\$176,261.66			\$44,065.41	\$ 220,327.07	80%	
Replace Bravo Concourse Generator				\$80,320.00			\$80,320.00	\$ 160,640.00	50%	
Checkpoint Expansion Councourse B - AIP (Closed in a previous year - Inadvertantly not reported)	3-51-0036-62		\$5,053,347.00	\$561,483.00			\$0.00	\$ 5,614,830.00	10%	
Checkpoint Expansion Councourse B - Non-AIP				\$57,500.27			\$14,375.07	\$ 71,875.34	80%	
Main Lobby Skylight Installation - AIP (Closed in a previous year - Inadvertantly not reported)			\$1,098,000.00	\$122,000.00			\$0.00	\$ 1,220,000.00	10%	
Main Lobby Skylight Installation - Non-AIP	3-51-0036-62			\$5,599,586.14			\$1,399,896.53	\$ 6,999,482.67	80%	
Subtotal Expenditures for Projects Completed: FY2017			\$8,127,585.68	(State Entitlement Funds)				\$ 16,959,016.94		
Unexpended Funds Available for Commitment			\$22,027,879.31	(Total Funds Available - Expenditures for Completed Projects)						

Commonwealth Airport Fund
Entitlement Utilization Report and Plan

D. Funding Commitments for Ongoing Projects

Project Description	Estimated Fiscal Year of Completion	AIP Project Number	DOAV Project Number	Funding Sources with Estimated Costs					Estimated Total Project Cost	Estimated State Funding Percentage	Estimated PFCs to Reimburse Entitlements
				Federal	State Entitlement	State Discretionary	PFC	Local			
Phase 3 Terminal Improvements - AIP	FY18	3-51-0036-65		\$2,096,904.00	\$232,990.00				\$ 2,329,894.00	10%	
Phase 3 Terminal Improvements - Non-AIP	FY18			\$0.00	\$96,142.40			\$24,000.00	\$ 120,142.40	80%	
Replace Snow Removal Equipment - Plows and Blower - AIP	FY18	3-51-0036-66		\$1,510,306.00	\$167,813.00				\$ 1,678,119.00	10%	
Replace Snow Removal Equipment - Brooms - Non-AIP	FY18				\$2,025,416.00			\$506,354.00	\$ 2,531,770.00	80%	
Phase 2 Terminal Improvements - AIP	FY18	3-51-0036-64		\$12,473,292.00	\$1,385,921.00				\$ 13,859,213.00	10%	
Phase 2 Terminal Improvements - Non-AIP	FY18				\$5,000,561.33			\$1,250,140.33	\$ 6,250,701.66	80%	
Master Plan Update	FY19	3-51-0036-67		\$1,620,000.00	\$180,000.00				\$ 1,800,000.00	10%	
Taxiway 'G' Rehabilitation	FY18	3-51-0036-63		\$722,089.00	\$80,232.00				\$ 802,321.00	10%	
Alpha Concourse Expansion - Design	FY18			\$225,000.00	\$25,000.00				\$ 250,000.00	10%	
Site Access Improvements - Elevators - Design	FY18			\$180,000.00	\$20,000.00				\$ 200,000.00	10%	
Federal Inspection Facilities at General Aviation Terminal - Design - AIP	FY18			\$172,800.00	\$19,200.00				\$ 192,000.00	10%	
Federal Inspection Facilities at General Aviation Terminal - Design - Non-AIP	FY18				\$86,400.00			\$21,600.00	\$ 108,000.00	80%	
Wayfinding Improvements - Interior and Exterior - Design	FY18				\$600,000.00			\$150,000.00	\$ 750,000.00	80%	
Upgrade Departures Fence - Design and Construction	FY18				\$600,000.00			\$150,000.00	\$ 750,000.00	80%	
Concourse Switchgear Replacement	FY18				\$586,080.00			\$301,920.00	\$ 888,000.00	66%	
Airfield Concrete Rehabilitation - Design and Construction	FY18				\$400,000.00			\$100,000.00	\$ 500,000.00	80%	
Moving Walk Repair	FY18				\$240,000.00			\$60,000.00	\$ 300,000.00	80%	
Runway 14 Threshold Displacement - Design and Construction	FY18				\$200,000.00			\$50,000.00	\$ 250,000.00	80%	

Subtotal Funding Commitments for Ongoing Projects

\$11,945,755.73 (State Entitlement Funds)

Funds Available

\$10,082,123.58 (Unexpended Funds Available for Commitment - Funding Commitments for Ongoing Projects)

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

Part 2 - Entitlement Utilization Plan: FY2018

A. Project Listing

EUP #	Project Description	6-Year Plan Y / N	Estimated Fiscal Year of Completion	AIP Project Number	DOAV Project Number	Funding Sources with Estimated Costs					Estimated Total Project Cost	Estimated State Funding Percentage	Estimated PFCs to Reimburse Entitlements
						Federal	State Entitlement	State Discretionary	PFC	Local			
1	Rehabilitation of Runway 5/23 and Runway 14/23 - AIP	Y	FY19			\$9,000,000.00	\$1,000,000.00				\$ 10,000,000.00	10%	
1	Rehabilitation of Runway 5/23 and Runway 14/23 - Non-AIP	Y	FY19				\$5,600,000.00			\$1,400,000.00	\$ 7,000,000.00	80%	
2	Alpha Concourse Expansion - Construction	Y	FY19			\$2,700,000.00	\$300,000.00				\$ 3,000,000.00	10%	
3	Site Access Improvements - Elevators - Construction	Y	FY19			\$1,800,000.00	\$200,000.00				\$ 2,000,000.00	10%	
4	Safety Management System	Y	FY18			\$135,000.00	\$15,000.00				\$ 150,000.00	10%	
5	Wayfinding Improvements - Interior and Exterior - Construction	Y	FY19				\$1,600,000.00			\$400,000.00	\$ 2,000,000.00	80%	
6	Airfield Signage and Lighting Upgrades - Design and Construction	Y	FY19				\$1,600,000.00			\$400,000.00	\$ 2,000,000.00	80%	
7	Arrivals Restrooms Renovations - Design and Construction	Y	FY19				\$1,600,000.00			\$400,000.00	\$ 2,000,000.00	80%	
8	Federal Inspection Facilities at Gen. Aviation Terminal - Const -AIP	Y	FY19			\$1,728,000.00	\$192,000.00				\$ 1,920,000.00	10%	
8	Federal Inspection Facilities at Gen. Aviation Terminal - Const -Non-AIP	Y	FY19				\$864,000.00			\$216,000.00	\$ 1,080,000.00	80%	
9	HVAC Rehabilitation (Value, Coil, AHU and Cooling Tower Repl	Y	FY19				\$875,000.00			\$875,000.00	\$ 1,750,000.00	50%	
10	3,000 Gallon ARFF Truck (Replace R-3 and R-4)	Y	FY18				\$600,000.00			\$150,000.00	\$ 750,000.00	80%	
11	Rapid Intervention ARFF Vehicle (Replace R-5)	Y	FY18				\$380,000.00			\$95,000.00	\$ 475,000.00	80%	
12	Public Safety Computer Aided Dispatch/Records Mgmt Sys (Replace)	Y	FY18				\$280,000.00			\$70,000.00	\$ 350,000.00	80%	
13	Security ID Badge System Replacement	Y	FY18				\$184,000.00			\$46,000.00	\$ 230,000.00	80%	
14	Emergency Circuit Upgrades - Design	Y	FY18				\$150,000.00			\$150,000.00	\$ 300,000.00	50%	
15	Public Safety Radio In-Building Antenna Replacement	Y	FY18				\$140,000.00			\$35,000.00	\$ 175,000.00	80%	
16	Arrivals FIDS Replacement	Y	FY18				\$120,000.00			\$30,000.00	\$ 150,000.00	80%	
17	Public Seating in Arrivals Terminal	Y	FY18				\$100,000.00			\$25,000.00	\$ 125,000.00	80%	

Total Planned Commitments for Future Projects

\$15,800,000.00 (State Entitlement Funds)

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

B. Project Narratives

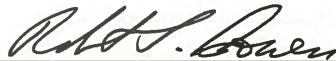
EUP #	Narrative
1	Mill and overlay 6,000 linear foot asphalt section of Runway 5/23 and all of Runway 14/32. Anticipation of need to overlay runway based on average overlay period of 20 years. Last overlay was conducted was in 1999. Project will also replace centerline lights in Runway 5/23. The existing centerline lights settled and have been raised and supported. However this is considered a temporary three to five year fix and a long term fix is needed.
2	Install elevator at end of Alpha Concourse. Reconfigure hold rooms A7, A9 and A11 into adequately sized hold rooms for A7 and A9. Proposed hold rooms would meet industry standard for aircraft servicing ORF.
3	Installation of elevators on Departures Terminal curbsides. This project will create a vertical access corridor intended to cut down on the number of passengers getting on the escalators in scenarios where the use of an elevator would be the preferred means of vertical access. Existing elevators in the Departures Terminal are not colocated with escalators and stairs as required by ADA Guidelines.
4	Implementation of SMS as required by FAA
5	Replace roadway and terminal signage which has inconsistent messaging, has aged and is damaged, and is hard to find as it blends into surroundings. Replace with new signage that has consistent messaging and stands out against surroundings. Includes landscape improvements to increase visibility to buildings from parking lots and roadways. NOTE - During design this project will require a detailed eligibility analysis which will likely result in a State share of less than 80%
6	Project will replace all airfield signs. The existing signs are no longer going to be supported by the manufacturer therefore parts will have very limited availability after this year. New signs will utilize LEDs to light the signs.
7	Renovation of all public restrooms within the Arrivals Terminal. Finishes and layout features will be same as those on Concourses and within the Departures Terminal.
8	Prior to 2017 General Aviation aircraft cleared Customs at the Cargo Facility which did not meet Customs standards. Currently, Customs is clearing in a temporary facility located within the Signature Aviation leasehold. This temporary arrangement is operating with many modifications to standard Customs operations. This project will result in a standalone Federal Inspection Facility adjacent to the General Aviation Facilities which will meet all current Customs standards.
9	This project will rehabilitate the Departures Terminal HVAC System - 1) Replace all original pneumatic control valves on Concourses and in Main Terminal with electrically controlled valves to prevent over or under supply of heating or cooling energy. 2) Replace Heating and Cooling coils in Main Terminal Air Handler Units (AHU). They can no longer be maintained, restrict airflow and reduce efficiency. 3) Replace Cooling Tower #4 which is the oldest cooling tower in the building and the last one that hasn't been replaced. Currently the cooling tower is leaking therefore has become inefficient. 4) Replacement of AHU #9 in Penthouse. This AHU was installed in 1972 and is original to the building. The bottom of the AHU has been rusted out, therefore temporary drain pans were installed in the bottom that have started rusting. 5) Replace Departure Tug Bay Heating Units. The two units in the tug bay are outside of their life cycle and it would be almost 9 weeks lead time to replace the unit if it goes down.

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

10	This project is to replace two ARFF trucks with a single truck. The two trucks being replaced are a 1993 and 1998 models (24 and 19 years old, respectively). These trucks have recently required increased maintenance, due to their age and wear. This replacement will significantly decrease operating costs while increasing the reliability of the equipment. This reduction in fleet will not compromise the Authority's ability to meet its ARFF index.
11	This project is to replace the current ARFF Rapid Intervention Vehicle. The current vehicle is a 2008 Ford and is in need of significant repair of the fire suppression system. Additionally, components of the current vehicle do not meet NFPA standards. This vehicle is critical to meeting the airport's ARFF Index. The proposed vehicle will also have pumper capabilities and can be used to charge the standpipes in the event of a building or garage fire.
12	This project is to replace the current public safety CAD/RMS. The current system is out dated and no longer supported. This system is critical to logging calls and dispatching police and fire as well as managing the records of public safety activity.
13	This project involves replacing the Security Identification Display Area (SIDA) badging system. The current system requires paper files and data entry from the paper application. The proposed system enables electronic submission of SIDA applications, eliminating the need for data entry and thereby increasing accuracy of the records.
14	Design Only Project - Evaluate the existing emergency circuits in Arrivals and Departures to determine and document all items that are on the circuit. Evaluate the ability to add additional items to the circuit to better meet tenant and Authority needs. Goal is to add one passenger loading bridge to the emergency circuit for each airline. Also add on additional passenger loading bridge on each concourse to circuit to serve as short term lease gate. Upgrade electrical system as needed. Perform Arc Flash Study - Arc Flash Info and Boundary for Panels/Switchgear. Replace obsolete Bravo Concourse Extension Switch Gear.
15	This project will replace the current in-building antennae. A consultant has recommended replacement of this system in response to numerous complaints from police regarding lack of radio communication capabilities in various parts of the terminal building.
16	Remove the overhead FIDS screens in Arrivals which are located between two marble columns and approximately 9 feet in the air and are hard to read. Project will remove existing screens and replace with larger screens in a better location so that passengers are better able to see the information on the screens.
17	Much of the older sling back seating is starting to deteriorate to a point that it needs to be replaced. The parts for the existing seats are no longer supplied. This project will purchase new seats to be placed in the public areas of the Arrivals Terminal. The existing seats will be used for parts to support the remaining like seats throughout the Departures Terminal.

