



FULTON COUNTY, GEORGIA
OFFICE OF THE COUNTY AUDITOR
FULTON COUNTY EXECUTIVE AIRPORT AUDIT
July 2, 2025

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INTRODUCTION

In accordance with the 2024 approved Audit Plan, the Office of the County Auditor has conducted an audit of Fulton County's Executive Airport. The Fulton County Executive Airport at Brown Field (FTY) is managed by the Public Works department, in conjunction with the Department of Real Estate and Asset Management (DREAM) department.

BACKGROUND

The Fulton County Executive Airport at Brown Field (FTY) is a general aviation airport serving metropolitan Atlanta's premier corporate clients. The airport was formerly known as Charlie Brown Field and was updated to the Fulton County Executive Airport in 2019, to reflect its identity as the preferred airport for corporate aviation. FTY is the third-busiest airport in Metro Atlanta and one of only two airports in the area with a 24/7 control tower. The airport plays a vital role in supporting the region with 1,230 jobs, with an annual payroll of \$75.2 million and \$198.6 million in economic output for the local and regional economies. The airport also benefits the community by relieving congestion from the major international airport by offering an alternate airfield for use by general aviation aircraft.

The Fulton County Executive Airport includes 985 acres, with an air traffic control tower and fire station (the fire station is in the build-out phase and is scheduled to be completed later this year). There are currently two fixed-based operators (FBOs), Hill Aircraft and Signature Flight Support, that provide services for pilots, aircraft, and passengers, such as ground servicing, aircraft fueling, and maintenance. The FTY has approximately 79,000 annual operations (take-off or landing), as well as 164 daily operations. Compliance with the Federal Aviation Administration (FAA) and the Georgia Department of Transportation (GDOT) rules and regulations must be adhered to. The FAA categorizes FTY as a Nonprimary General Aviation – Reliever Airport, meaning that it relieves congestion from nearby Hartsfield-Jackson Atlanta International Airport (ATL) by offering an alternative airfield for use by general aviation aircraft.

The Fulton County Public Works Department (the department) is responsible for the daily operations and monitoring of the Fulton County Executive Airport, also known as Brown Field. This includes daily maintenance, capital Improvements, and budgeting of the airport. The Airport staff ensures compliance with state and federal regulations. The Department of Real Estate and Asset Management (DREAM) is responsible for the maintenance of county facilities and grounds, as well as maintenance and repair services for the County vehicle fleet. DREAM is also responsible for asset management, in addition to acquiring, leasing, managing, and disposing of County property.

OBJECTIVE

The objective of the audit was to assess the operations and processes of the airport and determine whether internal controls are operating efficiently and effectively.

SCOPE

The scope of the audit was from January 1, 2023 – December 31, 2023.

METHODOLOGY

We conducted this audit in accordance with *Generally Accepted Government Auditing Standards* (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

To achieve our audit objectives, we evaluated the airport's operations and processes, which included a review of the effectiveness of internal controls. We performed the following procedures:

- Conducted interviews with key airport and DREAM employees
- Requested policies and procedures
- Obtained organizational chart
- Reviewed the Airport Master Plan
- Reviewed airport revenues and expenses
- Obtained Leasing Rules and Regulations for Fulton County Executive Airport
- Obtained and reviewed tenant lease agreements
- Obtained Rent Roll forward

Additionally, the County Audit Department conducted an on-site walkthrough of the airport, interviewed key staff within the department to establish processes and procedures related to the administration and oversight of airport operations. We also performed procedures to determine whether adequate procedures are in place and are being followed, proper monitoring of airport tenants, timely lease and fuel payments, and compliance with DOT and FAA regulations.

We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our findings and recommendations are detailed below:

FINDINGS AND RECOMMENDATIONS

Finding 1 - Lack of Standard Operating Procedures

Standard Operating Procedures (SOPs) are vital in ensuring efficiency, quality, and uniformity of performance and compliance with regulations. These written policies and procedures aid in decreasing instances of miscommunication and serve as a vital resource in training new personnel. Departmental SOPs must be current, complete, and effectively implemented within the department to achieve the desired impact. At a minimum, SOPs should include the five elements below:

Purpose: The SOP should define the purpose of the work and clearly outline its objectives.

Procedures: An SOP defines tasks and provides guidelines on how tasks should be completed. Procedures will include all the necessary steps an employee must take in an easily understood format.

Scope: The scope defines the use and applicability of the SOP.

Responsibilities: The SOP should outline who performs the tasks, who to contact if problems arise, and who to contact for additional management approval.

Accountability Measures: SOPs are intended to improve accountability. Outlining the responsibilities of each person within an organization ensures accountability for assigned projects.