Part 3 - Certification

As the Executive Director on behalf of the sponsor, I certify that the information provided above is accurate and complete to the best of my knowledge.



Signature

Robert S. Bowen

Printed Name

October 6, 2017

Date

As the Chief Financial Officer on behalf of the sponsor, I certify that the information provided above is accurate and complete to the best of my knowledge.



Signature

William A. Jones

Printed Name

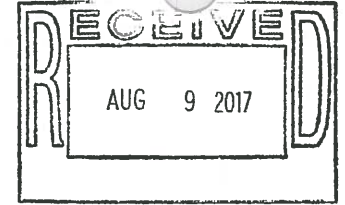
October 6, 2017

Date

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

Sponsor: Capital Region Airport Commission
Revised: June 12, 2017

Airport: Richmond International



Part 1 - Entitlement Utilization Report: FY2017

A. Entitlement Funds Available for Expenditure and Commitment

Unexpended Funds Available for Commitment from FY2016	\$6,035,078.32
Entitlement Funds Received in FY2017	\$2,000,000.00
Interest Earned in FY2017	\$29,972.12
 Subtotal Entitlement Resources Available FY2017	 \$8,065,050.44

B. Passenger Facility Charge (PFC) Funds Used to Reimburse State Entitlement Funds: FY2017

Project Description	AIP Project Number	DOAV Project Number	Funding Sources with Final Costs					Total Project Cost	State Funding Percentage	PFC Reimbursement
			Federal	State Entitlement	State Discretionary	PFC	Local			
								\$ -		
								\$ -		
								\$ -		
								\$ -		

Subtotal PFCs Used to Reimburse State Entitlement Funds \$0.00

Total Funds Available \$8,065,050.44 (Entitlement Resources Available FY2017 + PFCs Used to Reimburse State Entitlement Funds)

C. Funding Expenditures for Projects Closed: FY2017

Project Description	AIP Project Number	DOAV Project Number	Funding Sources with Final Costs					Total Project Cost	State Funding Percentage	Estimated PFCs to Reimburse Entitlements
			Federal	State Entitlement	State Discretionary	PFC	Local			
Airport Rescue & Fire Fighting Vehicle (FY16)		None		\$ 187,960			\$46,990.00	\$ 234,950	80%	
Taxiway E & L Rehabilitation (D) (FY16) FY 2017*	AIP-063		\$ 395,816	\$ 43,980			\$0.00	\$ 439,796	10%	

Subtotal Expenditures for Projects Completed: FY2017 \$231,939.60 (State Entitlement Funds)

Unexpended Funds Available for Commitment \$7,833,110.84 (Total Funds Available - Expenditures for Completed Projects)

D. Funding Commitments for Ongoing Projects

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

Project Description	Estimated Fiscal Year of Completion	AIP Project Number	DOAV Project Number	Funding Sources with Estimated Costs					Estimated Total Project Cost	Estimated State Funding Percentage	Estimated PFCs to Reimburse Entitlements
				Federal	State Entitlement	State Discretionary	PFC	Local			
Airport Geographical Information System (GIS) (FY15) FY 2017*	2018				\$354,400.00			\$88,600.00	\$ 443,000.00	80%	
Security Credentialing Software and Hardware Upgrades (FY16) FY 2017*	2018				\$224,001.90			\$56,000.48	\$ 280,002.38	80%	
Airport Layout Plan Set Update (FY16) FY 2017*	2018				\$20,646.00			\$5,161.50	\$ 25,807.50	80%	
Access Control System Upgrades (FY16) FY 2017*	2018				\$134,352.00			\$33,588.00	\$ 167,940.00	80%	
800 Megahertz Radio System Replacement	2018				\$719,381.00			\$179,845.25	\$ 899,226.25	80%	
Airport Geographical Information System (GIS) Phase II (FY17) FY 2019*	2019				\$245,232.00			\$61,308.00	\$ 306,540.00	80%	
Taxiway E & L Rehabilitation (C) (AIP) (FY16) FY 2017*		AIP-063		\$ 3,606,289	\$ 400,699			\$0.00	\$ 4,006,988	10%	
Taxiway E & L Rehabilitation (C) (non-AIP) (FY16) FY 2017*			CS0043-48		\$ 899,830	\$ 3,765,783	\$ 1,166,403	\$0.00	\$ 5,832,016	80%	
Taxiway E & L Rehabilitation (C) (non-AIP) (FY17) FY 2017* (Scope Change)			CS0043-48		\$ 7,776		\$ 1,944	\$0.00	\$ 9,720	80%	
Interior Service Road (Portugee) Rehabilitation (D/C)(FY17) FY 2018	2018		CS0043-49		\$460,695.68	\$173,934.32		\$158,657.50	\$ 793,287.50	80%	
Interior Service Road (South) Rehabilitation (D/C)(FY17) FY 2018	2018				\$665,592.00			\$166,398.00	\$ 831,990.00	80%	
Taxiway M Relocation - Realignment (C) (FY14 & FY16) FY 2017*		AIP-062		\$ 17,772,312	\$ 1,974,701		\$ 9,151,393	\$17,890.00	\$ 28,916,296	7%	
Taxiway M Relocation - Realignment (C) (non-AIP) (FY15) FY 2017*			None		\$ 1,613,656		\$ 403,414	\$0.00	\$ 2,017,070	80%	

Subtotal Funding Commitments for Ongoing Projects \$7,720,962.71 (State Entitlement Funds)

Funds Available \$112,148.13 (Unexpended Funds Available for Commitment - Funding Commitments for Ongoing Projects)

Part 2 - Entitlement Utilization Plan: FY2018

A. Project Listing

EUP #	Project Description	6-Year Plan Y / N	Estimated Fiscal Year of Completion	AIP Project Number	DOAV Project Number	Funding Sources with Estimated Costs					Estimated Total Project Cost	Estimated State Funding Percentage	Estimated PFCs to Reimburse Entitlements
						Federal	State Entitlement	State Discretionary	PFC	Local			
1	Taxiway L South (Design/Construction)	Y	2018	Pending	None	\$3,657,991.00	\$406,444.00		\$0.00	\$0.00	\$ 4,064,435.00	10%	\$0.00
2	Runway 7-25 Conversion to Taxiway (Design)	Y	2018	Future	None	\$450,000.00	\$50,000.00		\$0.00	\$0.00	\$ 500,000.00	10%	\$0.00
3	East Side GA Apron & Hangar Site Prep (Design)	Y	2018	None	Future		\$320,000.00	\$0.00		\$80,000.00	\$ 400,000.00	80%	\$0.00
4	Taxiway A South (Design)	Y	2018	None	None		\$280,000.00	\$0.00	\$70,000.00		\$ 350,000.00	80%	\$0.00
5	Taxiway A South (Construction)	Y	2018	None	Future		\$943,556.00	\$1,856,444.00	\$700,000.00		\$ 3,500,000.00	80%	\$0.00

Total Planned Commitments for Future Projects \$2,000,000.00 (State Entitlement Funds)

B. Project Narratives

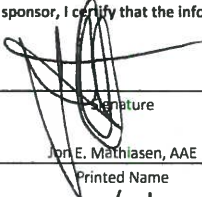
EUP #	Narrative

Commonwealth Airport Fund
Entitlement Utilization Report and Plan

1	Taxiway L South (Design/Construction): The project involves the rehabilitation of Taxiway L South (the portion of the partial parallel taxiway to Runway 16-34 south of Runway 7-25) at Richmond International Airport. Work items include 45,000 square yards of asphalt pavement milling (mainline taxiway and shoulders); 27,000 square yards of full-depth reclamation (asphalt shoulders); construction of 13,000 tons of bituminous base and surface course pavements (P-401, P-403, and VDOT asphalt); runway and taxiway pavement markings (P-620); installation of taxiway edge lighting base cans, conduit, and cable; and adjustment of existing taxiway centerline lighting.
2	Runway 7-25 Conversion to Taxiway: The project involves the conversion of Runway 7-25 from a 100' wide runway to a 75' Taxiway with Paved Shoulders. Work will include the mill and overlay of existing asphalt pavements and the construction of additional pavement for shoulders. Work will also include taxiway lighting, signage and marking and any required grading and drainage improvements.
3	East Side General Aviation Apron & Hangar Site Prep: This project involves the design of a new GA/Cargo aircraft apron (approximately 300' x 800' on the east side of the Airport at the north end of new Taxiway M to provide for additional cargo and general aviation activities on the east side of the Airport.
4	Taxiway A South: This project involves the reconstruction of portions of Taxiway A south and the mill and asphalt overlay of the entire Taxiway from the Concourse C Apron to the Runway 2. Portions of the existing pavement are showing indications of settling and possible pavement failure.

Part 3 - Certification

As the President & CEO on behalf of the sponsor, I certify that the information provided above is accurate and complete to the best of my knowledge.

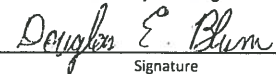


 Signature

 Jon E. Mathiasen, AAE
 Printed Name

 8/9/17
 Date

As the Chief Financial Officer on behalf of the sponsor, I certify that the information provided above is accurate and complete to the best of my knowledge.



 Signature

 Douglas F. Blum
 Printed Name

 8/9/17
 Date

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

Sponsor: Roanoke Regional Airport Authority

Airport: Roanoke-Blacksburg Regional

Part 1 - Entitlement Utilization Report: FY2017

A. Entitlement Funds Available for Expenditure and Commitment

Unexpended Funds Available for Commitment from FY2016	\$8,783,779.59
Entitlement Funds Received in FY2017	\$2,000,000.00
Interest Earned in FY2017	\$53,351.30
ADD: DOAV auditor interest calculation FY 14 - FY 16	\$16,658.00
 Subtotal Entitlement Resources Available FY2017	 \$10,853,788.89

B. Passenger Facility Charge (PFC) Funds Used to Reimburse State Entitlement Funds: FY2017

Project Description	AIP Project Number	DOAV Project Number	Funding Sources with Final Costs					Total Project Cost	State Funding Percentage	PFC Reimbursement
			Federal	State Entitlement	State Discretionary	PFC	Local			
Modify Screening Checkpoint for Additional Portal	N/A			\$155,312.00			\$43,695.20	\$ 199,007.20	80%	\$155,312.00
Acquire Land for RPZ - RWY 6				\$35,569.00			\$8,892.00	\$ 44,461.00	80%	\$35,569.00
Conduct FAA Mandated Wildlife Hazard Study Program				\$64,097.00			\$16,024.00	\$ 80,121.00	80%	\$64,097.00
Demo of Bldg #7 for Gen Aviation Development - FY 15 Based on DOAV Audit				\$25,125.60			\$6,281.40	\$ 31,407.00	80%	\$25,125.60

Subtotal PFCs Used to Reimburse State Entitlement Funds \$280,103.60

Total Funds Available \$11,133,892.49 (Entitlement Resources Available FY2017 + PFCs Used to Reimburse State Entitlement Funds)

C. Funding Expenditures for Projects Closed: FY2017

Project Description	AIP Project Number	DOAV Project Number	Funding Sources with Final Costs					Total Project Cost	State Funding Percentage	Estimated PFCs to Reimburse Entitlements
			Federal	State Entitlement	State Discretionary	PFC	Local			
Upgrade FIDS & PA System				\$139,962.50			\$34,990.63	\$ 174,953.13	80%	
Regional Communication System				\$15,160.80			\$3,790.20	\$ 18,951.00	80%	
HVAC System Maintenance Contract				\$21,573.76			\$12,135.24	\$ 33,709.00	64%	
Facility Management System Maintenance				\$21,898.88			\$12,318.12	\$ 34,217.00	64%	
Elevator and Escalator Maintenance Contract				\$23,840.80			\$5,960.20	\$ 29,801.00	80%	
Fire Sprinkler System Maintenance				\$2,694.40			\$1,515.60	\$ 4,210.00	64%	
Fire Alarm System Maintenance Contract				\$2,773.12			\$1,559.88	\$ 4,333.00	64%	
Security Access System Maintenance Contract				\$14,446.72			\$8,126.28	\$ 22,573.00	64%	
Tractor & Mower Maintenance				\$9,291.20			\$2,322.80	\$ 11,614.00	80%	
Snow Removal Equipment Maintenance				\$8,268.80			\$2,067.20	\$ 10,336.00	80%	
ARFF Disaster Simulation-Foam				\$7,046.40			\$1,761.60	\$ 8,808.00	80%	
ARFF Disaster Simulation-Propane				\$1,167.14			\$291.79	\$ 1,458.93	80%	
TSAR 1542 & FAR Part 139 Interactive Training Media				\$10,327.90			\$2,581.97	\$ 12,909.87	80%	
FAR Part 139 ARFF Training Course				\$4,319.33			\$1,079.83	\$ 5,399.16	80%	
ARFF Turnout Gear				\$24,859.71			\$6,214.93	\$ 31,074.64	80%	

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

Firearms and Body Armor				\$5,372.00			\$1,343.00	\$ 6,715.00	80%	
Airfield Pavement Marking				\$34,062.40			\$8,515.60	\$ 42,578.00	80%	
Airfield Crack Sealing				\$21,477.60			\$5,369.40	\$ 26,847.00	80%	
Weed Control				\$14,692.00			\$3,673.00	\$ 18,365.00	80%	
Road & Parking Lot Repair				\$4,019.20			\$1,004.80	\$ 5,024.00	80%	
Less FY 15: Snow removal runway de-icer (liquid) chemical disallowed based on DOAV audit				(61,720.00)			-\$15,430.00	\$ (77,150.00)	80%	

Subtotal Expenditures for Projects Completed: FY2017

\$325,534.66 (State Entitlement Funds)

Unexpended Funds Available for Commitment

\$10,808,357.83 (Total Funds Available - Expenditures for Completed Projects)

D. Funding Commitments for Ongoing Projects

Project Description	Estimated Fiscal Year of Completion	AIP Project Number	DOAV Project Number	Funding Sources with Estimated Costs					Estimated Total Project Cost	Estimated State Funding Percentage	Estimated PFCs to Reimburse Entitlements
				Federal	State Entitlement	State Discretionary	PFC	Local			
Sealcoat Taxiways A G & T*	2017	3-51-0045-055		\$270,330.00	\$30,037.00			\$2,500.00	\$302,867.00	10%	
Sealcoat Taxiways A G & T*	2017	NA		\$0.00	\$119,797.60			\$29,949.40	\$149,747.00	80%	
Add new Loading Bridge Gate 3 **	2018	3-51-0045-054		\$194,697.00	\$21,633.00				\$216,330.00	10%	
Install new bridge at Gate 3 and replace bridges at Gates 2, 4, 5, 6**	2018	3-51-0045-056		\$4,346,989.94	\$482,998.88				\$ 4,829,988.82	10%	
Terminal Ramp Rehabilitation & Joint Replacement**	2018	3-51-0045-054		\$4,512,086.00	\$501,342.89				\$ 5,013,428.89	10%	
Runway 24 Tunnel Full Rehabilitation Phase 2A	2019				\$492,863.00			\$123,216.00	\$ 616,079.00	80%	
Environmental Assessment for RW 6-24 Modified EMAS	2018				\$124,457.60			\$31,114.40	\$ 155,572.00	80%	
Sealcoat Runways 6-24 & 16-34	2018	3-51-0045-058		\$1,385,100.00	\$153,900.00				\$ 1,539,000.00	10%	
Walkway Canopy	2018	3-51-0045-058		\$1,842,446.00				\$204,716.00	\$ 2,047,162.00		
Rehabilitate GA Ramp East	2018				\$173,714.40			\$43,428.60	\$ 217,143.00	80%	
Rehabilitate GA Ramp East	2019	3-51-0045-Pend		\$914,110.00	\$101,567.70				\$ 1,015,677.70	10%	
Replace Snow Removal Plow Truck #15	2018	3-51-0045-057		\$274,221.00	\$30,469.00				\$ 304,690.00	10%	
Replace Snow Removal Plow Truck #15	2018	NA			\$15,120.00			\$3,780.00	\$ 18,900.00	80%	
Snow Removal Equipment Storage	2018				\$14,880.00			\$3,720.00	\$ 18,600.00	80%	

* Project completed 6/17. Waiting for final invoices to close project. Federal grant for Administration & Construction components only. Architectural/Engineering fees and Construction Admin fees paid with state entitlements and local funds. \$2,500 Local Funds are for additional insurance coverage.

** Scope of project changed from AIP project to install Gate 3 boarding bridge with terminal ramp rehabilitation to a separate AIP to replace bridges at Gates 2,4,5, and 6 and install new Gate 3 boarding bridge

Subtotal Funding Commitments for Ongoing Projects

\$2,262,781.07 (State Entitlement Funds)

Funds Available

\$8,545,576.76 (Unexpended Funds Available for Commitment - Funding Commitments for Ongoing Projects)

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

Part 2 - Entitlement Utilization Plan: FY2018

A. Project Listing

EUP #	Project Description	6-Year Plan Y / N	Estimated Fiscal Year of Completion	AIP Project Number	DOAV Project Number	Funding Sources with Estimated Costs					Estimated Total Project Cost	Estimated State Funding Percentage	Estimated PFCs to Reimburse Entitlements
						Federal	State Entitlement	State Discretionary	PFC	Local			
1	Sealcoat - Airfield & Roads/Parking Lots - Phase 4 - If required		2018				\$280,000.00			\$70,000.00	\$ 350,000.00	80%	
2	Replace Wooden Fence Line		2018				\$120,000.00			\$30,000.00	\$ 150,000.00	80%	
3	TSAR 1542 & FAR Part 139 Interactive Training Media Software Upgrade		2018				\$57,200.00			\$14,300.00	\$ 71,500.00	80%	
4	Replace Potassium Acetate Tanks & Pump		2018				\$32,000.00			\$8,000.00	\$ 40,000.00	80%	
5	Airfield Lighting Controller Upgrade		2018				\$25,600.00			\$6,400.00	\$ 32,000.00	80%	
6	Electronic Message Sign		2019				\$280,000.00			\$70,000.00	\$ 350,000.00	80%	
7	Land acquisition - 5530 Precision Circle		2019				\$1,892,500.00			\$239,250.00	\$ 2,131,750.00	89%	
8	Land acquisition- 3697 Thirlane Road		2019				\$998,000.00			\$219,560.00	\$ 1,217,560.00	80%	
9	Airfield Signs, Lights, & Circuit Replacements		2019				\$580,680.00			\$145,170.00	\$ 725,850.00	80%	
10	Additional Snow Plow Truck		2019				\$440,000.00			\$110,000.00	\$ 550,000.00	80%	
11	Survey of Runway Approach Obstructions Removal		2019				\$320,000.00			\$80,000.00	\$ 400,000.00	80%	
12	Front Plaza Fin Rehab		2019				\$256,000.00			\$144,000.00	\$ 400,000.00	64%	
13	Upgrade Security Access Control System and Video Surveillance System		2019	3-51-0045-Pend		\$2,250,000.00	\$250,000.00			\$0.00	\$ 2,500,000.00	10%	
14	Replace Dump Truck with Plow		2019				\$200,000.00			\$50,000.00	\$ 250,000.00	80%	
15	Inspect & Repair Sprinkled System Pipe		2019				\$96,000.00			\$54,000.00	\$ 150,000.00	64%	
16	Land Use Study - Phases 1 & 2		2019				\$96,000.00			\$24,000.00	\$ 120,000.00	80%	
17	Airfield Paint Machine Skid Mount		2019				\$54,400.00			\$13,600.00	\$ 68,000.00	80%	
18	Chiller Plant Manager		2019				\$22,400.00			\$12,600.00	\$ 35,000.00	64%	
19	ATO Baggage Screening		2020				\$1,976,000.00			\$494,000.00	\$ 2,470,000.00	80%	
20	Replace RW 34; EMAS Design & Construction		2020	3-51-0045-Pend		\$4,536,000.00	\$504,000.00			\$0.00	\$ 5,040,000.00	10%	

Total Planned Commitments for Future Projects
Funds Available

\$8,480,780.00 (State Entitlement Funds)
\$64,796.76

B. Project Narratives

EUP #	Narrative
1	This is an as-needed pavement maintenance to include crack seal, seal cost, and marking to be used in FY 18 . Maintenance of pavements is required to maintain useful life.
2	Replace the wooden fence line at the end of runway 24 & 34 with Trex. The wooden fence was used to not interfere with Nav aids but the wood has deteriorated and it needs to be replaced with non-metal fencing.
3	RRAC's current airport training software was implemented in January 2005. In 2011, the management software of this program was upgraded to a newer version (TIMS2). RRAC has been notified by AA AE that the current version will be phased out and a newer software package will be required. This project will upgrade the current version (IET-Training Information Management System 2) to the new version (IET-Learning Suite).
4	The Potassium Acetate tanks have reached their life expectancy; all three tanks are cracked and weathered. The pump is the original pump; seals are leaking and the pump capitates during operations. This project will install (3) 5000 gallon poly tanks and pump.
5	Upgrade the computer system which controls all of the airfield lighting. The system operates off the older Windows 2003 software. Since Microsoft ended the support of the software, ADB can no longer provide support for the system.
6	This electronic sign is to promote use of the Airport and information about our airline tenants and the destinations they serve.
7	Purchase vacant 12.30 acres at 5530 Precision Circle, Roanoke, Va. This property is adjacent to the Airport and a portion of which was identified for acquisition for future development in the 2008 Airport Master Plan.
8	The vacant 4.58 acre property at 3697 Thirlane Road, NW, Roanoke, is currently for sale and it was identified in the 2008 Airport Master Plan to be acquired for future development.

**Commonwealth Airport Fund
Entitlement Utilization Report and Plan**

9	Replacement parts for the signs have increased in cost and parts availability has decreased. LED will reduce the overall operating cost. The cabling is starting to lose its resistance value, which indicates the insulation is breaking down due the high voltage.
10	Add an additional plow truck to the fleet to meet the required snow clearing time for our priority 1 areas. The truck would complement our fleet providing a taxiway and ramp team to remove snow and enhance a safer operation of the aircraft.
11	FAA and DOAV require approach and departre surfaces are clear of obstructions. According to AV 150/5300-13A, Airport Sponsors are to periodically review the Approach/Departure Standards Table to identify obstructions and then develop a plan for mitigation. The FAA is now requiring airports to complete an Obstacle Action Plan to list known obstructions and develop a plan for mitigation, including obstacles off airport.
12	Inspect all of the structural steel and fin on the front of the terminal. Sandblast or mechanically remove rust and repaint the structural steel and fins including the canopies. The welds for the fins are rusted and the fins are faded.
13	The current Security Access Control System and Video Surveillance System is reaching the end of its useful life and needs to be replaced.
14	Per the approved Snow Plan, this 1995 dump truck is over 20 years old and it is scheduled to be replaced.
15	Sprinkler system pipe inspection and repairs - Phase 1. The system is 30 years old, starting to experience air pressure leakage from the system and water stains around coupling after fire pump testing
16	The last land use plan completed for the Airport was included in the 2008 Airport Master Plan. Since that time real estate conditions have changed and potential uses for available properties need to be examined to optimize revenue potential.
17	Larger paint machine to fit into the back of a truck, increase efficiency of the paint crew by completing the larger marking on the runway faster. To reduce the cost of painting the airfield marking by performing the work in house. Provides for a safer airfield, lowers the cost of the airfield marking budget. Also the convenience to perform the work to our schedule.
18	Control system to allow the chillers to operate more efficiently is needed to reduce energy use.
19	Currently there are two EDS machines in the first floor terminal lobby. Passengers must carry their bags to the EDS machines. TSA employees take the bags to have them screened. A more efficient process is to have the airlines take the bags from the passengers at the counter and have the bags screened by TSA in an area not visible to the public. This project is to relocate the EDS equipment behind the ATO or screened from the public and to include bag conveyors for passengers to check bags in at the ticket counter without the need to drop their bags off at the EDS machines.
20	Replace RW 34 EMAS Design & construction - EMAS was installed in 2003 and the replacement of the EMAS blocks are now required.

Part 3 - Certification

As the Executive Director on behalf of the sponsor, I certify that the information provided above is accurate and complete to the best of my knowledge.



Signature

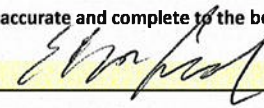
Tim Bradshaw

Printed Name

11/14/17

Date

As the Chief Financial Officer on behalf of the sponsor, I certify that the information provided above is accurate and complete to the best of my knowledge.