During our audit, we requested SOPs, or any form of written procedures governing the administration of the airport. We were advised that the airport had no SOPs or written policies to manage airport operations. The department explained that the lack of SOPs is due to the airport being a sub-department of the Department of Public Works, that is not yet fully staffed. It was further explained that the dissemination of operational information is done through the onboarding process, in the field, during recurring training, staff meetings, or via email. The lack of SOPs may hinder departmental performance and productivity, cause miscommunication, and increase errors.

Recommendation

We recommend that management develop departmental SOPs to reflect the daily operations and efficient administration of the airport. Airport staff should be made aware of these SOPs when implemented and trained accordingly. Management should also ensure staff are informed of the significance of adhering to the processes and procedures within the SOPs.

Finding 2 – Inadequate Oversight and Monitoring of Airport Tenants

According to the Leasing Rules and Regulations for Fulton County Executive Airport (“Leasing Rules and Regulations”), section 10-140 (Monitoring and Compliance), “The Airport Manager, with the assistance of DREAM, shall be responsible for follow up and enforcement of the contractual requirements outlined in the Airport lease agreements. The Airport Manager is responsible for implementing, monitoring, and compliance strategies to ensure the following: Annual and periodic tenant site visits and inspections.” As a result of the audit, we determined that the department lacked a consistent and systematic process for monitoring tenant compliance with lease terms and obligations. The Public Works Department informed us that the previous Airport Manager conducted inspections periodically. However, no inspection reports or supporting documentation were provided. This deficiency is due to the lack of formal standard operating procedures related to the oversight of tenants. Additionally, insufficient staffing may be responsible for the inability to properly monitor airport tenants. Failure to properly monitor tenants may increase the risk of financial loss, property damage, legal liability, and non-compliance with federal regulations.

Recommendation

We recommend that the Public Works Department, with the assistance of DREAM, implement an integrated tenant management system, to include routine inspections, documentation protocols, and contract enforcement. Additionally, an efficient tracking system should be implemented to ensure timely follow-up and centralized tracking of all tenant-related monitoring activities. Airport staff should be properly trained on the proper documentation and lease enforcement practices in accordance with FAA guidelines.

Finding 3 – Lack of Hanger Inspection Policy

As recommended by the FAA, airports should formally adopt a hangar inspection policy that clearly outlines acceptable and non-permissible uses of all airport and non-airport-owned hangars, in accordance with federal requirements. It should also include provisions that address general safety, fire safety, and hangar maintenance. During the audit, we were informed that

there was no hangar inspection policy. The absence of this policy may be attributed to the lack of clearly defined roles and responsibilities and a lack of resources. Failure to outline airport hangar policies may expose the airport to safety risks, a lack of airport control, unapproved non-aeronautical use of hangars, and non-compliance with rules and regulations.

Recommendation

We recommend that the Public Works Department adopt a formal hangar inspection policy to ensure required inspections are performed, airport facilities are used for aeronautical purposes, and to ensure compliance with FAA rules and regulations.

Finding 4 – Current Tenant Lease Agreements Not on File

The Leasing Rules and Regulations, section 10-140 (Ground Lease Agreements) states the “Airport Manager is responsible for the maintenance of contract documents and correspondence.” Best practices also recommend that airport operators maintain complete and up-to-date lease files for all tenants. Additionally, all tenant lease agreements should be readily available upon request. The Airport Manager, with support from DREAM, is responsible for enforcing lease terms and implementing strategies to ensure compliance, including developing a lease management system and maintaining documentation as noted in the Leasing Rules and Regulations. Per discussion with the Airport staff, the Airport had fifteen (15) tenants leasing directly with the County in 2023. A review of lease records revealed that only twelve (12) leases were provided. The lack of efficient communication between the Public Works Department and DREAM resulted in inadequate record-keeping. We were informed by DREAM that they are in the process of digitizing the lease agreements, as some leases are more than 10 years old. Failure to maintain lease documents and implement an effective lease management system may expose the County to risk, including difficulty enforcing lease terms, non-collection of rent, hindering dispute resolutions with tenants, and non-compliance with State and Federal regulations.

Recommendation

We recommend that both the Public Works Department and DREAM implement a centralized system for tracking and maintaining lease agreements accessible to both departments. After the lease is created by DREAM, we suggest that Public Works be responsible for the management of the leases. Additionally, we recommend that an efficient process be put in place to ensure documentation is up to date with any lease modifications and assignments.