Signature

Ernest C. McLeod

Printed Name

11/14/17

Date

Commonwealth of Virginia
Entitlement Utilization Report and Plan

Sponsor: Shenandoah Valley Airport Commission

Airport: Shenandoah Valley Regional



Part 1 - Entitlement Utilization Report: FY2017

A. Entitlement Funds Available for Expenditure and Commitment

Unexpended Funds Available for Commitment from FY2016	\$1,129,451.40
Entitlement Funds Received in FY2017	\$85,053.98
Interest Earned in FY2017	\$2,492.77
 Subtotal Entitlement Resources Available FY2017	 \$1,216,998.15

B. Passenger Facility Charge (PFC) Funds Used to Reimburse State Entitlement Funds: FY2017

Project Description	AIP Project Number	DOAV Project Number	Funding Sources with Final Costs					Total Project Cost	State Funding Percentage	PFC Reimbursement
			Federal	State Entitlement	State Discretionary	PFC	Local			
Rehab Parking Lot-Construction	3-51-0049-035	CF0049-35	1,864,793.00	\$123,778.11	41,773.35		\$41,245.00	\$ 2,071,589.46	8%	\$18,490.07
								\$ -		
								\$ -		
								\$ -		

Subtotal PFCs Used to Reimburse State Entitlement Funds \$18,490.07

Total Funds Available \$1,235,488.22 (Entitlement Resources Available FY2017 + PFCs Used to Reimburse State Entitlement Funds)

C. Funding Expenditures for Projects Closed: FY2017

Project Description	AIP Project Number	DOAV Project Number	Funding Sources with Final Costs					Total Project Cost	State Funding Percentage	Estimated PFCs to Reimburse Entitlements
			Federal	State Entitlement	State Discretionary	PFC	Local			
Wildlife Hazard Assessment	3-51-0049-036		\$59,634.00	\$6,626.00				\$ 66,260.00	10%	n/a
Rehabilitate Rwy 5-23 & Taxiways Design	3-51-0049-038		\$53,919.00	\$5,991.00				\$ 59,910.00	10%	n/a
Equipment Shed	N/A			\$26,051.62			\$19,020.28	\$ 45,071.90	58%	n/a
ARFF Gear	N/A			\$7,499.36			\$1,874.84	\$ 9,374.20	80%	n/a
Security Cameras	N/A			\$7,669.88			\$1,917.47	\$ 9,587.35	80%	n/a

Subtotal Expenditures for Projects Completed: FY2017 \$53,837.86 (State Entitlement Funds)

Unexpended Funds Available for Commitment \$1,181,650.36 (Total Funds Available - Expenditures for Completed Projects)

Commonwealth Airport Fund
Entitlement Utilization Report and Plan

D. Funding Commitments for Ongoing Projects

Project Description	Estimated Fiscal Year of Completion	AIP Project Number	DOAV Project Number	Funding Sources with Estimated Costs					Estimated Total Project Cost	Estimated State Funding Percentage	Estimated PFCs to Reimburse Entitlements
				Federal	State Entitlement	State Discretionary	PFC	Local			
Master Plan	2018	3-51-0049-037		\$594,900.00	\$66,100.00				\$ 661,000.00	10%	n/a
ARFF/SRE	2018	3-51-0049-039		\$1,679,715.00	\$186,636.00				\$ 1,866,351.00	10%	n/a
SRE Lighting package	2018	N/A			\$3,075.41			\$768.85	\$ 3,844.26	80%	n/a
									\$ -		

Subtotal Funding Commitments for Ongoing Projects \$255,811.41 (State Entitlement Funds)

Funds Available \$925,838.95 (Unexpended Funds Available for Commitment - Funding Commitments for Ongoing Projects)

Part 2 - Entitlement Utilization Plan: FY2018

A. Project Listing

EUP #	Project Description	6-Year Plan Y / N	Estimated Fiscal Year of Completion	AIP Project Number	DOAV Project Number	Funding Sources with Estimated Costs					Estimated Total Project Cost	Estimated State Funding Percentage	Estimated PFCs to Reimburse Entitlements
						Federal	State Entitlement	State Discretionary	PFC	Local			
1	Taxiway/ Runway Rehab		2018	Pending		\$1,000,000.00	\$111,111.00				\$ 1,111,111.00	10%	n/a
2	Utility Vehicle		2018				\$17,677.60			\$4,419.40	\$ 22,097.00	80%	n/a
3	Tractor/Batwing mower & Zero turn mower		2018				\$93,904.46			\$23,476.11	\$ 117,380.57	80%	n/a
4	Environmental Assessment		2018	Pending		\$256,500.00	\$28,500.00				\$ 285,000.00	10%	n/a
5	GA HVAC system Rehab		2018				\$177,075.00			\$47,925.00	\$ 225,000.00	80%	n/a
6	KVL encryption manager		2018				\$3,863.80			\$965.95	\$ 4,829.75	80%	n/a
7	Runway & Taxiway bulbs		2018				\$3,200.00			\$800.00	\$ 4,000.00	80%	n/a
8	AWOS Inspections & Repair		2018				\$3,200.00			\$800.00	\$ 4,000.00	80%	n/a
9	Building/Facility Repairs		2018				\$15,000.00			\$3,750.00	\$ 18,750.00	80%	n/a
10	Equipment Repairs		2018				\$12,000.00			\$3,000.00	\$ 15,000.00	80%	n/a
11	Environmental Plans		2018				\$5,000.00			\$1,250.00	\$ 6,250.00	80%	n/a
12	Vegetation Management		2018				\$3,720.00			\$930.00	\$ 4,650.00	80%	n/a
13	Fingerprint computer		2018				\$5,807.56			\$1,451.89	\$ 7,259.45	80%	n/a
14	Taxiway/ Runway Rehab-non AIP		2018				\$520,750.89			\$130,187.73	\$ 650,938.62	80%	n/a

Total Planned Commitments for Future Projects \$1,000,810.31 (State Entitlement Funds)

B. Project Narratives

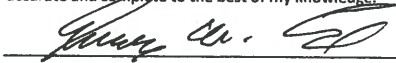
EUP #	Narrative

Commonwealth Airport Fund
Entitlement Utilization Report and Plan

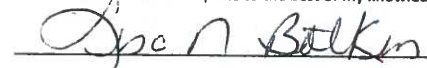
1	This project involves the rehabilitation of Taxiway "A" the main parallel taxiway to the single runway 5-23 & significant repairs to the runway. The Scope, Design & Construction Phase documentation has been previously supplied to the Department. Funds will be used in accordance with Program Manual Guidelines to match Federal Funds for alternate one construction, construction phase services & support a portion of the project that are eligible for FAA funds that may be available at this time.
2	FAA Airport Certification required the Airport undertake a wildlife hazard plan to identify potential wildlife issues in & around the Airport that could create a hazard to aircraft. The result of that report was requirement that the Airport complete a wildlife mitigation plan. Recommendations that have been approved & required by FAA include measures to prevent & reduce wildlife inside the Airport Operations area & on Airport property, & training of all Airport Operations personnel on wildlife hazards. The report also included measures regarding the removal of certain attractants, & barrier features to prevent wildlife from entering the AOA. The mitigation plan also discussed the fact that the terrain & wetland areas prevent the Airport from having a perimeter road to allow for inspection of areas within the AOA & airport perimeter fencing. An all terrain utility vehicle was recommended which would allow Airport Operations officers to adequately patrol, inspect & maintain the perimeter fencing, gates & barriers.
3	This project will include the acquisition of a tractor, associated rotary cutter & zero turn mowers to be used for cutting & grooming of the expansive 400+ acres of turf area. As an FAA Part 139 Certificated facility, SHD is required to keep all turf well-groomed & at FAA recommended heights & clear of all lighting and Navoids.
4	The Airport Commission, in coordination with the FAA & Virginia Department of Aviation, has been in process of developing a comprehensive Master Plan Update effort over the past two years. As a result of the anticipated approved projects contained in the Master Plan, the requirement of an Environmental Assessment for the projects contemplated will be required prior to the undertaking of the projects listed in the first phase. As required by FAA an independent fee review will be required as the cost is expected to exceed the threshold requiring an IFE be performed.
5	The current General Aviation mechanical system is over 20 years old & has outlived its useful life. The current system no longer maintains a comfortable environment in the building for passengers & pilots. It also has recently required numerous expensive repairs. This project will assess the current requirement of an energy efficient system to provide HVAC in the General Aviation Terminal that adequately supplies heating & air conditioning to all portions of the facility. It is anticipated that replacement of most if not all components will be necessary. Funding will be at the existing public vs. private formula that was used for construction of the terminal.
6	This device is necessary for the maintenance & compatibility of existing Airport Public Safety Radios that are used to interface with local Fire Rescue, & Law Enforcement agencies that provide support to the Airport. Those radios must be programmed periodically with updated encryption to be compliant with local requirements. This device allows us to have full control over all encryption algorithms & maintain a working database of keys for each radio, therefore each time a radio is added every radio doesn't have to be retouched which requires a costly service call.
7	This will allow for the acquisition of replacement runway & taxiway lighting bulbs & reflectors to ensure Part 139 compliance & a properly lighted airfield.
8	This will allow for the annual inspection & certification of the AWOS system. This system & its annual certification & maintenance are required for Part 121 Air Carrier operations.
9	This will fund building maintenance & repairs identified as eligible in accordance with the Airport Program Manual. Examples would be repairs to mechanical systems, doors, access controls, fire suppression systems, roofs, & parking lot remarking, crack sealing etc.
10	Repairs identified as eligible in accordance with the Airport Program Manual. Examples include repairs to maintenance equipment, ARFF & Snow removal equipment.
11	Funds will be used for eligible cost permissible in the Airport Program Manual related to required development & updates of Environmental Plans required by regulatory agencies. Examples would be SWP3, SPCC etc.
12	Funds will be used for eligible costs in accordance with the Airport Program Manual to maintain weed control along runway & taxiway edges, around the fuel farm and fence line.
13	Funds will be used to replace the fingerprinting computer that is used for all fingerprinting & credentialing of Airport tenants as required by TSA & the Airport's approved security plan. The original machine is obsolete & runs on software that is no longer supported under Microsoft firewall protection.
14	This will allow for project # 1 to be completed in entirety utilizing funds at 80/20 non -AIP funded portion of the project.

Part 3 - Certification

As the Executive Director on behalf of the sponsor, I certify that the information provided above is accurate and complete to the best of my knowledge.



As the Chief Financial Officer on behalf of the sponsor, I certify that the information provided above is accurate and complete to the best of my knowledge.



Commonwealth Airport Fund
Entitlement Utilization Report and Plan

Signature

Gregory W. Campbell

Printed Name

8/7/17

Date

Signature

Lisa N. Butkin

Printed Name

8/7/17

Date

Appendix B: Performance Audit of Commonwealth Airport Funds

**PERFORMANCE AUDIT OF
COMMONWEALTH AIRPORT FUNDS
ADMINISTERED BY THE VIRGINIA DEPARTMENT OF AVIATION
FISCAL YEARS 2014, 2015, AND 2016
REPORT NUMBER 2017-249**

November 9, 2017

COTTON & COMPANY LLP

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EXECUTIVE SUMMARY

Why This Review Was Performed

The Virginia Department of Aviation (DOAV) engaged Cotton & Company LLP (referred to as “we”) to conduct a performance audit of Commonwealth Airport Fund financial resources allocated and used pursuant to Code of Virginia 58.1-638 A.3 for fiscal years (FYs) 2014, 2015, and 2016. The audit was performed to meet the requirements contained in Budget Bill-HB1500 Part F.1. , which states:

By November 1 of each year, the Virginia Aviation Board shall report to the Governor and the General Assembly on the use of Commercial Airport Fund revenues allocated the previous fiscal year....Its first report shall also include the results of an audit of the use of all funds allocated pursuant to § 58.1-638 A. 3., Code of Virginia over the past three years to ensure that all funds have been used in accordance with the policies of the Virginia Aviation Board...

Process

Using the procedures detailed in the Scope, Objectives and Methodology Section of this report (page 27), we tested all entitlement funds available, expenditures for completed projects, and commitments reported on the Entitlement Utilization Reports (EUR) for FYs 2014, 2015, and 2016. We tested all discretionary grant expenditures during the audit period against the supporting Request for State Fund Reimbursement (RSFR) forms and grant agreements on file with DOAV. We performed detailed testing of \$24,690,845 in discretionary grant expenditures exceeding \$50,000, which represented 90 percent of the total population of discretionary grant expenditures. We also selected \$1,927,094 in discretionary grant expenditures less than \$50,000 and tested them against the sponsors’ financial records.

Overall Conclusions

Based on the results of our testing, we found that airport sponsors:

- Two of eight commercial service airports did not accurately report all interest and passenger facility charges (PFCs) earned on entitlement funds, thus understating reported entitlement funds available by \$1,169,490.
- One of eight commercial service airports understated reported entitlement fund expenditures for completed projects by \$7,194,596 and three of eight airports included ineligible entitlement expenditures of \$4,975,563 (this includes \$4,908,087 ineligible expenditures reported by the Peninsula Airport Commission (PAC) which had been previously identified in a Virginia Department of Transportation (VDOT) audit and/or in DOAV’s review of the sponsor’s EURs).

- One of eight commercial airports overstated reported entitlement fund commitments by \$1,879,943.
- One of 31 airports tested reported an ineligible discretionary grant expenditure of \$8,150 and another airport was under-reimbursed by \$3,550 due to a DOAV administrative error.
- Claimed engineering fees for construction services that were compensated on a cost-plus-percentage-of-cost basis, which is prohibited by Virginia procurement regulations.
- Claimed engineering fees for construction administration and resident inspection services compensated on a contract basis that was incorrectly identified as cost plus fixed fee.

Overall Recommendations

We recommend that DOAV:

- Require sponsors to submit revised Entitlement Utilization Reports (EURs) to accurately report state entitlement funds available, eligible entitlement expenditures for completed projects, and eligible commitments.
- Revise the Airport Program Manual (APM) to include guidance on calculating interest earned on entitlement funds and additional guidance on project eligibility.
- Enhance its EUR review process to include: 1) an analysis of PFCs reported on each EUR with the sponsors' quarterly Federal Aviation Administration (FAA) reports; and 2) a comparison of each EUR with the sponsor's EUR for the previous year, to follow up on anomalies or inconsistencies in reported amounts.
- Revise the EUR form and instructions to clarify the reporting of amounts obligated for ongoing projects.
- Recover amounts reimbursed for ineligible costs on discretionary grants and reimburse grantees for amounts incorrectly withheld.
- Require sponsors to determine whether the profit in claimed multiplier fees exceeded the amount of profit negotiated in each engineering agreement and to remit the state's share of any overpaid amounts to DOAV.
- Provide training to DOAV staff and guidance to sponsors regarding the prohibition on cost-plus-percentage-of-cost contracts.
- Provide guidance to sponsors on the differences between a cost-plus-fixed-fee (CPFF) contract and a unit-price-plus-fixed-fee (UPFF) contract to ensure that the type of each engineering contract is correctly identified and invoiced properly.

BACKGROUND

The Commonwealth Airport Fund (CAF) receives its revenue as part of the Commonwealth Transportation Board's annual allocation to the Virginia Aviation Board (VAB). The Code of Virginia specifies that CAF shall allocate its resources to airports based on airports' service roles as identified in the Virginia Transportation System Plan. CAF provides both state entitlement and discretionary funds for use under the Airport Capital Program, which funds planning and engineering projects that focus on airport facility development. State entitlement funds can also be used for projects eligible under the Facilities and Equipment and Maintenance programs although those programs are otherwise funded by the Aviation Special Fund.

In accordance with the Code of Virginia, §58.1-638 A.3, state entitlement funds are allocated annually from the CAF to sponsors of airports that have scheduled air carrier service. Sponsors are entities that are legally and financially able to assume and carry out the certifications, representations, and assurances required by the accepted master and grant agreements with VAB and Virginia Department of Aviation (DOAV). Typically, the sponsor is the airport owner. The VAB is responsible for establishing financial assistance programs and allocating funds for capital improvement projects, as well as setting policies to guide the funding programs. DOAV provides financial and technical assistance to airport sponsors for planning, developing, promoting, constructing, and operating airports. DOAV also administers applicable provisions of the Code of Virginia.

The entitlement allocations are based on each airport's enplanements as a percentage of all Virginia air carrier airport enplanements during the previous calendar year. In accordance with §58.1-638 A.3.a., no air carrier airport shall receive less than \$50,000 or more than \$2 million in state entitlement funds per fiscal year. If the airport does not expend all of its state entitlement funds by the end of each year, the remaining funds are available for use in the following fiscal year. To qualify for state discretionary funding, eligible air carrier airport sponsors must submit an Entitlement Utilization Report (EUR) for VAB approval each year. These reports provide an annual accounting of the airport's entitlement funds available for use, expended on completed projects, and committed for ongoing or future projects. The sponsor determines how the airport will expend state entitlement funds. DOAV has developed, and VAB has approved, an Airport Program Manual (APM) that provides sponsors with information and guidance regarding project eligibility, state participation rates, and the funding process.

VAB allocates discretionary funding to air carrier, reliever, and general aviation airports airports four times during each fiscal year. Air Carrier airport sponsors that fail to submit their annual EUR will not be eligible for discretionary funding. To receive a discretionary grant, airport sponsors must submit a project request to DOAV. DOAV then reviews and prioritizes each request and makes recommendations to VAB. If VAB approves the project, the sponsor must submit a state grant application to DOAV, which will then prepare a grant offer. The grant agreement enters into effect once the sponsor has completed the acceptance portion of the grant offer. To receive reimbursement for expended amounts, the sponsor must submit a signed and dated Request for State Fund Reimbursement (RSFR) form to DOAV, along with any supporting documentation. DOAV reviews the reimbursement form and supporting documentation for cost eligibility and completeness, then approves the form and processes payment.

Discretionary projects are either federally funded or state-funded. Federally funded projects receive funding from federal, state, and local governments. State-funded projects only receive funding from state and local governments. For most federally funded projects, DOAV and the sponsor both fund a share of any eligible costs not covered by the federal funding. DOAV's share is generally 80 percent of the non-federal share. For state-funded projects, DOAV's participation percentage depends on the type of project and the applicable state funding program.

VAB intends for air carrier sponsors to fully obligate their state entitlement funds before receiving any state discretionary funding. State entitlement funds include unexpended state entitlement funds from prior years, interest earned on state entitlement funds, and passenger facility charges (PFCs) used to reimburse state entitlement fund accounts.

Before receiving funding, each airport must sign the Commonwealth of Virginia's *Master Agreement on Terms and Conditions for Accepting State Aviation Funding Resources* (master agreement), which states that the sponsor agrees to comply with provisions of the Code of Virginia, Virginia Aviation Regulations, and the APM. An executed master agreement must be on file with DOAV before the airport sponsor may receive a grant or allocation. The master agreement is incorporated by reference in each discretionary grant offer.

DOAV expenditure records show that the state disbursed entitlement funds of \$38,226,540 and discretionary funds of \$27,333,021 from July 1, 2013, to June 30, 2016. The sponsors' EURs for FYs 2014 through 2016 confirm that the airports received entitlement funds of \$38,226,540. The EURs also indicate that the airports received a total of \$217,750 in interest earned on entitlement funds, disbursed \$9,237,281 in PFCs to reimburse entitlement funds, and incurred \$39,388,095 in entitlement expenditures for projects completed.

This performance audit was designed to meet the objectives identified in the Objectives, Scope, and Methodology section of this report (see Appendix) and was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS), issued by the Government Accountability Office (GAO). This report communicates the results of our audit and the related findings and recommendations to DOAV.

AUDIT RESULTS

Based on the results of our testing, we identified seven findings, discussed in detail below. The effects of these findings on entitlement fund reporting and discretionary grant expenditures are summarized in Schedules A-1 through A-8 and Exhibit B.

Finding No. 1, Sponsors Did Not Accurately Report Interest Earned and PFCs Used

Entitlement funds available for expenditure and commitment (Section I) were understated on several EURs because sponsors did not accurately report interest earned on entitlement funds, as well as passenger facility charges (PFCs) used to reimburse state entitlement funds. Entitlement funds available are reported on the EUR as the sum of unexpended funds available for commitment from prior year, entitlement funds received, interest earned on entitlement funds,

and PFC funds used to reimbursement entitlement funds. Entitlement funds available are a vital factor in VAB's funding decision if and when an air carrier sponsor applies for a discretionary fund allocation. VAB requires air carrier sponsors to fully obligate their state entitlement funds before they may receive discretionary fund awards.

The APM does not require that entitlement funds be deposited in interest-bearing accounts, but APM Section 3.1.1.3 does require air carrier sponsors to include interest earned on entitlement funds when reporting entitlement funds available on their EURs. Neither the APM nor the EUR instructions address how sponsors should calculate interest earned when the entitlement funds are not maintained in a separate bank account.

PFCs are passenger fees charged by the sponsor and collected and remitted by the air carriers. Sponsors apply to the FAA for authority to collect PFCs for specific approved projects. The sponsors then submit quarterly reports to FAA detailing their PFC disbursements by project. APM Section 3.1.1.3 states that if a sponsor uses state entitlement funds for a project and later receives PFCs for the project, the sponsor must credit its state entitlement balance with the amount reimbursed by the PFCs.

To assess the completeness and accuracy of reported unexpended entitlement funds available, we agreed all earned interest amounts to bank statements and/or sponsors' calculations of interest allocable to state entitlement funds. We compared all PFCs reported each year with the PFCs included in the sponsors' quarterly FAA reports and followed up with sponsors to assess whether their EURs had reported all PFCs used to reimburse state entitlement funds. We identified \$108,936 in earned interest and \$1,060,554 in PFCs that sponsors did not properly report during the audit period, as follows:

- Norfolk Airport Authority (Norfolk) reduced interest reported on its FY 2014 EUR by an \$89,278 loss on sales and maturities of investments. However, the APM's definition of entitlement funds available does not provide for the recognition of investment gains and losses, only interest earned.
- According to Norfolk's FY 2015 bank statement, the account in which the entitlement funds were deposited earned \$46,354 in interest; however, Norfolk's FY 2015 EUR inadvertently reported \$43,354 in interest earned, or a difference of \$3,000.
- Roanoke Regional Airport Commission (Roanoke) did not maintain a separate bank account for state entitlement funds; as a result, it calculated the allocable amount of interest earned on state entitlement funds when compiling its EUR. Based on these calculations, Roanoke reported \$49,257 in interest earned for FYs 2014 through 2016. However, we noted that Roanoke's calculations of interest earned on entitlement funds were inconsistent from year to year and did not account for all entitlement fund activity. The sponsor attributed these issues to changeover in personnel and lack of DOAV direction with regard to the interest calculation method. Specifically, Roanoke:
 - Calculated its FY 2014 interest by applying the average interest rate earned on investments to the calculated balance of entitlement funds available at year-end.

- Calculated its FY 2015 interest by applying the average interest rate earned on investments to the beginning balance of unexpended funds plus entitlement funds received.
- Calculated its FY 2016 interest by applying the average interest rate earned on investments to the quotient of the beginning balance of unexpended funds plus entitlement funds received divided by two.

Based on the limited information available, we recalculated an average entitlement fund balance for each year based on the quotient of the unexpended fund balance at the beginning of the year (July 1) and the unexpended fund balance at the end of the year (June 30) divided by two. We then applied the average interest rate earned on investments to this balance for each year to arrive at estimated interest earnings of \$65,915 for the three-year period. We therefore estimate that Roanoke's EURs understated interest earned by a total of \$16,658 (\$65,915 less the \$49,257 reported).

- Norfolk's FY 2016 EUR did not report \$120,956 in PFCs disbursed for the airfield signage rehabilitation project, nor did it report \$914,472 disbursed for the renovation of Concourses A and B. The PFC application that Norfolk submitted to FAA indicated that Norfolk would use these amounts to reimburse state entitlement funds; however, the sponsor inadvertently omitted these PFCs from its EUR.
- Roanoke analyzes its quarterly PFC reports to identify the PFCs that must be reported in its EUR. The sponsor's analysis indicates that Roanoke's FY 2015 EUR inadvertently omitted \$25,126 in PFCs disbursed to reimburse state entitlement funds for the demolition of Building No. 7 as part of a general aviation development project.

Based on the findings above, we concluded that entitlement funds available at the end of the audit period were understated by \$1,127,706 on Norfolk's FY 2016 EUR and by \$41,784 on Roanoke's FY 2016 EUR. Because neither sponsor applied for or received discretionary grants during the audit period, there was no impact on discretionary grant funding as a result of these understatements.

Recommendations

We recommend that DOAV:

1. Require Norfolk and Roanoke to submit revised EURs for FYs 2014, 2015, and 2016 to properly report interest earnings and PFCs used to reimburse state entitlement funds and to correct the carryover balances of state entitlement funds available.
2. Revise the APM to include guidance to assist sponsors in developing a proper methodology for calculating interest earned on entitlement funds that are not maintained in separate interest-bearing accounts.
3. Implement a process to compare PFCs reported on each EUR with the sponsor's quarterly FAA reports for the period and follow up with the sponsor on any differences identified to assess whether the sponsor did not report any PFCs used to reimburse state entitlement funded projects.