Finding 5 – Missed Revenue Opportunity- FBO Aircraft Parking

The Leasing Rules and Regulations for the airport were established to ensure the maximization of airport revenue and the airport's self-sustainability. During the walkthrough of the airport, management informed us that the FBOs are allowed to utilize the unused portion of runway #1432 to park client aircrafts during large events. The use of this runway is at no additional cost to the FBOs. Furthermore, no revenue is generated for the County for the use of this space. This space is used during large events, concerts, and sporting events. The use of this runway is a result of inadequate governance. Specifically, there is a lack of clearly defined policies, procedures, and oversight mechanisms regulating the use of airport land. Underutilizing airport land to generate revenue from parking and other approved uses results in decreased revenue for the airport, may hinder future development, and may impact the long-term self-sustainability of the airport.

Recommendation

We recommend that the Public Works Department begin discussions surrounding the fee structure for the use of the runway and explore other avenues to identify and maximize potential revenue streams for the Airport.

Finding 6 – Lack of Verification of Fuel Flowage Fees

According to the GDOT Hangar Best Practice Guide, "Airports benefit from the opportunity to increase their revenue streams and support financial self-sustainability through the sale of fuel." Based upon the lease agreement for most FTY tenants, the lessee shall pay the County the sum of 3 cents to 10 cents per gallon of fuel, purchased by and delivered to the Lessee, referred to as the "Fuel Flowage Fee." These fees are due to be paid to the County on a monthly basis. There are currently no procedures to verify the accuracy of the fuel flowage fees paid by the tenant. Per discussion with airport staff, the tenant submits a report stating the amount of fuel received, multiplied by the fuel fee specified in the contract, along with the payment. However, no supporting documentation accompanies the fuel report. Failure to verify the accuracy of financial information may increase the risk of errors, underreport revenues, and affect long-term sustainability.

Recommendation

We recommend the Public Works Department implement a formal process to verify the accuracy of fuel flowage fees and require tenants to provide supporting documentation, such as delivery receipts, to support reported fuel volumes.

Finding 7 – Inadequate Record Keeping

As a best practice, proper record keeping is necessary to accomplish accurate, complete, and timely documentation to support transparency and accountability. Per the lease agreements, the lessee is to provide, with each monthly fuel flowage fee, a report on the quantity of fuel purchased by and delivered to the lessee at the airport. The audit revealed that FTY did not maintain sufficient documentation to support the fuel flowage fees paid by the lessee. As a result, we were unable to validate the accuracy of the fuel flow revenue received from the lessor. The lack of recordkeeping appears to stem from a lack of standardized operating procedures, as well as limited oversight and review of record management processes. Inadequate record keeping may contribute to the risk of data loss, inaccurate financial information, and compromise the County's ability to demonstrate compliance with FAA and DOT regulations.

Recommendation

We recommend the Public Works Department implement standard operating procedures around record keeping, ensuring that necessary documentation is maintained to support fuel flowage fee payments, such as a subsidiary ledger, and ensure procedures are aligned with FAA and DOT compliance requirements regarding the collection of fees.

Finding 8 – Absence of Financial Records for Tenant Rent Payments

According to the GDOT Aviation Program financial oversight requirements and standard accounting principles, all rental income must be accurately recorded and supported by appropriate documentation. During the course of our audit, it was determined that airport management has not maintained appropriate financial records documenting the receipt of tenant rent payments according to the lease agreement. As such, there were no ledgers, receipts, bank deposit records, or supporting documentation available to substantiate payments made by check for (2) two different tenants. Furthermore, the department does not have a systematic process to ensure rental payments are received from the tenant each month. A manual receipt book is used to record rental payment checks received from the tenant, although only a few were provided during the audit. As a result, we were unable to verify the rental income received accordingly. The lack of financial records appears to be due to the absence of a formal rent collection and tracking system. Additionally, the tenant rent payment process lacked sufficient internal controls and administrative oversight. The absence of financial records increases the risk of lost or misappropriated funds, uncollected rent, and non-compliance with GDOT and FAA policies. This inefficiency also prevents accurate reporting of revenue and undermines financial transparency.

Recommendation

We recommend that the Public Works Department establish a formal rent collection process that includes issuing receipts, recording payments in a ledger, and reconciling amounts with bank deposits. Additionally, the department should ensure compliance with lease terms by confirming all payments due are collected and properly deposited.

Concern 1 – Fee Structures Not Compatible with Economic Changes

“The Leasing Rules and Regulations are established to maximize airport revenue, to ensure Airport sustainability,” according to section 10-132 of the Leasing Rules and Regulations for the FTY. Furthermore, according to the GDOT Hangar Best Practice Guide, “Airports benefit from the opportunity to increase their revenue streams and support financial sustainability through rental fees and the sale of fuel.” Per review of tenant lease agreements, a “Fuel Flowage Fee” is due to the County, ranging from 3 cents to 10 cents per gallon of fuel delivered to the lessee. The tenant lease agreements range from 10 years to 30 years. As such, the long-term nature of the lease agreements limits the Airport’s ability to make adjustments in response to changes in the economy and rising fuel costs. Thereby, minimizing opportunities to maximize revenue for the County, limiting financial sustainability, and potentially violating FAA compliance requirements related to fair revenue practices.