DOAV Management Response

DOAV concurred with the audit recommendations. DOAV stated that:

- Norfolk has revised its EUR. DOAV will request Roanoke to revise its EURs by January 1, 2018.
- DOAV will revise the APM to address earned interest on entitlement funds and PFC reporting.

Finding No. 2, Sponsors Did Not Properly Report All Project Expenditures and Reported Ineligible Expenditures

We identified unreported entitlement expenditures of \$7,194,569 and ineligible expenditures of \$4,975,563 on the EURs submitted by four sponsors. The EUR instructions require that sponsors' EURs include total entitlement expenditures for projects that have been completed during the fiscal year. As such, if a project is large and ongoing, the entitlement funds expended on the project during the fiscal year may not be reported as an expenditure until a subsequent year. Instead, the EUR reports the estimated total state entitlement share for ongoing projects in the "commitments for ongoing projects" section.

The APM establishes guidance for eligible use of state entitlement funds. Section 3.1.1.3.2 states:

Certain projects not listed or generally described in this manual have been determined to be outside of normal project expenditures. If the sponsor of an air carrier airport uses state entitlement funds for such a project, the state's share of the project cost will be counted against new requests for state discretionary funding. DOAV will maintain an accounting of project activity outside of normal project expenditures. When a sponsor for an air carrier airport requests state discretionary spending, the balance in the accounting will be deducted from the state's share of the requested project. Projects will be retained in the accounting until they are deducted from a state discretionary project request or they have been on record for six fiscal years, at which time the projects will be removed from the accounting.

Projects that are considered outside of normal project expenditures include, but are not limited to:

- *aviation promotion projects*
- *air service development projects*
- *landside passenger shuttles*
- *recurring operational costs*
- *airport personnel salaries and benefits*

We identified unreported expenditures and ineligible expenditures as follows:

1. Norfolk's FY 2015 EUR did not report expenditures for the following completed projects that had previously been reported as ongoing projects:
 - \$6,575,586 to install a skylight in the departures terminal.

- \$618,983 for Concourse Bravo checkpoint expansion.

Norfolk had reported these amounts as commitments for ongoing projects on its FY 2014 EUR, but had inadvertently omitted the expenditures from its FY 2015 EUR when the projects closed. As a result, Norfolk understated expenditures for completed projects by \$7,194,569 and overstated unexpended funds available for commitment by the same amount.

2. Peninsula Airport Commission's (PAC's) FY 2015 EUR included \$4,908,087 for three projects that were outside of normal project entitlement expenditures and/or were revenue-producing. Specifically, PAC reported:
 - \$3,510,642 for an air service development project. This payment related to a defaulted loan that PAC had guaranteed for an airline. According to APM Section 3.1.1.3.2, such expenditures are costs outside of normal expenditures and are therefore ineligible.
 - \$1,367,364 for installing an escalator and stairs leading to a revenue-producing parking garage as part of its Concourse B renovation project. According to APM Section 6.1, revenue-producing projects are not eligible for state entitlement funding.
 - \$30,081 for operational costs related to developing rules and regulations. Operational expenditures are costs outside of normal expenditures and are therefore ineligible in accordance with APM Section 3.1.1.3.2.

VDOT performed a review of PAC's use of entitlement funds for the loan guarantee and issued a June 2017 report recommending that PAC reimburse the Commonwealth for the unauthorized expenditures of public funds. DOAV informed us that the Virginia Secretary of Transportation is requiring that PAC reimburse itself for the loan guarantee payment before it may receive its full allocation of state entitlement funds over the next several years.

DOAV identified all of the projects listed above (as well as a ground-handling equipment project reported in the sponsor's FY 2017 EUR) as ineligible in a letter to the sponsor dated September 6, 2017. The letter documented DOAV's understanding that PAC would not remove these project expenditures from its FY 2015 EUR because PAC had no other sources of funding; however, as a result, PAC would not be eligible to receive state discretionary funding up to \$1,587,222 for the following six fiscal years in accordance with APM Section 3.1.1.3.2. DOAV based this amount on the ineligible Concourse B, rules and regulations, and ground-handling equipment projects; the amount does not include the funding for the air service development project, which was handled separately. PAC's Director of Finance and Administration stated that PAC is preparing a response and possible appeal to DOAV regarding the EUR issues.

3. Roanoke's FY 2015 EUR reported an entitlement expenditure of \$61,720 for snow removal de-icing chemicals. Roanoke's EUR described this expenditure as "snow removal runway de-icer." In its review of the EUR, DOAV may have construed the

expenditure as snow removal equipment, which is eligible for entitlement funding. However, the chemical expenditures are recurring maintenance costs and are therefore ineligible for state entitlement funding per APM Section 9-1.

4. Lynchburg Regional Airport's FY 2015 EUR reported \$5,756 in entitlement expenditures for the following cleaning equipment:
 - \$2,720 for CIMEX X-46 Escalator Cleaner Equipment
 - \$3,036 for Advance SC1500 Stand On Floor Cleaner/Polisher

DOAV approved the expenditures for this equipment as eligible but did not provide criteria for this determination. DOAV representatives stated that "the APM does not address every eligible/ineligible item so DOAV staff sometimes make a coordinated decision on eligibility." However, APM Section 9.1 states that recurring maintenance and janitorial service costs are ineligible for state entitlement funding, and the APM does not include cleaning equipment in its examples of equipment that is eligible for state funding.

Recommendations

We recommend that DOAV:

1. Work with the sponsors to obtain revised FY 2015 EURs that only include eligible entitlement expenditures for completed projects.
2. Implement a process to compare each EUR with the EUR for the previous year and to follow up on anomalies or inconsistencies in reported project expenditures and commitments.
3. Consider whether the APM should be revised to include more comprehensive guidance on the eligibility of various types of equipment.

DOAV Management Response

DOAV concurred with the audit recommendations. DOAV stated that audit recommendation No. 2 will be addressed in the revision of the APM for VAB approval in February 2018.

Finding No. 3, Sponsor Overstated Commitments for Ongoing and Future Projects

Section IV of Charlottesville Ablemarle Airport Authority's (Charlottesville) FY 2014 EUR reported \$1,113,038 in commitments for three projects that Charlottesville subsequently did not include in its FYs 2015 and 2016 EURs because it had identified higher-priority projects. In accordance with EUR instructions, sponsors report commitments to show how they are using or intend to use entitlement funds. Prior to FY 2015, sponsors were required to report commitments for both ongoing and future projects in Section IV of the EUR. However, starting in FY 2015, the EUR format was revised to segregate commitments for ongoing projects (Section IV) from those for future projects (Section V). The three projects reported as commitments for ongoing

and future projects in Section IV of Charlottesville's FY 2014 EUR but removed from subsequent EURs included:

- Commuter Ramps: \$200,000
- Inbound Baggage Belt: \$400,000
- Escalator Replacements for Gates 1A and 5: \$513,038

In November 2014, VAB approved total funding of \$4,027,500 for Charlottesville's air carrier terminal building renovation and expansion project. Based on its consideration of entitlement funds available as reported on Charlottesville's FY 2014 EUR, VAB allocated this funding as \$1,172,205 in entitlement funds and \$2,855,295 in discretionary funds. However, if Charlottesville had not reported the three discontinued projects as committed on the FY 2014 EUR, additional entitlement funding of \$1,113,038 would have been considered available for the terminal building renovation project, and VAB would have allocated \$1,113,038 less in discretionary funding. APM Section 3.1.1.3 requires that air carrier airport sponsors fully obligate state entitlement funds before they may receive state discretionary fund allocations.

The FY 2015 EUR revision segregating commitments between ongoing and future projects addresses this issue to some extent. The revised EUR instructions state that Section V should detail all projects that the sponsor intends to fund with state entitlement funds but for which the sponsor has not yet financially obligated itself through a contract or purchase order. Had these instructions been in effect for FY 2014, it is likely that Charlottesville would have recorded the \$1,113,038 in Section V as commitments for future projects, and VAB would have considered the entitlement funding unobligated and thus available. However, using the term "commitment" with respect to ongoing projects may be confusing and misleading, especially because, as cited above, APM Section 3.1.1.3 refers to obligated funds and does not use the term commitments.

Recommendation

We recommend that DOAV consider revising the EUR form and instructions for Section IV to clarify that sponsors should report amounts obligated for ongoing projects, rather than using the term "commitments."

DOAV Management Response

DOAV stated that this issue was fixed in 2015 by separating ongoing and future funding. In 2017, as a result of legislation passed by the General Assembly, a section has been added to the EUR that requires sponsors to list planned projects and provide a narrative. DOAV believes that this issue has been addressed with the change in reporting required by legislation.

Finding No. 4, Sponsor Included Ineligible Commitments for Ongoing Projects

PAC's FY 2016 EUR included \$2,048,098 for a consolidated security checkpoint, to be completed in FY 2017. PAC's consolidated checkpoint funding plan, provided during the audit, shows that it intends to use a total of \$2,248,098 in state funding for this project, \$766,905 of which relates to ineligible costs. As stated previously, APM 3.1.1.3.2 limits the availability of subsequent discretionary funding when sponsors use state entitlement funds for ineligible

projects. PAC's planned use of entitlement funds for ineligible costs will therefore reduce the amount of discretionary funding that PAC is eligible to receive for the following six years by the amount of entitlement funds used. PAC's Director of Finance and Administration initially stated that PAC would use the state entitlement funds because it had no other funding available to complete the project; however, in a later e-mail, the Director of Finance and Administration stated that it is too early to determine whether PAC will need to use state entitlement funds for ineligible costs because the funding plan was based on an eligibility percentage that was lower than the percentage the state has since accepted, FAA is reviewing the project (which is now scheduled to be completed in 2018) for additional funding, and PAC has not yet charged all eligible PFCs against the project.

Recommendation

We recommend that DOAV work with PAC to ensure that PAC does not use state entitlement funds for ineligible expenditures.

DOAV Management Response

DOAV completed an on-site survey of the project on October 17, 2017, to determine an appropriate state funding percentage.

Finding No. 5, Sponsors Reported Ineligible Discretionary Grant Expenditures

We tested a total of \$24,690,844 in expenditures that 31 airport sponsors reported under 76 discretionary fund grants and identified ineligible expenditures of \$4,600, as follows:

- Culpeper Airport claimed \$20,375 in construction and project inspection costs incurred prior to the November 12, 2014, execution date for Grant No. CS0010-25. APM Section 6.6.3 states that work of this nature completed prior to the execution of the grant agreement is not eligible for reimbursement. DOAV's review of the RSFR did not identify and exclude the state share of these ineligible costs from the amount reimbursed. The state participation rate for Grant No. CS0010-25 was 40 percent; we therefore questioned \$8,150 as ineligible (\$20,375 multiplied by 40 percent).
- Charlottesville submitted its final request for reimbursement under Grant No. CS0004-38 to DOAV in FY 2015. DOAV identified \$17,749 in ineligible costs and therefore reduced its payment by that amount. However, the grant's state participation rate was only 80 percent; DOAV therefore should have reduced the payment by \$14,199 (\$17,749 multiplied by 80 percent). As a result, DOAV underpaid the airport sponsor by \$3,550.

Recommendations

We recommend that DOAV:

1. Recover \$8,150 from Culpeper Airport for ineligible costs reimbursed on Grant No. CS0010-25.

2. Reimburse Charlottesville \$3,550 for the amount that DOAV erroneously withheld from the final payment for Grant No. CS0004-38.

DOAV Management Response

DOAV concurred with the audit recommendations. DOAV stated that it will recover the overpayment from Culpeper County Airport and reimburse Charlottesville Ablemarle Airport for the underpayment by January 1, 2018.

Finding No. 6, Sponsors Billed Engineering Fees on an Unallowable Cost-Plus-Percentage-of-Cost Basis

Two sponsors claimed construction engineering fees billed on an unallowable cost-plus-percentage-of-cost basis. Virginia Public Procurement Act Section 2.2.-4331, *Contract pricing arrangements*, states, “Except in case of emergency affecting the public health, safety, or welfare, no public contract shall be awarded on the basis of cost plus a percentage of cost.” FAA Federal Advisory Circular AC150/5100-14E also prohibits this method of contracting. As such, multiplier agreements are prohibited on both state and federal-funded projects. We identified the following claimed multiplier fees:

- Leesburg Airport claimed \$123,638 in construction engineering fees billed on a cost-plus-percentage-of-cost basis on Grant No. CF0027-37. The June 28, 2013, work order for these services describes the fee type as “cost plus.” The supporting schedules show that the engineering firm calculated its total estimated fees by estimating the hours for each task and multiplying those hours by the employees’ hourly labor rates, then multiplying the resulting amount by the overhead rate (at the engineering firm’s corporate Federal Acquisition Regulation (FAR) rate for the year ended December 2011) and adding a 15 percent fee. The schedules show that the engineering firm calculated a multiplier of 3.41 for labor costs based on the overhead and fee rates. The engineering firm then applied this multiplier to the labor costs in its invoices for construction phase services, thus billing on a cost-plus-percentage-of-cost basis. Of the \$123,638 claimed that had been billed on this basis, DOAV reimbursed \$9,891 under the state’s 8 percent participation rate.
- The same engineering firm provided construction management services to Manassas Airport for a hangar site development project funded by Grant No. CS0030-20. The work orders issued for these services have conflicting information on the compensation basis – the signed work order states that the compensation is “Cost Plus Max” while the accompanying fee schedules describe the fee basis as “per diem”. The work order schedule of fees details labor, overhead and fee included in the hourly rate for each labor classification, and summarizes the calculation of a multiplier. The engineering firm’s invoices bill a summary amount for each labor classification labeled “multiplier labor”. The hourly rates billed do not agree to the per diem rates agreed to in the work order. Sponsor representatives stated that their intent was to obtain these services on a per diem basis as the signed work orders outline, however, the engineering firm’s invoices indicate that fees billed were based on a multiplier. Of the \$53,981 billed on this basis, Manassas claimed \$12,113 on RSFRs reimbursed during our audit period. DOAV reimbursed \$9,690 under the state’s 80 percent participation rate.

Recommendations

We recommend that DOAV:

1. Require the Leesburg and Manassas Airports to determine whether the amount of profit included in the claimed multiplier fees exceeded the amount of profit negotiated in each engineering agreement. Require the airports to remit to DOAV the state's share of any billed amounts exceeding the negotiated profit.
2. Provide training to DOAV staff and guidance to airport sponsors regarding the prohibition on cost-plus-percentage-of-cost contracts.

DOAV Management Response

DOAV stated that it is instituting standardized A/E forms to report fee cost estimates and for reimbursements.

Finding No. 7, Engineering Contracts Were Incorrectly Identified as Cost-Plus-Fixed-Fee Contracts

We noted that sponsors had awarded 49 contracts with 7 different engineering firms for construction administration and/or resident inspection services billed on a labor-rate-per-hour-plus-fixed-fee basis. We determined that the airports billed \$7,992,230 in fees under this contracting structure during the audit period, of which the state reimbursed \$1,951,061. Of these contracts, 27 were described as either cost-plus-fixed-fee (CPFF) or cost-plus, and 22 were described as unit price-plus-fixed-fee (UPFF). We reviewed the agreements and related invoices for these services and noted that in each case, the engineering firms billed fixed hourly rates per labor category that included labor costs plus overhead. The engineering firms also provided separate billings for reimbursable expenses and a fixed fee. Accordingly, all of the contracts identified as CPFF were actually UPFF because the fees billed based on the hourly labor rates did not represent actual costs as defined in FAR 31.201-1, *Composition of total cost*.

The general conditions to DOAV's master agreement with each sponsor require that all professional services be procured in accordance with the Virginia Public Procurement Act and/or the appropriate federal procurement regulations as specified in FAA's *Master Agreement on Terms and Conditions of Accepting Airport Improvement Program Grants* and the *AIP Handbook for Procurement and Contract Requirements* (the AIP Handbook). The AIP Handbook incorporates FAA Advisory Circular 150/5100-14E, *Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects* (the Circular). Table 4-1 of the Circular details the allowable contracting types, which include CPFF, fixed-lump-sum, and specific rates of compensation (SRC). The table also states that costs must be consistent with 48 Code of Federal Regulations (CFR) Part 31 (the FAR). We noted that UPFF contracts are not a recognized contracting type per the FAA guidance.

We discussed the UPFF contract fee structure with DOAV and the interim director of Division of Purchase and Supply, Virginia Department of General Services, and found that they considered these agreements to be in accordance with industry practice and allowable per Virginia

procurement regulations. FAA’s Manager of the Washington Airports District Office stated, “FAA does not have policy or guidance that specifically address the UPFF method of contracting. Although the CPFF is the more common payment method for construction inspection services, a sponsor is not limited or restricted from using variations of contracting methods provided the total cost remains reasonable in amount.” FAA also noted, “It is acceptable for a Sponsor and engineering firm to negotiate fixed unit rates provided the sponsor establishes through negotiation that the contract rates closely represent the average labor related costs incurred by the engineering firm for a given discipline and the unit prices are reasonable in amount.”

Based on these discussions, we concluded that the UPFF agreements generally comply with FAA guidance. However, these agreements should not be referred to as “CPFF” because those agreements require that invoiced amounts be based on actual costs in accordance with FAR Part 31. Lack of awareness and understanding with regard to the regulations and requirements pertaining to each method of contracting could result in overbillings and/or contract overruns.

Recommendations

We recommend that DOAV provide guidance to sponsors and to its staff regarding the differences between a CPFF contract and a UPFF contract to ensure that engineering contracts are correctly identified and invoiced properly.

DOAV Management Response

DOAV stated that it will continue to monitor airport sponsor procurement practices to ensure the rules, regulations and guidelines are followed. DOAV will adopt the UPFF terminology.

COTTON & COMPANY LLP



Michael W. Gillespie, CPA, CFE
Partner

EXHIBITS

**Performance Audit of Commonwealth Airport Funds
FYs 2014, 2015, and 2016
Summary of State Entitlement Fund Payments to Air Carrier Sponsors**

Airport Sponsor	FY 2014	FY 2015	FY 2016	Total	Schedule
Capital Region Airport Commission	\$2,000,000	\$2,000,000	\$2,000,000	\$6,000,000	A-1
Charlottesville Albemarle Airport Authority	1,523,982	1,322,205	2,000,000	4,846,187	A-2
Lynchburg City Comptroller	529,163	445,866	2,000,000	2,975,030	A-3
Metropolitan Washington Airports Authority	2,000,000	2,000,000	2,000,000	6,000,000	A-4
Norfolk Airport Authority	2,000,000	2,000,000	2,000,000	6,000,000	A-5
Peninsula Airport Commission	2,000,000	1,512,857	2,000,000	5,512,857	A-6
Roanoke Regional Airport Commission	2,000,000	1,778,394	2,000,000	5,778,394	A-7
Shenandoah Valley Airport Commission	100,542	113,079	900,454	1,114,074	A-8
Total per Year	<u>\$12,153,687</u>	<u>\$11,172,400</u>	<u>\$14,900,454</u>	<u>\$38,226,540</u>	

**Capital Region Airport Commission
Summary of Entitlement Utilization Reports**

	FY 2014	FY 2015	FY 2016	Total Receipts and Expenditures
I. Entitlement Funds Available for Expenditure and Commitment				
Unexpended Funds Available for Commitment at July 1	\$4,554,086	\$6,521,000	\$6,186,072	
Entitlement Funds Received	2,000,000	2,000,000	2,000,000	\$6,000,000
Interest Earned	3,356	4,172	11,832	19,361
II. Passenger Facility Charge (PFC) Funds Used to Reimburse Entitlement Funds	\$0	\$0	\$0	
Total Funds Available	\$6,557,442	\$8,525,172	\$8,197,904	
III. Entitlement Expenditures for Projects Completed	\$36,443	\$2,339,100	\$2,162,826	\$4,538,369
Unexpended Funds Available for Commitment	\$6,520,999	\$6,186,072	\$6,035,078	
IV. Commitments for Ongoing/ Future Projects	\$6,523,072	\$6,187,298	\$5,936,402	
V. Commitments for Future Projects	\$0	\$0	\$0	
Funds Available at June 30	<u>\$(2,072)</u>	<u>\$(1,227)</u>	<u>\$98,676</u>	

**Charlottesville-Ablemarle Airport Authority
Summary of Entitlement Utilization Reports**

	FY 2014	FY 2015	FY 2016	Total Receipts and Expenditures
I. Entitlement Funds Available for Expenditure and Commitment				
Unexpended Funds Available for Commitment at July 1	\$2,639,413	\$4,630,253	\$2,917,717	
Entitlement Funds Received	1,523,982	1,322,205	2,000,000	\$4,846,187
Interest Earned	1,589	3,234	6,830	11,653
II. Passenger Facility Charge (PFC) Funds Used to Reimburse Entitlement Funds	\$913,800	\$0	\$2,337,860	\$3,251,659
Total Funds Available	\$5,078,783	\$5,955,692	\$7,262,407	
III. Entitlement Expenditures for Projects Completed	\$448,531	\$3,037,974	\$109,200	\$3,595,705
Unexpended Funds Available for Commitment	\$4,630,253	\$2,917,717	\$7,153,207	
IV. Commitments for Ongoing/ Future Projects	\$4,630,253	\$1,401,255	\$3,481,747	
V. Commitments for Future Projects	\$0	\$1,516,462	\$3,671,460	
Funds Available at June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	

**Lynchburg City Comptroller
Summary of Entitlement Utilization Reports**

	FY 2014	FY 2015	FY 2016	Total Receipts and Expenditures	Questioned Costs	Note
I. Entitlement Funds Available for Expenditure and Commitment						
Unexpended Funds Available for Commitment at July 1	\$1,808,536	\$2,349,211	\$1,582,607			
Entitlement Funds Received	529,163	445,866	2,000,000	\$2,975,030		
Interest Earned	552	567	3,109	4,228		
II. Passenger Facility Charge (PFC) Funds Used to Reimburse Entitlement Funds	\$341,417	\$320,000	\$317,500	\$978,917		
Total Funds Available	\$2,679,668	\$3,115,645	\$3,903,216			
III. Entitlement Expenditures for Projects Completed	\$330,457	\$1,533,038	\$230,244	\$2,093,739	\$5,756	1
Unexpended Funds Available for Commitment	\$2,349,211	\$1,582,607	\$3,672,972			
IV. Commitments for Ongoing/Future Projects	\$1,740,040	\$820,040	\$2,343,966			
V. Commitments for Future Projects	\$0	\$747,824	\$400,000			
Funds Available at June 30	<u>\$609,171</u>	<u>\$14,743</u>	<u>\$929,006</u>			

Notes:

1. These costs relate to equipment for cleaning escalators and floors that the sponsor reported on its FY 2015 EUR. As explained in Finding No. 2, recurring maintenance and janitorial service costs are ineligible per APM Section 9.1.1.

**Metropolitan Washington Airports Authority
Summary of Entitlement Utilization Reports**

	FY 2014	FY 2015	FY 2016	Total Receipts and Expenditures
I. Entitlement Funds Available for Expenditure and Commitment				
Unexpended Funds Available for Commitment at July 1	\$0	\$0	\$0	
Entitlement Funds Received	2,000,000	2,000,000	2,000,000	\$6,000,000
Interest Earned	0	0	0	
II. Passenger Facility Charge (PFC) Funds Used to Reimburse Entitlement Funds				
	\$0	\$0	\$0	
Total Funds Available	\$2,000,000	\$2,000,000	\$2,000,000	
III. Entitlement Expenditures for Projects Completed				
	\$2,000,000	\$2,000,000	\$2,000,000	\$6,000,000
Unexpended Funds Available for Commitment	\$0	\$0	\$0	
IV. Commitments for Ongoing/Future Projects				
	\$0	\$0	\$0	
V. Commitments for Future Projects				
	\$0	\$0	\$0	
Funds Available at June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	

Norfolk Airport Authority
Summary of Entitlement Utilization Reports

	FY 2014	FY 2015	FY 2016	Total Receipts and Expenditures	Questioned Costs	Notes
I. Entitlement Funds Available for Expenditure and Commitment						
Unexpended Funds Available for Commitment at July 1	\$15,877,461	\$16,477,278	\$18,727,298			
Entitlement Funds Received	2,000,000	2,000,000	2,000,000	\$6,000,000		
Interest Earned	8,929	43,354	72,833	125,117	\$(92,278)	1
II. Passenger Facility Charge (PFC) Funds Used to Reimburse Entitlement Funds	\$1,432,711	\$0	\$0	\$1,432,711	\$(1,035,428)	2
III. Airport Revenues Used to Reimburse Projects						
Parking Garage Site Design and Development	\$727,608	\$623,665	\$623,665	\$1,974,939		
Total Funds Available	\$20,046,709	\$19,144,298	\$21,423,797			
IV. Entitlement Expenditures for Projects Completed	\$3,569,431	\$417,000	\$525,539	\$4,511,970	\$(7,194,569)	3
Unexpended Funds Available for Commitment	\$16,477,278	\$18,727,298	\$20,898,258			
V. Commitments for Ongoing/Future Projects	\$18,366,431	\$18,618,000	\$11,670,872			
VI. Commitments for Future Projects	\$0	\$5,587,500	\$1,243,741			
Funds Available at June 30	<u>\$(1,889,153)</u>	<u>\$(5,478,202)</u>	<u>\$7,983,644</u>			

Notes:

- As explained in Finding No. 1, Norfolk reduced FY 2014 interest by an \$89,278 loss on investments, which is not in accordance with the APM. In addition, Norfolk erroneously understated FY 2015 interest earned by \$3,000.
- As explained in Finding No. 1, Norfolk did not report \$1,035,428 in FY 2016 PFC disbursements that were to be used to reimburse state entitlement funds.
- As explained in Finding No. 2, Norfolk's FY 2015 EUR inadvertently omitted \$7,194,569 in entitlement expenditures for completed projects. The EUR should have reported a total of \$7,611,569 in entitlement expenditures in FY 2015.