Recommendation

We recommend the department conduct a full review of fuel flowage fees to ensure maximization of airport revenue. Additionally, existing long-term leases should be reviewed for opportunities to renegotiate both rental rates and fuel flowage fees. As part of this review, we recommend implementing a graduated fuel fee scale to align fees with current market values to promote revenue generation.

Concern 2– Failure to Resolve FAA Inquiry Regarding Nonaeronautical Use of Airport Property Timely

According to FAA regulations, airports must comply with all federal aviation safety, security, and operational standards. On May 23, 2022, the FAA submitted a Letter of Inquiry to the County regarding the nonaeronautical use of federally funded airport property. The inquiry reported that the County may have converted approximately 340-355 acres of the FTY aeronautical land, which was purchased with Airport Improvement Program (AIP) funds, to nonaeronautical use, without requesting the required release of obligations from the FAA Office of Airports, Southern Region (Regional Office). While some information was provided by the department, other information

could not be located. The department responded further on March 31, 2023, refuting some of the allegations, although no efforts were made since that date to ensure the inquiry was resolved or to confirm compliance with FAA concerns. On March 27, 2025, The FAA/DOT followed up with the department to further state that the issue remained unresolved and pertinent documentation was still needed. The department was given a deadline and then granted an extension until May 28, 2025, to provide the information. The department responded by the extended deadline. Failure to take appropriate follow-up actions regarding FAA concerns could result in continued non-compliance with FAA regulations, posing operational and financial risks to the airport.

Recommendation

We recommend that the Public Works Department implement appropriate controls to ensure adequate tracking and timely follow up for all FAA and DOT concerns. Moreover, detailed procedures and proper training on FAA compliance should be implemented for all staff.

Concern 3 – Absence of Late Fee Provisions in Lease Agreements

Best practices in lease administration and financial controls recommend including late fee provisions in lease agreements to encourage timely payment and compensation for administrative costs associated with delays. During our audit, we noted that (11) eleven of the (12) twelve leases received did not contain provisions for late payment fees. As a result, tenants who fail to remit payments on time are not subject to any financial penalties or incentives to pay promptly. The absence of late fee provisions is a result of outdated lease templates, as several leases are greater than 20 years old, a lack of periodic review, and a lack of lease management and review. Without late fee provisions, tenants lack a financial deterrent, which may result in delayed payments, increased administrative costs, and unnecessary disputes.

Recommendation

We recommend DREAM update the lease agreement templates to include clearly defined late fee provisions that are enforceable and aligned with industry norms, such as the late fee amount or percentage, and the grace period. Existing leases should be reviewed upon renewal to incorporate late fee clauses where appropriate.

Concern 4 – Missed Revenue Opportunities: Non-Collection of Late Fees

As a best practice, tenants should be subject to late fees when rent payments are not received by the due date. During our audit, we noted several rent payments that were received after the due date listed in the lease agreement. As noted in the previous concern, there are no provisions

for late fees in the lease agreements; therefore, the Airport does not assess or collect late fees from tenants who fail to make timely rent payments and violate established lease terms. Per discussion with the Public Works Department, there is no system in place to track and monitor lease payments. The absence of enforcement and collection of late fees has resulted in missed revenue for the Airport and is in conflict with FAA guidance.

Recommendation

We recommend the Public Works Department establish and implement a formal process for tracking tenant payments and due dates to assess late fees in accordance with FAA guidance.

CONCLUSION

Based on the audit performed, we identified the following eight (8) findings that require the attention of management:

- Lack of Standard Operating Procedures
- Inadequate Oversight and Monitoring of Airport Tenants
- Lack of Hangar Inspection Policy
- Current Tenant Lease Agreements Not on File
- Missed Revenue Opportunities – FBO Aircraft Parking
- Lack of Verification of Fuel Flowage Fees
- Inadequate Record Keeping
- Absence of Financial Records for Tenant Rent Payments

Additionally, there were four (4) concerns related to Fee Structures Not Compatible with Economic Changes, Absence of Late Fee Provisions in Lease Agreements, Missed Revenue Opportunities: Non-Collection of Late Fees, and Failure to Resolve an FAA Inquiry Timely.

Please provide a written response to this audit within ten (10) business days. Be sure to address the written response to Anthony Nicks, County Auditor. The written response should be submitted through the County Manager's Office and to Shauna Herbert, Audit Manager, in the Office of the County Auditor at shauna.herbert@fultoncountyga.gov. We would like to thank management and staff for their timely cooperation and assistance during this audit. The distribution of this report is reserved for the executive management of Fulton County and the Board of Commissioners.