**Peninsula Airport Commission
Summary of Entitlement Utilization Reports**

	FY 2014	FY 2015	FY 2016	Total Receipts and Expenditures	Questioned Costs	Note
I. Entitlement Funds Available for Expenditure and Commitment						
Unexpended Funds Available for Commitment at July 1	\$6,675,312	\$8,253,299	\$1,197,976			
Entitlement Funds Received	2,000,000	1,512,857	2,000,000	\$5,512,857		
Interest Earned	1,919	5,370	0	7,289		
II. Passenger Facility Charge (PFC) Funds Used to Reimburse Entitlement Funds	\$0	\$930,234	\$0	\$930,234		
Total Funds Available	\$8,677,231	\$10,701,761	\$3,197,976			
III. Entitlement Expenditures for Projects Completed	\$423,932	\$9,503,785	\$163,687	\$10,091,403	\$4,908,087	1
Unexpended Funds Available for Commitment	\$8,253,299	\$1,197,976	\$3,034,289			
IV. Commitments for Ongoing/Future Projects	\$8,020,233	\$497,319	\$2,549,499			
V. Commitments for Future Projects	\$0	\$2,207,616	\$1,252,244			
Funds Available at June 30	<u>\$233,066</u>	<u>\$(1,506,959)</u>	<u>\$(767,454)</u>			

Notes:

- As explained in Finding No. 2, PAC reported the following ineligible entitlement expenditures in FY 2015: \$3,510,642 for payment of an airline's defaulted loan, \$1,367,364 for an escalator and stairs leading to a revenue-producing parking garage, and \$30,081 for operational costs related to developing rules and regulations.

**Roanoke Regional Airport Commission
Summary of Entitlement Utilization Reports**

	FY 2014	FY 2015	FY 2016	Total Receipts and Expenditures	Questioned Costs	Notes
I. Entitlement Funds Available for Expenditure and Commitment						
Unexpended Funds Available for Commitment at July 1	\$8,734,588	\$6,197,440	\$6,780,397			
Entitlement Funds Received	2,000,000	1,778,394	2,000,000	\$5,778,394		
Interest Earned	13,300	18,396	17,561	49,257	\$(16,658)	1
II. Passenger Facility Charge (PFC) Funds Used to Reimburse Entitlement Funds	\$819,007	\$872,085	\$922,415	\$2,613,507	\$(25,126)	2
Total Funds Available	\$11,566,895	\$8,866,315	\$9,720,373			
III. Entitlement Expenditures for Projects Completed	\$5,369,455	\$2,085,918	\$936,593	\$8,391,966	\$61,720	3
Unexpended Funds Available for Commitment	\$6,197,440	\$6,780,397	\$8,783,780			
IV. Commitments for Ongoing/Future Projects	\$5,759,000	\$3,254,303	\$1,722,177			
V. Commitments for Future Projects	\$0	\$1,250,967	\$961,900			
Funds Available at June 30	<u>\$438,440</u>	<u>\$2,275,127</u>	<u>\$6,099,702</u>			

Notes:

1. As explained in Finding No. 1, the sponsor's interest calculations were inconsistent and incomplete. As a result, the airport understated interest earnings by an estimated \$16,658 for FYs 2014 through 2016.
2. As explained in Finding No. 1, the sponsor's FY 2015 EUR inadvertently omitted \$25,126 in PFCs used to reimburse state entitlement funds.
3. As explained in Finding No. 2, the sponsor's FY 2015 EUR reported \$61,720 in expenditures for snow removal de-icing chemicals. According to APM Section 9.1, recurring maintenance costs are ineligible for state entitlement funding.

**Shenandoah Valley Airport Commission
Summary of Entitlement Utilization Reports**

	FY 2014	FY 2015	FY 2016	Total Receipts and Expenditures
I. Entitlement Funds Available for Expenditure and Commitment				
Unexpended Funds Available for Commitment at July 1	\$149,225	\$145,411	\$238,261	
Entitlement Funds Received	100,542	113,079	900,454	\$1,114,074
Interest Earned	54	171	620	845
II. Passenger Facility Charge (PFC) Funds Used to Reimburse Entitlement Funds	\$29,827	\$0	\$426	\$30,252
Total Funds Available	\$279,648	\$258,661	\$1,139,759	
III. Entitlement Expenditures for Projects Completed	\$134,237	\$20,400	\$10,308	\$164,945
Unexpended Funds Available for Commitment	\$145,411	\$238,261	\$1,129,451	
IV. Commitments for Ongoing/Future Projects	\$113,498	\$73,126	\$291,929	
Subtotal Commitments for Ongoing and/or Future Projects	\$0	\$115,641	\$0	
Funds Available at June 30	<u>\$31,913</u>	<u>\$49,493</u>	<u>\$837,523</u>	

Performance Audit of Commonwealth Airport Funds
FYs 2014, 2015, and 2016
Summary of Discretionary Grant Expenditures

Airport Sponsor	Expenditures	Questioned Costs	Notes
Accomack County Treasurer	\$107,071		
Bath County Airport Authority	89,813		
Bath County Airport Authority	101,229		
Blackstone Town	22,464		
Blue Ridge Airport Authority	128,339		
Bridgewater Air Park	14,881		
Brookneal-Campbell County A/P Authority	48,029		
Capital Region Airport Commission	7,639,033		
Charlottesville Albemarle Airport Authority	5,344,553	\$(3,550)	1
Chesapeake Airport Authority	238,831		
Chesterfield County	21,282		
Culpeper County Treasurer	820,000	<u>8,150</u>	2
Cumberland Airport Commission	50,339		
Danville City Treasurer	1,099,959		
Dinwiddie Airport & Industrial Authority	4,863		
Emporia-Greenville Airport Commission	304,717		
Falwell Aviation	15,781		
Farmville Town Treasurer	33,030		
Fauquier County Treasurer	245,542		
Franklin City Treasurer	107,903		
Frederick County Treasurer	473,616		
Halifax County Treasurer	32,570		
Hampton Roads Airport	1,350,450		
Hanover County Treasurer	88,491		
Industrial Dev Authority - Louisa County	99,166		
Lake Country Airport Commission	316,891		
Leesburg Town Director of Finance	421,353		
Luray - Page Airport Commission	267,753		
Manassas City Treasurer	1,050,873		
Mecklenburg-Brunswick Regional A/P	40,053		
Middle Peninsula Regional Airport Authority	451,556		
Middlesex County Treasurer	17,152		
Mile High Charters LLC	29,600		
New Kent County Treasurer	114,303		
New River Valley Airport Commission	85,364		
Orange County Treasurer	386,141		
Shenandoah Valley Regional Airport	104,253		
Smyth Wythe Airport Commission	110,537		
Stafford Regional Airport Authority	1,595,447		
Suffolk City Treasurer	612,006		
Tangier Town Treasurer	40,816		
Tappahannock Essex Airport Authority	163,325		
Tazewell County Airport Authority	263,756		
Twin County Airport Commission	718,225		
Virginia Highlands Airport Commission	1,060,887		
Virginia Tech/Montgomery Regional	330,111		
Wakefield Town Treasurer	527,911		

Airport Sponsor	Expenditures	Questioned Costs	Notes
Warren County Treasurer	38,960		
Williamsburg-Jamestown Airport Inc.	103,799		
Total	<u>\$27,333,021</u>	<u>\$4,600</u>	

Notes:

1. As explained in Finding No. 5, DOAV underpaid Charlottesville \$3,550 on Charlottesville’s final request for reimbursement under Grant No. CS0004-38.
2. As explained in Finding No. 5, the airport incurred these costs prior to the grant execution date; as such, the costs are ineligible per APM Section 6.6.3.

SCOPE, OBJECTIVES AND METHODOLOGY

The objective of the audit was to determine whether the airports used all CAF financial resources in accordance with VAB policies and all funding restrictions.

The scope of the audit included:

- Funds available, expenditures for completed projects, and commitments reported on the sponsors' EURs for FYs 2014, 2015, and 2016. We have summarized the amounts reported on each airport's EURs in Schedules A1 through A8.
- CAF discretionary grant expenditures to all airports for FYs 2014, 2015, and 2016. We have summarized each airport's discretionary grant expenditures in Exhibit B.

We conducted this performance audit in accordance with GAGAS, which requires us to obtain reasonable assurance that the evidence provided is sufficient and appropriate to support the auditors' findings and conclusions in relation to the audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We performed the following audit procedures:

1. Obtained and reviewed relevant policies, procedures, and guidance.
2. Conducted a planning meeting with DOAV personnel.
3. Obtained DOAV expenditure reports for FYs 2014, 2015, and 2016. Identified and summarized entitlement and discretionary expenditures by airport and grant (if applicable).
4. Obtained the airports' EURs for FYs 2014, 2015, and 2016. Prepared schedules of reported entitlement funding activity by airport for the audit period and identified anomalies or inconsistencies for follow-up during onsite testing.
5. Traced each discretionary grant expenditure to the RSFR form in DOAV's grant files. Verified that the airports properly calculated each expended amount based on reported eligible costs at the state participation rate recorded in the grant agreement.
6. Performed site visits to all air carrier airports. Obtained an understanding of each airport's process for preparing the sponsor's annual EUR.
7. Tested each EUR as follows:
 - Verified that the beginning unexpended balance agreed to the previous year's ending unexpended balance.
 - Verified that reported entitlement funds received agreed to DOAV's records.
 - Tied interest earned on state entitlement funds to supporting documentation. Assessed the reasonableness and completeness of reported amounts.

- Tied PFC funds to supporting records. Compared PFC amounts reported each year to quarterly FAA PFC disbursement reports. Assessed the completeness of amounts reported and followed up with the sponsor regarding any differences.
 - Tied completed project expenditure amounts reported to supporting documentation. Verified that the expenditure was an eligible use of state entitlement funds per the APM and that the state participation rate did not exceed the maximum state participation rate for the project type per Appendix F of the APM.
 - Physically inspected all significant projects for which the airport reported expenditures during the audit period. Verified that the airport performed the project in accordance with the reported scope of work.
 - Assessed the reasonableness of reported commitments by tying amounts to subsequent-year expenditures and/or reviewing supporting documentation.
 - Verified that the EUR was certified by a responsible sponsor representative.
8. For air carrier airports that also received discretionary funds during the audit period, verified that the sponsor had fully obligated its state entitlement funds for the year before receiving state discretionary funding.
9. Selected all discretionary grants with expenditures exceeding \$50,000 during the audit period and performed site visit testing to supporting documentation. For each of these grants, we:
- Verified that the project scope was eligible per the APM.
 - Verified that the proposed project was shown on an airport layout plan approved by DOAV, if applicable.
 - Verified that the airport had a current six-year Airport Capital Improvement Plan (ACIP).
 - Selected the largest grant project and verified that the sponsor's procurement process complied with APM requirements.
 - Tied amounts requested for reimbursement to supporting cost documentation and the sponsor's financial records. Verified that the state percentage rate was consistent with the grant and that it did not exceed the maximum state participation rate for the general project type and/or program per the APM.
 - Verified that DOAV disbursed the correct amount and that the expended amount did not exceed the grant ceiling.
 - Verified that any costs incurred before the grant execution date met the exception criteria per the APM.
 - Physically inspected the funded projects. Verified that the sponsor had performed the project in accordance with the approved scope of work.
 - Identified all grants with expenditures less than \$50,000. For each of these grants, tied amounts requested for reimbursement to the sponsor's financial records.

Assessed whether there was any indication that the expenditures were for ineligible project costs.

Using the procedures detailed above, we tested all entitlement funds available, expenditures for completed projects, and commitments reported on the EURs for FYs 2014, 2015, and 2016. We tested all discretionary grant expenditures during the audit period against the supporting RSFR forms and grant agreements on file with DOAV. We performed detailed testing of \$24,690,845 in discretionary grant expenditures exceeding \$50,000, which represented 90 percent of the total population of discretionary grant expenditures. We also selected \$1,927,094 in discretionary grant expenditures less than \$50,000 and tested them against the sponsors' financial records.